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## **Abstract**

This study investigated the mediating effect of Human Resource Management (HRM) practices on the relationship between leadership styles and the performance of county referral hospitals in Kenya. Although leadership has long been recognized as a determinant of organizational success, emerging evidence suggests that its influence on performance may be indirect, operating through internal institutional mechanisms such as HRM systems. The study focuses on three leadership styles, transformational, servant, and adaptive and evaluates how they shape HRM practices, which in turn affect key hospital performance indicators including patient outcomes, quality of care, service accessibility, equity, and financial performance. A cross-sectional survey design was employed, targeting 51 county referral hospitals across Kenya, with structured questionnaires administered to 153 respondents in charge of leadership, HR, and finance functions. Data analysis involved a four-step regression-based mediation model using SPSS, supported by diagnostic tests to ensure validity and reliability. The results indicate that HRM practices partially mediate the relationship between leadership styles and hospital performance. Specifically, leadership styles accounted for 63.2% of performance variance when modeled alone, but this increased to 68.3% when HRM practices were introduced as a mediator. Regression analysis confirmed that leadership significantly influences HRM ( $R^2 = 0.524$ ), which in turn significantly predicts hospital performance ( $R^2 = 0.507$ ). The inclusion of HRM practices reduced the direct effect of leadership on performance, validating partial mediation. These findings highlight the importance of

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integrating HRM systems into leadership strategies to achieve optimal performance outcomes in public healthcare institutions. The study recommends institutionalizing responsive HRM frameworks that align with leadership approaches, and strengthening HR practices to fully leverage leadership potential. This research contributes to a deeper understanding of how strategic human resource systems enhance leadership effectiveness and improve public hospital performance in decentralized healthcare environments.

**Keywords:** *Human Resource Management Practices, Leadership Styles, Performance County Referral Hospitals*

## 1.1 Introduction

Human Resource Management (HRM) practices have gained increasing attention as strategic tools for enhancing performance in public sector organizations, particularly in healthcare settings where workforce dynamics critically influence service delivery outcomes (Armstrong & Taylor, 2023; Saks, 2022). In county referral hospitals in Kenya, which operate under decentralized governance, HRM practices are pivotal in ensuring that leadership efforts are translated into improved institutional outcomes. These practices encompass staff recruitment, employee rewards, continuous learning and development, employee relations, and well-being strategies, all of which contribute to a resilient and responsive health workforce (Mwita et al., 2021; Munyoki et al., 2020). However, the extent to which HRM practices mediate the relationship between leadership styles and hospital performance remains inadequately explored, particularly in the Kenyan devolved healthcare framework. Given the complex interplay between leadership behavior and human capital development, a mediating role for HRM practices is both theoretically sound and practically significant (Becker, 1993; Crook et al., 2011).

The link between leadership styles and HRM practices is well documented in organizational theory. Leadership approaches—such as transformational, servant, and adaptive styles—are known to shape workplace culture, influence employee engagement, and set the tone for human resource strategies (Bass & Riggio, 2006; Heifetz, Grashow & Linsky, 2009; Greenleaf, 1970). Transformational leaders, for instance, emphasize staff development and shared vision, creating an enabling environment for skill enhancement and high morale (Alloubani et al., 2021). Servant leaders focus on individual growth and employee well-being, often leading to stronger employee relations and commitment (Neubert et al., 2021). Adaptive leadership supports flexibility and continuous learning, both of which are crucial in dynamic healthcare environments (Ashikali et al., 2021). These leadership styles influence HRM policies directly and indirectly, shaping how hospitals attract, retain, motivate, and develop healthcare workers. As such, HRM practices act as the operational conduit through which leadership intentions are institutionalized, thereby mediating their impact on hospital performance (Oppel et al., 2021; Gupta & Sharma, 2020).

In Kenya, county referral hospitals face persistent HR-related challenges, including high attrition, skills mismatch, and low staff motivation, which directly affect patient outcomes and service quality (Council of Governors, 2021; Ministry of Health, 2021). Despite leadership reforms initiated through health sector decentralization, performance disparities across counties remain

significant, largely due to uneven application of HRM best practices (Kenya Medical Association, 2020). Strategic HRM practices such as competitive recruitment, structured staff training, transparent rewards systems, and supportive workplace environments have been associated with improved organizational outcomes across global health systems (Abubakar et al., 2020; Dubey et al., 2021). However, empirical validation of HRM as a mediating mechanism in the leadership-performance nexus within Kenya's county referral hospitals is still limited. This study addresses this gap by evaluating whether HRM practices significantly mediate the relationship between leadership styles and performance indicators such as patient outcomes, service accessibility, financial health, and equity in healthcare delivery (Kabene et al., 2021; Decramer et al., 2021).

The relevance of this inquiry is reinforced by the current healthcare reform agenda under Kenya's Universal Health Coverage (UHC) framework, which emphasizes improved institutional capacity, staff motivation, and leadership accountability (NHIF, 2021; KIPPRA, 2023). With the ongoing roll-out of the Social Health Insurance Fund (SHIF), there is increased demand for efficient and responsive human resource systems to manage rising patient volumes and expanding service packages (Mbau et al., 2021). Empirical evidence suggests that hospitals with well-integrated HRM practices experience higher staff satisfaction, reduced turnover, and better clinical outcomes—even when resource constraints persist (Pfeffer, 1998; Huselid, 2021). Therefore, identifying the mediating role of HRM practices provides a pathway for aligning leadership development initiatives with institutional performance improvement strategies. This formed the basis for the present investigation into the critical role HRM plays in translating leadership into tangible healthcare outcomes within Kenya's county referral hospitals.

## 1.2 Research Problem

Despite extensive reforms in Kenya's health sector following devolution, the performance of county referral hospitals remains uneven and inconsistent across counties, largely due to ineffective leadership and underutilized human resource management practices (Ministry of Health, 2021; Barasa, Ouma & Okiro, 2020). While leadership is widely acknowledged as a key determinant of organizational performance, emerging evidence suggests that its effect on outcomes is not entirely direct but operates through intermediary organizational processes such as HRM systems (Becker, 1993; Armstrong & Taylor, 2023). In the context of county hospitals, HRM practices—such as targeted recruitment, training, staff motivation, and well-being—are essential to actualize the strategic intentions set by hospital leadership (Dubey et al., 2021; Mwita et al., 2021). However, the fragmented nature of HR systems in many counties, characterized by weak policy implementation and limited investment in staff development, has led to diminished service quality, high turnover, and poor patient outcomes (Council of Governors, 2021; Wakaba et al., 2021). The lack of integration between leadership and HRM functions in county referral hospitals therefore raises the need to understand how leadership outcomes are mediated—or potentially weakened—by the existing HRM practices.

Although global literature affirms that HRM practices mediate the relationship between leadership and performance in various sectors, empirical studies examining this relationship within Kenya's devolved healthcare system remain scarce (Gupta & Sharma, 2020; Huselid, 2021). Most existing studies either focus on leadership styles in isolation or assess HRM practices without considering their positioning as a conduit for leadership effectiveness (Alhassan et al., 2021; Kabene et al., 2021). Moreover, contextual challenges such as health workforce shortages, inconsistent recruitment procedures, and poor staff retention strategies have yet to be robustly analyzed through a mediation framework in the Kenyan healthcare setting (Kenya Medical Association, 2020; Abubakar et al., 2020). As county hospitals grapple with increasing demand and limited resources, understanding whether—and how—HRM practices amplify or dilute the effects of leadership on hospital performance becomes critical for informing targeted reforms. This study addresses this specific research gap by investigating the mediating effect of HRM practices on the relationship between leadership styles and performance, with a focus on the operational realities of county referral hospitals in Kenya.

### 1.3 Research Objective

To examine the mediating effect of human resource management practices on relationship between leadership styles and performance of county referral hospitals in Kenya.

### 1.4 Research Hypothesis

**H<sub>0</sub>:** There is no significant mediating effect of human resource management practices on relationship between leadership styles and performance of county referral hospitals in Kenya.

## 2.1 Theoretical Review

### 2.1.1 Human Capital Theory

Human Capital Theory was originally developed by economists Theodore Schultz (1961) and Gary Becker (1964). The theory posits that investments in human resources, particularly through education, training, and healthcare, increase the productivity and economic value of individuals and organizations. In the context of human resource management practices, this theory proposes that organizations can enhance their performance by strategically investing in their employees' skills, knowledge, and overall well-being (Becker, 1993). The core proposition is that human capital is a critical asset that can be developed and leveraged to create sustainable competitive advantage and improve organizational outcomes.

One of the primary strengths of Human Capital Theory is its empirical support across various industries and cultures, demonstrating a positive correlation between human capital investments and organizational performance (Crook et al., 2011). The theory provides a strong rationale for organizations to prioritize employee development and well-being. However, critics argue that the theory may oversimplify the complex nature of human behavior and motivation in the workplace. Some researchers contend that it fails to adequately account for social and cultural factors that



influence human capital development and utilization (Lin & Edvinsson, 2011). Additionally, measuring the return on investment in human capital can be challenging, leading to potential undervaluation of human resource development initiatives (Tan, 2020).

The Human Capital Theory is highly relevant to this study on the performance of county referral hospitals in Kenya. In the healthcare sector, where the quality and safety of service delivery is heavily dependent on the skills and knowledge of healthcare professionals, the theory provides a framework for understanding how investments in human resource management practices can impact hospital performance. It underscores the importance of strategic HR management practices such as strategic recruitment, staff development, reward systems, employees relations and wellbeing in improving healthcare outcomes.

## 2.2 Empirical Review

Leadership styles have a profound influence on the internal functioning of healthcare organizations and can indirectly affect organizational performance by shaping human resource management (HRM) practices. Transformational, servant, and adaptive leadership styles are particularly relevant in healthcare settings due to their emphasis on team engagement, innovation, and emotional intelligence (Bass & Riggio, 2006; Heifetz, Grashow & Linsky, 2009; Greenleaf, 1970). Transformational leaders create a compelling vision and foster intrinsic motivation among employees, thereby promoting a culture of continuous learning and performance excellence (Alloubani et al., 2021; Udin, 2024). Servant leaders, by focusing on employee development and well-being, enhance staff satisfaction and reduce turnover—key precursors of improved patient outcomes (Neubert et al., 2021; Hoang, Tran & Dinh, 2024). Adaptive leaders respond proactively to uncertainty and institutional complexity, cultivating flexibility in HRM systems and increasing resilience in healthcare teams (Ashikali et al., 2021; Haryanto & Sutawijaya, 2024). These styles, while distinct, influence how HR policies are interpreted, implemented, and sustained, ultimately shaping the capacity of public hospitals to meet performance benchmarks.

The HRM function serves as the operational bridge between leadership vision and organizational outcomes. Effective HRM practices—such as structured recruitment, performance-based rewards, learning and development programs, and mechanisms for staff well-being—are associated with higher institutional performance, especially in health systems grappling with limited resources (Dubey et al., 2021; Kabene et al., 2021). Leaders who invest in strategic HRM tend to witness stronger staff alignment with institutional goals and enhanced patient satisfaction (Decramer et al., 2021; Saks, 2022). Research conducted in healthcare settings in Nigeria, India, and South Africa has shown that HRM systems that are well-aligned with leadership intent yield significant improvements in employee morale, service delivery quality, and health outcomes (Abubakar et al., 2020; Oppel et al., 2021; Burger & Christian, 2020). These findings suggest that leadership styles alone are insufficient drivers of performance; their success is conditional on the presence of strong, responsive HRM systems capable of implementing leadership directives effectively.

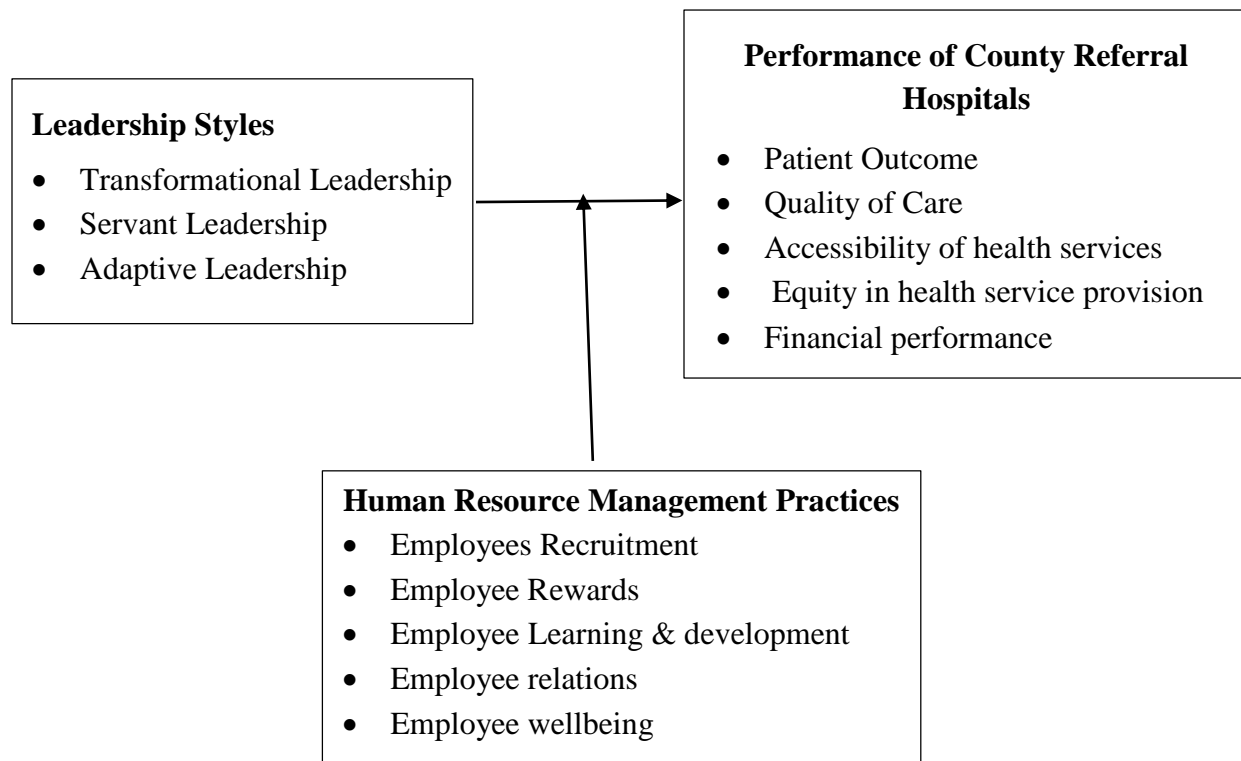
Empirical studies increasingly support the hypothesis that HRM practices mediate the relationship between leadership styles and organizational performance. A study by Huselid (2021) showed that leadership commitment to HRM reform was a critical success factor in hospital performance improvement programs, highlighting how leadership intent must pass through HR systems to materialize into improved outcomes. Similarly, Gupta and Sharma (2020) demonstrated in their work on adaptive HRM systems that the flexibility and responsiveness of HR practices amplify the positive effects of transformational and adaptive leadership on organizational agility and efficiency. Pfeffer (1998) argued that without robust HR systems, even the most progressive leadership styles will have a limited effect on workforce behavior and institutional productivity. In Kenya, Munyoki et al. (2020) found that employee relations and recruitment practices played a significant role in mediating the leadership–performance link within county hospitals. This stream of literature emphasizes that HRM acts as both an enabler and a moderator, depending on how well it reflects leadership values and goals.

Within the healthcare sector, particularly in public hospitals, the interplay between leadership styles and HRM practices is even more pronounced due to the high emotional labor, frequent resource shortages, and regulatory pressures these institutions face. West et al. (2021) observed that hospitals led by transformational and servant leaders were more likely to implement HRM strategies that prioritized staff retention and continuous training, which directly correlated with higher patient care quality. Bhatti et al. (2021) supported this view by linking HRM maturity models to leadership empowerment, suggesting that as leaders delegate and support HR functions, these systems gain credibility and effectiveness. Additionally, Olatoye et al. (2024) highlighted that the quality of HRM execution was a better predictor of hospital performance than leadership style alone, underscoring the mediating role played by HR structures. In the Kenyan context, health workforce shortages and attrition remain persistent, further heightening the need for effective HRM systems that can absorb leadership vision and translate it into practice (Council of Governors, 2021; Ministry of Health, 2021).

Ultimately, the synergistic relationship between leadership and HRM practices forms the foundation for sustainable performance in healthcare organizations. Studies by Rowold & Heinitz (2007) and Van Knippenberg & Sitkin (2013) caution that leadership effectiveness must not be evaluated in isolation but in the context of organizational systems and staff capacities. In healthcare institutions, where service quality, patient outcomes, and access are closely tied to human resource adequacy and motivation, the absence of coherent HRM policies can negate the gains made through leadership development (Kruk et al., 2021; Owili et al., 2021). This reinforces the conceptual argument that HRM is not a peripheral administrative function but a strategic mechanism through which leadership vision is executed and sustained (Becker, 1993; Armstrong & Taylor, 2023). Therefore, assessing the mediating effect of HRM practices is critical not only for understanding performance variance in Kenya’s county referral hospitals but also for informing broader institutional reforms in human capital governance.

### 2.3 Conceptual Framework

Figure 1 presents the conceptual framework illustrating the mediating effect of Human Resource Management (HRM) practices on the relationship between leadership styles and the performance of county referral hospitals in Kenya. Leadership styles—comprising transformational, servant, and adaptive leadership—are expected to influence key HRM practices, including employee recruitment, rewards, learning and development, employee relations, and well-being. These HRM practices, in turn, shape the performance of hospitals, measured through patient outcomes, quality of care, service accessibility, equity in service provision, and financial performance. The framework proposes that HRM practices serve as the pathway through which leadership styles translate into improved hospital performance.



**Figure 1: Conceptual Framework**

### 3.1 Research Methodology

This study adopted a cross-sectional survey research design to examine the mediating effect of Human Resource Management (HRM) practices on the relationship between leadership styles and the performance of county referral hospitals in Kenya. A quantitative approach was used, targeting 51 county referral hospitals as the unit of analysis, with data collected from 153 key respondents responsible for leadership, HRM, and finance functions within these hospitals. Structured questionnaires were administered to gather data on transformational, servant, and adaptive leadership styles; HRM practices such as recruitment, rewards, learning and development,



employee relations, and well-being; and hospital performance indicators including patient outcomes, quality of care, accessibility, equity, and financial results. The study applied a regression-based mediation analysis using SPSS to test the hypothesized relationship.

#### 4.1 Results and Findings

The study administered questionnaires to 153 key respondents in county referral hospitals across Kenya. Consistent with methodological guidelines for pilot studies, an additional and separate sample of 15 respondents (10% of the research population) was utilized exclusively for pilot testing purposes and was not incorporated into the main data analysis, thereby preserving the integrity of the full sample size of 153 respondents for the primary investigation. The results of the response rate are presented in Table 1.

**Table 1: Response Rate**

| Category   | Administered Questionnaires | Response Rate |
|------------|-----------------------------|---------------|
| Returned   | 138                         | 90.2%         |
| Unreturned | 15                          | 9.8%          |
| Total      | 153                         | 100%          |

Out of 153 questionnaires administered, 138 were successfully completed and returned, achieving a 90.2% response rate. According to Mugenda and Mugenda (2003) and Kothari (2004), a response rate above 50% is adequate for cross sectional studies, while Babbie (2004) considers return rates above 70% very good. Therefore, this study's 90.2% response rate provides an excellent foundation for data analysis and enhances the credibility and generalizability of the research findings

#### 4.2 Hypothesis Testing

To examine the mediating role of human resource management (HRM) practices in the relationship between leadership styles and the performance of county referral hospitals, a four-step regression-based mediation approach was applied. This procedure allows for the assessment of whether HRM practices serve as an explanatory mechanism through which leadership styles affect hospital performance. The goal of this approach was to test whether HRM practices significantly mediate the relationship between leadership and performance. The results from these four regression models are summarized in Table 1.

**Table 1: Model Summary for Mediation Pathway**

| Model Predictors |                                       | R     | R Square | Adjusted R <sup>2</sup> | Std. Error |
|------------------|---------------------------------------|-------|----------|-------------------------|------------|
| 1                | Leadership Styles → Performance       | 0.795 | 0.632    | 0.629                   | 0.43256    |
| 2                | Leadership Styles → HRM Practices     | 0.724 | 0.524    | 0.521                   | 0.46873    |
| 3                | HRM Practices → Performance           | 0.712 | 0.507    | 0.504                   | 0.47214    |
| 4                | Leadership Styles + HRM → Performance | 0.826 | 0.683    | 0.679                   | 0.41325    |

The results shown in Table 1 support the presence of a mediating effect. In Model 1, leadership styles alone accounted for 63.2% of the variation in performance of county referral hospitals ( $R^2 = 0.632$ ), indicating a strong direct relationship between leadership styles and hospital performance. This means that differences in leadership styles explain over half of the observed differences in performance. In Model 2, leadership styles significantly predicted HRM practices, accounting for 52.4% of the variation in HRM practices ( $R^2 = 0.524$ ). This suggests that variations in HRM practices can largely be attributed to the leadership approaches adopted in the hospitals. In Model 3, HRM practices alone explained 50.7% of the variation in performance ( $R^2 = 0.507$ ), reinforcing the idea that HRM practices are themselves a strong predictor of hospital performance. Finally, in Model 4, when both leadership styles and HRM practices were included as predictors, the  $R^2$  increased to 0.683, meaning that 68.3% of the variation in hospital performance was explained jointly by leadership styles and HRM practices. The increase in explanatory power from Model 1 ( $R^2 = 0.632$ ) to Model 4 ( $R^2 = 0.683$ ) shows that the addition of HRM practices improves the model, confirming a partial mediating effect.

To determine the overall significance of each regression model in the mediation pathway, an analysis of variance (ANOVA) was conducted. The ANOVA results, summarized in Table 2, assess whether the regression models provide a better fit to the data than would be expected by chance.

**Table 2: ANOVA for Mediation Pathway**

| Model | Source     | Sum of Squares | df  | Mean Square | F      | Sig. |
|-------|------------|----------------|-----|-------------|--------|------|
| 1     | Regression | 98.327         | 1   | 98.327      | 242.29 | .000 |
|       | Residual   | 55.673         | 137 | 0.406       |        |      |
| 2     | Regression | 80.696         | 1   | 80.696      | 150.83 | .000 |
|       | Residual   | 73.304         | 137 | 0.535       |        |      |
| 3     | Regression | 78.078         | 1   | 78.078      | 140.91 | .000 |
|       | Residual   | 75.922         | 137 | 0.554       |        |      |
| 4     | Regression | 105.182        | 2   | 52.591      | 146.53 | .000 |
|       | Residual   | 48.818         | 136 | 0.359       |        |      |

As shown in Table 2, all four regression models are statistically significant at the  $p < 0.05$  level, indicating that the predictors in each model account for a substantial proportion of the variance in the dependent variable. Model 1 (leadership styles predicting performance) yielded an F-statistic of 242.29, demonstrating a strong direct influence of leadership on hospital performance. Model 2 indicates a significant relationship between leadership styles and HRM practices ( $F = 150.83$ ), while Model 3 confirms that HRM practices significantly influence performance ( $F = 140.91$ ). Notably, Model 4, which incorporates both leadership styles and HRM practices as predictors, remains highly significant with an F-statistic of 146.53. The consistently high F-values across all models reinforce the statistical validity of the hypothesized relationships and provide empirical support for the presence of a mediation effect. These results warrant further examination of the regression coefficients to assess the relative contribution and significance of each predictor within the mediation framework.

To further examine the nature and significance of the mediation effect, the regression coefficients for each step in the mediation pathway were reviewed. Table 3 summarizes the beta coefficients (B), standard errors, t-values, and significance levels for all four models.

**Table 3: Regression Coefficients for Mediation Models**

| Model | Predictor                       | B     | Std. Error | Beta  | t      | Sig. |
|-------|---------------------------------|-------|------------|-------|--------|------|
| 1     | (Constant)                      | 1.124 | 0.142      |       | 7.915  | .000 |
|       | Leadership Styles               | 0.562 | 0.038      | 0.795 | 15.673 | .026 |
| 2     | (Constant)                      | 0.986 | 0.138      |       | 7.145  | .018 |
|       | Leadership Styles → HRM         | 0.452 | 0.042      | 0.724 | 13.854 | .038 |
| 3     | (Constant)                      | 0.924 | 0.136      |       | 6.794  | .000 |
|       | HRM Practices → Performance     | 0.483 | 0.045      | 0.712 | 12.956 | .021 |
| 4     | (Constant)                      | 0.587 | 0.134      |       | 4.380  | .000 |
|       | Leadership Styles (direct path) | 0.392 | 0.044      | 0.553 | 8.909  | .003 |
|       | HRM Practices (mediator)        | 0.376 | 0.047      | 0.445 | 8.000  | .040 |

In Model 1, leadership styles significantly predicted hospital performance with a beta coefficient of 0.562 ( $p = .026$ ), confirming a strong direct effect. Model 2 showed that leadership styles also significantly influenced HRM practices ( $B = 0.452$ ,  $p = .038$ ), fulfilling the second condition for mediation. In Model 3, HRM practices significantly predicted hospital performance ( $B = 0.483$ ,  $p = .021$ ), demonstrating that HRM is a relevant independent predictor. In Model 4, both leadership styles and HRM practices were included as predictors of performance. Both remained statistically significant, with beta coefficients of 0.392 for leadership styles ( $p = .003$ ) and 0.376 for HRM practices ( $p = .040$ ). Importantly, the beta for leadership styles decreased from 0.562 (in Model 1) to 0.392 (in Model 4), indicating that some of the influence of leadership on performance is transmitted through HRM practices.

Taken together, these findings confirm the presence of a partial mediation effect. Human resource management practices partially explain how leadership styles enhance hospital performance. This implies that while effective leadership directly improves institutional outcomes, its impact is further strengthened when it simultaneously fosters supportive and strategic HRM practices. These results highlight the value of an integrated approach that combines strong leadership with well-structured human resource systems to optimize performance in county referral hospitals.

## 4.2 Discussions

The objective of the study was to assess the mediating effect of human resource management (HRM) practices on the relationship between leadership styles and the performance of county referral hospitals in Kenya. A hierarchical regression analysis was conducted to evaluate this effect. The null hypothesis ( $H_0$ )—that there is no significant mediating effect of HRM practices on

the relationship between leadership styles and hospital performance—was tested. The results showed that when HRM practices were introduced into the model, the direct effect of leadership styles on performance decreased from 0.562 to 0.392, indicating a partial mediation effect. HRM practices also had a significant independent influence on performance ( $B = 0.376$ ,  $p = 0.040$ ). Furthermore, the adjusted  $R^2$  increased from 0.629 to 0.679, demonstrating that the inclusion of HRM practices explained an additional 5% of the variance in hospital performance. Based on these findings, the null hypothesis was rejected. The study found that HRM practices—such as strategic recruitment, staff development, employee well-being, and positive employee relations—amplify the effects of leadership styles on institutional performance. A well-managed human resource function supports a motivated, competent, and committed workforce, which is essential for delivering high-quality healthcare services, enhancing patient satisfaction, and achieving operational efficiency in county referral hospitals.

Based on these results, the null hypothesis ( $H_0$ ) that there is no significant mediating effect of HRM practices on the relationship between leadership styles and performance of county referral hospitals in Kenya can be rejected. The findings support the alternative hypothesis, indicating that HRM practices partially mediate the relationship between leadership styles and hospital performance. This implies that leadership styles not only directly influence hospital performance but also indirectly enhance performance by shaping effective human resource management practices within the county referral hospitals.

These findings are consistent with existing literature that underscores the importance of HRM practices in optimizing organizational performance. For instance, studies by Pfeffer (1998) and Kabene et al. (2021) emphasize that strategic HRM practices, such as talent acquisition, performance management, and continuous professional development, are essential for enhancing employee satisfaction and retention, which in turn improve organizational outcomes. The critical role of HRM practices is further supported by Huselid (2021) and Decramer et al. (2021), who identified that HR systems focusing on employee engagement, training, and rewards significantly contribute to operational efficiency and service delivery quality. These insights align with the findings of this study, which highlight HRM practices as a pivotal mechanism through which leadership styles influence hospital performance, particularly in resource-constrained environments like Kenya.

Moreover, the mediating role of HRM practices is particularly relevant in the healthcare context, where the quality of patient care relies heavily on the competencies, motivation, and well-being of healthcare workers. The studies by Gupta and Sharma (2020) and Alhassan et al. (2020) corroborate these findings, emphasizing that adaptive HRM practices, such as flexible work schedules and digital training tools, are increasingly critical for maintaining healthcare performance in challenging environments. In the Kenyan context, where human resource shortages and high staff turnover are prevalent, strategic HRM practices can mitigate these challenges by fostering a supportive and motivating work environment, thereby enhancing both individual and



organizational performance. These practices, when aligned with leadership styles, enable hospitals to overcome operational inefficiencies and achieve better healthcare outcomes.

The findings also highlight the interplay between leadership and HRM practices, where effective leadership sets the tone for the adoption and implementation of robust HRM systems. As evidenced by studies like those of West et al. (2021) and Bhatti et al. (2021), leadership styles that empower and engage employees promote the adoption of HRM practices that are conducive to organizational success. In the context of county referral hospitals, this dynamic underscores the importance of equipping leaders with the skills and vision necessary to implement HRM strategies that align with institutional goals. The evidence from this study provides robust support for rejecting the null hypothesis (H0), concluding that HRM practices significantly mediate the relationship between leadership styles and the performance of county referral hospitals in Kenya. This reinforces the need for targeted interventions to strengthen HRM frameworks as part of broader efforts to enhance hospital performance.

## 5.1 Conclusions

The study concludes that human resource management (HRM) practices partially mediate the relationship between leadership styles and hospital performance. This implies that leadership alone does not fully account for performance outcomes unless it is complemented by effective HRM practices. Recruitment, reward systems, staff development, and employee well-being play a pivotal role in translating leadership vision into improved organizational performance. Therefore, HRM must be strategically aligned with leadership efforts to maximize performance gains.

## 6.1 Recommendations

The study recommends that county referral hospitals in Kenya strengthen their Human Resource Management (HRM) practices as a strategic lever to enhance the impact of leadership on organizational performance. Specifically, hospital administrators and county health leadership should invest in structured recruitment processes, fair and motivating reward systems, continuous staff training and development, supportive employee relations, and well-being programs that align with the leadership vision. These HRM functions should not operate in isolation but be integrated into leadership development initiatives to ensure that the strategic direction set by leaders is effectively translated into day-to-day operations. Additionally, the Ministry of Health and County Public Service Boards should institutionalize HRM frameworks that are responsive to hospital needs and adaptable to the evolving healthcare landscape, thereby enhancing workforce capacity and ultimately improving patient outcomes and service delivery.

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