Transformational, Transactional, and Laissez-Faire Leadership Styles: Their Influence on Leader–Member Exchange and Employee Morale among Private Healthcare Nurses

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ABSTRACT

Leadership effectiveness in private healthcare nursing is increasingly shaped by relational dynamics rather than formal authority alone. Nurses operate in environments characterised by high clinical complexity, emotional labour, and performance-driven organisational demands, rendering leadership behaviours and leader–nurse relationships critical determinants of employee morale. Despite extensive scholarship on leadership styles in healthcare, limited theoretical integration exists explaining how transformational, transactional, and laissez-faire leadership styles influence nurse morale through relational mechanisms, particularly within private healthcare contexts. Drawing on the Full-Range Leadership Model and Leader–Member Exchange (LMX) theory, this conceptual paper advances an integrated, theory-driven framework that positions LMX as a relational mechanism through which leadership styles are enacted and experienced in daily leader–nurse interactions. Drawing on a systematic review of 30 peer-reviewed studies published between 2020 and 2025, this paper synthesises evidence from the fields of nursing, healthcare leadership, and organisational behaviour to explore how different leadership styles influence the quality of leader–nurse exchanges and subsequently affect employee morale. The analysis demonstrates that transformational leadership is most strongly aligned with the development of high-quality LMX relationships characterised by trust, socio-emotional support, and reciprocal influence, thereby sustaining nurse morale in demanding private healthcare environments. Transactional leadership provides functional value by reinforcing structure and role clarity but predominantly generates moderate-quality exchanges that are insufficient to support morale in isolation. Laissez-faire leadership emerges as a destructive leadership pattern that undermines relational quality, intensifies stress, and erodes nurse morale through persistent leader disengagement. By reconceptualising LMX as an embedded relational process rather than a peripheral mediating variable, this paper contributes a nuanced theoretical explanation of how leadership styles translate into nurses' psychological and emotional work experiences. The proposed framework offers important implications for leadership development and organisational sustainability in private healthcare institutions and establishes a foundation for future empirical research examining relational leadership processes and nurse morale.

Keywords: Leadership styles, leader-member exchange, employee morale, private healthcare, nursing leadership

INTRODUCTION

Leadership is a central determinant of organisational effectiveness in healthcare systems, particularly within nursing environments where clinical complexity, emotional labour, and interprofessional coordination are pervasive (Specchia et al., 2021; Labrague et al., 2021). In nursing contexts, leadership extends beyond managerial oversight to encompass relational and behavioural processes that shape nurses' professional experiences, psychological well-being, and capacity to deliver high-quality patient care (Specchia et al., 2021;

Orukwowu, 2022). Nurse leaders are tasked with coordinating clinical practice, managing human resources, ensuring patient safety, and supporting staff amid continuous organisational and environmental change (Niinihuhta and Häggman-Laitila, 2022). As healthcare delivery becomes increasingly market-driven, especially within the private sector, leadership effectiveness has emerged as a critical factor influencing workforce stability and organisational sustainability (Thomas, 2021).

Private healthcare institutions operate under distinctive conditions characterised by competitive pressures, financial performance imperatives, and efficiency-oriented management practices (Andersson and Gadolin, 2020). These demands often translate into heavier workloads, constrained staffing, and intensified performance monitoring for nurses (Kohnen et al., 2024). As a result, private healthcare nurses face heightened risks of burnout, emotional exhaustion, and declining employee morale (Alsadaan, 2025; Zorić et al., 2023). Reduced morale among nurses has been consistently associated with adverse organisational outcomes, including increased turnover intention, diminished organisational commitment, weakened teamwork, and compromised patient care quality (Yamaguchi et al., 2025; Specchia et al., 2021). Against this backdrop, leadership plays a pivotal role in shaping nurses' workplace experiences and psychological responses (Sabbah et al., 2020).

Leadership styles influence how nurse leaders communicate expectations, allocate resources, manage conflict, and engage with staff (Maritsa et al., 2022). Transformational leadership has been consistently associated with positive nursing outcomes through its emphasis on inspiration, intellectual stimulation, and individualised consideration (Labrague et al., 2021). Transactional leadership provides structure and role clarity but may be limited in addressing nurses' relational and emotional needs, while laissez-faire leadership has been linked to disengagement and weakened leader–nurse relationships (Skogstad et al., 2021; Richards, 2020). Despite extensive leadership research, limited attention has been given to the relational mechanisms through which leadership styles influence nurse morale in private healthcare settings, particularly through dyadic exchange processes (Coleman and Donoher, 2022; Holt and Lee, 2023). Leader–Member Exchange (LMX) theory provides a relational lens for understanding how leadership behaviours shape nurses' workplace experiences through the quality of leader–nurse relationships (Erdogan and Bauer, 2021). However, existing literature rarely integrates leadership styles, LMX, and employee morale within a cohesive conceptual framework tailored to private healthcare (Thomas, 2021; Robinson, 2024; Parker, 2024). Addressing this gap, the present paper proposes a theory-driven framework that positions LMX as a relational mechanism linking leadership styles to employee morale among private healthcare nurses.

Problem Statement

Despite increasing recognition of leadership as a determinant of nursing outcomes, private healthcare institutions continue to face persistent challenges related to leadership consistency, relational quality, and nurse morale (Niinihuhta and Häggman-Laitila, 2022). Leadership practices in private hospitals are often shaped by managerial imperatives that prioritise efficiency, cost containment, and performance indicators (Andersson and Gadolin, 2020). While these priorities are essential for organisational sustainability, they may inadvertently encourage leadership approaches that emphasise task execution over relational engagement (Richards, 2020). Consequently, nurses may experience leadership as transactional, distant, or inconsistent, which can undermine trust and weaken leader–nurse relationships (Skogstad et al., 2021).

Ineffective or misaligned leadership has direct implications for employee morale within private healthcare settings (Sabbah et al., 2020). Nurses who perceive limited support, recognition, or involvement in decision-making are more susceptible to emotional exhaustion, disengagement, and reduced motivation (Zorić et al., 2023). Declining morale not only affects nurses' psychological well-being but also disrupts team cohesion, communication, and the quality of patient care (Orukwowu, 2022). Moreover, variability in leadership styles, encompassing transformational, transactional, and laissez-faire approaches within the same organisational context, generates uneven relational experiences among nurses and thereby undermines the development of a cohesive work environment and a stable nursing workforce (Hundie & Habtewold, 2024).

A key limitation in existing scholarship lies in the insufficient theoretical integration of leadership styles, relational processes, and employee morale within private healthcare contexts (Thomas, 2021; Zheng Ying et al., 2025; Robinson, 2024). Much of the nursing leadership literature is grounded in public healthcare settings,

limiting its applicability to the distinctive organisational dynamics of private institutions (Andersson and Gadolin, 2020). Although LMX theory offers a relational framework for understanding workplace interactions, it is often treated as a mediating variable rather than as a core relational mechanism shaped by leadership behaviours (Coleman and Donoher, 2022). The absence of an integrated, theory-driven framework linking leadership styles, LMX, and nurse morale represents a critical conceptual gap that this paper seeks to address (Premru et al., 2022).

LITERATURE REVIEW

Transformational Leadership in Nursing

Transformational leadership is firmly established in leadership and organisational literature as an approach centred on vision, inspiration, and the development of followers' capabilities (Labrague et al., 2021; Specchia et al., 2021). Rooted in Burns' original work and subsequently refined by Bass, transformational leadership involves motivating followers to transcend self-interest and internalise organisational values (Mekonnen and Bayissa, 2023). Within nursing, this leadership approach is particularly relevant due to the profession's emphasis on ethical practice, patient-centred care, and professional accountability (Niinihuhta and Häggman-Laitila, 2022). Transformational nurse leaders serve as role models who communicate a clear vision of clinical excellence and professional integrity while encouraging nurses to contribute meaningfully to organisational goals (Orukwowu, 2022).

The four dimensions of transformational leadership which are idealised influence, inspirational motivation, intellectual stimulation, and individualised consideration, support nurses' professional functioning through complementary mechanisms (Labrague et al., 2021). These behaviours foster trust, motivation, critical thinking, and professional development while providing nurses with meaningful interpersonal support (Chen and Sriphon, 2022; Kyambade and Namatovu, 2025; Bektaş et al., 2025; Alruwaili, 2025). Empirical studies consistently associate transformational leadership with favourable outcomes, including job satisfaction, organisational commitment, work engagement, and positive leader–nurse relationships (Specchia et al., 2021; Labrague et al., 2021; Coleman and Donoher, 2022).

Despite these benefits, transformational leadership is not immune to contextual constraints. Organisational controls, resource limitations, and performance pressures may restrict leaders' ability to consistently enact transformational behaviours (Andersson and Gadolin, 2020). Moreover, much of the existing literature focuses on the direct effects of transformational leadership while providing limited explanation of the relational processes through which these outcomes emerge (Labrague et al., 2021; Specchia et al., 2021). This limitation highlights the importance of examining LMX as a mechanism through which transformational leadership influences nurse morale.

Transactional Leadership in Healthcare Settings

Transactional leadership is a leadership approach based on structured exchanges between leaders and followers, whereby compliance with established expectations is reinforced through rewards or corrective actions (Richards, 2020; Mekonnen and Bayissa, 2023). Rooted in managerial control and efficiency, transactional leadership is primarily enacted through contingent reward and management-by-exception mechanisms that regulate employee behaviour and support task accomplishment (Bellali et al., 2024; Al-Rjoub et al., 2024). Within healthcare settings, this leadership style is commonly used to ensure adherence to clinical protocols, organisational policies, and performance standards that are essential for patient safety and service quality (Alta'any et al., 2024; Hundie and Habtewold, 2024; Ying et al., 2025).

Contingent reward involves clarifying expectations and recognising goal attainment, whereas management-by-exception focuses on monitoring performance and intervening when deviations occur (Bellali et al., 2024; Mekonnen and Bayissa, 2023). These behaviours provide structure, accountability, and predictability, which are particularly valuable in high-risk clinical environments (Al-Rjoub et al., 2024; Orukwowu, 2022). However, because transactional leadership emphasises performance and compliance, leader–nurse interactions tend to remain largely task-oriented and instrumental (Erdogan and Bauer, 2021; Maritsa et al., 2022). Consequently,

while transactional leadership may effectively maintain operational performance, it may be less effective in fostering the deeper relational exchanges associated with trust, support, and mutual commitment.

From an LMX perspective, transactional leadership is therefore more likely to generate moderate-quality exchange relationships characterised by formal role obligations rather than strong interpersonal bonds (Holt and Lee, 2023). Although research suggests that transactional leadership is most effective when complemented by transformational behaviours, its influence on relational quality remains comparatively underexplored, particularly in private healthcare settings (Niinihuhta and Häggman-Laitila, 2022; Premru et al., 2022). This limitation highlights the need to examine transactional leadership through an LMX lens to better understand its implications for nurse morale.

Laissez-Faire Leadership in Clinical Environments

Laissez-faire leadership represents a passive and avoidant form of leadership characterised by the absence of active guidance, decision-making, and accountability (Skogstad et al., 2021; Khan and Tidman, 2021). Within the Full-Range Leadership Model, it is generally regarded as the least effective leadership style and is frequently associated with dysfunctional organisational outcomes (Skogstad et al., 2021; Hundie and Habtewold, 2024). In healthcare environments, where timely communication, coordination, and clinical decision-making are critical, the absence of active leadership can create significant operational and interpersonal challenges (Orukwowu, 2022; Alta'any et al., 2024).

Nurse leaders who adopt laissez-faire behaviours often fail to provide direction, support, or timely intervention, leaving nurses to navigate complex clinical demands with limited guidance (Parker, 2024; Thomas, 2021). This leadership void contributes to role ambiguity, increased occupational stress, and perceptions of organisational neglect, particularly in private healthcare settings characterised by high performance expectations and workload pressures (Sabbah et al., 2020; Specchia et al., 2021; Alsadaan, 2025). Empirical evidence consistently associates laissez-faire leadership with lower job satisfaction, increased burnout, and reduced professional commitment among nurses (Sabbah et al., 2020; Specchia et al., 2021).

From a relational perspective, laissez-faire leadership provides limited opportunity for meaningful leader–nurse interaction and relationship development. The absence of consistent communication and support hinders the formation of high-quality exchange relationships, often resulting in low-quality LMX characterised by detachment and weak relational ties (Erdogan and Bauer, 2021; Holt and Lee, 2023). Consequently, nurses may experience reduced support, engagement, and morale (Zorić et al., 2023; Yikilmaz et al., 2024). Despite these adverse effects, laissez-faire leadership remains comparatively underexamined in nursing research, warranting greater attention as a distinct leadership style with important implications for relational quality and employee morale.

Leader–Member Exchange (LMX) Theory

LMX theory conceptualises leadership as a pattern of differentiated relationships between leaders and followers, grounded in reciprocal trust, respect, and obligation (Coleman and Donoher, 2022; Chen and Sriphon, 2022). Unlike traditional leadership approaches that assume leaders treat all followers similarly, LMX proposes that relationship quality varies across leader–member dyads. High-quality LMX relationships are characterised by trust, support, open communication, and mutual influence, whereas low-quality exchanges remain formal, contractual, and task-oriented (Holt and Lee, 2023).

Within nursing environments, where clinical work requires close collaboration and sustained emotional labour, relationship quality plays a particularly important role in shaping workplace experiences (Yikilmaz et al., 2024). Research indicates that high-quality nurse–manager relationships contribute to psychological safety, perceived organisational support, engagement, and resilience, while low-quality exchanges increase emotional strain, burnout, and reduced morale (Pan et al., 2021; Ji et al., 2023; Zorić et al., 2023; Yamaguchi et al., 2025). These findings suggest that LMX represents a key relational resource through which leadership influences employee attitudes and well-being.

Despite its explanatory potential, LMX has often been treated primarily as a mediating variable rather than a dynamic relational process shaped by leadership behaviours (Erdogan and Bauer, 2021; Premru et al., 2022). Consequently, the mechanisms through which different leadership styles contribute to the development of high- or low-quality exchange relationships remain insufficiently explored. Positioning LMX as an embedded relational process provides a stronger theoretical basis for understanding how leadership behaviours influence nurse morale over time.

Employee Morale among Private Healthcare Nurses

Employee morale is a multifaceted construct encompassing individuals' collective emotional, psychological, and attitudinal responses to their work environment (Thomas, 2021). The scholarly literature consistently associates morale with motivation, enthusiasm, and a sense of professional fulfilment, reflecting nurses' psychological engagement with their roles (Zeng et al., 2022; Kohnen et al., 2024). High morale among nurses is consistently linked to positive outcomes such as teamwork, resilience, and improved patient care quality, whereas low morale is directly associated with burnout, absenteeism, and turnover intention (Labrague et al., 2021; Yamaguchi et al., 2025).

Nurses in private healthcare settings face distinctive challenges that shape morale, including heightened performance pressures, customer-oriented service expectations, and job insecurity driven by competitive market conditions (Parker, 2024; Alsadaan, 2025). These pressures interact systematically with organisational practices and leadership behaviours to influence nurses' overall work experiences (Specchia et al., 2021; Kohnen et al., 2024). Unlike public healthcare systems, where employment conditions tend to be more stable, private healthcare environments demand greater flexibility and productivity, thereby intensifying the importance of supportive and relationally grounded leadership (Parker, 2024; Maritsa et al., 2022).

Accordingly, the determinants of nurse morale are complex and fundamentally relational rather than solely individual or structural (Thomas, 2021; Maritsa et al., 2022). Leadership behaviours that communicate respect, recognition, and support play a decisive role in sustaining morale, particularly under conditions of sustained occupational stress (Labrague et al., 2021; Zorić et al., 2023). However, morale has frequently been examined as a distal outcome variable, with insufficient attention given to the relational processes through which leadership influences nurses' daily work experiences (Zheng et al., 2025; Robinson, 2024). This limitation underscores the necessity of integrating morale within a relational leadership framework, particularly leader–member exchange, to adequately explain how leader–nurse interactions shape morale in private healthcare settings.

Conceptual Links Between Leadership Styles, LMX, and Employee Morale.

Synthesising the foregoing literature reveals a substantive conceptual gap in explaining how leadership styles shape nurse morale through relational mechanisms rather than direct behavioural effects. Contemporary leadership scholarship in healthcare has firmly established that effective leadership is inherently relational, grounded in sustained social exchange, mutual trust, and quality leader–nurse interactions rather than positional authority alone (Parker, 2024; Maritsa et al., 2022).

Accordingly, nurse morale must be understood as a relationally embedded construct, shaped through ongoing interpersonal experiences at work rather than as a purely individual disposition or structurally determined outcome (Thomas, 2021; Maritsa et al., 2022). Leadership behaviours that consistently convey respect, recognition, and emotional support exert a decisive influence on sustaining nurse morale, particularly in environments characterised by persistent workload pressures and occupational strain (Labrague et al., 2021; Zorić et al., 2023).

Despite this, morale has predominantly been conceptualised as a distal outcome of leadership, with limited analytical attention devoted to the relational processes through which leadership behaviours are translated into nurses' daily work experiences (Zheng et al., 2025; Robinson, 2024). This theoretical limitation necessitates the explicit integration of nurse morale within a relational leadership framework, particularly LMX theory, which offers a robust explanatory lens for understanding how the quality of leader–nurse relationships directly structure morale in private healthcare settings.

UNDERPINNING THEORETICAL FRAMEWORK

This study is underpinned by an integrated theoretical framework that synthesises Transformational Leadership Theory, Transactional Leadership Theory, and Laissez-Faire Leadership as conceptualised within the Full-Range Leadership Model (FRLM), alongside LMX Theory. The integration of these perspectives enables a comprehensive examination of how distinct leadership behaviours shape relational exchanges between leaders and nurses, and how these relational processes subsequently influence employee morale in private healthcare settings. By combining behavioural and relational theories of leadership, the framework provides a robust foundation for understanding leadership effectiveness not merely as a set of leader actions, but as an ongoing social exchange embedded within the nurse–leader relationship.

Transformational Leadership Theory

Transformational Leadership Theory conceptualises leadership as a process that transcends transactional exchanges by motivating followers to achieve higher levels of performance and moral purpose (Liu et al., 2025). Leaders who adopt transformational behaviours seek to inspire, intellectually stimulate, and individually support followers, thereby fostering intrinsic motivation and alignment with organisational values (Bektaş et al., 2025). Given the characteristics of nursing practice, transformational leadership has been widely regarded as particularly relevant due to the profession's ethical orientation, emphasis on patient-centred care, and reliance on professional commitment (Alruwaili, 2025). From a theoretical standpoint, transformational leadership is inherently relational (Alruwaili, 2025). The emphasis on trust, respect, and individualised consideration aligns closely with the principles of social exchange, whereby positive leader behaviours elicit reciprocal commitment and engagement from followers (Alruwaili, 2025). In private healthcare environments, where nurses often experience heightened work demands and performance pressures, transformational leadership provides a mechanism for sustaining motivation and morale through relational engagement rather than control (Bektaş et al., 2025). However, while Transformational Leadership Theory elucidates how leaders influence follower attitudes and behaviours, it does not explicitly articulate the dyadic relational processes through which these influences occur (Huang et al., 2025). This limitation underscores the relevance of integrating LMX theory to capture the relational mechanisms underpinning transformational leadership effects.

Transactional Leadership Theory

Transactional Leadership Theory is grounded in the notion of exchange relationships between leaders and followers based on clearly defined expectations and rewards (Bellali et al., 2024). Leaders clarify roles, monitor performance, and provide contingent reinforcement to ensure compliance and efficiency (Atalla et al., 2025). In healthcare settings, transactional leadership remains prevalent due to the need for standardisation, accountability, and risk management (Al-Rjoub et al., 2024). For nurse leaders in private healthcare institutions, transactional behaviours may be instrumental in maintaining operational stability and meeting organisational performance targets (Bellali et al., 2024). Theoretically, transactional leadership aligns with an economic exchange perspective, wherein interactions are governed by formal obligations and performance contingencies (Atalla et al., 2025). While such exchanges can facilitate task accomplishment, they are limited in their capacity to address followers' socio-emotional needs (Long and Sochalski, 2025). Within nursing environments characterised by emotional labour and interpersonal complexity, an exclusive reliance on transactional leadership may constrain relational depth and weaken morale (Long and Sochalski, 2025). Integrating Transactional Leadership Theory within the present framework allows for a balanced examination of its functional utility and relational limitations, particularly when contrasted with transformational and laissez-faire approaches (Al-Rjoub et al., 2024).

Leader–Member Exchange (LMX) Theory as a Relational Mechanism

LMX Theory provides the relational foundation for the present conceptual framework. LMX theory posits that leadership effectiveness is contingent upon the quality of dyadic relationships between leaders and followers (Zheng et al., 2025). High-quality LMX relationships are characterised by trust, respect, open communication, and socio-emotional support, whereas low-quality exchanges are limited to formal role obligations (Premru et al., 2022). From a practice-based perspective, the quality of nurse–manager relationships is a critical determinant of nurses' work experiences, emotional well-being, and professional engagement (Hult and Terkamo-Moisio,

2023). Importantly, this paper conceptualises LMX not as a mediating variable but as a relational mechanism embedded within leadership processes. Leadership styles shape the nature, frequency, and quality of leader–nurse interactions, which in turn influence nurses' perceptions of support, fairness, and recognition (Niinihuhta and Häggman-Laitila, 2022). Transformational leadership behaviours are theoretically aligned with the development of high-quality LMX, as they foster trust and individual consideration (Willie, 2025). Transactional leadership may generate moderate-quality exchanges focused on performance and role clarity (Tabak et al., 2024). Laissez-faire leadership, by contrast, is likely to result in low-quality exchanges characterised by disengagement and relational neglect (Thanh and Quang, 2022).

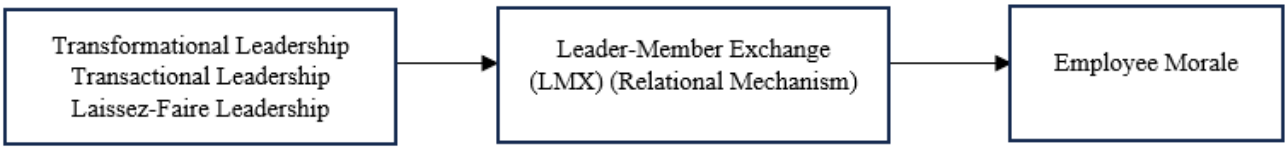
Full-Range Leadership Model

The Full-Range Leadership Model (FRLM) provides a comprehensive framework for understanding leadership as a continuum of behaviours from highly effective to passive and ineffective (Hundie and Habtewold, 2024). Developed by Burns and expanded by Bass, the model identifies three primary leadership styles: transformational, transactional, and laissez-faire. These styles are not mutually exclusive; leaders may enact multiple behaviours simultaneously, affecting follower outcomes and relational dynamics (Mekonnen & Bayissa, 2023). Transformational leadership, at the most effective end of the continuum, represents an active, value-driven approach emphasising inspiration, intellectual stimulation, and individualised consideration (Labrague et al., 2021). Transactional leadership is conditional and performance-oriented, relying on structured exchanges, contingent rewards, and corrective actions to ensure compliance and efficiency (Bellali et al., 2024). Laissez-faire leadership, at the least effective end, reflects leader avoidance, limited communication, and disengagement from responsibilities (Skogstad et al., 2021).

The FRLM's theoretical strength lies in integrating behavioural and relational dimensions. Transformational leadership fosters relational engagement, transactional leadership prioritises formal exchanges, and laissez-faire leadership undermines relational continuity (Erdogan and Bauer, 2021). When combined with LMX theory, which assesses leadership effectiveness through dyadic relationship quality (Coleman and Donoher, 2022), the FRLM provides a nuanced lens for examining how leadership behaviours shape relational outcomes. In private healthcare nursing, this integration is particularly relevant. Nurses operate in high-risk, emotionally demanding environments requiring both managerial control and relational support (Specchia et al., 2021). Transactional behaviours ensure adherence to clinical protocols, while transformational behaviours sustain morale, engagement, and resilience (Niinihuhta and Häggman-Laitila, 2022). Conversely, laissez-faire leadership increases role ambiguity, relational fragmentation, and occupational stress (Skogstad et al., 2021; Alsadaan, 2025).

By positioning leadership styles along a continuum, the FRLM highlights their differentiated relational consequences. Transformational leadership promotes high-quality LMX relationships characterised by trust, respect, and socio-emotional support. Transactional leadership generates moderate-quality exchanges grounded in formal role obligations, while laissez-faire leadership undermines relational quality through leader absence (Erdogan and Bauer, 2021; Holt and Lee, 2023). Therefore, the FRLM, integrated with LMX theory, provides a theory-driven framework to explain how leadership styles influence employee morale among private healthcare nurses via relational exchange processes rather than direct behavioural effects. Figure 1 illustrates this framework, positioning LMX as the mechanism linking transformational, transactional, and laissez-faire leadership to employee morale.

Figure 1. Proposed Conceptual Framework Linking Leadership Styles, Leader–Member Exchange, and Employee Morale among Private Healthcare Nurses



METHODOLOGY

The Preferred Reporting Items for Systematic Reviews and Meta-Analyses (PRISMA) standards were followed in executing this conceptual paper to guarantee an open and thorough review procedure. The PRISMA method consists of four stages: identification, screening and eligibility.

Prisma

This conceptual paper is underpinned by a systematic literature review (SLR) approach guided by the PRISMA 2020 framework, which was used as a methodological guide to ensure a transparent and structured synthesis of the literature in developing the proposed conceptual framework. PRISMA provides a transparent and rigorous process for identifying, screening, assessing, and selecting relevant studies for review. The framework enhances methodological transparency and minimises potential bias in the literature selection process. Following PRISMA guidelines, the review was conducted through four stages: identification, screening, eligibility assessment, and inclusion. The purpose of the review was to synthesise contemporary evidence on leadership styles, LMX, and employee morale among nurses in private healthcare settings and subsequently develop a theory-driven conceptual framework.

Source

The literature search was conducted using two internationally recognised databases: Scopus and Web of Science (WoS). These databases were selected because they index high-quality peer-reviewed journals and are widely used in systematic review studies within the social sciences, management, and healthcare disciplines.

A comprehensive search strategy was developed using keywords related to leadership styles, leader–member exchange, employee morale, nursing, and private healthcare settings. The search string included combinations of the following terms: ("transformational leadership" OR "transactional leadership" OR "laissez-faire leadership") AND ("leader-member exchange" OR "LMX") AND ("employee morale") AND ("nurse" OR "nursing") AND ("private healthcare" OR "private hospital").

To ensure the relevance and currency of the review, only articles published between 2020 and 2025 were considered. Additionally, only English-language articles were included in the search process.

Systematic Review Procedures

Identifying

The first step in the systematic review process was to identify relevant studies through a comprehensive database search. To ensure a thorough search, a set of carefully selected keywords was used to capture studies that examine the relationship between LMX and nurse morality in healthcare settings. The search terms included: “Leader-Member Exchange,” “LMX,” “nurse morality,” “ethical decision-making,” “nurse leadership,” “moral distress,” and “healthcare ethics.” These search terms were applied to article titles, abstracts, and keywords to capture the most relevant studies.

Screening

During the screening stage, article titles, abstracts, and keywords were reviewed to determine their relevance to the objectives of the study. Studies were retained if they addressed the following themes: leadership styles, LMX, nurse–manager relationships, or employee morale within healthcare contexts. Articles unrelated to healthcare, nursing, or organisational leadership were excluded.

Eligibility

The full texts of the remaining articles were subsequently examined against the predetermined inclusion and exclusion criteria. Studies were considered eligible if they:

Table 1. Inclusion and exclusion criteria

Inclusion Criteria	Exclusion Criteria
Published between 2020-2025.	Studies were included based on relevance to leadership styles, LMX, and employee morale, regardless of publication type (peer-reviewed or grey literature).
Appeared in peer-reviewed journals.	Focused on non-healthcare sectors.
Focused on nursing or healthcare settings.	Used student samples.
Examined transformational, transactional, or laissez-faire leadership, LMX, employee morale, or related relational outcomes.	Examined leadership constructs unrelated to the objectives of this study.

Inclusion

Following the eligibility assessment, a final set of 30 articles was retained for analysis. Both conceptual and empirical studies were included to provide a comprehensive understanding of the relationships among leadership styles, LMX, and employee morale. The selected studies were analysed using thematic synthesis to identify recurring concepts, relational mechanisms, and theoretical gaps. The findings from this process informed the development of the proposed conceptual framework, which positions LMX as a relational mechanism linking leadership styles to employee morale among nurses in private healthcare settings.

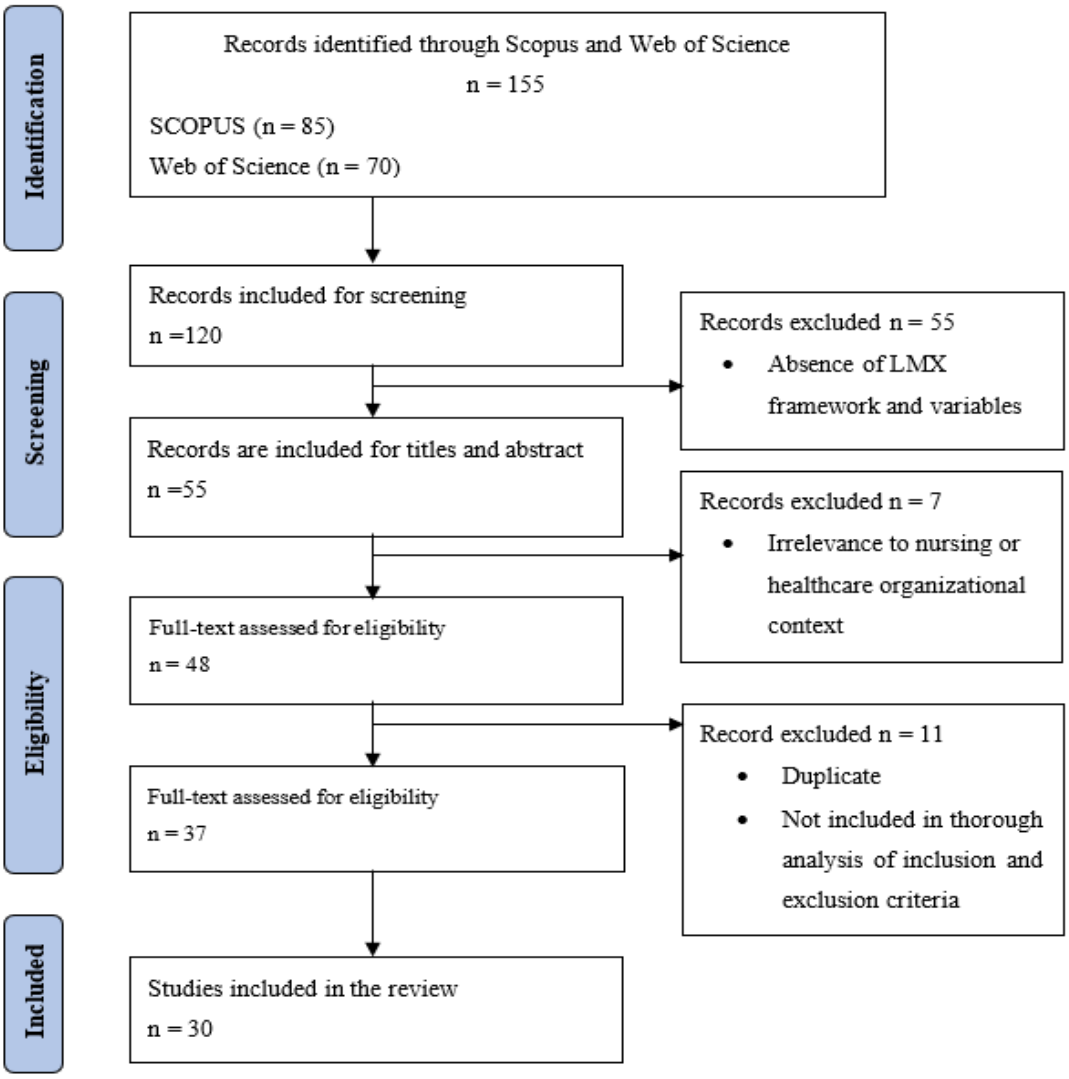


Diagram 1: PRISMA Diagram

CONCEPTUAL DISCUSSION

Comparative Analysis of Leadership Styles in Private Healthcare Nursing

Leadership in private healthcare nursing operates at the intersection of clinical complexity, emotional labour, and organisational performance demands (Specchia et al., 2021). The comparative examination of transformational, transactional, and laissez-faire leadership styles reveals distinct pathways through which leadership behaviours shape relational dynamics and employee morale (Sabbah et al., 2020). These leadership styles differ not only in behavioural orientation but also in their underlying assumptions about motivation, control, and relational engagement (Alta'any et al., 2024).

Transformational leadership is fundamentally relational and developmental. In private healthcare settings, transformational leaders provide meaning, motivation, and psychological support that extend beyond task execution, particularly in environments characterised by sustained workload and emotional strain (Labrague et al., 2021; Specchia et al., 2021). By articulating a clear vision and demonstrating individualised consideration, transformational nurse leaders foster relational environments that support trust and mutual respect, which are important for sustaining morale in complex care contexts (Alyousef et al., 2025). However, it is important to recognise that the effectiveness of transformational leadership may be context-dependent, as its emphasis on relational engagement and individual consideration may be less immediately prioritised in highly time-sensitive or protocol-driven situations.

Transactional leadership, by contrast, prioritises structure, clarity, and performance monitoring (Mekonnen and Bayissa, 2023). In private healthcare institutions, this leadership style is particularly effective in ensuring compliance with clinical protocols, maintaining operational efficiency, and supporting standardised care delivery (Alyousef et al., 2025). This is especially evident in high-risk or emergency clinical situations, where rapid decision-making, strict adherence to procedures, and clear command structures are essential for patient safety. In such contexts, transactional leadership provides necessary control and predictability that facilitate coordinated action. However, while it may be highly effective in stabilising performance under pressure, its relational capacity remains limited (Richards, 2020). Interactions are often instrumental and compliance-oriented, which may not foster the socio-emotional connection required for sustained morale in less acute settings.

Laissez-faire leadership represents the absence of active leadership engagement (Hundie and Habtewold, 2024). In private healthcare nursing, where coordination and support are essential, such absence can be particularly detrimental (Khan and Tidman, 2021). The lack of guidance, feedback, and accountability creates relational gaps that undermine trust and increase occupational stress (Zorić et al., 2023). Consequently, nurses operating under laissez-faire leadership often experience reduced support and diminished morale, particularly in environments requiring continuous coordination and oversight (Parker, 2024).

Leadership Styles and the Quality of Leader–Member Exchange

The quality of LMX is shaped by the consistency, intentionality, and relational orientation of leadership behaviours (Erdogan & Bauer, 2021). Transformational leadership is theoretically associated with the development of high-quality LMX relationships through behaviours such as open communication, recognition of individual contributions, and participative decision-making (Breevaart and Bakker, 2021). These relational exchanges foster reciprocity, trust, and perceived organisational support, which can buffer workplace stressors and strengthen nurses' professional engagement (Labrague et al., 2021; Zorić et al., 2023).

Transactional leadership, however, tends to generate moderate-quality LMX relationships. Although contingent rewards and corrective feedback provide clarity and fairness in task execution, they do not necessarily promote emotional closeness or deep relational bonding (Erdogan and Bauer, 2021). These exchanges are typically structured and role-bound, which can be particularly functional in highly standardised environments such as operating theatres, emergency units, and protocol-driven clinical settings where consistency and accuracy are prioritised over relational depth. In such contexts, transactional leadership may be not only appropriate but necessary for ensuring patient safety and operational efficiency (Specchia et al., 2021).

Laissez-faire leadership is consistently associated with low-quality LMX due to the absence of leadership engagement and relational investment (Skogstad et al., 2021). Without active communication and support, exchanges remain minimal, leading to perceptions of neglect and reduced organisational support. This relational deficit contributes to emotional disengagement and weakened morale among nurses (Zorić et al., 2023).

Expected Effects on Employee Morale

Employee morale among private healthcare nurses is shaped by the cumulative quality of relational experiences with leaders, particularly through LMX processes (Thomas, 2021). High-quality LMX relationships are associated with positive emotional and attitudinal outcomes, including commitment, resilience, and work engagement, which collectively contribute to higher levels of morale (Robinson, 2024).

Transformational leadership is generally associated with stronger positive effects on morale due to its relational orientation and emphasis on support, empowerment, and meaning-making at work (Kyambade and Namatovu, 2025). By fostering high-quality LMX relationships, it can enhance nurses' sense of professional value and emotional attachment to their roles. However, its influence on morale is also contingent on organisational context, as its relational and developmental focus may be more difficult to sustain in highly standardised, time-pressured, or compliance-driven clinical environments.

Transactional leadership may contribute to stable or moderately positive morale by providing structure, role clarity, and perceived fairness in task allocation and performance evaluation (Hussain, 2022). In high-reliability clinical settings, such as emergency care or protocol-driven units, these features can support confidence and reduce uncertainty, indirectly contributing to morale stability. However, in environments where emotional support and relational depth are required, its impact on morale may be more limited unless complemented by relational leadership behaviours.

Laissez-faire leadership is consistently associated with negative morale outcomes due to the absence of guidance, feedback, and relational engagement (Alsadaan, 2025). The resulting lack of support weakens trust and increases psychological strain, thereby undermining nurses' emotional well-being and commitment to their work.

Implications for Nurse Leaders and Healthcare Administrators

The conceptual analysis highlights that employee morale in private healthcare is not solely determined by leadership style, but is significantly shaped by the quality of leader–nurse relationships. Accordingly, nurse leaders should recognise that effective leadership requires both task coordination and relational engagement, particularly in sustaining morale under demanding clinical conditions (Orukwowu, 2022).

Healthcare administrators should prioritise leadership development programmes that strengthen both transformational and transactional competencies, depending on contextual demands. While transformational behaviours are important for fostering engagement and long-term morale, transactional approaches remain necessary in ensuring structure, compliance, and operational stability in high-risk clinical environments. By enhancing LMX quality through context-sensitive leadership practices, private healthcare organisations can better support nurse morale, retention, and overall performance (Yamaguchi et al., 2025).

CONCLUSION AND FUTURE RESEARCH DIRECTIONS

This conceptual paper set out to examine the influence of transformational, transactional, and laissez-faire leadership styles on LMX and employee morale among private healthcare nurses. Through a theory-driven synthesis of leadership and organisational behaviour literature, the paper developed an integrated conceptual framework positioning LMX as a relational mechanism through which leadership styles influence nurse morale. The analysis demonstrates that leadership styles differ in their relational orientation and consequently in their potential impact on employee morale.

Transformational leadership is generally associated with the development of high-quality relational exchanges that support nurse morale in demanding healthcare environments. Transactional leadership contributes

functional value by providing structure, clarity, and accountability, particularly in standardised and high-risk clinical settings, although its influence on morale is more limited when relational support is absent. Laissez-faire leadership consistently undermines relational quality and is associated with negative implications for nurse well-being and morale. Collectively, these findings highlight the importance of relationally grounded leadership approaches in private healthcare contexts.

However, the strength of these relationships is likely to be contingent upon several contextual and individual factors. Organizational culture, staffing adequacy, psychological safety, workload intensity, nurse experience levels, and cultural expectations may influence how leadership behaviours are perceived and how LMX relationships are developed and sustained. These contextual variations suggest that the proposed framework should be interpreted as context-sensitive rather than universally applicable.

While the conceptual nature of this paper allows for theoretical integration and development, it also presents limitations, particularly the absence of empirical validation. The lack of quantitative testing limits the ability to confirm the strength, directionality, and boundary conditions of the proposed relationships.

Future research should empirically examine the proposed framework in private healthcare settings using longitudinal and multi-level research designs to capture dynamic leadership and relational processes over time. In addition, future studies should explicitly test the moderating effects of organizational culture, staffing ratios, psychological safety, and nurse experience on the relationships between leadership styles, LMX, and employee morale. Comparative studies across public and private healthcare systems would further enhance understanding of contextual differences. Qualitative approaches may also provide deeper insight into nurses lived experiences of leadership and relational exchange, thereby enriching theoretical development.

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