



Employee Engagement as a Mediator Between Leadership Competence and Change Management: A Conceptual Framework for Saudi Healthcare Transformation

Rayhanah Sulaiman Aljohani & Akram Abdulsamad 

1. Faculty of Business and Accountancy, Lincoln University College, Malaysia
2. Faculty of Business and Accountancy, Lincoln University College, Malaysia & Faculty of Economics and Political Science, University of Aden, Yemen

Abstract: Healthcare transformation under Saudi Arabia's Vision 2030 has heightened the need for competent leadership capable of guiding complex organizational change within newly established healthcare clusters. Despite recognition of leadership's central role in reform implementation, limited research has examined the mechanisms through which leadership competence influences change management outcomes in healthcare settings. This conceptual study develops an integrated framework linking leadership competence, employee engagement, and change management within the Madinah healthcare cluster. Grounded in transformational leadership theory and social exchange theory, the proposed model positions leadership competence as a strategic capability that directly enhances management effectiveness and indirectly influences change outcomes through employee engagement. Employee engagement is conceptualized as a mediating mechanism that translates leadership competence into employees' psychological investment, adaptability, and change-supportive behaviors. By shifting from direct-effect assumptions toward a process-oriented explanation, the framework advances leadership and organizational change scholarship in three ways: it integrates transformational and relational theoretical perspectives; it highlights employee engagement as a central explanatory pathway; and it contextualizes leadership-driven change within Saudi healthcare reform. The study offers theoretical grounding for future empirical testing and provides practical implications for healthcare leaders and policymakers seeking sustainable transformation in high-reliability healthcare systems.

Keywords: Leadership competence, Employee engagement, Change management, Healthcare organizations, Saudi Arabia, Madinah healthcare cluster.

INTRODUCTION

The global healthcare systems are experiencing significant structural change due to demographic changes, epidemiological changes to chronic diseases, disruption in technology, financial limitations and the growing patient expectations of quality and availability [1]. The interplay of digital health technology, artificial intelligence, electronic health records (EHRs) and integrated care has altered the architecture of service delivery requiring systemic redesign and adaptive governance [2-4]. Nevertheless, it is always proved that structural reform is not a guarantee of successful change. Rather, behavioral and relational aspects of change, specifically leadership competence and employee engagement, are decisive factors of reforms leading to sustainability within organizations [5-7].

The particularities of healthcare change are exceptionally complicated because of the professional hierarchy of the sector, the multidisciplinary interdependence of clinical and managerial efforts, regulatory regulation, and the fact that clinical decisions are life-threatening [8, 9]. Such environments often face resistance, change fatigue and gaps in implementation to organizational change especially when reforms are seen as being top-down or not being aligned with frontline realities [9, 10]. Leadership competence has therefore become a strategic skill and not a managerial skill. Effective leadership in the healthcare reform settings includes the ability to not only articulate the vision but also navigate the uncertainty, create a sense of psychological safety, professional diversity, and stakeholder alignment across the organization [11, 12].

The Kingdom of Saudi Arabia (KSA) is a particularly interesting example of the country where these dynamics can be studied. Within the framework of Vision 2030, which was introduced in 2016, Saudi Arabia has set an ambitious national transformation agenda that will see the healthcare reform as one of its foundations and aims at diversifying the economy and modernizing the public services [13]. The Health Sector Transformation Program (HSTP) is aimed at the transformation of the current centralized and volume-based healthcare system to an integrated, value-based, patient-centered model, which focuses on preventive care, digitalization, and decentralization of governance [9, 13]. The core of this change is the creation of healthcare clusters- semi-autonomous organizational units that aim to increase levels of accountability, efficiency, and organization of service delivery within the context of the Health Holding Company [14, 15].

Although policy documents describe the ambitious structural reforms, the introduction of cluster-based governance creates a great deal of managerial and behavioral complexities. Healthcare clusters unite hospitals, primary care centers, and specialized services into integrated systems, which demand the leadership that is able to handle cross-functional work, alignment of resources, and co-cultural integration [9, 13]. New evidence indicates that the implementation issues in the Health System Transformation Program (HSTP) do not involve mainly infrastructural but rather relational and organizational problems, such as the lack of awareness of the goals of reform, differences in the willingness to change the practice, and the reluctance of healthcare specialists [9, 10, 16]. These dilemmas show the importance of investigating leadership competence and employee engagement as the key sources of the reform success on the cluster level.

The previous study in leadership healthcare has mainly focused on leadership styles, especially on transformational leadership, as the determinants of desirable organizational results. Transformational leadership, which is a leadership style marked by inspirational motivation and intellectual stimulation, individualized attention, and idealized influence, has been linked to increased job satisfaction, innovation, and organizational performance in healthcare environments [5, 17, 18]. Transformational leaders in the context of a reform are assumed to help encourage change adoption by providing powerful visions and inspiring employees to overcome their short-term interests in favor of the greater goals.

However, this style-centric focus reveals a conceptual limitation. By equating leadership effectiveness with behavioral style alone, existing research often overlooks the multidimensional competence required to sustain transformation in structurally evolving healthcare systems.[19]. Synthetic thinking, relationship intelligence, adaptive ability, and systems-scale knowledge are all considered leadership competence and are qualities that

are almost indispensable in traversing complex reform landscapes [11, 17]. The mixed-up conceptualization of leadership style and leadership competence is risky of simplifying the processes by which leaders can impact change management outcomes, especially in models of governance like the healthcare clusters in Saudi Arabia.

In addition, the psychological and relational mechanisms underlying leadership competencies -change related outcomes are poorly theorized despite the frequent empirical studies of positive associations between the same [17]. Most studies effectively presuppose a direct relationship between leadership behaviors and change effectiveness and hence overlook the intermediate states in which influence is implemented [5]. This mechanistic disconnect is especially relevant to healthcare change settings, in which change necessitates long-term cognitive, emotional, and behavioral congruence of various groups of professionals.

One of the possible but under-theorized mediating variables in this relationship is employee engagement. The concept of employee engagement, which can be described as a positive and rewarding psychological condition at work, which is vigorous, committed, and absorbed, has been associated with better performance, adaptability, and organizational citizenship behavior [6, 20, 21]. Engaged workers in a healthcare setting are more receptive to technology adoption, quality enhancement efforts, and team care model [22, 23]. Notably, employee engagement is not just a product of leadership, but it can also serve as a dynamic process that converts leadership competence into successful change management [24].

Even though theoretically, employee engagement is relevant in healthcare leadership, most research conceptualizes it as a dependent variable but not an explanatory mechanism [20, 24]. This is because this outcome-based framing restricts the comprehension of the way in which leadership competence generates sustainable change effects. The leadership competence to change management is an incomplete chain of explanation without the mediation of employee engagement as a construct [25, 26].

The limitation can be overcome through the social exchange theory (SET). According to SET, workplace relations are regulated by reciprocity norms, in which employees are also expected to reciprocate perceived support, fairness, and competence by leaders through positive attitudes and discretionary behaviors [27]. When leaders are competent, transparent, and relationally upright, employees tend to become reciprocal and increase their involvement and active participation in change programs in the context of reforms. The interaction, therefore, serves as a relational channel over which the leadership inputs are converted into change-supportive behaviors [28, 29].

However, even though transformational leadership theory (TLT) and SET are complementary, these two frameworks are seldom used together in healthcare transformation studies [30]. TLT focuses on intrinsic motivation and visionary inspirational qualities, but SET projects anticipate the relational exchange process and reciprocity of the exchange. Healthcare reform especially in the context of decentralized cluster formations entails incentive congruence in addition to the building of mutual trust [31]. There is no theoretical integration between TLT and SET, which can be seen as a severe literature gap.

Current literature on Saudi healthcare reforming focused on the macro-level, and these include the design of policies, funding arrangements, or systemic indicators [9, 13]. Nevertheless, Vision 2030 reforms are implemented on the cluster level, in which leadership

practices and employee behaviors directly affect the implementation outcomes. There is a scarcity of empirical and conceptual enquiry at cluster level, especially in individual regional cluster like Madinah [8, 16, 32].

The Madinah Healthcare Cluster is a situation with strategic value but under-researched. Being one of the largest regional healthcare centers with a larger population to serve and an increasing number of chronic diseases, the cluster faces a lot of pressure to introduce the integrated care models in an efficient manner. At the same time, the multiculturalism of the workforce, the change in the governance system, and the development of digital transformation programmes increase the complexity of change management [33]. The indicators are that the success of the reform implementation is not related only to structural realignment but also to the competences of leadership to promote engagement and alleviate change burnout among healthcare employee [10].

It is within this backdrop that this paper develops a theory-comprising conceptual framework of how leadership competence impacts on change management through engaging the employees in Madinah Healthcare Cluster. The conceptualization of leadership competence is based on the transformational leadership theory and includes the multidimensional ability covering the strategic vision, intellectual stimulation, individualized consideration, and adaptive relational capacity [11, 18, 19]. These competencies are hypothesized that directly affect the management of change by increasing the engagement of employees.

At the same time, basing on the social exchange theory, the ability to lead people is theorized to contribute to the engagement of workers via mutual trust and organizational support [34]. It is assumed that engaged employees will be more adaptable, less resistant, and maintain their involvement in reform efforts in the long run, which will empower change management results [27].

The current research adds to the body of literature in four major ways. First, it reimagines leadership in healthcare reform as a style-oriented to a competence-oriented model understanding what is needed in terms of capabilities to propagate change. Second, it combines transformational leadership theory and social exchange theory in providing an integrated explanation of motivation and relational processes behind change management. Third, it establishes employee engagement as a mediating process instead of a passive phenomenon and fills a significant mechanistic gap. Fourth, it has placed these theoretical relations into the context of the Madinah healthcare cluster model, which applies leadership and change scholarship to a little considered governance framework.

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Leadership Competence

Leadership competence has evolved from early trait-based perspectives to contemporary capability-oriented conceptualizations. Recent scholarship positions leadership competence as a multidimensional capability integrating cognitive, behavioral, emotional, and relational capacities that enable leaders to guide organizations effectively under conditions of complexity and uncertainty [35-37].

In healthcare contexts, leadership competence extends beyond managerial efficiency. It encompasses strategic vision articulation, adaptive decision-making, communication clarity, ethical judgment, and the ability to coordinate multidisciplinary teams [38]. High-reliability healthcare systems demand leaders who can balance clinical priorities with administrative transformation while sustaining workforce morale [39].

Contemporary leadership research distinguishes leadership competence from leadership style. While style refers to behavioral tendencies, competence reflects the integrated set of knowledge, skills, and capabilities that allow leaders to produce consistent and context-sensitive outcomes [40, 41]. Thus, leadership competence represents a strategic organizational resource rather than merely a behavioral orientation [42].

In this study, leadership competence is defined as the integrated set of strategic, relational, and adaptive capabilities that enable leaders to articulate vision, manage uncertainty, foster trust, and effectively guide healthcare organizations through transformation. This definition aligns with transformational leadership theory by emphasizing vision, influence, and motivational capacity, while extending beyond style to capture broader competency-based attributes relevant to healthcare reform.

Employee Engagement

Employee engagement has emerged as a central construct in organizational behavior research, reflecting employees' psychological investment in their work roles. Contemporary literature conceptualizes engagement as a positive and persistent work-related state characterized by vigor, dedication, and absorption [43-45].

Recent refinements emphasize engagement as both a motivational and relational resource that enhances adaptive performance, resilience, and discretionary effort [36]. In high-demand sectors such as healthcare, engagement functions as a protective psychological mechanism against stress and burnout [46].

From a social exchange theory perspective, engagement reflects the quality of reciprocal exchange between employees and their organization. When employees perceive leadership competence, fairness, and support, they reciprocate with increased psychological commitment and proactive behavior [47-49].

Importantly, employee engagement is distinct from job satisfaction or organizational commitment. While satisfaction reflects evaluative judgment and commitment reflects attachment, engagement captures active investment of cognitive, emotional, and behavioral energies into work roles [35].

In this study, employee engagement is defined as a positive, work-related psychological state characterized by employees' cognitive involvement, emotional commitment, and behavioral investment in organizational activities, particularly during periods of change.

Change Management

Change management refers to the structured processes through which organizations plan, implement, and sustain transformation initiatives. Contemporary scholarship emphasizes

that effective change management involves not only structural redesign but also alignment of employee attitudes, behaviors, and organizational culture [50-52].

In healthcare organizations, change management is particularly complex due to professional hierarchies, regulatory requirements, and patient safety considerations. Successful change management requires leadership coordination, employee readiness, and sustained behavioral adaptation [35].

Recent research conceptualizes change management effectiveness in terms of change readiness, change acceptance, reduced resistance, and successful implementation outcomes [17, 19, 24, 53]. Thus, change management extends beyond procedural implementation to encompass psychological and behavioral integration.

In this study, change management is defined as the effectiveness of organizational processes in implementing and sustaining strategic transformation, reflected in employees' readiness, acceptance, cooperation, and successful integration of change initiatives.

Leadership Competence and Change Management

The concept of leadership competence has become a strategic competence that organizations are able to overcome complex processes of change. Professional autonomy, high interdependence among services, and regulatory conditions are the key characteristics of the healthcare setting where effective leadership is essential to maintain the coherence of change and continuity of operations [35-37].

In relation to the transformational leadership theory, leadership competence is the capacity to influence people by stating visionary ideas, intellectually stimulating, developing trust, and setting positive ethical examples [40, 41]. Recent studies show that transformational competent leaders generate a large effect on the willingness to change, decrease resistance, and raise the effectiveness of implementation in employees [54-56]. Communication of strategic direction is a key attribute that leaders who exhibit consistency in their behavioral patterns make them appear stable in uncertain times [57].

Change in the healthcare context is usually workflow redesign, implementation of digital systems, and structural decentralization. Such procedures can cause confusion and emotional tension among medical workers. There is empirical evidence that leadership competence alleviates such strain through psychological safety, cross-functional coordination, and commitment to the organization as a whole [38]. Competent leaders who demonstrate adaptability and alignment with the stakeholder are in a better position to continue the quality of services in the process of introducing reforms.

In the framework of Vision 2030 in Saudi Arabia, healthcare cluster transformation is a system change that involves the need to align clinical and administrative areas through leadership. Although there have been increasing reforms, inconsistency in the results of changes indicates that competence in leadership is a key factor in determining change success [13, 58]. Thus, in accordance with the modern concepts of leadership and change research, leadership competence should have a positive impact on change management effectiveness.

- H1: Leadership competence has a positive and significant impact on change management.

Leadership Competence and Employee Engagement

Employee engagement is a work-related positive psychological state that is manifested by vigor, dedication, and absorption [59]. Recent research frames engagement as a motivational resource, which can be used to increase adaptive performance and organizational citizenship behaviors [60].

According to the transformational leadership theory, effective leaders promote engagement through provision of meaningful vision, personalized support, and empowerment. Subsequent empirical research now indicates that competence-based, fairness-based, and relationship transparency leadership behaviors are important predictors of employee engagement in various industries [61, 62]. Workers who are emotionally intelligent and strategically clear develop trust and inner drive among their subordinates [63, 64].

Regarding the social exchange theory, the competence of leadership is an indicator of organizational investment in the growth and welfare of employees. Employees can pay back by increasing their discretionary effort and psychological involvement when they see high-quality leadership support [47]. This two-way relationship is especially relevant in medical practice where practitioners have to work under stress and experience serious emotional limitations [65, 66].

According to recent medical research, the quality of leadership has a direct effect on the level of engagement between nurses and physicians, which leads to resilience and well-being [46, 67]. Competent leadership can play a critical role in helping healthcare professionals in Saudi Arabia to maintain engagement during the process of reform initiatives in the face of uncertainty [9, 68]. In this regard, leadership competence should increase employee engagement.

- H2: Leadership competence has a positive and significant impact on employee engagement.

Employee Engagement and Change Management.

The level of employee engagement is of critical importance in influencing the behavioral responses of employees to the change in an organization. Employees who are engaged have proactive coping styles, receptive to innovation, and persistence, all of which support successful implementation of change [43].

According to recent empirical studies, engagement is a reliable predictor of change readiness, reduced resistance, and high change commitment [36, 50, 69]. Engagement as a psychological buffer to uncertain conditions is found in high-stake settings, like healthcare, where change can disrupt clinical daily practices and professional identity frameworks [70, 71].

Engagement, as it is called, is based on the social exchange theory and reflects mutual agreement between the staff and the organizational authorities [47]. In case the employees feel that the leadership is supportive and competent in carrying out transformation initiatives, they will pay back through positive behaviors, collaboration and promotion of change.

The redesign of healthcare globally and digitization of the Saudi clusters encompasses systemic redesign and digital integration processes which demand employee-level flexibility and dedication [72, 73]. Involved clinicians will be more prone to accept reform initiatives and make a significant contribution to implementation efforts. In this way, the engagement of employees will impact positively on change management effectiveness.

- H3: Employee engagement has a positive and significant impact on change management.

Employee Engagement as a Mediator

Even though leadership competence should have a direct impact on change management, modern organizational literature on the topic is suggesting more often that leadership impacts are not typically direct. Rather, leadership affects staff attitudes and motivation levels, which, in turn, have an impact on the performance of organizations [43].

The combination of transformational leadership theory and social exchange theory offers a multi-level explanation of this mechanism. The leaders who are transformational competent encourage psychological empowerment, meaning and trust [74, 75]. Employees are able to repay this leadership investment through social exchange processes by raising their engagement levels [47, 76]. There, engagement, in turn, creates adaptive behaviors and change-supportive behaviors that are required to successfully manage change.

According to recent research, mediation exists between leadership behaviors and many performance outcomes with the help of engagement [61, 77]. Nonetheless, empirical research studies that specifically focus on the role of this mediating factor in healthcare change settings are limited, especially in the context of the cluster-based healthcare system in Saudi Arabia.

Considering the current structural transformation of the Madinah healthcare cluster, it is important to comprehend the indirect route the leadership competence of mobilization of employee engagement follows. Mediator Positioning engagement is theoretically more precise because it goes beyond direct-effect assumptions and provides an explanation of leadership-driven change in terms of process.

- H4: Leadership competence has a positive and significant impact on change management through employee engagement.

CONCEPTUAL FRAMEWORK

Based on the previous theoretical synthesis and hypothesis formulation, the research suggests a conceptual framework that explains the structural and psychological processes that leadership competence impacts change management in the Madinah healthcare cluster. It is based on the recent uses of transformational leadership theory and social exchange theory to identify both leader-mediated and employee-mediated pathways to the achievement of successful organizational change.

In essence, the framework places leadership competence as a leading antecedent of change management effectiveness. The conceptualization of leadership competence is that the competence is multidimensional, and it includes strategic clarity and adaptive capacity,

relational intelligence, and skills of facilitating change. According to the latest findings in the new field of transformational leadership, good leaders can improve the results of change through the ability to articulate the vision, create psychological safety, and coordinate organizational actors in the conditions of uncertainty [35-37].

The direct leadership competence to change management is the reflection of the structural impact of leadership behaviors on organizational processes. Leaders in reforming healthcare settings should organize interprofessional teamwork, control the implementation of digitalization, and maintain clinical excellence. Empirical research indicates that leadership abilities could be an important predictor of change preparedness, execution faithfulness, and transformation steadiness [38, 43]. In the Saudi healthcare reform situation, this leadership competence is especially vital because the system is systemically decentralized and clustered under Vision 2030 [78-80].

The framework is however not limited to direct-effects logic. It assumes that the mediating impact of leadership competence is also present via the aspect of employee engagement that serves as a key psychological and relational process. Transformational competent leaders encourage engagement by empowering the employees, being fair, and making their work environments meaningful [61, 81]. Leadership behaviors in healthcare organizations, where emotional needs and professional identity are relevant, have a great impact on motivational levels and discretionary effort of employees [46, 67].

Based on the social exchange theory, the concept of employee engagement is presented as a reciprocal reaction to the perceived leadership support and competence [47]. By experiencing effective leadership among healthcare professionals in the process of change initiatives, they respond by being more involved, flexible, and supportive in the process of change initiatives. Engagement therefore becomes the channel through which leadership competence is put into action to become effective change management.

The framework has a mediating structure that indicates the process-based understanding of a change. Instead of operationalizing change management in terms of its hierarchical or directive, the model focuses on the dynamics of employees, which is aligned with the modern organizational change scholarship [50]. The framework enhances theoretical accuracy by adding engagement as an intermediary, whereby leadership competence influences the change outcomes.

Notably, placing this framework in the context of Madinah healthcare cluster appreciates specifics. The process of Saudi healthcare transformation is conditioned by institutional reform, cultural norms, the levels of professional hierarchy, and the rapid development of digitalization. The framework thus incorporates structural leadership capability and relational exchange processes in explaining both systemic and human aspects of change. The proposed conceptual framework is presented in Figure 1, which shows that leadership competence was an antecedent of management change both directly and indirectly via employee engagement.

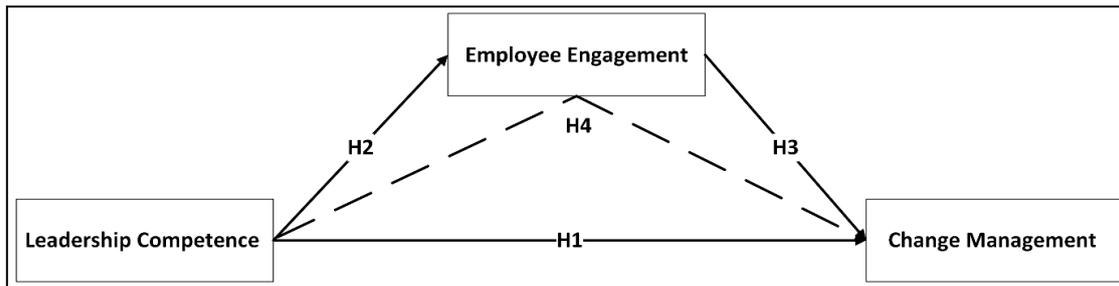


Figure 1: Conceptual Framework

THEORETICAL AND PRACTICAL IMPLICATIONS

This paper contributes to the theoretical and practical knowledge on the topic of leadership-based change in healthcare organizations, as it suggests the combination of these three factors together: leadership competence, employee engagement, and change management. This conceptual model has generated theoretical contributions and practical implications that may be seen in the discussion.

Theoretical Implications

First, the framework builds upon the transformational leadership theory by conceptualizing leadership competence as not only behavioral style but also as strategic organizational capability that is integrated into the healthcare reform processes. Although previous studies have determined relationships between leadership and change management [36, 43, 69], this research contribution to the literature is that engagement is a mediating factor that will add further explanatory layers to the research.

Second, the incorporation of the social exchange theory offers a relational perspective according to which the leadership competence impacts the reactions of employees to change. In the recent scholarship, it is stressed that the effectiveness of leadership depends on the perceived reciprocity and trust [47]. Placing engagement as a mediator, the study reveals the way that two-way exchange processes will convert leadership behaviors into long-term change supportive actions.

Third, the framework adds contextual information to the healthcare leadership literature with regards to the Saudi healthcare cluster system. Despite a broad range of research on healthcare transformation in the West, the empirical and conceptual studies in the Middle East setting of healthcare reforms are few [78-80]. The present paper fills this gap by contextualizing the leadership-based change into the institutional context of Vision 2030.

Fourth, in reaction to modern demands of multi-theoretical integration to the organizational change research, the model reacts [43]. The framework also correlates structural (leadership-driven) and psychological (mediated by employees) aspects of the change processes, as opposed to the single-theory explanation.

Practical Implications

Practically, the suggested framework highlights the idea that the innovations in leadership development within the Madinah healthcare cluster are to go beyond managerial technical

skills. Completely competency-based leadership development initiatives that stress communication, adaptive decision-making, and relational trust-building should be prioritized by policymakers.

Second, employee engagement should be seen as a strategic and not an human resource peripheral activity. Healthcare leaders must adopt engagement-increasing strategies through participatory decision-making, easy communication in the reform, and recognition systems that reflect transformation objectives.

Third, leadership development and engagement efforts must be considered and combined with change management strategies and not as distinct areas. The system of change in healthcare is sustainability that needs structured and relational interventions.

Lastly, in the overall agenda of Vision 2030, the findings indicate that the success of healthcare reforms should not solely rely on policy redesign or investment of infrastructure facilities but also development of competent leaders and engaged healthcare professionals who can continue to transform the healthcare systems over time.

FUTURE STUDY

The proposed conceptual framework offers several important avenues for future research on leadership competence, employee engagement, and change management in healthcare settings. As a conceptual model, its primary next step involves empirical validation, particularly through quantitative designs such as structural equation modeling (SEM) to test the direct and mediating relationships among the variables using data from healthcare professionals in the Madinah healthcare cluster. Longitudinal studies are also recommended to capture the dynamic nature of change management and to strengthen causal inferences regarding how leadership competence and engagement influence change outcomes over time. Future research should further examine contextual moderators-such as organizational culture, perceived organizational support, leadership tenure, and change complexity-to clarify boundary conditions under which leadership competence is most effective. In addition, qualitative and mixed-method approaches could provide deeper insights into cultural, institutional, and informal leadership dynamics, especially within the Saudi healthcare context. Comparative studies across different healthcare clusters in Saudi Arabia and other GCC countries would enhance external validity. Finally, refining the conceptualization of leadership competence (e.g., strategic, interpersonal, ethical dimensions) and employee engagement (individual and collective levels) would improve theoretical precision and practical relevance for leadership development and organizational transformation initiatives.

CONCLUSION

In this study, a conceptual framework was integrated to demonstrate that leadership competence impacts change management in Madinah healthcare cluster with employee engagement as a mediating mechanism. The framework is based on the transformational leadership theory and the social exchange theory and promotes a process-based approach to understanding leadership-driven changes in healthcare organizations that are going through systemic reform.

The analysis highlights that leadership competence is not limited to behavioral leadership style but can be viewed as a strategic ability needed to lead through the complicated healthcare changes. Competent leaders will be relied upon to influence the results of change in reform-intensive contexts including the healthcare restructuring of Vision 2030 in Saudi Arabia not only by direct strategic impact but also through employee's engagement. This study combines relational exchange processes with the nexus of leadership change and thus it goes beyond the traditional direct-effect approaches and gives a more elaborate perspective of how organizational change is mobilized and maintained.

The mediating role of positioning employee engagement as a mechanism presents valuable theoretical contribution. The framework focuses on the psychological investment, reciprocity, and behavioral commitment of employees as critical elements of effective transformation as opposed to conceptualizing change management as a top-down structural process. The view is consistent with the modern change management literature which identifies the pivotal role of employee engagement and collective ownership of the joint accomplishment of sustainable results.

Contextually, the research is useful to the few studies on leadership and change management in Saudi healthcare clusters. The healthcare cluster of Madinah is a unique institutional environment, on which the rapid decentralization, the digital transformation, and the performance accountability reforms are focused. The study can be used to improve contextual sensitivity by locating the conceptual model in this setting and address the demands of further geographical diversification of organizational research.

In practical terms, the findings indicate that healthcare change under the Vision 2030 should not be based only on structural changes or technologies investment. Sustainable change demands creation of leadership competencies that build trust, clarity, and adaptability and organizational strategies that promote employee engagement. The leadership development and engagement programs must thus be regarded as complementary support structures of healthcare reform strategy.

Although this study is of a conceptual approach, it offers a sound theoretical framework to be used in future empirical research. The proposed model testing in the context of Saudi healthcare clusters would provide useful information on the mediating processes in the leadership-driven change and contribute to the theoretical knowledge of change in the high-reliability healthcare systems.

Finally, this study contributes to the discussion of leadership and change management by applying structural leadership capability and relational employee dynamics. In this way, it gives back to the theory and practice, providing a holistic approach to the interpretation and leadership of the sustainable healthcare transformation in Saudi Arabia and other similar change settings.

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