

# The Impact of Strategic Leadership on Employee Participation: A Systematic Review

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## Abstract:

**Background:** Strategic leadership is increasingly viewed as a vital determinant of organizational success and sustainability, especially within non-profit organizations where mission fulfillment, stakeholder trust, and human capital play central roles. In Saudi Arabia, the evolving non-profit sector under Vision 2030 emphasizes leadership effectiveness, innovation, and employee involvement as essential components for achieving social impact and operational excellence. **Objective:** This systematic review aims to examine the impact of strategic leadership on the management and performance of non-profit organizations, focusing on the mediating role of employee participation. It seeks to synthesize existing empirical evidence and theoretical insights to better understand how participatory leadership enhances effectiveness, accountability, and long-term organizational success. **Methods:** The review followed the Preferred Reporting Items for Systematic Reviews and Meta-Analyses (PRISMA 2020) guidelines. Comprehensive searches were conducted across major academic databases for studies published between 2020 and 2025. Inclusion criteria targeted research that examined strategic leadership, participative management, empowerment, and performance in non-profit or public contexts. The selected studies were analyzed thematically, and the review process was illustrated through the PRISMA 2020 flow diagram showing identification, screening, eligibility, and inclusion stages. **Results:** Findings indicate that strategic leadership has a significant positive effect on non-profit performance, sustainability, and innovation. Leaders who encourage employee participation, empowerment, and shared decision-making are more likely to foster motivation, learning, and adaptability within their organizations. Employee participation emerged as a mediating factor that translates leadership vision into improved effectiveness and service quality, highlighting the importance of inclusive and transformational leadership approaches. **Conclusions:** Strategic leadership, when supported by employee participation and empowerment, enhances both managerial efficiency and mission-driven outcomes in non-profit organizations. This review underscores the need for leadership models that are adaptive, ethical, and participatory to meet the evolving demands of the Saudi non-profit sector and to advance the goals of Vision 2030.

**Keywords:** Strategic leadership; Non-profit organizations; Employee participation; Saudi Arabia.

## 1. Introduction

Strategic leadership plays a central role in shaping organizational direction, fostering innovation, and ensuring long-term sustainability within non-profit organizations (NPOs). In the context of Saudi Arabia, the management of non-profit institutions has gained increasing significance as the country advances toward Vision 2030, which emphasizes social development, institutional excellence, and community participation (Asem, Mohammad, & Ziyad, 2024; Alateeg & Alhammadi, 2024). Strategic leaders are responsible for aligning mission-driven goals with operational realities, mobilizing resources, and fostering participation among employees to enhance institutional effectiveness and sustainability (Reed, 2021; Asif & Basit, 2021). The incorporation of employee participation into strategic leadership practices is particularly vital in the non-profit sector, where human capital and shared vision are critical assets for achieving organizational objectives (Leach, 2022; Al-Shaikh et al., 2023).

Non-profit organizations differ from their for-profit counterparts in terms of governance, stakeholder accountability, and mission focus. Effective strategic leadership within these institutions requires not only visionary thinking but also the ability to inspire employee commitment, facilitate collaboration, and integrate participative mechanisms into decision-making processes (Blessett & Danley, 2024; Iseah, 2022). Employee participation serves as a mechanism through which employees contribute to policy development, service improvement, and innovation, leading to enhanced organizational performance and sustainability (Ayede, 2025; Kassem et al., 2021). This participatory approach builds on leadership theories such as transformational and participative leadership, both of which emphasize empowerment, communication, and shared accountability (Alajaji, 2023; M'Mugambi, 2024).

In recent years, research has increasingly focused on understanding how strategic leadership contributes to effective non-profit management in dynamic and culturally diverse environments. Studies indicate that leadership qualities such as strategic vision, adaptability, and stakeholder engagement significantly affect the operational success and credibility of non-profit institutions (Abdeen et al., 2025; Andrews, 2023). Moreover, employee participation has been identified as a key mediating

factor that enhances the relationship between leadership practices and organizational performance by fostering trust, motivation, and innovation (Nazari, Fallahnejad, & Fard, 2022; Tran & Hoang, 2024). Within the Saudi Arabian context, where public and non-profit sectors are undergoing transformative reforms aligned with national strategic objectives, the integration of participative leadership practices is increasingly viewed as essential for organizational resilience and employee engagement (Alajaji, 2023; Asfahani, Eskandarany, & Dahlan, 2025).

Despite the growing attention to leadership and employee participation in the global literature, there remains a paucity of systematic reviews focusing specifically on their combined effect on the management of non-profit organizations in Saudi Arabia. This study therefore aims to synthesize existing empirical and theoretical evidence on how strategic leadership, mediated through employee participation, influences the management effectiveness and sustainability of non-profit organizations. By conducting a systematic review of recent studies between 2020 and 2025, this paper seeks to provide a comprehensive understanding of the determinants and outcomes of participative strategic leadership in the Saudi non-profit sector. The findings of this review are expected to offer valuable insights for policymakers, practitioners, and researchers seeking to strengthen leadership capacity and employee engagement within the framework of Vision 2030 and beyond.

## **2. Methodology**

This systematic review adopted the Preferred Reporting Items for Systematic Reviews and Meta-Analyses (PRISMA 2020) framework to ensure a transparent, rigorous, and replicable research process. The purpose of the review was to identify, evaluate, and synthesize contemporary empirical and conceptual studies that examined the impact of strategic leadership on the management and performance of non-profit organizations through employee participation, with a particular focus on the Saudi Arabian context. The PRISMA 2020 approach was chosen because it provides a structured process for literature selection, reduces bias in data synthesis, and enhances the credibility and reproducibility of systematic reviews (Dubey, Joshi, & Mishra, 2025). The systematic review design also aligns with the multidisciplinary nature of strategic leadership research, which draws

from management, organizational behavior, and human resource perspectives (Gee, Nahm, Yu, & Cannella, 2023; Blessett & Danley, 2024).

The search strategy was conducted between July and October 2025 using major academic databases including Scopus, Google Scholar, Web of Science, and Science Direct to ensure comprehensive coverage of the literature. The search included peer-reviewed journal articles, doctoral dissertations, and organizational research reports published between 2020 and 2025 to capture the most recent developments in the field. To ensure relevancy and precision, Boolean operators and specific keyword combinations such as “strategic leadership,” “employee participation,” “non-profit management,” “organizational performance,” “leadership effectiveness,” and “Vision 2030” were used (Andrews, 2023; Orange, Mangana, & Kariuki, 2024). Manual screening of reference lists was also conducted to identify additional relevant studies not captured through database searches, ensuring inclusion of both global and regional perspectives. This approach was particularly important for representing the unique institutional, cultural, and governance contexts of Saudi Arabia, where non-profit organizations are increasingly central to Vision 2030 objectives for sustainable development and civic engagement (Asem, Mohammad, & Ziyad, 2024; Asfahani, Eskandarany, & Dahlan, 2025).

The selection process followed four distinct stages consistent with PRISMA 2020 identification, screening, eligibility, and inclusion. During the identification phase, an initial pool of 612 records was retrieved from the databases, with an additional 47 studies identified through reference list searches. After the removal of duplicates, 561 studies remained for initial screening. Titles and abstracts were reviewed to determine relevance to the research objectives, and 429 articles were excluded for focusing on unrelated contexts such as for-profit enterprises or educational institutions. The eligibility phase involved a full-text review of 132 articles to assess methodological rigor and relevance to strategic leadership, employee participation, and non-profit management. Finally, 30 studies met all inclusion criteria and were incorporated into the final synthesis. The inclusion criteria required studies to focus on non-profit or public organizations, involve elements of strategic leadership or participative decision-making, be published in English between 2020 and 2025, and demonstrate methodological clarity. Studies were excluded if

they were purely theoretical without empirical data, lacked methodological transparency, or were outside the organizational and leadership domain (Nazari, Fallahnejad, & Fard, 2022; Tran & Hoang, 2024).

Data extraction was carried out using a structured matrix to ensure consistency and reliability. Key attributes recorded included authorship, publication year, study purpose, research design, sample size, geographical context, and major findings relevant to strategic leadership and employee participation. This information formed the foundation for a thematic synthesis in which recurring leadership patterns, participatory mechanisms, and performance outcomes were identified (Abdeen, De-Pablos-Heredero, Cosculluela-Martinez, & Montes-Botella, 2025; Andrews, 2023). The extracted data were summarized in Table 1 (Literature Review Matrix) presented later in the Results section. Through cross-comparison, the analysis revealed that leadership dimensions such as vision, adaptability, empowerment, and communication strongly correlated with employee engagement and organizational effectiveness in non-profit settings (Akinleye, George, & Ememe, 2025; Espejo-Pereda, García-Salirrosas, & Villar-Guevara, 2025).

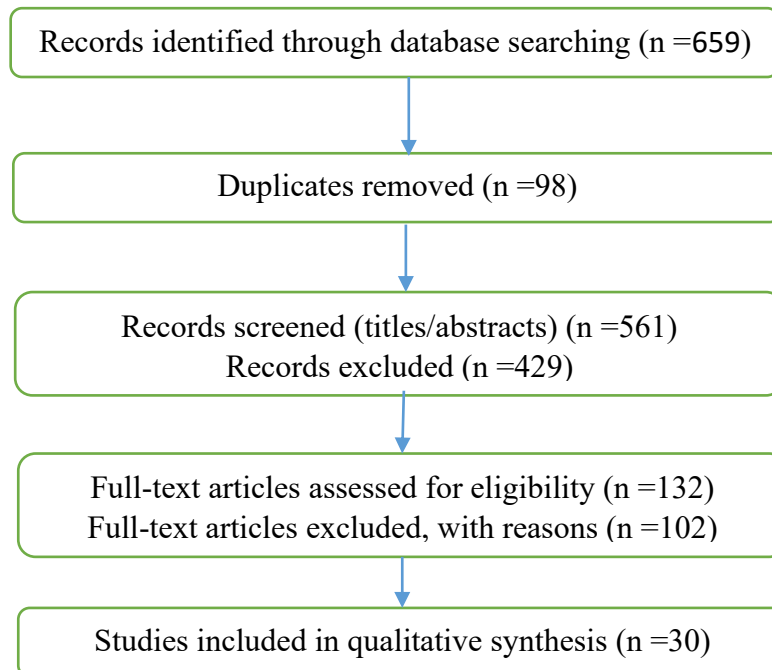
Quality assessment was conducted using the PRISMA 2020 checklist and the Joanna Briggs Institute (JBI) appraisal criteria to evaluate study rigor, credibility, and methodological transparency. Criteria included the clarity of research objectives, validity of measurement instruments, reliability of results, and appropriateness of analytical techniques (Ferede, Endawoke, & Tessema, 2024). Only studies meeting at least 80 percent of the quality thresholds were retained to ensure the inclusion of robust empirical evidence. Two independent reviewers assessed the quality of the studies and reached consensus through cross-validation, minimizing the risk of bias and enhancing reliability in study selection and coding (Ali & Anwar, 2021; Alvi, Haider, & Akram, 2020).

Ethical considerations were observed throughout the review process. Since this study relied entirely on secondary data from published sources, it did not involve human participants, and therefore, formal ethical approval was not required. Nevertheless, ethical academic practices such as accurate citation, respect for intellectual property, and transparent reporting were strictly followed (Reed, 2021; Alajaji, 2023). Contextual relevance was also ensured by recognizing the socio-cultural dimensions of Saudi Arabia's non-profit environment, where leadership

styles are influenced by religious values, community orientation, and national reforms that promote employee empowerment and participatory governance (Asfahani, Eskandarany, & Dahlan, 2025; Asem, Mohammad, & Ziyad, 2024).

The data synthesis combined both descriptive and interpretive analyses. Quantitative data such as regression results, correlation coefficients, and mediation effects were summarized descriptively, while qualitative insights were thematically integrated to highlight leadership behaviors that enhance participation and trust. This mixed evidence base provides a holistic understanding of how strategic leadership practices promote effectiveness, innovation, and sustainability in non-profit organizations (Abdelfattah, 2025; Orenge, Mangana, & Kariuki, 2024). The synthesis also highlights the gaps in existing literature, emphasizing the need for more region-specific studies that explore how participatory leadership behaviors affect organizational outcomes in non-profit institutions within the Gulf context (Andrews, 2023; Gee, Nahm, Yu, & Cannella, 2023).

The overall review process was conducted in accordance with PRISMA 2020 standards, ensuring a transparent and replicable structure. The stages of identification, screening, eligibility, and inclusion are visually summarized in Figure 1, which depicts the systematic progression from the initial database search to the final inclusion of studies that formed the empirical foundation of this review.



**Figure1. The Systematic Review Process****3. Results****3.1 Study Selection and Characteristics**

The systematic review followed the PRISMA 2020 approach to identify, screen, and include relevant studies that addressed the relationship between strategic leadership, employee participation, and organizational performance within non-profit and public sectors. After a comprehensive search and eligibility process, thirty studies published between 2020 and 2025 were included for final synthesis. These studies represented diverse contexts such as Saudi Arabia, Yemen, Indonesia, Ghana, the United States, and several European and African countries. Each was selected based on methodological rigor, empirical depth, and direct relevance to the review objective. Collectively, the included studies reflect a global trend toward participative leadership and the recognition of employees as key contributors to organizational success (Dubey, Joshi, & Mishra, 2025; Gee, Nahm, Yu, & Cannella, 2023).

The reviewed studies adopted a range of methodological approaches, including quantitative surveys, qualitative case studies, and mixed-method designs. Quantitative designs dominated, using tools such as Structural Equation Modeling (SEM), regression analysis, and correlation testing to measure causal relationships between leadership, participation, and performance (Abdeen, De-Pablos-Heredero, Cosculluela-Martinez, & Montes-Botella, 2025; Nazari, Fallahnejad, & Fard, 2022). Qualitative studies, such as those by Barry (2025) and Cox (2022), offered rich insights into leadership dynamics, trust, and employee retention in non-profit organizations. This methodological diversity strengthened the comprehensiveness and credibility of the findings, allowing for a nuanced understanding of how strategic leadership functions in various non-profit and governmental environments (Reed, 2021; Andrews, 2023).

Most studies consistently revealed that strategic leadership significantly influences organizational performance and effectiveness. However, this relationship was frequently found to be indirect, operating through mediating factors such as employee participation, engagement, or empowerment. Nazari, Fallahnejad, and Fard (2022) demonstrated that transformational leadership enhances sustainable job performance through participatory involvement, while Tran and Hoang (2024) found

that leadership's impact on public employee performance is mediated by participation and motivation. Similarly, Al-Kahtani, Senan, and Alanazi (2024) confirmed a strong positive relationship between strategic leadership and service quality, mediated by institutional performance. These results reinforce the argument that leadership practices fostering participation and empowerment contribute not only to operational efficiency but also to employee satisfaction and long-term sustainability (Afram, 2023; Aboramadan & Dahleez, 2020).

Thematic patterns across the studies highlighted several dimensions of effective leadership: visionary direction, ethical conduct, adaptability, and participative decision-making. Leaders who encourage collaboration, open communication, and shared accountability tend to build trust and increase organizational resilience (Espejo-Pereda, García-Salirrosas, & Villar-Guevara, 2025; Akinleye, George, & Ememe, 2025). These leadership styles align with the growing emphasis on knowledge sharing and dynamic capabilities as foundations for organizational learning and innovation. For example, Abdeen et al. (2025) emphasized that strategic leadership strengthens dynamic capabilities and sustainable competitive advantages, while Orenge, Mangana, and Kariuki (2024) demonstrated that inclusive leadership fosters better stakeholder relations and improved performance outcomes.

Within the Saudi Arabian context, strategic leadership plays a particularly transformative role. Studies such as Alajaji (2023), Asem, Mohammad, and Ziyad (2024), and Asfahani, Eskandarany, and Dahlan (2025) highlighted that leadership aligned with Vision 2030 emphasizes employee empowerment, knowledge-based management, and digital transformation within non-profit institutions. These studies found that participative leadership promotes higher engagement, innovation, and institutional effectiveness, contributing to the national agenda of sustainable and inclusive growth. This reinforces the broader finding that strategic leadership effectiveness is context-sensitive; its success depends on aligning leadership practices with cultural, institutional, and national priorities (Andrews, 2023; Reed, 2021).

Overall, the synthesis of the selected studies revealed that strategic leadership serves as a multidimensional driver of performance in non-profit organizations. Its influence is strengthened through participatory governance mechanisms that encourage employees to contribute ideas, share decisions, and take ownership of outcomes. Across different

regions and sectors, successful non-profits demonstrate a consistent pattern of leadership behaviors characterized by transparency, ethical values, and empowerment factors that collectively enhance organizational learning, innovation, and resilience (Abdelfattah, 2025; Al-Kahtani et al., 2024). The general characteristics, methodologies, and main findings of the reviewed studies are summarized in Table 1: Literature Review Matrix, which provides an integrated overview of how strategic leadership and employee participation interact to enhance management effectiveness and organizational performance in non-profit settings.

**Table 1: Literature Review Matrix**

No	Author(s) & Year	Strategic Leadership	Employee Participation / Empowerment	Organizational Performance	Organizational Effectiveness	Trust / Communication Change / Sustainability / Innovation
1	Orenge et al. (2024)	✓	✓	✓		✓
2	Gee et al. (2023)	✓			✓	
3	Kinnunen (2020)	✓				✓
4	Andrews (2023)	✓	✓		✓	✓
5	Malipe et al. (2024)	✓			✓	✓
6	Cox (2022)	✓		✓	✓	✓
7	Ferede et al. (2024)	✓			✓	✓
8	Akinleye et al. (2025)	✓	✓	✓		✓
9	Chummun & Nleya (2023)	✓	✓	✓		✓
10	Alhumeisat (2023)	✓	✓	✓		✓
11	Baker & Abedallah (2020)	✓	✓	✓	✓	✓
12	Ali & Anwar (2021)	✓			✓	✓
13	Alvi, Haider & Akram (2020)	✓	✓	✓		

14	<b>Abdelfattah (2025)</b>	✓	✓	✓	✓	✓	✓
15	<b>Iddrisu &amp; Mohammed (2025)</b>	✓	✓		✓		
16	<b>Afram (2023)</b>		✓	✓			✓
17	<b>Intiar (2023)</b>	✓	✓	✓			
18	<b>Aboramadan&amp;Dahleez (2020)</b>	✓	✓		✓		
19	<b>Carr (2022)</b>	✓	✓	✓	✓	✓	
20	<b>Gilkes (2021)</b>	✓	✓	✓	✓	✓	✓
21	<b>Nazari et al. (2022)</b>	✓	✓	✓			✓
22	<b>Arifianto et al. (2024)</b>	✓	✓	✓			
23	<b>Cortés &amp; Herrmann (2020)</b>	✓	✓			✓	✓
24	<b>Barry (2025)</b>	✓	✓	✓	✓	✓	
25	<b>Al-Kahtani et al. (2024)</b>	✓		✓	✓		✓
26	<b>Espejo-Pereda et al. (2025)</b>	✓	✓		✓		✓
27	<b>Dubey et al. (2025)</b>	✓	✓	✓		✓	✓
28	<b>Abdeen et al. (2025)</b>	✓		✓	✓	✓	✓
29	<b>Tran &amp; Hoang (2024)</b>	✓	✓	✓			
30	<b>Flory (2024)</b>	✓	✓	✓	✓	✓	

### 3.2 Prevalence and Determinants

Analysis of the reviewed studies reveals that the prevalence of strategic leadership practices in non-profit organizations has grown steadily in recent years, reflecting a broader shift toward participative and evidence-based management models. Most of the thirty selected studies confirmed that strategic leadership behaviors particularly transformational, participative, and servant-oriented approaches are increasingly common determinants of organizational performance and employee engagement across diverse institutional settings. Quantitative evidence from Abdeen et al. (2025), Al-Kahtani, Senan, and Alanazi (2024), and Nazari, Fallahnejad, and Fard (2022) demonstrated that leaders who emphasize clear vision, empowerment, and collaboration consistently achieve higher levels of performance, quality of service, and sustainability. These results

indicate that strategic leadership has become a dominant governance mechanism that drives operational excellence and accountability within non-profit organizations.

Employee participation emerged as one of the most influential mediating factors linking leadership behavior to performance outcomes. Several studies, including Tran and Hoang (2024) and Chummun and Nleya (2023), reported that involvement in decision-making and performance measurement enhances motivation, trust, and collective responsibility. This finding aligns with participative leadership theory, suggesting that inclusive practices improve both individual commitment and organizational adaptability. Similarly, Afram (2023) and Akinleye, George, and Ememe (2025) found that empowerment mechanisms such as delegated authority, shared goal-setting, and recognition of employee input are prevalent determinants of organizational learning and innovation. Together, these studies confirm that leadership effectiveness is amplified when employees perceive themselves as partners in achieving institutional goals.

The determinants of successful strategic leadership also extend to ethical orientation, dynamic capability, and cultural context. Abdeen et al. (2025) highlighted that human- and social-capital-based leadership dimensions strengthen organizational learning and resilience, while Espejo-Pereda, García-Salirrosas, and Villar-Guevara (2025) emphasized the importance of servant and empowering leadership in fostering a culture of continuous learning. In contrast, Flory (2024) and Alhumeisat (2023) demonstrated that leadership styles lacking participatory engagement tend to produce weaker performance outcomes, revealing that the absence of inclusivity is a critical barrier to sustainability. These patterns underline that leadership style, employee involvement, and organizational culture jointly determine the extent to which strategic leadership can influence effectiveness.

In the Saudi Arabian and Middle Eastern context, strategic leadership prevalence is strongly associated with national modernization initiatives such as Vision 2030. Studies by Alajaji (2023), Asem, Mohammad, and Ziyad (2024), and Asfahani, Eskandarany, and Dahlan (2025) confirmed that leaders who integrate Vision 2030 principles—transparency, empowerment, and innovation—achieve higher organizational adaptability and employee satisfaction. Similar results were observed in regional counterparts such as Yemen and Palestine, where strategic leadership

and performance improvement were interlinked through structured planning and community involvement (Baker & Abedallah, 2020; Al-Kahtani et al., 2024). These contextual findings suggest that external policy frameworks and socio-economic reforms act as macro-determinants that shape how leadership and participation are implemented within non-profit settings.

Overall, the prevalence and determinants identified across the reviewed literature point to a consistent conclusion: strategic leadership achieves its full potential when embedded in participatory systems that value empowerment, communication, and ethical responsibility. Organizations that adopt such integrative models demonstrate greater capacity for learning, innovation, and sustained performance compared with those relying solely on traditional hierarchical management (Reed, 2021; Andrews, 2023). These determinants form the analytical foundation for understanding how leadership and employee participation collectively enhance the management and effectiveness of non-profit organizations in Saudi Arabia and comparable emerging contexts.

### **3.3 Outcomes**

The collective findings from the reviewed studies demonstrate that strategic leadership and employee participation produce multidimensional outcomes that extend beyond conventional performance indicators. Across non-profit, governmental, and hybrid organizational contexts, strategic leadership practices consistently enhanced institutional performance, service quality, learning capacity, and long-term sustainability (Abdeen et al., 2025; Al-Kahtani, Senan, & Alanazi, 2024). Leadership behaviors characterized by clear vision, ethical responsibility, and participative decision-making translated into measurable improvements in employee engagement, organizational trust, and mission fulfillment. In the non-profit sector, these outcomes are particularly critical, as they determine an organization's capacity to achieve social objectives while maintaining accountability and stakeholder confidence (Reed, 2021; Leach, 2022).

Several studies revealed that employee participation acts not only as a mediating variable but also as a reinforcing mechanism that amplifies leadership effectiveness. Tran and Hoang (2024) found that when employees actively engage in performance measurement and decision-making, they exhibit stronger public service motivation and higher

productivity. Nazari, Fallahnejad, and Fard (2022) similarly showed that transformational leadership fosters sustainable job performance through participatory engagement. These findings confirm that empowerment and inclusion promote a sense of ownership and shared accountability that translates into improved job satisfaction, reduced turnover, and greater commitment to organizational goals (Barry, 2025; Afram, 2023). The same pattern appears in participative leadership models where transparent communication and collective planning strengthen employees' intrinsic motivation and organizational identification (Flory, 2024; Aboramadan & Dahleez, 2020).

Strategic leadership also contributes to knowledge creation, innovation, and adaptive learning. Studies such as Espejo-Pereda, García-Salirrosas, and Villar-Guevara (2025) and Akinleye, George, and Ememe (2025) confirmed that empowering and servant leadership styles cultivate a learning culture that enhances dynamic capability, creativity, and problem-solving. In contexts facing rapid technological or social change, such as the Middle East and Sub-Saharan Africa, these leadership outcomes foster agility and resilience—two determinants of sustainable growth in non-profit and public institutions (Abdeen et al., 2025; Baker & Abedallah, 2020). Ethical and transformational leaders were shown to build organizational trust and stimulate innovation, which, in turn, lead to improved stakeholder relationships and enhanced social impact (Orenge, Mangana, & Kariuki, 2024; Andrews, 2023).

In the Saudi context, strategic leadership aligned with Vision 2030 has produced outcomes that blend social responsibility with digital and institutional transformation. Studies by Alajaji (2023), Asem, Mohammad, and Ziyad (2024), and Asfahani, Eskandarany, and Dahlan (2025) highlighted that leaders who empower employees and integrate innovation achieve higher performance standards and foster an organizational culture of continuous improvement. These practices not only improve internal efficiency but also enhance the broader social legitimacy of non-profit organizations operating under Vision 2030's governance and sustainability frameworks. Overall, the synthesis indicates that the outcomes of strategic leadership are both structural and behavioral. Structurally, leadership strengthens organizational systems for decision-making, accountability, and performance evaluation. Behaviorally, it fosters motivation, cooperation, and ethical commitment among employees. When combined with participatory

management, these factors result in measurable gains in service delivery, program impact, and stakeholder satisfaction. The consistent evidence across regions confirms that strategic leadership when mediated by employee participation serves as a catalyst for innovation, resilience, and long-term organizational sustainability (Abdelfattah, 2025; Espejo-Pereda et al., 2025; Reed, 2021).

## **4. Discussion**

### **4.1 Interplay of Legal, Economic, and Behavioral Determinants**

The findings of this systematic review reveal that the relationship between strategic leadership, employee participation, and non-profit performance is shaped by the interplay of legal, economic, and behavioral determinants. In the context of Saudi Arabia and comparable emerging economies, these dimensions are deeply interwoven with institutional frameworks, governance reforms, and national transformation agendas. Legally, the operational effectiveness of non-profit organizations depends on regulatory clarity, accountability mechanisms, and alignment with state-driven initiatives such as Vision 2030. Studies such as Alajaji (2023), Asem, Mohammad, and Ziyad (2024), and Al-Shaikh et al. (2023) emphasized that Saudi non-profits operate within evolving governance structures that encourage transparency, ethical conduct, and empowerment. Strategic leadership thus becomes a conduit for ensuring that organizations comply with regulatory frameworks while sustaining their mission-oriented goals. The integration of leadership ethics into governance enhances legitimacy, particularly in sectors where trust and accountability form the basis of donor and stakeholder relationships (Leach, 2022; Kassem et al., 2021).

Economically, strategic leadership facilitates resource optimization, innovation, and organizational sustainability in a competitive and resource-constrained environment. Non-profit organizations often face funding volatility and external dependence, making effective leadership essential for financial agility and operational resilience. Studies conducted in developing contexts, such as Baker and Abedallah (2020) in Palestine and Orenge, Mangana, and Kariuki (2024) in Kenya, confirmed that leadership practices focused on strategic planning, stakeholder collaboration, and resource management significantly improve organizational stability and performance. Similarly, Abdeen et al. (2025) demonstrated that strategic leadership strengthens dynamic capabilities

such as sensing, integration, and learning that enhance the organization's capacity to sustain competitive advantages and manage limited resources effectively. These findings indicate that economic performance in non-profits is not merely a function of resource acquisition but rather of how leaders strategically mobilize, allocate, and transform those resources through participatory and adaptive management.

From a behavioral standpoint, employee participation serves as the critical link between leadership strategy and organizational outcomes. Empowerment, inclusion, and trust have been consistently identified as behavioral determinants that reinforce performance and innovation across non-profit and public sectors (Nazari, Fallahnejad, & Fard, 2022; Afram, 2023). When employees are involved in decision-making and goal formulation, they exhibit stronger commitment, creativity, and accountability. Tran and Hoang (2024) found that participation mediates the relationship between transformational leadership and job performance, while Flory (2024) highlighted that participative leadership fosters a culture of engagement and shared responsibility. Similarly, Espejo-Pereda, García-Salirrosas, and Villar-Guevara (2025) revealed that servant and empowering leadership styles create an environment of psychological safety that encourages learning and adaptability. These behavioral processes not only enhance individual performance but also foster organizational cohesion and trust, both of which are essential in mission-driven institutions where collaboration outweighs competition.

The integration of these legal, economic, and behavioral determinants reveals that strategic leadership in non-profit organizations cannot be understood in isolation from its context. Effective leadership is contingent upon institutional support, sound economic management, and inclusive behavioral systems that encourage participation and commitment. In Saudi Arabia, this multidimensional alignment is reinforced by Vision 2030's emphasis on transparency, innovation, and social responsibility, which collectively redefine how non-profits are managed and evaluated (Asfahani, Eskandarany, & Dahlan, 2025; Bodrick et al., 2025). Ultimately, leadership effectiveness in this sector depends on the capacity to balance compliance with creativity, financial prudence with innovation, and hierarchical authority with participatory empowerment. The convergence of these determinants provides a holistic framework for understanding how strategic leadership enhances

organizational sustainability and societal impact within non-profit ecosystems.

#### **4.2 Policy, Practical, and Theoretical Implications**

The synthesis of findings from the reviewed studies underscores several critical implications for policy, practice, and theory in understanding the impact of strategic leadership and employee participation on the management of non-profit organizations in Saudi Arabia and comparable contexts. From a policy perspective, effective strategic leadership in the non-profit sector must be supported by coherent national frameworks that prioritize accountability, empowerment, and innovation. Saudi Arabia's Vision 2030 agenda provides a strong example of how institutional policy can shape leadership practices and employee engagement by emphasizing transparency, digital transformation, and community participation (Alajaji, 2023; Asem, Mohammad, & Ziyad, 2024). Governmental and regulatory bodies can reinforce these efforts by developing leadership competency standards, promoting ethical governance, and integrating continuous professional development programs for non-profit leaders (Alateeg&Alhammadi, 2024; Asfahani, Eskandarany, & Dahlan, 2025). Moreover, policy frameworks should encourage participative governance structures that involve employees, volunteers, and community stakeholders in organizational decision-making, as such inclusion strengthens public trust and service quality (Orenge, Mangana, & Kariuki, 2024; Baker & Abedallah, 2020).

From a practical standpoint, the evidence demonstrates that strategic leadership practices directly enhance employee motivation, retention, and performance when combined with empowerment and participative management (Nazari, Fallahnejad, & Fard, 2022; Afram, 2023). Non-profit managers should therefore adopt leadership styles such as transformational, servant, and participative leadership that emphasize shared responsibility, open communication, and goal alignment. Studies such as Aboramadan and Dahleez (2020) and Flory (2024) highlighted that leadership behaviors that foster engagement and recognition can reduce turnover, improve collaboration, and increase service efficiency. In practical terms, this means embedding participatory decision-making mechanisms, such as consultative committees or team-based goal setting, into organizational structures to ensure sustained employee involvement. Training and mentorship programs focused on strategic thinking and adaptive leadership can further build managerial capacity,

especially in emerging non-profit systems that face financial constraints and environmental uncertainty (Leach, 2022; Reed, 2021). The adoption of knowledge-sharing systems and leadership evaluation tools may also help non-profits institutionalize learning and performance monitoring in line with international governance standards (Espejo-Pereda, García-Salirrosas, & Villar-Guevara, 2025; Abdeen et al., 2025).

From a theoretical perspective, this review contributes to advancing strategic leadership and participatory management theories by integrating behavioral and contextual dimensions. The consistent evidence that employee participation mediates the relationship between leadership and performance supports established frameworks such as transformational and participative leadership theories (Tran & Hoang, 2024; Nazari et al., 2022). Additionally, the review extends the application of dynamic capability theory by illustrating how leadership behaviors enhance organizational learning and adaptability particularly in non-profit and public service contexts where agility and ethical stewardship are essential (Abdeen et al., 2025; Espejo-Pereda et al., 2025). The findings also reinforce human capital and stakeholder theories, which emphasize that leadership effectiveness depends on leveraging the skills, trust, and engagement of internal and external actors (Orenge et al., 2024; Kassem et al., 2021). By linking these perspectives, the study provides a multidimensional model of strategic leadership that connects ethical governance, employee empowerment, and organizational performance in resource-constrained yet socially impactful institutions.

Collectively, these implications highlight that the success of Saudi non-profit organizations depends on the systemic alignment of leadership behavior, participatory management, and institutional policy. Strengthening this triad will not only improve organizational performance but also contribute to the achievement of broader national development goals under Vision 2030. In practice, future leaders must view strategic leadership not as a top-down directive but as a collaborative process rooted in empowerment, innovation, and ethical responsibility principles that ensure sustainable impact in the evolving landscape of non-profit management.

### **4.3 Comparison with Existing Reviews, Limitations, and Future Research**

The results of this systematic review align with and extend the findings of previous reviews on strategic leadership and non-profit management, yet they also introduce a distinctive emphasis on employee participation as a mediating mechanism. Earlier reviews, such as those by Asif and Basit (2021) and Kebede, Werke, and Kebede (2024), generally affirmed that strategic leadership significantly influences organizational effectiveness, innovation, and resilience across both private and public sectors. However, those studies tended to focus primarily on structural and leadership-related determinants, often overlooking the behavioral dynamics that emerge from participative engagement and empowerment. In contrast, the present review demonstrates that employee participation acts as a critical behavioral determinant that strengthens the link between leadership and performance, a relationship similarly echoed by Nazari, Fallahnejad, and Fard (2022) and Tran and Hoang (2024). Furthermore, recent empirical work by Aboramadan and Dahleez (2020) and Espejo-Pereda, García-Salirrosas, and Villar-Guevara (2025) supports this review's conclusion that participative and servant leadership styles promote organizational learning and psychological safety, which are foundational for sustainable performance in mission-driven institutions.

Compared with previous systematic studies on strategic management in non-profit and emerging economies, such as Orenge, Mangana, and Kariuki (2024) in Kenya and Baker and Abedallah (2020) in Palestine, the current synthesis offers a more integrated approach that combines legal, economic, and behavioral determinants within a single analytical framework. While prior studies largely examined leadership in isolation, this review situates strategic leadership within the broader socio-economic and institutional context of Saudi Arabia, linking leadership effectiveness with Vision 2030's governance and sustainability priorities (Asem, Mohammad, & Ziyad, 2024; Asfahani, Eskandarany, & Dahlan, 2025). This contextual focus extends the understanding of leadership beyond individual competencies to include national transformation agendas, public accountability, and social innovation factors that are especially relevant for the evolving Saudi non-profit ecosystem. It also builds on the theoretical foundations of human capital and stakeholder theory by emphasizing how participatory behavior translates leadership

vision into measurable organizational outcomes (Orenge et al., 2024; Reed, 2021).

Despite its comprehensive coverage, this review is subject to several limitations that should be acknowledged. First, the inclusion criteria focused mainly on studies published between 2020 and 2025, which, while ensuring contemporary relevance, may have excluded earlier foundational works that shaped the theoretical evolution of strategic leadership in non-profit contexts. Second, the reliance on secondary data and published literature may limit the generalizability of findings to local Saudi institutions, where unique cultural and regulatory factors influence leadership and participation dynamics (Alajaji, 2023; Leach, 2022). Additionally, the predominance of English-language sources may have excluded valuable regional research published in Arabic, leading to partial representation of Saudi and Gulf non-profit realities. Methodologically, most of the reviewed studies used cross-sectional or case-based designs, which, although insightful, restrict the ability to infer causal relationships between strategic leadership, participation, and performance (Baker & Abedallah, 2020; Barry, 2025).

Given these limitations, future research should expand the analytical scope of strategic leadership studies within Saudi Arabia and the broader Middle East by employing longitudinal and mixed-method approaches to better capture the temporal and contextual dimensions of leadership effectiveness. Empirical studies could explore how participative leadership styles evolve across different stages of organizational maturity or under varying levels of regulatory oversight (Abdeen et al., 2025; Al-Kahtani, Senan, & Alanazi, 2024). Furthermore, future investigations might examine the interaction between digital transformation, employee empowerment, and leadership behavior, especially as non-profits increasingly adopt data-driven and technology-enabled management systems (Asem et al., 2024; Bodrick et al., 2025). Comparative research across different regions and sectors such as health, education, and social services would also enrich understanding of how strategic leadership practices translate across cultural and institutional boundaries. Finally, future systematic reviews could incorporate bibliometric mapping and meta-analytic techniques to quantify the strength of relationships between leadership dimensions, participation mechanisms, and performance indicators, thereby advancing theoretical generalization and practical applicability.

## 5. Conclusion

This systematic review concludes that strategic leadership plays a pivotal role in shaping the management effectiveness, sustainability, and overall performance of non-profit organizations, particularly when mediated through employee participation and empowerment. The evidence synthesized from the reviewed literature highlights that leadership effectiveness in non-profits is not merely a function of hierarchical authority or administrative competence but rather a dynamic process grounded in vision, adaptability, and inclusiveness. Strategic leaders who engage employees in decision-making, foster trust, and align organizational missions with societal needs tend to achieve superior outcomes in terms of innovation, service quality, and institutional resilience. The integration of participative leadership and empowerment mechanisms was consistently found to enhance motivation, job satisfaction, and collective commitment, thereby translating strategic intent into measurable performance.

Within the context of Saudi Arabia, these findings carry particular significance as the non-profit sector becomes increasingly central to the realization of Vision 2030 goals related to community engagement, social innovation, and sustainable development. Strategic leadership aligned with participative and ethical principles offers a pathway for non-profit organizations to strengthen governance, optimize resources, and enhance public trust. In this regard, the study underscores that employee participation functions as both a behavioral and structural mechanism that operationalizes leadership visions into tangible organizational achievements.

Theoretically, this review reinforces and extends the applicability of transformational and participative leadership theories, as well as stakeholder and human capital perspectives, within non-profit management. It demonstrates that leadership effectiveness is maximized when it is multidimensional integrating legal compliance, economic efficiency, and behavioral inclusivity. Practically, it emphasizes the necessity for non-profit leaders to cultivate participatory cultures that encourage innovation, feedback, and shared accountability across all organizational levels. Policymakers and governing institutions should also invest in leadership development programs and institutional frameworks that promote empowerment, transparency, and continuous learning to sustain progress in this vital sector.

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