



# **The Impact of Transformational Leadership on Employee Innovation at Saudi Commercial Banks: The Moderating Role of Organizational Support**

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This thesis is submitted in partial fulfillment of the requirements for the degree of Master of Human Resource Management, College of Business,

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## **Abstract**

The study aimed to examine the impact of transformational leadership, specifically its dimensions of ideal influence, inspirational motivation, and employee empowerment, on employee innovation, which includes product innovation, process innovation, and marketing innovation, within Saudi commercial banks. Additionally, the study explored the moderating role of organizational support in this relationship. To achieve the study's objectives, a descriptive analytical approach was employed. A questionnaire was developed based on the theoretical literature and previous studies relevant to the study's topic. The study population comprised all employees in Saudi commercial banks, and a stratified random sampling method was used. A total of 381 questionnaires were distributed, and 333 valid responses were retrieved for analysis, representing an 87.4% response rate.

The results indicated that transformational leadership in Saudi commercial banks is at a high level, while employee innovation is at a medium level. Furthermore, organizational support was found to moderate the effect of transformational leadership on employee innovation. The findings also revealed a statistically significant impact of transformational leadership, across its dimensions of ideal influence, inspirational motivation, and employee empowerment, on employee innovation in the areas of product, process, and marketing innovation.

Based on these findings, the study put forward several recommendations. The foremost recommendation is to strengthen the concept of transformational leadership and provide full support for it within Saudi commercial banks due to its positive influence on enhancing employee innovation and achieving excellence. The study also recommends applying the model to other sectors and exploring additional variables to further understand the relationship between transformational leadership and employee innovation, as well as considering factors beyond transformational leadership that may influence employee innovation.

**Keywords:** Transformational Leadership, Employee Innovation, Organizational Support, Saudi Commercial Banks.

**Received:** 03 March 2024 **Revised:** 27 May 2024 **Accepted:** 15 June 2024

## **Chapter One**

### **General Framework of the Study**

#### **1.1. Introduction**

Commercial banks represent one of the key pillars of economic development in the Kingdom of Saudi Arabia, playing a pivotal role in driving the Saudi economy forward. Therefore, these banks strive to maintain their stability, growth, and development by meeting customer needs and preserving their

competitive advantage. To achieve this, they must continuously implement changes and explore new products and services by generating innovative and creative ideas. This helps them keep pace with rapid technological advancements and swiftly changing competitive environments. Employee innovation is described as the introduction of new ideas, processes, goods, services, or solutions that have a significant positive impact. It involves translating creative ideas into tangible results, increasing efficiency and effectiveness, or addressing unmet needs.

In the banking environment, in particular, business growth and innovation should not be the exclusive domain of a small group of individuals holding leadership positions, such as bank managers or department heads. These individuals can contribute to generating original and advanced concepts for expansion, but they must be motivated and provided with time, resources, and platforms to work on their ideas. This will give them the boost they need to develop new ideas through product innovation, process innovation, and, finally, marketing innovation to promote the bank's available services and products, reaching a larger customer base **(Kanaan, 2021)**.

Transformational leadership aims to focus on the work environment as a whole, fostering mutual relationships among employees with the goal of improving their job performance. This transforms work practices into leadership practices in every position. By instilling the concept of transformational leadership, leaders in any institution or organization become facilitators of work and ethical mediators in their quest for development and change. They act with confidence and optimism, empowering those around them to perform their tasks at the highest level of morale and optimism **(Al-Zoubi, 2023)**.

If banks are not supportive, change will not occur, nor will it be sustainable. Banks must provide clear leadership support, role models, motivation, and standards to fully support improving employee well-being. Organizational support has a significant positive impact on internal motivation, external motivation, and job performance. It increases employee commitment to helping the organization achieve its goals, their emotional commitment to the organization, and their expectations for rewards based on improved performance **(Al-Nahwani & Madkour, 2023)**.

Thus, this study seeks to investigate the impact of transformational leadership on employee innovation in commercial banks in the Kingdom of Saudi Arabia, focusing on the moderating role of organizational support.

## **1.2. Problem Statement**

With rapid technological and industrial advancements, banks face various challenges that require innovative solutions. These solutions often depend on unconventional thinking, such as employee innovation, which focuses on creative development to solve the problems faced by these banks. Innovation may take the form of a new idea, unfamiliar behavior, creative design, or a novel approach that differs from traditional methods. Employee innovation helps banks become more competitive by creating new products or services that outperform their competitors, or by improving existing products or services to make them more competitive. Innovation is considered the key to the future for banks **(Jaddi & Hussein, 2023)**.

Currently, commercial banks in the Kingdom of Saudi Arabia are experiencing rapid and complex changes, as well as intense competition. This necessitates the presence of leadership and management capable of navigating these significant changes with high skill and professionalism. Studies indicate that promising and intelligent leadership is the key to successful change. The concept of transformational leadership emerged in the 21st century as a new approach, distinguishing between leadership for change and leadership for stability **(Al-Ajami, 2022)**.

These banks aim to adapt to changes and environmental demands surrounding them, and effective management of the internal environment and bank employees is one of the key foundations for success. To achieve higher performance levels, banks must rely on human resources and work to provide sufficient organizational support, enabling employees to participate in achieving the bank's goals and reciprocating by giving their utmost effort to achieve these goals. Organizational support is one of the

best strategies for solving problems that negatively affect employee performance and, consequently, the overall performance of the bank (Al-Khafaji & Mahdi, 2023).

Upon reviewing additional previous research related to the study's topic, the researcher identified the study problem. For instance, the study by Al-Buhairi and Maghazi (2023) emphasized that bank leadership must focus on empowering innovative behavior among employees and encouraging them to innovate and be creative. They recommended strengthening the role of transformational leaders by granting employees greater freedom to generate ideas and improve the innovation process. They also called for more future studies on this topic.

Similarly, the study by Al-Fitouri (2021) highlighted the necessity for administrative leadership in banks, or what is referred to as senior management, to adopt the concept of innovation and attempt to bring it to life. Innovation is seen as the only guarantee for the continuity of banks and securing their market position. The study recommended encouraging bank employees to embrace the concept of innovation, which is considered the primary responsibility of administrative leadership in banks. Additionally, it urged researchers and academics to conduct further studies on the topic of innovation in the future.

Based on this, the researcher concluded that the study problem lies in examining the impact of transformational leadership on employee innovation, with a focus on the moderating role of organizational support in commercial banks in the Kingdom of Saudi Arabia.

### 1.3. Research Questions

To achieve the study's objectives, the following research questions were posed:

- **Main Research Question:** Is there a statistically significant effect (at the significance level of  $\alpha \leq 0.05$ ) of transformational leadership dimensions (idealized influence, inspirational motivation, and employee empowerment) on employee innovation dimensions (product innovation, process innovation, and marketing innovation) in commercial banks in the Kingdom of Saudi Arabia?

From this main question, the following sub-questions are derived:

1. **Sub-question 1:** Is there an effect of transformational leadership dimensions (idealized influence, inspirational motivation, and employee empowerment) on product innovation in commercial banks in the Kingdom of Saudi Arabia?
  2. **Sub-question 2:** Is there an effect of transformational leadership dimensions (idealized influence, inspirational motivation, and employee empowerment) on process innovation in commercial banks in the Kingdom of Saudi Arabia?
  3. **Sub-question 3:** Is there an effect of transformational leadership dimensions (idealized influence, inspirational motivation, and employee empowerment) on marketing innovation in commercial banks in the Kingdom of Saudi Arabia?
- **Second Main Research Question:** Does organizational support play a moderating role in the effect of transformational leadership dimensions on employee innovation dimensions in commercial banks in the Kingdom of Saudi Arabia?

### 1.4. Research Objectives

The current study aimed to achieve the following objectives:

- **Main Objective:** To identify the effect of transformational leadership dimensions (idealized influence, inspirational motivation, and employee empowerment) on employee innovation dimensions (product innovation, process innovation, and marketing innovation) in commercial banks in the Kingdom of Saudi Arabia. Additionally, the study sought to achieve the following sub-objectives:
  - To assess the effectiveness of transformational leadership in commercial banks in the Kingdom of Saudi Arabia.

- To understand the capability of employee innovation in commercial banks in the Kingdom of Saudi Arabia.
- To identify the challenges and obstacles faced by commercial banks in the Kingdom of Saudi Arabia in activating transformational leadership.
- To assess the level of organizational support provided by commercial banks in the Kingdom of Saudi Arabia.
- To measure the moderating role of organizational support in the effect of transformational leadership on employee innovation in commercial banks in the Kingdom of Saudi Arabia.

### 1.5. Significance of the Study

The significance of this study is highlighted through two main aspects:

- **Scientific (Theoretical) Significance:**

The theoretical significance of this study lies in the comprehensive theoretical framework presented to demonstrate the impact of the independent variable, transformational leadership, and its dimensions (idealized influence, inspirational motivation, and employee empowerment) on the dependent variable, employee innovation, and its dimensions (product innovation, process innovation, and marketing innovation) in commercial banks in the Kingdom of Saudi Arabia. The study also sheds light on the moderating variable of organizational support and its relevance in modern leadership theories. As the researcher suggests, this study is among the few conducted on this subject, and it is hoped that it will contribute to enriching Arabic literature.

- **Practical (Applied) Significance:**

The practical significance stems from the recommendations that will emerge from the study based on its findings. These recommendations will assist commercial banks in the Kingdom of Saudi Arabia in guiding transformational leaders to encourage employees to generate innovative ideas and products to achieve a competitive advantage that ensures the bank's sustainability. Organizational support provided by banks will play a key role in achieving this. The study's significance also lies in its focus on the banking sector, which plays a crucial role in fostering and maintaining the stability and growth of the Saudi economy.

### 1.6. Research Hypotheses

The researcher formulated the following hypotheses to achieve the study's objectives and address the research questions:

- **First Main Hypothesis (H01):** There is no statistically significant effect (at the significance level of  $\alpha \leq 0.05$ ) of transformational leadership dimensions (idealized influence, inspirational motivation, and employee empowerment) on employee innovation dimensions (product innovation, process innovation, and marketing innovation) in commercial banks in the Kingdom of Saudi Arabia.
- **Second Main Hypothesis (H02):** There is no statistically significant effect (at the significance level of  $\alpha \leq 0.05$ ) of organizational support in moderating the impact of transformational leadership dimensions (idealized influence, inspirational motivation, and employee empowerment) on employee innovation dimensions (product innovation, process innovation, and marketing innovation) in commercial banks in the Kingdom of Saudi Arabia.

### 1.7. Study Model

To achieve the study's objectives and illustrate how the independent variable affects the dependent variable in the presence of organizational support as a moderating variable, a conceptual model was developed.

## 1.8. Operational and Terminological Definitions

**Transformational Leadership:** An approach in which the leader inspires team members and motivates them to bring about positive changes within the organization. This leadership style can enhance group morale, lead to rapid innovation, improve conflict resolution, and reduce employee turnover rates (**Al-Buhairi & Maghazi, 2023**).

**Operational Definition:** It is the process in which leaders and followers in commercial banks in the Kingdom of Saudi Arabia elevate each other to higher levels of motivation and ethics. Transformational leadership was measured through the following dimensions:

- **Idealized Influence:** The charismatic element of transformational leadership where leaders become role models who earn the admiration, respect, and imitation of their followers. Consequently, followers exhibit a high level of trust in these leaders (**Kilag, 2023**).

**Operational Definition:** The influence of leaders on employees in commercial banks in the Kingdom of Saudi Arabia, considering them as role models and earning their admiration. Idealized influence in leadership also encompasses integrity in the form of ethical and moral behavior. This dimension was measured through items 1-5 in the questionnaire.

- **Inspirational Motivation:** The ability of transformational leaders to formulate a unified vision that encourages team members to exceed expectations, understanding that the most motivated employees are those with a strong sense of purpose (**Ali et al., 2023**).

**Operational Definition:** The efforts of transformational leaders in commercial banks in the Kingdom of Saudi Arabia to motivate and encourage employees to achieve and attain goals. This dimension was measured through items 6-10 in the questionnaire.

- **Employee Empowerment:** A managerial philosophy that focuses on allowing organizational employees to make independent decisions and feel capable of taking actions they deem appropriate (**Suryanarayana, 2023**).

**Operational Definition:** The actions of transformational leaders in Saudi commercial banks to allow employees to participate in the decision-making process. This dimension was measured through items 11-15 in the questionnaire.

**Employee Innovation:** Employee innovation enables employees to be creative and develop new ideas. It can include improving existing products or processes or creating entirely new products or processes. Innovation is a continuous process that requires new ideas from employees (**Montani & Staglianò, 2022**).

**Operational Definition:** The process by which employees in commercial banks in the Kingdom of Saudi Arabia utilize and develop their skills, knowledge, experience, and creativity to the fullest extent to generate new ideas. Employee innovation was measured through the following dimensions:

- **Product Innovation:** Refers to changes that improve the design, materials, texture, appearance, capabilities, functionality, and overall user experience of a product. Improvements can be tangible or intangible (**Christa & Kristinae, 2022**).

**Operational Definition:** The creation and development of new or improved products, services, or processes by employees in commercial banks in the Kingdom of Saudi Arabia. This involves introducing new ideas, technologies, features, or designs that add value for customers and distinguish the product from existing market offerings. This dimension was measured through items 16-20 in the questionnaire.

- **Process Innovation:** The application or introduction of a new technique or method for performing a task that helps the organization remain competitive and meet customer requirements. Innovations can be applied to a wide range of processes across various companies and industries (**Aloini et al., 2023**).

**Operational Definition:** The process by which employees in commercial banks in the Kingdom of Saudi Arabia develop and implement new or improved processes, methods, or systems to enhance efficiency, effectiveness, and value creation. This dimension was measured through items 21-25 in the questionnaire.

- **Marketing Innovation:** The integration of new marketing methods and techniques that differ from previous approaches, involving significant changes in product promotion, design, packaging, and placement. It helps improve the product or service and reach a broader audience (Dwivedi & Pawsey, 2023).

**Operational Definition:** The implementation of new and effective ideas by employees in commercial banks in the Kingdom of Saudi Arabia to promote products, reach new markets, and increase sales and revenues. This dimension was measured through items 26-30 in the questionnaire.

**Organizational Support:** The employee's perception of the confirmation and assistance services provided by the organization. This support can be offered in various ways, such as creative freedom in their work, ample vacation days for health or recreation, and other necessary support for the employee (Al-Nahwani & Madkour, 2023).

**Operational Definition:** The areas and capabilities of support that commercial banks in the Kingdom of Saudi Arabia provide to their employees to solve problems, develop work systems, and enable them to make correct decisions to achieve long-term goals. This variable was measured through items 31-35 in the questionnaire.

## 1.9. Study Limitations

The limitations of this study are as follows:

- **Spatial Limitations:** This study was confined to commercial banks in the Kingdom of Saudi Arabia.
- **Temporal Limitations:** The study was conducted during the academic year 2023-2024.
- **Human Limitations:** The study was limited to employees working in commercial banks in the Kingdom of Saudi Arabia.
- **Objective Limitations:** This study addressed literature related to transformational leadership and its dimensions (idealized influence, inspirational motivation, employee empowerment) on employee innovation and its dimensions (product innovation, process innovation, marketing innovation) in commercial banks in the Kingdom of Saudi Arabia, in addition to the moderating variable of organizational support.

## Chapter Two

### Theoretical Framework and Previous Studies

Chapter Two includes the theoretical framework of the study, which encompasses the concept of transformational leadership, its dimensions, characteristics, importance, and elements. It then transitions to the concept of employee innovation, including its elements and dimensions. The chapter also addresses the concept of organizational support, which serves as the moderating variable in this study, concluding with an overview of the commercial banking sector and related previous studies.

### Section One: Transformational Leadership

#### Introduction

Transformational leadership is considered one of the contemporary approaches addressing the leadership process. It is a comprehensive approach that can be used to describe a wide range of leadership, from subtle attempts to influence subordinates on an individual level to broader efforts to impact entire organizations and cultures. Transformational leadership is the process that changes individuals and transforms them, focusing on values, ethics, standards, and long-term goals. It also

includes assessing individual motivations, meeting their needs, and treating them with humanity. Thus, it falls within charismatic leadership with a forward-looking vision. Transformational leadership is one of the most prominent theories of modern leadership, having emerged in the 1980s when the term was introduced by Burns, the founder of this leadership style (**Althakfi, 2020**).

Transformational leadership is one of the effective leadership styles that plays a prominent role in achieving organizational excellence. Transformational leaders are characterized by their ability to motivate and inspire individuals in the organization to achieve common goals, change the organizational culture, and improve performance significantly. A transformational leader possesses a unique vision and a comprehensive ability to analyze the situation, encouraging interaction and creative, innovative thinking among team members. They also excel in building strong and influential relationships with employees, motivating them to realize their full potential. Through transformational leadership, the leader can confidently and motivationally drive the organization into the future, contributing to institutional excellence and overall success (**Asim, 2022**).

### **2.1.1. Definition of Transformational Leadership**

Transformational leadership represents a leadership model focused on transforming institutions and working teams from their current state to a future characterized by development and success. Transformational leaders exhibit several essential traits, including vision and a desire for change, guidance and inspiration, the ability to communicate and build relationships, empowering others, and adapting to changes (**Al-Otaibi, 2020**).

This leadership approach aims to inspire and motivate subordinates to achieve outstanding performance and change in organizational culture and performance. Transformational leaders are distinguished by their ability to create a shared vision among team members and build strong relationships and mutual trust with them (**Khalil, 2020**).

According to **Khalaf (2021)**, transformational leadership is a leadership style aimed at achieving change and development within institutions and teams, characterized by a strong focus on building a future vision and directing individuals to achieve it. Leaders in this style rely on motivating employees and enhancing their capabilities and learning culture, contributing to fostering change, innovation, and improving organizational performance.

**Haddad (2022)** describes it as a leadership style aimed at achieving positive transformation and change in organizations by inspiring and motivating employees to achieve outstanding performance. This style emphasizes developing an inspiring future vision and motivating the team to achieve it innovatively and engagingly.

**Jadallah (2022)** perceives it as a dynamic, multifaceted leadership style that combines the innovative spirit of an entrepreneur with the skills required to lead a team or organization. Although it is often associated with founders of startups, this leadership approach is not limited to new projects; it can be effectively adopted and applied by leaders in various environments.

The capabilities of successful individual entrepreneurs are successfully transferred to the broader organizational environment through entrepreneurial leadership. This specifically refers to positions within the organization where entrepreneurial behavior has been replaced by a corporate culture that focuses on processes and systems and reduces risks more than it cares about these talents while seeking to exploit opportunities (**Pratiwi & Amini, 2023**).

The researcher believes that the entrepreneurial leadership style adds fundamental value to organizations and primarily influences employees' interest in developing their human resources, meeting their needs, and fostering loyalty and belonging within the organization. This drives employees to work towards achieving the organization's goals and cultivates organizational citizenship behaviors.

### 2.1.2 The Importance of Transformational Leadership

**Ali's (2020)** study emphasized that transformational leadership focuses on accelerating and improving personal development for each individual, promoting self-esteem and motivation. These results in a workforce that feels valued, supported, and cared for, regardless of their background. Transformational leadership is concerned with guiding professional tasks, challenging assumptions, and encouraging employees to put their energy and effort into work and critical practices, enabling them to approach tasks differently.

Transformational leaders present an attractive and inspiring vision for their followers, offering a vivid mental image of the organization's long-term goals and aspirations. This is especially critical during times of radical internal organizational change. Such leaders provide motivation by inspiring employees with excellent communication skills, honesty, and integrity (**Yuan et al., 2022**).

Strong communication and collaboration skills are essential for entrepreneurial leaders, who must clearly articulate the company's vision, values, and goals while fostering cooperation and alignment among all team members. By studying the circumstances, evaluating alternatives, weighing the costs and benefits of each, and selecting the best option, leaders can improve administrative competencies (**Jaroliya & Gyanchandani, 2022**).

The researcher concludes that leadership plays a crucial role in the workplace by guiding the organization's vision and driving growth and expansion to make the business profitable. It is essential to adopt and use multiple strategies with the team, including identifying new ideas to scale the business, generating revenue opportunities, creating plans to assist clients quickly and effectively, increasing productivity, and speeding up the execution of innovative ideas, as well as improving interpersonal skills.

### 3.1.2 Benefits of Transformational Leadership

Studies by **Al-Khadran (2023)**, **Al-Anzi (2023)**, and **Kamal (2024)** have highlighted the numerous benefits that transformational leadership offers organizations, such as enhancing creativity, dedication, and achieving significant accomplishments. The primary benefits of transformational leadership include:

1. **Motivating and Improving Individual and Group Performance:** Transformational leaders inspire their teams to achieve ambitious goals, increasing individual motivation and encouraging hard work. By providing a clear and influential vision, transformational leaders can elevate individual and group performance.
2. **Driving Change and Improvement:** Transformational leaders play a crucial role in leading change and managing major transformations within an organization. By offering an inspiring vision and managing change effectively, these leaders can bring about significant improvements in performance and outcomes.
3. **Achieving Long-Term Strategic Vision:** Transformational leaders offer a clear strategic vision and work towards long-term goals. Through this leadership style, leaders can guide teams toward achieving the organization's strategic objectives.
4. **Enhancing Organizational Benefits:** Transformational leadership fosters increased individual and group performance, promotes innovation, builds strong relationships, elevates job satisfaction, and enhances skills. By inspiring and motivating teams, transformational leaders can drive significant improvements in performance and productivity, leading to positive and sustainable change within the organization.

The researcher concludes that transformational leadership is an effective leadership style that aims to stimulate innovation and positive change within institutions and communities. It fosters sustainable development, enhances performance, and contributes to overall institutional growth, making it an influential and necessary approach in modern work environments.



#### 4.1.2 Principles of Transformational Leadership

**Shaheen's (2022)** study highlights that transformational leadership is a style that focuses on inspiring and motivating individuals to achieve goals beyond self-interest while enhancing performance through change and improvement. Transformational leadership centers on creating a shared vision, developing individual potential, and generating a positive and sustainable impact. It is guided by a set of core principles that direct the leader's interactions with their team and approach to challenges.

One of the key principles of transformational leadership is clarifying the vision. Transformational leaders present a clear and compelling vision for the future, inspiring individuals to strive for ambitious goals. An inspiring vision enhances internal motivation among team members and makes them feel part of a greater purpose (**Ystaas et al., 2023**).

Another principle is motivation and encouragement. By motivating individuals, transformational leaders encourage them to achieve their full potential by providing support and motivation. Leaders also foster creative thinking and encourage the presentation of new ideas to improve performance and innovation. Additionally, transformational leaders focus on skill development through training and guidance, aiming to empower individuals to achieve their personal and professional goals (**Susanto et al., 2023**).

Emotional intelligence is a hallmark of transformational leadership. Leaders are adept at understanding and managing their own emotions while empathizing with and influencing the emotions of others. Transformational leaders are also committed to continuous learning and development, both for themselves and their followers, viewing growth as a lifelong process and actively seeking opportunities for improvement (**Rojak et al., 2024**).

The researcher concludes that these principles work together to create an environment where followers are motivated to exceed expectations and collaborate effectively to achieve shared goals, resulting in higher levels of performance and satisfaction.

#### 5.1.2 Drawbacks of Transformational Leadership

Despite the many benefits, studies by **Hamdi (2021)**, **Al-Balushi (2022)**, and **Al-Balawi (2023)** have noted that transformational leadership is not without its challenges. Some potential drawbacks include:

1. **Excessive Optimism:** Transformational leadership can create unrealistic expectations if the vision or goals are overly optimistic. This can lead to disappointment if the goals are not achieved as anticipated.
2. **Over-Reliance on the Leader:** The team may develop a significant dependency on the charismatic leader, which can weaken independence and critical thinking among team members.
3. **Pressure to Achieve High Performance:** Some individuals may feel pressured to meet the high goals set by transformational leaders, which can result in burnout or long-term declines in performance.
4. **Challenges in Execution:** While a leader may have a clear vision, there may be difficulties in translating this vision into effective action plans. The gap between vision and execution can be a significant issue.
5. **Imbalanced Interaction:** A transformational leader might overlook the needs or issues of certain individuals in the team if they focus too heavily on the collective or broader goals.
6. **Risk of Continuous Change:** Ongoing change and development can be overwhelming for some individuals, particularly those who prefer stability and routine.

The researcher concludes that it is sometimes challenging to objectively measure the impact of transformational leadership, making it difficult to evaluate the success of implemented strategies. Understanding these drawbacks can help leaders take precautions and take steps to address them, striking a balance between inspiring and motivating the team and ensuring stability and effective management.

### 6.1.2 Dimensions of Transformational Leadership

Transformational leadership encompasses several key dimensions that differentiate it from traditional leadership styles. Previous studies, such as the research by **Khairy and Al-Qudus (2023)** and **Al-Zoubi (2023)**, indicated that transformational leadership consists of four dimensions: idealized influence, inspirational motivation, employee empowerment, and individualized consideration. However, the current study focuses on three dimensions that were selected based on their relevance to the nature of the study, as outlined below:

#### First Dimension: Idealized Influence

In transformational leadership, idealized influence is one of the core dimensions that distinguish this leadership style. It refers to how leaders impact their followers by being role models, embodying the values and ethical principles they advocate. Leaders must demonstrate integrity and behavior that aligns with the ethical standards they promote, helping to build trust and respect within the team (**Al-Alam & Jibril, 2020**).

Research by **Al-Shammari (2020)**, **Al-Zahrani (2020)**, and **Al-Sufyani (2021)** emphasized that idealized influence, often referred to as "charisma," is a fundamental element of transformational leadership. It signifies how leaders act as role models and inspire their followers through their behaviors, values, and principles. This concept is crucial for several reasons:

1. **Trust and Credibility:** Leaders who exhibit idealized influence build trust and credibility. When followers observe their leaders embodying the values and standards they promote, it enhances the leader's legitimacy and strengthens followers' belief in their vision.
2. **Role Modeling:** Transformational leaders serve as role models for their followers. By demonstrating commitment, integrity, and ethical behavior, they set a standard for others to emulate, significantly influencing organizational culture and individual behavior.
3. **Inspiration and Motivation:** Idealized influence helps inspire and motivate followers. When leaders are perceived as role models, they can instill a sense of pride and dedication in their followers, often leading to higher levels of engagement, effort, and performance.
4. **Commitment to Vision:** Leaders who effectively use idealized influence align their followers' values and goals with the organization's vision. This alignment fosters a shared sense of purpose and commitment, essential for achieving transformational change.
5. **Ethical Leadership:** Idealized influence also encompasses ethical behavior. Leaders who consistently demonstrate high ethical standards cultivate a culture of trust and integrity within the organization. This ethical foundation can guide decision-making and behavior at all levels.

The researcher concludes that idealized influence is central to transformational leadership, as it builds trust, sets high standards through role modeling, inspires and motivates followers, aligns individual and organizational goals, promotes ethical behavior, and fosters strong emotional bonds. These combined factors lead to positive change and enhance organizational effectiveness.

#### Second Dimension: Inspirational Motivation

Inspirational motivation refers to a type of motivation that originates from either an internal or external source and can be uplifting and impactful. It aims to raise morale and increase enthusiasm for achieving goals and aspirations. This dimension motivates individuals by inspiring them and reminding them of their capabilities and the effects of hard work and persistence in achieving their objectives (**Ali & Rustam, 2021**).

Studies by **Suleiman (2021)** and **Al-Bijani & Balkhair (2023)** highlighted the significant role of inspirational motivation in the lives of individuals and communities, summarized in the following aspects:

1. **Increased Positivity:** Inspirational motivation enhances a positive outlook on life, helping individuals face challenges with patience and hope.
2. **Achievement Motivation:** It inspires individuals to pursue their goals and ambitions, enhancing their ability to work hard and persevere.
3. **Boosting Self-Confidence:** By witnessing real-life examples of excellence and success, individuals gain greater confidence in their abilities and potential.
4. **Energy Direction:** Inspirational motivation provides a strong drive that helps channel energy toward achieving goals and overcoming obstacles.
5. **Building Resilience:** It helps individuals adapt to difficulties and challenges, contributing to the development of coping skills and resilience.

The researcher concludes that inspirational motivation is a powerful driving force that positively affects the lives of individuals and communities. It contributes to achieving success and prosperity and fosters individuals' desire for self-development, both personally and professionally, by striving for continuous improvement.

### **Third Dimension: Employee Empowerment**

Employee empowerment in transformational leadership is a crucial element in the success of this leadership style and its overall impact. Transformational leadership focuses on inspiring and motivating employees to achieve high levels of performance and excellence, with an emphasis on change and innovation. Empowering employees is a critical aspect of transformational leadership, as transformational leaders strive to inspire and motivate their teams to reach their highest potential and transcend self-interests for the sake of the organization (Asbari, 2024).

Studies by Ghanem & Al-Murahdi (2024), Al-Salmi & Shaibi (2024), and Sabbah (2024) emphasized the significant role of employee empowerment in transformational leadership. This role is vital for enhancing employee performance and achieving organizational goals more effectively. The following points highlight the importance of employee empowerment in the context of transformational leadership:

1. **Increased Commitment and Loyalty:**

When employees feel recognized and valued, they tend to develop a stronger sense of commitment and loyalty to the organization. This commitment often translates into higher performance and lower turnover rates.

2. **Improved Performance and Productivity:**

Empowering employees by granting them decision-making authority and increasing their responsibilities enhances their sense of ownership and encourages them to deliver better performance, which can lead to increased productivity and more effective achievement of organizational goals.

3. **Skill and Capability Development:**

Transformational leadership that focuses on empowering employees provides them with opportunities to develop their skills and abilities through training and guidance, which enhances their personal and professional growth.

4. **Fostering a Positive Work Environment:**

Empowering employees contributes to creating a work environment that encourages collaboration and mutual support. This fosters team spirit and reduces conflicts within the team.

5. **Enhancing Trust Between Leaders and Employees:**

When employees feel empowered and trusted, it strengthens the relationship between leaders and their teams. Mutual trust leads to better and more effective communication.

The researcher concludes that employee empowerment in transformational leadership is essential to the success of any organization. It enhances individual performance and yields positive results at the organizational level. When employees feel they have a real impact on their work and the organization's outcomes, it increases their intrinsic motivation and drives their desire for success.

## **Section Two: Employee Innovation**

### **Introduction**

In a world characterized by rapid change and continuous technological development, the ability to innovate and maintain an entrepreneurial spirit has become one of the key factors for the success of any organization. The concept of employee innovation addresses how to motivate and develop creative ideas by individuals within the work environment with the aim of improving processes, delivering new products and services, and enhancing overall efficiency. It is a process that involves encouraging and supporting new and creative ideas by employees within the organization. This process is essential for stimulating growth and development within companies and institutions, as it contributes to improving performance and boosting competitiveness **(Xu & Wang, 2020)**.

Employee innovation is a vital element in enhancing the success of institutions and increasing their ability to adapt and grow in a changing business environment. By supporting creative ideas and providing the necessary resources, organizations can maximize the potential of their employees and achieve their goals more effectively. Thanks to new ideas and innovations, companies can quickly adapt to market changes and customer needs, giving them a competitive edge **(Al-Eisa, 2020)**.

#### **1.2.2 Concept of Employee Innovation**

Employee innovation refers to the process of generating and implementing new and innovative ideas by individuals working within an organization. The goal is to improve processes, offer new solutions to challenges, and enhance the overall performance of the organization. This type of innovation is considered essential for ensuring sustainable growth and adaptability in today's modern business environment **(Mumtaz & Parahoo, 2020)**.

Employee innovation also refers to the ability and initiative of employees to generate new ideas, solutions, and methods that can improve processes, products, or services within the organization. It involves a proactive and creative mindset from individuals at all levels of the organization **(Zhao et al., 2021)**.

**Daraz (2022)** defined it as the process by which employees present new ideas and improvements to workplace practices and processes. These ideas may relate to how to improve productivity, develop new products and services, or enhance efficiency in daily operations.

**Al-Shabrawi (2023)** defined it as offering new solutions by seeking innovative ways to address existing challenges, improve performance, and use out-of-the-box thinking to present unconventional ideas. Employee innovation not only contributes to the growth and success of the organization but also enhances employee engagement and satisfaction by involving them in meaningful and impactful work.

The researcher believes that employee innovation refers to the process through which employees contribute new ideas, solutions, or improvements to enhance their organization's operations, products, services, or overall performance. It involves leveraging employees' creativity and insights to drive change and achieve a competitive advantage.

#### **2.2.2 Key Aspects of Employee Innovation**

Studies by **Teng et al. (2020)** and **Chen et al. (2021)** identified the following key aspects of employee innovation:

1. **Encouraging Creativity:** Organizations that foster a culture of innovation encourage employees to think creatively and explore new ideas without fear of failure.

2. **Autonomy:** Granting employees the freedom and responsibility to experiment with and develop their ideas can lead to innovative solutions.
3. **Collaborative Environment:** Innovation often thrives in environments where employees can collaborate and share knowledge across teams and departments.
4. **Recognition and Rewards:** Recognizing and rewarding innovative efforts can motivate employees to continue contributing new ideas and improvements.
5. **Resources and Tools:** Providing employees with the necessary resources, tools, and time to develop and test their ideas is crucial for promoting innovation.
6. **Feedback Mechanisms:** Establishing channels for employees to receive constructive feedback on their ideas helps refine and improve them.

The researcher concludes that by creating an environment that supports and values employee innovation, organizations can enhance their competitiveness, adapt to changing markets, and drive continuous improvement. Leaders who champion innovation and support their employees' creative efforts can help create an organizational culture that prioritizes and values innovation.

### 3.2.2 Importance of Employee Innovation

As noted in **Sweify (2021)** study and **Kung et al.'s (2023)** study, employee innovation is critical for several reasons:

1. **Competitive Advantage:** Innovative employees help companies stay ahead of competitors by developing new products, services, and processes. This continuous improvement can differentiate a company in the marketplace.
2. **Adaptability:** In a rapidly changing business environment, innovation enables companies to adapt to new trends and technologies, ensuring long-term relevance and survival.
3. **Increased Efficiency:** Innovation often leads to the development of more efficient processes, reducing costs and improving productivity.
4. **Employee Engagement:** Encouraging innovation can boost job satisfaction and engagement. When employees feel their ideas are valued, they are more likely to be motivated and invested in their work.
5. **Problem-Solving:** Innovative thinking can lead to creative solutions for complex problems, driving progress and overcoming challenges that may hinder growth.
6. **Customer Satisfaction:** Through innovation, companies can better meet customer needs and expectations, leading to improved satisfaction and loyalty.

The researcher concludes that fostering a culture of innovation within the workforce can significantly contribute to the success and longevity of an organization. Moreover, organizations known for innovation often enjoy a strong reputation in the market, attracting talent, resources, and new business opportunities.

### 4.2.2 Barriers to Employee Innovation

**Sehgal et al. (2021)** and **Abhari et al. (2023)** note that employee innovation may face several barriers, limiting their ability to generate new ideas and achieve innovation. Among the most prominent barriers are:

1. **Lack of a Supportive Environment:** If the company's culture does not encourage risk-taking and experimentation, employees may fear presenting new ideas or facing failure, hindering innovation.

2. **Administrative Constraints:** Routine procedures and bureaucratic hurdles can obstruct the innovation process. When rigid, inflexible rules are in place, it may be challenging for employees to implement their new ideas.
3. **Lack of Resources:** Innovation requires resources such as time, money, and technical support. The absence of these resources can limit employees' ability to develop new ideas.
4. **Resistance to Change:** Some employees or teams may be reluctant to embrace change or implement new ideas due to fear of the unknown or changes in daily routines.
5. **Lack of Training and Development:** Failing to provide employees with proper training in creative thinking and problem-solving can reduce their capacity to innovate.
6. **Poor Communication:** Ineffective communication channels between teams and departments can lead to misunderstandings of ideas and improper implementation.

The researcher concludes that if the goals and vision for innovation are unclear, employees may struggle to determine how to contribute effectively. Addressing these obstacles involves creating an environment that supports and nurtures innovation, encourages risk-taking, and values employee contributions.

### 5.2.2 Ways to Encourage Employee Innovation

**Mahmoud's (2023)** study suggests that encouraging employee innovation requires a comprehensive strategy focused on creating a stimulating and supportive environment for creativity. The following are some effective methods for achieving this:

1. **Encourage a Creative Culture:** Foster a culture that encourages innovative thinking by supporting and appreciating new and unconventional ideas.
2. **Provide Resources and Tools:** Ensure employees have the necessary resources, such as time and tools, to develop and implement their ideas.
3. **Recognition and Rewards:** Reward and recognize employee innovations, whether through financial incentives, public recognition, or career growth opportunities.
4. **Encourage Trial and Error:** Allow employees to take risks and learn from mistakes, which enhances their capacity for innovation.
5. **Leadership Support:** Leaders must be supportive of innovation and show a commitment to developing and promoting new ideas.
6. **Encourage Work-Life Balance:** Supporting a healthy work-life balance can help employees maintain high levels of energy and creativity.

The researcher concludes that developing and encouraging employee innovation requires an organized and comprehensive approach that fosters creativity within the organization. By enhancing their ability to motivate employee innovation and achieve positive outcomes in the workplace, organizations should work toward fostering a collaborative environment where employees can exchange ideas and work together to develop new solutions.

### 6.2.2 Dimensions of Employee Innovation

Previous studies on employee innovation have indicated that it consists of several dimensions, such as product innovation, process innovation, technological innovation, and marketing innovation (**Kanaan, 2021; Al-Fitouri, 2021**). For the present study, the researcher has selected three dimensions that are most aligned with the nature of the study, as outlined below:

#### First Dimension: Product Innovation

Product innovation refers to the process of developing and enhancing products to meet changing market needs and increase value for consumers. This concept encompasses generating new ideas, improving

design, and introducing new technologies or features to ensure that the product remains relevant and attractive (Demircioglu, 2021).

A study by Zhang et al. (2022) mentioned that product innovation is one of the core pillars that help organizations achieve success and sustainable growth. The importance of product innovation for organizations can be summarized in the following points:

1. **Market Differentiation:** Innovation helps an organization stand out from its competitors by offering unique or improved products that better meet customer needs.
2. **Increased Customer Value:** By offering new or enhanced products, the organization can more effectively meet customer needs, leading to increased customer satisfaction and loyalty.
3. **Risk Diversification:** Innovation enables an organization to diversify its product portfolio, reducing dependence on a single product or a specific group of products and lowering the risks associated with market fluctuations.
4. **Revenue Growth:** Innovative products can open new revenue streams by attracting new customers or enhancing sales opportunities with existing customers.
5. **Improved Efficiency:** Innovation is not limited to products but can also include improvements in internal processes and production techniques, leading to increased efficiency and cost reduction.

The researcher concludes that product innovation helps organizations quickly adapt to changes in market needs or technology, thereby enhancing their competitiveness. Moreover, building a brand through innovative products can enhance the organization's reputation as a leader in its field, which increases brand strength and attracts more customers and partners.

### **Second Dimension: Process Innovation**

Process innovation refers to fundamental improvements or new changes in how internal processes are executed within an organization. The goal of process innovation is to increase efficiency, reduce costs, improve quality, and enhance the organization's competitiveness (Ashiru et al., 2022).

Studies by Hunsaker (2022) and Zhao et al. (2023) indicated that process innovation could involve several aspects, including:

1. **Improving Efficiency:** Introducing new technologies or methods to increase production speed and reduce waste. An example of this is using process automation to accelerate repetitive tasks.
2. **Cost Reduction:** Applying new strategies or technologies to lower the costs associated with processes, which may include improving the supply chain or simplifying administrative procedures.
3. **Quality Improvement:** Modifying processes to ensure the production of higher-quality products or services, such as improving inspection stages or quality control measures.
4. **Enhancing Flexibility:** Developing more flexible processes that quickly adapt to changes in demand or market conditions, thereby increasing the organization's ability to respond to shifts.
5. **Technological Innovation:** Using modern technology to improve processes, such as implementing new software for data management or employing artificial intelligence techniques to analyze data and make decisions.
6. **Developing New Business Models:** Creating new business models that support efficiency and innovation, such as shifting from a traditional business model to one based on subscriptions or cloud computing.

The researcher concludes that process innovation can lead to significant improvements in an organization's operational performance, enhancing its ability to adapt and grow in a dynamic business environment. The use of robots and software to automate repetitive tasks, such as data entry or order

management, contributes to streamlining work procedures, and simplifying administrative tasks like invoice reconciliation or order processing to reduce time and effort required.

### **Third Dimension: Marketing Innovation**

Marketing innovation refers to the introduction of new or improved strategies and methods in marketing to enhance the effectiveness of marketing campaigns and increase success in reaching the target market. The aim of marketing innovation is to offer creative and new ways that help organizations stand out in a competitive marketing environment (Huo et al., 2023).

Studies by Oweis (2023) and Abbas (2023) highlighted that marketing innovation holds great importance for organizations in achieving success and growth in a changing business environment. Some aspects that underscore the importance of marketing innovation include:

1. **Enhancing Competitiveness:** Marketing innovation helps companies differentiate from competitors by offering creative and new ways to attract customers, creating a strong competitive advantage.
2. **Increased Engagement and Interaction:** Innovative marketing methods, such as interactive content or influencer marketing, can increase customer engagement with the brand, deepening their connection and interest.
3. **Revenue Growth:** New and innovative marketing strategies can open new opportunities for revenue by attracting new customers or improving conversion rates among existing customers.
4. **Adapting to Market Changes:** Innovation helps companies adapt to changes in market preferences and new technologies, ensuring they remain competitive in a dynamic business environment.
5. **Improving Marketing Efficiency:** Applying new tools and technologies, such as big data analysis and automated marketing, can improve the efficiency of managing marketing campaigns and reduce costs.

## **Section Three: Organizational Support**

### **Introduction**

Organizational support is a fundamental element in the success of any organization, as it contributes to the development of individuals' capacities and the improvement of the work environment, which in turn positively impacts the overall performance of the organization. It refers to the support provided by organizations or institutions to their employees or members with the goal of enhancing both individual and group performance and promoting the work environment in general. This support encompasses a range of activities and services aimed at meeting the needs of individuals and developing their skills and competencies. Organizational support is not only essential for improving performance and increasing employee satisfaction, but it also represents a long-term investment in the success and sustainability of the organization (Badrianto & Ekhsan, 2020).

#### **1.3.2 Concept of Organizational Support**

The concept of organizational support revolves around how the organization provides resources, encouragement, and assistance to its employees to help them achieve optimal performance and feel valued. It is an integral part of creating a positive work environment and can significantly influence employee satisfaction, engagement, and overall productivity (Mohamed, 2020).

The term "organizational support" refers to a set of resources and services provided by the organization to its members or work teams to improve their performance and enhance work efficiency within the organization by offering the necessary tools and technologies to perform tasks effectively (Al-Balushi, 2022).

According to Ismail (2023), organizational support refers to the systems and procedures that the organization offers to its members to enhance their performance and increase their efficiency,



contributing to achieving the organization's strategic objectives and improving its overall performance. It encompasses a range of resources, services, and procedures provided by the organization to improve performance and work efficiency within the organization.

**Mahdi (2023)** mentioned that organizational support refers to the various resources, practices, and systems that the organization offers to assist its employees in performing their roles effectively and achieving their professional goals. This is done by providing employees with the necessary equipment, technologies, and information to efficiently complete their tasks.

The researcher concludes that organizational support is critical for boosting employee morale and commitment, reducing employee turnover, and achieving organizational goals. It helps build a strong and engaged workforce capable of achieving organizational success. Organizational support encompasses dimensions that aim to enhance employee well-being and improve their work experience, including the provision of training, mentoring, and recognition.

### **2.3.2 Importance of Organizational Support**

Studies by **Al-Khafaji and Mahdi (2023)** and **Al-Saqzali (2024)** indicate that the importance of organizational support can be observed in various dimensions that impact both employees and the organization as a whole. The following are the main reasons for the importance of organizational support:

1. **Enhancing Employee Performance:** When employees receive adequate resources, training, and feedback, they are better equipped to perform their tasks efficiently. This support enhances their productivity and effectiveness, leading to improved overall performance.
2. **Increasing Job Satisfaction:** Organizational support increases job satisfaction by creating a positive work environment where employees feel valued and recognized. This satisfaction is linked to lower stress levels and higher morale.
3. **Improving Employee Retention:** Employees who feel supported by their organization are more likely to remain with the organization in the long term, reducing turnover rates and the costs associated with hiring and training new employees.
4. **Greater Employee Engagement:** Supportive practices, such as providing professional development opportunities and recognizing achievements, foster a sense of commitment and engagement. Engaged employees are more motivated and invested in their work.
5. **Enhancing Organizational Culture:** A supportive environment helps build a positive organizational culture where collaboration, trust, and respect are valued. This culture attracts talent and contributes to creating a more cohesive and productive workplace.

The researcher concludes that organizational support is essential for creating a productive, engaged, and satisfied workforce. It drives performance, enhances employee well-being, and promotes a positive work environment, all of which contribute to the overall success and sustainability of the organization. Organizations known for their strong support systems are often seen as desirable places to work, which enhances their reputation and can attract top talent in the labor market.

### **3.3.2 Factors Affecting Organizational Support**

Studies by **Al-Hadhibi (2022)**, **Khrebit (2023)**, and **Al-Raei (2024)** mention that organizational support refers to the extent to which the organization values and cares for its employees, and it can significantly affect employee performance and satisfaction. Several factors influence the level of organizational support provided, including:

1. **Leadership and Management:** Leadership style and human resource management play a major role in providing organizational support. Leaders who show genuine concern and support for their employees can enhance employee satisfaction and loyalty.

2. **Organizational Environment:** A work environment that encourages collaboration, innovation, and offers opportunities for development and growth helps strengthen organizational support.
3. **Available Resources:** Adequate resources such as training, development, technology, and funding directly impact the organization's ability to support its employees.
4. **Organizational Culture:** A culture that focuses on human value and individual recognition contributes to improving organizational support. A culture that promotes transparency and open communication strengthens mutual support between the organization and its employees.
5. **Organizational Policies:** Policies that focus on employee welfare, such as flexible work policies, leave, and work-life balance, contribute to strengthening organizational support.
6. **Workplace Justice:** Employees' sense of fairness and equity in treatment, reward distribution, and opportunities enhances organizational support.

The researcher concludes that all these factors interact to create a supportive and motivating work environment, contributing to high performance and employee satisfaction. Additionally, recognizing employees' achievements and efforts through reward and recognition programs helps strengthen organizational support.

#### 4.3.2 Methods of Organizational Support

Studies by Faraj (2022), Karima (2020), and Abdulrahman & Mahmoud (2023) indicate that the methods of providing organizational support vary based on the type of support needed and the organization's objectives. The following are some key ways through which organizational support can be provided:

1. **Training and Development:** Offering regular training programs to improve employees' skills and increase their competencies, as well as providing professional development opportunities through workshops, training courses, and conferences.
2. **Recognition and Acknowledgment:** Rewarding employees who achieve excellent results or demonstrate exceptional commitment, offering certificates, awards, or even public appreciation to motivate them and enhance team spirit.
3. **Effective Communication:** Establishing communication channels between management and employees to express their needs and concerns, holding regular meetings to discuss performance and work-related topics.
4. **Work Flexibility:** Offering remote work options or flexible hours to facilitate work-life balance, and providing flexible leave options to accommodate personal needs and emergencies.
5. **Psychological and Social Support:** Providing psychological counseling services or emotional support to help employees cope with stress, and promoting a positive work environment through social and recreational activities that strengthen relationships among colleagues (Al-Hunayfat & Al-Hraizah, 2022).

The researcher concludes that effectively applying these methods can enhance employee support, contributing to increased satisfaction, productivity, and loyalty to the organization.

### Chapter Four: Saudi Commercial Banks

#### 4.2 Saudi Commercial Banks

The emergence of commercial banks in the Kingdom of Saudi Arabia occurred in the context of significant economic development witnessed by the country since the early 20th century. The history of these banks can be divided into two phases: the period before the official establishment of the Saudi banking system and the subsequent decades. Initially, in the pre-establishment era of the Kingdom, banking services were

limited, conducted through simple commercial channels or via branches of foreign banks operating in the region.

In 1926, the "Saudi Commercial Bank" was founded in Jeddah, marking the establishment of the first Saudi commercial bank. This bank later merged with another to form the "Saudi American Bank," which is now known as the "National Commercial Bank" after undergoing several structural changes.

The 1950s and 1960s saw tremendous economic growth in Saudi Arabia following the discovery of oil, leading to an increased demand for banking and financial services. This expansion paved the way for the establishment of new commercial banks. In the 1970s and 1980s, Saudi Arabia systematically developed its financial and banking infrastructure, establishing several new commercial banks and expanding the services of existing ones.

In 1952, the "Saudi Central Bank," now known as the "Saudi Arabian Monetary Authority" (SAMA), was established. SAMA has played a crucial role in regulating and developing the banking system in the Kingdom, imposing strict regulatory measures to ensure the stability and security of the banking sector. These efforts helped build trust in Saudi commercial banks.

From the 1990s to the present day, the Saudi banking sector has witnessed remarkable growth, with new banks entering the market, the rise of Islamic banking, and advancements in digital banking services. Numerous mergers and acquisitions have taken place among Saudi banks to strengthen their economic standing and expand their services. Today, commercial banks in Saudi Arabia are a vital part of the financial system, playing a significant role in supporting the national economy and providing banking services to individuals and businesses.

## **Chapter Five:**

### **Discussion of Results and Recommendations**

#### **5.1 Introduction**

Based on the presentation and analysis of the field study results, as shown in the previous statistical tables, this chapter answers the research questions and highlights the impact of transformational leadership on employee innovation in Saudi commercial banks, with the moderating role of organizational support.

#### **5.2 Study Results**

The results related to the main independent variable, transformational leadership in Saudi commercial banks, were at a high level. The mean score was 4.07, with a standard deviation of 0.925. The dimension of "Inspirational Motivation" ranked first, with a high level of agreement, while the "Idealized Influence" dimension ranked last, also with a high level of agreement. Transformational leadership focuses on inspiring and motivating employees by presenting a clear vision and ambitious goals, which increases commitment and motivation to achieve success. These findings are consistent with the results of **Khairy & Al-Qudos (2023)**.

The results showed that the "Idealized Influence" dimension achieved a mean score of 4.05, with a standard deviation of 0.915, indicating a high level of agreement. Idealized influence encourages employees to achieve higher levels of performance by providing a role model of hard work and dedication. These findings are also consistent with the study by **Khairy & Al-Qudos (2023)**.

The results revealed that the "Inspirational Motivation" dimension achieved a mean score of 4.10, with a standard deviation of 0.935, indicating that the attitudes of the study sample were at a high level. Inspirational motivation contributes to strengthening institutional values such as integrity, innovation, and commitment to quality, thereby enhancing organizational culture. These findings are in line with the study by **Al-Zoubi, (2022)**.

The "Employee Empowerment" dimension showed a mean score of 4.07, with a standard deviation of 0.925, indicating that the attitudes of the study sample were at a high level. Employee empowerment

encourages teamwork and collaboration among teams, with continuous exchange of ideas and experiences. These findings are consistent with the study by **Al-Bejjani & Balkhair (2023)**.

The results related to the dependent variable, employee innovation in Saudi commercial banks, were at a moderate level, with a mean score of 3.65 and a standard deviation of 0.826. The "Product Innovation" dimension ranked first, with a high level of agreement, achieving a mean score of 3.75 and a standard deviation of 0.835. Product innovation enhances the customer experience by offering more suitable and user-friendly solutions, such as advanced mobile applications or digital banking services. This is consistent with the study by **Kanaan (2021)**.

The "Process Innovation" dimension ranked second, with a moderate level of agreement, achieving a mean score of 3.65 and a standard deviation of 0.825. Process innovation enables the bank to employ cutting-edge technologies such as artificial intelligence, machine learning, and big data analytics to improve performance. These results align with the findings of **Kanaan (2021)**.

The "Marketing Innovation" dimension ranked third, with a moderate level of agreement, achieving a mean score of 3.55 and a standard deviation of 0.815. Marketing innovation can help enhance and develop the bank's brand by introducing new and innovative messages that distinguish the bank from its competitors. These findings are consistent with the study by **Al-Fitouri (2021)**.

The results related to the moderating variable, organizational support in Saudi commercial banks, were at a high level, with a mean score of 3.92 and a standard deviation of 0.899. Organizational support provides the necessary foundations for expansion into new markets by establishing systems and procedures that support sustainable growth. These findings are in line with the study by **Al-Nahwani and Madhkur (2023)**.

The results indicated a statistically significant effect at a significance level of ( $\alpha \leq 0.05$ ) for transformational leadership, with its dimensions (idealized influence, inspirational motivation, employee empowerment), on employee innovation in its dimensions (product innovation, process innovation, marketing innovation) in commercial banks in Saudi Arabia.

There was also a statistically significant effect at a significance level of ( $\alpha \leq 0.05$ ) for transformational leadership, with its dimensions (idealized influence, inspirational motivation, employee empowerment), on product innovation in Saudi commercial banks.

Additionally, a statistically significant effect was found at a significance level of ( $\alpha \leq 0.05$ ) for transformational leadership, with its dimensions (idealized influence, inspirational motivation, employee empowerment), on process innovation in Saudi commercial banks.

Furthermore, a statistically significant effect was found at a significance level of ( $\alpha \leq 0.05$ ) for transformational leadership, with its dimensions (idealized influence, inspirational motivation, employee empowerment), on marketing innovation in Saudi commercial banks.

Lastly, there was a statistically significant effect at a significance level of ( $\alpha \leq 0.05$ ) for organizational support in moderating the impact of transformational leadership, with its dimensions (idealized influence, inspirational motivation, employee empowerment), on employee innovation in its dimensions (product innovation, process innovation, marketing innovation) in Saudi commercial banks.

### **5.3 Recommendations**

Based on the study results and their analysis and interpretation, the researcher offers the following recommendations to Saudi commercial banks:

1. The study recommends enhancing the concept of transformational leadership and providing full support to it in Saudi commercial banks due to its positive impact on improving employee innovation and achieving excellence.

2. There is a need to keep pace with technological advancements and the rapid changes brought about by the digital age by providing the necessary equipment and tools for organizational support in banks.
3. It is essential to develop and adopt digital strategies that contribute to enhancing digital process innovation within Saudi commercial banks to improve performance, increase productivity, and achieve employee and customer satisfaction.
4. Saudi commercial banks should focus on marketing innovation, as it improves the customer experience, strengthens the brand, and increases revenue.
5. Saudi commercial banks should emphasize product innovation, as it fosters a culture of creativity within the bank and encourages employees to generate and develop new ideas.
6. Focusing on developing new products can enhance the financial stability of the bank by diversifying income sources and increasing resilience against economic challenges.

### 5.3.1 Future Recommendations

For future research, the researcher suggests applying the study to sectors other than the banking sector. Additionally, it is recommended to use variables other than transformational leadership that may influence employee innovation, such as motivation and organizational agility, and to incorporate mediating and moderating variables other than organizational support, such as job stability.

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