

RELATIONSHIP BETWEEN TRANSFORMATIONAL LEADERSHIP AND ECONOMIC DEVELOPMENT THROUGH FINANCIAL CONTROL IN SAUDI ARABIA

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Abstract: This study examines the direct empirical relationship between transformational leadership and economic development among 377 managers in private and public sectors in the Eastern Area. Moreover, the research identifies the significance of financial control as a plausible mediator in the relationship between transformational leadership and economic development. In this study, financial control and transformational leadership, are posited as influencing economic development in the Eastern Area. For data analysis and hypothesis testing, Structural Equation Modelling, and several statistical methods such as the maximum likelihood estimate and regression technique were utilized to understand the dimensionality of the variables. This study adopted a systematic random sampling to select managers who work in private and public sectors to conduct the study by using a quantitative method. The managers were selected to answer these questions because of their knowledge and experience which involves in this area. The results show that that transformational leadership (Idealized Influence) positively influenced economic development, while (motivation) was found to have a negative effect on economic development. Also, they show that (Idealized Influence and motivation) positively influenced financial control. Moreover, financial control was found to be a significant mediating factor in the relationship between transformational leadership and economic development in the private and public sectors of the Eastern Area. Transformational leadership was were found to be negative mediating factors in the relationship between financial control and economic development in the private and public sectors of the Eastern Area. This study also contributes to the body of knowledge in regards to providing tools and concepts for educating current and future managers about effective methods to improve their perspective probability or chances of achieving economic development. Based on the study's findings, transformational leadership and financial control significantly affect economic development, and it is recommended that organizations provide the necessary training to their leaders and managers, and recruiter managers who have skills leadership and management that will contribute to effective leadership, extra effort, satisfaction and achieve economic development, which can lead organizations to acquire and maintaining consistently high economic performances and successfully.

Keywords: Impacts; Financial Control; Transformational Leadership; Economic Development; Saudi Arabia.

I. RESEARCH BACKGROUND

The economy boomed in the 1970s and 1980s with massive petroleum revenues. Eastern Area has an abundance of resources, as compared to most developing countries, and massive development projects have arisen that turn the formerly underdeveloped country into a modern state.

Unemployment was all yet non-existent the most marginal and highly technical activities were performed by a large number of foreign employees and the GDP per capita were one of the highest per capita income and Gross Domestic Products in the world. A series of five - year plans have contributed to a long - term economic development. Most of the country's basic transport and communication facilities were developed in the first two-five years. Subsequent initiatives

were planned to diversify the economy, increase the production of domestic foodstuffs, boost education, training, and facilities of healthcare, and improve communications between the country's different regions. But the economic boom wasn't priceless. In the 1990s the collapse of world oil prices led to a marked increase of the population government policies promoting larger families. In reality, GDP per capita started to decline in real terms and the young, high-quality population in the kingdom first began to face high underemployment levels. But the rates have changed as oil prices are rising again. To move away from oil export dependence and create jobs, the five-year plans have been aimed at increasing private company participation in the economy.

This paper seeks to understand the mediation effects of the internal financial control on the partnership in the Eastern Area, between Transformational Leadership (Intellectual Stimulation, and Individualized) and Economic Development. It tests by putting financial control into a role as a mediator and wants to see if financial control can be a good mediator for the development of economic growth in transformational leadership. This research study aimed to fill the literature gap by analyzing their person and empirical relationships as a mediating variable between dependent and independent variables and to investigate the role of financial regulation.

The general problem lies in the economic development and the delay of projects of development in the implementation and delivery, which affected the economic development in general, previous studies has not taken into consideration economic development in Eastern Area, studies shall be conducted to evolve integrated development plans in various regions (Kumari and Devadas, 2017). Given this volatile environment, this thesis seeks to identify the factors that contribute to economic development in an acceptable rating in the Eastern Area.

Financial control has not been widely and sufficiently taken into account in previous research. future research on the use of structures of financial control to establish, handle, sustain and eradicate intergenerational differences is likely (Miley and Read., 2017), his study encourages other researchers to conduct similar studies on other samples and sectors (Abed EL-Nabi.,2016). This gap motivates this study. Unlike previous research, this work will take into consideration economic development in Eastern Area in private and government sectors to investigate transformational leadership factors and how they are related to financial control for economic development in Eastern Area. The researcher is curious to know how financial control is linked to economic growth.

In particular, also the researcher would like to know how financial control can be a good mediator of economic development. This study aimed to fill the gap in the literature by analyzing the basic and methodological relationship of Transformational Leadership (Intellectual Stimulation, and Individualized) and Economic Development.

The research aims to provide solutions to the mentioned gap by extending the leadership styles as mediators to the model of Pinto & Selivn (1987). The underlying model employed in this research will help to better comprehend the relationships of these variables with financial control to use economic development.

The research plans examine 377 as a sample out of 870 managers and vice-managers who work in the public and private sectors in the Eastern Area as my respondents to administer a research instrument in the fieldwork. I anticipate that the research findings will prove that financial control plays an important role in determining economic development in organizations. The study examined the following research questions:

1. Does the Intellectual Stimulation affect directly on economic development?
2. Does the Individualized consideration affect directly on economic development?
3. Does Intellectual Stimulation affect directly on internal financial control?
4. Does Individualized consideration affect directly on internal financial control?
5. Does the internal financial control mediate the relationships between Intellectual Stimulation with economic development?
6. Does the internal financial control mediate the relationships between Individualized consideration with economic development?

The study also developed the following null hypothesis:

1. H1: There is a statistically significant impact for the Intellectual Stimulation affect directly on economic development.

2. H2: There is a statistically significant impact for the Individualized consideration affect directly on economic development.
3. H3: There is a statistically significant impact for the Intellectual Stimulation affect directly on internal financial control.
4. H4: There is a statistically significant impact for the Individualized consideration affect directly on internal financial control.
5. H5: There is a statistically significant impact for the internal financial control mediate the relationships between Intellectual Stimulation with economic development.
6. H6: There is a statistically significant impact for the internal financial control mediate the relationships between Individualized consideration with economic development.

II. LITERATURE REVIEW

2.1 Intellectual Stimulation on Economic Development

Intellectual stimulation is a process that is concerned with the search for new ideas, new tools and means so that the work can be done with all activity and inspiration and the search for new ways to complete the tasks within the logical thinking of any practices and creativity in it. According to (Kirkland, 2011), the leader who promotes mental arousal among subordinates re-examines critical critiques to determine whether they are appropriate or not,

seeks different perceptions when solving problems, suggests new ways of looking at how tasks are completed and urge the others to consider to problems of different aspects. (Levicki 2002) noted that the transformational leader can create the atmosphere that members feel safe when they present new ideas for action and that this climate increases the sense of subordination in their role that they perform. Nakabashi. (2018) in the present study, the primary concern is to examine the effects of poverty on economic development across the Brazilian States from 1980 to 2015. Many studies assess the effects of economic growth and economic development on poverty incidence, but there is almost no one trying to measure the impact of poverty prevalence on economic development. The results of this paper indicate that poverty incidence is essential in the economic development of the Brazilian States. Poorer Brazilian States have lower income per worker even when controlling for investment in physical capital, human capital stock, and the effective depreciation of capital. The results point to the variables measuring extreme poverty as having more influence on the economic development of the Brazilian States with the variables quantifying poverty.

2.2 Individualized Consideration on Economic Development

It can be said that individual consideration is the state of interest in the individual needs of each working person and their ability and skills to grow and develop. (Bratton & Grint & Nelson, 2005, p219) This stressed that each consideration is a set of conducts through which the leader can give individual attention by defining the needs and desires for each subject and by taking individual differences between subordinates into account when fulfilling these needs. The model (Bass and Avolio 1997) on the leadership of Jordanian managers in business banks, is studied, according to (Jaradat 2005), to determine how these conducts, affect leadership outcomes. (Bass and Avolio 1997). The study has shown a relationship between leadership transition and management outcomes. There is also no connection between transition leadership and change. Also, another study (Baidies, 2016) was conducted. It explores the effects on the employee performance and satisfaction in IDECO of transformational leadership. This showed that IDECO has a mild revolutionary leadership style. Therefore, transformational leadership is linked to the performance and satisfaction of the employees.

As a case study, several Henan Province colleges and universities have examined how higher institutions represent the local economy, Liu (2018) paper provides new insight on the associations between China's provincial economy and higher-level institutions. The findings show that higher learning integrating regional economic development requirements can successfully advance internal institutional reform, strengthen the link between institutions and community, and achieve good results in developing discipline.

2.3 Intellectual Stimulation on and financial control

Intellectual stimulation is a process that is concerned with the search for new ideas, new tools and means so that the work can be done with all activity and inspiration and the search for new ways to complete the tasks within the logical thinking

of any practices and creativity in it. According to Kirkland (2011), the leader who promotes mental arousal among subordinates re-examines critical critiques to determine whether they are appropriate or not, seeks different perceptions when solving problems, suggests new ways of looking at how tasks are completed and urge the others to consider to problems of different aspects.

Levicki (2002) noted that the transformational leader can create the atmosphere that members feel safe when they present new ideas for action and that this climate increases the sense of subordination in their role that they perform. According to Almutairy (2016), this study aimed to explore the level of compliance with the implementation of control activities in the internal control units Kuwaiti ministries and its impact on internal audit effectiveness .this study found that there is a commitment of implementation of internal control activities from the perspectives of Audit Bureau Auditors and Internal Auditors, but there were significant differences between them regarding the level of implementation of each activity. Also there was an effect of implantation on internal control effectiveness. This study recommended the need fully implementing control activities on carrying out bank settlement note, and the importance of holding co-workshops related implementation of control activities for both Audit Bureau Auditors and Internal Auditors.

According to (Abu Arrah, 2014) this research attends to cover the effect of soft controls the effective the implementation of the internal control system. It found that the level of perception and implementation of soft controls in Jordan banking sector satisfactory except for a few discussion points that need to be addressed further. According to Almutairy (2016), this study aimed to explore the level of compliance with the implementation of control activities in the internal control units Kuwaiti ministries and its impact on internal audit effectiveness .this study found that there is a commitment of implementation of internal control activities from the perspectives of Audit Bureau Auditors and Internal Auditors, but there were significant differences between them regarding the level of implementation of each activity. Also there was an effect of implantation on internal control effectiveness. This study recommended the need fully implementing control activities on carrying out bank settlement note, and the importance of holding co-workshops related implementation of control activities for both Audit Bureau Auditors and Internal Auditors. According to (Abu Arrah, 2014) this research attends to cover the effect of soft controls the effective the implementation of the internal control system. It found that the level of perception and implementation of soft controls in Jordan banking sector satisfactory except for a few discussion points that need to be addressed further.

2.4 Individualized Consideration on financial control

Might conclude that individual consideration is a condition of interest and ability to develop and improve the individual needs of each worker. (Bratton & Grint & Nelson, 2005) emphasized that individual consideration is a collection of comportment through which the manager can individually pay attention to every individual by identifying the level of needs and wishes of his or her employees. There is no correlation between transition leadership and change according to (Baidies,2016). Also, another analysis is possible. According to Jaradat (2005), Jordan's leadership Behaviour Managers who work in commercial banks > is used to determine how the actions of Jordan leading affect management outcomes (Bass and Avolio, 1997). The result was a link between the leadership of change and a variety of management outcomes. This examines the effects on employee performance and satisfaction in IDECO of the transformational leadership style. This revealed that the IDECO style of transformation is mild. It showed However, developmental management was positively connected to the performance and satisfaction of workers.

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2.5 Financial control as a mediator

In this current study, financial control is a mediator that will be examined in terms of the relationships of the variables that have an impact on economic development in the Eastern Area. Because the four variables are related to the economy in the Eastern Area, the financial control mediator acts as a mediating variable. The variables influencing financial control,

and in turn, the financial control will influence economic development, which is the main aim of this work. Miley and Read (2017) studied the use by the British Government of financial mechanisms to simultaneously regulate the public office holders while allowing them to avoid blame for the adverse impact of their control regime. The very odds of this source indicate that public service holders can, particularly when serving multiple purposes, apply financial control mechanisms subtly and unexpectedly. In our case, it serves both the purpose of financial control and the purpose of escaping blame that was not obvious by examining the financial constraints drawn up in legislation. No evidence was found of a threat to maritime safety from Radio Caroline. Its only challenge was to control British radio airwaves by the monopoly on radio broadcasting by the BBC and, subsequently, by the British government. Accounting for evasion of the blame for the financial impact of actions is small. This reflects the development as legitimizing business in accounting while preventing blame is seen as a tactic for disproving or avoiding a perceived threat to legitimacy. Continued research on the use of financial control mechanisms to develop, maintain, sustain, and suppress intergenerational disputes is likely. Analyzing financial disparities among generations can also enhance our understanding of the social role of wealth and the increasing differences in power among subgroups.

The financial development process was checked according to the Jotwani (2018) report. The question of financial system governance is discussed. The impact of financial development on the overall economic development is then studied using the type of financial entity to suggest governance. We believe that financial development and ultimately growth will have an impact on the governance quality of financial systems. It leads to the conclusion that the financial system contributes to India's economic growth. Financial system governance is essential, but it does not hinder the process. Goswami (2016) has found that the positive mood of leaders is correlated with the creation of positive emotions of their subordinates during work. Operating with positive emotions did not mediate the fun and success of members. The relationship between positive humour and employees' positive feelings at work was also strengthened by leaders using a transformative leadership style. This awareness may lead to educating practitioners' training in humour and potentially create a more friendly and enjoyable workplace, which can result in strong economic development.

according to Kumari and Devadas (2017), the main objective of the investigation is a mixed methodology (survey and historical data) aimed at reducing the gap between urban and rural life and the socioeconomic status of communities. To determine their importance for the strategic sector up to 2031, this study examined several control parameters for several subsystems that affect largely the system's functions-populations, per capita income, GDP, GDP in the primary sector, GDP in the secondary sector, GDP in the tertiary sector, GDP in the agricultural and allied sectors and GDP in the industry. Taking account of the very dynamic and volatile life of the socio-economic context, the forecasts are taken into account by 2031. The confirmed integrated predictions were made.

III. THEORETICAL FRAMEWORK

The trait theory is an early approach to management (Julien et al., 2010). This point of view sees leadership in an individual's attributes (O'Connor and Jackson, 2010). Identified attributes include appearance, job, attitude, initiative, and social characteristics. The approach of leadership was rejected as unsuccessful in explaining leadership and leading success, of studies from the late 1940s and early 1950s (Zaccaro, 2007). This questions whether members have been born or made. This refutes that leaders are made according to the Great Man theory. The found leaders in this style are born with special legacy traits. The most common features in this theory are males with a heroic conception, which is known in the name of the theory (Vroom and Jago, 2007). The epic conception of these great men, such as Napoleon and Shakespeare, came across major historical events in the world.

Unhappiness at the adoption of common leadership characteristics paved the way for an innovative leadership study movement in the 1950s and 1960s. The new leadership research movement helped study the way leaders handle themselves in the Ohio State University and the University of Michigan. There was no increase in the value of leadership features. The emphasis was put on leadership action (Vroom and Jago, 2007). The leader was responsible. Measuring leadership, Vroom and Jago (2007) found that neither approach provided sufficient, solid scientific evidence. The emphasis was on evaluating leadership behaviour.

Trait theories were derived from the theory of big man as an explanation of the core characteristics and characteristic features of successful leaders. Due to the various qualities and personalities mentioned, leaders were regarded as distinct from non-leaders (Bass, 2008). The leadership in trait theory was all explained by the following theorists: Kohs and Irle (1920), L.L. It was thought until the 1940s that the management characteristics could be identified by this approach, and

people with those features could be placed into management positions. Bernard (1926), Bingham (1927), Tead (1929), Page (1935) and Kilbourne (1935) Such theories are driven by individual traits. There are 79 relevant leadership traits, according to Bird (1940). The issue with the approach to the trait is that it became obvious after years of research that no common characteristics existed for all the participants. Some leaders may have shown important characteristics, but their absence did not mean the person was not a leader. Although the results of several attribute tests were inconsistent, some characteristics appeared more often than others, such as technical qualification, friendliness, social skills, emotional power, intelligence, and charisma.

IV. METHODOLOGY

4.1 Research Design

In research that leads to data collection and data analysis, the research design may be viewed as a contour or a plan. The scope of the work is distinct from descriptive, experimental, and exploratory. Occasionally, a person would like to acquire some knowledge or gather information from a group of people. The study used a questionnaire to collect data to follow the descriptive research method. In the evaluation of sampled population attitudes and behaviours, a survey is sufficient in conduct and social science research (Creswell, 1994).

The first phase of the research included the identification and interpretation of the problem statement, the creation of the study objective, and the development of the research plan. In the second phase, the comprehensive literature review has been outlined. The third phase consisted of a field survey conducted by the government and non - government perspectives. The role of mediator for financial control activation and questionnaire design in the connection between transformational leadership and economic development. In the fourth phase, the questionnaire design (pilot studies) was updated by supplying experts with the questionnaire. The pilot study aimed to test and show that the questionnaire questions are easily answerable to help achieve the study's objective.

Also, it was important to ensure that all government and non - government information was useful in achieving research targets. Based on the results of the pilot study, the questionnaire was revised. The fifth part of the questionnaire was circulated. Data analysis, discussion, and explanation were the sixth steps. In a descriptive research design in the next step, the characteristics of the participants will be defined and the rhythms, proportions, mean and standard variants of the systems employed will be calculated. A tool and survey methodology for collecting data on research problems, how financial control can be enabled for economic development, and understand the role of transforming leadership mediating, are used in this review. In this analysis. A cross-sectional study using a data collection method is also used as a large sample can be conducted easily (Sekaran, 2000). In the final stage, the findings were summarized, concluded, and suggested.

4.2 Population and Sampling

Samples are selected from a bigger group to make inferences about the population of the sample (Creswell, 2009) according to Morgan and Harmon (1999). The current study used systemically random sampling of 377 participants from the sample frame (Cooper & Schindler 2011, Creswell 2009). This study includes a systematic random sample of 377 managers or vice-managers in Eastern Area working in public and private sectors. According to recent statistics by the government of Eastern Area which represents by the ministry of human resource, there are 870 managers work in private and public sectors in the eastern area (Social Insurance system, 2019).

V. RESULTS AND DISCUSSION

5.1 Data Screening

Since the first dataset contained an information composition string depicting the reactions caught in the light of the Liker scale, which extended from unmistakably and differed from the concurrent. It should have been changed to write numeric information from 1. It strongly disagrees to 5 because it strongly agrees to encourage the use of the AMOS bundle by SEM (by Kline, 2010). The specialist used 5 scales to give respondents a shifted chance to look at different choices, thereby increasing the unwavering quality of the scale. The assortment is, therefore, assuming a large part of the reliability investigation. the aggregate number of respondents to the investigation was 377 managers or vice-managers in Eastern Area working in public and private sectors in KSA, as previously stated. The information analysis was conducted on clean and organized datasets in both SPSS and AMOS.

5.2 Descriptive Analysis of The Respondents Background

Frequencies of statistical factors, such as Gender, Education, Sector, Years of experience, and Marital status, respondents in Saudi Arabia are shown in Table 1

Group	Frequency	Percentage
Gender		
Male	312	82.8
Female	65	17.2
Education		
Primary	8	2.1
Secondary	41	10.9
University	299	79.3
Higher education	29	7.7
Sector		
Government	257	68.16
Private	120	31.83
Years of experience		
5years	104	27.6
10 years	76	20.2
15 years	80	21.1
20 years	102	27.1
21 years and over	15	4
Marital status		
Married	361	95.8
Single	16	4.2

The table shows that Over 377 respondents, 312 useful responses were received from the male (82.8%) and 65 from the female (17.2%). Therefore, both male and female dominate the sample of this study. The responders were asked to specify their education. As the result, 79.3% of the respondents stated that they have university education certificate, 10.9% have a secondary certificate, 7.7% have higher education certificate and 2.1% have primary education certificate, responders were also asked to specify their working sector. As the result, 68.16% of the respondents stated that their working was the government. 31.83% their working was private, they also specify their years' experience, the majority 27.6% of respondent were 5 years, 27.1% their experience 20 years, 21.1% their years' experience 15 years, 20.2% their experience 10 years, and 4% of them were 21 years and over, and responders were also asked to specify their marital status. As the result, 95.8% were married, and 4.2% of them were single.

5.3 Direct Effects of the Variables

To assess the potential effects of the variables, the coefficient parameters estimates were tested as shown in table 2

Path	Standardized Estimate	critical ration (c.r.)	P-value	Hypothesis Result
	Beta			
IN → EC	.048	.785	.432	H1) Rejected
IC → EC	.201	3.266	.001**	H4) Supported
IN → FI	-.072	-1.093	.274	H3) Rejected
IC → FI	-.004	-.063	.950	H4) Rejected

As shown in Table 2, Individualized Consideration on the Economic development which was statistically significant, also Intellectual Stimulation on the Economic development non-significant as their p-values were above the standard significance level of 0.05. also, the Intellectual Stimulation and Individualized Consideration non-significant as their p-values were above the standard significance level of 0.05. Therefore, the hypotheses: H2 was supported. Conversely, the hypotheses H1, H3, and H4 were rejected.

5.4 Indirect Effects of the Variables

The mediation analysis has helped to determine the effects of mediation on the effects of Idealized Influence and Motivation, as the mediator variable for financial control (i.e., H5 and H6), as independent variables for economic development, in terms of the mediator variable. Besides, the indirect effects of the independent variables were also evaluated for the dependent variable via the mediating variable.

This research has used the bootstrapping approach (Bagozzi & Yi, 1988) to evaluate the mediating impacts of Financial Control since SEM is considered preferable to the regression techniques for the test mediation, because SEM enables both measures and structural relationships and yield generally fit indices to be modelled (Browne et al., 1993; Garver & Mentzer, 1999). The importance of regression coefficients between idealized Influence, Motivation, and Financial Control as mediator. In this section two hypothesis, H5 and H6, are checked. The results of these findings are shown in Table 3 with the aggregate effects of various paths.

DV = Economic development	Independent Variable	
	Intellectual Stimulation	Individualized Consideration
Total Effect of IV on DV without M (path a)	-.330 ^(sig:0.172)	-.148 ^(sig:0.984)
Direct Effect of IV on DV with M (path a')	-.175 ^(sig:0.176)	-.105 ^(sig:0.984)
Indirect Effect of IV on DV through M (path bc)	0.049 ^{** (sig:0.002)}	0.037 ^{** (sig:0.003)}
Effect of IV on M (path b)	-1.093 ^(sig:0.274)	-.063 ^(sig:0.950)
Effect of M on DV (path c)	.190 ^{*** (sig:0.000)}	.190 ^{*** (sig:0.000)}
Mediation Path	IS→FI→EC	IC→FI→EC
Mediation Effect	No	No
Degree of Mediation	Full	Partial
Hypothesis Result	H5) Rejected	H6) Rejected

As shown in Table 3, Financial control not mediates the effects of Intellectual Stimulation, Individualized Consideration, on Economic development. Thus, hypotheses H5, H6, were Rejected.

VI. DISCUSSION, CONCLUSION AND RECOMMENDATIONS

6.1 Summary of Findings

Direct Effects of Constructs, Hypothesis H1 was rejected (IN→EC). Specifically, the results from the study showed there was no statistically significant relationship between, Intellectual Stimulation (IN) and economic development (EC). Hypothesis H2 however, was largely supported (IC→EC) the results showed there was a statistically significant relationship between (IC) Individualized Consideration and economic development. Hypothesis H3 also was rejected (IN→FI). Specifically, the results from the study showed there was no statistically significant relationship between, intellectual stimulation (IN) and financial control (FI). Hypothesis H4 was rejected (IC→FI). Specifically, the results from the study showed there was no statistically significant relationship between, individualized consideration (IN) and financial control (FI). However, hypothesis H5 was rejected. Specifically, IN→FI→EC the results from the study showed Financial control (FI) fully cannot mediate the relationship between Intellectual Stimulation (IN) and Economic development (EC). Also, hypothesis H6 was rejected. Specifically, IC→FI→EC the results from the study showed Financial control (FI) partially cannot mediate the relationship between Individualized Consideration (IC) and economic development (EC).

6.2 Conclusion

This research developed and tested a structural model of transformational leadership, economic development, and mediation by financial control. The model was then tested against data from 377 managers in private and public sectors in Eastern Area, using sophisticated statistical software packages, such as SPSS version 18.0 and AMOS version 18.0. Overall, the results of the study showed support for 1 hypothesizes and rejected 5 hypotheses. Also, the highest effect on

economic development was due to managers' adherence to factor (individualized Consideration) to which provided strong support for improving economic development. The results of the study showed that it is highly beneficial and effective for managers to acquire transformational and training programs. The results from the study confirmed that it is important for organizations to champion and align with transformational leadership that can contribute to the improvement of economic development. Based on the study's findings, transformational leadership and financial control significantly affect economic development, and it is recommended that organizations provide the necessary training to their leaders and managers, and recruiter managers who have skills leadership and management that will contribute to effective leadership, extra effort, satisfaction and achieve economic development, which can lead organizations to acquire and maintaining consistently high economic performances and successfully.

6.3 Limitations and Recommendations

This study adds to the body of knowledge in the areas covering the relationship between financial control, transformational leadership, and economic development. The study also provides a more in-depth understanding of the topics of financial control, transformational leadership, and economic development. This study provides valuable insights into how managers and organizations can take proactive steps to improve economic development. This study also contributes to the body of knowledge in regards to providing tools and concepts for educating current and future managers about effective methods to improve their perspective probability or chances of achieving economic development.

6.4 Suggestions for Future Studies

This study investigated the relationship between financial control, transformational leadership, and economic development. Several beneficial areas for future research, however, remained to be explored. Based on the research results and findings acquired from the study, it is recommended that further research can be conducted on the relationship between both transformational leadership and transactional leadership, financial control in internal and external control, and economic development with the same or larger sample size or can use transactional leadership as the independent variable. Moreover, given that this study was conducted with managers and vice-managers based only in Eastern Area, a similar study can be conducted with managers and their vice from various countries to assess whether there are variations in terms of the countries, ethnicities, or cultures of the managers, another contribution to the coming future research is using the financial control as a moderator rather than mediator can play an essential role to measure and strengthen or weaken the relationship between the variables. or it can use COVID-19 19 as mediating or moderator to measure the relationship between variables and can use as an independent. Prior literature was indicated that individuals' perceptions were formed with the passage of time, experience and continuous feedback from surroundings (e.g., Venkatesh and Davis, 2000).

Thus, it was expected that future research would inspect the findings of this research with more in-depth investigations using longitudinal data. Also, it would be interesting for future research to test and explore the model developed for this study in other cultural settings, like other Asian or Western developed countries. This would be valuable in providing evidence concerning the robustness of research model across different cultural settings. It was understood that the robustness of the model may vary across different cultural settings and thus needed to be empirically tested (Mao et al., 2017). Also, this study used a quantitative method for collecting the data. Thus, future studies could consider employing qualitative methodology to gather qualitative information on economic development.

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