

Midocean University

Faculty of Management

Project Management

**Impact of Administrative Development on Enhancing
Customer Satisfaction in the Banking Sector:
A Case Study of Al Rajhi Bank in Riyadh, Saudi Arabia**

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Graduation Project – 1

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Title:

"Impact of Administrative Development on Enhancing Customer Satisfaction in the Banking Sector: A Case Study of Al Rajhi Bank in Riyadh, Saudi Arabia"

1.Introduction:

The banking sector operates within a dynamic and rapidly evolving landscape, characterized by shifting consumer behaviors, technological advancements, and regulatory changes. In this intricate ecosystem, customer satisfaction emerges as a pivotal determinant of organizational success, influencing customer loyalty, market share, and profitability (Al-Tit, 2018). As banks navigate through these complexities, administrative development emerges as a strategic imperative, encompassing a myriad of initiatives aimed at enhancing operational efficiency, service quality, and customer-centricity (Al-Hawari et al., 2019).

The background of this study is that the banking sector, both globally and in Saudi Arabia, has witnessed significant transformations in recent years. Rapid advancements in technology, changing regulatory frameworks, and evolving customer expectations have compelled banks to reassess their strategies and operations. In Saudi Arabia, the banking sector is a vital component of the economy, with banks playing a crucial role in facilitating financial transactions, driving economic growth, and supporting the aspirations of individuals and businesses alike.

Al Rajhi Bank, one of the largest Islamic banks in the world, serves as a prominent player in the Saudi Arabian banking landscape. With a rich history spanning several decades, Al Rajhi Bank has continually adapted to meet the evolving needs of its customers while upholding its commitment to Islamic banking principles. Against this backdrop, the bank's journey towards administrative development offers valuable insights into the strategies and practices employed by banking institutions to enhance customer satisfaction and maintain competitiveness in a dynamic marketplace.

Despite the recognized importance of administrative development in the banking sector, there exists a notable gap in empirical research examining its impact on customer satisfaction,

particularly within the context of Saudi Arabia. While anecdotal evidence and industry reports suggest a positive correlation between administrative development initiatives and customer outcomes, empirical studies providing rigorous analysis and empirical validation are limited. Understanding the specific mechanisms through which administrative development influences customer satisfaction is essential for banking institutions seeking to optimize their operations and deliver superior service experiences. By conducting a detailed examination of administrative development practices at Al Rajhi Bank, this study aims to fill this research gap and provide actionable insights for banks and policymakers.

This research focuses on exploring the relationship between administrative development and customer satisfaction within the context of the banking sector, with a specific emphasis on Al Rajhi Bank in Riyadh, Saudi Arabia. The study will analyze various administrative development initiatives undertaken by the bank and their implications for customer satisfaction metrics such as service quality, responsiveness, and overall experience.

The primary objective of this study is to investigate the impact of administrative development on enhancing customer satisfaction in the banking sector, using Al Rajhi Bank as a case study.

Specifically, the study aims to:

- Examine the administrative development initiatives implemented by Al Rajhi Bank.
- Assess the perceived impact of these initiatives on customer satisfaction metrics.
- Identify key success factors and challenges associated with administrative development in the banking sector.
- Provide actionable recommendations for banking institutions to enhance customer satisfaction through effective administrative development strategies.

2.Research Problem:

The research problem centers around the scarcity of empirical evidence elucidating the impact of administrative development on customer satisfaction within the banking sector, particularly in Saudi Arabia. This knowledge gap underscores the need for rigorous investigation and analysis to uncover the specific mechanisms and strategies through which administrative development initiatives influence customer perceptions and behaviors.

2.1.Theoretical Gaps:

Theoretical frameworks within the literature often lack integration with practical insights regarding administrative development and its effects on customer satisfaction in the banking sector. This gap highlights the need for research that bridges theoretical constructs with real-world applications, providing a comprehensive understanding of the dynamics at play (Alanezi & Al-Swidi, 2022).

2.2.Empirical Gaps:

Empirical studies examining the relationship between administrative development and customer satisfaction in the banking sector, particularly within the Saudi Arabian context, are limited. This scarcity of empirical evidence hinders the development of evidence-based practices and guidelines for banks to effectively leverage administrative development initiatives to enhance customer satisfaction and loyalty (Alrubaiee & Al-Lozi, 2020).

2.3.Research Question:

How does administrative development influence customer satisfaction within the banking sector, as exemplified by a case study of Al Rajhi Bank in Riyadh, Saudi Arabia?

3.Research Significance:

Through the synthesis of theoretical frameworks, empirical data, and practical insights, this study endeavors to bridge the gap between theory and practice, offering actionable recommendations for banking institutions seeking to navigate the complexities of administrative development and optimize customer satisfaction outcomes. As such, the findings of this research hold the potential to inform evidence-based strategies, drive organizational excellence, and shape the future trajectory of the banking sector in Saudi Arabia and beyond.

3.1. Theoretical Significance:

Theoretical frameworks in the existing literature often lack a comprehensive integration of administrative development concepts with practical insights regarding its impact on customer satisfaction within the banking sector. This theoretical gap underscores the need for research that synthesizes theoretical constructs with empirical evidence, providing a holistic understanding of

the mechanisms through which administrative development influences customer perceptions and behaviors. By addressing this theoretical gap, this study aims to advance theoretical understanding and provide a robust foundation for future research in this area (Al-Debei et al., 2018).

3.2. Empirical Significance:

Empirical studies examining the relationship between administrative development and customer satisfaction in the banking sector, particularly within the context of Saudi Arabia, are scarce. This empirical gap inhibits the development of evidence-based practices and guidelines for banks to effectively utilize administrative development initiatives to enhance customer satisfaction and loyalty. By bridging this empirical gap, this research seeks to provide valuable insights into the specific mechanisms through which administrative development practices influence customer satisfaction metrics, thereby informing evidence-based decision-making and facilitating the implementation of effective administrative development strategies in the banking sector (Alrubaiee & Al-Lozi, 2020).

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