

# The Impact of Transformational Leadership on Job Satisfaction among Employees in the Banking Sector in Riyadh

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Graduation Project – Business Administration Major

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## Chapter One

### 1.1 Research Background

In recent decades, organizations have paid increasing attention to leadership as one of the most influential factors in their success and sustainability. Among the leadership styles, transformational leadership has received significant focus due to its ability to inspire, motivate, and develop employees, which ultimately improves job satisfaction.

Job satisfaction, on the other hand, is a key determinant of organizational success, reflecting employees' willingness to remain, their loyalty, and productivity. In the competitive and demanding banking sector in Riyadh, understanding the role of transformational leadership in enhancing job satisfaction is crucial.

### 1.2 Research Problem

Although several studies have examined the relationship between leadership and job satisfaction globally, there is limited research focusing on the banking sector in Riyadh. The central question is:

To what extent does transformational leadership impact job satisfaction among employees in the banking sector in Riyadh?

### 1.3 Research Significance

- Theoretical significance: This study contributes to the existing body of literature by exploring the link between transformational leadership and job satisfaction within the Saudi banking context.
- Practical significance: The findings will provide actionable insights for bank leaders to improve employee satisfaction and workplace environment.

### 1.4 Research Questions

1. What is the level of transformational leadership practiced by bank managers in Riyadh?
2. What is the level of job satisfaction among bank employees in Riyadh?
3. What is the relationship between transformational leadership and job satisfaction among bank employees in Riyadh?

### 1.5 Research Objectives

1. To assess the level of transformational leadership in the Riyadh banking sector.
2. To measure the level of job satisfaction among bank employees in Riyadh.
3. To investigate the relationship between transformational leadership and job satisfaction.
4. To provide recommendations for improving job satisfaction through transformational leadership practices.

### 1.6 Research Hypotheses

Main Hypothesis (H1): There is a statistically significant positive relationship between transformational leadership and job satisfaction among bank employees in Riyadh.

Sub-hypotheses:

H1a: There is a significant relationship between inspirational motivation and job satisfaction.

H1b: There is a significant relationship between idealized influence and job satisfaction.

H1c: There is a significant relationship between individualized consideration and job satisfaction.

H1d: There is a significant relationship between intellectual stimulation and job satisfaction.

### **1.7 Research Model**

Independent Variable: Transformational leadership (idealized influence, inspirational motivation, individualized consideration, intellectual stimulation).

Dependent Variable: Job satisfaction.

(Here, a diagram can be inserted showing the link between transformational leadership → job satisfaction).

### **1.8 Scope of the Study**

- Geographical scope: Banking sector in Riyadh.
- Time scope: Year 2025.
- Population scope: Employees working in banks operating in Riyadh.

### **1.9 Project Structure**

The project consists of five main parts:

1. Chapter One: Introduction.
2. Chapter Two: Literature Review.
3. Research Methodology (optional if required).
4. Data Analysis and Discussion (optional if required).
5. References and Appendix.

## **Chapter Two: Literature Review**

Transformational Leadership: Definitions, dimensions, and its role in organizational success (Bass, 1990).

Job Satisfaction: Definitions, dimensions, and impact on organizational outcomes.

Previous Studies: A review of empirical studies linking transformational leadership and job satisfaction, with emphasis on gaps in the Saudi banking context.

## References

- Bass, B. M. (1990). From transactional to transformational leadership: Learning to share the vision. *Organizational Dynamics*, 18(3), 19–31.
- Judge, T. A., & Piccolo, R. F. (2004). Transformational and transactional leadership: A meta-analytic test of their relative validity. *Journal of Applied Psychology*, 89(5), 755–768.
- Robbins, S. P., & Coulter, M. (2021). *Management*. Pearson Education.

## Appendix

### Appendix (1): Research Questionnaire

| Variable                    | Dimension                    | Statement                                                | Scale (1-5) | Notes |
|-----------------------------|------------------------------|----------------------------------------------------------|-------------|-------|
| Transformational Leadership | Idealized Influence          | My manager serves as a role model for employees.         | 1 2 3 4 5   |       |
| Transformational Leadership | Inspirational Motivation     | My manager inspires me to achieve higher goals.          | 1 2 3 4 5   |       |
| Transformational Leadership | Intellectual Stimulation     | My manager encourages me to think in new ways.           | 1 2 3 4 5   |       |
| Transformational Leadership | Individualized Consideration | My manager cares about my individual needs.              | 1 2 3 4 5   |       |
| Job Satisfaction            | Nature of Work               | I am satisfied with the nature of my tasks.              | 1 2 3 4 5   |       |
| Job Satisfaction            | Pay & Rewards                | I am satisfied with my salary and benefits.              | 1 2 3 4 5   |       |
| Job Satisfaction            | Relationships                | My relationship with colleagues and supervisors is good. | 1 2 3 4 5   |       |
| Job Satisfaction            | Promotion Opportunities      | I believe I have good opportunities for promotion.       | 1 2 3 4 5   |       |

### Appendix (2): Table of Research Instruments

| Variable                    | Source / Scale Used                                      | Dimensions Measured                                                                                   |
|-----------------------------|----------------------------------------------------------|-------------------------------------------------------------------------------------------------------|
| Transformational Leadership | Bass (1990) – MLQ (Multifactor Leadership Questionnaire) | Idealized influence, Inspirational motivation, Intellectual stimulation, Individualized consideration |
| Job Satisfaction            | Adapted from standard Job Satisfaction Scales            | Nature of work, Pay & rewards, Relationships, Promotion opportunities                                 |