

The Mediating of Financial Control on the Relationship between Transformational Leadership and Economic Development in Saudia 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 having an influence on 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. INTRODUCTION

This research will try will try to apply the frame work that include the constructs of financial control,

transformational leadership and economic development on the Saudi economic.

Economic development. This trend is more complex than economic growth as it includes quantitative and qualitative changes, such as the transformation of manufacturing structure, the introduction of new methods for managing resources; economic development increases chances of economic growth by achieving higher economic growth (Kubiczek, 2016). There are many technology interpretations and no consensus has been reached in economics on this matter (Piontek, 2010). Developments have many definitions and no consensus in economics has been reached on this matter (Piontek, 2010). Technology can generally be viewed as a change process or as a target (Bellu, 2011). With regard to the first phenomenon, the processes for transforming a particular system into better forms can be described by means of a series of qualitative changes (Słodowa-Helpa, 2015) and optimal states (according to approved criteria)

In common, preliminary studies of internal control investigations have examined small public companies of a size cut-off (\$75 million in market capitalization) for mandated internal control audits (Schroeder and Shepardson 2016; Ge, Koester and McVay 2017). However, all internal control systems and audits are fundamentally different from smaller ones. Accordingly, researchers have not necessarily made any findings from these preliminary studies generals of companies with a defined market capitalization above \$75 million (Coates and Srinivasan 2014; Leuz and Wysocki 2016).

policymakers should also consider the findings of their study. In addition to the PCAOB's recent focus and inspections on internal control audits, the regulators' breadth and degree of required internal monitoring audits have been progressively decreased (Leuz and Wysocki 2016).

Downton (1973) and Burns (1978) focused on transformation and transactional management at the policymaker's level was the first to introduce the term transformational leadership. Since the beginning of the 1980s transformation leadership has become one of the leading styles most popular and attracted the attention of researchers.

The first element is "Idealized Influence," which the workers consider as a role model. Secondly, "intellectual stimulation" encourages people who follow in the process of problem-solving, performing, thinking out of the box, and 'going the extra distance' to complete the mission (Anathan, 2014).

The third is the "Inspiring Motivation" which is the level of motivation for managers to inspire employees in the company. This degree of influence leads to communicating employees' shared vision of the future (Anathan, 2014).

The fourth factor is "individualized Consideration" relating to education, promotion, empowerment, and individual desires and desires (Bass, Avolio, Jung, & Berson, 2003). The study examined the following research questions:

1. Does the Idealized Influence affect directly on economic development?
2. Does the Motivation affect directly on economic development?
3. Does Idealized, Influence, affect directly on internal financial control?
4. Does Motivation, affect directly on internal financial control?
5. Does the internal financial control mediate the relationships between Idealized Influence with economic development?
6. Does the internal financial control mediate the relationships between Motivation with economic development?
7. Does the internal financial control affect directly on economic development?

The study also developed the following null hypothesis:

1. H1: There is a statistically significant impact for the Idealized Influence affect directly on economic development
2. H2: There is a statistically significant impact for the Motivation affect directly on economic development.
3. H3: There is a statistically significant impact for the Idealized Influence affect directly on internal financial control.
4. H4: There is a statistically significant impact for the Motivation affect directly on internal financial control.
5. H5: There is a statistically significant impact for the internal financial control mediate the relationships between Idealized Influence with economic development.
6. H6: There is a statistically significant impact for the internal financial control mediate the relationships between Motivation with economic development.
7. H7: There is a statistically significant impact of the internal financial control affect directly on economic development.

II. LITERATURE REVIEW

2.1 *Idealized Influence (II) on Economic Development (ED)*

The McArthur and McCord report. (2017) its paper assesses the role of agricultural inputs for improved cereal yields and the impact on systemic change processes in the countries. The results suggest that fertilizers, modern seeds, and water have a significant role to play in increasing yields. We then investigate the respective empirical links between agricultural yields and economic growth, agricultural share of labor, and per worker added non - agricultural value. The strategy includes the new instrumental variable which takes advantage of the unique economic geography of fertilizer production and transportation costs to farmland countries. They estimate that a half-ton growth in basic yields generates 14-19 % higher GDP per person, and a 4.6-5.6% lower share of labor five years later. The results show a strong role as drivers of structural change for agricultural productivity.

The research by Alazmy (2016) aimed to analyze the impact on the internal control structure of the external auditors in order to improve the quality of the financial reports of Kuwaiti stock markets and revealed a trace of the Director's board in the improved quality of the financial report of the firms listed and a trace of the audit committee's reporting. The effect of the internal audit report was also demonstrated to improve the quality of the financial statements for listed companies.

2.2 *Motivation (M) on Economic Development (EC)*

In inspiring motivation, leaders are driven to express an optimistic and visionary dream, to promote a climatic of psychological safety that inspires supporters to take interpersonal risks and to energize supporters to beyond expectations. These also allow workers to reframe their problems by voicing the confidence of their supporters, view them as possibilities and pursue different forms of resolving issues that arise in their activities (Shamir, House and Arthur, 1993). Nakabashi (2018) studied the analysis of the economic development effects of poverty between 1980 and 2015 across the Brazilian States. Most studies assess the impact on poverty, economic growth, and development, but hardly anybody is trying to measure the impact on economic development of the prevalence of poverty. The results of this paper demonstrate that the incidence of poverty is crucial to the economic development of the countries of Brazil. Even when managing physical capital, human capital stocks, and effective capital depreciation, poorer Brazilian states have lower income per employee. The results indicate that the variables which measure extreme poverty are more significant than the variables which calculate poverty in relation to the economic development of Brazilian countries

2.3 *Idealized Influence (ID) on financial control (FI)*

according to Aliyu et al. (2014) was studied the leadership literature the everyday impact on the daily engagement of

followers to their daily work through transformational leadership, contingent rewards, and active management by exception (MBE involved). We compare these activities' unique contributions to the workforce and look at how these conducts of leadership influence the daily work of the followers. 61 naval cadets completed a diary questionnaire for 34 days while traveling by sea ship. Multi-level regression analyzes have shown that cadets were more interested in days after testing the work of followers the day before that their leaders showed further progress and received contingent rewards. MBE active was not associated with the participation of the supporters. Transformation leadership and contingent awards have, as predicted, led to an atmosphere of better working conditions (more flexibility and assistance) and the MBE active have resulted in a lower work environment for cadets (less control). This study underlines the importance of everyday leadership for the daily work of supporters. In compliance with the study of (Alazmy, 2016), the study was designed to analyze the effects on the internal control system of the external auditors to increase the quality of the financial statements in companies listed on the Kuwait stock market and the results showed that the Director's Board has tracked them of order to improve the quality of financial reports to the listed companies. The effect of the internal audit report was also shown to improve the quality of the financial statements for listed companies. In order to reduce accounting to Gao and Zhang (2019) investigated expenditures by companies to internal controls. First, they demonstrate that decision - making by the peer managers is strategy complements: if a manager believes that reports from peer companies are exploited more, one manager manipulates the more often. The impact is a positive externality among peer companies for one firm's domestic control investment.

This reduces the violence of its own supervisor which in turn reduces the pressures of managers in peer companies. The advantageous externality is not internalized by companies and thus underinvesting of their internal financial reporting legislation. The underinvestment problem provides one reason for regulatory intervention in the internal control choices of businesses. The method creates new theoretical predictions. Firstly, internal quality controls of a company not only influence its own exploitation but also the manipulation of its peer firms. Furthermore, even after testing their foundations, the exploitation decisions of peer firms are associated.

For example, even after the bank and its peer fundamentals are regulated, one bank's credit loss provisioning may increase in peer average. Eventually, our model suggests that SOX would improve firm value by mandating internal controls. Recent papers investigate how fraudulent accounting in one entity influences investment decisions in peer companies (for example, Gleason, Jenkins and Johnson 2008; Beatty, Liao and Yu 2013). A model shows that accounting fraud and internal controls of a company impose an additional impact on its peer companies.

2.4 Motivation (M) on) and financial control (FI)

Inspiration means the extent to which leaders may empower their backers by projecting an inspiring and optimistic dream, fostering an atmosphere of psychological security in which supporters are motivated to threaten interpersonal actions and enable supporters to succeed above expectations. They also help employees to reframe their challenges and see new approaches as opportunities that can lead to creative solutions to problems which arise in their job (Shamir, House & Arthur 1993). In addition, they should express trust in their supporters. To order to reduce accounting fraud, Gao and Zhang (2019) reviewed investments to internal controls by businesses. Secondly, they demonstrated that controlling decisions of peer managers are strategic complements: if he thinks that reports from peer firms are exploited more often, a manager manipulates more. As a result, one enterprise has a positive externality toward peer companies in its investment in internal controls. This reduces the abuse of its own executives, which decreases the exploitation pressure on managers of peer companies. This positive externality is not internalized by companies and thus under-invests in their internal financial reporting controls. The underinvestment issue provides a basis for regulatory intervention in internal control choices for businesses. The model creates new theoretical predictions. Second, internal quality controls of an organization not only affect its own exploitation, but also manipulation by its peer companies. Furthermore, even after testing their foundations, manipulation decisions by peer firms are associated. For example, even after the bank and its peers are reviewed, the loan loss provisioning of one bank can increase in the peer average. Finally, it is suggested by our model that SOX could increase firm value by requiring internal control measures. Several recent papers have discussed the impact on investment decisions in peer companies of fraudulent accounting (e.g. Gleason, Jenkins, & Johnson 2008; Beatty, Liao, and Yu 2013). This model suggests a further effect on its peer companies exerted by accounting manipulation and internal controls.

2.5 Financial control (FI) on Economic development (ED)

Liu (2018) paper shed new light on the Chinese regional economy-higher institutional correlation model. Most universities and colleges in the Henan province were examined as case studies, which extensively explores how higher institutions support the local economy. The results show that higher education, integrating regional economic development criteria, can effectively advance the internal institutional reform, strengthen the relations between institutions and society, and produce a good impact on the construction of disciplines. For future development, higher institutions should also create a sound social assessment system and supervisory authority. Xi, Ji, Lu, Cu. (2018) studies examine the relationship between the risk of internal control and the fees of audit under the Chinese Specific Business Internal Control Norm voluntary implementation system. The audit fees are positively linked to the discovered

vulnerabilities in the internal controls (ICWs). In specific, non - financial reporting, but not financial reporting based ICWs, is significantly involved. Our findings also suggest that voluntary compliance will reduce increased ICW-related audit fees in internal control reports.

Our study gives timely proof for the debate regarding extending the scope of internal control to non - financial reporting areas.

2.5 Financial control as 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 in a subtle and unexpected manner. 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 humor 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 humor 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. In order 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.

2.6 Theoretical Review

The Fiedler contingency theory discusses both leadership and situational variables, which try to match leaders in the right situations (Browning, 2007). (Browning, 2007). In this theory, a leader found the right template to adapt to a current situation. Fiedler (1972) says leadership is related to power and influence. Fiedler (1972) suggested an emergency model consisting of two styles of leadership, leading members, and mission structures. In favorable and unfavorable situations, the model provided by Fiedler can effectively predict task-based performance and in an intermediately good environment, relationship-based performance (Fiedler, 1971). The contingency model suggested that cooperation between groups depends on the style of leadership and the optimal situation.

III. METHODOLOGY

3.1 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 behaviors, 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 aim of the pilot study was to test and show that the questionnaire questions are easily answerable to help achieve the study's objective.

In addition, 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.

3.2 Population and Sampling

Samples are selected from a bigger group in order 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 represent by ministry of human resource, there are 870 managers work in private and public sectors in eastern area (Social Insurance system, 2019).

IV. RESULTS AND DISCUSSION

4.1 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 because 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.

4.2 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 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 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.

4.3 Direct Effects of the Variables

In order to assess the potential effects of the variables, the coefficient parameters estimates were tested as show in table 2

Path	Standardized Estimate	critical ration (c.r.)	P-value	Hypothesis Result
	Beta			
ID → EC	.263	4.289	.000***	H1) Supported
MO → EC	-.040	-.655	.512	H2) Rejected
ID → FI	.279	4.317	.000***	H3) Supported
MO → FI	.177	2.728	.006**	H4) Supported
FC → EC	.190	3.970	.000***	H7) Supported

As shown in Table 2. Financial control, Idealized Influence on the Economic development which was statistically significant, also the Idealized Influence and Motivation on the Financial control was statistically significant, as their p-values were below the standard significance level of 0.05, all other paths were in statistically significant as their p-values were below the standard significance greater than 0.05. Therefore, the hypotheses: H1, H3, H4, and H7 were supported. While H2 was rejected

4.4 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. In addition, 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 modeled (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	
	Idealized Influence	Motivation
Total Effect of IV on DV without M (path a)	41.897**(sig:0.007)	0.109**(sig:0.005)

Direct Effect of IV on DV with M (path a')	0.145* (sig:0.006)	0.060**(sig:0.005)
Indirect Effect of IV on DV through M (path bc)	0.038*(sig:0.005)	0.038**(sig:0.002)
Effect of IV on M (path b)	4.317*** (sig:0.000)	2.728** (sig:0.006)
Effect of M on DV (path c)	.190*** (sig:0.000)	.190*** (sig:0.000)
Mediation Path	ID→FI→EC	MO→FI→EC
Mediation Effect	Yes	Yes
Degree of Mediation	Full	Partial
Hypothesis Result	H5) Supported	H6) Supported

As shown in Table 3, Financial control mediates the effects of Idealized Influence, Motivation, on Economic development. Thus, hypotheses H5, H6, were supported.

V. DISCUSSION, CONCLUSION AND RECOMMENDATIONS

5.1 Summary of Findings

Direct Effects of Constructs, Hypothesis H1 was largely supported (ID → EC) the results showed there was statistically significant relationship between the ID Idealized Influence and economic development (ED). Hypothesis H2 however, was rejected (MO → EC). Specifically, the results from the study showed there was no statistically significant relationship between Motivation (MO) and economic development (EC). Hypothesis H3 was largely supported (ID → FI) the results showed there was statistically significant relationship between (ID) Idealized Influence and financial control. Hypothesis H4 also, was largely supported (MO → FI) the results showed there was statistically significant relationship between (MO) Motivation and financial control. However, hypothesis H7 was largely supported (FC → EC) the results showed there was statistically significant relationship between (FI) Financial control and economic development. Hypothesis H5 was largely supported. Specifically, ID→FI→EC the results from the study showed Financial control (FI) fully mediates the relationship between the (ID) Idealized Influence and economic development (EC). Hypothesis H6 was supported. Specifically, MO→FI→EC the results from the study showed Financial control (FI) partially mediates the relationship between motivation (MO) and economic development (EC).

5.2 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 6 hypotheses and rejected 1 hypothesis. In addition, the highest effect on economic development was due to managers' adherence to two factors (idealized influence and motivation) 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.

5.3 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.

5.4 Suggestions for Future Studies

This study investigated the relationship between the 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 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 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 relation between variables and can use as 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; Davis et al., 1989).

Thus, it was expected that future research would inspect the findings of this research with more in-depth investigations using longitudinal data. In addition, 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 and Palvia, 2006). 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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