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Leadership practice on economic sustainability

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Abstract: The paper aims to investigate the impact of leadership (transformational leadership, transactional leadership, and servant leadership), leadership styles, leadership roles, leadership traits, and leadership sources on economic sustainability. This research has been carried out among the Islamic banks in Yemen. The study is based on primary data. The data has been collected by questionnaire from four major cities (Sanaa, Aden, Taiz and Alhodidah). The total numbers of the respondents were 250. The data has been analysed by smart PLS3. This paper is the first to analyse leadership practice on economic sustainability in Yemeni context. The study found that servant leadership, leadership traits, leadership roles and leadership styles do not have a significant impact on economic sustainability. Transactional leadership, transformational leadership, and leadership sources have high significant impact on economic sustainability.

Keywords: transformational; transactional; servant; styles; roles; economic sustainability.

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1 Introduction

Sustainability is an aim that goes against the grain of conventional institutional structures and processes that govern how we function, make decisions, and run our societies. Sustainability encompasses a wide range of interconnected problems that affect our climate, culture, economy, and governance structures. Sustainability is a strategic mechanism for collaboration that helps people navigate the transition in the direction of a more sustainable society. Change management is a critical chance to shape our future. Change management methods, on the other hand, are extremely difficult, and lasting transitions would only be possible with inspired direction and leadership. Some people think of leadership as a mystical, charismatic attribute that only a few people have. For example, according to Langbert (2018), bravery, conviction, cleverness (being creative, ingenious, and innovative), contrariness, teamwork, cheerfulness, charisma (ability to gain trust), and modesty are all needed. Sustainable development, according to Globe Scan (2018), includes principles, a strategic approach, and communication. For long-term sustainability outcomes (Shriberg and MacDonald, 2013). It established three degrees of leadership. Starting with the early renowned environmentalists' 'great man' thesis (leaders are born, not developed), later 'transactional' leadership philosophy drew on 'rational man' by focusing on recognising and rewarding leadership performance. Then came charismatic leadership and 'transformational' leadership (which is usually associated with visionary and change-oriented leadership). According to Shriberg and MacDonald (2013), there is a more holistic approach to sustainability or eco leadership than the broad leadership theories provide. Vroom and Jago (2007) emphasise the importance of context, or situation, while Hull et al. (2018) write about the requirement for 'shared' leadership, which "utilises a distinct ontology, one in which the core aspects of leadership are direction, alignment, and commitment."

1.1 Banking and development

Following the Brundtland report in 1987, sustainability research has suddenly become a popular topic among academics, practitioners, and policymakers. Sustainable development, according to the Brundtland report, is defined as the demanding demands

of present and future generations in terms of economic, social, and environmental elements of existence (Brundtland, 1987). Following that, various studies on sustainability were conducted, including third-world living standards (Barbier, 1987); sustainable transitions (Geels, 2011; Markard et al., 2012); global sustainability (Brown and Reingen, 1987); economic analysis (Pezzey, 1992); sustainability of external and fiscal balances (Afonso and Rault, 2010; Herzberg and Asimow, 2015); and sustainability and ethical behaviour (Hoffman et al., 2012; Dossa and Kaeufer, 2013). In a nutshell, the economic, social, and environmental considerations determined by the Brundtland report are the fundamental goals of these investigations (Bebbington and Gray, 2001). Other studies have linked the concept of sustainability with the functions of financial institutions in a specific context. Recent research has clearly expatriated the two dichotomies of sustainability in banking and finance into institutional and welfare-oriented approaches (Robinson, 2001; Hermes and Lensink, 2011; Nurmakhanova et al., 2015; Mia and Chandran, 2016). Cull et al. (2007) centred on the institutions' solvency through financial and operational self-sufficiency (Hartarska and Nadolnyak, 2007; McCormick, 2011; Hermes and Lensink, 2011; Ahmed et al., 2013; Marwa and Aziakpono, 2015). This paper is the first to analyse leadership practice in economic sustainability in the Yemeni context. There is Dearth of studies that investigate leadership and its relation to sustainable development from an Islamic perspective. Prior studies have investigated to some extent the relationship between leadership and sustainable development. However, prior studies have ignored the Islamic perspective in this relationship.

2 Literature review and hypothesis development

Stakeholders must agree on what constitutes 'sustainable' behaviours, although sustainability is a multifaceted concept that can be understood and assessed in a variety of ways (Delmas et al., 2013). Because sustainability is difficult to define, it can spark heated debate among stakeholders, leading to disagreement about the definition adopted and the activities required to attain it (Wijen, 2014). Furthermore, defining at what level of best-practice adoption one can declare that a sector has undergone a 'complete' sustainability transition is problematic. Responsible leadership has been described as a relational and innately moral phenomenon focusing on sustainable business and the common good in a global stakeholder society (Maak and Pless, 2006). We use the term 'sustainability' to indicate prioritising human growth within the biosphere's bounds (Gladwin et al., 1995; Redman, 2014), with the ultimate goal of individual and societal flourishing (Ehrenfeld and Hoffman, 2013). Environmental, social, and economic sustainability are three dimensions of sustainability. Nowadays, more people are aware of the importance of implementing sustainable practices than in the past. Sustainable development should be an element of the business plan. In spite of the fact that leaders' involvement in sustainability is still not well-understood, more work must be done to show their importance (Pham and Kim, 2019). Because caring is concerned with the preservation of life, including future generations, and caring behaviours rely on maintaining a healthy environment, sustainability has been linked to care ethics (Kurucz et al., 2014; Sander-Staudt and Hamington, 2011). Many factors will impact graduates' behaviour, whether it be in regard to leadership or other professional traits. There are components strongly tied to the individual (such as values, attitudes, and personal

talents), as well as those with a societal environment, as highlighted by Holdsworth et al. (2019). (Especially the subjective norms espoused by their family, friends, peers, clients, and workplace values). Other behavioural enhancers can also have an impact, such as different technology, client needs, and workplace culture. Ajzen (1985, 2002) stated that subjective norms and behavioural enhancers may play a substantial effect in a graduate's behaviour when all of these elements are taken into account. As a result, these behavioural elements are likely to have a significant impact on graduates' professional work in regards to any attempts they may make to demonstrate leadership in the workplace. As a result of the leadership in business and society, a major portion of policymaking and resource allocation decisions are influenced by social and environmental effects as well as monetary gains. As part of the triple bottom-line challenge of sustainability, business schools are being asked to improve their thinking and practice of education (i.e., economic, social, and environmental) (Siddique et al., 2020). Leadership, according to SLI, is described as the ability to solve problems jointly with people, make decisions, and take effective action. It involves a conscious shift in how we see ourselves in connection to others, as well as how we choose to lead in today's society, whether consciously or unconsciously. "It means letting go of the idea of a leader as someone who knows what they're doing, as a visionary, strategist, or expert, or as someone who steers a ship in the right direction". It also entails letting go of the self-assurance and ego that knowledgeable, often passionate people who consider themselves to be leaders tend to bring with them when they provide their ideas and attempt to direct others toward their suggested successful solutions. Transformational leadership (Burns, 1978), transactional leadership (Bass and Avolio, 1994), democratic leadership (Lewin et al., 1939), self-organising leadership (Knowles, 2002), distributed leadership (Vygotsky, 1978; Spillane et al., 2004), and participative leadership (Vygotsky, 1978; Spillane et al., 2004) are just a few of the books, models, and theories of leadership with direct relevance (Chrislip and Larson, 1994). Three ways to add value to socio-technical transitions towards sustainability:

1 by attempting to bridge the issue of 'transition' with that of 'sustainability'

2 as part of a back casting process

3 through modes of transdisciplinary research where relevant actors take part in the conversation (Holmberg and Larsson, 2018).

A graduate, like anyone else, may feel obliged to fit in with their social milieu, but they must possess the necessary abilities. Sandri et al. (2018) looked at the problems of assessing graduate talents and the obstacles to understanding them. Although there are numerous examples of businesses implementing more sustainable practices, it is unclear whether these are adding up to sectoral sustainability. Company sustainability academics are increasingly questioning whether even the most well-intentioned corporate sustainability initiatives can truly generate substantial change at the industry or industry level (Barnett, 2019). How might large-scale sustainability transformations be induced in society? Is there any proof that businesses play a prominent role in them? What role do firms play in sustainability transitions? Firms that achieve specific levels of environmental performance, for example, might use eco-labels to inform consumers about a product's environmental features. The purpose of eco-labels is to provide clearly understandable information in order to stimulate demand for products that are rated as ecologically friendly by a third party (Delmas and Grant, 2014). The phrase 'leadership'

emerges from time to time in the work of those evaluating sustainable professional abilities. Interpersonal skills, collaboration, teamwork, and communication abilities, in particular, are frequently praised (for example, Barth et al., 2007; Barth, 2009; Holdsworth and Thomas, 2015; Holdsworth and Hegarty, 2016; Rieckmann, 2012, 2013; Shephard et al., 2018; Sterling and Thomas, 2006; Sterling et al., 2017; Wiek et al., 2011). The most common technique for fighting a sustainability transition is lobbying to oppose environmentally favourable regulations (Rivera, 2010). Another is to cast doubt on whether a shift to sustainability is truly necessary (Oreskes and Conway, 2011). On the other hand, company or product information disclosure is a popular technique for moving a sector toward sustainability. Regarding the increasingly pressing and complicated social, economic, and environmental concerns that constitute sustainability, relational leadership is a necessity. Despite an increasing interest in both relational leadership and leadership for sustainability, both have limited ethical understanding. Because both sustainability and relational leadership have moral consequences, this is a serious issue (Nicholson and Kurucz, 2019). Leadership must be rethought in light of nonlinear and dynamic systems, typified by climate change, water scarcity, and environmental injustice. Guided by complexity theory, this leadership perspective explains how to lead in order to achieve long-term success in the world. Systems are dynamic relationships, including social and social–ecological relationships, in which every action and contact generates a chance to disrupt the system, according to leadership for sustainability. Change occurs as a result of system disruption, when relationships throughout the system develop new equilibrium patterns. Individuals within a system have the potential to initiate change and the responsibility to continually alter relationships in support of system sustainability, which is defined as ecological viability, social equality, and economic prosperity, in leadership for sustainability (McKim and Goodwin, 2021) The engagement of leaders in Islamic banks is inextricably linked to progress in growing and securing the standing of Islamic banks in the Ummah economy. The leader is responsible for promoting, coordinating, and harnessing all of the strength of the organisation he leads, such that the organisation's success in attaining its objectives is dependent on the function of the leader. The rapid expansion of Islamic banking at the time was not matched by the availability of appropriate human resources. The ability, skills, and knowledge of workers who have the ability, skills, and knowledge to manage Islamic banking are more significant than the number of personnel in an Islamic bank's human capital. This situation is inextricably linked to Indonesia's history of Islamic banking, which is still in its infancy, and the lack of political support from the government at the time, which caused the growth and development of Islamic banking, both in terms of quantity and quality, to lag behind expectations.

H01 There is no significant impact of transformational leadership approach on perception toward economic sustainability of Islamic banks.

H02 There is no significant impact of transactional leadership approach on perception toward economic sustainability of Islamic banks.

H03 There is no significant impact of servant leadership approach on perception toward economic sustainability of Islamic banks.

H04 There is no significant impact of leadership styles on perception toward economic sustainability of Islamic banks.

H05 There is no significant impact of leadership roles on perception toward economic sustainability of Islamic banks.

H06 There is no significant impact of leadership traits on perception toward economic sustainability of Islamic banks.

H07 There is no significant impact of leadership sources on perception toward economic sustainability of Islamic banks.

3 Research methodology

Structural model was used to test the validity of the study's hypotheses. There are standard coefficients used in the PLS-SEM analysis, which makes the connections included comparable. In order to collect the data, a questionnaire as well as a survey were used. When it came to creating a well-structured questionnaire, a complete scale development method had to be used. Both portions of the questionnaire contained demographic information about the respondents, while Section II had items/statements that measured the study's 12 variables. As a self-questionnaire, it was delivered to the respondents in Arabic. The self-questionnaire was presented to each respondent on a one-to-one basis. Four hundred surveys were handed out in person and 287 questionnaires were returned to the researcher by the respondents. It was revealed that 37 surveys lacked the necessary information, thus those questionnaires were immediately eliminated from the final batch of questionnaires. With 72% response rate, 250 questionnaires were analysed from the poll.

Yemeni Islamic banks were used in this study. The study's focus was limited to major cities in Yemen. Four significant cities, including Sanaa, Aden, Taiz, and Alhodidah, were chosen for the study. According to the availability of Islamic banks and conventional banks with an Islamic window in Yemen, the cities were picked. Sharif Islamic Bank of Yemen and Bahrain; Alkuraimi Islamic Microfinance Bank; Saba Islamic Bank; Cooperative and Agricultural Credit Bank; Islamic Bank of Yemen for Finance and Investment; etc.

3.1 Respondent's profile

Table 1 shows that 185 of the respondents are male, accounting for 74% of the total respondents, and 65 are female, accounting for 26% of the total respondents. As a result, a quarter of the responders were female, indicating that there is no gender equality in the industry. In addition, the table shows that 59.9% of the respondents were between the ages of 25% and 35%, 24% were between the ages of 35 and 45, and 8% were under the age of 25. The remaining 8.4% of those polled were over 45 years old. Most of the respondents were from the group 5–10 years of experience (123 respondents) which about 49.2% followed by above 15 years of experience (50 respondents) which scored about 20%. However, about 19.2% respondents (48 respondents) have 11-15 years of experience. Then about 11.6% of respondents (29 respondents) have below 5 years of experience.67.6% of the respondents (169 respondents) were from junior level of management, followed by about 28% of respondents (70 respondents) from middle level of management. However, 4.4% of respondents were from senior level of management. 101 respondents were from Islamic banks which is about 40.4%, and the other 149

respondents come from conventional banks with Islamic window which is about 59.6%. The table also shows that most of the respondents were from banks that have above 15 years of experience (199 respondents) which about 79.6% followed by banks that have 11–15 years of experience (22 respondents) which scored about 8.8%. However, about 6.8% respondents (17 respondents) were from banks that have 5–10 years of experience. Then about 4.8% of respondents (12 respondents) were from banks that have below 5 years of experience.

Table 1 Respondents profile

Demographic	*Frequency*	*Percent*
Gender		
Male	185	74.0
Female	65	26.0
Age		
Below 25	20	8.0
25–35 years	149	59.6
36–45 years	60	24.0
Above 45	21	8.4
Duration		
Below 5 years	29	11.6
5–10 years	123	49.2
11–15 years	48	19.2
Above 15 years	50	20.0
Bank type		
Islamic banks	101	40.4
Conventional banks with Islamic window	149	59.6
Total	250	100.0
Ban age		
Below 5 years	12	4.8
5–10 years	17	6.8
11–15 years	22	8.8
Above 15 years	199	79.6

4 Data analysis

4.1 Factor loading

Various studies have pointed towards an ideal value for factor loading. In general, factor loading greater than 0.5 or higher is considered acceptable and factor loadings greater than 0.7 or higher are considered ideal. For this study Smart PLS 3 software was used to run a PLS-SEM factor analysis. As suggested in Table 2, the factor loadings after scale purification ranged from 0.561 to 0.914, which are well within acceptable limits. Anderson and Gerbing (1988) also suggest that these factors loading should also be

significant. Therefore, a bootstrapping analysis was also run using SmartPLS3 by using 500 subsamples to test the significance of the estimated parameters at 5% level of significance. The values within the parenthesis are the t-values estimated at 5% level of significance, which are significant in this case (t-Value > 1.65, one-tailed test). The research recommends nine scales, which are culture demotion of sustainable development economic demotion of sustainable development (ED), Islamic leadership principles (ILP), leadership roles (LR), leadership sources (LO), leadership styles (LS) leadership traits (LT) servant leadership (SRL), transactional leadership (TRL), transformational leadership (TFL). Each of these scales were individually evaluated for their factor loadings, item loading and fit indices as recommended in Table 2.

Table 2 Factor loading

Items	*ED*	*LR*	*LO*	*LS*	*LT*	*SRL*	*TRL*	*TFL*
ED36	0.831							
ED37	0.867							
ED38	0.89							
ED39	0.8							
ED40	0.827							
LO31			0.667					
LO32			0.829					
LO33			0.852					
LO34			0.856					
LO35			0.799					
LR21		0.744						
LR22		0.807						
LR23		0.803						
LR24		0.81						
LR25		0.74						
LS16				0.823				
LS19				0.782				
LS20				0.804				
LT26					0.805			
LT27					0.857			
LT28					0.855			
LT29					0.831			
LT30					0.801			
SRL11						0.796		
SRL12						0.852		
SRL13						0.851		
SRL14						0.835		
SRL15						0.673		

Table 2 Factor loading (continued)

Items	*ED*	*LR*	*LO*	*LS*	*LT*	*SRL*	*TRL*	*TFL*
TFL1								0.864
TFL2								0.893
TFL3								0.859
TFL4								0.903
TFL5								0.848
TRL10							0.732	
TRL6							0.796	
TRL7							0.684	
TRL8							0.575	
TRL9							0.65	

4.2 Reliability

To test the reliability of the survey instrument, a reliability test is usually conducted. According to Jack and Clarke (1998), reliability refers to the repeatability, stability or internal consistency of a questionnaire. Cronbach (1951) introduced a measure that is common in reliability analysis. Cronbach's alpha statistic is one of the most common ways to demonstrate the reliability of the survey instrument. This statistic uses inter correlations to ascertain that the constituent item measures the same domain. According to Kline (1999), the acceptable value of alpha in reliability analysis is 0.8 in the case of intelligence tests, and the acceptable value of alpha in reliability analysis is 0.7 in the case of ability tests. It is usual to report the Cronbach's alpha statistic for the separate domains within a questionnaire rather for the entire questionnaire. The coefficient alpha, or Cronbach's alpha, is the average of all possible split-half coefficients resulting from different ways of splitting the scale items.

The reliability and validity of the scale was evaluated using the partial least square-structural equation modelling (PLS-SEM) model. Build reliability was tested using Cronbach's alpha and composite reliability. Convergence was evaluated using factor loadings and AVE values, while decrement validity was evaluated using latent variable correlations and Fornell and Larcker test. The results of the tests indicate that the design is both accurate and valid.

Table 4 Reliability

Items	*Cronbach's alpha*
Economic	0.898
Islamic leadership	0.933
Leadership roles	0.84
Leadership sources	0.861
Leadership styles	0.727
Leadership traits	0.887
Servant leadership	0.864
Transactional leadership	0.737
Transformational leadership	0.922

4.3 Validity test

The Fornell and Larcker (1981) test contrasts the association between the two constructs and the square root of the AVE. The correlation figures should be less than the squared root AVEs in the same row and column in order for the construct to have sufficient discriminatory validity. Table 5 details the results of the Fornell and Larcker test produced by the PLS-SEM. The results show that all correlation coefficients (off-diagonal) are smaller than the square root of the AVEs (on-diagonal) in the same row and column. For example, the correlation between environmental (END) and cultural (CD) is 0.51 which is lower than the square root of AVE in the same column, 0.8, and 0.76 in the same row. This is the contrast between analytical knowledge and analytical instruments. Similarly, all the other ten constructions were considered to be independent from each other on the basis of the same criterion.

Table 5 Fornell and Larcker test

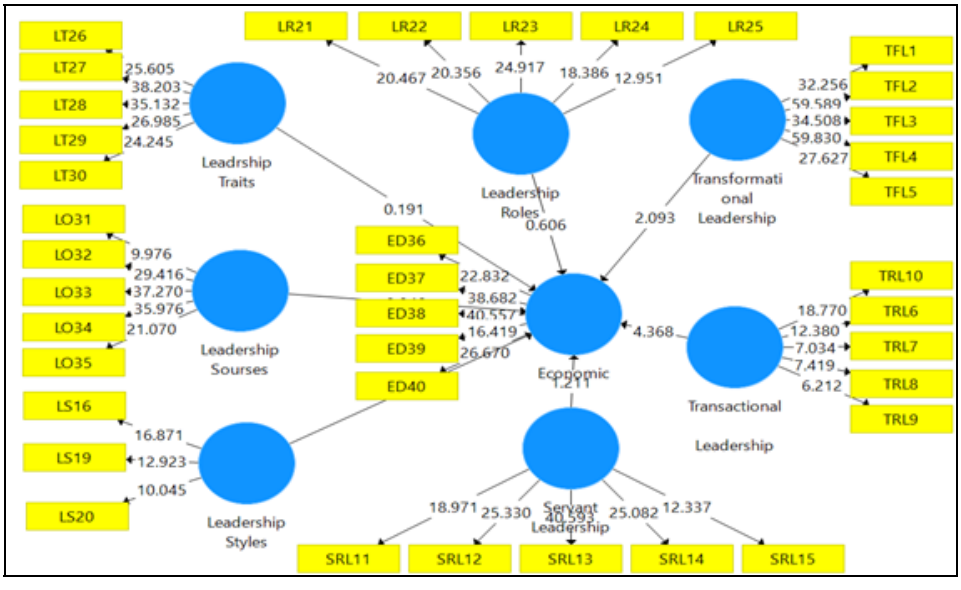
	ED	*ILP*	*LR*	*LO*	*LS*	*LT*	*SRL*	*TFL*	*TRL*
ED	0.84								
ILP	0.19	0.82							
LR	0.33	0.10	0.78						
LO	0.64	0.07	0.37	0.80					
LS	0.32	0.12	0.48	0.38	0.80				
LT	0.39	0.36	0.53	0.44	0.61	0.83			
SRL	0.41	0.28	0.39	0.38	0.51	0.47	0.80		
TFL	0.42	0.20	0.31	0.31	0.43	0.43	0.44	0.69	
TRL	0.35	0.09	0.34	0.25	0.44	0.43	0.51	0.39	0.87

4.4 Evaluation of structural model and hypotheses testing (direct effect)

The basic PLS algorithm, as suggested by Lohmöller (1989), involves iterative estimation of latent variables, estimation of external weights/loading and path coefficients. In this analysis, SmartPLS3 was used to analyse the significance of the proposed hypotheses and to calculate variance and effect sizes. SmartPLS3 was used to convert this theoretical model into a SEM model as suggested in Figure 1.

The standardised regression coefficient for relationship between transformational leadership and economic sustainability is 0.053, which implies positive impact of transformational leadership on economic. The t-value for the path is 2.247 and $p = 0.025$ which is less than 0.05 (at 95% level of significance). Therefore, the impact of transformational leadership on economic is statistically significant. Hence, H01 is rejected. The standardised regression coefficient for relationship between transactional leadership and economic sustainability is 0.05, which implies positive impact of transactional leadership on economic. The t-value for the path is 4.444 and $p = 0.000$ which is less than 0.05 (at 95% level of significance). Therefore, the impact of transactional leadership on economic is statistically significant. Hence, H02 is rejected.

Figure 1 Sem model (see online version for colours)



The standardised regression coefficient for relationship between servant leadership and economic sustainability is 0.063, which implies positive impact of servant leadership on economic. The t-value for the path is 1.164 and p = 0.245 which is more than 0.05 (at 95% level of significance). Therefore, the impact of servant leadership on economic is not statistically significant. Hence, H03 is accepted. The standardised regression coefficient for relationship between leadership styles and economic sustainability is 0.075, which implies positive impact of leadership styles on economic. The t-value for the path is 1.173 and p = 0.241 which is more than 0.05 (at 95% level of significance). Therefore, the impact of leadership styles on economic is not statistically significant. Hence, H04 is accepted.

The standardised regression coefficient for relationship between leadership roles and economic sustainability is 0.058, which implies positive impact of leadership roles on economic. The t-value for the path is 0.612 and p = 0.541 which is more than 0.05 (at 95% level of significance). Therefore, the impact of leadership roles on economic is not statistically significant. Hence, H05 is accepted. The standardised regression coefficient for relationship between leadership traits and economic sustainability is 0.07, which implies positive impact of leadership traits on economic. The t-value for the path is 0.182 and p = 0.855 which is more than 0.05 (at 95% level of significance). Therefore, the impact of Leadership Traits on Economic is not statistically significant. Hence, H06 is accepted.

The standardised regression coefficient for relationship between leadership sources and economic sustainability is 0.056, which implies positive impact of leadership sources on economic. The t-value for the path is 9.502 and p = 0.000 which is less than 0.05 (at 95% level of significance). Therefore, the impact of leadership sources on economic is statistically significant. Hence, H07 is rejected.

Table 6 Summary Hypothesis

	Original sample (O)	*Sample mean (M)*	*Standardised regression coefficient*	*T statistics (|O/STDEV|)*	*P values*
TFL→ED	0.12	0.123	0.053	2.247	0.025
TRL→ED	0.223	0.227	0.05	4.444	0
SRL→ED	0.073	0.066	0.063	1.164	0.245
LS →ED	–0.088	–0.083	0.075	1.173	0.241
LR→ED	0.035	0.037	0.058	0.612	0.541
LT→ED	0.013	0.014	0.07	0.182	0.855
LO→ED	0.53	0.533	0.056	9.502	0

Notes: TFL = transformational leadership, TRL= transactional leadership, SRL= servant leadership, LS= leadership styles, LR= leadership roles, LT= leadership traits, LO= leadership sources, ED = economic sustainability.

5 Conclusions and recommendation

Servant leadership, leadership traits, leadership roles and leadership styles do not have a significant impact on economic sustainability. Transactional leadership, transformational leadership, leadership sources have a high significant impact on economic sustainability.

The respondents mostly agree that leaders were more self-confidents and persistent, but they gave a neutral score in other traits of leaders like articulate, determined and friendly. The respondents mostly agree and affected with all leadership sources; however, they were more affected with experience and qualification and training sources, and Islam (Quran and Hadith) and Innate capability (inborn) came as second sources. The respondents of Islamic banks and conventional banks with Islamic window both mostly agree with all leadership sources, though the respondents of Islamic banks score more than respondents of conventional banks with Islamic window in all leadership sources.

Today, the growth of the Sharia banking industry must be assisted by skilled human resources in their fields, including their representatives. The leader has a crucial role to play in the development of an organisation or corporation, since the leader is a captain who decides the organisation's business path. Moreover, with the phenomenon of many Islamic bank leaders or directors coming from traditional banks, the following considerations are needed.

6 Implications and limitations

Bankers need to pay special intention to the characteristic of servant leadership. The result found that servant leadership is not associated with economic sustainable development accordingly bankers enhance the relationship between the mangers and their employees with more focus on solve their problems and listening to their suggestion. Bankers could learn from the findings in creation economic dimension of sustainability, and leadership codes of conducts banks' managements; providing a supportive institutional framework for bank leaders. The finding shows that leadership roles are not

associated with economic sustainable indicating that the respondents perceived that there is no creative salutation for problems, areas of responsibilities for subordinate are not clearly defined and there is no participative decision making, to this end, banks management should clearly define each unit's objectives, subordinates' responsibilities and encourage participative decision making. As with other studies, this analysis was restricted by the limitations of cross-sectional research design, which ignores the complex existence of the relationship between the variables undertaken for the analysis. Moreover, using the Likert scale to assess employees' views of several variables might yield bias data as respondents often struggle to translate their opinions on issues precisely into numbers. The sample size was small as not all the regions of Yemen could be covered due to the current political situation.

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