

The Role Of Governance Principles In Contributing To The Success Of Digital Transformation In Banks

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Abstract: *The study mainly aimed to identify the role of governance principles in contributing to the success of digital transformation in banks Palestinian, the analytical descriptive approach was relied upon to clarify and clarify the theoretical framework through previous studies, periodicals and scientific theses, and analyzed the results of the field study and tested hypotheses using the statistical program (SPSS). The questionnaire was also used as a research tool and was distributed after evaluation and arbitration by a number of specialists to the study population of (45) managers of bank branches operating in the Gaza Strip, and a comprehensive enumeration method was used due to the small size of the community. The results of the study also proved that there is a role for the principles of governance represented in (the tasks of the board of directors Administration, Board practices and conflicts interests ,Disclosure transparency ,risk management) in contributing to the success of the transformation digital, I also found that the boards of directors of banks listed on the Palestine Exchange are developing strategies that include (policy Risks ,plans the job, Objectives, Overseeing expenditures) and effectively monitoring the implementation of these strategies. The study also recommended the need to rely on corporate governance as a reliable solution for the success of digital transformation in banks listed on the Palestine Exchange. Where effective governance contributes to achieving investment returns and reduces the risks it faces, and contributes to obtaining competitive advantages more than other banks that do not have effective governance, and it is necessary to go towards further application of the principles of governance and to develop the necessary plans for the advancement of banks and financial institutions that suffer from lack of the use of digital technology within it, and the lack of expertise and specialized cadres that help in its development and transformation into a digital and technical form.*

Keywords: Principles of governance, transformation digital, banks.

1. Introduction:

Global banking challenges have cast a shadow over the banking business as a result of the acceleration of technological progress and economic openness, which is its ability to invest advanced resources in serving its goals and aspirations, raising the efficiency and effectiveness of its business and maintaining its continuity and growth. Therefore, the digital transformation of institutions is one of the most prominent modern management concepts, which means the optimal use of technology that helps to improve operational efficiency, which serves the workflow in all departments of the organization, in addition to developing its relationship with customers by improving services and facilitating access to them (Sabah, 2021).

Digital transformation has become a necessity to keep pace with the technological revolution and the transition from traditional services to modern services by creating opportunities to provide innovative and creative services that will contribute to creating a state of satisfaction among the public. By applying it, it will make it possible to track a huge amount of data and information that will help decision makers monitor performance and improve the quality of their services, in addition to analyzing this data, which will facilitate the setting of goals and strategies, and this is indicated by many studies (Youssef, 2022).; Hamni and Toubal, 2020; Source and Nasrallah, 2020).

Where Quds Bank adopted investment in digital technology and established the circle of digital transformation as an important strategy in order to keep pace with technological developments to reach digital leadership and make banking services faster and easier by keeping pace with the latest global developments in digitization and banking modernity to achieve economic integration (Quds Bank Report, 2020), and to achieve this efficiently. In order to achieve optimal utilization of resources and energies, and to meet all the challenges facing digital transformation, it is necessary to ensure the existence of governance, which is one of the most important requirements for establishing rules and principles for managing and controlling institutions, in addition to improving bank management and reducing administrative and financial corruption, and ensuring decision-making on sound grounds (Al-Suwais, 2011), in order to increase the role of governance, the Capital Market Authority formed the National Committee on Governance,

and the task of the committee is to develop a system of governance for Palestine. Where she was assigned to prepare the rules of governance within a program and broad lines approved by the National Committee (Al-Daour and Abed, 2013: 257).

Governance helps control the interactive environment system associated with digital transformation, as it controls changes different in items ingredients, it also provides a comprehensive analysis of the variables resulting from the properties subject to change and modification and evolution, thus, digital transformation governance constitutes a way to facilitate business in a way that keeps pace with development (Qashti, 2021:422), accordingly, the study aimed to know the role of governance principles in contributing to the success of digital transformation.

2. Study Problem:

In light of the great technical technological development and the massive transformations in banking institutions, so that keeping pace with it and employing it in its work systems has become a necessity, as the transition to a business model that relies on digital technologies in creating products and services, and providing new channels for development and improving their efficiency, as digital transformation is a means to transform operations management and practices to technology-based operations so that institutions adapt to the requirements and needs of their customers and markets (Abed, 2022; Wahdan and Abdel-Rahman, 2022), where the study (Rashwan and Qasim, 2020) indicated that the success of digital transformation projects in Palestinian banks requires the need for senior management in banks to study, analyze and strategically plan to support the process of sound transition to digital transformation, and it also requires the availability of high skills that combine administrative skills And technology that helps senior management in banks to quickly respond and act to treat emergency problems, in addition to developing electronic applications in creative and innovative ways that contribute to raising the efficiency of performance and working on their success. for corporate governance, which provides a framework of best practices and controls to improve decision-making mechanisms within the bank, and focus on the importance of the efficiency and experience factor of the members of the board of directors so that they can carry out their duties to the fullest, and manage the bank transparently (Al-Suwais, 2011; Al-Jazwi and Al-Barasi, 2018; Al-Darbaq and Al-Obaidi, 2021 ; Taha and Al-Shaath, 2018) The commitment to applying the principles of governance contributes to improving the functioning of banking work, as it has become one of the basic criteria that international supervisory bodies and authorities stress, foremost of which is the Basel on Banking Supervision, based on the foregoing, the problem includes the following main question:

What is the role of governance principles in contributing to the success of digital transformation in Palestinian banks? The following sub-questions branch out from the main question:

- a. What is the role of the board of directors' duties principle in implementing digital transformation in Palestinian banks?
- b. What is the role of the principle of the Council's practices and conflict of interest in contributing to the success of digital transformation in Palestinian banks?
- c. What is the role of the disclosure principle in contributing to the success of digital transformation in Palestinian banks?
- d. What is the role of risk management in contributing to the success of digital transformation in Palestinian banks?

3. Study hypotheses:

In light of the problem and objectives of the study, the following hypotheses can be formulated:

The main hypothesis: There is a statistically significant effect at the level of ($\alpha \leq 0.05$), the extent to which the principles of banking governance contribute to the application of digital transformation.

It emerges from this hypothesis the boss the following sub-hypotheses:

- There is a statistically significant effect at the level of ($\alpha \leq 0.05$) for how long a turn the principle of the duties of the board of directors in contributing to the success of digital transformation in Palestinian banks.
- There is a statistically significant effect at the level of ($\alpha \leq 0.05$) for how long a turn the principle of board practices and conflicts of interest in contributing to the success of digital transformation in Palestinian banks.
- There is a statistically significant effect at the level of ($\alpha \leq 0.05$) for how long a turn Disclosure principle in contributing to the success of digital transformation in Palestinian banks.
- There is a statistically significant effect at the level of ($\alpha \leq 0.05$) for how long a turn risk management principle in contributing to the success of digital transformation in Palestinian banks.

4. Objectives of the study:

- Recognizing the role of the board of directors' duties in contributing to the success of digital transformation in Palestinian banks.

- Identifying the role of the principle of the Council's practices and conflict of interest in contributing to the success of digital transformation in Palestinian banks.
- Identifying the role of the disclosure principle in contributing to the success of digital transformation in Palestinian banks.
- Identifying the role of risk management in contributing to the success of digital transformation in Palestinian banks.
- Giving recommendations that may help decision makers in raising the level of banking institutions to keep pace with technological developments modern, to suggest future studies on the subject of the study.

5. Importance of the study:

The importance of the study lies in the following:

- This study deals with an important sector, which is the sector banks, Banks constitute a central weight in the reform process economist, this study also focuses on the contribution of governance principles to achieving digital transformation, which has become a necessity for all institutions and agencies that seek to develop and improve their services and facilitate their access to beneficiaries.
- Attempting to support those responsible from the Board of Directors, senior management and executives of the management of banks to take the necessary measures to enhance the ability of their institutions to keep pace with recent developments and to benefit from the results and recommendations resulting from this study.
- The scarcity of studies that dealt with the contribution of governance principles in applying digital transformation to the banking environment in Palestine.
- Scientific addition in terms of scientific and applied level.

6. The limits of the study:

The border Objectivity: the study was limited to examining the role of banking governance principles in contributing to the success of digital transformation.

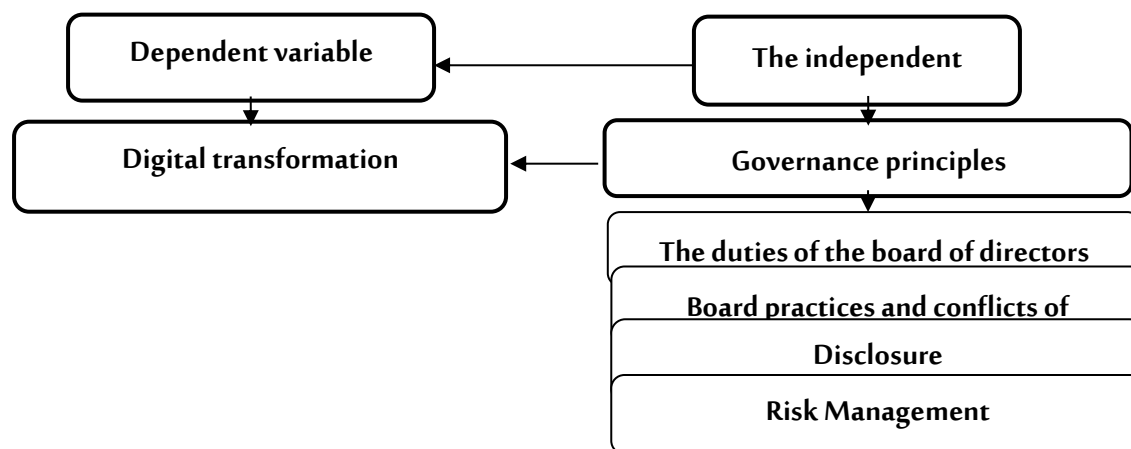
The border Spatial: confined to Branches of banks operating in Gaza Strip

The border Humanity: It was confined to the branch managers for their actual application of all that results from the decisions and legislation of the Board of Directors and senior management.

The border temporal: This study was conducted during the year 2022 AD.

7. Study form:

In line with the objectives, importance and hypotheses of the study, the study model was formulated through which the study variables are identified through the following figure:



8. Previous studies:

8.1 Governance related studies:

Abwini and Omari (2016) study: This study aimed to test the impact of corporate governance and financial leverage on the value of industrial enterprises in Jordan. The value of the institution was measured based on the Tobin index, and the return on assets and the size of the institution were used as control variables, as corporate governance was measured through: the size of the board of directors, the independence of the board of directors, institutional ownership, and the presence of an audit committee. The study concluded that there is a positive relationship between the financial leverage ratio and the increase in the number of board members and the value of the Jordanian industrial enterprises. The value of the Jordanian industrial enterprises represented in the study sample.

Al-Nabulsi and Al-Jaafara Study (2017): The study aimed to clarify the importance of enhancing the application of corporate governance in Jordanian Islamic banks. The study concluded with a set of results, including that the application of governance in Islamic banks in Jordan rises to a good level according to the availability of a governance guide in each bank. And that the Central Bank of Jordan is working to strengthen and develop its oversight and supervisory role over banks and financial institutions. The study concluded that strengthening the application of governance in Jordanian banks needs to convince the officials of these institutions of the importance of governance and its role in enhancing the bank's capabilities for success and competition and consolidating its relationship with the various parties to which its activity is linked, in addition to Taking several measures, means and capabilities that enhance the application of governance in Jordanian banks. It allows you to take advantage of its advantages.

Ghawanmeh Study (2018), the study aimed to reveal the reality of applying governance in Jordanian public universities and the challenges they face. The study sample consisted of (1344) faculty members. The results of the study showed that the reality of the application of governance in Jordanian public universities from the point of view of faculty members was rated (moderate). One of the challenges facing the application of governance in Jordanian universities is the existence of structures administrative It is complex and hierarchical, and there is administrative corruption in all its forms, in addition to the absence of oversight and accountability.

Al-Darbaq and Al-Obeidi Study (2021), this study aimed to determine the extent to which accounting mechanisms of governance are applied in the Libyan banking sector from the point of view of workers in this sector. The results showed shortcomings on the part of the Libyan commercial banks and the Central Bank of Libya in their commitment to applying the accounting mechanisms of governance represented in committees. Review, and review interior, Accounting and auditing standards and laws legislation, and review external, the study also showed that there were no statistically significant differences between the opinions of workers in public and private commercial banks and the Central Bank of Libya.

8.2 Studies related to digital transformation:

Study JohnL., et al (2018), the study aimed to review 10 case studies from the literature on cases of digital transformation and develop a conceptual framework to support researchers and practitioners and analyze the approach taken by these organizations to successfully implement digital technologies. The results of the study reached a conceptual framework that seeks to support management in understanding the procedures required to implement the transformation digital, they are four main themes which are the strategic customer perspective, the enterprise-centric perspective, and the customer-focused perspective technology, which organizations usually need to deploy when implementing digital business model transformations.

Rashwan and Qasim Study (2020), the research aims to identify the role of digital transformation in raising the efficiency of banks' performance and attracting investments, The study used a questionnaire to test hypotheses the study, A sample of banks operating in the Gaza Strip was used. Among the most prominent results of the study is the importance of the role of digital transformation in raising the performance of banks and attracting investments, and that Palestinian banks work to constantly review the mechanism of quality of digital services, and the necessary measures are taken to improve these services and employ technology in monitoring the quality of electronic services, and develop innovative models, to employ technologies Emerging electronic systems to monitor performance, adherence to tasks and responsibilities, according to the governance framework, predict deviations before they occur, and submit proactive reports to senior management and departments concerned with employing emerging electronic technologies in monitoring performance indicators in order to enhance competitive advantage.

studyWessel et al. (2020), the study aimed to understand what digital transformation really is. By integrating the literature from organization science and information systems research with two longitudinal case studies - one on digital transformation, the other on information technology-based organizational transformation - we develop a conceptualization based on empirical grounds distinguish between these two phenomena. Among the most prominent findings of the study are the following: Digital transformation activities will benefit from digital technology in (re)defining the value proposition for the enterprise, While the organizational transformation activities that support information technology take advantage of digital technology to support the presentation the value, It showed that digital transformation includes the emergence of an organizational identity new, pj whereas, organizational transformation supported by information technology involves strengthening the existing organizational identity.

Qeshti Study (2021), the governance of digital transformation constitutes a clear way to facilitate business in a way that keeps pace with development and ensures a proportionate balance between stakeholders, while achieving the desired goals continuously and creating promising opportunities. The requirements of digital transformation, then it deals with the benefits, components and characteristics of digital transformation. At the end of the research, the researcher focuses on the role of governance in the success of digital transformation, and concludes at the end that digital transformation has become a necessity that must be adopted in various sectors, and that the expansion of the adoption of this technology will positively affect many Ways.

Arbab Study (2022), the study sought to identify the reality of employing digital transformation techniques in the industry and production of content in Sudanese press institutions. The results revealed that there is a general acceptance of the mechanism of employing digital transformation techniques in the production of content in Sudanese press institutions and from the point of view journalists, also showed that imaging techniques digital, Editing and output tools digital, Electronic printing is one of the most prominent digital transformation tools and techniques employed by the studied institutions. The results indicated that there is a statistically significant correlation between the reality of digital transformation in content production in Sudanese press institutions and the challenges and problems facing these institutions. The hypothesis that confirms the existence of a statistically significant correlation between the nature of content produced in Sudanese press institutions and the reality of employing digital transformation techniques has also been verified.

8.3 Commenting on previous studies:

Through examining on the previous studies, the current study is similar to some previous studies in the field of study, which is the principles of governance and digital transformation, as these studies vary among themselves in terms of the angles that have been addressed to study the principles of governance and digital transformation by each researcher, and it is also noted that each these studies were conducted in different environments. It was also noted that there were no studies that dealt with the principles of governance, which included (the functions of the board of directors, board practices and conflicts of interest, disclosure, risk management) at the local level and the extent of its contribution to the application of digital transformation, as it was not available to the researcher. Yen Studies dealt with this aspect by studying, analyzing, and interpreting to reach reliable results, which makes the door open for any researcher to fill this research gap and contribute to enriching the knowledge and application side on the subject. Thus, the current study is considered complementary in its objectives to the objectives presented, and a new addition to the above susceptible.

9. Theoretical framework:

9.1 Governance:

The definitions provided for the term governance have been multiplied by the multiplicity of those interested in the term, so that it expresses the point of view adopted by the presenter of this definition, and prepare the Organization for Economic Co-operation and Development was one of the first organizations to take an interest in this topic. Governance is defined as “that system that explains how financial business establishments are managed and supervised” (Kouachi, 29: 2007), and Ali is defined as “a set of special methods and procedures that show how the board of directors and executive managers manage the various activities and affairs of the bank” (Suleiman 244: 2008), and it was also defined as “the method through which the board of directors, managers, and senior management govern the business, issues, and transactions of the bank, the daily and basic operations of the bank, fulfill the obligations made to shareholders, protect the interests of depositors, and develop the activities and behavior of the bank along with expectations and objectives.” dominant and who will work in a proper manner to reach it” (Hani, 2017: 203).

And so we see that governance increase bank capacity on allocate the collected resources according to the best possible formulas and improve its effectiveness and the distribution of its resources.

9.1.1 The importance and objectives of corporate governance in banks:

Banks differ from other institutions because their collapse effects on circle Larger Expanding clientele, depositors, lenders and leads to weaken the banking financial system and then on the economy as a whole, especially in the wake of the global transformations that have taken place from globalization and developments in digital transformation and financial liberalization policies, which inevitably leads to a high level of risk at the level of the banking sectors, and therefore it can be said that governance in banks has a wide importance (Louizi, 2006 3-4). The importance of governance in banks is shown through the following points (Daresh, Isaac, 2003):

- Governance is a system by which the operations of banks are directed and controlled.
- Governance is a key element in improving the efficiency of banks, which leads to a kind of economic and financial stability.
- Strengthening the element of transparency in all banking transactions and operations, as well as accounting and financial auditing procedures on way to reduce risk.
- Determine the responsibilities, powers and procedures that ensure good implementation and work order on various administrative levels.
- Working on Raising the efficiency and effectiveness of employees and stakeholders.
- It works to increase shareholder value and raise competitiveness.
- It increases the efficiency and effectiveness of the bank's performance so as to enable it to keep pace with modern technological developments.
- The application of governance rules increases the confidence of investors because these rules guarantee the protection of their rights.

9.1.2 Corporate Governance Objectives:

Governance aims through its rules and controls to Many goals and the primary goal is to enhance the security and integrity of the banks and the system banker and who Through the following points, the following objectives become clear to us (quality,2008) (Return, 2017: 56):

- Building and improving the bank's reputation.
- Achieving transparency and justice with the right to hold management accountable to shareholders.
- Improving the bank's performance away from mismanagement and the potential for manipulation, fraud and embezzlement.
- Increase the market value of the bank.
- Avoid accounting and financial problems.
- Commitment to the provisions of the law and work on ensure the review of financial performance and reduce the cost of financing.
- Ensuring the effectiveness of internal control systems and procedures and supervising them.
- Accountability and disclosure of all the Bank's activities and presenting everything related to the Bank's performance to the shareholders and to every legal entity entitled to legally question the Bank.
- Commitment to professional behaviors and practices.

The main players in the banking governance system: It is divided into two groups:

- Internal actors: Shareholders - Stakeholders - Board of Directors (Executive Committee, Audit Committee and revision) Executive management _ internal auditors.
- External actors: the legal, regulatory and supervisory framework - the public (depositors).

9.1.3 Principles of Governance:

The principles of corporate governance achieve the rules, systems and procedures for the best protection and balance between the interests of the organization's managers and shareholders, and other stakeholders associated with it (enterprise center, 2004:8). We will discuss this in our research on four main principles developed by the Organization for Economic Co-operation and Development in addition to the Basel Committee on Over sight Banking:

❖ The principle of the duties of the board of directors:

The Board of Directors bears overall responsibility for the Bank, including setting the Bank's strategy, risk strategy, governance standards, and institutional values. Resources, maximizing the value of the bank and strengthening its competitiveness in the markets so as to enable it to attract local and international sources of financing for expansion and growth. The tasks of the Board of Directors' responsibilities are summarized in the following powers (supervision, control, governance, separation between ends and means) (Elias, 2015) and the most important points are the tasks of the Board of Directors (Shugairi, 2009: 6):

- Approval on the strategic goals of the bank (policy risks, plans the job, goals, supervision on Expenses and monitoring the progress of their implementation, taking into account the long-term financial interests of the bank, and commitment to transparency and objectivity in disclosing all important matters that affect on the Bank's performance, business results, achievement of its current and future objectives in an accurate and timely manner, disclosure of obligations, related party transactions, overlapping interests, and all other clarifications that require local laws and international standards.

- The members of the Bank's Board of Directors must be experienced and highly qualified, and fully aware of their main role in the governance process.
- The Board reviews the accounting and financial practices of the Bank.
- Improving the bank's performance, its economic value and the value of its shares.
- Confirming the responsibilities of the Board of Directors, enhancing accountability and protecting the Bank's assets, as well as protecting shareholders and other stakeholder's bank, promotion their role in monitoring the performance of the bank. (Al-Shawra, 2009: 128).
- Achieve disclosure of important information in an objective, honest, fair and impartial manner.
- Achieving accurate and timely disclosure. The following elements fall under this item (The Monetary Authority, 2017): financial position, performance, ownership, and the method of exercising authority.
- Selection, appointment and oversight of senior bank executives on their performance.
- Allocating appropriate time and effort to fulfill the responsibilities of the Board of Directors properly and appropriately.
- Continuously work to achieve the interests of shareholders, employees, depositors and stakeholders.
- He should on The Board of Directors to ensure that the Bank's corporate governance standards are met and to ensure that the Board's decisions are taken based on sound foundations.
- He should on The Board of Directors Ensure that information reaches Board members and shareholders in a timely manner.
- Ensure that the bank management approves the data preparation procession relevant international standards as decided by the Monetary Authority.

❖ Principle of Council Practices and Conflict of Interest (PMA,2017:26):

The Board of Directors shall implement appropriate governance applications for carrying out its business and put in place what is necessary to ensure that they are followed, adhered to, and reviewed periodically with the aim of continuous improvement.

What is meant by conflict of interest: is the situation in which the objectivity and independence of the decision-maker is affected if the decision taken is related to a personal, material or moral interest of interest to the decision-maker, whether personally or any of the parties related to him, or when it comes to the decision-maker's exploitation of information related to the company to achieve his personal interest or to the associated parties with it. In order to avoid conflicts of interest, the bank must work on following (https://www.hdb_egy):

- Compliance with laws, legislations and regulations related to conflict of interests.
- Discovering conflicts of interest.
- Disclosure of cases of conflict of interest and how the bank manages such cases.

The corporate governance framework must protect the rights of shareholders in terms of the right to obtain all important information about the company, in a timely manner, their right to transfer ownership of shares, their right to attend the Board of Directors, and the opportunity for them to vote and participate effectively in making decisions of the Board of Directors, their agenda and all the topics that will be discussed in the Board of Directors, their right to appoint, select and remove members of the Board of Directors, and to make important and fundamental amendments to the Bank's Articles of Association, and the governance framework must ensure the achievement of justice and equality among all shareholders (Elias, 21: 2015).

❖ Principle Disclosure:

The bank shall transparently disclose its governance to the shareholders, depositors and other related parties and participants in the market (Palestinian Monetary Authority,2017: 69),And disclosure is the final product accounting tool To disclose necessary and necessary information about the bank's financial position.

The bank must prepare a policy for disclosure and transparency in a way that achieves the objectives of the bank and its stakeholders and related parties in order to improve the level of governance applications, provided that this policy includes all information that must be disclosed in a timely manner, and the Board of Directors must approve disclosure and transparency to include, determining the objectives and the bank's policy regarding ethical professional behavior, defining the principles and rules adopted by the bank in relation to dealing with customers, whether lenders or depositors, banking services and products in general, disclosing all information of relative importance in a timely manner and in a manner that ensures that information reaches all concerned parties, and defining the mechanisms by which Under which the information that is disclosed is classified according to its nature (such as financial and non-financial information) (Al-Ashawi, 2008: 35-37).

The Board of Directors is responsible for ensuring the validity and accuracy of the financial data and reports, and providing all data and information for the members of the Board of Directors to carry out their duties. The volume of information that must be disclosed depends on the experience of the information user and his requirements, and that the disclosure be comprehensive and appropriate, as full disclosure requires the design and preparation of the financial statements and the importance of covering them. This level is related to the ethical aspects when publishing information and that disclosure is fair when dealing with all categories data users external finance similarly and equal too. The degree of disclosure in financial reports is affected by factors including:

- The size of the project, the number of shareholders, and the size of the assets of the project (Ibrahim and Aziz, 2010: 7).
- The bank must publish its financial statements on Bank website.

❖ **Management Principle Risks:**

Banks must have an effective and independent risk management function with the head of risk management or its equivalent responsible for that function, and they must have sufficient powers and resources and the ability to communicate with the board.

Risk management governance includes internal and external stakeholders on Example (senior board members, governance committees, and all employees, shareholders, external auditors, Audit and Audit Committee internal, observers, dealers with the public bank) and to ensure a solid and effective governance model, it is important that there is no conflict of interest in roles and responsibilities directly with powers, and it is advised to adopt the three lines of defense approved by the Institute of Internal Auditors.

Where internal controls and executive management are considered line Defense, Risk management, compliance, legal management and other control functions are the second line of defense, and finally the internal audit is the third line of defense that gives a future guarantee of what was before it, and all of them have a mutual and direct reference relationship to the first official in the entity.

Risk management is primarily responsible on It is the responsibility of the board of directors for each bank, which is Responsible before the shareholders for the bank's business, which requires an understanding of the risks involved in managing the bank and ensuring that it is conducted in an effective manner (<http://www.mof.gov.sa>).

9.2 Digital Transformation:

Digital transformation has become a necessity for all institutions and agencies that seek to developing and improving its services and facilitating its access to beneficiaries.

9.2.1 Definition of digital transformation and its objectives:

Digital transformation is known by several definitions of which:

- Yas (2012:14) defined Digital transformation as "the process of companies transitioning to a business model on Digital technologies to innovate products and services, and provide new channels of revenue and opportunities that increase the value of its product.
- It was also defined by the International Investment Company DC is "the continuous process by which organizations adapt to the requirements of their customers and markets (external ecosystem) by harnessing digital capabilities to create new business models, products and services that seamlessly blend digital and manual business and business experiences customers, while simultaneously improving operational efficiency and organizational performance" (Al-Musamd, NasrallahH,2020: 5), Digital transformation also aims to (Al-Mutairi, 2022), (Qashi, 2021: 418, (Ibrahim and Aziz,2021:6-7):
 - Save time, effort and costs.
 - Simplify the procedures for obtaining on Services provided to the public, and reducing the percentage of errors.
 - Improve operational efficiency and organization.
 - It has a major role in finding and innovating new ways in the banking business, such as (increasing investments in financial technology).
 - Once these concepts are applied in banks, there will be a huge amount of data and information that will help decision makers on monitor performance and improve the quality of its services in addition to Analyze this data and information that will facilitate decision-making, identification and development of the quality of work to obtain on Better results.
 - Create, maintain, ensure, manage and access digital communications infrastructure, balancing service quality and delivery costs.
 - Acquisition on slice larger from the public for supremacy on competitors.

- Enhancing digital data protection, transparency, ensuring independence requirements, and enhancing trust.
- Developing the skills and capabilities of employees through training and self-development programmers.
- Enhancing financial protection with regard to disclosure and data privacy.
- Expanding the scope of training programs in the field of financial literacy.
- Download financial reports for a number of years and a number of companies in personal computers.
- Distribution of information to an unlimited number of users in the same form, content and time.
- The possibility of integrating, linking and comparing reports for a number of years.

9.3 The role of governance principles in contributing to the success of digital transformation (Abdul Samad, 2016:14):

The governance of digital transformation is the responsibility of the Board of Directors and the Executive Management complementary part For banking governance, it consists of leadership, organizational structure and processes that emphasize on Support the digital transformation of banks and ensure the realization its strategy and objectives Accordingly, the governance of digital transformation involves a group of parties represented in the following:

- Shareholders (owning power): who set goals and ensure oversight
- Managers (administrative authority): who have responsibilities to achieve objectives in terms of performance and compliance in a transparent manner.
- Digital Transformation Directorate: which manages resources and digital transformation operations.

9.3.1 The role of the board of directors' principle in contributing to the success of digital transformation:

A governance system for the functions of the Board of Directors in digital transformation helps to manage all the work of the Board of Directors and its committees of the Bank in accordance with the latest governance standards in force in an electronic manner developed according to the latest technologies and standards of information security and digital transformation. It aims to transform the normal work of the Board of Directors from manual management to management using the computer, by relying on a powerful information system that helps in making administrative decisions in the fastest time and at the lowest costs, helps in governing the Board based on best practices, and allows members of the Board of Directors to access information at any time, any place, and using any device through the website.<https://mazaya.monshaat.gov.sa>).

9.3.2 The role of the conflict-of-interest principle in contributing to the success of digital transformation:

The Board of Directors shall monitor and manage any potential conflicts of interest, including misuse of the Bank's resources and abuse of powers between the exchange and members of the Board of Directors. The Board of Directors and Governance provide assistance in identifying and monitoring any actual or potential conflicts interests and availability Conflicts of Interest Policy Guidelines on identifying, reporting, preventing and strictly minimizing potential conflicts of interest, including rules regarding related party transactions and potential conflicts of interest.

Banking governance must include respect for the role of all stakeholders in corporate governance, such as creditors, suppliers, customers, company employees and all parties, government, saving the necessary information for them periodically and in a timely manner(http://www.hbd_egy.com)).

9.3.3 The role of the disclosure principle in contributing to the success of digital transformation:

The Bank is committed to applying disclosure and transparency requirements in accordance with the regulations issued by the regulatory bodies and in line with the best standards and practices, including the disclosure of information in accordance with the International Financial Reporting Standards and the instructions of the Monetary Authority on network internet, i.e. Display information only and not processed (Ayashi, 2010: 15).

The governance system includes the need for rapid and accurate disclosure of all data in a manner that reflects the reality of the bank's material matters, including the financial position, control and ownership. Therefore, accounting data must be prepared and disclosed in accordance with international accounting and auditing standards, in order to provide disclosure information to shareholders and investors in an accurate, clear, non-misleading and accurate manner (Khidr, 25:2014).

9.3.4 The role of risk management in contributing to the success of digital transformation:

And that the application of risk management governance in the digital transformation helps the bank, on the one hand, to define these risks and identify the parties responsible for them and the different roles, and on the other hand, it supports them in anticipating renewable risks by defining procedures for assessing errors periodically and communicating about them with stakeholders (Shaabani and Mazwar, 2015: 39) Risk management is concerned with addressing legal and regulatory compliance needs and understanding and managing key operational risks. The motivation for risk management is the management's need to prove the existence of governance in the bank is for different users, so it should be ensured that there is transparency related to risks, and this includes identifying risks and measure it, monitoring, supervising and reporting on it to the concerned authorities, as well as accepting and taking risks, and appreciating knowledge of the risks of transformation digital, and identify exposures to risks. Risk management should also be in part bank it is an integral part of its operations in order to ensure a rapid response to the challenges of risks that are characterized by continuous change (Al-Hasnawi and Al-Moussawi,2017:17).

10. Field Study:

First: the method of study.

Based on the nature of the study and the objectives it seeks to achieve, the researchers used the descriptive approach analytical, which relies on studying the phenomenon as it exists in reality and is interested in describing it as an accurate description and expresses it qualitative and quantitatively, nor is this approach sufficient when collecting information related to the phenomenon in order to investigate its manifestations and relationships different, rather, it goes beyond analysis, linking, and interpretation to reach conclusions on which the proposed perception is based, so that it increases the balance of knowledge on the subject.

The researcher used two main sources of information:

1. Secondary sources: Where the researchers tended to address the theoretical framework of the study to Secondary data sources, which are relevant Arabic and foreign books and references, periodicals, articles and reports, and previous research and studies that dealt with the subject of the study, and study and reading on various internet sites.

2. Primary sources: To address the analytical aspects of the subject of the study, the researchers resorted to collecting primary data through a questionnaire as a main tool for the study, designed specifically for this purpose, and distributed to the study population.

Second: the study population.

The study population consists of (45) managers of bank branches operating in Gaza Strip, and the comprehensive enumeration method was used due to the small size of the community.

Third: the study tool.

A questionnaire was prepared on "The Role of Banking Governance Principles in Contributing to the Success of Digital Transformation".

Fourth: the steps of building the questionnaire.

Peruse the administrative literature and previous studies related to the topic the study, and benefit from them in building the questionnaire and drafting its paragraphs.

Determine the main axes covered by the questionnaire.

Identify the paragraphs that fall under each axis.

The questionnaire was divided into two main parts:

The first section: It is general information (scientific specialization, qualification scientific, years of experience).

The second section: It is about the axes of the study, where the questionnaire consists of 38 items distributed on four axes, namely:

The first axis: The principle of the functions of the Council Administration, it consists of (10) paragraphs.

The second axis: Principle and inconsistency of board practices interests, It consists of (9) paragraphs.

The third axis: Disclosure principal transparency, it consists of (9) paragraphs.

The fourth axis: management principal Risks, it consists of (9) paragraphs.

The fifth axis: Digital transformation, consisting of (12) paragraphs.

A five-point Likert scale was used to measure the respondents' responses to the questionnaire items, according to Table (1):

Table (1): Scores of the five-point Likert scale

Very few	few	Medium	big	Very large	degree of approval
1	2	3	4	5	Class

The researchers chose degree (1) for the response "very slightly agree" and thus the relative weight in this case is 20% and it is proportional to this response.

Fifth: Normality Distribution Test.

The researchers used the Kolmogorov-Smirnov Test to test whether the data follow a normal distribution or not, and the results were as shown in Table (2).

Table (2) Results of the normal distribution test

M	the hub	probability value (Sig.)
1	The principle of the duties of the board of directors	0.007*
2	The principle of board practices and conflicts of interest	0.009*
3	The principle of disclosure and transparency	0.000*
4	risk management principle	0.001*

The data are subject to a normal distribution at the level of significance $\alpha = 0.05$

It is clear from the results shown in Table (2) that the probability value (Sig.) For all study axes were greater than the level of significance $\alpha = 0.05$ This means that the distribution of data for these axes follows a normal distribution, so scientific tests will be used to answer the hypotheses of the study.

Sixth: The statistical methods used in the study

The following statistical tools were used: percentages, frequencies, and arithmetic mean: This command is mainly used for the purposes of knowing the frequency of categories of a variable and is useful to researchers in describing the study sample.

Cronbach's alpha test to see the stability of the questionnaire items.

Colegrove-Smirnov test Kolmogorov -Smirnov Test (KS) for a test if Whether or not the data follows a normal distribution.

Pearson Correlation Coefficient to measure the degree of correlation: This test is based on studying the relationship between two variables. The researchers used it to calculate the internal consistency and constructive validity of the questionnaire.

T test in the case of a single sample (T-Test) to see if the average response score has been reached to the degree of impartiality³ or more or less than that. The researchers used it to ensure the significance of the mean for each paragraph of the questionnaire.

T test in the case of two samples (Independent Samples T-Test) to see if there are statistically significant differences between two sets of independent data.

Seventh: the validity of the questionnaire.

The sincerity of the questionnaire means that the questionnaire includes all the elements that must be included in the analysis hand, And the clarity of its paragraphs and vocabulary on the one hand second, so that it is understandable to everyone who uses it.” The researcher verified the validity of the questionnaire in two ways:

A- The arbitrators' honesty "apparent honesty":

“Sincerely intended by the arbitrators” is to be chosen by the researcher. A number of arbitrators specialized in the axis of the phenomenon or the problem under study, where the questionnaire was presented to a group of arbitrators, and the researchers responded to the opinions of the arbitrators and made the necessary deletion and modification in the light of the proposals the introduction, thus, the questionnaire came out in its final form.

B- Validity of the scale:

First: internal consistency.

The internal consistency honestly means the extent to which each paragraph of the questionnaire is consistent with the axis to which this paragraph belongs.

Second: the results of internal consistency.

Table (3) shows the correlation coefficient between each of the paragraphs of the first axis “the principle of the board of directors’ tasks” and the total score of the axis, which shows that the correlation coefficients shown are a function at a significant level of $\alpha = 0.05$ Thus, the axis is considered true to what was set to measure it.

Table (3) Correlation coefficient between each paragraph of the first axis and the total score of the axis

M	Paragraph	Pearson coefficient to link	probability value (Sig.)
1	Important information is disclosed in a fair, honest and truthful manner	0.656**	0.000*
2	Important information is disclosed objectively, honestly and probately	0.624**	0.000*
3	Important information is disclosed in a timely manner	0.752**	0.000*
4	Provide information on ownership of the majority of shares in the company	0.679**	0.000*
5	Provide information what relating to the members of the Board of Directors	0.737**	0.000*
6	Provide information what relating to executives	0.723**	0.000*
7	All important issues related to the institution are disclosed, including the financial position and performance development	0.760**	0.000*
8	A list of ownership rights and major shareholders is disclosed	0.764**	0.000*
9	The existence of an independent external review is disclosed	0.769**	0.000*

10	All matters of interest to the stakeholders are disclosed in the financial statements of the institution	0.791**	0.000*
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* The correlation is statistically significant at the level of significance $\alpha = 0.05$.

* The correlation is statistically significant at the level of significance $\alpha = 0.01$.

Table (4) shows the correlation coefficient between each of the paragraphs of the second axis, “the principle of board practices and conflicts of interest,” and the total score for the axis, which shows that the correlation coefficients shown are a function at a significant level of $\alpha = 0.05$. Thus, the axis is considered true to what was set to measure it.

Table (4) Correlation coefficient between each paragraph of the second axis and the total score of the axis

probability value (Sig.)	Pearson coefficient to link	Paragraph	M
0.000*	0.389**	The shareholder has the right to control the management of the company	1
0.000*	0.494**	The shareholder is entitled to a share of the company's profits	2
0.000*	0.533**	The shareholder is entitled to compensation in case of violation of their rights	3
0.000*	0.576**	The shareholder has the right to participate and vote in the meetings of the general assembly of shareholders	4
0.000*	0.523**	The shareholder has the right to direct questions to the Board of Directors	5
0.000*	0.561**	The shareholder has the right to view and obtain company information	6
0.000*	0.567**	Shareholders have the right to view all transactions that take place with members of the Board of Directors	7
0.000*	0.576**	Shareholders can participate in the selection of the Board of Directors.	8
0.000*	0.579**	Shareholders can actively participate in the meetings of the General Assembly.	9

* The correlation is statistically significant at the level of significance $\alpha = 0.05$.

* The correlation is statistically significant at the level of significance $\alpha = 0.01$.

It is clear Schedule (5) The correlation coefficient between each of the paragraphs of the third axis, “the principle of disclosure and transparency,” and the total score of the axis, which shows that the correlation coefficients shown are a function at a significant level of $\alpha = 0.05$. Thus, the axis is considered true to what was set to measure it.

Table (5) Correlation coefficient between each paragraph of the third axis and the total score of the axis

M	Paragraph	Pearson coefficient to link	probability value (Sig.)
1	The Board of Directors seeks to protect the interests of the corporation and the shareholder	0.638**	0.000*

2	The shareholder has the right to question the members of the Board of Directors	0.701**	0.000*
3	Efficiency and skillful members of the Board of Directors are elected	0.742**	0.000*
4	The Board of Directors ensures the integrity of the financial reports	0.709**	0.000*
5	The Board of Directors is committed to the legislation and regulations it has set	0.701**	0.000*
6	The members of the Board of Directors keep the company's secrets	0.807**	0.000*
7	The Board of Directors works to ensure fair treatment for all categories	0.815**	0.000*
8	The Board of Directors is keen to provide all data and information to the members of the Board of Directors to carry out their duties	0.829**	0.000*
9	The number of board members is commensurate with the size of the institution and the services it provides	0.815**	0.000*

* The correlation is statistically significant at the level of significance $\alpha = 0.05$.

** The correlation is statistically significant at the level of significance $\alpha = 0.01$.

Table (6) shows the correlation coefficient between each of the paragraphs of the fourth axis “the principle of risk management” and the total score of the axis, which shows that the correlation coefficients shown are a function at a significant level of $\alpha = 0.05$. Thus, the axis is considered true to what was set to measure it.

Table (6) Correlation coefficient between each paragraph of the fourth axis and the total score of the axis

M	Paragraph	Pearson coefficient to link	probability value (Sig.)
1	The Bank provides internal risk management mechanisms that are part of the Bank's internal control system.	0.476**	0.008*
2	The implementation of the Banking Governance Regulations issued by the Palestinian Monetary Authority reduces financial and non-financial risks.	.737**0	0.000*
3	The Board of Directors sets and approves the necessary risk management policies.	.639**0	0.000*
4	Governance principles provide oversight for managing and monitoring risks and ensuring that controls are adequacy to achieve objectives and maintain the value of the Bank.	.600**0	0.000*
5	The Internal Audit Committee evaluates the current and expected risks associated with the Bank's work.	.606**0	0.000*
6	The Bank implements the governance regulations, which reduces the risks to which it is exposed.	.551**0	0.000*
7	The Bank's application of corporate governance principles helps reduce the degree of risk that the Bank may be exposed to.	.526**0	0.003*

8	The application of corporate governance principles in the Bank reduces the control of the Board of Directors over decision-making processes and thus contributes to risk management.	.548**0	0.002*
9	There is an effective internal control system in the Bank that helps to better implement the principles of governance, which contributes to risk management.	.510**0	0.004*

* The correlation is statistically significant at the level of significance $\alpha = 0.05$.

** The correlation is statistically significant at the level of significance $\alpha = 0.01$.

C - Constructive honesty Structure Validity

Structural validity is one of the measures of the validity of the tool, which measures the extent to which the objectives that the tool wants to be achieved, and shows the extent to which each of the study axes relates to the total score of the questionnaire items.

Table (7) shows that all correlation coefficients in all axes of the questionnaire are statistically significant at a significant level of $\alpha = 0.05$. Thus, all axes of the questionnaire are considered valid for what they were designed to measure.

Table (7): The correlation between the score of each axis of the questionnaire and the total score of the questionnaire

the number	the hub	Pearson coefficient to link	the value possibility (Sig.)
1	The principle of the duties of the board of directors	0.721**	0.000*
2	The principle of board practices and conflicts of interest	0.622**	0.000*
3	The principle of disclosure and transparency	0.748**	0.000*
4	risk management principle	0.647**	0.000*

* The correlation is statistically significant at the level of significance $\alpha = 0.05$.

** The correlation is statistically significant at the level of significance $\alpha = 0.01$.

Eighth: The stability of the questionnaire used in the study Reliability:

The stability of the questionnaire means that this questionnaire gives the same result if the questionnaire is redistributed more than once under the same circumstances and conditions, or in other words, the stability of the questionnaire means stability in the results of the questionnaire and not changing it significantly if it was redistributed to the sample several times during periods of time specific.

The researcher verified the stability of the study questionnaire through the following:

- Cronbach's alpha coefficient Cronbach's Alpha Coefficient:

The researcher used Cronbach's alpha method to measure the stability of the questionnaire, and the results were as shown in the table

Table (8) Cronbach's alpha coefficient to measure the stability of the resolution

M	The hub	The number of paragraphs	Cronbach's alpha coefficient	Constancy*
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1	The principle of the duties of the board of directors	10	0.786	0.886
2	The principle of board practices and conflicts of interest	9	0.689	0.830
3	The principle of disclosure and transparency	9	0.768	0.876
4	risk management principle	9	0.697	0.864
All axes of the questionnaire		37	0.938	0.977

*Consistency = positive square root of Cronbach's alpha coefficient

It is clear from the results shown in Table (8) that the value of Cronbach's alpha coefficient was high for each axis. Where the value of the alpha coefficient for all paragraphs of the questionnaire was (0.938). Also, the stability value was high for each axis. Where the stability value for all paragraphs of the questionnaire was (0.977), which means that the stability coefficient is high.

Thus, the researchers have confirmed the validity and stability of the study questionnaire, which makes him fully confident in the validity of the questionnaire and its validity for analyzing the results, answering the questions of the study, and testing its hypotheses.

Ninth: Analyzing the data and testing the study hypotheses

Distribution of the study population according to personal characteristics and traits:

Table (9): Characteristics and personality traits of the study population

Characteristics and personality traits to the study community		Repetition	The ratio%
Scientific specialization	accounting	19	42.3
	business management	7	15.5
	Financial and banking management	10	22.2
	Economy	6	13.3
	other	3	6.7
	the total	45	100%
Qualification	Bachelor's	36	80.0
	Master's	8	17.8
	Ph. D	1	2.2
	the total	45	100%
Years Experience of	5 years	2	4.4
	6-10 years	9	20.0
	11-15 years old	16	35.6

	More than 15 years	18	40.0
	the total	45	100%

From Table (9), the following can be concluded:

The highest percentages among the previous variables were as follows:

42.3% of the accounting major.

Rate 80.0% of bachelor's degree holders.

Rate 40.0% of those with more than 15 years of experience.

Tenth: Testing the hypotheses of the study

test was used One Sample T test for vertebrae analysis resolution, the paragraph is positive in the sense that the sample members agree with its content if the relative weight is greater than 60%, and the paragraph is negative in the sense that the sample members do not agree with its content if the relative weight is less than 60%, and if the relative weight is equal to 60%, the sample's opinions in the paragraph are medium.

Analysis and testing of the items of the independent variable (principles of governance)

Analyzing and examining the paragraphs of the first axis, "The Principle of the Board of Directors' Functions"

T-test was used to see if the average approval score is reached to degree of approval medium (neutrality). It is 3 or not, and the results are shown in Table (10):

Table (10): The average Arithmetic and relative weight for each paragraph of the first axis

M	Paragraph	SMA	relative weight	Rank
1	The members of the Board of Directors supervise the work carried out by the company's management.	3.40	67.92%	9
2	The Board of Directors determines the remuneration salaries, selecting senior executives and supervising their performance.	3.37	67.38%	10
3	The Board of Directors supervises the application of corporate governance principles to protect the interests of the Bank and shareholders.	4.04	80.84%	3
4	There is a separation between the duties of the Chairman of the Board of Directors and the Executive Director of the Bank.	3.83	76.50%	5
5	The Board of Directors plays an important role in selecting and changing the Bank's CEO.	4.31	86.20%	1
6	Sure council Management is concerned with the integrity of the reports and the integrity of the accounting and financial systems applied in the Bank.	3.81	76.26%	6

7	Shareholders have the right to view all transactions that take place with members of the Board of Directors and the management of the Bank.	3.92	78.44%	4
8	The Board of Directors effectively monitors the efficiency of practicing the principles of governance and makes the necessary adjustments when needed.	3.71	74.10%	7
9	The Board of Directors is keen to provide all data and information for the members of the Board of Directors to carry out their duties appropriately.	3.69	73.86%	8
10	The board of directors sets strategies the bank (Policy Risks, plans the job, Objectives, overseeing expenditures) and effectively monitoring the implementation of these strategies.	4.19	83.80%	2
All axis paragraphs together		3.79	75.85%	-

* The arithmetic mean is statistically significant at the level of indication ($\alpha \leq 0.05$).

From Table (10), the following can be concluded:

- Paragraph No. "5", which states "The Board of Directors plays an important role in selecting and changing the Bank's Executive Director," has obtained the highest arithmetic average equal to (4.31) (total score out of 5), and the relative weight It equals (86.20%), so this paragraph is considered statistically significant at the level of significance ($\alpha \leq 0.05$) and there is great approval for this paragraph.

Paragraph No.2" which states "The Board of Directors shall determine the remuneration salaries, and selecting senior executives and supervising their performance" has obtained the lowest arithmetic mean equal to (3.37) (total score out of 5), and relative weight It equals (67.38%), so this paragraph is considered statistically significant at the level of significance ($\alpha \leq 0.05$) and there is great approval for this paragraph.

In general, it can be said that the arithmetic mean is equal to (3.79), and that the relative arithmetic mean for all items of the axis is (75.85%), so the fourth axis is considered statistically significant at the significance level ($\alpha \leq 0.05$) which indicates that the average degree of response to this axis differs from the average degree of agreement, which is 3 This means that there is great agreement on the paragraphs of this axis.

Analyzing and testing the paragraphs of the second axis, "The Principle of Council Practices and Conflict of Interests"

T test was used to find out whether the average approval score reached the average approval score (neutrality) which is 3 or not. The results are shown in Table (11).

Table (11): The arithmetic means and relative weight for each paragraph of the second axis

M	Paragraph	SMA	relative weight	Rank
1	The Board of Directors provides stakeholders with appropriate, sufficient and reliable information on a regular, periodic and timely basis.	3.42	68.32%	7
2	The Board of Directors is committed to including the discussion of the implementation of corporate governance principles in the Bank in the Board's periodic meetings.	4.33	86.60%	1

3	The committees affiliated to the Bank's Board of Directors exercise their oversight role, which contributes to preserving the interests of the parties related to the Bank.	3.83	76.66%	5
4	Board members prefer to achieve their personal interests at the expense of the interests of external parties such as creditors and lenders.	3.39	67.78%	8
5	The Board of Directors is keen to discuss the extent to which the Bank's management implements the provisions of the Corporate Governance Regulations issued by the Palestinian Monetary Authority.	4.06	81.24%	2
6	The Board of Directors is the Bank's primary responsibility for protecting the stakeholders.	3.85	76.90%	4
7	The Board of Directors treats all stakeholders of the Bank equally and with a high degree of transparency.	3.99	79.84%	3
8	Senior management and members of the Board of Directors disclose their trading in shares to stakeholders.	3.78	75.50%	6
9	Separation is done between the position of Chairman and Chief Executive Officer, which leads to effective oversight of their performance.	3.32	66.38%	9
All axis paragraphs together		3.81	76.25%	-

* The arithmetic mean is statistically significant at the level of indication ($\alpha \leq 0.05$).

From Table (11), the following can be concluded:

-The poverty number "2" which states "The Board of Directors is committed to including the discussion of the application of corporate governance principles in the Bank in the periodic meetings of the Board" has obtained the highest arithmetic average equal to (4.33) (total score out of 5), and the relative weight (86.60%), so this paragraph is considered statistically significant at a significance level of ($\alpha \leq 0.05$) and there is great approval for this paragraph.

Paragraph No.9 "which states "Separation is done between the position of the Chairman of the Board of Directors and the Chief Executive Officer, which leads to effective control over their performance." I got the lowest arithmetic mean equal to (3.32) (total score out of 5), and the relative weight (66.38%), so this paragraph is considered statistically significant at the level of significance ($\alpha \leq 0.05$) and there is great approval for this paragraph.

In general, it can be said that the arithmetic mean is equal to (3.81), and that the relative arithmetic mean for all paragraphs of the axis is equal to (76.25%), so the second axis is considered statistically significant at the significance level of ($\alpha \leq 0.05$), which indicates that the average degree of response to this axis differs from the average degree of agreement, which is 3 This means that there is great agreement on the paragraphs of this axis.

Analyzing and testing the paragraphs of the third axis "The Principle of Disclosure and Transparency"

T-Test was used to see if the average approval score is reached to degree of approval medium (neutrality). Is it 3 or not. The results are shown in Table (12).

Table (12): The arithmetic mean and relative weight for each paragraph of the third axis

M	Paragraph	SMA	relative weight	Rank
1	Important information is disclosed in a fair manner and with high transparency.	4.22	84.40%	1
2	The Bank discloses the policies related to the remuneration and salaries of the members of the Board of Directors and executive managers.	3.72	74.46%	5
3	All financial and non-financial reports related to governance are disclosed with complete transparency.	3.31	66.12%	7
4	The bank discloses any changes in assets and liabilities, which reflects the effective application of corporate governance regulations.	3.28	65.58%	8
5	Important topics related to employees and stakeholders are disclosed in the annual reports.	3.95	79.04%	3
6	The Board of Directors reflect disclosure about commissions effectively implements corporate governance regulations in the Bank.	3.74	74.70%	4
7	There is a bank electronic page that includes all the required information and is constantly updated.	4.13	82.60%	2
8	The members of the Board of Directors and the Executive Management disclose their dealings in transactions or matters that have an impact on the Bank.	3.63	72.66%	6
9	Disclosure is made in a timely manner, which includes fair access to the information disclosed to all shareholders and stakeholders.	3.22	64.32%	9
All axis paragraphs together		3.70	74.05%	-

* The arithmetic mean is statistically significant at the level of indication ($\alpha \leq 0.05$).

From Table (12), the following can be concluded:

Paragraph No.1", which states "important information is disclosed in a fair manner and with high transparency", had the highest arithmetic average it equals (4.22) (total score out of 5), and relative equals (84.40%), so this paragraph is considered statistically significant at the level of significance ($\alpha \leq 0.05$) and there is a very strong agreement on this paragraph.

- Paragraph No. "9", which states that "disclosure shall take place in a timely manner, including fair access to the information disclosed to all shareholders and stakeholders" has obtained the lowest arithmetic average equals (3.22) (total score out of 5), and relative equals (64.32%), so this paragraph is considered statistically significant at the level of significance ($\alpha \leq 0.05$) and there is great approval for this paragraph.

In general, it can be said that the arithmetic mean is equal to (3.70), and that the relative arithmetic mean for all paragraphs of the axis is equal to (74.05%), so, the fifth axis is considered statistically significant at the level of significance ($\alpha \leq 0.05$) which indicates that the average degree of response to this axis differs from the average degree of agreement, which is 3. This means that there is great agreement on the paragraphs of this axis.

Analyze and test the paragraphs of the fourth axis "The Principle of Risk Management"

T-Test was used to see if the average approval score has reached the approval score medium (neutrality). Is it 3 or not. The results are shown in Table (13).

Table (13): The arithmetic means and relative weight for each paragraph of the fourth axis

M	Paragraph	SMA	relative weight	Rank
1	The Bank provides internal risk management mechanisms that are part of the Bank's internal control system.	3.72	74.4	4
2	The implementation of the Banking Governance Regulations issued by the Palestinian Monetary Authority reduces financial and non-financial risks.	3.32	66.4	9
3	The Board of Directors sets and approves the necessary risk management policies.	4.18	83.6	1
4	Governance principles provide oversight for managing and monitoring risks and ensuring that controls are adequacy to achieve objectives and maintain the value of the Bank.	3.82	76.4	3
5	The Internal Audit Committee evaluates the current and expected risks associated with the Bank's work.	3.68	73.6	5
6	The Bank implements the governance regulations, which reduces the risks to which it is exposed.	3.62	72.4	6
7	The Bank's application of corporate governance principles helps reduce the degree of risk that the Bank may be exposed to.	4.16	83.2	2
8	The application of corporate governance principles in the Bank reduces the control of the Board of Directors over decision-making processes and thus contributes to risk management.	3.52	70.4	8
9	There is an effective internal control system in the Bank that helps to better implement the principles of governance, which contributes to risk management.	3.66	73.2	7
All axis paragraphs together		3.64	72.3	-

* The arithmetic mean is statistically significant at the level of significance ($\alpha \leq 0.05$)

From Table (13), the following can be concluded:

- Paragraph No. "3", which states "The Board of Directors shall develop and approve the necessary policies for risk management", has obtained the highest arithmetic average equal to (4.18) (total score out of 5), and geese relative It equals (83.6%), so this paragraph is considered statistically significant at the level of significance ($\alpha \leq 0.05$). There is a huge approval for this paragraph.

- Paragraph No. "2", which states that "the implementation of the Banking Governance Regulations issued by the Palestinian Monetary Authority leads to a reduction in financial and non-financial risks", which got the lowest average account equals (3.32)

(total score out of 5), the relative weight equals (66.4%), so this paragraph is considered statistically significant at the significance level of ($\alpha \leq 0.05$). There is a huge approval for this paragraph.

In general, it can be said that the arithmetic mean is equal to (3.64), and that the relative weight of all the paragraphs of the axis is equal to (72.3%), so the fifth axis is considered statistically significant at the significance level ($\alpha \leq 0.05$), which indicates that the average response score for this axis differs from the average approval score, which is 3. This means that there is great agreement on the paragraphs of this axis.

Analysis and testing of the items of the dependent variable (digital transformation)

T-Test was used to see if the average approval score is reached to degree of approval medium (neutrality). Is it 3 or not. The results are shown in Table (14).

Table (14): The arithmetic means and relative weight for each paragraph of the fourth axis

M	Paragraph	SMA	relative weight	Rank
1	Digital transformation provides rapid response to customer needs to obtain digital services on time and at the lowest cost.	3.76	75.20	4
2	Digital transformation helps in the existence of digital banking services commensurate with the needs and requirements of customers and their financial capabilities, which leads to the customer's confidence in the bank.	3.94	78.80	1
3	The application of digital transformation contributes to improving the quality of digital banking service through the bank's website.	3.62	72.40	5
4	Digital transformation helps the bank implement initiatives and submit periodic reports according to goals and performance indicators.	3.14	62.80	10
5	The bank defines a vision for the digital transformation experience and sets plans to change and develop mechanisms for dealing and interacting with customers.	3.38	67.60	8
6	The application of digital transformation helps in detecting weaknesses and defects in the bank's internal control systems.	3.84	76.80	2
7	The application of digital transformation contributes to assisting the bank in performing its tasks with great efficiency.	3.80	76.00	3
8	The application of digital transformation helps in developing operational and financial plans that help the bank to carry out its work with high quality.	3.40	68.00	7
9	The Bank is constantly educating its employees to develop their performance in a way that helps achieve its objectives related to the implementation of digital transformation.	2.40	48.00	12
10	Digital transformation provides the customer with the ability to view his personal accounts and carry out banking operations anywhere and at any time, easily and safely.	3.44	68.80	6

11	The bank employs emerging electronic technologies and modern trends to provide its services well in order to attract new customers.	2.96	59.20	11
12	Digital transformation helps the bank to expand and spread in a wider range and reach a larger segment of customers and the public.	3.32	66.40	9
All axis paragraphs together		3.42	68.30	-

* The arithmetic mean is statistically significant at the level of significance ($\alpha \leq 0.05$)

From Table (14), the following can be concluded:

- Paragraph No. 2, which states: "Digital transformation helps in the existence of digital banking services commensurate with the needs and requirements of customers and their financial capabilities, which leads to customer confidence in bank "I got the highest arithmetic average equal to (3.94) (total score out of 5), and relative weight It equals (78.80%), so this paragraph is considered statistically significant at the significance level ($\alpha \leq 0.05$), and there is great approval for this paragraph.

- Paragraph No. 9, which states: "The Bank is constantly educating its employees on developing their performance in a way that helps achieve its goals related to implementing the transformation digital " I got my lowest arithmetic mean and equal to (2.40) (total score out of 5), and the relative weight equals (48.00%), so this paragraph is considered statistically significant at the significance level of ($\alpha \leq 0.05$), and there is little agreement on this paragraph.

In general, it can be said that the arithmetic mean is equal to (3.42), and that the relative arithmetic mean for all paragraphs of the axis is equal (68.30%), so the fifth axis is considered statistically significant at the level of significance ($\alpha \leq 0.05$), which indicates that the average degree of response to this axis differs from the average degree of agreement, which is 3. This means that there is great agreement on the paragraphs of this axis.

11. Findings and Recommendations:

First: Results:

The researchers reached the following results:

- 1) There is a role for the principle of the functions of the board of directors in contributing to the success of digital transformation.
- 2) There is a role for the principle of council practices and conflict of interest in contributing to the success of digital transformation.
- 3) There is a role for the principle of disclosure and transparency in contributing to the success of digital transformation.
- 4) There is a role for the principle of risk management in contributing to the success of digital transformation.
- 5) The boards of directors of the banks listed on the Palestine Exchange develop strategies that include (policy Risks, plans the job, Objectives, overseeing expenditures) and effectively monitoring the implementation of these strategies.
- 6) The boards of directors of the banks listed on the Palestine Exchange play an important role in selecting and changing the executive managers of these banks.
- 7) The boards of directors of the banks listed on the Palestine Exchange supervise the application of governance principles to protect stakeholders and shareholders.
- 8) The boards of directors of the banks listed on the Palestine Exchange are committed to including the discussion of applying the principles of corporate governance in banks in the periodic board meetings. They are also keen to discuss the extent to which banks' managements implement the provisions of the corporate governance regulations issued by the Palestinian Monetary Authority.
- 9) The committees affiliated to the boards of directors of the banks listed on the Palestine Exchange exercise their oversight role, which contributes to preserving the interests of the parties related to the banks, and treats all of them equally and with a high degree of transparency.
- 10) There are electronic pages for banks listed on the Palestine Exchange that include all the required information and are constantly updated, and important issues related to employees and stakeholders are disclosed.
- 11) The boards of directors of the banks listed on the Palestine Exchange set the necessary policies for managing risks and approve them. The application of the principles of governance helps reduce the degree of risk that these banks may be

exposed to. The principles of governance also provide supervision over the management and monitoring of risks and ensure the adequacy of controls. To achieve goals and preserve the value of banks.

- 12) The banks listed on the Palestine Exchange provide internal risk management mechanisms and are considered part of the internal control system followed by these banks. There is also an effective internal control system that helps to better implement the principles of governance, which contributes to risk management.
- 13) Digital transformation helps in the existence of digital banking services commensurate with the needs and requirements of customers and their financial capabilities, which leads to increased customer confidence in the performance of banks.
- 14) The application of digital transformation helps in detecting weaknesses and defects in the internal control systems of banks listed on the Palestine Exchange.
- 15) Digital transformation helps banks listed on the Palestine Exchange to expand and spread in a wider range, reach a larger segment of customers and the public, and help customers view their personal accounts and carry out banking operations anywhere. And in any time easily and safely.

Second: Recommendations

Based on the following results, the researchers recommend the following:

- 1) The need for the banks listed on the Palestine Exchange to apply the principles of governance and the growing role of implementing the transformation digital, Work to achieve maximum benefit with the intention of developing systems and means of providing services banking, And creating new applications for banking service that are efficient and responsive in line with the accelerating pace of the banking industry.
- 2) The banks listed on the Palestine Stock Exchange should move towards more application of the principles of governance and develop the necessary plans for the advancement of banks and financial institutions that suffer From the lack of use of digital technology within it, and the lack of expertise and specialized functional cadres that help in its development and transformation into a digital and technical form.
- 3) The need to rely on corporate governance as a reliable solution for the success of digital transformation in banks listed on the Stock Exchange Palestine, Effective governance contributes to achieving investment returns, reduces the risks it faces, and contributes to obtaining competitive advantages over other banks that do not have effective governance.
- 4) Overcoming some of the challenges that prevent the implementation of digital transformation of banks listed on the Palestine Exchange, which is reflected in the future of services Banking, On transactions and provide many digital financial services.
- 5) Urging banks listed on the Palestine Exchange to emulate the experiences of international banks in applying digital transformation to reduce banking risks, and to adopt effective strategies to encourage customers to use electronic services that depend on digital transformation.
- 6) Urging banks listed on the Palestine Exchange to hold training workshops on the role of governance principles in contributing to the implementation of digital transformation strategies.
- 7) All banks that wish to implement digital transformation must pay attention to the principles of governance and work to implement them effectively. As a general framework through which the success of digital transformation can be achieved.

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