

## The Role Of The Economic Dimension Of Governance In The Efficiency And Effectiveness Of The Accounting Information System In Small Enterprises In The Kingdom Of Saudi Arabia

Dr. Nahla Al-Nour Muhammad Al-Makki<sup>1</sup>, Mahassin Abd alla Ali Shomo<sup>2</sup>

### Abstract

*This study aims to identify if the role of the economic dimension of governance in the efficiency and effectiveness of the accounting information system in small enterprises in the Kingdom of Saudi Arabia*

*, the analytical and descriptive approach was adopted to measure to what extent the commitment to the economic dimension of governance in the efficiency and effectiveness of the accounting information system in small enterprises in the Kingdom of Saudi Arabia, the study population consisted of almost from the small enterprises, including commercial, service and industrial enterprises in the city of Riyadh, the sample of the study was selected of (112), the questionnaire was distributed to the random sample selected of the small enterprises. (112) of the distributed questionnaires were answered, representing the study population.*

*The researchers came up with the following findings: There is a statistically significant relationship between economic dimension of governance and (improving efficiency and effectiveness of the accounting information system and strategic decisions making in the small enterprises) There is a statistically significant relationship between the economic dimension of governance and improving efficiency and effectiveness of the accounting information system in the small enterprises in the Kingdom of Saudi Arabia. There is a statistically significant relationship between the economic dimension of governance and making strategic decisions in the small enterprises in the Kingdom of Saudi Arabia*

### Introduction

Economic dimension of governance means the rules of leading and directing a company. It includes mechanisms of regulating relationships between the board of directors, executive managers, shareholders and stakeholders, by establishing special procedures to facilitate the decision-making process<sup>1</sup> giving it the transparency and credibility in order to protect shareholders' and other users' rights. Small enterprises face great challenges in making rational administrative and strategic decisions, because most of decisions made are characterized by risk and uncertainty according to certain condition, information and multiple possibilities

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<sup>1</sup>Assistant Professor, Department of Applied Accounting, Applied College, King Khalid University, Saudi Arabia

<sup>2</sup>Assistant researcher, Assistant Professor of Accounting Sciences in King Khalid University, Department of Applied Accounting, Applied College, King Khalid University, Saudi Arabia

without opportunities available for their occurrence or their future effects on a company's performance.

These decisions are also made by individuals whose powers and responsibilities differ and attitudes towards risks vary. As the decision-makers may tend to ignore risks or exaggerate optimism and pessimism, and they delay making decisions and in turn miss many future opportunities. Organizations whose growth is based on their ability to manage projects, their decision-making process should not be uncontrolled or based on subjective impressions, as that negatively affects the objectives and general performance of small enterprises projects. Therefore, the commitment to the economic dimension of governance helps developing a logical strategy of the decision-making process, supporting the skills, and employing the mechanisms. This study aimed to clarify the impact of commitment to the economic dimension of governance on decision-making, improving the accounting efficiency and effectiveness of the accounting information system in small enterprises, and making the administrative and strategic decisions. It also aimed to identify to what extent these companies adopt the application of the economic dimension of governance and the comprehensive disclosure of information of interest to the stakeholders, investments and interests in these small enterprises. The study attempts to highlight the importance of the impact of the economic dimension of governance, which has a great impact on investors, stakeholders and economy as a whole, on making management and strategic decisions in the Kingdom.

### **Problem of the Study**

The decision-making process and the appropriate and reliable information are essential and of great importance for management process.

The problem of the study was represented in that some small enterprises do not commit to applying economic dimension of governance which leads to the risk of making strategic decisions wrong, delays the growth and development of enterprises, and provides misleading information to financial reports users.

Therefore, this study intends to investigate to what extent the application of economic dimension of governance affects strategic decision-making and leads to making irrational decisions in Saudi Arabia.

### **Study Objectives**

The study aims to:

1. Identify if the application of The role of the economic dimension of governance in the efficiency and effectiveness of the accounting information system and strategic decisions – making in the small enterprises in the Kingdom of Saudi Arabia
2. Clarify the effect of the application of economic dimension of governance on making strategic management decisions in the small enterprises in the Kingdom of Saudi Arabia.
3. Investigate the effect of the application of economic dimension of governance on the small enterprises.
4. Identify the effect of the application of economic dimension of governance on reducing the challenges facing decision-making in the small enterprises.

### **Study Questions**

The study problem questions were represented in the following:

1. Is there economic dimension of governance for small businesses in the Kingdom of Saudi Arabia?
2. Is this economic dimension of governance applied in small enterprises in the Kingdom of Saudi Arabia?

3. To what extent does applying the economic dimension of governance improve efficiency and effectiveness of the accounting information system in small enterprises in the Kingdom of Saudi Arabia?

4. To what extent does applying the economic dimension of governance affect management decision-making and improve efficiency and effectiveness of the accounting information system in small enterprises in the Kingdom of Saudi Arabia?

5. To what extent do the economic dimensions of governance reduce the challenges facing management decision-making in small enterprises in the Kingdom of Saudi Arabia?

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### **Study Hypotheses**

The study attempts to verify the following hypotheses:

1. There is a statistically significant relationship between the economic dimension of governance and improving efficiency and effectiveness of the accounting information system in the small enterprises in the Kingdom of Saudi Arabia.

2. There is a statistically significant relationship between the economic dimension of governance and strategic decision-making in the small enterprises in the Kingdom of Saudi Arabia.

3. There is a statistically significant relationship between the applying the economic dimension of governance and reducing the challenges facing decision-making in the small enterprises in the Kingdom of Saudi Arabia.

### **Study Methodology**

#### **Study Method and Tool**

The analytical and descriptive approach was adopted to measure to what extent the commitment to economic dimension of governance affects improving strategic decision-making in the small enterprises in the Kingdom of Saudi Arabia. The primary and secondary data were collected from previous literature (previous research and studies). A questionnaire was designed as the study tool on an electronic link and directed to a random sample of small enterprises in the Kingdom of Saudi Arabia. The link was distributed to individuals of an experimental sample of managers and employees of small enterprises in the Kingdom of Saudi Arabia. The questionnaire was also distributed to a number of specialized experts to benefit from their opinions and suggestions. In order to verify the consistency, validity, and reliability of the questionnaire, the Cronbach Scale was used.

#### **Study Population**

The study population consisted of almost from the small enterprises, including commercial, service and industrial enterprises in the city of Riyadh .

#### **Study Sample**

The sample of the study was selected of (112), the questionnaire was distributed to the random sample selected of the small enterprises. (112) of the distributed questionnaires were answered, representing the study population.

#### **Study Tools**

Primary studies: Include the field study - a questionnaire.

Secondary studies: Include the previous studies - books - magazines - blogs - the Internet.

Research procedures: Governance - information quality - decision making

#### **Limitations of the Study**

Spatial limits: the city of Riyadh .  
Time limits: 2022/2023.

Keywords: decision making - information quality - governance - strategic decisions

### **Previous Studies**

Ali Khalaf Katea (2021) conducted a study entitled: (The role of information systems in improving the effectiveness of performance in decision-making a prospective study, Iraq)

The study aimed to highlight the impact of information systems on the effectiveness of human resources and their appropriateness to improving performance and decision-making. The descriptive analytical approach was used. The data were analyzed by using SPSS. The study concluded: The role of information systems as the interface of management in the governance of decision-making. The study recommended: management information systems should be applied in line with the nature of the economic, service and producing unit in business economics. Employees should be exposed to developmental courses to increase their management and production knowledge and in appropriately to the nature of the work they are assigned to. Workshops should be organized to explain the mechanism of making relevant decisions. Researchers should be allowed to investigate information systems.

Yusuf Ismail Falah Khreis, (2020) conducted a study entitled: (The impact of applying governance on decision-making in Jordanian private universities in the Northern Region), Middle East University, Jordan

The study aimed to find out the effect of the dimensions of applying governance on decision-making in Jordanian private universities in the Northern Region. Data were statistically analyzed using SPSS.

The study concluded that the mandatory application of governance dimensions has a positive impact on the abundance of information and the personal skills of decision makers.

The study recommended: effective communication mechanisms should be developed between shareholders and the Board of Directors, and discussing decisions and available information.

Al-Hussein Al-Hussein Al-Abbas, (2012) conducted a study, entitle: The role of corporate governance in reducing credit risk in the banking sector Saudi Arabia.

To study aimed to investigate the most important problems facing the banking sector in the Kingdom of Saudi Arabia, which is the lack of actual practice of governance in reducing bank credit risks, whereas is important to specify and measure risks and then reduce them. The study adopted the descriptive analytical approach.

The study concluded: the concept of governance is still new in Saudi Arabia environment. There are attempts to identify its mechanisms and application. The audit committees in joint-stock companies play a role in applying the governance in the Saudi environment. The study recommended: A national centre should be established for governance in Saudi environment and representatives from Public Control Chamber and Saudi Accountants Association should participate in it.

### **Theoretical Framework**

#### **Definition of Governance**

The origin of governance goes back to the Greek verb (Kuberman), which means directing. It was transmitted to the Latin, French and Russian languages. The need to use governance appeared in the nineties after the economic crises in East Asia and Latin America, when giant companies were exposed to financial problems that encouraged them to use the rules of governance.

Governance is a set of rules, laws, and foundations that control the work of companies, achieve effective control over their board of directors, and regulate the relationship between them and stakeholders, in order to achieve transparency, justice, and to fight corruption.

The International Finance Corporation (IFC) defined governance as a system through which companies are managed and their business is controlled. While, the Organization of Economic Co-operation and Development (OECD) considers governance as a set of relationships that link those in charge of managing the company, the board of directors, shareholders and other stakeholders (Abu Ragaba, (2009:2).

Michael (2005:5) defined governance as a state, a process, and an orientation. He added it is also a system of immunity and protection necessary to control the movement, direction, and safety of all actions and the integrity of behavior within companies. It is a managing process practiced by the supervisory management authority, both inside and outside companies through several stages. This process depends on ethics and conscience. The definition of governance includes the following aspects of the concept of corporate governance:

Wisdom: It means the guidance and direction

Judgment: It means the control over things by establishing restrictions

Referring: It means referring to the ethical and cultural references and previous experiences.

Arbitration: It means seeking justice and preventing the authority from deviation and manipulating the interests of the shareholders.

### **Reasons for the Emergence of Corporate Governance**

Al-Aziza (2009:19) listed the following as the reasons for corporate governance:

1. Cases of institutional failure in America, Russia and Asian countries.
2. The gap between management reward and companies' performance.
3. The ineffectiveness of internal control procedures that cannot detect and prevent problems.
4. Weakness of the Board of Directors; it may affect the executive and senior management, which they may suffer from their inability to carry out successful management practices.
5. Lack of accuracy and transparency in preparing the final accounts.
6. Inability of investors to analyze and compare investment opportunities.
7. Weakness of the external parties such as those in charge of legislating laws and auditors to control the organization,.
8. Unethical practices by the Board of Directors, executive management and employees.
9. Corporate governance helps small enterprises to protect the interests of all parties, especially the conflicting interests, to maintain shareholders' rights, to maximize the company's profits and market value, and to manage expected risks.
10. Governance has internal and external components; the internal components are represented in the investment, legislative and regulatory environment. It consists of all laws regulating and protecting the companies work, and of the banking and controlling environment.
11. Internal components, which include the foundations that determine the decision-making mechanism and the distribution of powers and responsibilities within the company between the Board of Directors and the Executive Director.

### **Advantages of Applying Corporate Governance in Making Strategic Decisions in Small Enterprises**

The application of the principles of corporate governance in the small enterprises reflected positively on their performance and making strategic management decisions; it achieves many objectives, including: (Zarqon and Al-Omari, 2013: 87)

1. Achieve transparency and justice and protect the rights of shareholders in the company; this is done by establishing rules, systems and regulations that aim at achieving transparency and justice.

2. Establish administrative regulations, rules and structures that allow hold the company's management accountable before the general assembly and guarantee the rights of shareholders in the company.
3. Develop investments flow by deepening investors' confidence in the financial markets.
4. Develop savings, maximize profitability and create new job opportunities.
5. Improve the financial performance by holding management accountable to shareholders.
6. Provide new job opportunities
- 9- Attract investments, foreign or local, and limit the flight of national capital abroad.

### **Dimensions of Governance and its Relationship to Strategic Decision-Making**

The organizational dimensions of corporate governance have an effective impact on the quality of information systems and strategic decision-making through the application and practice of supervision, control, ethical behavior, and a strategic dimension that increases the company's response speed in business and crisis environments. These dimensions are represented in the following organizational dimensions:

#### **A- Supervisory and controlling dimension**

Activating the supervisory and controlling dimension of the governance of small enterprises can be done through the practice of shareholders' assembly and the rights of shareholders, increasing their contribution to improving the degree of transparency, disclosure and strategic decisions, exerting pressure on the board of directors to make their work better, and build reassurance and confidence for shareholders.

#### **b- Ethical dimension**

Ethical behavior is important in activating the controlling role and strategic decisions. Professional bodies demand the necessity of having a guide for ethical behavior that focuses on moral values and integrity that guarantee the good reputation and credibility of the company, with the necessity of their commitment to the internal values and regulations of the establishment

(Suleiman; 2012; 150)

#### **C- Strategic dimension**

Strategic control is one of the systems on which governance is based to reduce agency problems that exist at different administrative levels. It includes formal identification of objectives, performance measurement, and feedback, thus evaluating strategies and ascertaining whether they lead to improving the return on invested capital in the long term, achieving efficiency, quality, innovation, and responding to desires. and customer needs

### **Definition of Decision Making**

The decision-making process is defined as selecting the appropriate alternative that is chosen from the other alternatives according to several criteria in light of the availability of an available set of resources in order to reach a specific objective (Al-Allaq, 2008). The decision-making process can be viewed as a behavior or function that depends on selecting from the proposed alternatives after evaluating them according to the information and data in the work environment that are related to the problem in search of a suitable alternative (Botros, 2009).

The decision-making process is directly related to management functions such as planning, organizing, directing and controlling in a process that takes place at all organizational levels and in all activities (Al-Attiani and Al-Nazer, 2015).

### **Definition of Information Systems**

It is a set of procedures that collect, retrieve, operate, store, and distribute information to support decision-making, control, and regulation.

Hodge and his colleagues (1984) defined the information system as a communication process through which data is collected, processed, stored and transmitted to the appropriate individuals

within the organization in order to provide the information necessary for decision-making (Sonia, 1999).

### **Relationship between Corporate Governance and Improving Information Systems**

Information systems consist of a group of individuals and sub-systems that operate to achieve objectives and a network of procedures governed with principles and rules that are prepared in an integrated manner in order to provide information to decision makers according to their needs (Ahmed, 2006).

The commitment to applying the corporate governance contributed to improving the characteristics of information systems and assisting the management of the small enterprise in planning. The planning process is a set of activities and procedures carried out by the senior management of an enterprise in order to determine the objectives, to develop the programs for obtaining the required resources and to draw policies for using and maintain the resources (Abu Al-Hassan, 1996).

The commitment to applying the corporate governance led to developing the small enterprises and to improving the accounting and management information systems for making external and internal decisions. Management needs information to identify their business results and financial position and to benefit from them in pricing, purchasing, manufacturing or other decisions that need to compare alternatives in order to select the best alternative (Abu Nassar, 2012).

The commitment to applying the principles of governance provided appropriate and accurate information at all stages of decision-making on the organization's operations, financial position, budget preparation and planning for the future.

Ieman (2018) indicated that there is a relationship between the accounting information and the efficiency of decision-making, whether during planning, control, or when identifying alternatives or comparing between them and choosing the best.

### **Challenges in Making Decisions**

The decision-making process takes place in order to solve existing problems, to face possible cases or to achieve planned objectives (Hars, 2012). The decision-making process faces organizational, social, political and cultural challenges. The application of governance principles with its various dimensions contributed to providing the appropriate information for making management and strategic decisions of small enterprises.

## **Data Analysis and Results**

### **Field Study Procedures**

Firstly: Study Population and Sample

### **Analysis of the Study Sample Demographic Information**

**Table (1): Gender**

	<b>Frequency</b>	<b>Percent</b>
Female	100	89.2%
Male	12	10.8%
<b>Total</b>	112	100.0%

The table (1) above shows the gender distribution of the study sample; there were 100 with 89.2% females and 12 with 10.8% males. This indicates that most of the study sample were females.

**Table ( 2): Age**

	Frequency	Percent
From 25 years to less than 30 years	18	16.1%
From 30 years to less than 35 years	36	32.1%
From 35 years to less than 40 years	34	30.4%
40 years and above	24	21.4%
Total	112	100.0%

The table (2) above shows the age distribution of the study sample; there were 18 with 16.1% their age between (25 - 30), 36 with 32.1% their age between (30-35), 34 with 30.4% their age between (35 -40) and 24 with 21.4% their age (40 years and above). This indicates that most of study sample their age was between (30-35).

**Table ( 3): Scientific Specialization**

	Frequency	Percent
Accounting	40	35.7%
Economics	53	47.3%
Business Administration	19	17.0%
Total	112	100.0%

The table (3) above shows the scientific specialization distribution of the study sample; there were 40 with 35.7% their scientific specialization accounting, 53 with 47.3% economics and 19 with 17.0% business administration. This indicates that most of study sample individuals their scientific specialization economics.

**Table (4): Number of years in service**

	Frequency	Percent
(3 years and less)	9	8.1%
(From 4 to 6 years)	24	21.4%
(From 7 to 10 years)	22	19.6%
(More than 10 years)	57	50.9%
Total	112	100.0%

The table (4) above shows the distribution of the study sample number of years in service; there were 9 with 8.1% their number of years in service (3 years and less), 24 with 21.4% (from 4 to 6 years), 22 with 19.6% (from 7 to 10 years) and 57 with 50.9% (More than 10 years). This indicates that most of study sample individuals their number of years in service (more than 10 years).

**Table (5): Nationality**

	Frequency	Percent
Saudi	85	75.9%
Non-Saudi	27	24.1%
Total	112	100.0%



The table (5) above shows the distribution of the study sample nationality; there were 85 with 75.9% Saudi, 27 with 24.1% non-Saudi. This indicates that most of the study sample individuals were Saudi.

**Analysis of the Questionnaire Statements**

**Hypothesis one: There is a statistically significant relationship between the economic dimension of governance and improving Efficiency and effectiveness of the accounting information system in the small enterprises in the Kingdom of Saudi Arabia.**

Table (6): Shows the frequency and percentage of the study sample respondents' answers for the statements of the hypothesis one

Statement	Agreement degree				
	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
1. The enterprise commits to applying the economic dimension of governance.	48	32	18	12	2
	42.9	28.6	16.0	10.7	1.8
2. Efficiency and effectiveness of the accounting information system contribute to enhancing the effectiveness of decision-making.	5	55	27	21	4
	4.5	49.1	24.1	18.8	3.5
3. The economic dimension of governance means there are systems of relations between the main parties that affect performance.	18	44	28	19	3
	16.0	39.2	25.0	17.0	2.8
4. Regulations and rules of the economic dimension of governance aim to achieve transparency and justice.	18	43	22	23	6
	16.1	38.4	19.6	20.5	5.4
5. The economic dimension of governance ensures fairness in reporting.	6	27	24	39	16
	5.4	24.1	21.4	34.8	14.3
6. The economic dimension of governance provide information trusty to the shareholders.	30	48	24	5	5
	26.8	42.9	21.4	4.5	4.5
7. Efficiency and effectiveness of the accounting information system provide full data about economic unit environment.	15	35	39	19	4
	13.4	31.2	34.8	17.0	3.8
8. The economic dimension of governance aim to achieve the quality of managerial decision.	12	33	42	22	3
	10.7	29.4	37.5	19.6	2.7
9. Efficiency and effectiveness of the accounting information system contribute to achieve the objectives determined by the senior management.	15	34	28	28	7
	13.4	30.4	25.0	25.0	6.2
10. Efficiency and effectiveness of the accounting information system	25	49	31	5	2
	22.3	43.7	27.6	4.5	1.9

contribute to providing information necessary for managerial decision making.					
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**Source: Prepared by the researcher using SPSS 25**

The table (6) above shows the following:

(48) individuals of (42.9%) of the study sample respondents answered that they are strongly agree, (32) of (28.6%) agree, (18) of (16.0%) neutral, (12) of (10.7%) disagree and (2) of (1.8%) strongly disagree with that **the enterprise commits to applying the economic dimension of governance.**

(5) individuals of (4.5%) of the study sample respondents answered that they are strongly agree, (55) of (49.1%) agree, (27) of (24.1%) neutral, (21) of (18.8%) disagree and (4) of (3.5%) strongly disagree with that **Efficiency and effectiveness of the accounting information system contribute to enhancing the effectiveness of decision-making.**

(18) individuals of (16.0%) of the study sample respondents answered that they are strongly agree, (44) of (39.2%) agree, (28) of (25.0%) neutral, (19) of (17.0%) disagree and (3) of (2.8%) strongly disagree with that **The economic dimension of governance means there are systems of relations between the main parties that affect performance.**

(18) individuals of (16.1%) of the study sample respondents answered that they are strongly agree, (43) of (38.4%) agree, (22) of (19.6%) neutral, (23) of (20.5%) disagree and (6) of (5.4%) strongly disagree with that **Regulations and rules of economic dimension of governance aim to achieve transparency and justice.**

(6) individuals of (5.4%) of the study sample respondents answered that they are strongly agree, (27) of (24.1%) agree, (24) of (21.4%) neutral, (39) of (34.8%) disagree and (16) of (14.3%) strongly disagree with that **The economic dimension of governance ensure fairness in reporting.**

(30) individuals of (26.8%) of the study sample respondents answered that they are strongly agree, (48) of (42.9%) agree, (24) of (21.4%) neutral, (5) of (4.5%) disagree and (5) of (4.5%) strongly disagree with that **The economic dimension of governance provide information trusty to the shareholders.**

(15) individuals of (14.3%) of the study sample respondents answered that they are strongly agree, (35) of (31.2%) agree, (39) of (34.8%) neutral, (19) of (17.0%) disagree and (4) of (3.8%) strongly disagree with that **Efficiency and effectiveness of the accounting information system provide full data about economic unit environment.**

(12) individuals of (10.7%) of the study sample respondents answered that they are strongly agree, (33) of (29.4%) agree, (42) of (37.5%) neutral, (22) of (19.6%) disagree and (3) of (2.7%) strongly disagree with that **The principles of economic dimension of governance aim to achieve the quality of managerial decision.**

(15) individuals of (13.4%) of the study sample respondents answered that they are strongly agree, (34) of (30.4%) agree, (28) of (25.0%) neutral, (28) of (25.0%) disagree and (7) of (6.5%) strongly disagree with that **Efficiency and effectiveness of the accounting information system contribute to achieve the objectives determined by the senior management.**

(25) individuals of (23.7%) of the study sample respondents answered that they are strongly agree, (49) of (43.7%) agree, (31) of (27.6%) neutral, (5) of (4.5%) disagree and (2) of (1.9%) strongly disagree with that **Efficiency and effectiveness of the accounting information system contribute to providing information necessary for managerial decision making.**

**Hypothesis two:** There is a statistically significant relationship between the economic dimension of governance and strategic decision-making in the small enterprises in the Kingdom of Saudi Arabia?

Table (7): Shows the frequency and percentage of the study sample respondents' answers for the statements of the hypothesis two

Statement	Agreement degree				
	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
1. Proper practicing of the economic dimension of governance leads to improving quality strategic management decision making.	14 12.5	32 28.6	30 26.8	29 25.9	
2. The principles of economic dimension of governance contribute to effective management organization.	17 15.2	37 33.0	22 19.6	30 26.8	6 5.4
3. The principles of economic dimension of governance contribute to planning the resources available and coordinating the workforce.	12 10.7	29 25.9	28 25.0	36 32.1	7 6.3
4. The principles of economic dimension of governance help determining relations and borderland between powers and responsibilities.	19 17.0	31 27.7	23 20.5	35 31.2	4 3.6
5. The principles of economic dimension of governance contribute to coordination between individuals and units to avoid work duality.	29 25.9	39 34.9	33 29.5	10 8.9	1 .8
6. The principles of economic dimension of governance reduce power conflict.	15 12.3	29 25.9	42 37.5	20 18.9	6 5.4
7. The principles of economic dimension of governance reduce the contradiction in objectives between parties related.	22 19.6	35 31.2	28 25.0	21 18.8	6 5.4
8. The principles of economic dimension of governance contribute to the control in the small enterprises.	17 15.2	36 32.1	40 35.7	16 14.3	3 2.7

9. The principles of economic dimension of governance enhance selecting the best alternative.	25 22.3	36 32.2	27 24.1	18 16.0	6 5.4
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**Source: Prepared by the researcher using SPSS 25**

The table (7) above shows the following:

(14) individuals of (12.5%) of the study sample respondents answered that they are strongly agree, (32) of (28.6%) agree, (30) of (26.8%) neutral, and (29) of (25.9%) disagree with that **Proper practicing of the economic dimension of governance leads to improving quality strategic management decision making.**

(17) individuals of (15.2%) of the study sample respondents answered that they are strongly agree, (37) of (33.0%) agree, (22) of (19.6%) neutral, (30) of (26.8%) disagree and (6) of (5.4%) strongly disagree with that **The economic dimension of governance contribute to effective management organization.**

(12) individuals of (10.7%) of the study sample respondents answered that they are strongly agree, (29) of (25.9%) agree, (28) of (25.0%) neutral, (36) of (32.1%) disagree and (7) of (6.3%) strongly disagree with that **The economic dimension of governance contribute to planning the resources available and coordinating the workforce.**

(19) individuals of (17.0%) of the study sample respondents answered that they are strongly agree, (31) of (27.7%) agree, (23) of (20.5%) neutral, (35) of (31.2%) disagree and (4) of (3.6%) strongly disagree with that **The economic dimension of governance help determining relations and borderland between powers and responsibilities.**

(29) individuals of (25.9%) of the study sample respondents answered that they are strongly agree, (39) of (34.9%) agree, (28) of (26.2%) neutral, (10) of (8.9%) disagree and (1) of (0.8%) strongly disagree with that **The principles of economic dimension of governance contribute to coordination between individuals and units to avoid work duality.**

(15) individuals of (12.3%) of the study sample respondents answered that they are strongly agree, (29) of (25.9%) agree, (42) of (37.5%) neutral, (20) of (18.9%) disagree and (6) of (5.4%) strongly disagree with that **The economic dimension of governance reduce power conflict.**

(22) individuals of (19.6%) of the study sample respondents answered that they are strongly agree, (35) of (31.2%) agree, (28) of (25.0%) neutral, (21) of (18.8%) disagree and (6) of (5.4%) strongly disagree with that **The economic dimension of governance reduce the contradiction in objectives between parties related.**

(17) individuals of (15.2%) of the study sample respondents answered that they are strongly agree, (36) of (32.1%) agree, (40) of (35.7%) neutral, (16) of (14.3%) disagree and (3) of (2.7%) strongly disagree with that **Information the economic dimension of governance contribute to the control in the small enterprises.**

(25) individuals of (22.3%) of the study sample respondents answered that they are strongly agree, (36) of (32.2%) agree, (27) of (24.1%) neutral, (18) of (16.0%) disagree and (6) of (5.4%) strongly disagree with that **The economic dimension of governance enhance selecting the best alternative.**

**Main hypothesis: There is a statistically significant relationship between economic dimension of governance and (improving Efficiency and effectiveness of the accounting information system and strategic management decisions -making)**

	Regression coefficient	(T) Test	P-Value	Interpretation
B <sub>0</sub>	2.151	9.688	.000	Sig.
Improving efficiency and effectiveness of the accounting information system and management decision making	.539	8.352	.000	Sig.
Correlation coefficient (R)	0.632			
Determination coefficient (R <sup>2</sup> )	0.399			
(F) Test	69.762	Model is significant		
Model	$y_i = 2.151 + .539X_1$			

1. The results of estimation showed that there is a direct correlation between of economic dimension of governance as an independent variable and (improving efficiency and effectiveness of the accounting information system and strategic management decision making in small enterprises) as a dependent variable whereas the simple correlation coefficient value was (0.632).

2. The coefficient of determination value was 0.399, which shows that of economic dimension of governance contributes by (39.9%) to (improving efficiency and effectiveness of the accounting information system and strategic management decision making in small enterprises) as a dependent variable.

3. The mean for (improving efficiency and effectiveness of the accounting information system and strategic management decision making in small enterprises) when there is no economic dimension of governance was 2.151.

4. When economic dimension of governance increases this means (improving efficiency and effectiveness of the accounting information system and strategic management decision making in small enterprises) increases by .539.

Accordingly, the main hypothesis: (There is a statistically significant relationship between economic dimension of governance and improving efficiency and effectiveness of the accounting information system and strategic management decision making in small enterprises) is achieved.

**Hypothesis one: There is a statistically significant relationship between the economic dimension of governance and improving efficiency and effectiveness of the accounting information system in small enterprises in the Kingdom of Saudi Arabia.**

	Regression coefficient	(T) Test	P-Value	Interpretation
B <sub>0</sub>	1.366	5.859	.000	Sig.
Improving efficiency and effectiveness of the accounting information system B <sub>1</sub>	.705	10.400	.000	Sig.
Correlation coefficient (R)	0.712			
Determination coefficient (R <sup>2</sup> )	0.507			
(F) Test	108.150	Model is significant		
Model	$y_i = 1.366 + .705X_1$			

1. The results of estimation showed that there is a direct correlation between the economic dimension of governance as an independent variable and (improving efficiency and effectiveness of the accounting information system) as a dependent variable whereas the simple correlation coefficient value was (0.712).

2. The coefficient of determination value was 0.507, which shows that the economic dimension of governance contributes by (50.7%) to (improving efficiency and effectiveness of the accounting information system) as a dependent variable.

3. The mean for (improving efficiency and effectiveness of the accounting information system) when there is no economic dimension of governance was 1.366.

4. When the economic dimension of governance increase one unit this means (improving efficiency and effectiveness of the accounting information system) increases by .705.

Accordingly, the main hypothesis: (There is a statistically significant relationship between the economic dimension of governance and improving efficiency and effectiveness of the accounting information system in small enterprises in the Kingdom of Saudi Arabia) is achieved.

**Hypothesis two: There is a statistically significant relationship between the economic dimension of governance and strategic decision making in small enterprises in the Kingdom of Saudi Arabia.**

	Regression coefficient	(T) Test	P-Value	Interpretation
B <sub>0</sub>	2.561	8.886	.000	Sig.
Strategic decision making B <sub>1</sub>	.471	5.625	.000	Sig.

Correlation coefficient (R)	0.481	
Determination coefficient (R <sup>2</sup> )	0.232	
(F) Test	31.635	Model is significant
Model	$y_i = 2.561 + .471X_1$	

1. The results of estimation showed that there is a direct correlation between the economic dimension of governance as an independent variable and (strategic decision making) as a dependent variable whereas the simple correlation coefficient value was (0.481).

2. The coefficient of determination value was 0.232, which shows that the economic dimension of governance contributes by (23.2%) to (strategic decision making) as a dependent variable.

3. The mean for (improving efficiency and effectiveness of the accounting information system) when there is no economic dimension of governance was 2.561.

4. When the economic dimension of governance increase one unit this means (improving efficiency and effectiveness of the accounting information system) increases by .471.

Accordingly, the main hypothesis: (There is a statistically significant relationship between the economic dimension of governance and strategic decision making in small enterprises in the Kingdom of Saudi Arabia) is achieved

## **Findings and Recommendations**

### **Firstly: Findings**

The researchers came up with the following findings:

1. There is a statistically significant relationship between economic dimension of governance and (improving efficiency and effectiveness of the accounting information system and making strategic decisions in the small enterprises).

2. There is a statistically significant relationship between the economic dimension of governance and improving efficiency and effectiveness of the accounting information system in the small enterprises in the Kingdom of Saudi Arabia.

There is a statistically significant relationship between the economic dimension governance and making strategic decisions in the small enterprises in the Kingdom of Saudi Arabia.

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