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The Role Of The Economic Dimension Of Governance In The Quality Of Accounting Information In Small Enterprises

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Abstract:

This study aims to identify if the application of the role of the economic dimension of governance in the quality of accounting information in small enterprises.
The analytical and descriptive approach was adopted to measure to what extent the commitment the economic dimension of governance affects improving the quality of Accounting information in small enterprises in the Kingdom of Saudi, the study population consisted of almost from the small enterprises, including commercial, servic[1]e and industrial enterprises in the city of Riyadh , the sample of the study was selected of (115), the questionnaire was distributed to the random sample selected of the small enterprises. (115) 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 the economic dimension of governance and (improving the quality of accounting information in small enterprises). There is a statistically significant relationship between the economic dimension of governance and improving the quality of accounting information 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.

Keywords: *Economic Dimension, Governance ,Accounting Information*

Introduction:

Governance is characterized by three dimensions: the economic dimension, which includes achieving economic goals, commitment to financial disclosure, which includes the accounting system and reports of various types, and the application of internal control through audit and risk management committees in the facility, and the economic dimension of governance is an information system that provides information. Financial and non-financial, it helps the enterprise to develop its capital, multiply profits, and achieve sustainability in its business. The legal dimension, which is concerned with the company's commitment to national laws and legislation and regulating the relationship between it and stakeholders, and the environmental dimension, which is concerned with preserving the environment during the production process,

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and small enterprises are of great importance in achieving the gross product. Economic development is a tool in combating poverty and unemployment.

Accounting is described as an information system that isutilisedby entities to make different economic decisions(Bello, 2009). Many investors and stakeholders make their decisions based on the accounting information about the firm performance, which is provided by the financial reporting in annual reports.

An accounting information system is a collection of data and processing procedures that creates needed information for its users. - Accounting information system (AIS) can be defined as combination of general accounting practices with information technology resources (Investopedia). AIS is a modern method of accounting practices that uses computer system for processing data using special accounting software and information system infrastructure such as hardware.

Types of Accounting Information Systems:

There are very many different types of accounting information systems used in business organizations today. The size of the organization, the nature of its processes, the extent of computerization, and the philosophy of management all affect the choice of system.

There are three categories of accounting information systems, as follows:

1. Manual systems.

2. Legacy systems.

3. Modern, integrated IT systems.

Problem of the Study:

The quality of Accounting information 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 the economic dimension of governance which leads to the risk of quality of accounting information 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 the quality of accounting information in small enterprises.

Study Objectives:

The study aims to:

1. Identify if the application of the role of the economic dimension of governance in the quality of accounting information in the small enterprises in the Kingdom of Saudi Arabia
2. Clarify the effect of the application of the role of the economic dimension of governance in the quality of accounting information in small enterprises
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 quality of accounting information 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 the quality of accounting information in small enterprises in the Kingdom of Saudi Arabia?
4. To what extent does applying the economic dimension of governance affect improve the quality of accounting information in small enterprises in the Kingdom of Saudi Arabia?
5. To what extent do the economic dimension of governance reduce the challenges facing the quality of accounting information in small enterprises in the Kingdom of Saudi Arabia?

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 the quality of accounting information in the small enterprises in the Kingdom of Saudi Arabia.
2. There is a statistically significant relationship between the applying of economic dimension of governance and reducing the challenges facing the quality of accounting information in the small enterprises in the Kingdom of Saudi Arabia.

Study Methodology:

Study Method and Tools:

The analytical and descriptive approach was adopted to measure to what extent the commitment to the economic dimension of governance affect the quality of accounting information 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 (115), the questionnaire was distributed to the random sample selected of the small enterprises. (115) 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: 2023/2024.

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.

(Nasrin Azar*, Zarina ZakariaandNoor Adwa Sulaiman,2019) conducted a study entitled:

The QUALITY OF ACCOUNTING INFORMATION: RELEVANCE OR VALUE-RELEVANCE?

This study critically evaluates the qualitative characteristics of accounting information that can be drawn from the Financial Accounting Standard Board (FASB)/International Accounting Standard Board (IASB) Conceptual Framework and Value-Relevance studies that are motivated by users of accounting information.

The study findings: The value-relevance literature, which reported the associations between accounting numbers and common equity valuations, has limited implications or inferences for accounting information users. Although some scholars believe that the value relevance model indicates that accounting information is relevant and reliable (faithfully represented), it is, however, difficult to attribute the cause of the lack of value relevance to the relevance or the reliability aspects as the value relevance model does not distinguish between relevance and reliability.

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.

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).

Definition of Accounting information:

Romney & Steinbart (2009, 28) define an accounting information system as one that "collects, records, stores, and processes data to produce information for decision makers". Consequently, one may infer that it is information specifically geared for decision makers. They further specify that this information is meant to be "useful for decision making so that management can plan, execute, control, and evaluate activities, resources, and personnel". These are general management activities and, therefore, these authors seem to regard accounting information as equivalent to management information. Maines and Wahlen (2006, 401), on the other hand, define accounting information as "a representation of economic constructs that are embodied in a firm's commercial arrangements, transactions, and events that yield a firm's future cash flows". This means that accounting information is not only management information, but also information that is reported in internal and external financial statements. Therefore, it may be useful to restrict the concept of accounting information to information derived from financial information systems that are linked to the general ledger. The information from ERP systems will generally comply with this requirement.

Thus let's say that accounting information is information linked to accounting systems, which is used internally to inform managers as well as externally to provide necessary financial information to stakeholders.

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.

Data Analysis and Results

Field Study Procedures

Firstly: Study Population and Sample

Analysis of the Study Sample Demographic Information

Table (1): Gender

	Frequency	**Percent**
Female	100	87%
Male	15	13%
Total	115	100.0%

The table (1) above shows the gender distribution of the study sample; there were 100 with 87% females and 15 with 13% males. This indicates that most of the study sample were females.

Table (2): Age

	Frequency	**Percent**
From 25 years to less than 30 years	20	17.4%
From 30 years to less than 35 years	36	31.3%
From 35 years to les than 40 years	35	30.4%
40 years and above	24	20.9%
Total	115	100.0%

The table (2) above shows the age distribution of the study sample; there were 20with 17.4% their age between (25 - 30), 36 with 31.3% their age between (30-35), 35 with 30.4% their age between (35 -40) and 24 with 29.9% 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	42	36.5%
Economics	54	47 %
Business Administration	19	16.5%
Total	115	100.0%

The table (3) above shows the scientific specialization distribution of the study sample; there were40 with 36.5% their scientific specialization accounting, 54 with 47% economics and 19 with 16.5% 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	7.8%
(From 4 to 6 years)	26	22.6%
(From 7 to 10 years)	23	20%
(More than 10 years)	57	49.6%
Total	115	100.0%

The table (4) above shows the distribution of the study sample number of years in service; there were 9 7.8% their number of years in service (3 years and less), 26 with 22.6% (from 4 to 6 years), 23 with 20% (from 7 to 10 years) and 57 with49.6% (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	73.9%
Non-Saudi	30	26.1%
Total	115	100.0%

The table (5) above shows the distribution of the study sample nationality; there were 85 with 73.9% Saudi, 30 with 26.1% 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 the quality of accounting information 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

	Agreement degree				
Statement	**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. The quality of accounting information 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 ensure 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. Quality of accounting Information 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. The quality of accounting information 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. The quality of accounting information contribute to providing information necessary for managerial decision making.	25	49	31	5	2
	22.3	43.7	27.6	4.5	1.9

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 **The quality of accounting information 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 the 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 **Quality of accounting Information 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 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 **The quality of accounting information 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 **. The quality of accounting information contribute to providing information necessary for managerial decision making.**

Hypothesis two: There is a statistically significant relationship between the applying of economic dimension of governance and reducing the challenges facing the quality of accounting information 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

	Agreement degree				
Statement	**Strongly agree**	**Agree**	**Neutral**	**Disagree**	**Strongly disagree**
1. Applying of economic dimension of governance lead to reducing the challenges facing the quality of accounting information.	14 12.5	32 28.6	30 26.8	29 25.9	
2. The principles of economic dimension of governance contribute to effective accounting information.	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

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

Applying of economic dimension of governance lead to reducing the challenges facing the quality of accounting information

(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 principles of economic dimension of governance contribute to effective accounting information.**

(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 principles of 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 principles of 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 principles of 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 principles of 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 **The principles of 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 principles of economic dimension of governance enhance selecting the best alternative**.

Main hypothesis: There is a statistically significant relationship between economic dimension of governance and (improving the quality of accounting information)

	Regression coefficient	(T) Test	P-Value	Interpretation
B_0	2.151	9.688	.000	Sig.

improving the quality of accounting information	.539	8.352	.000	Sig.
Correlation coefficient (R)	0.632			
Determination coefficient (R^2)	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 the economic dimension of governance as an independent variable and (improving the quality of accounting information) 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 economic dimension of governance contributes by (39.9%) to (improving the quality of accounting information in small enterprises) as a dependent variable.
3. The mean for (improving the quality of accounting information in small enterprises) when there is no economic dimension of governance was 2.151.
4. When economic dimension of governance increases this means (improving the quality of accounting information in small enterprises) increases by .539.

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

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

	Regression coefficient	(T) Test	P-Value	Interpretation
B_0	1.366	5.859	.000	Sig.
improving the quality of accounting information B_1	.705	10.400	.000	Sig.
Correlation coefficient (R)	0.712			
Determination coefficient (R^2)	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 the quality of accounting information) 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 the quality of accounting information) as a dependent variable.
3. The mean for (improving the quality of accounting information) when there is no economic dimension of governance was 1.366.
4. When the economic dimension of governance increase one unit this means (improving the quality of accounting information) increases by .705.

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

Hypothesis two: There is a statistically significant relationship between the applying of economic dimension of governance and reducing the challenges facing the quality of accounting information in the small enterprises in the Kingdom of Saudi Arabia.

	Regression coefficient	(T) Test	P-Value	Interpretation
B_0	2.561	8.886	.000	Sig.
challenges facing the quality of accounting information B_1	.471	5.625	.000	Sig.
Correlation coefficient (R)	0.481			
Determination coefficient (R^2)	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 (reducing the challenges facing the quality of accounting information)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 (reducing the challenges facing the quality of accounting information) as a dependent variable.
3. The mean for (improving quality of accounting information) when there is no the economic dimension was 2.561.
4. When the economic dimension of governance increase one unit this means (improving quality of accounting information) increases by .471.

Accordingly, the main hypothesis: (There is a statistically significant relationship between the economic dimension of governance and improving quality of accounting information 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 the economic dimension of governance and (improving quality of accounting information in the small enterprises).

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

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

Secondly: Recommendations

1- Paying attention to applying accounting principales that achieve disclosure and transparency.
2- Conduct more accounting studies related to measure the quality of accounting information in various economic units .
3- Benefiting from the advantage of applying governance for small enterprises and developing a comprehensive measure for the performance of economic units .
4- Spreading awareness among employees of the importance of applying governance for small enterprises .
5- Applying governance mechanisms for small enterprises , which plays it is role in improving yhe quality of accounting information .
6- Commitment and work to improve the quality of accounting information.

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