

The Importance Of Environmental Dimension Of Governance And Modern Technologies In Enhancing The Efficiency Of The Performance Of Small Enterprises In The Kingdom Of Saudi Arabia A Field Study On Small Enterprises Sample In Khamis Mushait Province

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Abstract:

The study investigated the importance of environmental dimension of governance and modern technologies in enhancing the efficiency of the performance of small enterprises in the kingdom of Saudi Arabia. The study aimed to identify to what extent the environmental dimension of governance and modern technologies affects enhancing the efficiency of the performance of small enterprises. The researcher adopted the analytical descriptive in order to verify the hypothesis: there is no a statistically significant relationship between the environmental dimension of governance and ¹modern technologies in enhancing the efficiency of the performance of small enterprises. The researchers came up with the following findings: there is a statistically significant relationship between the environmental dimension of governance and enhancing the efficiency of the performance of small enterprises, there is a statistically significant relationship between the modern technologies and enhancing the efficiency of the performance of small enterprises.

Keywords: Governance, Environment ,Technologies ,Performance.

1. Introduction:

Small enterprises, in order to be able to build a successful profitable business, they should ensure that the environment in which the company operates valid, suitable and appropriate to practice the company's activity and include components that facilitate success such as legislations and laws, control, purchasing power and other economic, social and political factors. Small enterprises also have internal environment factors the most important include the right people with the willingness and commitment to achieve the company's strategy and vision. The internal environment also should provide financial resources, regulations, policies and organizational structure that are sufficient to achieve the vision.

1-1Study problem:

The Corona pandemic (Covid-19) crisis prevented Small enterprises 'objectives in the Kingdom of Saudi Arabia from being achieved as required. Those challenges cannot be overcome unless there is a model that helps enhance and improve the economic and financial performance of the Small enterprises and gives high confidence to investors,

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shareholders and community that appropriate growth rates will be achieved and also facilitates their obtaining financing from financial institutions.

1-2 Study objectives:

The study aims to:

1. Identify to what extent environmental dimension of governance and modern technologies affects enhancing the efficiency of the performance of Small enterprises in the Kingdom of Saudi Arabia.
2. Encourage researchers and students to conduct further studies and research on this field to enrich knowledge and address what was not addressed in this study.

1-3 Study hypotheses:

The study verifies the following hypotheses:

1. There is no a statistically significant relationship between the environmental and enhancing the efficiency of the performance of Small enterprises.
2. There is no a statistically significant relationship between the modern technologies and enhancing the efficiency of the performance of Small enterprises .
3. There is no a statistically significant relationship between the environmental dimension of governance and demographic variables.

1-4 Study significance:

Small and medium enterprises are considered significant economic tributaries for the following reasons:

1. They contribute to the national product of states and recruit a large number of technical workers.
2. They contribute to moving the economic wheel and cover a large part of community needs.

2. Literature review:

2.1 Previous studies:

Abdelgalil et al (2022) study investigated the environmental governance and its relationship with the sustainable development: a conceptual and theoretical study. The study aimed to discuss the environmental governance and its relationship with the sustainable development conceptually and theoretically. The study adopted an environmental entrance in analyzing issues. The study concluded the following: the environmental governance plays a role in improving sustainable development indicators and achieving an environmental security for government. The environmental governance is one of the most important effective work mechanisms.

Masoud (2020) study investigated the role of governance in corporate sustainability and achieving Saudi Vision 2030: a comparative study between Saudi corporate system and Islamic Sharia. The study aimed to identify the role of governance in corporate sustainability and achieving Saudi Vision 2030 comparing between Saudi corporate system and Islamic Sharia. The study concluded that applying governance in Saudi corporate system leads to effectiveness, responsibility, enforcement of contracts, and the growth of Saudi companies to become giants, and this creates wealth and fights poverty. Governance plays a role in attracting foreign investment, improving competitiveness, achieving Saudi Vision 2030 and sustainable development in accordance with the Islamic Sharia approach.

Arab international economic newspaper (2023) study investigated the funds of environmental and social governance. The study aimed to shed light on the funds of environmental and social governance and their investments in Saudi listed companies. The study concluded that Saudi companies that commit to the disclosure standards of

environmental and social practices and corporate governance can attract foreign cash flows from specialized funds. The platform "Morning Star Direct" published that the number of funds specialized in environmental governance investment that Saudi Stock Market attracted have increased more than doubled in less than 18 months. The standards of governance compatible with global trends and the principles of Saudi Vision 2030 related to environment and social disclosure principles for listed companies with the aim of urging companies to adopt clean technologies and reduce emissions, toxic waste and negative climate impacts. In social aspects, there are measurement of companies commitment to social responsibility, human capital growth and fairness in employment and treatment.

2.2 Corporate governance concept:

There are many definitions of the term corporate governance; there is no unified and agreed-upon definition, the most important in terms of the meaning of the study's problem: The Organization for Economic Co-operation and Development defines governance as "the distribution of rights and responsibilities among the various participants in the company, such as the board of directors, managers, shareholders, and other stakeholders." It also sets out the rules and procedures for making decisions regarding the company's affairs. It provides the structure through which the company's objectives and the means of achieving them can be set and controlled.

Sir Adrian Cadbury defines corporate governance as "it is based on a balance between economic and social objectives and the objectives of individuals and community". The objective is to bring the economic and social objectives and the objectives of individuals and community closer together. The objective is to bring the interests of individuals, companies, and community as a whole closer together.

According to Mousawy (undated), corporate governance is defined as "the system through which the organization's work is directed and controlled at the highest level in order to achieve its objectives and meet the necessary standards of responsibility, integrity and transparency." The Saudi Vision 2030 states that government allocates services and improves business environment, which would contribute to attracting the best global competencies and qualitative investments to achieve effectiveness and responsibility.

Ahmed (2012) pointed out the impact of applying governance principles in small enterprises. The study showed that good governance frees shareholders from administrative or executive tasks, which reduces conflicts between shareholders who hold management positions and other shareholders, especially when the number of shareholders is limited.

The Anti-Corruption Commission was established by Royal Order No. (A/65) dated 4/13/14432 AH to protect integrity and combat corruption.

2.3 Governance principles:

It is a set of rules, systems and procedures that achieve the best protection and balance between the interests of the company's managers shareholders and other stakeholders. They provide it with transparency and accountability that beneficial to small and medium enterprises sector which represent a tool for attracting investment. It is the sustainable solution to reduce poverty and achieve economic development and social well-being.

The most important principles of governance that cause quality sustainable performance are :

First principle: to ensure that there is a basis for an effective corporate governance framework.

Second principle: to protect shareholders and facilitate the exercise of their rights.

Third principle: to provide equal treatment of shareholders.

Fourth principle: to provide disclosure and transparency.

2.4 Corporate governance characteristics:

Corporate governance is characterized by several characteristics, including:

- Discipline: to follow an appropriate and correct ethical behavior in performing work.
- Transparency: to provide a true image of everything that is happening, which focuses on credibility, clarity, disclosure, and participation.
- Independence: to achieve it through the presence of a chairman of the board of directors who is independent from the senior management, the presence of a supervisory board of directors independent from the executive board of directors, and the presence of an audit committee headed by an independent board member.
- Accountability: to allow an employee to be held accountable for specific actions and responsible for performing the work and assuming the position. The availability to evaluate and estimate the performance of the board of directors and the executive management, so that the governance system allows the company to be held accountable to all shareholders and provide guidance to the company's board of directors on how to develop the company's strategy and control management.
- Responsibility: To be responsible to all interested parties in the company.
- Fairness: To respect the rights of the various stakeholder groups in the company, and the company pledges to protect the interests of shareholders and treat them equally, including small shareholders.
- Social responsibility: To be responsible towards stakeholders.

2-5 what is the meaning of IT governance?

IT governance is a component of corporate governance, which aims to improve the overall management of IT and extract improved value from investment in information and technology.

2-6 Modern, integrated IT systems:

In today's AIS environment, numerous accounting software systems are available for purchase that integrate many or all of the business processes within an organization. In the early days of computer automation of accounting, much of the accounting software was developed and written internally by the organization's IT staff. Today, companies more frequently purchase software rather than develop it internally. Often, purchased systems are modified by the IT staff to meet specific needs of the organization. The new programs sold by software development companies are more user friendly than legacy accounting systems, typically utilize the latest technology in data storage and Internet interfaces, and offer clients powerful, technologically advanced systems that serve as an important part of the accounting information system. There are many advantages to purchasing accounting software rather than developing software in-house. Purchased software has a lower cost, shorter implementation time, and fewer bugs. The cost is lower because the development cost can be spread across the many companies that purchase the software, rather than being absorbed completely by the company that developed the software. Implementation time is shorter because it is no longer necessary for the companies to design and program their own

accounting systems. Finally, these software systems have fewer bugs because they are not sold until they are fully developed, tested, and proven reliable

2-7 the role of technology in developing corporate governance:

The role of technology in developing corporate governance and its branches by highlighting the use of information and technology to facilitate the performance of management tasks, as is the case in risk management, total quality management, and the ISO quality management system in general. Technology has become an urgent need in corporate governance due to the necessity of intensifying and focusing efforts. To give the organization's strategic goals high value, and to contribute to managing the performance of officials and managing them to achieve this value in the best way in line with stakeholders. The role of technology is also evident in the context of corporate governance by linking technologies with each other to impose control and supervision on how information is used in managing Processes and activities. In the business world, technology has a role in focusing on management, performance, and adding value to the achievements achieved to encourage desired behaviors and choose the most appropriate decision using information technology.

3. Study methodology:

3.1 Study method and tools:

The analytical and descriptive approach was used to measure the importance of environmental dimension and modern technologies in enhancing the efficiency of the performance of Small enterprises, through collecting primary and secondary data from previous literature (previous research and studies) in addition to preparing a questionnaire as study tool which was designed to an electronic link and directed to a random sample of the small enterprises employees and to a number of specialized experts to benefit from their opinions and suggestions, in order to verify the validity and reliability of the questionnaire. The validity and reliability of the tool was confirmed using the Cronbach Scale.

3.2 Study population:

The population of the study consisted of () from small enterprises located in Khamis Mushait province southwest the Kingdom of Saudi Arabia in Asser region. It was established in 1419 AH during the visit of the Custodian of the Two Holy Mosques King Abdalla bin Saud when he was the Crown Prince on 1/9/1419 AH as he issued a decision to merge the two branches of Imam Mohammed bin Saud Islamic University and King Saud University in Aseer under King Khalid University.

3.3 Study sample:

The study sample consisted of (75) individuals. The questionnaires which was distributed to a random sample of small enterprises employees were answered by (86.7%) of the study population which consisted of (65) individuals.

3.4 Study limits :

Spatial limits: Khamis Mushait.

Time limits: 2024.

4. Study results:

4.1 Study population and sample analysis:

A convenience sample was selected randomly from small enterprises in Khamis Mushait. (75) Questionnaires were distributed, (65) (86.7%) of them were retrieved valid which then used in the analysis. In order the study obtains accurate results the researchers ensure the diversity of the sample.

4.2 Statistical tools used in the analysis :

The researchers adopted the questionnaire as tool for data collection from the study sample.

The respondents' opinions were coded so that they can be incorporated into computer in order to be analyzed as follow:

The responses to the questionnaire according to the Five-point Likert scale were as follow:

Table (1): Five-point Likert scale

Classification	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
Degree	5	4	3	2	1

Source: prepared by the researcher based on the questionnaire 2022

4.3 Data analysis

Hypothesis one: there is a statistically significant relationship effect of the environmental dimension of governance and modern technologies in enhancing the efficiency of the performance of Small enterprises.

Table (2): frequency and percentage distribution of the respondents' answers for the hypothesis statements

No	Statements	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
1	Environment standards combat corruption and mismanagement and enhance the efficiency of the performance of Small enterprises.	33	23	2	6	1
		50.8%	35.4%	3.1%	9.2%	1.5%
2	Encourage the application of the principles of transparency, integrity disclosure and financial Small enterprises effectiveness.	12	16	15	19	3
		18.5%	24.6%	23.1%	39.2%	4.6%
3	Contribute to increasing productivity and enhancing Small enterprises performance.	18	23	21	3	0
		27.7%	35.4%	32.3%	4.6%	0%
4	Facilitate the stability of financial market, Small enterprises performance and doubling stock price.	8	22	21	14	0
		12.3%	33.8%	32.3%	21.5%	0%

5	Establish ethical standards for business and Small enterprises performance quality.	13	21	10	20	1
		20%	32.3%	15.4%	30.8%	1.5%
6	Environment governance gives prioritize to resources and limits conflicts between employees.	27	19	9	7	3
		41.5%	29.2%	13.8%	10.8%	4.6%
7	Environment standards encourage caring for the environment, confronting disasters and effective Small enterprises performance.	15	24	19	7	0
		23.1%	36.9%	29.2%	10.8%	0%
8	Environment governance contributes in efficient performance ,define objectives and establish operations and evaluate Small enterprises performance.	13	25	20	6	1
		20%	38.5%	30.8%	9.2%	1.5%

Source: prepared by the researcher based on the questionnaire 2022

The table (2) above shows the following:

1. The majority of the study sample respondents (86.2%) agree with the statement (Environment standards combat corruption and mismanagement and enhance the efficiency of the performance of Small enterprises), while only (10.7%) disagree and (3.1%) neutral; this indicates that the study sample responses go to the positive direction of the study.

2. Many of the study sample respondents (43.1%) agree with the statement (Encourage the application of the principles of transparency, integrity disclosure and Small enterprises performance effectiveness), while (43.8%) disagree and (23.1%) neutral; this indicates that the study sample responses go to the positive direction of the study.

3. Most of the study sample respondents (60.1%) agree with the statement (Contribute to increasing productivity and enhancing Small enterprises performance), while (4.6%) disagree and (32.3%) neutral; this indicates that the study sample responses go to the positive direction of the study.

4. Most of the study sample respondents (46.1%) agree with the statement (Facilitate the stability of financial market, Small enterprises performance and doubling stock price.), while (21.5%) disagree and (32.3%) neutral; this indicates that the study sample responses go to the positive direction of the study.

5. Most of the study sample respondents (52.3%) agree with the statement (Establish ethical standards for business and Small enterprises performance quality.), while (32.3%) disagree and (15.4%) neutral; this indicates that the study sample responses go to the positive direction of the study.

6. Most of the study sample respondents (70.7%) agree with the statement (Ensure the principles of commitment to the social responsibility and Small enterprises performance enhancement), while (15.4%) disagree and (13.8%) neutral; this indicates that the study sample responses go to the positive direction of the study.

7. Most of the study sample respondents (69%) agree with the statement (Environment standards encourage caring for the environment, confronting disasters and effective Small enterprises performance.), while only (10.8%) disagree and (29.2%) neutral; this indicates that the study sample responses go to the positive direction of the study.

8. Most of the study sample respondents (58.5%) agree with the statement (Environment governance gives prioritize to resources and limits conflicts between employees.), while only (10.7%) disagree and (30.8%) neutral; this indicates that the study sample responses go to the positive direction of the study.

4.4 Hypotheses discussion

There is a statistically significant relationship effect of the environmental dimension of governance and modern technologies in enhancing the efficiency of the performance of Small enterprises

Dependent variable Independent variables	performance of Small enterprises			
	B	T	F	R
Environmental dimension of governance and modern technologies	1.764	13.971	195.154	0.933

Source: prepared by the researcher based on the questionnaire 2023

The estimation of the environmental dimension of governance and modern technologies on enhancing the efficiency of the performance of Small enterprises shows that there is significant effect on the performance of Small enterprises; this was indicated by the regression coefficient value 1.764; this means if the environmental dimension of governance and modern technologies increase by one unit the performance of Small enterprises increases by -.632- which is a significant effect. t value = 13.971 because it is more than its tabular value (1.02) at the significant level (0.05); the result is significant. The environmental dimension of governance and modern technologies effect on enhancing the efficiency of the performance of Small enterprises by the coefficient of determination ($R^2=0.871$) means that the environmental dimension of governance and modern technologies interprets the value 87.1% of the change in the performance of Small enterprises; the rest part refers to random variables which cannot be controlled or are not included into the regression model. This means that the hypothesis is achieved.

4.5 The results:

1. Environment governance contributes in efficient performance, define objectives, establish operations and evaluate Small enterprises performance.
2. Environment governance gives prioritize to resources customize and limits conflicts between employees .
3. There is a statistically significant relationship between the environmental dimension of governance and enhancing the efficiency of the performance of Small enterprises in the kingdom of Saudi Arabia .
4. There is a statistically significant relationship between the modern technologies and enhancing the efficiency of the performance of Small enterprises in the kingdom of Saudi Arabia.
5. The environmental dimension of governance establish ethical standards for business and performance of Small enterprises quality.

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