

DOI: 10.5281/zenodo.11425155

THE IMPORTANCE OF STRATEGIC GOVERNANCE MECHANISMS IN ENHANCING EFFICIENCY AND CREATING ADDED VALUE IN SMALL COMPANIES IN THE KINGDOM OF SAUDI ARABIA

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Received: 15/09/2025
Accepted: 09/12/2025

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ABSTRACT

The study addressed the importance of strategic governance mechanisms in enhancing efficiency and creating added value in small companies in the Kingdom of Saudi Arabia. The problem of the study was to examine the importance of strategic governance mechanisms in enhancing efficiency, creating added value, and reducing business challenges in small companies. The importance of the study represented in the significant role of strategic governance mechanisms in achieving efficient investment portfolio management, enhancing investment value creation in small companies in Saudi Arabia, and addressing the challenges facing small companies. The study aimed to understand the role of strategic governance mechanisms in the efficient management of investment portfolios in small companies in the Kingdom of Saudi Arabia. The analytical and descriptive approach was used to measure the role of the strategic governance framework in creating added value in small enterprises in the Kingdom of Saudi Arabia by collecting primary and secondary data from previous literature (from previous research and studies) to test the study hypothesis of a statistically significant relationship between the application of strategic governance mechanisms. The study was carried out on the population of some companies A sample was randomly selected of (55) from the staff of companies. A questionnaire was designed and distributed to the study sample. The study concluded that there is a statistically significant relationship between the application of strategic governance and the efficiency of investment portfolio management in small enterprises. The study recommends working to align the project selection with the organization's goals and priorities. The portfolio should be modeled with an analysis of the best and worst cases to determine the risk-reward ratio. This research was supported by small research groups at the Deanship of Scientific Research - King Khalid University - Saudi Arabia (RGP.1/119/46)

KEYWORDS: Investment Conservatism, Investment Value, Strategic Governance.

1. INTRODUCTION

Strategic governance includes a set of relationships between company managers, the board of directors, shareholders, and other stakeholders.

(Mikhail, 2005, 5) pointed out its importance in managing investment portfolios and creating added value by mitigating risks and challenges. It is a state, process, and direction. It is also an immune and protective system necessary to control the movement, direction, and integrity of all actions and behaviors within companies. It is an administrative process exercised by the supervisory authority, both inside and outside companies, across several stages. This process relies on ethics and conscience; the definition includes aspects of the concept of governance.

1.1. Study Problem

Small businesses face challenges related to effective management, creating added value, and mitigating business challenges. They also face a lack of commitment to implementing a strategic governance framework that ensures

encouraging investment in capital markets and achieving the highest levels of quality in accounting information in terms of relevance, credibility, and comparability. This also increases understanding and comparison between investment alternatives and enables decision-making related to resource allocation.

The study problem was to examine the importance of strategic governance mechanisms in enhancing efficiency, creating added value, and mitigating business challenges in small businesses.

1.2. Importance of the Study

The importance of the study represented in the significant role of strategic governance mechanisms in achieving efficient investment portfolio management, enhancing investment value creation in small companies in Saudi Arabia, and addressing the challenges facing small companies.

1.3. Objectives of the Study

The study aims to:

1. Identify the role of strategic governance mechanisms in the efficient management of investment portfolios in small companies in the Kingdom of Saudi Arabia.
2. Explain the importance of strategic governance mechanisms in creating investment value for small companies in Saudi Arabia.
3. Identify the role of strategic governance mechanisms in mitigating the challenges faced by small companies in Saudi Arabia.

1.4. Study Hypotheses:

1. There is a statistically significant relationship between the application of strategic governance mechanisms and the efficiency of investment portfolio management in small companies.
2. There is a statistically significant relationship between the application of strategic governance mechanisms and the creation of added value in small companies.
3. There is a statistically significant relationship between the application of strategic governance mechanisms and addressing business challenges in small companies.

2. STUDY METHODOLOGY

2.1. Study Method and Tools

The analytical and descriptive approach was used to measure the role of the strategic governance framework in creating added value in small businesses in the Kingdom of Saudi Arabia. This approach was used to collect primary and secondary data from previous literature (previous research and studies). A study tool was also developed, consisting of a questionnaire designed via an electronic link and directed at a random sample of small businesses in the Kingdom of Saudi Arabia. The link was also distributed to a pilot sample of managers and employees of small businesses in the Kingdom. A number of specialized experts were also consulted to benefit from their opinions and suggestions, to verify the consistency, validity, reliability, and validity of the questionnaire using well-known scales (such as the Cronbach Scale).

2.2. Study Boundaries

Spatial limits: Khamis Mushait City

Time limits: 2024/2025

2.3. Previous Studies

1. Study (Malika, 2025)

The study aimed to determine the impact of banking governance mechanisms on economic value added (EVA). The study used a historical approach and statistical analysis. The study demonstrated that governance contributes to improving performance and reducing risk, and there is a significant relationship between the implementation of governance and increased EVA, highlighting the importance of adhering to governance standards to enhance banks' financial performance.

2. Study (Abdulkarim, 2021)

The study aims to know the extent of the contribution of the Economic Value Added (EVA)

index in determining the market value of the economic institutions listed on the Saida Group Stock Exchange. The study used the historical approach and the statistical analysis approach. The Economic Value Added (EVA) index provided good results on the performance of the Saida Group. The study showed that there is a weak relationship between the study variables, so the Economic Value Added (EVA) index cannot be considered a determinant of the market value of the Saida Group.

3. Study (Katea, 2021)

The study aims to highlight the impact of information systems on the effectiveness of human resources and their suitability for improving performance and decision-making. Using descriptive statistical analysis and SPSS statistical analysis, the study concluded that enhancing the role of information systems as the management interface in decision-making governance and implementing administrative information systems in a manner consistent with the nature of the economic, service, and production unit in business economics. It also aims to engage employees in development courses to increase administrative and productivity knowledge, in a manner consistent with the nature of the work they are assigned. Workshops should also be held to explain the decision-making process, opening the way for researchers to study information systems.

4. Study (Khrais, 2020)

The study aimed to investigate the impact of governance dimensions on decision-making in private Jordanian universities in the northern region. Using SPSS statistical analysis, the study concluded that the mandatory implementation of governance dimensions has a positive impact on the availability of information and personal skills of decision-makers, as well as the development of effective communication mechanisms between shareholders and the board of directors, as well as on the discussion of decisions and available information.

5. Study (Khrais, 2020)

The study aimed to highlight the role of governance in encouraging investment in capital markets by achieving the highest levels of quality in accounting information in terms of relevance, credibility, and comparability, increasing understanding and interpretation in light of the information needs of the investment environment, neutral disclosure, reducing asymmetry for all parties, and information for evaluating available investment opportunities, comparing investment alternatives, and making decisions related to the

allocation of resources. Statistical analysis using SPSS was used. The study concluded that governance plays an important role in encouraging investment in capital markets by achieving the highest levels of quality in accounting information in terms of relevance, credibility, and comparability, increasing understanding and interpretation in light of the information needs of the investment environment, neutral disclosure, reducing asymmetry for all parties, information for evaluating available investment opportunities, comparing investment alternatives, and making decisions related to the allocation of resources.

2.4. Strategic Governance

2.4.1. Introduction

With rapid developments and changes, the importance of strategic governance has increased in the efficiency of investment portfolio management and its impact on creating added value.

Strategic governance is considered a success factor in investment portfolio management. It ensures the selection of appropriate projects for investment, intelligent work, and the avoidance of directly creating a physical product. It also enables the efficient use of available resources and the building of a long-term competitive advantage.

Using available resources in correct way is what defines your investment portfolio's position in relation to achievable goals. It allows you to discover new business opportunities and experiment with new strategies. Focusing on market shifts helps position you favorably within your industry. Portfolio management also helps foster innovation and improvement.

2.4.2. Value Creation in Strategic Governance

Value creation in corporate governance takes the form of transparent communication with stakeholders regarding objectives, performance, and assets. This clarity maintains a balance between internal initiatives and stakeholder engagement, and decision-making is enhanced when these visions are aligned. <https://www.imd.org>

2.4.3. Transparency in Governance

Transparency is a concept based on clarity and openness in the exchange of information and decision-making. It is one of the pillars of good governance and accountability. <https://www.aljazeera.net>.

Strategic governance rules related to managing your investment portfolio and creating added value in small companies.

A strategic governance framework relates to the structure and rules for good portfolio management.

This adds strategic investment objectives and increases project value.

This includes:

1. Assigning responsibility and authority to all individuals working within the organization, including leaders, managers, and employees.
2. Establishing general procedures for project initiation, inspection, and licensing.
3. How resources can be shared and issues

resolved at the portfolio level.

4. It also provides a framework for obtaining frequent status and updates on the performance of your portfolio.

Components of a Successful Strategic Governance Plan

The success of a governance plan depends on the active role and responsibility of everyone involved.

This means:

Table 1: Roles, responsibilities, and key stakeholders in strategic portfolio and project governance.

The Role	Responsibilities	Stakeholder
strategic decision makers	Aligning the portfolio with the organization's goals, providing funding and resources, and monitoring portfolio performance	Executive Sponsors
Portfolio supervision and coordination	Manage interdependencies, optimize resource utilization, and report on portfolio progress.	Program Managers
Implementation of the tactical project	Deliver projects on time, within budget, and to the required quality standards.	Project Teams
https://www.imd.org (Malika. Daoud, 2025 AD)		

2.5. The Role of Strategic Governance in Enhancing Value Creation

Optimizing the value within your project portfolio is one of the most important components of business success. Strategic governance enables organizations to unleash significant value generation. It balances your portfolio and is remarkably efficient in managing resources. It actually delivers profound results and puts your organization on the right path.

Strategic governance mechanisms mitigate business challenges in three areas.

Determining the appropriate project to be implemented should be guided by the overall objectives and goals of the organization undertaking the project.

- Coordinating resources for optimal utilization.
- Implementing sound risk control measures that will help avoid incidents that could create negative impacts.
- Encouraging teamwork and discussion among members of different projects.

She pointed out the role of strategic governance mechanisms in addressing business challenges and their impact on business success (Malika Daoud, 2025).

2.6. The Role of Strategic Governance Mechanisms in Addressing Business Challenges and their Impact on Business Success

- Enhance competitive advantage
- Accelerated growth and profitability
- Increased organizational agility
- Sustainable market leadership

2.7. Benefits of Strategic Governance

- Stronger strategic alignment
- Optimal resource allocation
- Increased innovation and flexibility
- Improved decision-making
- Aligning project selection with organizational goals and priorities
- Optimizing resource allocation to ensure efficient utilization
- Implementing robust risk management strategies to mitigate potential obstacles
- Enhancing collaboration and communication across project teams
- Leveraging data-driven insights to make informed decisions

<https://www.imd.org>

Business challenges are enhanced and addressed through the introduction of portfolio optimization techniques.

1. Portfolio modeling with best-case and worst-case analysis to determine risk-reward ratios.
2. Project selection and prioritization methodologies to identify projects with the greatest impact.
3. Mapping interdependencies to achieve interdependencies, synergies, and dependencies.
4. Organizations are now prioritizing new, flexible delivery structures to improve overall resilience and responsiveness.

Resource management and resource allocation are vital organizational competencies for maximizing value.

- Dynamic pooling of resources to achieve optimal resource utilization.

- The ability to match resources with skills to a specific project or function to ensure the appropriate talent deployment.
- The ability to match skilled resources to a specific project or function to ensure the right talent is deployed.
- The ability to plan for the capacity needed to handle increased project demands.
- Using load balancing across projects to reduce workload intensity is vital to maximize value.
- Strategic governance enables targeted resource allocation, such as:
 - Dynamically pooling resources to optimize utilization
 - Skill-based resource matching to ensure the right talent is assigned
 - Capacity planning to anticipate and meet evolving project requirements
 - Load balancing between projects to distribute workloads evenly.

Due to these strategies, will maximize the potential of your portfolio, leading to sustainable business success.

3. FIELD STUDY

3.1. Study Population

The study population consisted of (small businesses in the Kingdom of Saudi Arabia) small businesses, comprising approximately a group of commercial, service, and industrial companies in the city of Khamis Mushait.

A. Study Sample

The questionnaire was distributed to a random sample of small businesses as a study sample. A total of (46) questionnaires were completed, representing (81%) of the study population of (55) individuals.

C. Study Tools

Primary Studies: Include field studies and questionnaires.

Secondary Studies: Include previous studies, books, magazines, blogs, and the Internet.

First, The Study Population and Sample

The study population consists of (small companies in the Kingdom of Saudi Arabia). The sampling method was adopted because it is impractical to survey every element of the population, and even if it were possible, time, cost, and other human resources would prevent the researcher from doing so (Sekaran, 2006). The study sample represents a portion and a subset of the study population. Convenience sampling (non-quota

sampling) was used during the exploratory phases of research projects because it allows the researcher to collect data from members of the population who are in comfortable conditions for the researcher to collect data (Saunders et al., 2009). It relies on the researcher's experience and knowledge that this or that individual represents the population. According to (Omasekkaran), the larger the research population, the larger the sample. Therefore, the maximum sample size is 354 individuals from the selected population.

Table 1: Five-point Likert Scale.

The Phrase	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
the weight	5	4	3	2	1
Source: Prepared by the researcher from field study data using SPSS-2025.					

The table above shows that the hypothetical mean is : $\frac{1+2+3+4+5}{5}=3$

$$\text{Class length} = \frac{(\text{lower limit alternative} - \text{upper limit alternative})}{(\text{number of levels})}$$

$$\text{the length of the class} = \frac{5-1}{5} = 0.8$$

Thus, the respondents' opinions on the statements in the table above are as follows:

Table 2: Classification According to the Five-point Scale.

The Phrase	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
The weight	5 - 4.2	4.2-3.4	3.4-2.6	2.6- 1.8	1.8 - 1
Source: Prepared by the researcher from field study data using SPSS-2025					

3.2. Validity and Reliability Testing of the Study Tool

Reliability Coefficient: This refers to the stability of the scale and its lack of self-contradiction. This means that it produces the same results if reapplied to the same sample. To test the reliability of the questionnaire questions, the researcher used Cronbach's alpha coefficient, which takes values ranging from zero to one. If the data are not stable, the coefficient value is zero. Conversely, if there is complete reliability, the coefficient value is equal to one. The closer the reliability coefficient value is to one, the higher the reliability, and the closer it is to zero, the lower the reliability. Generally, a coefficient below 60% is considered weak, a coefficient within 70% is considered acceptable, and a coefficient of 80% is considered good. Validity, which indicates that the scale measures what it was designed to measure, is mathematically equal to the square root of the reliability coefficient value.

The researcher used Cronbach's alpha coefficient to measure the stability of the questionnaire if any of the questionnaire's phrases were deleted, as the stability coefficient for each axis was in the range (0.794-0.854), which is less than the value of Cronbach's alpha coefficient for all the phrases of the study's axes (0.906), which indicates the good stability of the questionnaire's phrases, which was reflected in the self-honesty coefficient, which reached (0.95).

Table 3: Reliability and Validity Coefficients for the Questionnaire Axes.

Axes	Number of Items	Cronbach's Coefficient	Self-reliability
Hypothesis 1	7	0.810	0.90
Hypothesis	7	0.846	0.91
Hypothesis 3	6	0.794	0.89
All Axes	20	0.906	0.95

Source: Prepared by the researcher from field study data using SPSS-2025

Table 4: Validity and Reliability Coefficients for the Questionnaire Axes.

Axes	Number of Items	Cronbach's Coefficient	Self-reliability
All Axes	20	0.906	0.95

Source: Prepared by the researchers from field study data using SPSS-2025.

Table No. (4) shows the results of the reliability coefficients for the sub-dimensions and the total score for the axes scale in its final form when applied to the current research community:

The researcher notes from the previous table that most of the reliability coefficients for the scores of all dimensions and the total score for the questionnaire axes scale are greater than (0.60), which confirms the suitability of this scale in its final form for measuring the questionnaire axes in the current research community.

Second: Descriptive analysis of the basic variables:

Table 5: Distribution of Sample Members According to Gender Variable.

Gender	Duplicates	Ratio
Males	28	60.9%
Females	18	39.1
Total	46	100%

Source: Prepared by the researcher from field study data using SPSS-2025.

Table (5) which pertain to the gender variable, show that 28% of the study sample, representing 60.9%, were male, and 18%, representing 39.1%, were female. Therefore, the majority of the study sample members were male.

Table 6: Sample of Members by Age Variable.

Age	Duplicates	Ratio
Under 30 years old	23	50%
40 and under 50 years old	11	23.9%
50 years old and older	12	26.1%
Total	46	100%

Source: Prepared by the researcher from field study data using SPSS-2025.

Table (6) above, which relate to the age variable, show that 23% of the study sample, representing 50%, are under 30 years old, 11%, representing 23.9%, are between 40 and 50 years old, and 12%, representing 26.1%, are over 50 years old. This indicates that the majority of the study sample is under 30 years old.

Table 7: Distribution of Sample Members According Work Experience.

Work Experience	Duplicates	Ratio
Less than 5 years	20	43.5%
5 and less than 10 years	7	15.2%
10 and less than 15 years	3	6.5%
15 and less than 20 years	1	2.2%
20 years and older	15	32.6%
Total	46	100%

Source: Prepared by researchers from field study data using SPSS-2025

The table (7)above, which is related to the practical experience variable, shows that 20% of the study sample, representing 43.5%, have less than 5 years of practical experience, 15%, representing 32.6%, have 20 years of practical experience or more, 7%, representing 15.2%, have 5 and less than 10 years of practical experience, and 3%, representing 6.5%, have 10 and less than 15 years of practical experience. Therefore, it is clear that the majority of the study sample members have less than 5 years of practical experience.

Table 8: Distribution of Sample Members According to Scientific Specialization.

Scientific Specialization	Duplicates	Ratio
Accounting	25	54.3%
Economic	3	6.5%
Business Administratio	14	30.4%
Banking studies	3	6.5%
Other	1	2.2%
Total	46	100%

Source: Prepared by researchers from field study data using SPSS-2025

The table(8) above, which are related to the variable of scientific specialization, 25 individuals, at a rate of 54.3%, had a scientific specialization in accounting, 14 individuals from the study sample, at a rate of 30.4%, had a scientific specialization, 3 individuals from the study sample, at a rate of 6.5%, had a scientific specialization in banking studies, 3 individuals in economics, and 1 other. It is clear that the majority of the individuals in the study sample had a scientific specialization in accounting.

Table 9: Distribution of Sample Members According to Job.

Jobs	Duplicates	Ratio
Financial manager	31	67.4%
Administrative	14	30.4%
Other	1	2.2%
Total	46	100%

Source: Prepared by researchers from field study data using SPSS-2025

The table (9) above, which pertains to the job variable, shows that 31% of the study sample, representing 67.4%, have the job title of Financial

Manager, 14%, representing 30.4%, are Administrative, and 1%, representing 2.2%, are Other (they did not mention the job title). Therefore, it is clear that the majority of the study sample members have the job title of Financial Manager.

Table 10: Distribution of Sample Members According to Qualification.

Qualification	Duplicates	Ratio
PhD	4	16.7%
Master's	4	46.7%
Higher Diploma	38	36.6%
Total	46	100%

Source: Prepared by researchers from field study data using SPSS-2025

The table (10) above, which is related to the educational qualification variable, shows that 38 individuals, representing 82.6%, have a higher diploma, 4 individuals, representing 8.7%, have a master’s degree, and 4 individuals, representing 8.7%, have a higher diploma. It is clear that the majority of the individuals in the study sample have a higher diploma.

4. DATA ANALYSIS AND RESULTS

Table 11: Hypothesis 1: There is a Statistically Significant Relationship between Companies.

The Phrase	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Choosing the right projects to invest in it	29 63.0%	15 32.6%		2 4.3%	%
Enables efficient use of available resources and building a long-term competitive advantage	16 34.8%	20 43.5%	5 10.9%		5 10.9%
Enhance competitive advantage for accelerated growth and profitability	21 45.7%	13 28.3%	5 10.9%		7 15.2%
Allows you to discover new business opportunities and experiment with new strategies.	23 50.0%	19 41.3%	3 6.5%		1 2.2%
Working to increase innovations and improvements.	27 58.7%	18 39.1%	1 2.2%		%
Executive sponsors align the portfolio with the organization's goals, provide funding and resources, and monitor portfolio performance.	26 56.5%	16 34.8%	2 4.3%		2 4.3%
Program managers manage interdependencies, optimize resource utilization, and report on portfolio progress.	20 43.5%	17 37.0%	7 15.2%		2 4.3%

Source: Prepared by researchers from field study data using SPSS-2025

From the table above:

1. 63% strongly agree that choosing the right projects for investment is important, while 32.6% agree, with a cumulative percentage of 95.7% agreeing, and 4.3% disagreeing.
2. 34.8% strongly agree that... It allows for the effective use of available resources and the building of a long-term competitive advantage. 43.5% agreed, with a cumulative 78.1% agreeing, 10.9% disagreeing, and 10.0% neutral.
3. 43.7% strongly agreed that enhancing competitive advantage leads to accelerated growth and

- profitability. 28.3% agreed, with a cumulative 74% agreeing, 15.2% disagreeing, and 10.0% neutral.
4. 50% strongly agreed that it allows you to discover new business opportunities and experiment with new strategies. 41.3% agreed, with a cumulative 91.3% agreeing, 2.2% disagreeing, and 6.5% neutral.
5. 58.7% strongly agree that it works to increase innovation and improvements, and 39.1% agree, with a cumulative 97.8% agree, and 2.2% are neutral.
6. 56.5% strongly agree that executive sponsors align the portfolio with the organization's goals, provide funding and resources, and monitor

portfolio performance. 34.8% agree, with a cumulative 91.3% agree, 4.3% disagree, and 4.3% are neutral.

7. 43.5% strongly agree that program managers

manage interdependencies, optimize resource utilization, and report on portfolio progress. 37% agree, with a cumulative 80.5% agree, 4.3% disagree, and 15.2% are neutral.

Table 12: Hypothesis 2: There is a Statistically Significant Relationship between Companies.

The Phrase	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Aligning project selection with the organization's goals and priorities	16 34.8%	10 21.7%	15 32.6%		5 10.9%
Improve resource allocation to ensure effective use by enhancing collaboration and communication across project teams.	19 41.3%	14 30.4%	3 6.5%		10 21.7%
Implement robust risk management strategies to mitigate potential obstacles.	22 47.8%	17 37%	6 13%		1 2.2%
Leveraging data-driven insights to make enlightened decisions is expanded by offering portfolio optimization techniques.	22 47.8%	18 39.1%	3 6.5%		3 6.5%
Portfolio modeling with best-case and worst-case analysis to determine risk-reward ratio	21 45.7%	21 45.7%	2 4.3%		2 4.3%
The ability to match skilled resources to a specific project or job to ensure the right talent is deployed.	31 67.4%	9 19.6%	5 10.9%		1 2.2%
Ability to plan for the capacity needed to handle increased project demands.	24 52.2%	16 34.8%	4 8.7%	1 2.2%	1 2.2%

Source: Prepared by researchers from field study data using SPSS-2025

From the table above:

- 34.8% strongly agree that aligning project selection with the organization's goals and priorities, and 21.7% agree, with a cumulative percentage of 56.1% agree, 10.9% disagree, and 32.6% remain neutral.
- 41.3% strongly agree that improving resource allocation to ensure effective use enhances collaboration and communication between project teams, and 30.4% agree, with a cumulative percentage of 71.7% agree, 21.7% disagree, and 6.5% remain neutral.
- 47.8% strongly agree that implementing robust risk management strategies to mitigate potential obstacles, and 37% agree, with a cumulative percentage of 84.8% agree, 2.2% disagree, and 13% remain neutral.
- 47.8% strongly agree that leveraging data-driven insights to make informed decisions is

being expanded through the introduction of portfolio optimization technologies. 39.1% agree, with a cumulative percentage of 86.9% agree, 6.5% disagree, and 6.5% are neutral.

- 45.7% strongly agree that portfolio modeling with best-case and worst-case analysis is essential for determining risk-reward ratios. 45.7% agree, with a cumulative 91.4% agree, 4.3% disagree, and 4.3% neutral.
- 67.4% strongly agree that the ability to match skilled resources to a specific project or job ensures the right talent is deployed. 19.6% agree, with a cumulative 87% agree, 2.2% disagree, and 10.9% neutral.
- 52.2% strongly agree that the ability to proactively plan the capacity needed to handle increased project demands is essential. 34.8% agree, with a cumulative 87% agree, 4.4% disagree, and 8.7% neutral.

Table 13: Hypothesis 3: There is a Statistically Significant Relationship between Companies.

The Phrase	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Contributes to strengthening control over the company's performance by enhancing disclosure and transparency.	23 50.0%	13 28.3	4 8.7%		6 13.0%
Increase companies' ability to obtain financing and reduce its cost	25 54.3%	9 19.6%	6 13.0%		6 13.0%
Solves the agency problem, reduces its cost, and reduces corruption and risks.	27 58.7%	15 32.6%	3 6.5%		1 2.2%
Business Ethics Review	28 60.9%	11 23.9%	5 10.9%		2 4.3%
Separation of ownership and management, performance oversight, and the involvement of shareholders, employees, and creditors in their role as watchdogs of corporate performance.	30 65.2%	9 19.6%	2 4.3%	1 2.2%	4 8.7%
Confirmation performance responsibility and evaluating senior management performance, enhancing accountability and raising the level of trust	19 41.3%	19 41.3%	5 10.9%		3 6.5%

Source: Prepared by researchers from field study data using SPSS-2025

The table above shows the following:

1. 50% strongly agree that it contributes to strengthening corporate performance control by enhancing disclosure and transparency. 28.3% agree, with a cumulative percentage of 78.3% agreeing, 13% disagreeing, and 8.7% remaining neutral.
2. 54.3% strongly agree that it increases companies' ability to obtain financing and reduces its cost. 19.6% agree, with a cumulative percentage of 73.9% agreeing, 13% disagreeing, and 13% remaining neutral.
3. 58.7% strongly agree that it resolves the agency problem, reduces its costs, and limits corruption and risks. 32.6% agree, with a cumulative percentage of 91.3% agreeing, 2.2% disagreeing, and 6.5% remaining neutral.
4. 60.9% strongly agree that business ethics audits are essential, with 23.9% agreeing, with a cumulative 85.8% agreeing, 4.3% disagreeing, and 10.9% neutral.
5. 65.2% strongly agree that the separation of ownership and management, performance oversight, and the involvement of shareholders, employees, and creditors play a watchdog role over corporate performance. 19.6% agree, with a cumulative 74.8% agreeing, 4.3% disagreeing, and 10.9% neutral.
6. 41.3% strongly agree that emphasizing performance responsibility and evaluating senior management's performance enhances accountability and increases trust. 41.3% agree, with a cumulative 82.6% agreeing, 6.5% disagreeing, and 8.7% neutral.

Third: Hypothesis Testing

Table 14: Shows the Arithmetic Mean, Standard Deviation, and Chi-square for the Study Hypotheses.

Phrase	Arithmetic Mean	Standard Deviation	Chi-square	Result
First hypothesis	4.3460	0.42347	83.536a	Agree strongly
Second hypothesis	4.3114	0.43850	55.946a	Agree strongly
Third hypothesis	4.1016	0.39010	45.750b	Agree

Source: Prepared by researchers from field study data using SPSS-2025

Table No. (14) indicates the study hypotheses test, indicating that there is a statistically significant relationship between the application of strategic governance and the efficiency of investment portfolio management in small companies. The arithmetic mean and standard deviations for this hypothesis were found, as the arithmetic mean reached (4.3460), which is higher than the hypothetical mean, and this means that the hypothesis is achieved, meaning that there is a statistically significant relationship between the application of strategic governance and the efficiency of investment portfolio management in small companies. The second hypothesis, which states that there is a statistically significant relationship between the application of strategic governance and the creation of added value in small companies, had an arithmetic mean of (4.3114), which is higher than the hypothetical mean referred to in the study, and this means that the hypothesis is achieved, meaning that there is a statistically significant relationship between the application of strategic governance and the creation of added value in small companies. The third hypothesis, which states that there is a statistically significant relationship between the application of strategic governance mechanisms and facing business challenges in small companies, had an arithmetic mean of (4.1016), which is higher than the hypothetical mean, and this means that the hypothesis is achieved.

5. RESULTS AND RECOMMENDATIONS

First, the Results

1. There is a statistically significant relationship between the application of strategic governance and the efficiency of investment portfolio management in small companies.
2. Program managers work to manage interdependencies, optimize resource utilization, and report on portfolio progress.
3. There is a statistically significant relationship between the application of strategic governance and value creation in small companies.
4. Leveraging data-driven insights to make informed decisions is expanded by introducing techniques for portfolio optimization.
5. There is a statistically significant relationship between the implementation of strategic governance mechanisms and addressing business challenges in small businesses.
6. Separation of ownership and management, performance oversight, and the participation of shareholders, employees, and creditors play a supervisory role over corporate performance.

Second, Recommendations

1. Align project selection with the organization's

- goals and priorities.
2. Portfolio modeling should be performed with best-case and worst-case analysis to determine the risk-reward ratio.
 3. Work to increase companies' ability to obtain financing and reduce its cost.
 4. Work to resolve the agency problem, reduce its cost, and limit corruption and risk.

This research was supported by small research groups at the Deanship of Scientific Research - King Khalid University - Saudi Arabia (RGP.1 /119/46)

Acknowledgement: "The authors extend their appreciation to the Deanship of Research and Graduate Studies at King Khalid University for funding this work through small Group Project under grant number (RGP.1 /119/46)

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