

The contribution of corporate governance to improving institutional performance: An Exploratory Study of a Sample of Economic Institutions in Blida Province

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Abstract:

This study aims to determine the role of corporate governance in improving institutional performance and attempts to apply this to a sample of economic institutions in Blida Province through a questionnaire study involving 72 administrative staff from the institutions under study. The data were processed using Excel 1620 for data entry and the Statistical Package for Social Sciences (SPSS V24) for data analysis and interpretation of results. The study concluded that there is a moderate level of acceptance of corporate governance in the sampled institutions, focusing on

ethical behaviour, control, accountability, disclosure and transparency. This is attributed to companies' efforts to effectively implement the governance dimensions. In addition, there is also a moderate level of acceptance of performance in the sampled institutions, as their performance is considered to be somewhat acceptable, striving to achieve maximum profit by acquiring new customers and increasing market share, while at the same time developing the skills of employees. Thus, corporate governance plays a relatively important role in improving corporate performance.

Keywords: corporate governance, ethical behaviour, control and accountability, disclosure and transparency, institutional performance.

Introduction:

The rapid and numerous changes in the world and the opening up to the outside world have led countries to move towards a market economy. In the face of financial crises and the sudden collapse of many global companies, along with the manipulation of financial statements and misconduct by company managers and directors, these circumstances have led to the emergence of the term corporate governance, which has attracted the attention of all

countries, both developed and developing. Seen as the only solution to these crises, corporate governance has become a means of increasing confidence in the economy of any country and an indicator of the level of performance achieved by companies. Governance is a comprehensive system of financial and non-financial controls through which a company is managed and monitored. It is based on rules and principles that can detect instances of manipulation and corruption, ensure performance monitoring, hold management accountable, and achieve transparency and fairness to gain the trust of market participants and ensure stability. All of these factors have forced companies to look for strategic approaches to meet these challenges and to improve their performance to ensure their continuity and growth. Performance is the primary driver of any company's existence, and in order to know whether it is achieving its objectives, a company needs to measure and evaluate its performance, which can only be achieved by implementing effective systems.

This has led companies to change the means and tools used to ensure the implementation of plans and strategies, and thus to develop tools and methods to evaluate their performance, especially since financial criteria alone are no longer sufficient for evaluation. This points to the urgent need to use modern tools to

assess and develop performance. The success of a company in this competitive environment depends on the application of governance mechanisms as a methodology that ensures the accuracy and effectiveness of the company's performance.

- Study Problem:

Corporate governance aims to establish values of fairness, accountability and transparency in business organisations and to ensure the integrity of transactions with all active parties.

Therefore, the main question can be formulated as follows

To what extent does corporate governance contribute to improving institutional performance in the economic institutions in the sample?

In order to cover different aspects of the issue, the following sub-questions are posed

Does ethical behaviour contribute to improving institutional performance in the economic institutions in the sample?

Do control and accountability contribute to improving institutional performance in the economic institutions in the sample?

Do disclosure and transparency contribute to improved institutional performance in the economic institutions in the sample?

Hypotheses of the study:

This study is based on the following main hypotheses:

- H0: There is no statistically significant relationship between corporate governance and institutional performance in the economic institutions of the study sample.

The following sub-hypotheses fall under this hypothesis:

- H0: There is no statistically significant relationship between ethical behaviour and institutional performance in the economic institutions of the study sample.

- H0: There is no statistically significant relationship between control and accountability and institutional performance in the economic institutions in the sample.

- H0: There is no statistically significant relationship between disclosure and transparency and institutional performance in the economic institutions of the study sample.

Study Methodology: To address the study problem and to verify or refute the hypotheses, the descriptive method will be used to determine the role of corporate governance in improving the performance of the institutions in the study sample. This will be done by attempting to apply the theoretical study to the field reality of the institution under study through a questionnaire tool, in order to obtain the desired results.

Previous studies: There are several studies that have addressed some aspects of the study topic, and the following are some of them:

- Study by Noha Ahmad Al-Haik (2016): "The Impact of Applying Governance on Improving Performance in Government Companies (Case Study of the General Directorate of Syrian Customs)", Master's Thesis, Syrian Virtual University, Syria. This study aimed to define corporate governance, its mechanisms and its role in improving the performance (financial, functional, institutional) of government companies in order to make them more capable of optimal resource utilisation and proper use of human resources to enhance their performance and thus improve corporate performance. The study concluded that the application of corporate governance principles significantly contributes to the improvement of performance in customs in general and in the Syrian Customs Directorate as a case study in particular, through a strong correlation between governance mechanisms in government enterprises and performance in general, whether financial, functional or corporate.

- Study by Ali Menad (2013-2014): "The Role of Corporate Governance in Performance: A Statistical Study – Case of S.P.A Algeria," Doctoral Thesis, Faculty of Economic Sciences and

Management Sciences, University of Tlemcen, Algeria. This study aimed to clarify the causal relationship linking the impact of adopting corporate governance practices on enhancing institutional performance in Algerian public joint-stock companies, taking into account the nature of the institutional environment and corporate social responsibility. The study concluded that the concept of corporate governance is a comprehensive system that includes modern and appropriate measures for good performance and includes control methods that prevent any related party from negatively impacting the company's activities, thus ensuring the prudent use of the company's resources in a manner that serves the interests of all parties fairly, achieving a positive role for the company in favor of its owner and society as a whole.

- Study by Rima Ben Aissa (2012): "The Application of Corporate Governance Mechanisms and Their Impact on Performance: A Case Study of Algerian Companies Listed on the Stock Exchange," Master's Thesis, Faculty of Economic Sciences and Management Sciences, University of Ouargla, Algeria. This study aimed to shed light on the concept of corporate governance and the necessity of its application in Algeria, highlighting the importance of corporate governance and determining corporate governance mechanisms and their relationship to financial

performance in companies. The study concluded the following results:

- There is a positive correlation between the three performance measures: return on assets, return on sales, and return on equity, and the internal corporate governance mechanisms.

- There is a significant impact of the independent variables (corporate governance mechanisms) on the return on assets.

- There is a significant impact of some independent variables (corporate governance mechanisms) on the return on equity.

- There is a significant impact of some independent variables (corporate governance mechanisms) on the return on sales.

- Study by Said Abdul Rahman Abbas Balah (2012): "The Role of Applying Corporate Governance in Practicing Creative Accounting Methods," *Journal of Economic Sciences and Management Sciences*, Volume 12, Issue 12, University of Setif, Algeria. This study aimed to define corporate governance, its principles, its importance, and its objectives, and to understand the role of governance in limiting the practices of creative accounting as well as its role in enhancing the efficiency of company performance. The study concluded the following results:

- There is disagreement on the concept of corporate governance, but there is agreement that its application enhances the efficiency

of company performance and supports its ability to face any financial crises that may confront it.

- There is an important and influential role of corporate governance in enhancing its financial and administrative efficiency.

- Creative accounting practices affect the credibility of financial statements and present them in an unrealistic manner to serve the interests of management, misleading the beneficiaries of the financial statements.

- The ethical dimensions of creative accounting contradict the rules and ethics of the accounting profession.

- Corporate governance plays an effective role in limiting creative accounting practices.

II. Theoretical aspect

1. Corporate governance:

1.1. Definition of Corporate Governance:

- Governance is defined as “a set of laws, rules and standards that define the relationship between the management of the company on the one hand and shareholders and stakeholders or parties associated with the company (such as bondholders, employees, creditors and citizens) on the other”¹.

- It is also defined as “a state and a process, a direction and a trend, and at the same time a mixture of these; it is a factor of health and vitality, as well as an immunity and protection system that governs movement, regulates direction, protects the integrity of actions and the integrity of behaviours within the company, creating an effective safety fence and protective barrier”².

- The Institute of Internal Auditors (AII) defines governance as “the processes carried out through procedures used by representatives of stakeholders to provide oversight of risk management and ensure the effectiveness of controls to achieve objectives and maintain the company’s values through corporate governance”³.

- It is also defined as “a comprehensive set of internal and external control mechanisms designed to enable shareholders to exercise appropriate oversight of the enterprise in order to maximise the value of the enterprise and ensure that it generates a return on investment”⁴. From these previous definitions, it is clear that there are fundamental meanings to the concept of corporate governance, which are:

A set of systems for controlling the performance of the company;
Regulating the relationships between the board, managers, shareholders and stakeholders;

Ensuring that companies are managed for the benefit of shareholders;

A set of rules under which the company is managed and controlled according to a specific structure that includes the distribution of rights and obligations among the participants in the management of the company, such as the board of directors, managers and shareholders.

1.2. Characteristics of corporate governance:

Corporate governance can be characterised by a number of characteristics which are the basic pillars; in the absence of one, the concept loses its meaning. These characteristics include:⁵

Discipline: adherence to appropriate and clear ethical behaviour;

Transparency: providing a true picture of everything that happens;

Independence: no undue influence from outside pressures;

Accountability: the ability to assess and evaluate the actions of the board and senior management;

Responsibility: accountability to all parties with an interest in the company;

Social responsibility: considering the company as a new citizen.

1.3. Basic elements of corporate governance:

Corporate governance is based on several components, which are:⁶

- Ethical behaviour: ensuring behavioural commitment through adherence to good ethics, commitment to sound professional standards of conduct, balancing the interests of stakeholders, transparency in the presentation of information, fulfilling social responsibility and preserving the environment;

- Accountability and control: activating the role of stakeholders in the company's success, represented by public regulators such as the Securities and Exchange Commission, the Companies Authority, the Stock Exchange, the Central Bank (in the case of banks), and direct regulators such as shareholders, the Board of Directors, the Audit Committee and the auditors;

- Disclosure and transparency: regarding the disclosure of material information and the role of the auditor, the disclosure of majority shareholdings and the disclosure of directors and senior executives. All of this information is disclosed to all shareholders and stakeholders in a timely, fair and timely manner.

1.4. Objectives of corporate governance:

Good corporate governance practices will help to attract investment, support economic performance and enhance

competitiveness in the long term by achieving the following objectives:⁷

- Achieving the objectives of financial partners in terms of profitability and increasing financial returns.
- Making management more accountable to both shareholders and other members of the company;
- Fighting corruption and achieving stability in the financial sector, both locally and internationally;
- Improving and developing corporate governance, helping managers and boards to develop sound strategies and ensuring that decision-making leads to improved efficiency;
- Achieving long-term competitiveness, creating incentives for development and adopting modern technologies to improve product quality, reduce production costs and increase marketability to face foreign competition;
- Ensuring fairness and transparency in business transactions and the right to accountability, allowing all stakeholders to scrutinise management, as governance stands against corruption;
- Prevent the abuse of power in the company by ensuring the existence of a governance structure that allows management to be accountable to shareholders;

- Ensuring that financial performance and the proper use of company funds are monitored through integrated accounting and auditing systems;

- Oversee the company's social responsibility in the light of sound governance rules.

2. Principles of performance evaluation and measurement:

2.1. Concept of Performance Evaluation:

“Performance evaluation is a systematic effort to set achievement standards in light of organizational objectives and design information systems for feedback, comparing actual performance with previously established standards, identifying any deviations and errors, and taking the necessary managerial actions to ensure that all shared resources are used efficiently and effectively to achieve common goals.⁸”

2.2. Objectives of Performance Evaluation:

The concept of performance evaluation is complemented by an understanding of its objectives, which include:⁹

- Improving performance and productivity, since productivity is a primary objective for any company, being a final objective that organisations strive for through initial and intermediate objectives; therefore, performance evaluation is a primary objective that leads

to an intermediate objective of improving performance in order to increase productivity;

- Diagnosing and solving problems and identifying strengths and weaknesses within the company, thus allowing future strategies and objectives to be clearly drawn after analysing the environment (internal and external) through various analysis methods;

- Provide feedback to subsystems, i.e. company departments, and to the overall system for preventive control;

- Increasing the value added, efficiency and effectiveness of the organisation. Value added is the result of subtracting inputs from outputs; efficiency is the actual outputs achieved relative to the expected standard outputs; and effectiveness is the degree of achievement of organisational goals;

- Aiming to bring results closer to expectations and predicting errors before they occur, using performance indicators as early warning signs when deviations occur;

- Developing the job holder's performance and planning their future by the manager;

- Involving the job holder in evaluating their performance to improve themselves;

- Establishing objective standards for job performance through an analytical study of the work and its requirements;

- Providing appropriate documentation for management decisions and the reasons for them;

- The objective system for evaluating human resources helps to formulate a new control policy. In order for the President to evaluate subordinates effectively, it is necessary to maintain organised data on the performance, strengths and weaknesses of employees, which in turn improves the company's control process.

2.3. The concept of performance measurement:

“Performance measurement is the process of evaluating the institution's performance against desired or achievable levels in order to provide a vivid picture of what has actually happened, i.e. to assess the success in achieving objectives, executing planned strategies and implementing adopted strategies.¹⁰”

2.4. The importance of performance measurement

It is essential for companies to measure their business results, even if they receive returns or rewards from these results. The information obtained transforms the company's performance into a measure of its activities, allowing monitoring, without which management becomes impossible. Therefore, a company needs to measure its performance for the following reasons:¹¹

- Control: Measuring performance helps to reduce deviations that occur during work.

- Self-evaluation: Measurement is used to evaluate operational performance and identify necessary improvements.
- Continuous improvement: Measurement helps identify sources of error, operational trends, prevent errors, evaluate the efficiency and effectiveness of operations, and discover opportunities for improvement.
- Management evaluation: Without measurement, there is no way to ensure that the organisation is adding value to its objectives or operating efficiently and effectively.

3. The contribution of corporate governance to improving institutional performance

Governance is one of the most important methods and means not only to develop and improve the company's performance, but also to provide it with the ability and mechanism to deal with various conditions and challenges it faces. Governance drives companies towards continuous improvement of their performance, enabling them to occupy a prominent geographical position through the application of the following pillars:¹²

3.1. Ethical behaviour and its role in improving performance

Adherence to appropriate and transparent ethical behaviour, commitment to social responsibility and upholding integrity ensures the honesty and integrity of all company employees. An

individual's effectiveness and efficiency are linked to their belief in and commitment to high ethical values, which drives them to enhance their scientific knowledge and behavioural skills to improve performance. Business ethics are fundamental to success because they reflect the trust the company has in its employees:

- Complying with the law and ensuring financial performance.
- The link between corporate governance and the application of international accounting standards ensures controls that govern technical and financial performance.
- Better relations with all stakeholders, including employees, customers, suppliers, etc., which helps to improve relations with the whole community.
- Compliance with laws and regulations ensures good management and organisation of the company, thereby reducing risks.
- Satisfy the wishes and needs of stakeholders, achieve their satisfaction, ensure service delivery and achieve excellence.
- Respect working hours and do not exploit the position for personal gain.

3.2. Contribution of control and accountability and its role in improving performance

This role is reflected in the following:

- Governance ensures that the Board of Directors is held accountable, as it is primarily responsible for overseeing the performance of the company in order to achieve appropriate returns for shareholders, prevent conflicts of interest, achieve balance and ensure the best interests of all stakeholders, including employees, creditors, customers and suppliers.
- Reviewing the implementation of plans, issued instructions and adopted policies aims to identify weaknesses and strengths in execution, to correct mistakes and prevent their recurrence, and to combat deviations, especially those that threaten stakeholders and fail to achieve good business results.
- Attention to review, balance and accountability, as well as improving operational performance, reflects the quality of management and, in turn, attracts investment. Investors tend to avoid stocks and markets where governance is weak, as governance has become an investment criterion in itself.
- Supervision ensures the safety, operation and maintenance of production facilities, the value added in the transformation of raw materials into products, and the optimal use of available resources to achieve efficiency.
- The management of resources and skills, based on the requirements and needs of the market, as well as the elimination

of the company's weaknesses and the development of its strengths, in order to ensure coherence.

- Governance exposes instances of manipulation, administrative corruption and mismanagement, which leads to gaining the trust of stakeholders.

3.3. The role of disclosure and transparency in assessing and improving corporate performance

The provision of adequate and understandable information and its disclosure in the media and in announcements made by the company in an accessible manner ensures appropriate decision-making, rapid work performance and improved efficiency in the use of the company's resources, thereby maximising its value in the markets, which is reflected in the achievement of efficiency and effectiveness. Adopting standards of transparency in dealing with stakeholders helps to prevent crises, and the simplicity and clarity of procedures helps to detect and combat corruption. It reassures investors that they will receive a fair and accurate return on their investment and ensures that managers do not waste the money they invest in the company, thereby increasing the value of the company, attracting investors and improving the chances of accessing external sources of finance. This, in turn, leads to greater investment opportunities and growth, as well as better

operational performance through better allocation of resources, which means better performance and wealth maximisation. Corporate governance is not merely a formal procedural control or strict adherence to specific corporate governance guidelines; it clarifies the rules and procedures for allocating rights and responsibilities among the various parties involved in the company, including the board of directors, managers, shareholders and stakeholders, in order to achieve objectives, monitor performance and develop it, ensure the best competitive performance in its economic environment, enable it to raise capital to achieve growth and development, while avoiding risks and seizing opportunities it faces. This means being flexible to changes in its environment in order to improve performance. The company seeks to adopt governance practices and operate its mechanisms to improve its performance.

III. Practical aspects

1. Study methodology and tools:

1.1. Study methodology: The study relied on the inductive approach through its tools of description and analysis to clarify the role of corporate governance in improving institutional performance. This exploratory study targeted a sample of

economic institutions in Blida, using a field survey method for data collection. Data sources included

- Primary data sources: Collected through a designed questionnaire distributed to a sample of the study population. The data were then coded and analysed using the SPSS V24 statistical program with appropriate statistical tests to obtain significant indications and metrics that support the research topic.

- Secondary data sources: A review of books, journals, printed and electronic publications, university theses and reports related to the research variables of corporate governance and institutional performance was conducted to incorporate this data into the study and assess the practical reality and avenues for its development.

1.2. Characteristics of the study sample: The study sample consisted of administrators from a selected group of economic institutions in Blida who were able to respond to the questionnaire items. A total of 80 questionnaires were distributed, of which 77 were returned, 5 were invalidated and 3 were lost or neglected, resulting in 72 valid forms for the study to achieve the desired research objectives.

1.3. Study tool: The questionnaire is considered to be one of the most important tools in scientific research, and many perceive it as a simple process limited to the distribution of a list of standard

questions on the study topic. In reality, it involves several challenges in formulating questions that are accessible to all members of the study sample. The questionnaire was designed to collect data and information for the field study and was prepared after reviewing the literature and some previous studies related to the variables discussed in the theoretical section. The questionnaire was structured as follow:

- Section One: Personal and professional data related to the study sample, consisting of 4 items.

- Section Two: Divided into two axes:

- Axis One: Related to governance and its different dimensions, containing (19) statements.

- Axis Two: Related to the variable of institutional performance, containing (15) statements.

1.4. Measurement of the questionnaire: To interpret the data, a response scale of (1 to 5), known as a “five-point Likert scale”, was used, where the closer the response is to (5), the greater the agreement.

2. Statistical analysis methods used: Excel 2016 was used to process the data, and SPSS social science statistical software was used to analyse the results and test the study hypotheses. A summary of the statistical methods used is provided below:

2.1. Descriptive statistical methods:

These include:

- Frequencies and percentages:

Used to determine the frequency of variable categories to describe the study sample.

- Means: Used to measure the average response to the study questions and to rank the items of the questionnaire based on the degree of agreement or disagreement.

- Standard Deviation: The main measure of dispersion, used to determine the extent to which responses vary from each other and from the mean.

2.2. Methods of inferential statistics: These include

- Cronbach’s Alpha Test: To measure the reliability and validity of the survey instrument. The following table illustrates this:

Table 01: Validity and Reliability Coefficients

Statement		Number of items	Reliability Coefficient (Alpha de Cronbach)	Validity Coefficient
Governance Focus	Ethical Behavior	08	0.763	0.873
	Oversight and Accountability	04	0.750	0.866
	Disclosure and Transparency	07	0.775	0.880
	Total	19	0.878	0.937
Performance Focus	Institutional Performance	15	0.922	0.960
Institutional Performance		34	0.939	0.969

Source: Prepared by the researchers based on the results of SPSS V24.

It was observed that the overall reliability coefficient of the research tool was (0.939), which is a very high reliability coefficient suitable for research purposes. In addition, all the reliability coefficients for the research axes and dimensions were high and suitable for research purposes.

Kolmogorov-Smirnov test: This test was conducted to determine whether the data followed a normal distribution, which is essential for hypothesis testing as most parametric tests require normality of the data distribution. The following table shows the results of the test:

Table 02: Normality test results

Variables	Z value	Sig value
Ethical Behavior	0,6790	0,746
Oversight and Accountability	0,7280	0,664
Disclosure and Transparency	0,664	0,771
Total	0,500	0,964
Institutional Performance	0,579	0,891

Significance Level (alpha=0.05)

Source: Prepared by the researchers using SPSS V24

The significance value for each axis was greater than (0.05), which means that the “sig” value was greater than 0.05, indicating that the data followed a normal distribution.

One-sample t-test: This test was used to test hypotheses and verify the significance of the mean for each item in the questionnaire.

Correlation coefficients (R): These were used to determine the strength and nature of the relationship between the study variables.

Coefficients of determination (R²): These were used to assess the goodness of fit of the data, i.e. how well the regression model fits the data, or how closely the estimated values for the dependent variable match the observed values.

F-test: Used to test the validity of the hypothesis.

One-way ANOVA: Used to determine whether there are statistically significant differences between the means of different categories or levels of the independent variable and their effect on the dependent variable.

3. Discussion of results analysis

3.1. Data analysis and interpretation (part one: personal and occupational data): Below is an overview of the study sample according to their characteristics and personal and occupational data:

Table 03: Analysis of personal and occupational data of the study sample

Variable	Statement	Frequency	Percentage
Gender	Male	52	%72.2

	Female	20	%27.8
	Total	72	%100
Age	Less than 30 years	16	%22,23
	From 30 to less than 40 years	36	%50
	From 40 to less than 50	12	%16,67
	50 Year and above	08	%11.1
	Total	72	%100
Academic qualification	Higher technician	12	%16.7
	Bachelor's Degree	26	%36.1
	Final Level	24	%33.3
	PGS: Specialized Graduate Studies (PGS)	02	%2.8
	Engineer	06	%8.3
	Master's Degree	02	%2.8
	Total	72	%100
	Framework	08	%11,1
	Framework	24	%33.3
	Control Assistance	40	%55,6
	Total	72	%100
Years of experience	Less than 5 years	16	%22.2
	From 5 to 10 years	26	%36.1
	From 10 to 15 years	10	%13.9
	15 years and above	20	%27.8
	Total	72	%100

Source: Prepared by the researchers.

Table 03 shows the following

- The majority of respondents were male (72.2 %), while the percentage of females was (27.8 %) of the total sample.
- In terms of age, the group (30 to less than 40 years) had the highest percentage with (50%), while the percentage of respondents in the age group (under 30 years) was (22.23). The age group (40 to less than 50 years) accounted for (%16.67) and finally the percentage of respondents in the age group (50 years and over) was (%11.1).
- In terms of educational qualifications, it was found that (%36.1) had a bachelor's degree, (%33.3) had secondary education, (%16.7) were technicians, (%8.3) had an engineering degree and (%2.8) had a master's or specialised postgraduate degree, which indicates a high level of education among the respondents, which is positive.
- Regarding the variable of the current professional field, the majority of the respondents were executives (%55.6), while (%33.3) were controllers and (%11.1) were managers. It should also be noted that the research sample did not include respondents in senior management positions.

- Looking at the years of experience of the respondents, (%22.2) had less than 5 years of experience, (%36.1) had experience between (5 to less than 10 years), while (%13.9) had experience between (10 to less than 15 years). Those with 15 years or more of experience made up (%27.8) of the total sample.

2. Analysis of statements in the governance axis: The statements in the first axis aimed to understand the sample’s attitudes towards the importance of corporate governance and its pillars. The following table shows the results obtained:

Table 04: Responses of the sample to statements in the governance axis.

N°	Statements	Arithmetic Mean	Standard Deviation	Relative Importance	Acceptance Level
-	Ethical Behavior	3,3715	0,66714	1	Average
1	The company focuses on adhering to the law and embodying professional ethics.	3,5000	1,23056	4	High
2	The laws in the company align with legal work regulations.	3,6111	1,07644	2	Average
3	Stakeholders are adequately informed about their rights and responsibilities.	2,7778	1,17379	8	Average
4	Stakeholders are compensated in case their rights are violated.	3,3611	1,09942	5	Average
5	The company is concerned with satisfying the desires	3,0278	1,10805	7	Average

	and needs of stakeholders and gaining their satisfaction.				
6	There is credibility to the promises made by the company to stakeholders.	3,0556	1,06756	6	Average
7	Some employees exploit their position and authority for personal gain.	3,5833	1,07902	3	Average
8	Adherence to laws ensures good management and organization of the company, reducing risks.	4,0556	0,82616	1	High
	Oversight and Accountability	3,1944	0,79757	2	
9	There is an effective oversight system in the company.	3,1389	1,26836	3	Average
10	The board of directors is held accountable as it is primarily responsible for overseeing the company's performance.	3,2500	1,02470	2	Average
11	There is verification of the implementation of plans and directives to identify deviations.	3,2778	0,84890	1	Average
12	The company ensures the presence of external oversight bodies to verify the accuracy of information and results.	3,1111	1,03586	4	Average
	Disclosure and Transparency	3,0357	0,70597	3	
13	The responsibility for disclosure primarily lies with the board of directors and its executive management.	3,5000	0,87831	1	Average
14	Officials interact with employees transparently.	2,7500	1,22766	6	Average

15	All important information, along with that required by law, is disclosed in a timely manner to ensure stakeholders receive the information.	2,7778	1,19788	5	Average
16	The company discloses its financial results and informs the responsible parties.	3,4444	1,10698	2	Average
17	The company discloses its transactions and dealings with related parties.	2,9722	1,08196	4	Average
18	The company discloses the benefits and bonuses granted to executive directors.	2,58333	0,87423	7	Average
19	Information is provided adequately and disclosed through media channels and announcements issued by the company.	3,2222	1,14919	3	Average
	Overall Focus on Governance	3,2105	0,60404		Average

Source: Prepared by the researchers using SPSS V24

From Table (04) we can see that:

- **Ethical behaviour:** The dimension of ethical behaviour ranked first in terms of the relative importance given to it by the study sample. The average score for the responses to this dimension was (3.3715) with a standard deviation of (0.66714). According to the study scale, this dimension indicates a medium level of acceptance. In addition, the average responses of the members of the study sample to the items of the “ethical behaviour” scale

show a moderate level of acceptance, with means ranging between (2.7778 - 4.0556) and standard deviations ranging between (0.82616 - 1.23056). This indicates that the values adopted by the institutions in the sample are moderately accepted by their administrative staff.

- **Control and accountability:** The dimension of “control and accountability” ranked second in terms of the relative importance given to it by the study sample, with an average score of (3.1944) and a standard deviation of (0.79757). According to the study scale, this dimension indicates a medium level of acceptance. The average responses of the members of the study sample to the items of the control and accountability scale also show a moderate level of acceptance, with averages between (3.2778 - 3.1111) and standard deviations between (0.84890 - 1.03586). This suggests that the level of control and accountability in the sample institutions is average.

- **Disclosure and transparency:** The dimension ‘Disclosure and transparency’ ranks third in terms of the relative importance attached to it by the study sample, with an average score of (3.0357) and a standard deviation of (0.705970). According to the study scale, this dimension also indicates a medium level of acceptance. Furthermore, the average responses of the study

sample members to the items of this dimension show a moderate level of acceptance, with averages ranging between (3.5000 - 2.58333) and standard deviations ranging between (0.87831 - 0.87423). This indicates that disclosure and transparency are at an average level in the sample institutions.

3.3. Analysis of items on institutional performance

The items on the second axis aim to understand the sample members' attitudes towards institutional performance. The following table illustrates the results obtained:

Table (05): Responses of sample members to institutional performance items

N°	Statements	Arithmetic Mean	Standard Deviation	Relative Importance	Acceptance Level
1	The company is interested in studying the market to satisfy its customers' desires.	3,6113,	1,17480	7	Average
2	The company continuously strives to understand the level of customer loyalty.	3,5278	1,02779	3	Average
3	The company aims to acquire new customers and increase its market share.	3,7222	1,05860	2	High
4	The company allocates annual amounts for research and development.	2,9167	0,96732	10	Average
5	The company organizes training programs for	3,7500	0,90633	1	High

	new employees.				
6	The company offers advanced courses for existing employees.	3,3333	1,06904	8	Average
7	Employees participate in proposing solutions to the problems they face.	3,1667	1,20712	12	Average
8	There are criteria for promotions within the company.	3,3056	1,34843	9	Average
9	The company seeks to acquire the latest equipment and machinery to keep up with technological developments.	3,3056	1,32707	9	Average
10	The rewards and compensation system aligns with individual performance.	2,8611	1,04616	11	Average
11	Your personal abilities match the workload required of you.	3,4167	0,93732	5	Average
12	The company supports employees with initiatives.	2,8611	1,26836	11	Average
13	The company relies on financial analyses to improve its financial situation.	3,3056	1,00909	9	Average
14	Financial and economic diagnosis is fundamental to improving the company's financial performance.	3,4167	0,90633	6	Average
15	The company aims to increase its financial returns by enhancing the efficiency of its economic assets.	3,5000	1,02817	4	Average

	The overall focus is on performance improvement.	3,3187	0,75910		Average
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Source: Prepared by the researchers based on the results of SPSS V24

From Table (05) we can see that the mean of the respondents' answers for each statement is distributed as follows:

- From (1 to less than 2.33): Indicates a low level of acceptance.
- From (2.33 to less than 3.66): Indicates a medium level.
- From (3.66 to 5): Indicates a high level.

The mean of the responses on company performance was (3.3187) with a standard deviation of (0.75910). According to the scale of the study, the variable of corporate performance shows a medium level of acceptance, which indicates that the performance of the institutions under study is considered acceptable to a certain extent. They aim to achieve the highest possible profit by attracting new customers and increasing their market share, while at the same time working on developing the skills of their employees.

4. Testing research hypotheses

4.1. Testing the first main hypothesis:

The hypothesis states that there is no statistically significant role between corporate governance and institutional performance in the sampled institutions in Blida at the significance level (0.05).

The results of the analysis of variance (ANOVA) were used to

verify the suitability of the model to test this hypothesis, as shown in the following table:

Table (06): Results of the analysis of variance to confirm the suitability of the model to test the first main hypothesis.

Sources of Variation	Sum of Squares	Degrees of Freedom	Mean Square	Calculated F Value	Significance level
Regression	11 ,384	3	3,795	13,825	*0,000
Error	8,784	32	0,274		
Total Sum	20,168	35			

Level of significance * ($\alpha=0.05$)

Source: Prepared by the researchers using SPSS V24

- Coefficient of determination: $R^2 = 0.564$

- Correlation coefficient: $R = 0.751$

From the results in Table (06) it is clear that the validity of the model for testing the first main hypothesis is confirmed, as the calculated value of F is (13.825) with a probability value of (0.000), which is less than the significance level ($\alpha=0.05$). The same table shows that the independent variable, in its entirety, is corporate governance, which explains approximately 56.4% of the variance in the dependent variable represented by company performance. This represents a relatively acceptable level of explanatory power, indicating that corporate governance, with its different dimensions, plays a statistically significant role in

improving the performance of the institutions in the study sample - Blida.

Based on the confirmed validity of the model, we can test the first main hypothesis with its different branches, as shown in the following table:

Table No. (07): Results of the multiple regression analysis to test the effect of the independent variables (dimensions of governance) on the improvement of company performance.

Independent Variables	B	Standard Error	BETA	Calculated T Value	Calculated T Level
Ethical Behavior	0,208	0,165	0,208	0,162	1, 432
Oversight and Accountability	0,312	0,153	0,312	0,062	1 ,934
Disclosure and Transparency	0,354	0,190	0,354	0,053	2,009
Corporate Governance in General	0,930	0,145	0,740	6,414	0,000

Source: Prepared by the researchers using SPSS V24

Multiple regression analysis was used to test the first main research hypothesis. The results of this analysis, as presented in Table (07), indicate a statistically significant relationship at the 5% level of significance between the independent variable represented by corporate governance and the dependent variable, the performance of the institutions under study. The t-value is (6.414) with a significance level of (0.000), indicating a strong

significance for this relationship. The correlation coefficient (R) indicates that the strength of the relationship between the two variables is (0.751), with the independent variable of corporate governance explaining (56.4%) of the variance in the performance levels of the institutions under study, leading to the rejection of the null hypothesis.

4.2. Testing the sub-hypotheses:

When examining the role of each corporate governance dimension in improving firm performance, the following results were obtained:

- First sub-hypothesis: The null hypothesis is rejected and the alternative hypothesis is accepted, which states that there is a statistically significant relationship between ethical behaviour and institutional performance in the economic institutions of the sample studied.
- Second sub-hypothesis: The null hypothesis is rejected and the alternative hypothesis is accepted, which states that there is a statistically significant relationship between control and accountability and institutional performance in the economic institutions of the sample studied.
- Third sub-hypothesis: The null hypothesis is rejected and the alternative hypothesis is accepted, which states that there is a

statistically significant relationship between disclosure and transparency and institutional performance in the economic institutions of the sample studied.

V. Conclusion

Corporate governance is a valuable tool that ensures effective management of companies in society through a scientific and practical approach, protecting shareholders' funds and providing fair and transparent information to all parties involved with the companies. It allows for the assessment and accountability of company management, serving as a catalyst for reform by implementing best practices in transparency, accountability, and legal frameworks that help mitigate and eradicate corruption. To assess the role of governance in improving institutional performance in a practical sense, we selected a sample of economic institutions in the Blida region.

1. Study Results:

After examining various aspects of governance and the key concepts related to performance and its role in improving company outcomes, we reached several findings:

1.1. Theoretical Results of the Study:

- Governance is a modern concept that emerged as a reaction to misconduct and unethical practices in management.

- Governance is a system and method that ensures the interests of all parties are met and their rights respected.
- It ensures a high degree of transparency in various company activities to avoid corruption and reduce risks, thereby enhancing trust between stakeholders and the company, which ultimately attracts investors.
- Governance comprises a set of systems for monitoring corporate performance, consisting of rules that manage and oversee the company according to a specific structure that defines the distribution of rights and responsibilities among participants in the company's management (such as the board of directors, executive managers, and shareholders).
- Governance organizes the relationships among the board of directors, managers, shareholders, and stakeholders, emphasizing that companies are managed in the interest of shareholders.

1.2. Practical Results of the Study:

- Companies in the sample can enhance their performance by adopting governance mechanisms to ensure objectives are met and effective management is provided.
- Results from testing the main hypothesis indicated a statistically significant impact relationship between corporate governance and

performance levels in the sample institutions, with governance explaining 56.4% of the variance in performance levels.

- Ethical behavior is of primary importance among the dimensions of governance.
- Organizing training programs for new employees is crucial for improving the performance of the studied institutions.
- Statistics indicate that corporate governance plays a significant role in enhancing the performance of the institutions under study.

2. Recommendations:

Based on the findings, several recommendations can be summarized as follows:

- There is a need to establish a regulatory framework that mandates companies to apply governance principles.
- Companies should rely on governance to enhance trust with stakeholders and protect their rights.
- Transparency and disclosure should be improved through adequate and clear information dissemination.
- An ethical conduct guide should be established by regulatory bodies to prevent the misuse of positions for personal gain.
- More studies and research should be conducted on governance applications and best practices, and their role in addressing the challenges faced by companies.

- Many Arab countries are working towards implementing corporate governance principles, organizing conferences and seminars on the topic. Algeria has also issued a corporate governance charter as a guide for implementation.
- There should be the establishment of agencies to rate and evaluate companies based on the quality of their governance practices, along with incentive programs such as “Best Corporate Governance” awards and detailed guidelines for optimal practices as a competitive advantage.
- Greater attention should be paid to external auditing by activating the role of the Accounting Council in issuing external auditing standards that align with international standards and quality criteria and ensuring compliance with them.

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