

The Impact Of Digital Governance On The Organizational Performance Of Employees At The Saudi Arabian General Investment Authority

Abdullah Ahmed Abdullah Al-Kanani Al-Zahrani, Dr. Mona Samy Mahmoud Mostafa

Abstract

employees at the Saudi Arabian General Investment Authority, in light of the rapid digital transformations driven by Saudi Vision 2030. Digital governance is defined as the organizational framework that encompasses transparency, accountability, and digital participation, guiding the use of information technology within institutions to achieve efficiency and effectiveness. The study employed a descriptive-analytical approach, and data were collected from a random sample of 80 employees using a comprehensive questionnaire. The data were analyzed using correlation coefficients and linear regression analysis.

The results indicated that the level of implementation of digital governance dimensions—transparency, accountability, and participation—was moderate. Similarly, organizational performance was found to be at a comparable level, with values ranging from 2.97 to 3.34 on a 5-point scale. The statistical analysis revealed a strong and statistically significant positive relationship between the dimensions of digital governance and organizational performance. The coefficient of determination (R^2) was approximately 0.71, meaning that 71% of the variation in organizational performance can be explained by digital governance.

The study recommends enhancing digital transparency, empowering employees to participate in digital processes, and strengthening accountability mechanisms. It also advocates for the provision of specialized digital training programs and the adoption of performance-based digital reward systems. These findings underscore the importance of integrating digital governance as a strategic tool to improve institutional performance and foster human capital development.

Keywords: Digital Governance, Organizational Performance, Digital Transparency, Digital Accountability, Digital Participation, Digital Transformation, Saudi Vision 2030, Public Sector

INTRODUCTION:

In today's rapidly evolving digital landscape, digital governance has emerged as a critical enabler of institutional efficiency, transparency, and accountability. As organizations around the world adopt technological innovations to streamline operations and enhance service delivery, public sector institutions are increasingly embracing digital governance frameworks to optimize internal processes and elevate **organizational performance** (OECD, 2019). In this context, the Kingdom of Saudi Arabia has taken significant steps toward digital transformation, driven by the strategic pillars of Vision 2030, which emphasizes the integration of digital technologies into government operations to improve productivity and public satisfaction (Vision 2030, 2016).

Digital governance refers to the frameworks, policies, and systems that govern the deployment and management of information technology within organizations. It encompasses decision-making mechanisms, accountability structures, and the alignment of digital initiatives with institutional goals (Weill & Ross, 2004). At the heart of effective digital governance lies the ability to foster a performance-oriented culture, improve communication flows, support decision-making, and empower employees with the tools and data needed to execute their roles efficiently (Heeks, 2020).

The General Investment Authority in Saudi Arabia plays a pivotal role in promoting investment opportunities, facilitating business development, and aligning the national economy with global markets. As such, ensuring high levels of **organizational performance** is vital to achieving its mission. The implementation of digital governance practices within the Authority—such as the automation of administrative tasks, the digital tracking of workflows, and the adoption of cloud-based systems—has the potential to significantly influence productivity, engagement, and overall **organizational performance** (AlGhamdi, 2022).

While the strategic importance of digital governance is widely recognized, empirical research examining its impact on **organizational performance** within specific public institutions in Saudi Arabia remains limited. This study seeks to explore how digital governance frameworks affect the **organizational performance** of employees at the General Investment Authority, with the aim of identifying challenges, opportunities, and actionable recommendations to enhance institutional effectiveness.

Problem Statement

This study investigates the following central research question: What is the impact of digital governance on the **organizational performance** of employees at the Saudi Arabian General Investment Authority?

This question is broken down into the following sub-questions:

1. How does digital transparency affect **organizational performance**?
2. What is the influence of digital accountability mechanisms on **organizational performance**?
3. How does digital participation impact **organizational performance**?
4. Are there statistically significant differences in **organizational performance** related to demographic variables (gender, age, marital status, years of experience)?

Hypotheses

Main Hypothesis: There is a statistically significant relationship between digital governance practices and the **organizational performance** of employees at the Saudi Arabian General Investment Authority.

Sub-Hypotheses:

- H1: Digital transparency significantly affects **organizational performance**.
- H2: Digital accountability significantly affects **organizational performance**.
- H3: Digital participation significantly affects **organizational performance**.
- H4: There are significant differences in employee perceptions based on demographic characteristics (gender, age, marital status, experience).

Theoretical Framework

Digital governance refers to the use of information and communication technologies (ICTs) to facilitate transparency, accountability, and participation in institutional management and decision-making processes. It represents a modern evolution of traditional governance mechanisms, enhancing public sector responsiveness, openness, and efficiency (Bannister & Connolly, 2012).

Digital Transparency ensures that organizational policies, decisions, and performance metrics are available through accessible digital platforms. This supports employee awareness, engagement, and trust in institutional operations (Grimmelikhuijsen et al., 2013).

Digital Accountability entails deploying digital systems that monitor employee and organizational performance, track responsibilities, and offer reliable feedback loops. These mechanisms reinforce a culture of performance and result-oriented governance (Zuiderwijk & Janssen, 2014).

Digital Participation is achieved by enabling employees to engage with governance processes through online platforms, surveys, collaborative tools, and digital forums. This inclusivity boosts motivation, ownership, and alignment with organizational goals (Medaglia, 2012).

The theoretical foundation of this study is based on **institutional theory**, which holds that organizational behavior is shaped by structures, rules, and routines that become embedded over time (Scott, 2004), and **systems theory**, which emphasizes feedback, interconnectivity, and adaptation in complex organizations (Bertalanffy, 1968). Applying these theories in a digital context helps explain how structured digital governance mechanisms influence **organizational performance** within the public sector.

BACKGROUND

The concept of digital governance stems from the broader evolution of governance mechanisms in the digital age. It refers to the structured frameworks, policies, and systems through which information and communication technologies (ICTs) are used to enhance institutional transparency, accountability, and participation (Bannister & Connolly, 2012). As governments and public institutions globally embrace digital transformation, the theoretical foundation of digital governance becomes increasingly significant in understanding its role in improving **organizational performance** and employee engagement.

This study draws on two key theoretical perspectives: **Institutional Theory** and **Systems Theory**. **Institutional Theory** posits that organizations are influenced by the rules, norms, and routines that are embedded in their environment. These institutional pressures shape organizational behavior, including the adoption of digital systems and technologies (Scott, 2004). In the context of public administration, digital governance mechanisms are often institutionalized as part of national strategic reforms, such as Saudi Arabia's Vision 2030, which encourages the integration of digital tools to enhance public service delivery.

Systems Theory, originally developed by Bertalanffy (1968), views organizations as open systems composed of interconnected elements that interact through feedback loops. This theory supports the notion that digital governance can improve institutional performance by creating feedback mechanisms, enhancing data flows, and supporting adaptive decision-making processes (Heeks, 2020).

The three primary dimensions of digital governance examined in this study—digital transparency, digital accountability, and digital participation—are each theoretically grounded. Transparency facilitates access to information, which can boost trust and engagement (Grimmelikhuijsen et al., 2013). Accountability mechanisms such as digital performance tracking systems help ensure responsibility and efficiency (Zuiderwijk & Janssen, 2014). Participation empowers employees to contribute to digital processes, increasing motivation and ownership (Medaglia, 2012).

Together, these theories provide a comprehensive lens for analyzing how digital governance structures can influence **organizational performance** in a modern governmental context.

METHODOLOGY

To address the research objectives, the study employed a descriptive-analytical approach. A structured questionnaire was designed and distributed to a randomly selected sample of employees at the Saudi Arabian General Investment Authority. Out of 120 distributed questionnaires, 80 valid responses were collected and analyzed using descriptive statistics, Pearson correlation, and linear regression techniques.

RESULTS:

Table 1: Mean Scores, Standard Deviations, and Levels of Digital Governance Dimensions among Employees

Descriptive Analysis of Digital Governance Dimensions:

Digital Governance Dimension	Mean Score	Std. Deviation	Level
Digital Transparency	3.30	1.16	Moderate
Digital Participation	3.27	1.14	Moderate
Digital Accountability	3.26	1.17	Moderate

Table 2: Descriptive Statistics of Organizational Performance Indicators Reflecting the Use of Digital Technologies

Descriptive Analysis of Organizational Performance:

Organizational Performance Indicator	Mean	Std. Deviation	Level
Existence of a digital monitoring system to improve performance	3.34	1.13	Moderate

Use of modern technologies in skill development	3.32	1.27	Moderate
Online training for new employees	3.16	1.20	Moderate
Digital learning packages tailored to job needs	3.06	1.19	Moderate
Performance-based digital reward systems	2.97	1.20	Moderate

Table 3: Regression Summary Table for the Effect of Digital Governance on Organizational Performance

Regression Analysis Summary:

Predictor	R	R ²	Sig. Value	Interpretation
Digital Governance	0.84	0.71	< 0.05	Strong and statistically significant

Table 4: Pearson Correlation Coefficients Between Digital Governance Dimensions and Organizational Performance

Pearson Correlation Coefficients:

Digital Governance Dimension	Correlation with Organizational Performance	Significance
Digital Transparency	0.77	0.000
Digital Participation	0.69	0.000
Digital Accountability	0.67	0.000

DISCUSSION

The findings from the descriptive analysis indicate that the implementation of digital governance across its core dimensions—transparency, participation, and accountability—is perceived by respondents to be at a moderate level. This suggests that while digital governance practices are present within the organization, they may not yet be fully developed or deeply embedded in work processes. Among the three dimensions, **digital transparency** holds the highest mean score (3.30), suggesting a relatively strong perception of information accessibility and clarity.

Digital participation (mean = 3.27) was also rated moderately, indicating that employees feel somewhat included in digital decisions, though without fully structured involvement mechanisms. **Digital accountability** received the lowest score (3.26), pointing to a gap in mechanisms for monitoring responsibilities and providing feedback, which are crucial for building trust and performance orientation.

The **organizational performance** indicators also showed moderate ratings, with scores ranging from 2.97 to 3.34. The highest rated indicator was the existence of a **digital monitoring system** (3.34), which implies effective performance tracking. Following closely was the use of **modern technologies in skill development** (3.32), reflecting moderate efforts to leverage digital platforms for capacity building.

Lower ratings were observed for **online training for new employees** (3.16), **tailored digital learning packages** (3.06), and **digital reward systems** (2.97). These scores suggest gaps in aligning digital training and rewards with employees' specific roles and contributions, which could reduce motivation and hinder performance improvement.

The **regression analysis** provides strong evidence for the significant impact of digital governance on **organizational performance**, with $R^2 = 0.71$ indicating that 71% of performance variance can be attributed to digital governance. This high explanatory power confirms the practical value of digital governance. The significant p-value (< 0.05) confirms the reliability of the relationship.

Pearson correlations further support these findings, with **digital transparency** ($r = 0.77$) showing the strongest link to performance, followed by **participation** ($r = 0.69$) and **accountability** ($r = 0.67$). These results affirm that employee engagement and clarity in digital governance significantly enhance **organizational performance**.

Recommendations

Based on the findings, the researchers offer the following recommendations:

1. **Enhance Digital Transparency:** Provide clear and accessible digital channels for policies, procedures, and performance expectations.
2. **Strengthen Digital Participation:** Involve employees in decision-making processes via digital platforms and tools.
3. **Reinforce Digital Accountability:** Implement robust digital systems for feedback, performance evaluation, and grievance handling.
4. **Promote Digital Literacy:** Offer training programs to ensure all employees are proficient in using digital tools.
5. **Incentivize Digital Engagement:** Recognize and reward employees who actively contribute to digital governance practices.

REFERENCES

- OECD (2019). *Digital Government Review of Saudi Arabia: Enabling Whole-of-Government Transformation*. OECD Publishing.
- Vision 2030 (2016). *Kingdom of Saudi Arabia Vision 2030*. [<https://www.vision2030.gov.sa/>]
- Weill, P., & Ross, J. W. (2004). *IT Governance: How Top Performers Manage IT Decision Rights for Superior Results*. Harvard Business School Press.
- Heeks, R. (2020). *Information and Communication Technology for Development (ICT4D)*. Routledge.
- AlGhamdi, M. (2022). "The Impact of Digital Transformation on Employee Performance in Saudi Government Agencies." *International Journal of Public Administration*, 45(4), 389-402.
- Bannister, F., & Connolly, R. (2012). *Forward to the past: Lessons for the future of e-government from the story so far*. *Information Polity*, 17(3-4), 211-226.
- Grimmelikhuijsen, S. G., et al. (2013). *The effect of transparency on trust in government: A cross-national comparative experiment*. *Public Administration Review*, 73(4), 575-586.
- Zuiderwijk, A., & Janssen, M. (2014). *Open data policies, their implementation and impact: A framework for comparison*. *Government Information Quarterly*, 31(1), 17-29.
- Medaglia, R. (2012). *eParticipation research: Moving characterization forward (2006-2011)*. *Government Information Quarterly*, 29(3), 346-360.
- Scott, W. R. (2004). *Institutional theory: Contributing to a theoretical research program*. In K. G. Smith & M. A. Hitt (Eds.), *Great Minds in Management: The Process of Theory Development*. Oxford University Press.
- von Bertalanffy, L. (1968). *General System Theory: Foundations, Development, Applications*. George Braziller.
- Bannister, F., & Connolly, R. (2012). *Forward to the past: Lessons for the future of e-government from the story so far*. *Information Polity*, 17(3-4), 211-226.
- Bertalanffy, L. (1968). *General System Theory: Foundations, Development, Applications*. George Braziller.
- Grimmelikhuijsen, S. G., et al. (2013). *The effect of transparency on trust in government: A cross-national comparative experiment*. *Public Administration Review*, 73(4), 575-586.
- Heeks, R. (2020). *Information and Communication Technology for Development (ICT4D)*. Routledge.
- Medaglia, R. (2012). *eParticipation research: Moving characterization forward (2006-2011)*. *Government Information Quarterly*, 29(3), 346-360.
- Scott, W. R. (2004). *Institutional theory: Contributing to a theoretical research program*. In K. G. Smith & M. A. Hitt (Eds.), *Great Minds in Management: The Process of Theory Development* (pp. 460-484). Oxford University Press.
- Zuiderwijk, A., & Janssen, M. (2014). *Open data policies, their implementation and impact: A framework for comparison*. *Government Information Quarterly*, 31(1), 17-29.