

The Effect of Governance in the Non-profit Sector (Applied on Wameedh Charity in the Eastern Province)

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Abstract

This study aims to identify the effect of governance in the non-profit sector (applied on Wameedh Charity) in the Eastern Province. The study hypothesis was if there was a direct relationship between applying governance requirements and performance effectiveness in the non-profit sector's institutions, and if there was a direct relationship between applying governance and the enhancement of public confidence in the performance of non-profit sector institutions. The researcher relied on the social survey method and study population is represented in Wameed Charity in the Eastern Province in Kingdom of Saudi Arabia. Questionnaires were used to collect data. Data obtained were analyzed: correlation coefficients, regression analysis and variances. There was a positive direct correlation with statistical significance at the level (0.05) between applying governance and the effectiveness of performance in the institutions of the non-profit sector. The level of application of governance requirements has the greatest impact on predicting the level of performance effectiveness in the non-profit sector institutions.

Keywords: Governance, Non-profit sector, Performance effectiveness, Enhancement, Public confidence.

المخلص

هدفت الدراسة التعرف على أثر الحوكمة في القطاع غير الربحي (تطبيقاً على جمعية وميض الخيرية) في المنطقة الشرقية، وكانت فرضية الدراسة هي هل هناك علاقة مباشرة بين تطبيق متطلبات الحوكمة وفاعلية الأداء في مؤسسات القطاع غير الربحي وكان الهدف الرئيسي من الدراسة هو التعرف على أثر تطبيق الحوكمة على القطاع غير الربحي. وكذلك بيان الكيفية التي تحسن بها الحوكمة من فاعلية مؤسسات القطاع غير الربحي.

التعرف على دور الحوكمة في تعزيز ثقة الجمهور في أداء مؤسسات القطاع غير الربحي، كذلك بيان مدى تطبيق متطلبات الحوكمة في القطاع غير الربحي، وأخيراً التعرف على المشكلات التي تواجه حوكمة القطاع غير الربحي. وقامت الباحثة باستهداف كافة العاملين بجمعية وميض الخيرية بالمنطقة الشرقية بالمملكة العربية السعودية، واستخدمت منهج المسح الاجتماعي وهو أحد مداخل المنهج الوصفي والذي يعتمد على استخدام أسلوب المسح الشامل لأفراد عينة الدراسة بهدف استعراض مشكلة الدراسة وتفسيرها وتقديم الحلول الممكنة لها عن طريق رصد ومسح كافة البيانات المتعلقة بالظاهرة التي يتم دراستها، كما استعانت الدراسة بالمصادر في بناء أداة الدراسة (الاستبانة)، وذلك لمناسبتها لتحقيق أهداف الدراسة وملاءمتها لحجم العينة، توصلت الدراسة إلى عدد من النتائج أهمها:

توجد علاقة ارتباط طردية موجبة ذات دلالة احصائية (0.05) بين تطبيق الحوكمة و فاعلية الاداء في مؤسسات القطاع غير الربحي، و انه كلما تم تطبيق الحوكمة في مؤسسات القطاع غير الربحي أدى ذلك إلى ارتفاع مستوى و فاعلية الاداء في مؤسسات القطاع غير الربحي، وأن مستوى تطبيق الحوكمة له الأثر الأكبر للتنبؤ بمستوى فاعلية الاداء في مؤسسات القطاع غير الربحي.

الكلمات المفتاحية: الحوكمة، القطاع غير الربحي، فاعلية الأداء، تحسين، ثقة الجمهور.

1. Introduction:

In the last decade of the twentieth century, the concept of governance appeared frequently as a result of the repeated failures of many huge companies and institutions. As a result of companies' failure to achieve their goals, poor management practices, and misuse of resources and capabilities, the World Trade Organization, the Organization for Economic Cooperation and Development and various organizations turned to establish a set of general principles of governance to assist the companies in achieving growth, stability and support their local and international competitiveness. The inevitability of governance was stressed as a necessity to overcome those successive crises and collapses (Darwish, 2007).

Kingdom of Saudi Arabia is distinguished from other countries by some religious and social values on which the society was born, the most important of which are those related to support, assistance and giving.

1.1. Problem of the Study:

Given that the non-profit sector organizations and institutions work with financial support from donors and logistical support from volunteers, they must be transparent in their operations and dealings to ensure the confidence of the public and society.

For this, the civil society must maintain all documents with the ability to share them clearly and transparently to the public by providing information about its mission, management structure, periodic program and performance reports, and financial reports. Hence, the need for governance of this sector came due to its importance and because it crosses a vital and growing sector, and for what is hoped for in advancing the development process in the country, and therefore the research question is: What is the effect of governance in the non-profit sector (applied on Wameedh Charity) in the Eastern Province?

1.2. Objectives of the Study:

1. Identifying the effect of applying corporate governance on the non-profit sector.
2. Describing how governance improves the effectiveness of non-profit sector institutions.
3. Identifying the role of governance in enhancing public confidence in the performance of non-profit sector institutions.
4. Statement of the extent to which governance requirements are applied in the non-profit sector.
5. Identifying the problems facing the governance of the non-profit sector.

1.3. Significance of the Study:

The importance of the study stems from the importance of the variables it deals with. The issue of corporate governance has gained great importance in recent years, as a guarantee or motivating factor for efficient management in contributing institutions using many incentives, such as contracts, legislation, organizational structures designs and their relationship to improving financial performance, and the ability of the public shareholding corporation's owners to ensure and motivate the corporation's directors to achieve the best return on their investments.

1.3.1. Scientific Significance:

The current study may help shed light on the role of applying governance mechanisms in the non-profit sector and monitoring the contributions of governance in achieving the highest financial and administrative effectiveness in non-profit institutions in the Kingdom, as well as monitoring the positives of applying governance in the non-profit sector and monitoring the effect of this on the quality of financial performance.

Finally, the researcher hopes to enrich a scientific addition to Arab knowledge and libraries with regard to highlighting the standards of governance and reaching proposals towards their further application in the non-profit sector.

1.3.2. Practical Significance:

The results of the current study may contribute to revealing the effectiveness of applying governance in the non-profit sector to contribute to the implementation of sustainable development plans for 2030 and making appropriate recommendations to enhance applying governance. The results of this study may help in monitoring the contributions, influences and positives of standards and governance procedures.

1.4. Hypotheses of the Study:

The research question is: What is the effect of applying governance on the non-profit sector applied on Wameedh Charity in the Eastern Province. The following secondary hypotheses emerge from it:

1. The First Hypothesis: There is a direct relationship between applying governance requirements and performance effectiveness in the non-profit sector's institutions.

2. The Second Hypothesis: There is a direct relationship between applying governance and the enhancement of public confidence in the performance of non-profit sector institutions.

Study Model:

In light of the review of the relevant literature that was available to the researcher and in light of the study problem, its elements and hypotheses, the study model was perceived as shown in Figure (1) below:

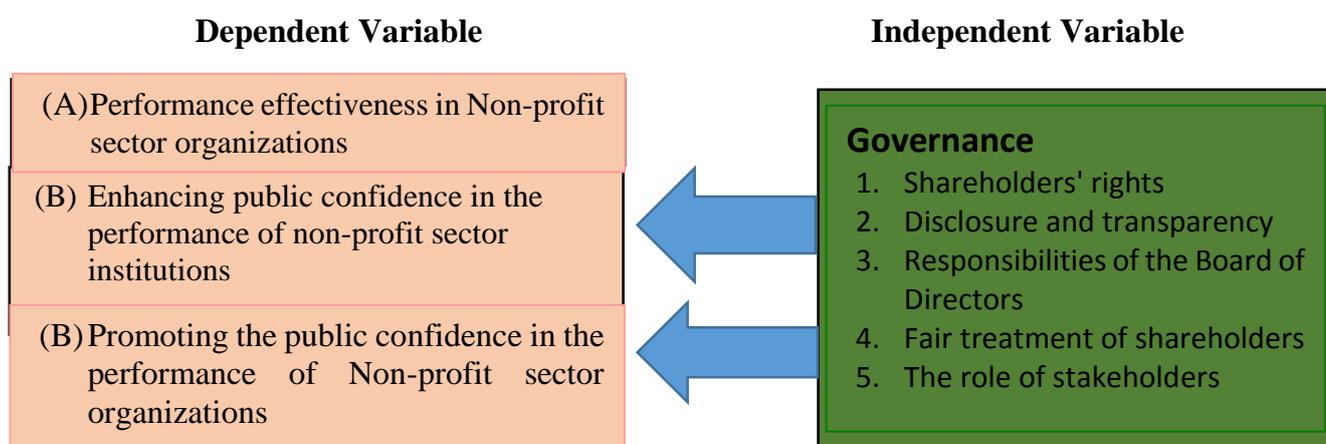


Figure 1: Study Model

1.5. Limits of the Study:

- **Objective Limits:** The study was limited to discuss the effect of governance on non-profit sector applied on Wameedh Chareity.
- **Human Limits:** the study was limited to a sample of workers in Wameedh Chareity.
- **Spatial Limits:** Wameedh Chareity in the Eastern Province in Kingdom of Saudi Arabia.
- **Time Limits:** the first semester of the academic year 1443 H - 2022 AD.

1.6. Terminology of the Study:

Governance

Governance is defined by the Organization for Economic Cooperation and Development (OECD) as “a set of relations between the company’s management, the Board of Directors, owners and all related parties.

Non-profit Sector:

These are organizations whose primary objective is to support, advocate or engage in public or private activities without any commercial interest or profit purposes, calling for them or involving in them.

2. Literature Review

The First Topic: Governance

Governance in general is the presence of systems that control the relationships between the main parties in the facility (shareholders - executive management - Board of Directors) with the aim of determining the responsibility and rights of each party at the same time in order to achieve transparency, justice and combat corruption and to ensure that the company seeks to achieve its strategic goals (in the long term).

Governance Concept:

The concepts of corporate governance and social responsibility are among the modern concepts in the world of economy, business and investment.

Governance Features:

- Discipline: following appropriate and correct ethical behavior
- Transparency: providing a true picture of what is happening

- Independence: no unnecessary influences and pressures to work
- Accountability: it is the ability to evaluate the work of the Board of Directors and the executive management
- Responsibility: the presence of responsibility before all stakeholders in the facility
- Equity: that is, the rights of the various stakeholder groups in the facility must be respected
- Social responsibility: looking to the company as a good citizen

Importance of Governance:

A. Importance of Governance for Shareholders:

The importance of corporate governance for shareholders can be summarized as follows:

1. Full disclosure of the facility's performance, financial position and decisions taken by Senior Management helps shareholders identify the risks involved in investing in these facilities.
2. It helps guarantee the rights of all shareholders, such as the right to vote, and the right to participate in decisions regarding any fundamental changes that may affect the performance of the company in the future.

B. The importance of governance for companies:

The importance of governance for companies can be summarized as follows:

1. It works on setting the organizational framework through which the objectives of the facility can be determined and the ways to achieve them by providing appropriate incentives for members of the management and executive management departments in order to work on achieving the objectives of the facility that take into account the interests of shareholders.
2. The establishments that apply corporate governance gain increased investor confidence because the rules of corporate governance guarantee the protection of their rights.
3. It enables raising economic efficiency of the facility through laying the foundations for the relationship between the facility's directors, management magazines, and shareholders.

Corporate Governance Principles:

The principles of corporate governance mean: the rules, systems, and procedures that achieve the best protection and balance between the interests of the corporation's directors and shareholders,

and other stakeholders associated with it (Mitani et al., 2016, p. 47). OECD, in partnership with the International Monetary

First Principle: Availability of an Effective Corporate Governance Framework

This principle emphasizes that the corporate governance structure works to raise the level of transparency and the efficiency of markets, consistent with the role of the law and clearly defines the assessment of responsibilities between different bodies responsible for supervision, control and compliance with applying the law and stressed the following:

- Developing the governance structure, while taking into account its macroeconomic effect, market integrity, and the incentives it provides to market participants; promoting market transparency and efficiency.
- Legal and regulatory requirements that affect the practice of corporate governance within the legislation should comply with the rules of the law, its transparency, and the obligation to implement it.
- Legislation clearly provides for the distribution of responsibilities between the different bodies while ensuring the realization of the interests of the public.
- The supervisory and oversight bodies responsible for enforcing the law have the authority, integrity and provide the necessary resources to carry out their duties in a professional and objective manner.

Second Principle: Shareholders' Rights (Equity)

This principle addresses the protection of shareholders' rights that include:

- Fundamental shareholders' rights.
- Shareholders' rights to participate in making important decisions and to inform them adequately about decisions related to fundamental changes in the company.
- The right of shareholders to participate effectively and vote in the meetings of the General Assembly of shareholders; informing them of the rules.
- The obligation to disclose the capital structure and the arrangements that enable some shareholders to exercise a degree of control that affects the company's policy in proportion to their shareholding percentage.

Third Principle: Equal Treatment of Shareholders

This principle emphasized the following:

- Providing equal voting rights to shareholders within each category.
- Voting must be made by the trustees or delegates as agreed upon with the shareholders.
- The procedures followed for holding the General Assembly meetings of shareholders must allow equal treatment of all shareholders.
- Preventing the trading of shares in a manner that is not transparent and transparent and at the risk of trading or being viewed for the account of insiders.
- Board members and executive directors must disclose the existence of any interests of their own that may be related to processes or issues affecting the company.

Fourth Principle: The Role of Stakeholders

Effective cooperation between companies and company stakeholders encourages the provision of continuity for financially sound companies and ensures the following:

- The framework of the rules governing corporate governance must stress the need to respect the rights of stakeholders that are protected by law.
- Giving stakeholders the opportunity to obtain appropriate compensation for the violation of their rights.
- The corporate governance framework must allow the existence of mechanisms for the participation of stakeholders, and that those mechanisms in turn ensure the improvement of performance levels.

Fifth Principle: Disclosure and Transparency

includes the following:

- Disclosure should include the following information: the company's investment and operating results.
- The goals of the company, majority share ownership and voting rights, Board members' remuneration, stakeholder transactions, expected material risks, material matters, structures and policies of corporate governance rules.
- The information disclosed must be prepared in accordance with high-quality accounting standards and include financial and non-financial information.

- Conducting the annual audit of the company's accounts by an independent and qualified auditor.
- Providing information dissemination channels to enable the beneficiaries to access it in a fair and at a low cost in a timely manner.
- Enhancing reports with the advice and advice provided by brokers, analysts and rating agencies related to shareholder decisions.

Sixth Principle: Responsibilities of the Board of Directors

This principle embodies the framework of corporate governance rules on the company's strategy and the effective control of the Board of Directors over the company, and the Board's responsibility before the company and the shareholders in terms of:

- The Board's work sincerely on the basis of the diligence that is keen on the interest of the company and the shareholders.
- If its decisions affect a group of shareholders, the Board of Directors must work to achieve equal treatment for all shareholders.
- The Board of Directors should follow high standards of ethics and take into account the interests of the relevant parties.

Governance Mechanisms:

divided into internal mechanisms and external mechanisms; as follows:

A- Internal Mechanisms:

Internal governance mechanisms focus on the company's activities and events, and taking the necessary measures to achieve the company's objectives, internal governance mechanisms can be categorized into the following (Shabeer; 2017; p. 31) (Ziani, 2014, p. 87:

- 1- **The Board's Role:** the Board of Directors prepares the best management, monitoring the management's behavior, as it protects the capital invested in the company from misuse by the management through collective statutory powers in order for the Board of Directors to be able to define and fulfill its duties.
- 2- **The Audit Committee:** It is one of the governance tools that enhances and increases the volume of disclosed financial information, which leads to reliability and transparency, where it prepares the financial report and supervises the internal audit process in companies.

- 3- **Remuneration Committee:** This committee consists of non-executive board members, as it is concerned that the remunerations granted to members of the Board of Directors and Senior Management are reasonable to ensure the promotion of the company's long-term interests by attracting highly qualified stakeholders.
- 4- **The Appointment Committee:** This committee has set a set of duties, the most important of which is setting the required specifications and skills that must be available to a member of the Board of Directors.
- 5- **Internal Audit:** Internal audit plays an important role in the governance process, as it enhances the company's control and accountability capacity. This, in turn, improves the behavior of employees and reduces the risks of corruption, whether financially or administratively; Because of the availability of credibility and justice.

All of this is considered one of the main sources for implementing the rules of governance, including (Shabeer; 2017, pp. 32-33) (Bugu, 2019, pp. 21-21):

- 1- **Competition with the service market and the administrative labor market:** since the competition market will refine the behavior of management, especially if there is an effective market for Senior Management's administrative work.
- 2- **Merger and Acquisition:** Merger and acquisition is one of the forms of business integration for companies, which are stipulated by some corporate laws, which in turn must be followed by governance.
- 3- **External audit:** the external auditor improves the quality of financial statements, achieves accountability, integrity and improves operations in the company and he instills trust between stakeholders and citizens in general.
- 4- **Legislation and laws:** legislation and laws affect the governance process; not in relation to their role and function in this process. Rather, this depends on how they interact with each other.

The Second Topic: The Non-profit Sector

The concept of the non-profit sector:

There are many and varied terms that express the non-profit organization sector according to the cultural standpoint and the society in which they operate,

including non-governmental organizations (NGOs), civil organizations, non-profit organizations (NPOs), charitable societies, public benefit societies, the charitable sector, and many other designations (Wahabi, 2011, p. 3)

Characteristics of the Non-profit Sector:

Shukr (2000) stresses that the various names of these non-profit organizations, which are represented in the third sector, the independent sector, NGOs, the civil sector, non-governmental institutions...) have a common denominator among them, emphasizing three important elements:

- 1- It is primarily charitable in nature.
- 2- It is not-for-profit (non-profit).
- 3- It depends on charitable voluntary work.

Objectives of the Non-profit Sector:

Civil organizations aim at a set of noble goals that can be addressed as follows (Al-Mashiakhi, 2013, pp. 50-51):

1. Empowering and developing the local community, implementing sustainable programs and activities that meet real needs and desires, in line with the strategic directions of local and global development in cooperation with the goals of the United Nations Millennium Development Programs.
2. Determining the needs to build the capacity of the local community for which they work.
3. Cooperation with relevant local governments.
4. Ensuring common interests with relevant stakeholders and their participation in the activities and achievements.

Areas of NGOs and Institutions:

The Ministry of Labor and Social Development in Kingdom of Saudi Arabia issued a guide to classifying NGOs and institutions (1440 H),

1. : Culture and Entertainment:
2. : Education and Research:
3. : Health:
4. : Social Services
5. : the Environment:
6. : Development and Housing

7. : Support and Advocacy
8. : Charitable Support Organizations
9. : Organizations of Advocacy, Guidance, Religious Education, and Pilgrims' Service
10. : Professional Associations

Reality of the non-profit sector in Kingdom of Saudi Arabia:

Kingdom of Saudi Arabia is at the forefront of the pioneering countries in charitable work, a program and organization, as efforts played a major role in the emergence of charitable work in it, as the Islamic Sharia, in the course of its keenness on the solidarity and mercy of its followers, showed the rights of people to each other. Among these rights is that God, the Almighty, imposed Zakat on the rich and the those who are able to pay, to take from their money a certain amount and give it back to the poor and needy. The Islamic Sharia also urges the voluntary spending of money in various charitable causes, and clarifies the great reward that results from that, which made the act of charity and giving it rooted in the hearts of the members of society.

The profitable activity is the driver of all the activities and organizations of society, as the sector grows at a rapid pace and contributes significantly to the domestic product. Although the contribution of the non-profit sector to Saudi GDP is still weak, it is growing at an encouraging pace, where the non-profit sector has outperformed since 2013. The annual growth rate of the non-profit sector's contribution to the GDP has reached (4.10%). This is consistent with the sector's growth rates in other countries (The Kingdom's Financial Academy, p. 8).

With reference to the United Nations International Classification of Non-Profit Organizations, the activities of organizations in the Kingdom can be divided as follows (Taladi, 2021, p. 422):

- Social Services 674
- Development and Housing 666
- Advocacy, guidance and religious education 601
- Professional and scientific associations and societies 301
- Organizations supporting charitable work and volunteering 199
- Health 83 Culture and Recreation 30
- Support & synergy 33 Education and Research 18 and Environment 17

(Al Hares and Al-Duhaila, 2015, pp. 10-11) (Al-Shizawi, 2004, pp. 90-91) adds many obstacles that stand in the way of the work of non-profit sectors and their achievement of their desired goals in societies in general, which are represented in the following:

A- Obstacles Specific to NGOs

1. The lack of an accurate information system. If the statistics, information and data are absent from the reality of the society's problems on the one hand, and the NGOs on the other, it becomes difficult to launch the private sector and faces difficulties in trying to evaluate its performance.
2. Poor coordination between organizations and supporting cooperation among them, especially those that work in one field, and then weak use of available resources (material and human) as efficiently as possible.
3. The problem of motivating citizens to participate in civil work, especially for associations that do not suffer from the problem of financial resources much.
4. The problem of self-management of NGOs.
5. Lack of social research experience among workers, despite its importance in knowing the needs of society.
6. Lack of knowledge experience related to preparing the budget, or lack of experience in developing work plans.
7. Poor participation of members in the associations' activities as a result of the low degree of demand for work in these associations.
8. Procedural difficulties: such as the difficulty of obtaining agreement to implement the association's activities, in particular the cultural ones.
9. The number of members in many civil associations and groups has decreased as a result of the increasing preoccupation with private life matters and the increasing reliance on official bodies in providing social services.
10. Duplication and multiplicity of membership in a number of voluntary associations and teams, which leads to the dispersal of efforts and weakening of the contribution, and the reduction of effectiveness in the various associations to which it is affiliated.

11. Lack of appreciation and moral incentives granted to activists in civil associations, and the failure to provide appropriate media coverage and support that is able to highlight these efforts and their humanitarian goals.

B- Financing-related Problems:

1. Irregular financial support provided by the official body and the private sector.
2. The insufficiency of government financial support provided to associations on the one hand, and the lack of support from the private sector on the other.

C- Society-related Problems:

1. The decline in the number of civil workers, an issue with a global dimension that emerged under the pressures and complexity of daily life on the one hand, and because of the systems and conditions of civil work on the other hand.
2. There is a problem of a special nature that arises in the societies of the Arab Gulf, where the social differentiation and the nature of the social and cultural formation had negative effects on the NGOs and their limited activities.

D- Problems related to the relationship with the state:

It is represented in the oversight and follow-up by the government, as it takes on a bureaucratic aspect that hinders work and affects the independence of NGOs. The relationship between the two parties sometimes takes competitive rather than complementary forms, which raises tension in the work environment.

3. Methodology and Procedures of the Study

3.1. Study Methodology:

The researcher relied on the social survey method.

2.3. Study Population:

represented in Wameed Charity in the Eastern Province in Kingdom of Saudi Arabia.

3.3. Study Sample:

represented in all employees of Wameed Charity in the Eastern Province in Kingdom of Saudi Arabia.

4.3. Study Tool:

Questionnaire.

4.3.1. Validity of the study tool:

To ensure the validity of the study tool and its suitability for what it was designed for, the researcher did the following:

A- Visual Validity (the validity of the arbitrators)

B- Validity of internal consistency in the paragraphs of the tool

4.4.2. Study Tool Reliability

Calculated using Cronbach's Alpha coefficient

4. Analytical Results and Hypothesis Testing

Displaying the Data of the Study Sample:

1- Gender:

Table (4-1)

Distribution of Study Members According to the Gender Variable

Gender	Frequency	Percentage
Male	79	72.5
Female	30	27.5
Total	203	100%

2 Age

Table (4-2)

Distribution of study members according to the age variable

Age	Frequency	Percentage
Less than 30 years	6	5.5
From 30 to less than 40 years	21	19.3
From 40 to less than 50 years	34	31.2
50 years and more	48	44.0
Total	109	100%

3. Educational Qualification:

Table (4-3)

Distribution of study members according to the educational qualification variable

Educational qualification	Frequency	Percentage
Secondary	7	6.4
Bachelor's Degree	83	76.1
Higher Studies	19	17.4
Total	109	100%

4. Number of experience years in the field of NGOs

Table (4-4)

Distribution of study members according to the variable “number of experience years in the field of NGOs”

Number of experience years in the field of NGOs	Frequency	Percentage
Less than 3 years	33	30.3
From 3 to less than 5 years	10	9.2
From 5 to less than 10 years	15	13.8
10 years and above	51	46.8
Total	109	100%

Second: Hypotheses Testing:

A- Calculating the Correlation Coefficients

Table (4-5)

Pearson correlation coefficient between applying governance and performance effectiveness in the non-profit sector's institutions

Variables	Effectiveness of performance in the non-profit sector's institutions		
	Correlation coefficient	Significance level	Statistical decision
Governance application	**0.871	0.01	Statistically significant positive correlation

B. Calculation of regression analysis and regression variance

Table No. (4-6)

Regression analysis and regression variance

Independent variables	Variance	Total squares	Freedom degrees	Average squares	F Value	Significance level
Governance application	Regression	53.538	1	53.538	334.92	0.01
	The remaining	17.104	107	0.160		
	Total	70.643	108			
Correlation coefficient (R) = (0.87) Determination coefficient (R ²)= (0.76)						

5. Findings and Recommendations

1.5. Summary of the Study:

The study included five chapters, in addition to a list of references and appendices. In final chapter, the researcher dealt with the concepts of the study and defining the objectives of the study.

Hypotheses of the Study:

- The first hypothesis: There is an impact of applying governance on the effectiveness of performance in the institutions of the non-profit sector.
- The second hypothesis: There is an effect of applying the requirements of governance and effective performance in the non-profit sector institutions.
- The third hypothesis: There is an effect of applying governance on enhancing public confidence in the performance of non-profit sector institutions.

The second chapter consists of two parts, the first part dealt with the theoretical framework, and the second part included previous studies related to the subject of the study, as it reviewed the local, Arab and foreign studies. The researcher commented on it in terms of the points of agreement and disagreement with previous studies, and the extent to which it is used in the current study.

In the third chapter, the researcher addressed the study methodology and procedures, where the descriptive approach was used in its survey style, and the questionnaire was the study tool. The researcher then clarified how to build the questionnaire, and the mechanism to verify its validity and reliability, and identified the statistical methods used in analyzing the study data.

The fourth chapter deals with presentation and analysis of the findings of the study, addressing the answers to its questions.

The fifth chapter deals with the summary of the study, the most prominent findings, suggested recommendations in light of those findings, and proposals for future studies.

2.5. Findings of the Study:

- 1- The study members agreed with the statements of the item of the extent to which governance is applied to the non-profit sector, as the general average of their agreement was (3.97 out of 5.00), and the averages of the expressions ranged between 3.74 and 4.36.
- 2- The study members agreed with the statements of the item of the extent of improving governance from the effectiveness of the non-profit sector institutions, as the general average of their agreement was (4.09 out of 5.00), and the averages of the expressions ranged between 3.77 and 4.32.
- 3- The study members agreed with the statements about the role of governance in enhancing society's confidence in the performance of the non-profit sector institutions, as the general average of their agreement was (4.12 out of 5.00), and the averages of the statements ranged between 3.98 and 4.30.
- 4- The study members agreed with the statements of the item of the extent of applying governance requirements in the non-profit sector, as the general average of their agreement was (3.95 out of 5.00), and the averages of the expressions ranged between 3.77 and 4.18.
- 5- The study members agreed with the statements about the problems facing the non-profit sector government, as the general average of their agreement was (3.58 out of 5.00), and the averages of the statements ranged between 3.26 and 4.06.
- 6- There is a positive direct correlation with statistical significance at the level (0.05) between applying governance and the effectiveness of performance in the institutions of the non-profit sector. Whenever governance is applied in the non-profit sector institutions, this leads to a higher level and effectiveness of performance in the non-profit sector institutions. The level of governance application can explain about (76%) of the changes in the effectiveness of performance in the non-profit sector institutions from the point of view of the study sample members. The level of governance application has the greatest impact in predicting the level of effective performance in the non-profit sector institutions.

- 7- There is a positive direct correlation with statistical significance at the level (0.05) between applying governance requirements and the effectiveness of performance in the institutions of the non-profit sector. Whenever the requirements of governance are applied in the institutions of the non-profit sector, this leads to a higher level and effectiveness of performance in the institutions of the non-profit sector. The level of application of governance requirements can explain about (69%) of the changes in the effectiveness of performance in the non-profit sector institutions from the point of view of the study sample members. The level of application of governance requirements has the greatest impact on predicting the level of performance effectiveness in the non-profit sector institutions.
- 8- There is a positive direct correlation with statistical significance at the level (0.05) between applying governance and the enhancement of public confidence in the performance of the non-profit sector institutions. Whenever governance is applied in the non-profit sector institutions, this leads to a higher level and the enhancement of public confidence in the performance of the non-profit sector institutions. The level of governance application can explain about (52%) of the changes in enhancing public confidence in the performance of non-profit sector institutions from the point of view of the study sample members. The level of governance application has the greatest impact in predicting the level of enhancing public confidence in the performance of non-profit sector institutions.

5.3. Recommendations:

In light of the findings of the study, the researcher recommends the following:

- The need to increase financial resources from donations to NGOs so that NGOs can achieve their goals.
- The importance of providing and attracting administrative and financial human cadres in NGOs that lead in order to be able to carry out work tasks as required.
- The importance of giving them enough time for NGOs so that they can achieve the goals required of them.
- The necessity to increase and spread adequate awareness about the requirements of governance.
- The necessity of involving employees in making decisions in associations.
- The importance of clarifying the powers and responsibilities among employees.

- The necessity of agreeing the objectives of the founders and board members with the objectives of the employees.
- The importance of civil associations using experts to develop their work mechanisms.
- The need to apply justice in the associations' activities, and no one who works in them should be unjustly treated.
- The importance of choosing leaders of associations who enjoy integrity and transparency in their activities.
- The need to adhere to the laws and regulations and not to deviate from their framework on their own.
- The existence of a strong system for review and disclosure through clear and explicit media channels.
- Forming a balanced and integrated board of directors that includes all disciplines, expertise, and financial and administrative competencies.

5.4. Proposals for Future Studies:

The researcher suggested a set of studies that could be applied in the future:

- Submitting a proposed model to implement the academic governance of private universities.
- Ways of professional qualification of those in charge of civil and charitable associations to implement governance.
- Governance of NGOs and the mechanisms of how society is organized in its application.
- Applying the current study to other associations in other regions in Kingdom of Saudi Arabia.

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