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The Impact of KPI Quality on The Credibility of Performance Reports: The Mediating Role of Information Quality and The Moderating Role of Digital Governance- An Applied Study on The Saudi Sector

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Abstract

This study analyzes how performance indicator quality impacts performance report credibility in the Saudi sector examining the mediating role of information quality and the moderating role of digital governance to determine their influence on results

The study was based on a primary hypothesis that the quality of performance indicator design does not only directly affect the credibility of reports, but also indirectly influences it through information quality, while digital governance may play a role in strengthening or weakening this relationship

The study adopted a quantitative analytical approach, using a questionnaire as a tool to collect data from employees in the public and private sectors in the Kingdom of Saudi Arabia who are involved with performance indicators on performance reports

Results show a significant positive impact of performance indicator quality on report credibility. Performance indicator quality also positively impacts information quality, which in turn directly impacts report credibility

Results indicate information quality mediates the relationship between performance indicator quality and report credibility. No significant moderating effect of digital governance was found, despite its direct positive impact on report reliability

This study provides a framework helping Saudi organizations improve performance measurement systems and data quality, supporting administrative decisions and aligning with Saudi Vision 2030 digital transformation goals

Keywords

Performance Indicator Quality – Report Credibility – Information Quality – Digital Governance – Performance Indicators – Digital Transformation

Introduction

In recent years, business environments have witnessed an increasing shift toward data-driven management with organizations relying more heavily on performance indicators to evaluate operational efficiency and achieve strategic goals. This trend has contributed to raising the importance of performance measurement systems as one of the essential tools used to monitor organizational performance and improve the quality of administrative decisions

Key performance indicators are among the means that help organizations measure progress toward achieving goals and improving processes. However, the effectiveness of these indicators is largely linked to the quality of their design and the extent to which they relate to the nature of the work and the strategic goals of the organization. Inaccurate or unclear indicators may lead to misleading results that do not reflect actual performance, and may also encourage some entities and organizations to focus on achieving numbers rather than improving actual performance

In light of the digital transformation being experienced by modern organizations, the importance of information quality and digital governance has emerged as factors influencing the reliability of data and reports. Information quality contributes to providing accurate, comprehensive, and up-to-date data that

supports decision-making, while digital governance helps enhance oversight and transparency and reduces the potential for errors or data manipulation

This study analyzes the relationship between performance indicator quality and report credibility, examining the mediating role of information quality and the moderating role of digital governance in the Saudi sector

Importance of the Study

To improve efficiency and competitiveness, organizations have expanded performance measurement systems, making performance indicators essential for planning, monitoring, and evaluation in both public and private sectors

Despite this expansion, many organizations face challenges regarding indicator accuracy and their ability to represent true performance. Inappropriate indicators can produce misleading results, negatively impacting report quality and administrative decisions

Information quality is now fundamental to performance measurement success. Report reliability depends heavily on the accuracy, consistency, completeness, and continuous updating of the data used in their preparation

Digital transformation expansion has increased interest in digital governance due to its role in organizing data management, enhancing transparency, and reducing risks of information errors or manipulation

The importance of the current study comes in light of the Kingdom of Saudi Arabia's trend toward enhancing digital transformation and improving organizational performance efficiency within the goals of Saudi Vision 2030 which makes studying the relationship between the quality of performance indicators, information quality, and digital governance an important topic on both scientific and practical levels

Problem of the Study

Although performance measurement systems have improved performance and increased organizational productivity, many organizations face challenges regarding the credibility of performance reports. This may sometimes be linked to poor quality of performance indicators or low quality of information used in preparing reports

Furthermore, varying levels of digital governance may affect data and report reliability, particularly given the increased reliance on digital systems for organizational performance management

Despite their importance, most studies address these variables separately, lacking an integrative model showing how performance indicators, information quality, and digital governance affect report credibility especially in the Saudi environment

Accordingly, the problem of this study is to answer the following main question

To what extent does performance indicator quality affect report credibility, given the roles of information quality and digital governance

Study Questions

1. How does performance indicator quality impact report credibility
2. How does performance indicator quality impact information quality
3. How does information quality impact report credibility
4. Does information quality mediate the relationship between performance indicator quality and report credibility
5. Does digital governance act as a moderator in the relationship between performance indicator quality and report credibility

Study Objectives

The current study aims to

1. Analyze the impact of performance indicator quality on report credibility
2. Study the impact of performance indicator quality on information quality
3. Test the impact of information quality on report credibility
4. Analyze the mediating role of information quality
5. Test the moderating role of digital governance
6. Provide recommendations to help organizations improve report quality and reliability

Quality of Performance Indicators

Despite widespread use, performance indicator effectiveness depends on design quality. Unclear indicators or those not linked to actual goals can lead to misleading results, affecting report quality and decision-making

Literature indicates performance indicator quality is linked to several dimensions, notably

1. Clarity
2. Measurability
3. Alignment with strategic goals
4. Realism
5. Verifiability
6. Ability to reflect actual performance

Neely et al. argue that the success of performance measurement systems depends significantly on the quality of indicator design, explaining that focusing on formal or inaccurate indicators may drive organizations to improve numbers rather than actual performance

Furthermore Marr notes that some organizations over-focus on quantitative indicators, ignoring qualitative aspects, resulting in reports that appear positive but do not reflect the true reality of performance

Thus, performance indicator quality is fundamental to the success of control and evaluation systems in modern organizations, especially given the shift toward data-driven management

Report Credibility

Performance reports are considered important tools that organizations rely on to evaluate performance and make administrative and strategic decisions, as these reports provide information that helps management and stakeholders track achievements and identify strengths and weaknesses

Report credibility is influenced by several factors, most notably

1. Quality of data used
2. Efficiency of measurement systems
3. Clarity of performance indicators
4. Level of transparency
5. Effectiveness of internal control
6. Quality of information systems

Literature clarifies that organizations that rely on effective control systems and high-quality data are more capable of producing reliable reports that better support administrative decisions

Information Quality

Information quality is a fundamental concept in information systems and data management, directly supporting decision-making and improving organizational process efficiency

Wang and Strong explained that information quality is not limited to data accuracy alone, but also includes its relevance to user needs and its ability to support organizational decisions

Information quality includes several key dimensions, including

1. Accuracy
2. Completeness
3. Consistency
4. Timeliness
5. Relevance
6. Accessibility

The importance of information quality increases in environments that rely heavily on digital analysis and performance indicators, as any weakness in data quality may be directly reflected in the quality of reports and decisions

The information systems success model by DeLone & McLean (2003) indicates that information quality is a fundamental factor influencing information system success and organizational decision effectiveness

In this framework, information quality can be viewed as an important link between performance indicator quality and report credibility

Digital Governance

The expansion in the use of digital technologies witnessed by organizations in recent years, especially following the spread of the coronavirus, which compelled companies to undergo digital transformation, has led to an increased need to implement effective digital governance practices aimed at organizing data management and ensuring its integrity and reliability

Weil and Ross consider digital governance essential for improving administrative decision effectiveness by organizing information management and defining data-related responsibilities

The COBIT framework by ISACA emphasizes digital governance in enhancing data reliability and improving information system quality within organizations

This makes digital governance a significant factor influencing corporate report quality and the reliability of data used in performance measurement

Research Gap

Despite numerous studies on performance indicators, information quality, and digital governance, most focus on these variables separately, lacking a model illustrating their integrated impact on report credibility

There is a noted limitation in studies addressing the mediating role of information quality and the moderating role of digital governance in the relationship between performance indicators and report credibility, particularly in Saudi Arabia

Hence, the current study seeks to bridge this gap by presenting a research model that links these variables within an applied framework suitable for the nature of digital transformation in the Saudi sector

Study Methodology

Study Methodology

The study adopts a quantitative analytical approach, as it allows for measuring and statistically analyzing relationships between variables, helping to test hypotheses and reach scientifically interpretable results

A descriptive analytical method was also used to present general sample characteristics and analyze participant responses toward the study variables

Study Population and Sample

Study Population

The study population consists of public and private sector entities in Saudi Arabia that utilize performance indicators and reports

Study Sample

A stratified random sampling method will be used to ensure balanced representation of both the public and private sectors

Sample size is determined using the Krejcie & Morgan (1970) table. Given the population size, the minimum sample is 384 individuals at a 95% confidence level and 5% margin of error

Study Instrument

The study used a questionnaire as the primary data collection tool, given its suitability for measuring participant attitudes and opinions regarding the study variables

The questionnaire items were prepared based on previous literature and studies related to the study variables with adjustments made to suit the nature of the Saudi environment

Validity and Reliability of the Instrument

Instrument Validity

To ensure the validity of the study instrument in accurately measuring the research variables, a number of statistical and methodological methods were relied upon to verify validity, as follows

1- :Face Validity

The questionnaire was reviewed by experts in management, information systems, and statistics to ensure clarity, linguistic accuracy, and relevance to the study objectives

2- :Internal Consistency Validity

Internal consistency was verified by calculating Pearson correlation coefficients between each item and its respective dimension total to ensure item alignment

Results showed significant correlation coefficients, indicating a good level of internal consistency between the questionnaire items and their dimensions

3- :Construct Validity

Confirmatory Factor Analysis (CFA) was used to verify item suitability for theoretical dimensions and ensure the research model's validity in explaining variable relationships

Analysis results showed an acceptable fit between the theoretical model and field data, confirming the instrument's validity for this study

Instrument Reliability

To ensure the degree of consistency and reliability of the study instrument Cronbach's Alpha coefficient was used to measure the internal consistency of the questionnaire items

The reliability coefficient was calculated for each dimension of the study, in addition to calculating the total reliability coefficient for the questionnaire. The results showed high values for the reliability coefficients indicating a high level of internal consistency between the items

Composite Reliability was also used to support reliability findings and ensure measurement stability within the research model

These results indicate that the study instrument possesses an appropriate degree of validity and reliability which makes it suitable for field application and reliable statistical data analysis

Study Variables

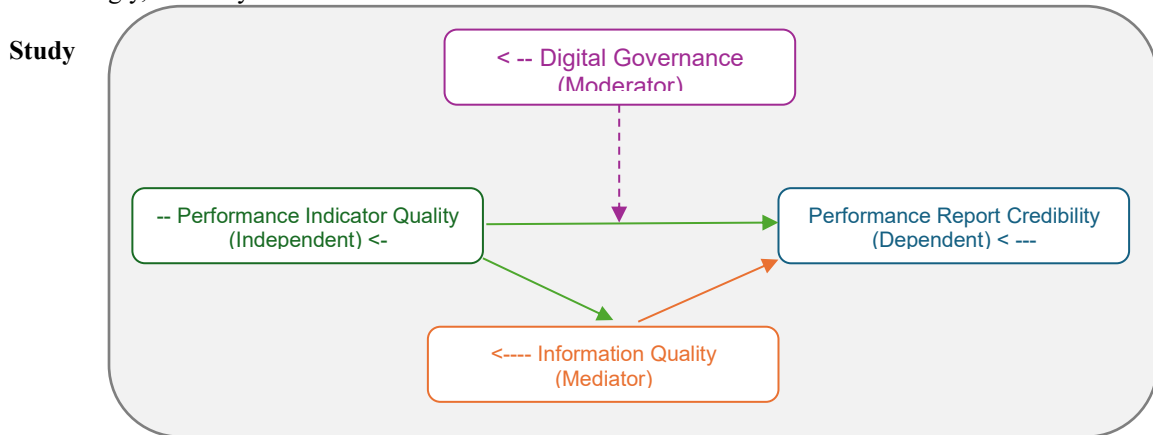
• Quality of Performance Indicators.	Independent Variable
• Information Quality.	Mediating Variable
• Digital Governance.	Moderating Variable
• Credibility of Performance Reports.	Dependent Variable

Figure1Table of Study Variables

Study Model

The study model aims to clarify the relationships between the variables, as it assumes that the quality of performance indicators represents the independent variable that directly affects the credibility of performance reports, and also indirectly affects it through information quality as a mediating variable. The study also assumes that digital governance plays a moderating role in the strength of the relationship between the quality of performance indicators and the credibility of reports

Accordingly, the study model is as follows



Study Model 2 Figure

Hypotheses

H1:

Performance indicator quality positively affects performance report credibility.

H2:

The quality of performance indicators has a statistically significant positive effect on information quality.

H3:

Information quality has a statistically significant positive effect on the credibility of performance reports.

H4:

Information quality significantly mediates the link between performance indicator quality and report credibility.

H5:

Digital governance significantly moderates the relationship between performance indicator quality and report credibility.

Presentation and Analysis of Results
Study Sample Demographic Characteristics
Gender

Table (5) shows that 38.5% of the study sample are male, and 61.5% are female

% Percentage	Number	Gender
38.5	148	Male
61.5	236	Female
100.0	384	Total

Figure3Sample distribution by gender

Age

It is evident from Table (6) that 13.3% of the study sample are under 25 years old, 28.9% are between 25 and 35 years old, 25.0% are between 36 and 40 years old, while 32.8% are over 40 years old

% Percentage	Number	Age
13.3	51	Under 25
28.9	111	to 35 25
25.0	96	to 40 36
32.8	126	Over 40
100.0	384	Total

Figure4Sample distribution by age

Years of Experience

It is evident from Table (7) that 38.3% of the study sample have less than 5 years of experience, 23.2% have between 5 and 10 years of experience, while 38.5% have more than 10 years of experience

% Percentage	Number	Years of Experience
38.3	147	Less than 5 years
23.2	89	to 10 years 5
38.5	148	More than 10 years
100.0	384	Total

Figure5Sample distribution by experience

Sector

It is evident from Table (8) that 29.2% of the study sample work in the public sector, while 70.8% work in the private sector

% Percentage	Number	Sector
29.2	112	Public
70.8	272	Private
100.0	384	Total

Figure6Sample distribution by sector

Job Title

It is evident from Table (9) that 76.6% of the study sample have an administrative job title, 14.8% have a technical job title, while 8.6% have a supervisory job title

% Percentage	Number	Job Title
76.6	294	Administrative
14.8	57	Technical
8.6	33	Supervisory
100.0	384	Total

Figure7Distribution of sample members by job title

Descriptive Analysis of Study Variables

– Quality of Performance Indicators

Rank	Relative Weight	Standard Deviation	Mean	Item	.No
3	70.63	1.33	3.53	Performance indicators are clear and understood	1.
4	67.76	1.25	3.39	Performance indicators reflect actual work goals	2.
2	71.56	1.26	3.58	Performance indicators are measurable and verifiable	3.
5	66.88	1.39	3.34	Performance indicators cover key performance areas	4.
1	74.43	1.03	3.72	Performance indicators are updated periodically	5.
	70.25	1.09	3.51	All items combined	

Figure8Quality of Performance Indicators

Table (10) shows a mean of 3.51 for all items, with a relative weight of 70.25%, indicating overall agreement. The item "Performance indicators are updated periodically" had the highest agreement at 74.43%, while "Performance indicators cover important aspects" had the lowest at 66.88%. 74.43%, while the item "Performance indicators cover important aspects of performance" received the lowest level of agreement at 66.88%.

– Information Quality

Rank	Relative Weight	Standard Deviation	Mean	Item	.No
3	69.58	1.29	3.48	The data used is accurate	1.
4	66.67	1.32	3.33	Information is constantly updated	2.
5	66.67	1.39	3.33	Data is complete and accurate	3.
1	72.40	1.52	3.62	Data is verified for accuracy before use	4.
2	70.52	1.37	3.53	Information is consistent across systems	5.
	69.17	1.29	3.46	All items combined	

Figure9Information Quality

Table (11) shows that the arithmetic mean for all items is 3.46 meaning the relative weight is 69.17%. This indicates that the respondents agree with the items in this domain at a rate of 69.17%. The item "Data is validated before use" received the highest level of agreement at 72.40% while the item "Data is complete, and not missing anything" received the lowest level of agreement at 66.67%.

– Digital Governance

Rank	Relative Weight	Standard Deviation	Mean	Item	.No
4	68.54	1.37	3.43	Clear data management policies exist	1.
2	73.28	1.46	3.66	Data is validated periodically	2.
1	73.28	1.29	3.66	Data entry processes are controlled	3.
3	69.48	1.26	3.47	Digital systems manage performance	4.
5	66.77	1.52	3.34	Data is protected from unauthorized tampering or modification	5.
	70.27	1.26	3.51	All items combined	

Figure10Digital Governance

Table (12) shows that the arithmetic mean for all items is 3.51 meaning the relative weight is ,70.27 This .% indicates that the respondents agree with the items in this domain at a rate of 70.27 The item "There is .% control over data entry processes" received the highest level of agreement at 73.28 while the item "Data ,% is protected from unauthorized tampering or modification" received the lowest level of agreement at 66.77. %

– Credibility of Performance Reports

Rank	Relative Weight	Standard Deviation	Mean	Item	.No
5	71.41	1.26	3.57	Reports reflect true performance reality	1.
2	78.13	1.24	3.91	Reports can be relied upon for decision-making	2.
4	73.33	1.17	3.67	Reports are accurate and reliable	3.
3	74.43	1.24	3.72	Reports are prepared transparently	4.
1	79.11	1.17	3.96	Reports are audited before approval	5.
	75.28	1.05	3.76	All items combined	

Figure11Credibility of Performance Reports

Table (13) shows that the arithmetic mean for all items is 3.76 meaning the relative weight is ,75.28 This .% indicates that the respondents agree with the items in this domain at a rate of 75.28 The item "Reports are .% audited before approval" received the highest level of agreement at 79.11 while the item "Performance ,% reports reflect the true reality of performance" received the lowest level of agreement at 71.41. %

Validity and Reliability Testing

Instrument Validity

Internal Consistency Results

Internal consistency validity refers to the extent to which each item of the questionnaire is consistent with the domain to which it belongs. The researcher calculated the internal consistency of the questionnaire by calculating the correlation coefficients between each item of the questionnaire domains and the total score .of the domain itself

"Table (14) shows the correlation coefficient between each item of the "Quality of Performance Indicators domain and the total score of the domain, which indicates that the shown correlation coefficients are significant at a significance level of $\alpha \leq 0.05$, and thus the domain is considered valid for what it was designed .to measure

Probab ility Value)Sig(.	Pearso n Correla tion Coeffici	Item	.No
0.000	.894*	Performance indicators are clear and understood	1.
0.000	.852*	Performance indicators reflect actual work goals	2.
0.000	.897*	Performance indicators are measurable and verifiable	3.
0.000	.845*	Performance indicators cover key performance areas	4.
0.000	.868*	Performance indicators are updated periodically	5.

Figure12 Correlation between "Quality of Performance Indicators" items and domain total

* $\leq$ Correlation is statistically significant at the 0.05 significance level α .

shows the correlation coefficient between each item of the "Information Quality" domain and the (15) Table total score of the domain, which indicates that the shown correlation coefficients are significant at a .significance level of $\alpha \leq 0.05$, and thus the domain is considered valid for what it was designed to measure

Probability Value Sig(.)	Pearson Correlation Coefficient	Item	.No
0.000	.971*	The data used is accurate	1.
0.000	.930*	Information is constantly updated	2.
0.000	.935*	Data is complete and accurate	3.
0.000	.917*	Data is verified for accuracy before use	4.
0.000	.914*	Information is consistent across systems	5.

Figure13 Correlation coefficient between each item of the "Information Quality" domain and the total score of the domain

* $\leq$ Correlation is statistically significant at the 0.05 significance level α .

Table (16) shows the correlation coefficient between each item of the "Digital Governance" domain and the total score of the domain, which indicates that the shown correlation coefficients are significant at a .significance level of $\alpha \leq 0.05$, and thus the domain is considered valid for what it was designed to measure

Probability Value Sig(.)	Pearson Correlation Coefficient	Item	.No
0.000	.965*	Clear data management policies exist	1.
0.000	.900*	Data is validated periodically	2.
0.000	.939*	Data entry processes are controlled	3.
0.000	.900*	Digital systems manage performance	4.
0.000	.867*	Data is protected from unauthorized tampering or modification	5.

Figure14 Correlation coefficient between each item of the "Digital Governance" domain and the total score of the domain

* $\leq$ Correlation is statistically significant at the 0.05 significance level α .

.Table (17) shows the correlation between each "Performance Report Credibility" item and the domain total .Results are significant at $\alpha \leq 0.05$, confirming the domain's validity for its intended measurement

Probability Value Sig(.)	Pearson Correlation Coefficient	Item	.No
0.000	.874*	Reports reflect true performance reality	1.
0.000	.899*	Reports can be relied upon for decision-making	2.
0.000	.903*	Reports are accurate and reliable	3.
0.000	.903*	Reports are prepared transparently	4.
0.000	.747*	Reports are audited before approval	5.

Figure15 Correlation between each "Performance Report Credibility" item and the domain total score

* $\leq$ Correlation is statistically significant at the 0.05 significance level α .

Questionnaire Reliability :

The reliability of the questionnaire means that it would yield the same result if it were redistributed multiple times under the same circumstances and conditions. In other words, the reliability of the questionnaire refers to the stability of its results and their lack of significant change if it were redistributed to the sample members) multiple times over specific periods. The Cronbach's Alpha coefficient value was found to be high, at 0.976.

Thus, the researcher confirmed the study questionnaire's validity and reliability, ensuring confidence in its accuracy and suitability for data analysis

Normality Distribution Test

The K-S Kolmogorov-Smirnov Test was used to test whether the data follows a normal distribution. The test value was found to be (0.447) and the probability value (Sig.) was 0.317 which is greater than the (significance level of 0.05. Therefore, the data distribution follows a normal distribution, and parametric tests were used to analyze the questionnaire data

Statistical Methods Used

The following statistical tools were used

- 1- Percentages and frequencies
- 2- Arithmetic mean and relative weight
- 3- Cronbach's Alpha test
- 4- K-S Kolmogorov-Smirnov Test.
- 5- Pearson Correlation Coefficient
- 6- Simple linear regression
- 7- Multiple Linear Regression model

Hypothesis Testing

H1 Performance indicator quality has a statistically significant positive impact on performance report : credibility

: Simple linear regression was used; results follow

Probability value Sig.	Ttest value-	Regression coefficients	Independent Variable
0.000	9.064	0.692	Constant value
0.000	42.107	0.875	Quality of Performance Indicators
Coefficient of determination = 0.823		Correlation coefficient = 0.907	

Figure16 Simple Linear Regression - First Hypothesis

From Table (18), the following is evident

- Correlation = 0.907; determination coefficient = 0.823. This means 82.3% of the change in performance report credibility (dependent variable) is explained by the linear relationship; the remainder is due to other factors
- There is a statistically significant impact at the significance level ($\alpha \leq 0.05$) of the quality of performance indicators on the credibility of performance reports, as the probability value was found to be 0.000, which is less than the significance level of 0.05

.Based on these results, the first hypothesis is accepted

H2. Performance indicator quality has a statistically significant positive impact on information quality :

: Simple linear regression was used; results follow

Probability value Sig.	Ttest value-	Regression coefficients	Independent Variable
0.253	-1.144	-0.127	Constant value
0.000	33.775	1.021	Quality of Performance Indicators

Coefficient of determination = 0.749	Correlation coefficient = 0.866
--------------------------------------	---------------------------------

Figure17Simple Linear Regression - Second Hypothesis

:From Table (19), the following is evident

- Correlation = 0.866; determination coefficient = 0.749. This means 74.9% of the change in information quality (dependent variable) is explained by the linear relationship; the remainder is .due to other factors
- There is a statistically significant impact at the significance level ($\alpha \leq 0.05$) of the quality of .performance indicators on the quality of information, as the probability value was found to be 0.000 .which is less than the significance level of 0.05

.Based on these results, the second hypothesis is accepted

H3.Information quality has a statistically significant positive impact on performance report credibility :

:Simple linear regression was used; results follow

Probability valueSig.	Ttest value-	Regression coefficients	Independent Variable
0.000	21.350	1.099	Constant value
0.000	55.253	0.771	Information Quality
Coefficient of determination = 0.889		Correlation coefficient = 0.943	

Figure18Simple Linear Regression - Third Hypothesis

:From Table (20), the following is evident

- Correlation = 0.943; determination coefficient = 0.889. This means 88.9% of the change in performance report credibility (dependent variable) is explained by the linear relationship; the .remainder is due to other factors
- There is a statistically significant impact at the significance level ($\alpha \leq 0.05$) of the quality of information on the credibility of performance reports, as the probability value was found to be .which is less than the significance level of 0.05 ,0.000

.Based on these results, the third hypothesis is accepted

H4 Information quality plays a statistically significant mediating role between performance indicator quality : .and performance report credibility

To test this hypothesis, the Amosprogram supported by the Statistical Package for the Social Sciences)SPSS.was used, as shown in the following table (

Performance Report Credibility		Information Quality		
Significance Level	Effect	Significance Level	Effect	
0.000	0.514	-	-	Information Quality
0.000	0.350	0.000	1.021	Performance Indicator Quality

Figure19Mediation model: digital transformation between indicator quality and report credibility

:From the results shown in Table (21) and Figure (22), the following is evident

."First: Regression of "Performance Indicator Quality" on "Information Quality"

The results indicate that the effect value is1.021 ,and the p-value is less than the 0.01 significance level which means that "Performance Indicator Quality" has a significant and statistically valid positive effect on .the "Information Quality" variable

Second: Regression of Performance Indicator Quality and Information Quality on Performance .Report Credibility

- **"Regression of "Performance Indicator Quality" on "Performance Report Credibility"**

,The results indicate that the effect value is 0.350 and the p-value is less than the 0.01 significance level which means that the "Performance Indicator Quality" variable has a significant and statistically valid effect .on the Performance Report Credibility variable

- **"Information Quality" on "Performance Report Credibility " Regression of the**

,The results indicate that the effect value is 0.514 and the p-value is less than the 0.01 significance level which means that the Information Quality variable has a significant and statistically valid positive effect on .the Performance Report Credibility variable

Based on these previous results, it can be said that the "Information Quality" variable is considered a partial mediator variable, meaning that the "Information Quality" variable mediates the relationship between $\geq$ performance indicator quality and performance report credibility at a significance level of α 0.05 . Consequently, information quality plays a mediating role between performance indicator quality and performance report credibility

.Based on these results, the fourth hypothesis is accepted

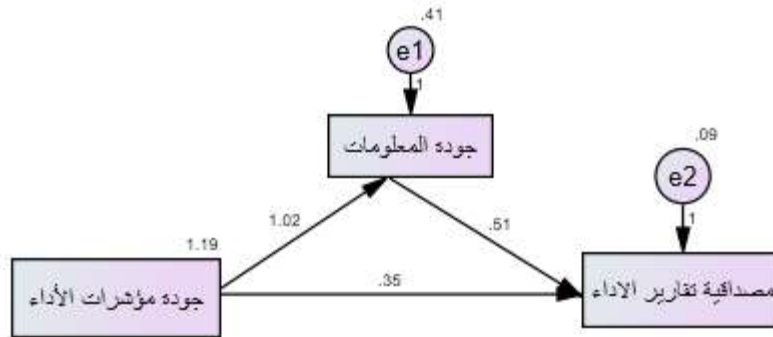


Figure20 Path diagram for information quality mediation, between indicator quality and report credibility

H5 Digital governance has a statistically significant moderating role in the relationship between : performance indicator quality and performance report credibility

To test this hypothesis, the Amosprogram supported by the Statistical Package for the Social Sciences)SPSS.was used, as shown in the following table (

Credibility of Performance Reports		
Significance Level	Effect	
0.000	0.809	Performance Indicator Quality
0.000	0.230	Digital Governance
0.292	-0.017	Interaction between digital governance and performance indicator quality

Figure21Moderation model for digital governance on indicator quality and report credibility

:From the results shown in Table (23) and Figure (24), the following is evident

."Performance Indicator Quality " on " Performance Report Credibility " First: Regression of the

The results indicate that the effect value is0.809 ,and the p-value is less than the 0.01 significance level which means that "Performance Indicator Quality" has a significant and statistically valid positive effect on the "Performance Report Credibility" variable

."Second: Regression of Digital Governance " on " Performance Report Credibility

,The results indicate that the effect value is 0.230 and the p-value is less than the 0.01 significance level which means that "Digital Governance" has a significant and statistically valid effect on the "Performance Report Credibility" variable

" Third: Regression of Interaction between digital governance and indicator quality " on

."Performance Report Credibility

The results indicate that the effect value is-0.017 ,and the p-value is greater than the 0.05 significance level which means that the "Interaction between digital governance and performance indicator quality" has no significant effect and is not statistically valid on the "Performance Report Credibility" variable

- Based on these previous results, it can be said that the "Digital Governance" variable is considered a non-moderating variable, meaning that the "Digital Governance" variable does not moderate the relationship between performance indicator quality and performance report credibility at a $\geq$ significance level of α 0.05 .

- Thus, digital governance does not moderate the relationship between performance indicator quality and performance report credibility

.Based on these results, the fifth hypothesis is rejected

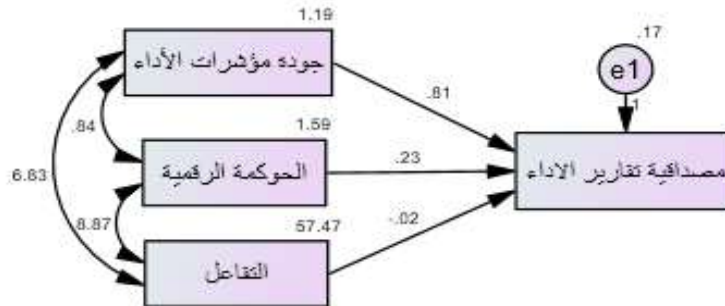


Figure22 Path diagram of the moderating variable "Digital Governance" on the relationship between performance indicator quality and report credibility

Discussion and Recommendations

Discussion of the First Hypothesis

H1 Performance indicator quality has a statistically significant positive impact on performance : report credibility

Simple linear regression showed a strong positive relationship between performance indicator quality and report credibility, with a correlation coefficient $R=0.907$. indicating a strong link , (The coefficient of determination was also $R^2 = 0.823$ meaning performance indicator quality explains .of the variance in performance report credibility %82.3

This result indicates that organizations that rely on clear, measurable, and continuously updated performance indicators are more capable of preparing accurate and reliable performance reports, which enhances the confidence of management and stakeholders in the information contained within the reports

Discussion of the Second Hypothesis

H2. Performance indicator quality has a statistically significant effect on information quality :

,Statistical analysis showed a direct positive effect of performance indicator quality on information quality) with a correlation coefficient $R=0.866$. indicating a strong relationship , (The coefficient of determination was also $R^2 = 0.749$ meaning performance indicator quality explains ,(74.9.of the variance in information quality %

This suggests that designing clear, accurate indicators improves data collection and analysis, providing more precise, consistent, and relevant information for management

This result indicates that performance indicator quality extends beyond measurement, improving the data and information used in institutional reports and decisions

Discussion of the Third Hypothesis

H3. Information quality has a statistically significant effect on performance report credibility :

,Regression analysis showed a very strong relationship between information quality and report credibility) with a correlation coefficient $R=0.943$. indicating a strong link , (The coefficient of determination was also $R^2 = 0.889$ meaning information quality explains ,(88.9 of the % variance in performance report credibility

) The results showed a probability value $Sig=0.000$ below the significance level, confirming a statistically (significant positive effect of information quality on report credibility

This result indicates that the accuracy, completeness, and continuous updating of information are essential factors in raising the level of confidence in institutional reports, as the credibility of reports depends directly .on the quality of the data relied upon during their preparation

Discussion of the Fourth Hypothesis

**H4 Information quality mediates the relationship between performance indicator quality and :
performance report credibility**

Path analysis using AMOS showed an indirect effect of performance indicator quality on report credibility through information quality

The results showed that the quality of performance indicators has a positive and statistically significant effect on information quality with an effect value of 1.021 and information quality directly affects the credibility of performance reports with an effect value of 0.514.

At the same time, the direct effect of the quality of performance indicators on the credibility of performance reports continued after introducing the mediating variable, with a direct effect value of 0.350 which indicates the existence of partial mediation of information quality in the relationship between the two variables

This result indicates that organizations achieve reliable reports not just through indicator quality, but through the resulting information quality

The findings highlight the need to integrate performance measurement and information management systems to ensure accurate and reliable reporting

Discussion of the Fifth Hypothesis

**H5 Digital governance moderates the relationship between performance indicator quality and report :
credibility**

Moderation analysis using AMOS showed that digital governance did not moderate the relationship between performance indicator quality and report credibility

Although there was a direct and statistically significant effect of both the quality of performance indicators and digital governance on the credibility of performance reports, the interaction effect between digital governance and the quality of performance indicators was not statistically significant, as the probability value was $\text{Sig}=0.292$, which is greater than the significance level (0.05).

This suggests that while digital governance independently enhances report credibility, it does not alter the strength of the relationship between indicator quality and report credibility

This result may also be attributed to the convergence in the level of digital governance implementation among the institutions studied, or to the fact that the quality of performance indicators themselves was sufficient to create a clear impact on report credibility without the need for an additional moderating effect

This result indicates that improving report credibility depends more on the quality of indicators and information than on the interactive role of digital governance

Study Recommendations

In light of the findings reached by the study, a set of recommendations can be offered that may contribute to raising the quality of performance indicators and improving the credibility of performance reports within Saudi institutions, most notably the following

1. Develop performance indicators directly linked to strategic goals, focusing on clarity, measurability, and accuracy
2. Enhancing the quality of data and information used in preparing reports by implementing clear standards for data collection, updating, and continuous verification of accuracy
3. Supporting the digital infrastructure to improve data management and reduce human error during information entry and processing
4. Strengthen digital governance by establishing clear data management policies and information quality oversight
5. Train performance and data management staff in professional indicator design and information analysis techniques
6. Leverage modern technology and digital analytics to monitor institutional performance and increase report reliability
7. Building oversight systems that help detect errors and deviations in data before they are included in final reports
8. Promote a culture of transparency to support more realistic and accurate performance reporting

Conclusion

This study analyzed the impact of performance indicator quality on report credibility, examining the mediating role of information quality and the moderating role of digital governance in the Saudi sector amidst rapid digital transformation.

The results of the study showed a positive impact of performance indicator quality on the credibility of performance reports, and it was also found that information quality plays an important role in enhancing the reliability of reports and raising their level of accuracy. Furthermore, the results proved the existence of a mediating role for information quality in the relationship between the quality of performance indicators and report credibility, while digital governance did not show a moderating effect on this relationship according to the statistical results of the study.

The study confirms the importance of developing accurate, strategy-linked indicators, enhancing information quality, and implementing effective digital governance to improve report reliability and support decision-making in Saudi institutions.

The study provides a scientific and practical contribution to performance measurement and digital transformation, paving the way for future research on institutional performance and reporting quality.

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