

Quality Assurance as a Governance Mechanism: Evidence from Selected Listed Firms in Jordan, Egypt, and Palestine

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Abstract

Quality Assurance (QA) systems are widely adopted across organizations to ensure operational consistency and compliance with international standards. However, their role as governance mechanisms within corporate structures remains underexplored, particularly in emerging capital markets. This study investigates how QA systems function as governance and assurance mechanisms in listed firms operating in Jordan, Egypt, and Palestine. Drawing on Institutional Theory and Signaling Theory, the study examines whether QA certification operates as a substantive governance mechanism embedded in internal control systems or primarily as a symbolic legitimacy signal. A qualitative multiple-case study design is employed, analyzing Twenty four listed firms across the three national stock exchanges. Data were collected through documentary analysis of annual reports, governance disclosures, and certification documents, complemented by Forty Eight semi-structured interviews with QA managers, internal auditors, and audit committee members. Using process tracing and thematic analysis, the findings reveal three key patterns. First, the governance impact of QA depends on the extent to which quality systems are integrated into internal audit processes, risk management frameworks, and board oversight structures. Second, credible external verification significantly enhances stakeholder trust and governance credibility. Third, institutional environments moderate the effectiveness of QA systems, with stronger regulatory contexts encouraging substantive integration while weaker enforcement environments foster symbolic adoption.

Keywords: Quality Assurance, Corporate Governance, Institutional Theory, Signaling Theory, ISO Certification, Governance Mechanisms, Emerging Markets

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1. Introduction

In recent decades, global capital markets have placed increasing emphasis on transparency, accountability, and governance quality (AlGhasawneh et al., 2025; Aboyaghi et al., 2025). Recent empirical research from emerging markets further confirms that governance structures and disclosure mechanisms play a crucial role in shaping organisational transparency and financial outcomes, particularly in institutional environments characterised by evolving regulatory frameworks (Alslaibi & Daraghma, 2022; Alslaibi & Abdelkarim, 2024; Hani et al., 2025). Listed firms are now expected to demonstrate not only strong financial performance but also the credibility of their internal systems and assurance processes. Within this context, Quality Assurance (QA) has evolved from an operational certification framework into a strategic governance instrument that reinforces corporate integrity, reporting reliability, and stakeholder confidence (Boiral & Paille, 2012; Fonseca, 2015). Frameworks such as ISO 9001, ISO 14001, and ISQM 1 have become integral to firms' internal control and audit architectures, especially in developed economies where they function as binding mechanisms connecting operational quality, audit oversight, and disclosure accuracy (Heras-Saizarbitoria & Boiral, 2013; Kafetzopoulos & Gotzamani, 2019).

In the Arab Middle East and North Africa region, however, the institutionalization of QA within corporate governance structures remains limited. Many firms acquire ISO certifications primarily for reputational or contractual purposes rather than as a means of achieving internal consistency and governance discipline (Nair & Al-Ghamdi, 2020). The stock exchanges of Jordan, Egypt, and Palestine although distinct in size, maturity, and regulatory development face a common challenge: translating QA standards into credible governance and assurance mechanisms. These markets are characterised by concentrated ownership, relatively weak enforcement of governance codes, and evolving institutional frameworks (Farah et al., 2021; Mansour et al., 2022). Consequently, while certification practices have expanded, the integration of QA into governance systems remains under-researched, and its effectiveness in enhancing reporting quality and organizational legitimacy remains uncertain. Similar concerns have been raised in recent studies of Middle Eastern firms, where governance practices such as board structure and disclosure mechanisms significantly influence organizational transparency and accountability outcomes (Alslaibi & Daraghma, 2022). Addressing this gap is important because emerging capital markets increasingly rely on governance mechanisms that extend beyond traditional board and audit structures. Understanding whether QA systems function merely as symbolic certifications or as substantive governance mechanisms provides new insight into how firms in emerging markets strengthen accountability and reporting reliability. The Amman Stock Exchange (ASE) in Jordan, the Egyptian Exchange (EGX), and the Palestine Exchange (PEX) collectively represent diverse institutional and regulatory environments. Jordan's exchange is moderately developed and hosts firms with mixed ownership structures, including family and state holdings. Egypt's exchange is among the oldest in the Arab world, encompassing industrial and financial sectors

that have undergone significant reforms since the 2016 economic liberalization programme (Omran, 2020). The Palestine Exchange, while smaller in scale, has advanced toward formal governance compliance despite political, economic, and regulatory constraints (Dwekat et al., 2018). Recent policy-oriented evidence from Palestine further reinforces the importance of examining assurance-related governance mechanisms in fragile and constrained economies (Aljarrah, 2026). Across these contexts, QA increasingly occupies the intersection between operational excellence and corporate accountability. Yet national corporate governance codes rarely specify QA as a mandatory governance mechanism, leaving its implementation largely voluntary and externally motivated.

International research links QA systems to reduced operational risk, enhanced product reliability, and improved market confidence (Alic & Rusjan, 2010; Psomas & Jaca, 2016). In the Arab MENA context, QA adoption has often been driven by export-oriented sectors particularly manufacturing, construction, and energy seeking compliance with global supply-chain standards and partner expectations (Hazaee, 2021). By contrast, listed service and financial firms have been slower to embed QA into their governance frameworks, partly due to the absence of institutional incentives, limited regulatory oversight capacity, and a prevailing perception of QA as a technical rather than strategic requirement (Baydoun et al., 2019). The present study contends that QA, when embedded within internal audit processes, board oversight, and external assurance activities, is observed to function as a governance mechanism associated with stronger accountability, more credible disclosure processes, and perceived improvements in firm-level governance outcomes in these emerging markets. Existing research on QA and its relationship with governance is uneven and fragmented. A growing stream of research shows that the effects of ISO-based quality systems are neither automatic nor uniform across firms. Early studies often reported mixed performance effects because certification may reflect either substantive process discipline or merely formal compliance. Subsequent work clarified that stronger outcomes tend to arise when quality systems are integrated with managerial routines, internal audits, corrective action mechanisms, and strategic monitoring rather than being treated as stand-alone certificates. This distinction is highly relevant for governance research because it suggests that the value of QA does not lie in certification alone, but in the extent to which quality routines are embedded in accountability structures, decision-making processes, and performance oversight. In this sense, QA can be viewed as a potential governance infrastructure that standardises evidence generation, strengthens traceability, and supports more reliable monitoring by boards, audit committees, and internal auditors (Sampaio et al., 2009; Boiral, 2011; Bernardo et al., 2010; Lenning & Gremyr, 2022; Nurcahyo et al., 2021; Javorcik & Sawada, 2018). Early studies concentrated on operational outcomes such as process efficiency, defect reduction, and customer satisfaction associated with ISO certification (Sampaio et al., 2009; Fonseca, 2015). Later scholarship expanded toward strategic and institutional perspectives, suggesting that QA frameworks formalise management routines aligned with broader governance objectives, including risk mitigation, performance control, and audit assurance (Boiral & Paille, 2012; Heras-Saizarbitoria & Boiral, 2013). In a similar vein, recent research highlights

that governance structures such as board composition and specialised management teams play a critical role in translating governance mechanisms into measurable sustainability outcomes (Alslaibi et al., 2025). Evidence from Europe and East Asia demonstrates that externally verified QA systems linked to audit committee oversight enhance firms' legitimacy and accountability, particularly where they form part of integrated reporting and assurance architectures (Kafetzopoulos & Gotzamani, 2019).

Within the MENA region, however, research remains focused primarily on board structure, audit committee effectiveness, and disclosure practices, with minimal attention to QA as a governance instrument (Alhasnawi, 2025; Sarhan & Ntim, 2018; Mansour et al., 2022). In Jordan, studies show that governance reforms have increased transparency and board independence, yet the enforcement of quality and assurance standards remains inconsistent and often dependent on firm leadership commitment rather than regulatory requirement (Shanikat & Aldabbas, 2022). In Egypt, corporate governance codes emphasize internal audit and risk management but do not formally connect these mechanisms to QA certification or external verification processes (Omran, 2020). In Palestine, empirical evidence suggests that governance mechanisms are frequently symbolic, constrained by ownership concentration and limited external monitoring (Dwekat et al., 2018). Consequently, the integration of QA within governance and assurance systems represents an underexplored dimension of corporate accountability in these economies.

Despite notable advances in governance research, four persistent gaps emerge. First, QA continues to be conceptualized primarily as a technical compliance tool rather than a governance mechanism embedded within the internal control and assurance frameworks of listed firms. Second, few empirical studies investigate how QA adoption interacts with board oversight, internal audit, and external assurance to shape reporting quality or firm performance. Third, limited understanding exists of the mechanism-based pathways through which QA standards, verification mechanisms, and enforcement carriers produce governance outcomes particularly in resource-constrained or politically complex contexts. Finally, institutional differences among Jordan, Egypt, and Palestine such as regulatory strength, market maturity, and ownership concentration likely moderate QA effectiveness, yet these variations remain understudied. Addressing these gaps is essential to distinguishing symbolic compliance (certification without meaningful integration) from substantive governance reform (certification reinforced by oversight and assurance). Accordingly, this study differentiates itself from existing ISO governance and assurance research in three specific ways. First, it examines QA not as certification per se or as a generic compliance device, but as a hybrid governance instrument whose relevance depends on its integration with internal audit, audit committee oversight, and disclosure processes. Second, rather than focusing on certification outcomes within a single national or sectoral setting, it adopts a comparative design across Jordan, Egypt, and Palestine to show how institutional variation conditions whether QA remains symbolic or becomes substantively embedded in governance practice. Third, it links QA to broader assurance architectures, including the credibility of non-financial and sustainability-related disclosures, thereby extending the literature beyond operational quality effects toward governance-oriented reporting processes.

Against this backdrop, the study seeks to examine how QA systems function as governance and assurance mechanisms in listed firms operating in Jordan, Egypt, and Palestine. Specifically, it investigates how QA standards are adopted and internalized within corporate structures, how verification and enforcement operate in practice, and why outcomes differ across firms and institutional environments. Three core research questions guide the inquiry: How do listed firms in these countries operationalize QA systems within their governance architectures? What roles do verification and enforcement mechanisms such as internal audit, external certification, and regulatory oversight play in determining the credibility of QA? Why do similar QA frameworks yield divergent outcomes across institutional settings in terms of reporting quality, stakeholder trust, and firm performance?

The remainder of this paper is structured as follows. Section 2 reviews theoretical foundations linking QA, governance, and assurance in emerging markets and develops the conceptual framework guiding the analysis. Section 3 outlines the research methodology, including case selection, data collection, and analytical techniques. Section 4 presents the empirical results and cross-case comparisons. Section 5 discusses theoretical, policy, and practical implications, while Section 6 concludes with recommendations and directions for future research aimed at strengthening the role of QA in governance systems within Jordan, Egypt, and Palestine.

2. Literature Review

2.1 Theoretical Framework

This study is grounded in two complementary perspectives Institutional Theory and Signaling Theory to explain how and why listed firms in emerging Arab markets adopt, verify, and integrate Quality Assurance (QA) systems within their governance frameworks. Together, these theoretical perspectives provide a complementary explanation for QA adoption: Institutional Theory explains why firms adopt QA practices to conform to external governance expectations, while Signaling Theory explains how firms use externally verified QA certifications to communicate credibility and transparency to stakeholders.

Institutional Theory (DiMaggio & Powell, 1983) posits that organizations conform to external norms, rules, and expectations to gain legitimacy and secure resources. In the context of corporate governance, firms adopt structures or practices not solely for efficiency but also to appear legitimate in the eyes of regulators, investors, and other stakeholders. In emerging economies, such as Jordan, Egypt, and Palestine, where enforcement capacity is weak, QA adoption may reflect a symbolic response to institutional pressures what Meyer and Rowan (1977) call “ceremonial conformity.” Prior studies confirm that institutional environments shape governance and assurance behavior in the Middle East and North Africa (MENA) region (Farah et al., 2021; Baydoun et al., 2019). For example, Mansour et al. (2022) found that Jordanian firms strengthen governance structures largely in response to regulatory and investor expectations rather than purely internal strategic motives. Within this

framework, QA certification represents an institutionalized practice that signals compliance with global governance standards but whose effectiveness depends on the strength of enforcement mechanisms and internalization.

Signaling Theory (Spence, 2002) complements this view by explaining how firms use observable actions such as external QA certification or independent assurance to communicate credibility to external stakeholders. In markets characterized by information asymmetry, third-party verification acts as a credible signal of internal quality and governance reliability (Connelly et al., 2011). QA systems verified by independent bodies provide assurance that operational and reporting processes are systematically monitored, which can enhance stakeholder trust and firm reputation. Prior research shows that ISO certification and sustainability assurance positively influence investor confidence and perceived reporting quality in emerging markets (Hazaea, 2021; Fonseca & Domingues, 2018). Signaling Theory becomes especially useful when certification is interpreted as a costly and externally verifiable commitment. Evidence from economics and management suggests that certification can reduce information asymmetry, improve market confidence, and enhance external perceptions of organizational reliability, but only when stakeholders perceive the signal as difficult to imitate and backed by credible surveillance. Recent work on over-certification also shows that organizations may accumulate certifications strategically to strengthen their legitimacy and market differentiation, reinforcing the idea that certifications function not merely as technical standards but as communicative devices in stakeholder-facing environments. Accordingly, externally verified QA systems may send governance-relevant signals concerning process discipline, managerial seriousness, and disclosure credibility (Javorcik & Sawada, 2018; Ferreira et al., 2008; Valero-Gil et al., 2024). Together, these perspectives suggest that QA systems in listed firms serve both institutional and signalling functions: they help organisations conform to governance expectations and communicate legitimacy to external audiences. However, whether QA fulfils a substantive governance role or remains a symbolic exercise depends on how deeply it is embedded in the firm's internal control architecture and how strongly the surrounding institutional environment enforces compliance. Given the qualitative multiple-case design, the following propositions are framed as analytical expectations explored through case-level evidence rather than as hypotheses intended for statistical testing.

2.2 Proposition Developments

2.2.1 Quality Assurance as a Governance Mechanism

QA systems originally designed to ensure consistency in production and service delivery have increasingly been incorporated into corporate governance and assurance frameworks (Boiral & Paille, 2012; Heras-Saizarbitoria & Boiral, 2013). By establishing formalized procedures for documentation, monitoring, and evaluation, QA enhances transparency and accountability key principles of good governance (Psomas & Jaca, 2016). Studies in industrialized economies demonstrate that ISO-certified firms often display stronger internal control environments and better alignment between operational and financial reporting functions (Fonseca, 2015;

Kafetzopoulos & Gotzamani, 2019). More specifically, the audit literature suggests that the governance value of QA increases when internal quality audits are not confined to procedural checking but are used as organizational learning and control mechanisms. Integrated management-system audits enable firms to connect compliance monitoring, process improvement, and managerial review, thereby reducing fragmentation across control functions. Recent review evidence further argues that internal audits generate greater value when they are linked to risk-based planning, top-management attention, and cross-functional follow-up. These insights support the proposition that QA can reinforce governance quality by institutionalizing recurring review cycles, documenting deviations, and creating verifiable trails of corrective action that are relevant to oversight bodies (Bernardo et al., 2010; Lenning & Gremyr, 2022; Alić & Rusjan, 2010; Boiral, 2011).

In emerging markets, the role of QA in governance remains under-investigated. Al-Khattab et al. (2018) found that QA practices in Jordanian manufacturing firms improved process standardization but had limited spill-over into board-level governance. Similarly, Omran (2020) observed that while Egypt has introduced comprehensive governance codes, quality systems are not formally linked to internal audit or disclosure practices. These findings suggest a disconnect between QA certification and its governance function in Arab capital markets. The current study addresses this gap by exploring how QA becomes part of governance structures and how such integration influences reporting quality and accountability. Nevertheless, the empirical record also warns against assuming a universally positive effect of certification. Earlier studies found that ISO 9000 adoption sometimes improves operational discipline and market outcomes, while in other cases the effects remain weak or temporary when implementation is compliance-oriented rather than capability-building. Research on SMEs and manufacturing firms similarly indicates that certified firms often outperform non-certified peers when certification is accompanied by stronger managerial practices, employee involvement, and process learning. This mixed evidence strengthens the need to distinguish symbolic adoption from governance-oriented integration and justifies examining the organizational mechanisms through which QA affects accountability and reporting reliability rather than treating certification as a binary indicator of good governance (Singels et al., 2001; Romano, 2000; Rahman, 2001; Martínez-Costa & Martínez-Lorente, 2003; Gallego & Gutiérrez-Ramírez, 2021).

Analytical Proposition 1: In the cases examined, firms that integrate Quality Assurance systems into internal control, audit, and board oversight processes are expected to demonstrate stronger perceived reporting reliability and organizational accountability, as observed through case-level evidence.

This proposition rests on the proposition that embedding QA into governance structures enhances transparency and control, leading to improved data accuracy and risk management. Empirical evidence supports this view: Boiral and Paille (2012) found that firms with embedded QA cultures display stronger ethical climates and reporting discipline; Kafetzopoulos and Gotzamani (2019) demonstrated that quality management integration correlates with improved organizational performance; and

Heras-Saizarbitoria and Boiral (2013) argued that QA systems institutionalize governance routines that sustain accountability. Within Jordan, Egypt, and Palestine, where board independence and audit effectiveness vary widely (Mansour et al., 2022; Dwekat et al., 2018), QA integration can act as a compensatory mechanism for governance gaps by reinforcing procedural reliability and documentation integrity.

2.2.2 Verification Credibility and External Assurance

External verification is a critical determinant of QA credibility. Third-party certification and independent assurance provide stakeholders with confidence that QA systems operate effectively rather than symbolically. According to Signaling Theory, credible signals must be observable, costly to imitate, and verifiable (Spence, 2002). Certification audits, periodic renewals, and public assurance reports meet these conditions, signaling that firms are genuinely committed to quality and governance integrity (Heras-Saizarbitoria & Boiral, 2013).

Empirical studies confirm that external assurance improves corporate transparency and stakeholder trust. The assurance literature suggests that credibility depends not only on the existence of external verification, but also on its rigor, independence, periodicity, and integration with internal follow-up processes. Surveillance audits, recertification cycles, and integrated management-system audits create repeated opportunities for identifying control weaknesses, documenting corrective actions, and escalating quality failures to senior governance actors. Where such verification is robust, certification can move beyond symbolism and become part of a wider assurance architecture that supports disclosure credibility and organizational accountability. By contrast, weakly enforced audits may preserve the appearance of compliance while allowing decoupling between formal procedures and actual practices (Fonseca & Domingues, 2018; Bernardo et al., 2010; Lenning & Gremyr, 2022; Hazaea, 2021). Hazaea (2021) found that sustainability assurance practices enhance stakeholder perceptions of reporting credibility in developing economies. In a similar vein, Fonseca and Domingues (2018) demonstrated that external ISO audits drive continuous improvement and reinforce governance discipline. In Arab capital markets, however, verification mechanisms are often weak or discretionary (Farah et al., 2021). Firms may secure certifications for contractual or reputational reasons, but limited external scrutiny undermines stakeholder confidence (Nair & Al-Ghamdi, 2020).

QA systems also increasingly overlap with ESG and sustainability assurance mechanisms, particularly where firms rely on standardized documentation, traceable controls, and third-party verification to support the credibility of non-financial disclosures. In this broader assurance setting, QA contributes not only to operational consistency but also to the evidentiary infrastructure through which sustainability data, internal control narratives, and governance claims are rendered more auditable and credible. This connection is especially relevant in emerging markets, where stakeholder confidence in sustainability disclosure often depends less on stand-alone reporting rhetoric than on the visibility of underlying assurance routines and verification practices. For listed firms in Jordan, Egypt, and Palestine, obtaining independent verification can thus serve as a valuable signal of authenticity and

governance maturity, especially in contexts where regulatory monitoring is inconsistent. External QA audits not only validate compliance but also create a feedback loop that strengthens audit committee oversight and disclosure quality.

Analytical Proposition 2: In the cases examined, firms whose Quality Assurance systems are subject to credible external verification and independent assurance are expected to exhibit stronger perceived stakeholder trust and governance credibility, as interpreted through documentary and interview evidence.

This proposition suggests that the presence of independent certification whether through ISO audits, external assurance statements, or regulator-mandated reviews positively influences stakeholders' perceptions of firm reliability. It also reflects the notion that verification converts QA from symbolic compliance into a substantive governance mechanism, as supported by empirical findings from emerging and developed economies (Hazaia, 2021; Fonseca & Domingues, 2018; Boiral & Paille, 2012).

2.2.3 Institutional Environment and QA Effectiveness

Institutional Theory provides a lens for understanding how external structures shape the depth and effectiveness of QA implementation. DiMaggio and Powell (1983) describe three types of isomorphic pressures coercive, mimetic, and normative that influence organisational conformity. In mature markets, coercive pressures from regulators and normative expectations from investors encourage firms to embed QA substantively. In emerging markets, weak enforcement can lead to “decoupling,” where firms adopt QA symbolically to project legitimacy without substantial change (Meyer & Rowan, 1977). Research on the diffusion of international management standards further shows that national institutions shape both adoption rates and the substantive meaning of certification. Institutional environments influence whether managers see standards as sources of strategic value, whether stakeholders demand credible implementation, and whether regulators, professional bodies, and certifiers create coercive pressure for compliance. Studies of ISO diffusion and management-standard adoption therefore suggest that certification is more likely to become embedded and governance-relevant in environments characterised by stronger institutional support, denser professional networks, and more demanding stakeholder expectations. This broader comparative evidence supports the view that QA effectiveness in Jordan, Egypt, and Palestine should be interpreted through institutional differences rather than firm-level behaviour alone (Delmas & Montiel, 2011; Orcos et al., 2018; Farah et al., 2021).

Several studies highlight how institutional strength moderates' governance outcomes. Baydoun et al. (2019) observed that weak enforcement in MENA countries fosters symbolic compliance with governance codes. Farah et al. (2021) similarly concluded that institutional heterogeneity explains divergent governance practices across Arab markets. Within Jordan, Egypt, and Palestine, these institutional differences are pronounced: Egypt exhibits relatively strong regulatory enforcement and audit reform post-2016 (Omran, 2020); Jordan has moderate enforcement and partial alignment with OECD principles (Mansour et al., 2022); while Palestine faces

limited regulatory capacity due to political and economic constraints (Dwekat et al., 2018). Consequently, the effectiveness of QA as a governance mechanism is expected to vary according to each country's institutional capacity. Firms in stronger governance environments are more likely to internalise QA processes, while those in weaker contexts may adopt QA symbolically, resulting in limited governance impact. Analytical Proposition 3: Across the cases, the governance relevance of Quality Assurance is expected to vary with institutional strength, such that stronger regulatory and monitoring environments are more likely to be associated with substantive QA integration than weaker enforcement contexts.

This proposition extends Institutional Theory to QA governance, proposing that institutional enforcement shapes the boundary between symbolic and substantive adoption. It aligns with findings from comparative studies on governance in emerging markets (Farah et al., 2021; Mansour et al., 2022) and highlights the conditional nature of QA's governance role.

2.3 Conceptual Model

Drawing on these theories, the conceptual framework (Figure 1) posits that QA integration (Proposition 1) and external verification (Proposition 2) jointly enhance reporting quality and stakeholder trust, while institutional strength (Proposition 3) moderates the overall effectiveness of QA as a governance mechanism. The model visualizes a mechanism-based pathway in which QA adoption feeds into verification processes that, under supportive institutional conditions, produce substantive governance outcomes.

This theoretical model positions QA as both a governance process and a legitimacy signal. In the context of Jordan, Egypt, and Palestine, where governance infrastructures vary, the interaction between QA integration, external verification, and institutional support determines whether QA functions as a genuine governance mechanism or remains an instrument of symbolic compliance. The three propositions Proposition 1 on governance integration, Proposition 2 on assurance credibility, and Proposition 3 on institutional moderation provide the analytical foundation for the empirical investigation that follows.

3. Methodology

This study employs a comparative multiple-case study design to investigate how Quality Assurance (QA) systems operate as governance and assurance mechanisms within selected listed firms in Jordan, Egypt, and Palestine. A multiple-case design is particularly appropriate for examining governance mechanisms because it allows the researcher to analyse complex organizational processes and identify causal mechanisms that cannot easily be captured through purely quantitative approaches. The case-study approach is well suited for exploring organizational processes embedded in specific institutional contexts where boundaries between the phenomenon and setting are not clearly defined (Yin, 2018). It facilitates the identification of mechanisms through which QA standards are adopted, verified, and enforced, as well as how these mechanisms influence reporting quality and

governance outcomes (Eisenhardt, 1989; Stake, 2006). The case design was therefore structured around replication logic: cases were selected not for convenience, but to observe whether similar governance effects emerged across firms sharing core QA attributes and whether these effects varied predictably across contrasting institutional and organizational contexts. For the cross-case stage, a structured focused comparison was used so that all cases were examined through the same set of theoretically derived dimensions rather than through stand-alone narrative summaries.

Twenty four listed firms were purposively selected from the Amman Stock Exchange (ASE), the Egyptian Exchange (EGX), and the Palestine Exchange (PEX). With eight firms selected from each country. The balanced country structure was adopted to strengthen cross-case comparison and to ensure sufficient within-country variation while preserving the comparative logic of the study. The purpose of increasing the firm-level sample was not to achieve statistical representativeness, but to enhance theoretical replication, analytic generalization, and saturation of governance-relevant patterns across institutional settings. In qualitative multiple-case research, case adequacy is assessed by the richness, relevance, and explanatory contribution of cases rather than by probabilistic sampling logic (Eisenhardt, 1989; Stake, 2006; Yin, 2018). Accordingly, the eight-firm structure in each country enabled the study to compare firms operating within the same national institutional environment while also examining variation across sectors, firm size, ownership structure, and QA maturity. This number of cases is consistent with recommendations for multiple-case study research, which suggest that between 4 and 15 cases are sufficient to enable theoretical replication and cross-case comparison (Eisenhardt, 1989; Yin, 2018).

Case selection was guided by three baseline criteria: (1) public listing on one of the exchanges, (2) possession of at least one formal QA certification such as ISO 9001 or ISQM 1, and (3) public disclosure of governance or assurance information in annual or sustainability reports. These criteria ensured that all selected firms were information-rich cases directly relevant to the study's analytical propositions on QA integration, external verification, and institutional moderation. Within this common baseline, variation was then deliberately introduced across four dimensions. First, cases were drawn from Jordan, Egypt, and Palestine to capture institutional differences in regulatory enforcement, market maturity, and external monitoring. Second, firms were selected from the industrial, financial, and service sectors to examine whether the governance role of QA remained consistent across different organizational settings.

Third, the sample was constructed to include variation in firm size, using exchange-based indicators such as asset base, market presence, and organizational scale to avoid concentrating only on large flagship firms. Fourth, the sample incorporated ownership variation visible in public filings, including more concentrated family-controlled structures, state-influenced firms, and comparatively more dispersed ownership profiles, because ownership concentration was expected to shape how strongly QA information was escalated to governance actors. This

design followed both literal replication and theoretical replication logic: firms with similar QA and disclosure characteristics were expected to show comparable governance patterns, whereas firms operating under contrasting institutional and organizational conditions were expected to exhibit different pathway completion and governance outcomes. Accordingly, the purpose of the sample was not statistical representativeness, but analytic generalization through patterned comparison across comparable and contrasting cases (Eisenhardt & Graebner, 2007; Yin, 2018).

TABLE 1. Case and interview distribution by country

Country	Listed Firms	Interviews	Country
Jordan	8 Firms	16	Jordan
Egypt	8 Firms	16	Egypt
Palestine	8 Firms	16	Palestine
	24	48	

Note: Data triangulation was achieved through three complementary sources.

Documentary analysis covered annual and sustainability reports, corporate governance disclosures, QA manuals, ISO certificates, and external assurance statements for the period 2019–2024. The 2019–2024 window was selected for both substantive and methodological reasons. Substantively, it captures a recent period in which listed firms in Jordan, Egypt, and Palestine faced heightened pressure to strengthen governance, disclosure, and assurance practices. Methodologically, the timeframe was long enough to observe whether QA arrangements were maintained, updated, and linked to governance processes over multiple reporting cycles rather than inferred from a single reporting year. It also allowed documentary evidence to be compared with interview accounts referring to recent and still-recallable organizational practices. Documentary data provide authentic, verifiable evidence of governance practices (Bowen, 2009).

Semi-structured interviews were conducted with QA managers, internal auditors, and audit committee members to capture perceptions regarding QA adoption, verification processes, and integration within governance structures. Forty-eight interviews, each lasting 45–60 minutes, were recorded and transcribed. The interview protocol followed a common semi-structured guide organized around four domains: QA adoption and internalization, interactions between QA and internal governance structures, the role of external verification and surveillance audits, and the institutional conditions shaping implementation. Core questions were asked across all respondent groups to preserve comparability, while follow-up prompts

were tailored to the participant's role as QA manager, internal auditor, or audit committee member. This protocol was used to generate comparable within-case evidence on the same proposed causal steps while still allowing respondents to elaborate firm-specific processes and constraints. Semi-structured interviews are valuable for eliciting rich qualitative data while maintaining comparability across cases (Kvale & Brinkmann, 2015).

Secondary indicators, such as firm size, profitability, and certification renewal history, were gathered from exchange filings and industry databases to contextualize the qualitative insights. In this study, governance outcomes were treated as qualitative, case-level constructs rather than as directly observed dependent variables. Reporting reliability was proxied through the consistency of documented procedures across reports and internal records, the traceability of corrective actions and audit trails, the alignment between QA records and internal audit or risk-management documentation, and interview evidence indicating whether QA-generated information was used in disclosure preparation and review. Organizational accountability was proxied through the clarity of responsibility allocation for QA findings, the escalation of quality issues to senior management or audit committees, the existence of documented follow-up and corrective-action ownership, and interview-based perceptions that QA outputs informed oversight and review processes. These indicators were used as interpretive proxies to assess whether QA systems were merely formal certifications or were substantively embedded in governance practice.

The two principal empirical sources documents and interviews were not analysed separately and then compared only at the interpretation stage; rather, they were integrated throughout the analytical process. For each firm, documentary materials were first used to establish the formal QA and governance architecture, including certification status, disclosed control procedures, committee structures, and assurance statements. Interview transcripts were then analysed to determine how these formal arrangements operated in practice, whether QA information was actually escalated to governance actors, and how verification findings were followed up organizationally. Coding in NVivo therefore linked each major theme to both documentary indicators and interview-based accounts, allowing the analysis to distinguish between formal adoption and substantive implementation. Triangulation was treated as corroborative when both sources pointed to the same interpretation, as complementary when interviews added process detail not visible in public documents, and as diagnostic when discrepancies between documentary disclosure and participant accounts revealed possible symbolic adoption or partial implementation.

A process-tracing approach was employed to map process sequences connecting QA adoption, verification, enforcement, and governance outcomes (Beach & Pedersen, 2019). Each case was first analyzed individually to reconstruct its QA governance trajectory, followed by cross-case comparison to identify common mechanisms and institutional contingencies (Miles, Huberman, & Saldaña, 2019). To align the empirical design with the study's theoretical ambition, the analysis did not

treat process tracing as broad narrative reconstruction alone. Instead, each case was examined against explicit mechanism-based expectations derived from the propositions: whether QA adoption was integrated into internal control routines, whether verification produced corrective action and governance review, and whether institutional conditions enabled or interrupted these sequences. The aim was therefore not to claim deterministic causality, but to identify whether the intervening steps predicted by Institutional Theory and Signalling Theory were observable, partially observable, or absent across cases. Thematic coding was performed in NVivo 14 using a hybrid deductive–inductive strategy (Fereday & Muir-Cochrane, 2006). Deductive codes were derived from Institutional and Signaling Theory constructs, while inductive categories emerged from the data.

The coding procedure was conducted in three sequential stages. In the first stage, open coding was applied to interview transcripts and documentary materials to identify recurring references to QA adoption, certification practices, internal control routines, audit involvement, corrective action, disclosure quality, and stakeholder signaling. In the second stage, these initial codes were grouped into axial categories capturing broader process dimensions, such as QA integration within governance structures, the credibility of external verification, and institutional conditions shaping implementation. In the third stage, selective coding was used to consolidate these categories into the final analytical themes reported in the findings and to connect them to the process-tracing sequences examined across cases. This procedure allowed the analysis to move systematically from source-level observations to mechanism-based thematic interpretation. The deductive coding frame was anchored explicitly in the study's theoretical framework. Codes linked to Institutional Theory captured coercive and normative pressures, ceremonial conformity, substantive internalization, and variation in enforcement environments. Codes linked to Signaling Theory captured external certification, third-party verification, disclosure credibility, stakeholder reassurance, and the distinction between costly credible signals and symbolic claims. Inductive coding was then used to refine how these theoretical constructs appeared in practice, including distinctions between formal adoption and operational use, between certification and governance integration, and between disclosed compliance and experienced implementation. In this way, theory guided the initial coding architecture, while empirical iteration ensured that the final themes remained grounded in the cases.

To apply process tracing systematically, the study specified an explicit mechanism-based pathway for each proposition and then assessed whether evidence was present for each step in the sequence. For Proposition 1, the pathway moved from QA adoption to integration with internal audit and risk management, then to board or audit committee use of QA-generated information, and finally to stronger reporting reliability and organizational accountability. For Proposition 2, the pathway moved from external certification and surveillance audits to the identification of procedural gaps and corrective actions, then to stronger governance oversight, and finally to enhanced stakeholder confidence and disclosure credibility. For Proposition 3, the analysis assessed how institutional conditions such as regulatory enforcement, investor scrutiny, and ownership concentration strengthened or weakened these links

across cases. Evidence was treated as supportive only when documents and interview accounts jointly confirmed the temporal sequence connecting antecedent conditions, intervening governance processes, and reported outcomes within the same case. Cases were not interpreted as demonstrating a governance effect merely because certification existed; the effect was inferred only where the intervening steps were observable in practice.

For example, when a firm's annual report or governance disclosure stated that QA procedures were integrated with internal audit or risk management, this claim was checked against interview evidence from QA managers, internal auditors, or audit committee participants to determine whether QA reports were in fact reviewed, escalated, and used in oversight processes. Similarly, documentary evidence of ISO certification or surveillance audits was combined with interview accounts to assess whether external verification produced corrective action, governance discussion, or only routine documentation compliance. This source integration allowed each case narrative to be built from converging evidence rather than from a single reported perspective.

Credibility was enhanced through data triangulation and participant validation of interview summaries (Lincoln & Guba, 1985). Inter-coder reliability was not assessed as a stand-alone software exercise only, but through independent review of a shared subset of interview transcripts and documentary materials using the same codebook and coding rules. Agreement above 0.80 indicated substantial consistency in the application of the main deductive and higher-order thematic categories, after which discrepancies were discussed and resolved through iterative refinement of code definitions. Reliability was further strengthened by maintaining a uniform case protocol, preserving an audit trail of coding decisions, and applying the same analytical sequence across all cases. External validity was strengthened through replication logic across the three national contexts. External validity was strengthened through replication logic across the three national contexts. Ethical approval was secured from the host institution, and all participants provided informed consent. Anonymity and confidentiality were preserved in all reporting stages. To improve methodological transparency, Appendix A provides the interview protocol and Appendix B summarises the coding structure and illustrative code categories used in the analysis.

4. Results

This section presents the empirical findings derived from the documentary analysis and semi-structured interviews. The findings are based on integrated rather than parallel analysis of these materials. Documentary sources established the formal governance and assurance structures reported by each firm, while interview data were used to verify whether those structures were enacted in practice, how they were interpreted by organizational actors, and where decoupling occurred between formal disclosure and operational reality. Accordingly, each theme reported below reflects triangulated evidence across the two sources rather than isolated documentary or interview observations. The results are organised around the three analytical themes

derived from the conceptual framework: (1) the integration of QA within governance structures, (2) the credibility of external verification mechanisms, and (3) the role of institutional environments in shaping QA effectiveness.

The analysis of documentary evidence and forty eight semi-structured interviews across Twenty four listed firms reveals three major findings regarding the role of Quality Assurance (QA) systems as governance and assurance mechanisms. These findings correspond to the study's conceptual model and hypotheses: (1) the degree of QA integration within governance structures, (2) the credibility of external verification and assurance mechanisms, and (3) the moderating influence of institutional environments across Jordan, Egypt, and Palestine. Evidence from the case analyses indicates substantial variation in how QA systems are embedded within organisational processes and governance architectures.

4.1 Integration of Quality Assurance within Governance Structures

The first theme concerns the extent to which QA systems are incorporated into internal control, audit, and board oversight processes. Across the sampled firms, QA integration ranged from operationally isolated certification practices to fully embedded governance mechanisms.

This theme was analysed as a process sequence rather than as a descriptive category. The process-tracing question was whether QA adoption was followed by integration into internal control routines, whether that integration produced escalation of QA information to internal audit and audit committee levels, and whether these governance uses were associated with more reliable documentation, stronger traceability, and clearer accountability. Evidence for the pathway was considered strongest when annual reports, QA manuals, and interview testimony converged on the same sequence within a case. Where certification existed without linkage to audit routines or board review, the mechanism was treated as interrupted rather than completed. Firms demonstrating high QA integration reported that QA procedures were directly linked to internal audit routines, risk management frameworks, and audit committee oversight. In these organisations, ISO documentation, internal audit findings, and performance monitoring reports were systematically shared with governance bodies. Interview participants from several Jordanian and Egyptian firms explained that QA processes created structured reporting channels that enhanced the reliability of operational and financial information. Internal auditors described how QA documentation provided a formalized evidence base supporting audit reviews and risk assessments. The interview evidence showed that QA became governance-relevant when it moved beyond operational compliance and entered the routines of internal audit, risk management, and audit committee review. One QA manager explained: "The certificate itself does not change governance; what matters is whether the procedures, deviations, and corrective actions are reviewed by people responsible for control." An internal auditor similarly noted that QA records "created a trail that made it easier to identify who was responsible, what was corrected, and whether the issue was closed." These accounts indicate that QA was perceived to strengthen accountability when documentation was not merely archived for certification purposes but used as

evidence in internal control and oversight processes. By contrast, a participant from a lower-integration firm stated that “quality files are prepared mainly for the certification visit, but they are not regularly discussed at board or committee level.” This contrast supports the interpretation that QA integration was associated with stronger governance relevance only when QA-generated information was actively connected to internal audit and senior oversight structures. This integration enabled audit committees to monitor compliance with internal procedures and regulatory expectations more effectively. Managers also noted that QA procedures improved data traceability, reducing discrepancies between operational records and financial disclosures.

By contrast, low-integration firms treated QA largely as a technical certification requirement. In these cases, QA systems were administered by operational departments with minimal interaction with internal audit units or board committees. Interviewees in several service-sector firms indicated that QA documentation was rarely reviewed at the governance level and was primarily maintained to satisfy external certification requirements. As a result, QA activities had limited influence on organisational accountability or reporting quality. Cross-case comparison suggests that substantive QA integration strengthens procedural transparency and internal control reliability. Firms with embedded QA systems reported more structured documentation practices, clearer accountability chains, and improved coordination between operational management and governance bodies. These patterns provide qualitative evidence consistent with Proposition 1, suggesting that integrating QA into governance structures enhances reporting reliability and organisational accountability.

4.2 External Verification and Assurance Credibility

The second theme relates to the role of external verification and independent assurance in reinforcing the credibility of QA systems. Across the sample, most firms possessed formal ISO certifications; however, the depth and credibility of verification mechanisms varied significantly.

This theme was examined as a second mechanism-based pathway linking verification to governance outcomes. The mechanism was expected to unfold when independent certification or surveillance audits identified procedural weaknesses, management responded through corrective action, governance actors reviewed those responses, and stakeholders interpreted the strengthened controls as a credible signal of reliability. Evidence was judged persuasive when interview accounts of audit findings and corrective follow-up were corroborated by documentary references to certification status, governance reporting, or assurance activity. Where certification existed without documented follow-up or governance review, the pathway was treated as symbolic rather than causal.

In firms where certification audits were conducted rigorously and accompanied by periodic surveillance reviews, external verification functioned as a governance reinforcement mechanism. Interview participants reported that independent auditors frequently identified procedural gaps, prompting management to revise internal

control practices and strengthen documentation systems. In several Egyptian industrial firms, external QA audits were also discussed during audit committee meetings, indicating that certification processes were integrated into broader governance oversight. Participants emphasized that independent certification enhanced stakeholder confidence by providing objective validation of organizational processes. Participants repeatedly distinguished between certification as a formal signal and verification as a substantive assurance process. One audit committee participant observed: “External certification becomes useful when the findings are followed by corrective action and then reviewed internally; otherwise, it remains only a document on the wall.” A QA manager added that surveillance audits “forced departments to keep procedures active throughout the year because non-conformities had to be explained and closed.” These statements suggest that external verification was perceived to strengthen governance credibility when it created a cycle of audit finding, corrective action, internal follow-up, and renewed review. However, the evidence also revealed variation in the depth of verification. One participant noted that “some audits focus mainly on whether the files exist, not whether the quality system changed governance decisions.” This indicates that external assurance contributed to stakeholder confidence only where it was regarded as independent, rigorous, and connected to internal accountability mechanisms.

For example, managers in export-oriented manufacturing firms noted that ISO verification reassured international partners and investors regarding operational reliability and compliance with global standards. Conversely, in firms where certification processes were perceived as routine or symbolic, verification had limited governance impact. Interviewees in a number of Palestinian and smaller Jordanian firms suggested that external audits focused primarily on documentation compliance rather than evaluating governance effectiveness. In such cases, certification was viewed as a reputational signal rather than a mechanism for substantive organizational improvement. Despite these differences, most respondents acknowledged that independent verification created at least some degree of external accountability. The presence of periodic certification audits encouraged firms to maintain minimum levels of procedural consistency and documentation integrity. Overall, the evidence indicates that credible verification strengthens the governance role of QA systems, consistent with Proposition 2, which posits that external assurance enhances stakeholder trust and perceived governance credibility.

4.3 Institutional Context and Variation in QA Effectiveness

The third theme concerns the influence of institutional environments on the effectiveness of QA systems as governance mechanisms. Cross-country comparison revealed noticeable differences in how QA practices were implemented and monitored across Jordan, Egypt, and Palestine.

To move beyond descriptive country profiles, the cross-case analysis applied a structured comparison logic using the same explanatory dimensions across all cases. Each country group was compared on four common conditions: regulatory enforcement intensity, investor and stakeholder scrutiny, the degree of linkage between QA and internal governance structures, and the extent to which external

verification generated corrective action rather than routine compliance. The analysis then assessed whether variation in these conditions corresponded systematically to differences in pathway completion, particularly the extent to which QA moved from formal certification to substantive governance integration. This approach enabled the country comparison to isolate patterned institutional explanations rather than merely report contextual differences.

Here the causal question was not whether institutions directly created QA outcomes, but whether institutional conditions enabled or constrained the two prior pathways. The analysis therefore examined whether differences in enforcement intensity, investor scrutiny, and ownership concentration affected the likelihood that QA integration would be internalized and that verification findings would translate into governance action. Cross-case comparison was used to identify whether similar certified firms produced different governance outcomes under different institutional conditions. This allowed institutional context to be treated as a moderating condition within the causal chain rather than as a descriptive country backdrop.

Egyptian firms generally exhibited the most structured integration between QA, internal audit, and governance oversight. Egyptian firms generally exhibited the most structured integration between QA, internal audit, and governance oversight. Under the structured comparison, these firms were distinguished by relatively stronger regulatory enforcement, more explicit disclosure of QA within governance and risk-management reporting, and interview evidence indicating that verification findings were more likely to trigger corrective action and managerial follow-up. Documentary analysis showed that several companies explicitly referenced QA certification in their governance reports and risk management frameworks, while interviewees attributed this integration to stronger regulatory reforms and increased investor scrutiny following financial market liberalization in recent years. Jordanian firms displayed moderate levels of QA integration. Relative to the Egyptian cases, they showed partial pathway completion: QA procedures were usually documented and certification was maintained, but the linkage between QA processes and board oversight was more informal and less consistently institutionalized. Interview participants explained that governance codes encourage internal audit and risk management but do not explicitly require QA systems to be embedded within governance structures, meaning that implementation depended more heavily on managerial commitment and organizational culture than on external enforcement. Palestinian firms, operating within a more constrained regulatory environment, showed the highest prevalence of symbolic adoption. In the structured comparison, these cases combined weaker enforcement capacity, lower external monitoring, and more concentrated ownership structures with limited evidence that certification findings were translated into governance action.

Although most sampled firms possessed QA certifications, institutional limitations such as resource constraints, limited regulatory enforcement, and concentrated ownership structures reduced the depth of integration. Interviewees frequently described QA as an externally motivated practice aimed at maintaining market reputation rather than strengthening governance mechanisms. The larger

country-balanced case structure made it possible to compare institutional patterns more systematically. In the Egyptian cases, participants more often described QA as connected to regulatory expectations, investor scrutiny, and internal governance reform. One participant stated that “quality assurance has become closer to risk management because external stakeholders now ask for evidence, not only declarations.” In the Jordanian cases, the pattern was more mixed. One internal auditor explained that “the system is useful, but its effect depends on whether management treats it as governance or only as compliance.” In the Palestinian cases, participants more frequently emphasized resource constraints and weaker enforcement pressures.

One QA manager stated that “certification gives credibility in the market, but limited resources make it difficult to build the full governance structure around it.” These accounts suggest that country-level institutional conditions shaped whether QA certification was internalized as a governance mechanism or maintained primarily as a legitimacy signal. The evidence therefore supports the view that institutional context moderated the relationship between QA, assurance credibility, and governance relevance. Considered together, the three country groups reveal a patterned explanation rather than a simple contextual contrast: where enforcement and stakeholder scrutiny were stronger, QA was more likely to be internalized within governance systems; where these institutional supports were weaker, certification was more likely to remain decoupled from substantive oversight. The cross-case comparison therefore explains country variation through differences in the conditions that enable or interrupt the mechanism-based pathways identified in Propositions 1 and 2. These findings provide empirical evidence consistent with Proposition 3, suggesting that institutional strength moderates the effectiveness of QA as a governance mechanism. These findings provide empirical evidence consistent with Proposition 3, suggesting that institutional strength moderates the effectiveness of QA as a governance mechanism.

Combining the evidence from all Twenty four cases reveals a continuum of QA governance maturity across the sampled firms and clarifies the causal pattern underlying that variation. Where QA adoption was integrated into internal control routines, translated into information flows to internal audit and audit committees, and reinforced through credible external verification, firms were more likely to report stronger documentation discipline, clearer accountability chains, and more reliable disclosure practices. In these cases, the mechanism linking QA to governance outcomes was observable across multiple evidentiary sources rather than inferred from certification status alone. By contrast, where QA certification remained operationally isolated, external audits focused mainly on formal documentation, and governance bodies did not actively use QA-generated information, the causal chain was incomplete. In such cases, QA functioned primarily as a symbolic legitimacy signal with limited influence on internal control or reporting quality. Most firms fell between these two poles, showing partial pathway completion in which some elements of integration or verification were present but were not consistently translated into governance oversight. The cross-case comparison further indicates that institutional enforcement capacity shaped whether these mechanisms were

activated and sustained.

Overall, the results support an explanatory interpretation in which QA contributes to governance outcomes only when the intervening organizational and institutional steps are present and connected in sequence. However, where institutional pressures are weak or verification processes lack rigor, QA certification may function largely as a legitimacy signal rather than a substantive governance reform. However, where institutional pressures are weak or verification processes lack rigor, QA certification may function largely as a legitimacy signal rather than a substantive governance reform.

5. Discussion

Rather than treating QA certification as uniformly governance-enhancing, the discussion indicates that its significance depends on whether firms translate formal quality routines into governance-relevant information flows. Interpreted through Institutional Theory and Signaling Theory, the cases suggest a mechanism in which QA codifies procedures, generates traceable documentation, and produces periodic findings that can be reviewed by internal audit and, in higher-integration firms, escalated to audit committees or senior management for corrective action. Governance outcomes were strongest where this chain remained intact from documentation to audit integration to oversight review. Where one link was missing most commonly escalation to governance actors or meaningful follow-up QA remained a procedural routine with limited governance relevance. The discussion therefore focuses not on restating the descriptive differences already presented in the results, but on explaining why some firms convert certification into substantive governance capacity while others retain it as a symbolic legitimacy device.

The findings regarding QA integration within governance structures support earlier studies that conceptualize quality management systems as mechanisms that strengthen organizational accountability and internal control processes. Research by Boiral and Paille (2012) and Heras-Saizarbitoria and Boiral (2013) suggests that QA frameworks institutionalize governance routines by formalizing documentation, monitoring, and evaluation processes. Similarly, Kafetzopoulos and Gotzamani (2019) demonstrate that the integration of quality management systems into organisational structures improves performance and operational reliability. The present study confirms these arguments by showing that firms where QA systems were embedded in internal audit procedures and board oversight mechanisms displayed stronger transparency and reporting consistency. In these organisations, QA documentation served as a structured information channel supporting risk management and audit reviews, reinforcing governance oversight.

However, the findings partially contradict earlier evidence from emerging markets indicating that QA systems often remain operational tools rather than governance mechanisms. For example, Al-Khattab et al. (2018) found that quality management practices in Jordanian firms improved operational processes but had limited influence on governance structures. The present study suggests that while this

pattern still exists in some firms, others have begun integrating QA into governance processes, indicating a gradual shift toward broader institutionalization of quality systems within corporate oversight frameworks.

The results concerning external verification and assurance credibility align strongly with Signalling Theory and previous research on the governance role of independent certification. Complementary research also shows that technological and information systems reliability significantly strengthens financial statement transparency and disclosure credibility in emerging economies (Alslaibi et al., 2025). Studies by Fonseca and Domingues (2018) and Hazaea (2021) demonstrate that external assurance mechanisms enhance the credibility of organisational disclosures and improve stakeholder trust. Likewise, Heras-Saizarbitoria and Boiral (2013) argue that independent ISO certification strengthens organisational discipline by requiring continuous monitoring and periodic evaluation. The evidence from this study supports these conclusions, showing that firms subject to rigorous certification audits used external verification as a feedback mechanism to improve internal control systems and governance oversight. In several cases, audit committees reviewed certification findings, reinforcing the integration between quality systems and governance structures. Nevertheless, the results also highlight conditions under which verification becomes symbolic rather than substantive. In some firms, particularly those operating in weaker institutional environments, certification audits were perceived as routine compliance exercises. This observation is consistent with the findings of Nair and Al-Ghamdi (2020), who report that ISO certifications in developing economies are sometimes pursued primarily for reputational or contractual purposes rather than genuine organisational improvement.

The study's cross-country comparison also provides important insights into the institutional determinants of QA effectiveness, supporting arguments derived from Institutional Theory. Previous research emphasises that governance practices in emerging markets are strongly influenced by institutional environments and regulatory enforcement capacity (Farah et al., 2021; Baydoun et al., 2019). Evidence from banking systems in the Arab Levant similarly indicates that institutional conditions and governance structures significantly shape financial performance and organizational decision-making processes within emerging financial markets (Alslaibi et al., 2025). The present findings confirm this perspective by demonstrating that the effectiveness of QA systems varies according to national governance contexts. Egyptian firms, operating within a relatively stronger regulatory framework following corporate governance reforms, displayed deeper integration of QA within governance structures. This observation is consistent with Omran (2020), who notes that governance reforms and disclosure regulations have strengthened accountability mechanisms in Egyptian capital markets.

Jordanian firms exhibited intermediate levels of QA integration, reflecting the partial alignment of governance practices with international standards identified by Mansour et al. (2022). In contrast, Palestinian firms frequently demonstrated symbolic QA adoption, a pattern consistent with the findings of Dwekat et al. (2018), who argue that governance mechanisms in Palestine are often constrained by

concentrated ownership structures and limited regulatory monitoring. These results therefore reinforce the institutional argument that governance practices may be formally adopted but not substantively implemented when enforcement mechanisms are weak. More specifically, the cross-country evidence can be interpreted through the three forms of institutional pressure identified by DiMaggio and Powell (1983).

Coercive pressures were most visible where regulatory reforms, disclosure expectations, and external scrutiny created stronger incentives for firms to connect QA with governance review, as observed most clearly in the Egyptian cases. Mimetic pressures appeared where firms adopted certification and related governance language in response to peer practice or market expectations, but without consistently embedding QA outputs into oversight routines, a pattern more visible in several Jordanian cases. Normative pressures were reflected in the role of professional auditors, certifiers, and governance specialists in shaping what counted as credible QA implementation across the sample. This reading strengthens the institutional interpretation by showing that symbolic versus substantive QA adoption was not simply a firm-level choice, but was patterned by the mix of coercive, mimetic, and normative pressures operating in each context.

Overall, the discussion highlights the dual nature of QA systems within emerging capital markets. This observation resonates with the Behavioral–Governance Fit perspective, which argues that organisational performance depends on the alignment between governance structures and internal behavioural dynamics within firms (Alslaiibi et al., 2026). Consistent with the theoretical framework combining Institutional Theory and Signaling Theory, QA certification can function either as a substantive governance mechanism or as a symbolic legitimacy signal. When integrated into internal control systems and reinforced by credible verification, QA strengthens transparency, accountability, and reporting reliability. However, when adopted primarily in response to external pressures without institutional enforcement, QA remains a symbolic practice with limited governance impact. By empirically illustrating this distinction across firms and institutional contexts, the study contributes to the governance literature by demonstrating that the governance value of QA depends not only on certification itself but also on the organizational and institutional conditions under which it is implemented.

6. Conclusion and Implications

This study examined how Quality Assurance (QA) systems function as governance and assurance mechanisms within listed firms in Jordan, Egypt, and Palestine. This study examined how Quality Assurance (QA) systems function as governance and assurance mechanisms within listed firms in Jordan, Egypt, and Palestine. The findings indicate that QA systems were observed to support organisational accountability and perceived reporting reliability when they were substantively integrated into internal control structures and reinforced through credible external verification. Across the cases, stronger governance relevance was associated with deeper integration between QA routines, internal audit, and oversight processes, whereas in weaker institutional environments QA certification more often remained

symbolic, serving as a legitimacy signal rather than a fully embedded governance mechanism.

The study contributes to the literature on corporate governance and quality management by demonstrating that QA systems operate simultaneously as governance mechanisms and legitimacy signals. By combining insights from Institutional Theory and Signaling Theory, the findings highlight that QA certification alone does not guarantee governance improvements; rather, its effectiveness depends on how deeply it is embedded within internal control systems and supported by institutional enforcement. This perspective extends previous research by positioning QA not merely as an operational management tool but as a governance instrument capable of strengthening transparency, accountability, and organizational oversight in emerging markets. For corporate managers and boards, the findings emphasize the importance of integrating QA systems into governance processes such as internal audit, risk management, and audit committee oversight. Firms that treat QA as a strategic governance mechanism rather than a technical compliance requirement are better positioned to improve internal controls, enhance documentation reliability, and strengthen stakeholder confidence. Managers should therefore ensure that QA procedures are aligned with governance frameworks and regularly reviewed at senior management and board levels.

This recommendation aligns with recent research highlighting the importance of robust internal control systems and governance oversight in preventing fraud, enhancing organizational transparency, and strengthening accountability within financial institutions in emerging economies (Alslaibi et al., 2026). For regulators and stock exchange authorities, the findings suggest that governance frameworks should recognize QA systems as part of the broader corporate assurance architecture. Policymakers may consider encouraging stronger connections between QA certification, internal audit functions, and governance disclosures. Strengthening regulatory oversight and external verification mechanisms could reduce symbolic adoption and promote more substantive implementation of quality standards. At a broader societal level, stronger integration of QA within corporate governance structures can enhance transparency, accountability, and trust in capital markets. Improved governance practices ultimately benefit investors, employees, and other stakeholders by supporting more reliable financial reporting and responsible corporate behavior in emerging economies.

7. Limitation and Future Research

Despite these contributions, several limitations should be acknowledged. First, the study adopts a qualitative multiple-case design involving Twenty four firms across three countries. This design is appropriate for identifying mechanisms and institutional variation, but it supports analytic rather than statistical generalization. The findings should therefore be interpreted as theory-building evidence about how QA may function as a governance mechanism under particular organizational and institutional conditions, rather than as population-level estimates applicable to all listed firms or markets. Second, the empirical analysis relies on two principal sources:

documentary disclosures and semi-structured interviews with managers, internal auditors, and audit committee members. Although these sources were triangulated, each carries potential bias. Public documents may present QA systems in a more formalized or favorable manner than their actual day-to-day operation, particularly where certification has reputational value. Interview participants may also provide retrospective or role-conditioned accounts that emphasize successful practices, understate implementation failures, or reflect their organizational position. This limitation also has a reflexive dimension, because respondents occupied governance-relevant roles and may therefore have framed QA practices in ways consistent with their professional responsibilities or their firms' preferred self-presentation. To mitigate this risk, interview accounts were interpreted alongside documentary evidence and were treated cautiously where they appeared overly standardized, defensive, or inconsistent with disclosed procedures. For this reason, the analysis does not treat either source as fully self-validating; instead, interpretations were based on convergence across sources and were treated more cautiously where documentary and interview evidence diverged. Third, access to evidence was necessarily uneven across firms. Some cases provided richer documentary disclosure and more detailed interview testimony than others, creating variation in evidentiary depth across the sample. While this is common in qualitative research on governance processes, it means that some case reconstructions are more strongly substantiated than others. Relatedly, the study focuses on listed firms that already possessed formal QA certification and publicly disclosed at least some governance or assurance information.

This improves comparability across cases but also sets an important research boundary: the findings are less informative for non-listed firms, firms without formal certification, or organizations operating in settings with minimal disclosure. Fourth, the cross-country design captures institutional variation across Jordan, Egypt, and Palestine, but it cannot encompass the full diversity of regulatory, political, and governance arrangements within the wider MENA region or beyond it. Country-level interpretations should therefore be read as context-specific patterns derived from the sampled firms rather than as fixed national characteristics. Fifth, the study examines governance processes, pathway completion, and perceived reporting reliability, but it does not directly measure long-term financial outcomes, market valuation effects, or changes in investor behavior. Accordingly, the analysis supports an explanatory account of how QA can contribute to governance, but it does not establish the magnitude of downstream performance effects.

Finally, because the evidence is drawn from a bounded time period and largely retrospective accounts, the study cannot fully capture how QA-governance relationships evolve over longer horizons or in response to subsequent regulatory reforms, technological change, or organizational restructuring. Future research could address these limitations by using longitudinal designs, broader comparative samples, and additional evidence sources such as regulatory inspection reports, external audit assessments, board minutes where accessible, and investor-facing evaluations of assurance credibility.

Declarations

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Conflict of Interest

The authors declare that they have no competing interests.

Ethics Approval

Ethical approval for this study was obtained from the host institution's research ethics committee prior to conducting the interviews.

Consent to Participate

All participants provided informed consent prior to participation in the study.

Consent for Publication

Participants were informed that the results of the study would be used for academic research and publication purposes, and consent for publication of anonymized findings was obtained.

Data Availability

Interview data are not publicly available due to confidentiality agreements but anonymized information may be available from the corresponding author upon reasonable request.

Authors' Contributions

The author contributed to: Conceptualization; Methodology; Data collection; Formal analysis; Writing – original draft; Writing – review and editing

Clinical trial number

Not applicable.

Use of Artificial Intelligence

The author declare that generative artificial intelligence (AI) tools were used only to assist with language editing and clarity of expression during the preparation of the manuscript. The authors reviewed and edited all AI-assisted outputs and take full responsibility for the content, interpretation, and conclusions of the manuscript. No AI tools were used to generate, manipulate, or analyse the research data, nor to produce the study's scientific results.

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Supporting Materials

Appendix A. Semi-Structured Interview Protocol

A.1 Purpose of the interviews

The semi-structured interviews were designed to examine how Quality Assurance (QA) systems operate as governance and assurance mechanisms within selected listed firms in Jordan, Egypt, and Palestine. The interviews aimed to capture participants’ perceptions of QA adoption, internalization, verification, escalation, and institutional constraints. The protocol was structured to generate comparable evidence across firms and countries while allowing participants to elaborate on firm-specific practices and contextual conditions.

The interview protocol was organized around four core domains: first, QA adoption and internalization; second, the relationship between QA, internal control, internal audit, risk management, and audit committee oversight; third, the role of external certification, surveillance audits, and corrective action processes; and fourth, the institutional and organizational conditions shaping whether QA is substantively embedded or symbolically maintained.

The interviews were not intended to produce statistically generalizable responses. Rather, they were designed to generate rich, role-specific, and contextually grounded evidence capable of supporting analytic generalization, theoretical replication, and cross-case comparison across the three national settings.

A.2 Participant categories

Participants were selected purposively because of their direct involvement in QA, internal control, assurance, or governance oversight. The final interview sample comprised 36 participants, distributed equally across the three countries.

Country	Number of firms	Number of interviews	Participant categories
	8 firms	16 interviews	QA managers/officers; internal auditors/risk officers; audit committee or governance representatives
Egypt	8 firms	16 interviews	QA managers/officers; internal auditors/risk officers; audit committee or governance representatives
Palestine	8 firms	16 interviews	QA managers/officers; internal auditors/risk officers; audit committee or governance representatives
			Cross-role triangulation across operational, assurance, and governance levels
Total	24 firms	48 interviews	

The participant profile was designed to allow triangulation across three organizational levels. QA managers and quality officers provided evidence on the design, maintenance, and operational use of QA systems. Internal auditors and risk-control personnel provided evidence on whether QA-generated information was incorporated into internal control and risk-management processes. Audit committee members and governance representatives provided evidence on whether QA information was escalated to senior oversight structures and used in governance review.

A.3 Interview format and procedure

Each interview lasted approximately 45–60 minutes. Interviews were conducted using a semi-structured format, allowing the researcher to ask a consistent set of core questions while using follow-up probes to clarify firm-specific processes. With participant consent, interviews were recorded and transcribed. Where recording was not possible, detailed interview notes were prepared immediately after the interview.

Participants were assured that their identities, firms, and commercially sensitive information would remain confidential. All quotations used in the manuscript were anonymized by country, participant role, and case identifier. Examples include “QA Manager, Jordanian Firm J3,” “Internal Auditor, Egyptian Firm E5,” or “Governance Representative, Palestinian Firm P2.” Participants were informed that the study was academic in nature and that their responses would be used only for research and publication purposes.

A.4 Interview protocol

Domain 1. QA adoption and internalization

1. What QA systems, certifications, or formal quality frameworks does your firm currently use?
2. What were the main reasons for adopting these QA systems or certifications?
3. To what extent are QA procedures used in daily organizational routines rather than mainly for certification or external audit purposes?

Possible probes: regulatory pressure; customer requirements; investor expectations; internal efficiency; reputational motives; employee training; documentation practices

Domain 2. QA integration within governance structures

1. How is QA connected to the firm’s internal control, internal audit, or risk-management systems?
2. How are QA findings, non-conformity reports, or corrective actions escalated to senior management, internal audit, or audit committee structures?

3. In your view, does QA strengthen accountability, documentation reliability, or reporting quality within the firm?

Possible probes: internal audit use of QA records; audit committee review; management review meetings; corrective-action ownership; risk registers; governance disclosures.

Domain 3. External verification and assurance credibility

1. What role do external certification bodies, surveillance audits, or assurance providers play in your QA system?
2. What happens when an external auditor identifies a non-conformity, procedural weakness, or corrective-action requirement?
3. Does external verification increase stakeholder confidence in the firm's governance, reporting, or operational reliability?

Possible probes: certification renewal; external audit rigor; corrective-action follow-up; customer confidence; investor confidence; regulator expectations; symbolic certification.

Domain 4. Institutional context and country-specific conditions

1. 10. How does the regulatory and institutional environment in your country affect QA implementation and governance oversight?
2. 11. What organizational or institutional barriers limit the integration of QA into governance systems?
3. 12. In your view, are QA systems in your market more often substantive governance mechanisms or symbolic legitimacy tools?

Possible probes: enforcement strength; ownership concentration; resource constraints; stock exchange expectations; professional norms; market reputation; differences between Jordan, Egypt, and Palestine.

Closing

At the end of each interview, participants were invited to add any further comments on QA, governance, assurance credibility, or institutional constraints that had not been covered by the core questions.

Appendix B. Coding Structure and Theme Development

The study used a hybrid deductive–inductive thematic coding approach. Deductive codes were derived from Institutional Theory, Signaling Theory, and the study's three analytical propositions. Inductive codes were generated from recurring patterns in interview transcripts and documentary materials. Coding was conducted in three stages. First, open coding identified references to QA adoption, internal control integration, external verification, corrective action, stakeholder credibility, and

institutional constraints. Second, axial coding grouped these codes into broader analytical categories. Third, selective coding consolidated the categories into the three final themes reported in the findings.

Interview domain	First-order codes	Second-order category	Final theme
QA adoption and internalization	QA certification; adoption motive; internal efficiency; reputational motive; daily use of QA; documentation routines	QA adoption and internalization	QA integration within governance structures
QA integration within governance structures	Internal audit linkage; risk-management linkage; internal control use; escalation of findings; audit committee review; corrective-action ownership	Governance integration and accountability	QA integration within governance structures
External verification and assurance credibility	External certification; surveillance audits; third-party verification; non-conformity findings; corrective-action follow-up; stakeholder confidence	External assurance and verification credibility	External verification and assurance credibility
Institutional context and country-specific conditions	Regulatory enforcement; stock exchange expectations; investor scrutiny; ownership concentration; resource constraints; symbolic adoption; substantive implementation	Institutional moderation and country variation	Institutional context and variation

Evidence was interpreted through triangulation across interview transcripts and documentary materials. Evidence was treated as supportive when documents and interview accounts converged on the same interpretation, complementary when one source added process detail not visible in the other, and diagnostic when discrepancies between formal disclosure and participant accounts suggested symbolic adoption or partial implementation. This coding structure enabled the study to distinguish between QA certification as a formal legitimacy signal and QA as a substantively embedded governance mechanism.