

The Mediating Role of Governance in the Relationship between Strategic Management and Service Quality at the Yemen Petroleum Company in the Capital Municipality of Sana'a

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Abstract:

This study examines the mediating role of corporate governance in the relationship between strategic management and service quality at the Yemen Petroleum Company in Sana'a, Yemen. While prior research has linked strategic management and governance to organizational performance, less is known about how governance may function as a mechanism linking strategic management to perceived service quality in fragile public-sector petroleum institutions. Using a quantitative cross-sectional design, data were collected from 244 employees through a structured questionnaire and analyzed using SPSS 28 and SmartPLS 4.0.8.6. The results showed that strategic management had a strong positive effect on corporate governance ($\beta = 0.767$, $p < 0.001$) and a small but significant direct effect on service quality ($\beta = 0.084$, $p = 0.024$). Corporate governance strongly predicted service quality ($\beta = 0.876$, $p < 0.001$) and significantly mediated the relationship between strategic management and service quality ($\beta = 0.672$, $p < 0.001$). The model explained 58.8% of the variance in corporate governance and 88.8% of the variance in service quality. The findings indicate that strategic management is associated with higher perceived service quality primarily through governance mechanisms, particularly transparency, accountability, fairness, and rule-based decision-making. However, the high empirical overlap between corporate governance and service quality suggests that the results should be interpreted cautiously. The study contributes by testing an integrated mediation model in an under-researched fragile public-sector petroleum context.

Keywords: strategic management; corporate governance; service quality; mediation; public sector; Yemen; PLS-SEM.

