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Influence Of Good Governance on Employee Satisfaction in Faith-Based Higher Educational Institutions: The Mediating Role of Policy Management

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Abstract

The ever-increasing role of employee satisfaction in the survival and success of higher educational institutions points towards a strong emphasis on good governance. This study examined the mediating role of policy management on the relationship between good governance and employee satisfaction. Two hundred and sixty-eight respondents participated in the study, representing the population of Faith-Based Higher Educational Institutions in the (AHEI's) Philippines. The descriptive, correlational, regression, t-test, and structural equation modeling techniques were used to analyze the data. The results exhibit strong implementation of good governance, high levels of employee satisfaction, and effective policy management as perceived by the employees. Moreover, the study found a positive correlation between good governance, employee satisfaction, and policy management. It was also discovered that the sex, marital status, educational attainment, and salary of the respondents do not moderate the influence of good governance on employee satisfaction. Finally, the findings also revealed that policy management partially mediates the relationship between good governance and employee satisfaction.

Keywords: Employee satisfaction, good governance, policy management, Faith-Based Higher Educational Institutions

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1. Introduction

Employee satisfaction remains among the most complex and critical issues organizations grapple with worldwide. As organizations increasingly recognize the pivotal role of employee contentment in achieving their goals and objectives, the significance of prioritizing employee satisfaction is gaining momentum among higher officials and policymakers within these organizations. Research has indicated that employees are more likely to be involved, dedicated, and productive when happy with their jobs. This leads to better organizational performance and success (Sagar, 2017).

A satisfied workforce can significantly enhance student experiences, faculty performance, and the institution's overall reputation (Cote, 2016). However, despite the acknowledged importance of employee satisfaction in educational institutions, there remains a need for further in-depth research to understand the specific determinants and practical strategies to improve employee satisfaction in this context.

Good governance is a cornerstone of effective government, encompassing a range of practices and policies designed to ensure accountability, transparency, and responsiveness to citizens' needs (Riddihough, 2018). It involves open and transparent decision-making processes, regular audits, and measures to combat corruption and abuse of power, thereby fostering public

trust in the government's operations (Ellis, 2023). In educational institutions, good governance plays a pivotal role in ensuring effective management, accountability, and responsiveness to the needs of students, staff, and stakeholders (UNESCO, 2017). It creates an environment of trust, respect, and accountability that enables institutions to fulfill their mission and goals, cultivating stakeholder confidence and support.

Policy management emerges as a critical component within educational institutions, encompassing the development, implementation, and continuous review of policies governing their operations. Effective policy management ensures transparency, accountability, and consistency in institutional practices, enabling institutions to adapt to changing circumstances and address the evolving needs of their stakeholders (Cairney, 2017).

In academic institutions, there is an essential idea that policy management plays a significant role in connecting good governance and employee satisfaction. Effective policy management acts as a way for governance practices to impact employees' satisfaction.

When institutions implement effective policy management, transparency, accountability, and consistency are fostered, instilling a sense of trust and confidence among employees and leading to higher levels of job satisfaction (Cumberland, 2015).

Numerous studies have consistently shown a connection between good governance and employee satisfaction in educational institutions. Scholars have discovered that institutions with solid governance practices tend to have happier employees dedicated to the institution's mission and goals (Hijazi, 2021; Abeywickrama, 2020; Adamis, 2018).

The study aims to provide specific guidelines for positive change, informing institutional leaders about strategies to enhance the academic environment and prioritize employee satisfaction, ultimately contributing to the continuous improvement of Adventist educational institutions. The study aims to connect the institution's goals with its employees' well-being. This will be achieved by establishing a supportive work environment and promoting a sense of purpose in the educational setting.

2. Methodology

2.1 Research Design

This study used a quantitative, non-experimental, descriptive-correlational research design with a cross-sectional approach. A descriptive research design involves observing variables and samples in their natural state without intervention or manipulation (Siedlecki, 2020).

2.1.1. Population and Sampling Technique

The study focused on regular employees of a specific university as the target population. Employing purposive sampling, a total of 267 participants were selected to take part in the study, comprising 121 males and 146 females. Regarding marital status, the breakdown was as follows: 176 participants were married, 72 were single, and 19 were either divorced or separated.

Regarding monthly income, the participants were categorized as follows: 70 individuals fell into the "Low Salary" category, 161 were categorized under "Middle Wage," and 36 were classified as "High Wage" earners. Regarding educational attainment, the participants had varying degrees: 64 held doctorates, 99 had master's degrees, and 104 were college graduates. This diverse educational background allowed for a comprehensive perspective in the study.

2.1.2. Instrumentation

The study employed a comprehensive four-part survey questionnaire, combining quantitative research design and closed-ended questions to collect data from a large population efficiently (Ponto, 2015). Expert validators meticulously validated the questionnaire to ensure its validity and reliability. Section A of the survey gathered respondents' profile characteristics and included an introduction and consent section. Section B featured a 28-item Good Governance Questionnaire, utilizing a 5-point Likert scale with verbal interpretations for assessing good governance indicators. Section C comprised a Semi-Constructed Employee Satisfaction Questionnaire assessing mental, physical, social, and spiritual integration using a 5-point Likert scale. Lastly, Section D encompassed the Policy Management Questionnaire, adapted from sources such as the OECD and Zoho, with the same 5-point Likert scale for evaluating policy creation, implementation, and evaluation.

Reliability Test Results

Variables	Cronbach's Alpha	Interpretation
1. Accountability	0.643	Acceptable
Fairness	0.676	Acceptable
Participation	0.721	Good and Acceptable
Rule of Law	0.775	Good and Acceptable
Transparency	0.741	Good and Acceptable
2. Mental Integration	0.832	Good
Physical Integration	0.803	Good and Acceptable
Social Integration	0.881	Good
Spiritual Integration	0.782	Good and Acceptable
3. Policy Creation	0.783	Good and Acceptable
Policy Communication	0.610	Acceptable
Policy Criticism	0.850	Good

2.2. Analysis of Data

The study employed various statistical methods for data analysis. Descriptive statistics, including mean and standard deviation, were used to summarize the extent of good governance, employee satisfaction, and policy management in Faith-Based Higher Educational Institutions. Analysis of variance (ANOVA) was utilized to examine differences in employee satisfaction based on demographic factors. The Pearson product-moment correlation coefficient was applied to assess the relationship between good governance and employee satisfaction. Regression analysis was used to understand the predictive relationships between moderator variables and the study's key factors. Structural equation modeling (SEM) was employed to explore how policy management influences the relationship between good governance and employee satisfaction, providing a comprehensive understanding of their interconnections and potential impacts. These statistical methods facilitated a thorough analysis of the research data and its underlying relationships.

2.3. Ethical Considerations

This research study diligently adhered to ethical considerations to protect the participants' rights and well-being. Ethical approval was obtained from the university's Ethical Review Board, and compliance with the American Psychological Association's ethical guidelines was ensured. Participants were provided with clear information about the study's purpose, duration, and their right to withdraw or withhold answers, with no personally identifiable information collected to safeguard their privacy. While there were no direct benefits, participants were informed that their contributions were valuable for advancing knowledge in university governance, student satisfaction, and policy management in Adventist higher education, underscoring the significance of their involvement in the academic community.

3. Results and Discussions

3.1. Influence of Good Governance on Employee Satisfaction

The Table shows $F = 271.137$ with $p\text{-value} = 0.000$ utilizing ANOVA. Since the $p\text{-value}$ is less than the significance level of 0.05, the null hypothesis stating that good governance does not predict employee satisfaction is rejected. It is therefore concluded that employee satisfaction can be predicted by good governance.

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	24.926	1	24.926	271.137	.000 ^b
	Residual	25.557	278	.092		
	Total	50.482	279			

a. Dependent Variable: Employee Satisfaction

b. Predictors: (Constant), Good Governance

The study's results align with Ellis (2023), showing a significant positive relationship between good governance and employee job satisfaction. Emphasizing a robust governance framework is crucial for incentivizing positive employee behavior, as contented employees

tend to be more productive. Additionally, Rashid (2021) suggests increasing available facilities and promoting good governance can enhance employee satisfaction.

3.2. Influence of Good Governance on Policy Management

The Table shows $F = 644.733$ with $p\text{-value} = 0.000$ utilizing ANOVA. Since the $p\text{-value}$ is less than the significance level of 0.05, the null hypothesis stating that good governance does not predict policy management is rejected. It is concluded that policy management can be predicted by good governance.

ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	50.965	1	50.965	644.733	.000 ^b
Residual	21.975	278	.079		
Total	72.940	279			

a. Dependent Variable: Policy Management

b. Predictors: (Constant), Good Governance

Good governance in Adventist HEIs significantly predicts policy management and its impact on policy management outcomes is multifaceted. According to the OECD (2019, good governance positively influences policy design and formulation through transparent and inclusive decision-making processes, stakeholder participation, and evidence-based policy choices. Good governance ensures that policies are comprehensive, responsive, and aligned with

societal needs, involving key stakeholders, which leads to more informed and relevant policies. Furthermore, good governance enhances policy implementation by promoting accountability, coordination, resource allocation, and monitoring mechanisms, contributing to efficient policy implementation. It also fosters a culture of policy evaluation and learning, leading to evidence-based decision-making and policy improvement. Ethical leadership within the context of good governance plays a crucial role in effective policy management, prioritizing moral principles, integrity, and the best interests of stakeholders, ultimately fostering transparent and inclusive policy development processes.

3.3. Influence of Policy Management on Employee Satisfaction

The Table shows $F = 211.505$ with $p\text{-value} = 0.000$ utilizing ANOVA. Since the $p\text{-value}$ is less than the significance level of 0.05, the null hypothesis stating that policy management does not predict employee satisfaction is rejected. It is therefore concluded that employee satisfaction can be predicted by policy management.

ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	21.812	1	21.812	211.505	.000 ^b
Residual	28.670	278	.103		
Total	50.482	279			

a. Dependent Variable: Employee Satisfaction

b. Predictors: (Constant), Policy Management

The table highlights the significant role of policy management in shaping employee satisfaction within Adventist HEIs. Clear and consistent policy communication reduces ambiguity and frustration, while fair policy implementation enhances employees' sense of value and support. Employee involvement in policy development fosters a sense of ownership and trust, positively impacting satisfaction (Perryer et al., 2018). Flexible policies that accommodate individual needs contribute to work-life balance and well-being (Allen et al., 2017). Effective communication channels and timely updates create a culture of collaboration and trust, further boosting employee satisfaction. In summary, policy management is a vital determinant of employee satisfaction, influenced by clear communication, fairness, employee involvement, flexibility, and effective communication channels (Allen et al., 2017; Bacaksız & Erdil, 2019; Perryer et al., 2018).

3.4. Mediating Effect of Policy Management

The table reveals essential insights into the relationships and mediation effects in the model. The direct effects show that "Good Governance (GG)" has a positive and significant influence on both "Employee Satisfaction (ES)" and "Policy Management (PM)." Specifically, the path from "Good Governance" to "Employee Satisfaction" has a coefficient of 0.532 ($p < 0.001$), while the path from "Good Governance" to "Policy Management" has a higher coefficient of 0.839 ($p < 0.001$). Furthermore, the path from "Policy Management" to "Employee Satisfaction" also shows a positive and significant relationship with a coefficient of 0.203 ($p = 0.030$).

Direct Effects					Total Effects			
Path	Coefficient	t	p	VI	Coefficient	t	p	VI
GG -> ES	0.532	5.793	0.000	S	0.703	18.48	0.000	S
GG -> PM	0.839	47.857	0.000	S	0.839	47.86	0.000	S
PM -> ES	0.203	1.937	0.030	S	0.203	1.937	0.030	S
Summary of Mediation Results					Specific Indirect Effects			
		Coefficient	t	p	VI	Type of Mediation		
GG -> PM -> ES		0.170	1.943	0.026	S	Partial Mediation		

The table underscores the significant impact of effective policy management in enhancing the influence of good governance on employee satisfaction. Combining good governance principles with sound policy management has been associated with improved accountability and transparency, ultimately leading to better company performance (Bovaird et al., 2019; Hantrais & Lee, 2016), which, in turn, results in higher levels of employee satisfaction (Kim et al., 2020; Zhao et al., 2016; Shaw et al., 2016; Fernet et al., 2016; Shen et al., 2018; Wang et al., 2019). This integration also promotes better alignment between organizational goals, strategies, and policies, yielding improved organizational performance (Cepiku et al., 2020; Moe, 2018) and heightened employee satisfaction ratings (Schwab & Schuppert, 2017; Eden & Ackermann, 2016). Moreover, it contributes to better risk management and mitigation by

reducing the potential for crises or adverse outcomes (De Waal & Counet, 2019; Cepiku et al., 2020; Moe, 2018), ultimately fostering enhanced employee satisfaction.

4. Conclusion and Recommendations

The study's findings underscore the strong implementation of good governance in Adventist Higher Education Institutions (HEIs) in the Philippines, with high employee satisfaction and effective policy management. While good governance positively impacts employee satisfaction and policy management, there is room for improvement in policy communication and transparency. The study emphasizes the interconnected nature of good governance, employee satisfaction, and policy management, highlighting the need to address all aspects simultaneously. Demographic factors, such as sex, marital status, and salary, may influence specific dimensions of employee satisfaction, suggesting tailored strategies. Overall, these findings support the importance of prioritizing good governance practices and effective policy management in Adventist HEIs to create a positive work environment and achieve long-term missions and visions.

Several recommendations emerge from the study's findings. Administrators are encouraged to address blame games through accountability, and college deans should ensure fair practices for all employees. Employees are advised to express their ideas and seek involvement in decision-making actively. The board of directors should implement a system of rewards and recognition to motivate employees. Proactive measures are needed to ensure widespread policy understanding and adherence. Administrators should streamline information accessibility and prioritize regular feedback. Safety and comfort in worksites should be a priority for the Board of Trustees. Reevaluating policy creation processes and regular policy orientation is essential. Future research should consider additional moderator variables and expand the dimensions of good governance and policy management.

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