

THE ADOPTION OF GOOD CORPORATE GOVERNANCE PRINCIPLES HEIGHTEN MOMENTUM ON EMPLOYEE COMMITMENT

Amy Yeo Chu May¹, Ngo Jia Qi², Felizia Arni Rudiawarni³

¹Faculty of Accountancy, Finance and Business Tunku Abdul Rahman University of Management & Technology, Kuala Lumpur, Malaysia

²TMF Administrative Services Malaysia Sdn. Bhd., Kuala Lumpur, Malaysia

³Faculty of Business and Economics, University of Surabaya, Surabaya, Indonesia

*Email: yeocm@tarc.edu.my

Submitted: 03-03-2023, Revised: 10-05-2023, Accepted: 15-06-2023

ABSTRACT

Literature has unfolded that employee commitment has proven to be of great influence on workplace performance and productivity. This study therefore aims to investigate if corporate governance principles affect the employee commitment with corporate reputation and organisational trust mediating the dual relationship. A positivist approach using survey method was employed to collect data from employees working in Malaysian companies. A total of 230 sample were analysed using SPSS and Smart PLS. The results show a positive relationship between corporate governance principles and employee commitment as well as corporate reputation. Corporate governance also had a significant effect on organisation trust which in turn leads to employee commitment. The mediating effect of both corporate reputation and organisational trust had strengthened the relationship between the two constructs. upending the wave of employee commitment in human resource research, these findings implied that governance concepts such as fairness, accountability, responsibility, and transparency had positive impact on employee commitment as well. Future research to close the gap also has been highlighted.

Keywords: Corporate Governance Principles, Organisation trust, Employee Commitment, Corporate Reputation.

1. INTRODUCTION

The rising competitive environment in which firms operate has caused companies around the world to face a slew of challenges. Companies have to recognise the significance of developing internal competencies and capabilities in order to survive and thrive in today's fast-paced business climate [1]. As noted by [2], one of the notable human resource management outcomes that have been considered as essential components of optimum businesses management is that of employee commitment. Employee commitment is commonly known to be the antecedent influencing employee's performance as well as the determinant of employee turnover [3][4] [5][6]. A high employee commitment was also found to result in a variety of positive organisational outcomes [7]. Researchers found that high employee commitment can lead to greater workplace performance and improved productivity [8][9]. Other factors that are being significantly valued by Malaysian employees include work-life balance, strong management, safe working environment, financially healthy, career progression, job security, pleasant work atmosphere, good training, and good reputation [10]. It is evident that many of these factors (such as work-life balance, safe working environment, career progression, job security, pleasant work atmosphere, and good training) are concerned with the Human Resource aspect. Trust is also found to be one of the important determinants of employee commitment [11][12]. Employees tend to develop a higher degree of organisational commitment when they trust and believe that their company will protect and safeguard their interests [13]. Similarly, [14] highlighted that, employees are more likely to display a high level of commitment when they see their leaders as trustworthy and dependable. In the same vein,

recent study by [15] also found that trust in leadership among directors leads to employee commitment. In other words, the way in which an employee related to their leaders is a major factor that determines their trust.

Although existing researches suggest that corporate governance has an impact on employee commitment, many aspects of this relationship are conceptual [16][17][18]. Scant attention has been paid to determine how corporate governance and employee commitment are related. Thus, it would be worth examining how corporate governance and human resource management interact, particularly the extent to which the well-known corporate governance principles impact employee commitment. Additionally, the previous studies were conducted in countries like Indonesia and Nigeria [19][20]. Findings from [21] shown that country culture such as uncertainty avoidance and power distance, have an impact on organisational commitment. Hence, this study attempts to examine the impact of corporate governance principles adoption on employee commitment. This research also attempts to fill the gap by introducing the mediating roles of corporate reputation and organisational trust on the relationship between corporate governance principles adoption and employee commitment in Malaysia. Therefore, our study intends to find out if the adoption of corporate governance principles enhance employee commitment mediated by corporate reputation and organisational trust. And, our objectives are to examine the impact of corporate governance principles adoption on employee commitment, to determine the role of corporate reputation in mediating the relationship between corporate governance and employee commitment and finally, to affirm the role of organisational trust in mediating the relationship between corporate governance and employee commitment.

Prior Studies and Hypotheses Development

According to [22], a positive image of corporate governance is able to increase the reputation of an organisation and make company to be more appealing to the public, investors, suppliers or other parties who might have an interest in the company. This is due to fact that a good corporate governance would be able to prevent company engaging in corporate scandals, fraudulent activities, and other unethical events [23]. Apart from that, a study conducted by [24] suggested that a good corporate governance system has a positive effect on the company's reputation. In their study, they suggest that the corporate governance system of a company helps to conserves the legal rights of its stakeholders and thus has a positive impact on corporate reputation. In the same vein, recent study conducted by [25] in Malaysian context, also found that corporate governance has a significant positive relationship with corporate reputation. Hence, this study proposes the following hypothesis:

H1: *Corporate Governance is positively related to Employee Commitment.*

H2: *There is a positive relationship between Corporate Governance and Corporate Reputation.*

Corporate Reputation and Employee Commitment

[26] in their study, highlight that employees who work in a reputable firm are generally more committed go above and beyond their normal obligations to guarantee the organisation's success. Apart from that, the study of [27] found that corporate reputation has a significant positive impact on affective commitment. This is due to the fact that, corporate reputation conveys information about the perception of other stakeholders about an organisation, and therefore affecting employee attitudes and perception towards the company [27]. Similarly, study by [28] found that corporate reputation is an important determinant of organisational commitment and positive organisational behaviour. Employees may develop a stronger

attachment for a reputable company and thus, it may result in increased emotional commitment (affective commitment) with the company [27]. The study on the antecedents and consequences of corporate reputation by [29] points out that customers and employees are more inclined with organisations that have a strong reputation and generally have a higher degree of loyalty and commitment to these organisations. This study proposed the following hypothesis:

H3: *Corporate Reputation is positively related to Employee Commitment.*

Corporate Governance and Organisational Trust

[30] held that corporate governance is critical to develop trust. This statement is validated by [31], where the researchers state that corporate governance has a significant positive impact on trust. In the same vein, [32] in their studies found that good corporate governance is able to increase citizens' trust. Moreover, [33] pointed out that corporate governance is interrelated with trust. Furthermore, the primary reason of developing corporate governance code was to restore investors' trust towards the company [34]. Thus, having a sound corporate governance is expected to restore and enhance trust in business. In a similar vein, [35] provided that the primary aim of corporate governance is to ensure the stakeholders are being protected from the unethical behaviour of company, such as frauds, misrepresentation, and manipulation of accounts. A robust corporate governance in the company is therefore able to gain the trust of stakeholders [36]. This study proposes the following hypothesis:

H4: *Corporate Governance has a positive effect on Organisational Trust.*

The relationship between Organisational Trust and Employee Commitment

[37] based on the social exchange theory, claim that commitment and trust are strongly correlated, as trust is often viewed as an essential element for establishing and developing commitment. Researchers have mentioned that trust is an important component in developing effective relationships and impacts employee behaviours [38][39] point out that trust is a vital determinant of commitment, where trust in the other party will increase an individuals' commitment level. In the same vein, [40] highlighted trust are an important determinants of organisational citizenship behaviour and employee commitment. [41] suggested that individuals will have a high level of commitment where there is a presence of unconditional trust in the organisation. Moreover, in accordance with social exchange theory, trust and commitment are interconnected due to the principle of generalised reciprocity, which states that "distrust begets mistrust and as such would also work to weaken commitment in the relationship and shift the transaction to one of more direct short-term exchanges" [42]. Thus, drawing from the above statements, the following hypothesis is suggested:

H5: *There is a positive relationship between Organisational trust and Employee Commitment.*

Mediating Role of Corporate Reputation and Organisational Trust

The mediating role of corporate reputation between corporate governance and employee commitment is built on the concept that good corporate governance has a positive impact on company's reputation, and this positive corporate reputation in turn can affect the employees' behaviours and attitudes. Previous studies have examined the impact of corporate reputation on the attitudes, decisions, and behaviour of different stakeholder groups. Study by Baumgartner, [43] validate that a change in corporate reputation have an influence on stakeholders' behavioural intentions, including the employee's employment intentions. Moreover, [27] explain that corporate reputation sends a signal about the perception of other stakeholders on the organisation thus affecting employee attitudes and perception towards the

company. The mediating role of trust in the relationship implies that trust is a major determinant of employee commitment, where employees that trust their leaders will be more committed to the workplace or the organisation [43]. Grounded on the social exchange theory and the above discussions. Thus, grounded on the signalling theory this study proposed the following hypothesis:

H6: *Corporate reputation mediates the relationship between corporate governance and employee commitment.*

H7: *Organisational trust mediates the relationship between corporate governance and employee commitment.*

Drawing from the above prior theoretical underpinning, we proposed a conceptual framework depicted in Figure 1.

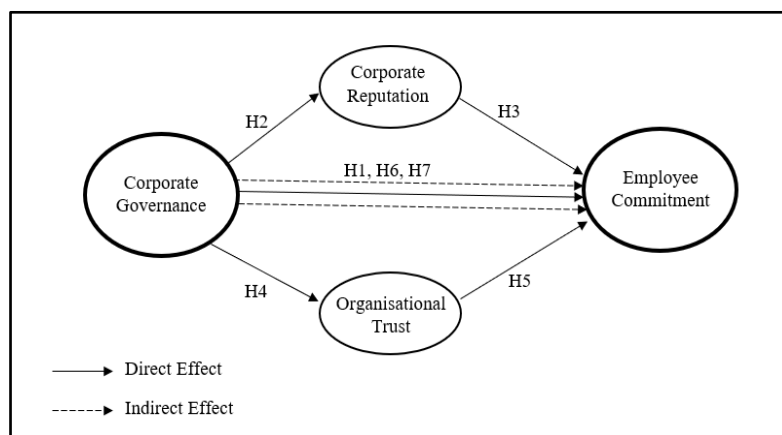


Figure 1. Proposed Conceptual Framework

2. RESEARCH METHOD

Section A of the questionnaire is related to the demographic profile of respondents. It comprises of six questions, including gender, age, total working experience, employment period in the current organisation, current job level, as well as whether or not the respondent is an employee working in a Malaysian company. This demographic profile aids researchers in filtering out respondents who do not meet the specified requirement for this research. The second part of the questionnaire (i.e., Section B), consists a total of thirty-eight questions, which covers the four constructs illustrated in the conceptual framework. Multiple items adopted from different sources have been adopted in measuring each of these constructs. This questionnaire adopted a seven-point Likert scale as [44] claims that seven-point Likert scale can facilitate more accurate and true responses from respondents as compared to five-point scale. Reliability of results can also be enhanced with the adoption of seven-point Likert scale, as it discourages respondents from picking the midpoint in comparison with the five-point Likert scale [45]. Apart from that, seven-point Likert scale is suitable for use in Structural Equation Modeling (SEM) because it gives a sufficient range of score values that allows the introduction of variance [46]. To facilitate our data collection, individuals who are believed to be in the best position and are able to provide valuable information for the study would be the employees working in Malaysian companies. Apart from judgment sampling, snowball sampling is also adopted in this research. [47] highlighted 200 or more respondents are considered a large sample size.

3. RESULT AND DISCUSSION

The IBM Statistical Package for the Social Sciences (SPSS) version 25 and Partial Least Square - Structural Equation Modelling (PLS-SEM) (SmartPLS 3.0) statistical software are employed to analyses the data for this research. SPSS is one of the most widely used statistical software programme among researchers. SPSS software is employed in this research for data analysis as it can clarify the analysis of data more straightforward as compared to other software [48]. Table 1 shows the demographical profile of respondents.

Table 1. Demographic Profile of Respondents

Demographic Variables	Frequency (n=230)	Percentage (%)
Gender		
Male	98	42.6
Female	132	57.4
Age		
21 - 30 years old	144	62.6
31 - 40 years old	47	20.4
41 - 50 years old	23	10.0
51 years old and above	16	7.0
Total Working Experience		
Less than 1 Year	44	19.1
1 - 3 Years	67	29.1
4 - 6 Years	32	13.9
7 - 9 Years	19	8.3
10 Years and above	68	29.6
Work Tenure		
Less than 1 Year	82	35.7
1 - 3 Years	67	29.1
4 - 6 Years	30	13.0
7 - 9 Years	19	8.3
10 Years and above	32	13.9
Job Level		
Senior Management	50	21.7
Middle Management	35	15.2
Intermediate	63	27.4
Entry Level	82	35.7

Correlation Analysis

This study employed Pearson product-moment correlation coefficient test to assess the direction and strength of association between the construct of this research. Table (2) shows the correlations between the constructs of Corporate Governance (CG), Corporate Reputation (CR), Organisational Trust (OT), and Employee Commitment (EC). The results indicated that all constructs have a large correlation effect (i.e., $0.50 \leq r < 1.00$) as well as a positive relationship with each other (Cohen 1988). CR, OT, and EC have a large and positive relationship with CG, where the $r = 0.811, 0.831,$ and 0.806 respectively at 0.01 probability level. Apart from that, OT and EC have a strong and positive correlation with CR, where $r = 0.800$ and 0.758 respectively at 0.01 probability level. Moreover, at 0.01 significant level, EC also has a strong and positive correlation with OT, where the $r = 0.875$. In short, the correlations indicates that CG, CR, OT, and EC would increase in the same direction and in the same

manner where higher level of CG (M = 5.32, SD = 0.926) would result in increased CR (M = 5.68, SD = 1.156) and organisational trust (M = 5.46, SD = 1.221), and thus higher level of employee commitment (M = 5.04, SD = 1.310).

Table 2. Pearson Product-Moment Correlation Coefficient

Constructs			Pearson Correlation			
	Mean	Standard Deviation	CG	CR	OT	EC
CG	5.32	0.926	1			
CR	5.68	1.156	0.811**	1		
OT	5.46	1.221	0.831**	0.800**	1	
EC	5.04	1.310	0.806**	0.758**	0.875**	1

** . Correlation is significant at the 0.01 level (2-tailed).

Note: CG (Corporate Governance), CR (Corporate Reputation), OT (Organisational Trust), EC (Employee Commitment).

Reliability (PLS-SEM)

Apart from that, PLS-SEM is also employed in this research to assess the reliability of items. Cronbach's alpha, composite reliability (ρ_c), and Dijkstra-Henseler's rho (ρ_A) are examined to assess the reliability of measurement scales. As shown in Table 3, all of these measurement scales meet the rule of thumb for reliability as suggested by [49] and [50], where the Cronbach's alpha, composite reliability, and Dijkstra-Henseler's Rho of the measurements are all greater than 0.70. Thus, this indicates that the measurement scales adopted in this research are as reliable.

Table 3. Cronbach's Alpha, Dijkstra-Henseler's Rho, Composite Reliability Coefficient (PLS-SEM)

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
AC	0.824	0.825	0.877	0.590
CR	0.938	0.941	0.960	0.890
EC	0.950	0.952	0.958	0.740
FN	0.880	0.882	0.907	0.582
OT	0.945	0.947	0.958	0.821
RS	0.811	0.823	0.876	0.639
TP	0.941	0.941	0.953	0.772

Note: AC (Corporate Governance: Accountability), FN (Corporate Governance: Fairness), RS (Corporate Governance: Responsibility), TP (Corporate Governance: Transparency), CR (Corporate Reputation), OT (Organisational Trust), EC (Employee Commitment).

Discriminant validity

In line with [49], this research examines the discriminant validity of all latent variables by employing cross-loading, Fornell-Larcker's criterion, and Heterotrait-Monotrait (HTMT) criterion. For cross-loading, [51] suggests that the loading for each indicator should be highest for their designated constructs. Our results proved that the discriminant validity is achieved in cross-loadings where the constructs are distinctly different from each other. [52] posit that in Fornell-Larcker's criterion, the square root of AVE (on the diagonal) should be greater than the correlation (off-diagonal) with any of the constructs. Table 4 demonstrated the discriminant

value of Fornell and Larcker's criterion obtained from the square root of the AVE value. Based on the result shown in Table 4, most of the latent variables meet the requirement of this test except for EC and FN indicating that discriminant validity is not achieved in Fornell-Larcker's Criterion.

Table 4. Fornell and Larcker's Criterion for First-Order Measurement Model

	AC	CR	EC	FN	OT	RS	TP
AC	0.768						
CR	0.687	0.943					
EC	0.608	0.761	0.860				
FN	0.672	0.699	0.740	0.763			
OT	0.621	0.805	0.878	0.773	0.906		
RS	0.602	0.653	0.723	0.766	0.741	0.799	
TP	0.733	0.806	0.771	0.730	0.796	0.740	0.878

Note: AC (Corporate Governance: Accountability), FN (Corporate Governance: Fairness), RS (Corporate Governance: Responsibility), TP (Corporate Governance: Transparency), CR (Corporate Reputation), OT (Organisational Trust), EC (Employee Commitment).

Convergent validity

Factor loadings for the higher-order measurement model are shown in Table 5. The loading for all items of CG, CR, OT, and EC met and exceeded the recommended value (i.e., above 0.708) as suggested by [49]. Moreover, the AVE of the constructs are above the minimum cut-off value of 0.50 as suggested by [49], ranging from 0.740 to 0.890. Therefore, it is concluded that the constructs meet the convergent validity requirements at this stage.

Table 5. Convergent Validity of Second-Order Measurement Model

Construct	Items	Outer Loadings	AVE
CG	AC	0.841	0.781
	FN	0.899	
	RS	0.881	
	TP	0.912	
CR	CR1	0.943	0.890
	CR2	0.952	
	CR3	0.935	
EC	EC1	0.883	0.740
	EC2	0.817	
	EC3	0.824	
	EC4	0.820	
	EC5	0.867	
	EC6	0.885	
	EC7	0.905	
	EC8	0.875	
OT	OT1	0.861	0.821
	OT2	0.908	
	OT3	0.913	
	OT4	0.930	
	OT5	0.917	

Note: Note: CG (Corporate Governance), AC (Corporate Governance: Accountability), FN (Corporate Governance: Fairness), RS (Corporate Governance: Responsibility), TP (Corporate Governance: Transparency), CR (Corporate Reputation), OT (Organisational Trust), EC (Employee Commitment).

Discriminant Validity

Based on the result shown in Table 6, most of the latent variables meet the requirement of this test, where the square root of CG and CR's AVE are greater than the correlation with other constructs. However, the square root of EC's AVE is not greater than its correlations with other constructs. Thus, this indicates that discriminant validity is not achieved in Fornell-Larcker's Criterion.

Table 6. Fornell and Larcker's Criterion for Second-Order Measurement Model

	CG	CR	EC	OT
CG	0.884			
CR	0.807	0.943		
EC	0.808	0.761	0.860	
OT	0.834	0.805	0.878	0.906

Note: AC (Corporate Governance: Accountability), FN (Corporate Governance: Fairness), RS (Corporate Governance: Responsibility), TP (Corporate Governance: Transparency), CR (Corporate Reputation), OT (Organisational Trust), EC (Employee Commitment).

Assessment of Structural Model

Path Coefficient

There are total of five direct hypotheses being developed between the constructs. In order to assess the significant level and t-statistics for all paths, this study adopts the bootstrapping function in PLS-SEM with 5,000 bootstrap samples as suggested by [49]. Based on the result shown in Table 7, four out of five relationships (H1, H2, H4, H5) are found to be statistically significant at 0.05 significant level, as the relationships have t-value that is greater than 1.645 (one-tailed) [49]. Specifically, CG ($\beta = 0.217$, $t = 2.936$, $p < 0.05$) (H1) and OT ($\beta = 0.641$, $t = 8.798$, $p < 0.05$) (H5) are found to have significant positive direct effect on EC. Thus, H1 and H5 are supported. Meanwhile, CG was found to have a significant positive direct effect on CR ($\beta = 0.807$, $t = 32.696$, $p < 0.05$) (H2), indicating that H2 is supported. Moreover, H4 is also supported as CG was also found to have a significant positive direct effect on OT ($\beta = 0.834$, $t = 38.108$, $p < 0.05$) (H4). However, the effect of CR to EC ($\beta = 0.070$, $t = 0.883$, $p = 0.364$) is not significantly at the 0.05 level of significance as its observed t-value is below the recommended value of 1.645 and p-value is higher than 0.05 [49]. Thus, H3 is not supported.

Table 7. Assessment of Path Coefficient

Hypothesis	Relationship	Std. Beta	Std. Error	t- Statistics	P Values	Decision
H1	CG -> EC	0.217	0.074	2.936	0.003	Supported
H2	CG -> CR	0.807	0.025	32.696	0.000	Supported
H3	CR -> EC	0.070	0.079	0.883	0.364	Not Supported
H4	CG -> OT	0.834	0.022	38.108	0.000	Supported
H5	OT -> EC	0.641	0.073	8.798	0.000	Supported

Note: CG (Corporate Governance), CR (Corporate Reputation), OT (Organisational Trust), EC (Employee Commitment).

Mediation Model

There are two mediation hypotheses formulated in this research, which are H6, which aims to investigate the indirect effects of CR on the relationships between CG and EC; and H7, which aims to investigate the indirect effects of OT on the relationships between CG and EC. In accordance with [49], the PLS-SEM's bootstrapping procedure with 5,000 bootstrap samples is used to assess the mediation effects. Based on the results from bootstrapping analysis shown in Table 8, it can be seen that H6 are insignificant ($\beta = 0.056$, $t = 0.882$, $p = 0.378$) where its 95% Boot Confidence Interval Bias Corrected are [-0.071, 0.187], which does contain a zero in between. Thus, H6 is not supported, and the mediation effect is non-statistically significant. On the other hand, H7 is significant ($\beta = 0.535$) with t-values of 8.434. Moreover, 0 does not fall between the 95% Boot Confidence Interval Bias Corrected for H7 (0.403, 0.662), indicating the existence of mediation effect [53].

Table 8. Assessment of Mediation Effect

Hypothesis	Relationship	Std. Beta	Std. Error	t-statistics	p-value	95% Boot CI		Decision
						BC	LL	UL
H6	CG -> CR -> EC	0.056	0.06	0.882	0.378	-0.071	0.187	Not Supported
H7	CG -> OT -> EC	0.535	0.063	8.434	0.000	0.403	0.662	Supported

Note: CG (Corporate Governance), CR (Corporate Reputation), OT (Organisational Trust), EC (Employee Commitment), LL (Lower Level); UL (Upper Level).

Source: Developed for This Research

4. CONCLUSIONS AND RECOMMENDATIONS

H1 finding is consistent with the prior studies, which suggest that a positive culture of accountability, transparency, fairness as well as responsible leaders would have a positive impact on employee commitment level [54][55][56]. H2 tested the effect of corporate governance on corporate reputation and was supported confirming that there is a significant positive relationship between corporate governance and corporate reputation ($\beta = 0.807$, $t = 32.696$, $p < 0.05$). This is consistent with the past studies where the researchers found that a positive image of corporate governance is able to increase the reputation of an organisation [57][22][25]. H3 tested the effect of corporate reputation on employee commitment was a statistically insignificant relationship between corporate reputation and employee commitment ($\beta = 0.070$, $t = 0.883$, $p = 0.377$). This indicates that the reputation of a Malaysian company may not be an important factor that determines employees' commitment level. Empirical research evidences have shown that corporate reputation has a significant positive impact on employee commitment [58][27][59].

H6 tested the mediating effect of corporate reputation between the relationship of corporate governance and employee commitment but it was not supported. Several studies found that

corporate governance can help to increase corporate reputation [60][57][25]. Other studies likewise found that corporate reputation can help to increase employee commitment [27][61]. H4 result shows that the hypothesis is supported, confirming that there is a significant positive relationship between corporate governance and organisational trust. This finding corresponds with the past studies that discovered that corporate governance has a significant positive impact on trust [31][32]. H5 tested the effect of organisational trust on employee commitment. This is consistent with the past studies which suggest that who trust their employer and organisation tend to have a greater commitment to the organisation [62][40][63]. H7 indicates that corporate governance will promote organisational trust which subsequently increases employee commitment. This is in line with the social exchange theory introduced by [64], where the author posits that in social exchange theory, when employees are perceived to be treated ethically and fairly, they are likely to reciprocate in a variety of ways, such as developing greater organisational trust or higher level of employee commitment.

5. IMPLICATIONS

Employees have been seen as the most valuable assets of every organisation as they are the primary contributors to the company's learning, creativity, and innovation [65]. However, the intense competition for limited talents has resulted in the retention of high-calibre employees emerging as the most difficult task in human capital management today. Companies would have to suffer a great deal of negative consequences as a result of the turnover issue. With regard to this, companies need to devote sufficient time and effort to manage this issue and look for ways to develop highly committed employees. The findings of this research reveal the importance of corporate governance in developing and enhancing employee commitment. Companies, particularly its board and top management, should adopt and practice good governance as it found to have significant positive impact on the organisational trust that employees will have on their companies and thus would devote a greater commitment to the organisation. Employees are more likely to display a high level of commitment to the company when the leaders are trustworthy and dependable [14]. Moreover, the board and top management should also ensure that the employees' interest is not jeopardised when they make any decisions. Notably, the board and top management should not be benefited at the expense of employees. Organisations that are open and transparent with their communication generally gain more trust from their employees [66]. The board of directors and the top management of the company is advised to practice a good corporate governance and ethics in the company. Malaysian Code on Corporate Governance (2017; 2021) would be a good guide for the companies and directors to practice and adopt good governance.

6. LIMITATIONS AND RECOMMENDATIONS FOR FUTURE RESEARCH

This research is coupled with several limitations and recommendations on these limitations will be provided for future researchers. First of all, this study has solely adopted a quantitative-based research method. Future research could consider employing a mixed-method (first qualitative then quantitative) research approach to examine the relationship between variables where it is likely to provide meaningful insight on the perception of employees on the organisation governance. Qualitative methods such as interviews would enable the researcher to have a deeper understanding of the respondents' feelings and experiences, which would be better expressed in words than in numbers. Moreover, this study has failed to hypothesise the mediating effect of corporate reputation on the relationship between corporate governance and employee commitment. Future studies can investigate the mediating effect of job satisfaction [67][68] which may better explain the hypothesised relationships. In addition, this study did

not control the potential effect of organisational factors, such as organisational culture, which might have a potential impact on the level of commitment employees will devote to their company [68]. Therefore, future research could control the organisational factors and examine the effect of the control variable on the relationship between corporate governance, organisational trust, and employee organisational commitment.

REFERENCES

- [1] Varma, C 2017, 'Importance of employee motivation & job satisfaction for organizational performance', *International journal of social science & interdisciplinary research*, vol. 6, no. 2, pp.10-12.
- [2] Oyewunmi, OA, Osibanjo, OA, Falola, HO & Olujobi, OJ 2017, 'Optimization by Integration: A corporate governance and human resource management dimension', *International Review of Management and Marketing*, vol. 7, no. 1, pp. 265-272.
- [3] Ahmad, A, Kura, KM, Bibi, P, Khalid, N & Jaaffar, RA 2019, 'Effect of compensation, training and development and manager support on employee commitment: the moderating effect of co-worker support', *Journal on Innovation and Sustainability RISUS*, vol. 10, no.2, pp.39-55.
- [4] Estigoy, E, Sulasula, J & Guodu, XA 2020, 'Factors Affecting Employee Commitment in the Workplace: An Analysis', *Journal of Education and Practice*, vol. 11, no. 27, pp.160-171.
- [5] Gitau, AN & Monari, DG 2019, 'Determinants of employee commitment in constitutional commissions in Kenya', *The Strategic Journal of Business & Change Management*, vol.6, no.2, pp. 2065-2078.
- [6] Haque, A, Fernando, M & Caputi, P 2017, 'The Relationship Between Responsible Leadership and Organisational Commitment and the Mediating Effect of Employee Turnover Intentions: An Empirical Study with Australian Employees', *Journal of Business Ethics*. vol.9no.6, pp34-48.
- [7] Beloor, V, Nanjundeswaraswamy, TS & Swamy, DR 2017, 'Employee commitment and quality of work life—A literature review', *The International Journal of Indian Psychology*, vol. 4, no, 2, pp.175-188.
- [8] Ashar, M, Ghafoor, M, Munir, E & Hafeez, S 2013, 'The impact of perceptions of training on employee commitment and turnover intention: Evidence from Pakistan', *International journal of human resource studies*, vol. 3, no. 1, pp.74-88.
- [9] Mitonga-Monga, J & Cilliers, F 2016, 'Perceived ethical leadership: Its moderating influence on employees' organisational commitment and organisational citizenship behaviours', *Journal of Psychology in Africa*, vol. 26, no. 1, pp. 35-42.
- [10] Randstad 2021, '2021 Employer Brand Research', viewed 22 January 2022, <<https://info.randstad.com.my/hubfs/03.%20MY/Files/%5BRandstad%20Malaysia%5D%202021%20REBR%20Malaysia%20Country%20Report.pdf>>.

- [11] Al-Suraihi, WA, Samikon, SA, Al-Suraihi, AHA & Ibrahim, I 2021, 'Employee turnover: Causes, importance and retention strategies', *European Journal of Business and Management Research*, vol.6, no.3, pp.1-10.
- [12] Dirks, K & Ferrin, D 2002, 'The role of trust in organizational settings', *Organization Science*, vol. 12, no. 4, pp. 450–467.
- [13] Farndale, E, Van Ruiten, J, Kelliher, C & Hope-Hailey, V 2011, 'The influence of perceived employee voice on organizational commitment: An exchange perspective', *Human Resource Management*, vol. 50, no. 1, pp. 113–129.
- [14] King, C & Grace, D 2008, 'Internal branding: Exploring the employee's perspective', *Journal of brand management*, vol. 15, no. 5, pp.358-372.
- [15] Tarkang, ME, Ozturen, A & Nange, RY 2022, 'Avoiding employee deviance in the hotel industry: Investigating the mediating effect of trust in leadership', *Journal of Public Affairs*, vol. 22, no.1, pp. 2309.
- [16] Obeten, OI, Ocheni, S & John, S 2014, 'The effects of corporate governance on the performance of commercial banks in Nigeria', *International Journal of Public Administration and Management Research*, vol. 2, no. 2, pp. 219-234.
- [17] Syamsudin, Djoko, Suhardjanto & Lukviarman, N 2016, 'University Government and Organizational Commitment', *International Business Management*, vol. 10, no. 9, pp. 1693- 1700.
- [18] Ozuomba, C, Uchenna, O, Nkechi, I & Sixtus, N 2016, 'Effect of corporate governance on organizational performance: A case study of Nigeria breweries plc, Enugu state', *International Journal of Management Sciences and Business Research*, vol. 5, no. 11.
- [19] Aini, N 2019, 'Determinants of Good Corporate Governance and Its Implications on Organizational Commitments (Empirical Study on Employees of Government-Owned Islamic Banks in Dki Jakarta Province)', *KnE Social Sciences*, pp.948-973.
- [20] Obeten, OI, Ocheni, S & John, S 2014, 'The effects of corporate governance on the performance of commercial banks in Nigeria', *International Journal of Public Administration and Management Research*, vol. 2, no. 2, pp. 219-234.
- [21] Peterson, MF, Kara, A, Fanimokun, A & Smith, PB 2019, 'Country culture moderators of the relationship between gender and organizational commitment', *Baltic Journal of Management*. Vol.34.no.4, pp56-70.
- [22] Lipman, FD & Lipman LK 2006, *Corporate Governance Best Practices: Strategies for Public, Private, and Not-for-Profit Organizations*, John Wiley & Sons, Inc., Hoboken.
- [23] Todorovic, I & Pucar, S 2018, 'Corporate governance and ownership structure', *Journal of Corporate Governance, Insurance, and Risk Management*, vol. 5, no. 1, pp. 45-58.

- [24] Soleimani, A, Schneper, WD & Newburry, W 2014 ‘The impact of stakeholder power on corporate reputation: A cross-country corporate governance perspective’. *Organization Science*, vol. 25, no. 4, pp. 991-1008.
- [25] Ghuslan, MI, Jaffar, R, Mohd Saleh, N & Yaacob, MH 2021, ‘Corporate Governance and Corporate Reputation: The Role of Environmental and Social Reporting Quality’, *Sustainability*, vol. 13, no.18, p.10452.
- [26] Dögl, C & Holtbrügge, D 2014, ‘Corporate environmental responsibility, employer reputation and employee commitment: An empirical study in developed and emerging economies’, *The International Journal of Human Resource Management*, vol. 25, no. 12, pp.1739-1762.
- [27] Gozukara, I & Yildirim, O 2015, ‘Affective commitment and corporate reputation. The effects of attitude toward advertising and trust’, *Academic Journal of Economic Studies*, vol. 1, no, 3, pp. 126-147.
- [28] Ferit, Ö & Faruk, CÖ 2021, ‘The Mediator and Moderator Role of Positive Organizational Behavior in The Effect of Corporate Reputation on Organizational Commitment, *Организационная психология*, vol.11, no.3, pp.47-61.
- [29] Walsh, G, Mitchell, VW, Jackson, P, & Beatty, SE 2009, ‘Examining the antecedents and consequences of corporate reputation: A customer perspective’, *British Journal Management*, vol. 19, pp. 187-203.
- [30] Simpson, J & Taylor, J 2013, *Corporate governance, ethics, and CSR*, Kogan Page Publishers, London.
- [31] Budihantho, MH& Suhadak, HNU 2021, ‘Influence of Corporate Governance on the Performance of MFIs Through Trust and Participation’, In *3rd Annual International Conference on Public and Business Administration (AICoBPA 2020)*, Atlantis Press, pp. 85-91.
- [32] Yousaf, M, Ihsan, F & Ellahi, A 2016, ‘Exploring the impact of good governance on citizens' trust in Pakistan’, *Government Information Quarterly*, vol. 33 no. 1, pp. 200-209.
- [33] Mayer, RE. 1977. *Multimedia Learning*: Cambridge University Press.
- [34] Rossouw, GJ 2005, ‘Corporate governance and trust in business: A matter of balance’, *African Journal of business ethics*, vol. 1, no. 1.
- [35] Urooj, SF, Khan, MA & Sindhu, MI 2019, ‘Relationship between earnings multiples, corporate governance, and earnings management practices: An empirical view with a mediation analysis’, *Global Social Sciences Review (GSSR)*, vol. 4, no. 1, pp. 387-395.
- [36] Bushee, BJ, & Goodman, TH 2007, ‘Which institutional investors trade based on private information about earnings and returns?’, *Journal of accounting research*, vol. 45, no.2, pp. 289-321.

- [37] Morgan, RM & Hunt, SD 1994, 'The commitment-trust theory of relationship marketing', *The Journal of Marketing*, vol. 58, no. 3, pp. 20-38.
- [38] Colquitt, JA, Scott, BA, & LePine, JA 2007, 'Trust, trustworthiness, and trust propensity: A meta-analytic test of their unique relationships with risk taking and job performance', *Journal of Applied Psychology*, vol. 92, no. 4, pp. 909–927.
- [39] Deluga, RJ 1994, 'Supervisor trust building, leader-member exchange and organisational citizenship behaviour', *Journal of Occupational and Organizational Psychology*, vol. 64, no. 4, pp.316-327.
- [40] Fischer, S, Hyder, S & Walker, A 2020, 'The effect of employee affective and cognitive trust in leadership on organisational citizenship behaviour and organisational commitment: Meta-analytic findings and implications for trust research', *Australian Journal of Management*, vol. 45, no.4, pp. 662–679.
- [41] Jones, GR & George, JM 1998, 'The experience and evolution of trust: implications for cooperation and teamwork', *Academy of Management Review*, vol. 23, no. 3, pp.531–546.
- [42] McDonald, GW1981, Structural Exchange and Marital Interaction, *Journal of Marriage and the Family*, vol. 43, no. 4, pp. 825-839.
- [43] Baumgartner, KT, Ernst, CA & Fischer, TM 2020, 'How Corporate Reputation Disclosures Affect Stakeholders' Behavioral Intentions: Mediating Mechanisms of Perceived Organizational Performance and Corporate Reputation', *Journal of Business Ethics*, pp.1-29.
- [44] Finstad, K 2010, 'Response interpolation and scale sensitivity: Evidence against 5-point scales', *Journal of Usability Studies*, vol. 5, no. 3, pp. 104-110.
- [45] Lewis, EF, Hardy, M & Snaith, B 2013, 'Estimating the effect of nonresponse bias in a survey of hospital organizations', *Evaluation & the Health Professions*, vol. 36, no. 3, pp. 330-351.
- [46] Schumacker, RE & Lomax, RG 2016, *A beginner's guide to structural equation modelling*, 4th edition, Routledge, New York.
- [47] Hair, JF, Celsi, M, Money, A, Samouel, P & Page, M 2016, *Essential of business research methods*, 3rd edition, Routledge, New York.
- [48] Cohen, L, Manion, L & Morrison, K 2018, *Research Methods in Education*, 8th edition, Routledge, New York.
- [49] Hair, JF, Hult, GTM, Ringle, CM & Sarstedt, M 2017, *A primer on Partial Least Squares Structural Equation Modelling (PLS-SEM)*, 2nd edition, SAGE Publications, London.
- [50] Dijkstra, TK & Henseler, J 2015, 'Consistent partial least squares path modelling', *MIS Quarterly*, vol. 39, no. 2, pp. 297-316.

- [51] Ramayah, T, Cheah, JH, Chuah, F, Ting, H & Memon, MA 2018, *Partial least squares structural equation modelling (PLS-SEM) using SmartPLS 3.0: An updated and practical guide to statistical analysis*, 2nd edition, Pearson Malaysia Sdn. Bhd., Kuala Lumpur.
- [52] Fornell, C & Larcker, D 1981, 'Evaluating structural equation models with unobservable variables and measurement error', *Journal of Marketing Research*, vol. 18, no. 3, pp. 39-50.
- [53] Preacher, KJ & Hayes, AF 2008, 'Asymptotic and resampling strategies for assessing and comparing indirect effects in multiple mediator models', *Behaviour Research Methods*, vol. 40, no. 3, pp. 879-891.
- [54] Azegele, M, Okeyo, W & Nyambegera, S 2021, 'The Relationship between Corporate Governance and Organizational Performance of Insurance Companies in Kenya', *Journal of Public Policy & Governance*, vol.5, no.3, pp.21-36.
- [55] Mitonga-Monga, J 2018, 'Ethical context in relation to employee commitment in a developing country setting', *Psychology of Retention*, pp. 357-377.
- [56] Mitonga-Monga, J 2020, 'Social exchange influences on ethical leadership and employee commitment in a developing country setting', *Journal of Psychology in Africa*, vol. 30, no. 6, pp. 485-491.
- [57] Esa, E, Mohamad, NR, Wan Zakaria, WZ & Ilias, N 2022, 'Do Corporate Governance and Reputation are Two Sides of the Same Coins? Empirical Evidence from Malaysia', *The Journal of Asian Finance, Economics and Business*, vol. 9, no. 1, pp.219-228.
- [58] Carmeli, A & Freund, A 2002, 'The relationship between work and workplace attitudes and perceived external prestige', *Corporate Reputation Review*, vol. 5, no. 1, pp. 51-68.
- [59] Riordan, CM, Gatewood, RD & Bill, JB 1997, 'Corporate image: Employee reactions and implications for managing corporate social performance,' *Journal of Business Ethics*, vol. 16, no. 4, pp. 401- 412.
- [60] Chaitanya, D, Asija, A & Antani, J 2019, 'Concept paper on Corporate Reputation: A Template for Measuring Reputation Score for Indian IT sector', *A Journal of Composition Theory*, vol. 7, no. 6, pp. 720-735.
- [61] Brammer, S, Millington, A, & Rayton, B 2007, 'The Contribution of Corporate Social Responsibility to Organisational Commitment', *International Journal of Human Resource Management*, vol. 18, no. 10, pp. 1701-1719.
- [62] Choiriyah, S & Riyanto, S 2021, 'Effect of Training and Competence on Job Satisfaction and Its Impact on Employee Commitment (Case Study at BPJS Ketenagakerjaan)', *International Journal of Innovative Science and Research Technology*, vol. 6, no. 6, pp.1021-1030.
- [63] Nguyen, T, Pham, T, Le, Q & Bui, T 2020, 'Impact of corporate social responsibility on organizational commitment through organizational trust and organizational identification', *Management Science Letters*, vol. 10, no. 14, pp. 3453-3462.

- [64] Blau, PM 1964. Sociological Inquiry, *Justice in Social Exchange*, Wiley online, vol.34 no.2, pp193-206.
- [65] Shaikh, S & Amar, H 2017, 'Study of employee silence and its relationship with employee commitment among faculty of higher education institutions in Sindh', *Economics*, vol. 3, no. 3, pp.1-8.
- [66] Rawlins, BR 2008, 'Measuring the relationship between organizational transparency and employee trust', *Public Relations Journal*, vol. 2, no. 2, pp1-22.
- [67] Poon, JM 2004, 'Effects of performance appraisal politics on job satisfaction and turnover intention', *Personnel review*, vol. 33, no. 3, pp.322-334.
- [68] Kawiana, IGP, Dewi, LKC, Martini, LKB, & Suardana, IBR 2018, 'The influence of organizational culture, employee satisfaction, personality, and organizational commitment towards employee performance', *International research journal of management, IT and social sciences*, vol. 5, no. 3, pp. 35-45.