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Operationalizing Corporate Governance for Sustainability – An Empirical Study of Leadership and Stakeholder (Employee) Alignment for Organization Success

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ABSTRACT: Sustainable business management is dependent not only on formal governance structures and practices, but also depends on how stakeholders and internal employees of the organisation actually experience and practice them. This particular study explored how leaders did perceive of Corporate Governance practices, especially, their sense of transparency, accountability, communication, ethical conduct and employee involvement that shape the way stakeholders, especially employees perceive satisfaction, trust and long-term sustainability practices.

To explore these connections, two separate dimensions of questionnaire was designed and employed, namely, Corporate Governance Operational Framework and Employee Engagement Governance factors. The survey gathered demographic details such as gender, age, education, work experience and leadership structure. It also included several constructs that asked leaders reflection on governance awareness, stakeholder involvement, communication channels, ethical practices, openness to reporting issues and the level of participation offered to employees. The stakeholder dimension related questions focused on their experiences with communication, responsiveness, alignment with organisational values, and all these factors' overall impact of governance practices on employees' satisfaction. The responses were collected from 281 members including both leaders and stakeholders of select companies by following convenient non random sampling approach.

A quantitative and descriptive research approach was followed, and the responses were analysed using SPSS software 23v. The descriptive statistics have helped in understanding samples' profiles, while correlation and regression tests have been used to study how leadership perceptions relate to stakeholder satisfaction and company sustainability outcomes.

The final results have indicated that when leaders had a more open and transparent decision-making approach, take responsibility for their actions, communicate clearly and encourage ethical and have a participative work culture, these make stakeholders feel more confident and satisfied in their workplace. In the long run, these select factors also contribute a lot to a stronger sustainability of the organisation. Based on these outcomes, this particular study has proposed a practical governance framework that brings together, leadership behaviour and stakeholder expectations, to enhance the sustainable development. The framework can help managers, policymakers, employees and researchers, strengthen trust, credibility and long-term value creation within the organisation.

1. INTRODUCTION

The Corporate Governance practices today, extend well beyond the regulatory compliance to focus on a long-term and multi-stakeholder value creation (Teigland & Hobbs, 2021; KPMG, 2025). The stakeholders' theory highlighted that organisations should have to balance diverse interests, such as those of employees, customers, communities, and shareholders to ensuring that value is distributed equitably and sustainably (Jayalakshmi, 2025; Aggarwal & Goel, 2018). In this regard, effective Corporate Governance is increasingly recognised not only as a tool for employees' accountability, but as a deeper commitment among leaders to ethics and inclusive development (Oberoi, 2021). When it is grounded in transparency, accountability, and stakeholder engagement, governance frameworks are more likely to foster trust and long-term organisational success (KPMG, 2025; Jayalakshmi, 2025).

Leadership plays an important role in shaping the function of governance in practice and organisational settings. The ethical leadership is where, top management exhibit their fairness, responsibility and openness in creating a cultural environment, and where Corporate Governance is not just policy-driven thing but it is a value-driven approach (Jayalakshmi, 2025). When the top executives communicate their expectations clearly to stakeholders and take accountability from them seriously, the employees did feel more secure in raising concerns, knowing that their voices matter and they will be heard (Jayalakshmi, 2025; Dimitrief, 2020). On the other side, when leadership is present passive or dismissive, silence and fear can prevail among employees, making it difficult for governance systems to detect and correct internal issues (Dimitrief, 2020). The forward-thinking in the organisations actively encourages open reporting work cultures, where the stakeholders who are raising ethical concerns are not seen as disruptive, but as essential to improvement and this adds to the integrity and organisational Corporate Governance Operational Framework.

The stakeholder engagement is another cornerstone of sustainable governance practices in an organisation. As boards and senior managers are increasingly recognising the value of a long-term, stakeholder-inclusive perspective, governance structures are adapted to bridge the gap between organisations and their internal and external communities moreover stakeholders (Teigland & Hobbs, 2021). In India, while statutory frameworks like the Companies Act and SEBI regulations mandated certain disclosures, deeper engagement involves ongoing conversations and responsiveness to stakeholder needs, particularly those of employees and local communities working with the organisation (KPMG, 2025). Transparent communication practices and mechanisms are most required for feedback, not only to strengthen stakeholder trust but also help align business goals with social expectations and sustainable development (KPMG, 2025; Jayalakshmi, 2025).

There are several factors that directly influence how employees perceive Corporate Governance practices and their outcomes in relation with sustainable development. These include, how well Corporate Governance policies are implemented in the organisation at all levels, the commitment towards the stakeholder engagement, the clarity of communication and reporting practices among stakeholders, and whether unfair practices are acknowledged and addressed (Dimitrief, 2020). Strong whistleblower systems, transparent reporting and visible corrective action, can strengthen trust in governance of organisation, while favouritism or unaddressed misconduct erodes it (Dimitrief, 2020).

The leadership's ethical orientation, the openness of organisational work culture, and the degree of employee participation in governance processes and decision making further shape their perceptions on Corporate Governance. When employees were invited to contribute through structured forums or governance related issues and discussions, their trust and engagement in the organisation will improve.

In this backdrop, the current study is aimed to integrate leadership perspectives with stakeholder (employee) insights to propose a practical, sustainable framework for Corporate Governance in India by considering operational framework and employee engagement factors. Specifically, it investigates how employees' perceptions of Corporate Governance practices were related to their views on its contribution to organisational sustainable success. It also evaluates how operational governance factors, such as communication, fairness, employee voice and participation, that interact to influence those perceptions (Aggarwal & Goel, 2018; KPMG, 2025). By aligning the leadership values with the employee experiences in organisation for sustainable Corporate Governance, this study contributes to a model of governance that emphasises transparency, ethical leadership, and stakeholder alignment for sustainable development, through long-term value creation.

2. REVIEW OF LITERATURE

Recent researches on the Corporate Governance did increasingly emphasise the stakeholder inclusivity, ethical leadership, and the critical role of employees in shaping the work culture and organisational trust. For instance, Aggarwal and Goel (2018) found that the Indian managers are overwhelmingly endorsing stronger governance practices, that are better at accounting and audit standards and that promote tighter controls on related party transactions so that the wealth created is evenly distributed across all classes of stakeholders in the organisation. KPMG (2025) similarly, argues that the modern governance system, is not just for compliance and reporting, but also to build trust across a company's entire stakeholder ecosystem that contribute to the sustainable development through transparency and accountability. This stakeholder-centric framework aligns with global principles and practices: the OECD stresses that clear governance procedures for promoting transparency and accountability within the organisation are very essential to build trust in markets. The employee voice and work culture also feature prominently. Dimitrief (2020) highlights that leading firms foster a work culture of open reporting system so that employees may feel safe raising integrity concerns with top management. Padró (2025) echoes this, noting that employee voice fills the important information gaps and can address the board oversight and the boards that actively listen to employees will gain better insight into risks and opportunities within the organisation. Oberoi (2021) In India's public sector, reports that a large majority of PSU employees were satisfied with corporate ethics and governance practices but still they urge that stronger governance tools are required for further betterment. For instance, in a survey, 73% of respondents were highly satisfied with their companies' ethical norms and governance practices, yet they have emphasized that a rigorous code of conduct and whistleblower policies are essentially required for real reform among governance practices of organisations.

The linkage between the governance, leadership and culture is also well documented and well developed with sustainable framework.

Jayalakshmi (2025) found that ethical leadership and robust governance structures work in tandem to shape organisational sustainability and work culture. The clear roles and fair processes in governance may foster transparency and reduce misconduct; while ethical leaders have to set the tone by exemplifying honesty and accountability while implementing corporate governance practices. In practice, the studies show these matters: Koeswayo et al. (2024) demonstrated that the strong governance controls and reputation may positively drive employee engagement, especially under democratic leadership approach. Similarly, Gharehbaghi et al. (2023) and Zahari & Kaliannan (2023) found that the effective governance practices in the public sector significantly boosts the employee engagement and productivity by increasing organisational trust among stakeholders.

The boards and executives were also urged to take a long-term, multi-stakeholder view. Teigland and Hobbs (2021) reported that the COVID-19 crisis has heightened stakeholder expectations (for ESG, inclusion, etc.) and that sustainable governance can bridge short-term pressures and long-term value. In an EY research, a strong majority of leaders have noted that stakeholders' capitalism and ESG metrics became more critical and that companies maintaining long-term focus would out-perform. The good governance practices such as diverse boards, stakeholder engagement and authentic reporting that are identified as keys to balancing immediate imperatives with enduring growth among organisations.

Overall, the review of literature suggested that the integrated, transparent governance, one that empowers internal stakeholders and aligns ethical leadership with robust controls, is vital for trust and performance. In consensus, authors agreed that governance must be extended beyond the compliance system, involving employees in dialogue, embedding ethical values among employees and committing to long-term stakeholder value. When governance structures clearly distribute power, encourage open communication, and hold all parties accountable, organisations will attract and retain talent and build lasting trust in their organisation and governance practices.

Reference (Year)	Context	Key Findings
Aggarwal & Goel (2018)	Internal stakeholders in India's CG	Indian managers call for stronger CG rules (better audits/disclosures, limits on related-party deals) so that "wealth created is evenly distributed".
Board Leadership Center (KPMG, 2025)	Stakeholder engagement	Argues governance should build trust with stakeholders via transparency, accountability, and proactive engagement.

Dimitrief (2020)	Employee silence vs. reporting	Shows that "most ethical organisations have robust cultures of 'open reporting'" allowing employees to raise integrity issues without fear.
Jayalakshmi (2025)	Governance & ethical leadership	Finds ethical leadership + strong governance foster a culture of trust, with clear roles promoting honesty and adherence to rules.
Oberoi (2021)	PSU employees' view on CG (India)	Reports 73% of PSU employees satisfied with ethical norms, but stress needs for active codes of conduct and whistleblower systems as "imperative" for ethical governance.
Teigland & Hobbs (2021)	Long-term sustainable governance	EY survey finds pandemic increased stakeholder ESG demands; sustainable CG is key to balancing short-term crises with long-term value.
Koeswayo et al. (2024)	CG, control systems, and engagement	Empirically links strong governance, internal controls and reputation to higher employee engagement; democratic leadership further enhances this effect.
OECD (2023)	G20/OECD principles	Stresses that formal governance structures that promote board transparency and accountability are essential to building trust in markets.
Emeka-Okoli et al. (2024)	CG and performance (Africa)	Finds that transparency, accountability and stakeholder engagement together improve organisational performance in sectors like oil & gas.
Padró (Aspen Inst., 2025)	Boards & employee voice (US)	Highlights that listening to employees gives boards valuable insights ("improve sightlines into operational risks") and that "employee voice fills important information gaps".
Das (2025)	Culture & CG effects on retention	Practitioner review noting that governance shapes culture (decision rights, fairness), and that strong CG frameworks help attract/retain employees by clarifying values and processes.

3. RESEARCH METHODOLOGY:

3.1.Objectives:

To examine the employees' perceptions of corporate governance practices, relate to their views on the impact of Corporate Governance on organisational success.

To assess the Corporate Governance Operational Framework and Employee Engagement Governance factors collectively influence the perceived impact of Corporate Governance on organisational success.

3.2. Hypotheses:

H1: There is a significant positive relationship between employees' (stakeholders) perceptions of various Corporate Governance practices and their perceived impact of Corporate Governance on organisational success.

H2: The Corporate Governance Operational Framework has a significant positive influence on the perceived impact of Corporate Governance practices on organisational success.

H3: The Employee Engagement Governance factors collectively have a significant influence on the perceived impact of Corporate Governance on organisational success.

3.3. Research Design:

This study adopted a quantitative, cross-sectional (descriptive-correlational) design to capture leaders' and stakeholders' perceptions of Corporate Governance practices. It is a very large (effectively infinite) population and also not able to define clearly, hence, a convenience sample approach has been taken and sample of 281 respondents were employed and data was gathered using a well designed and tested structured questionnaire, that was administered via Google Forms. The questionnaire used a five-point rating scale, namely likert scale (higher = more positive). Both primary data sources (the questionnaire) and relevant secondary data sources (literature and archival documents) have contributed to this study. The data were cleaned and analysed by using SPSS software v23, using descriptive statistics, Pearson correlation analysis, and multiple regression analysis to test relationships and predictive effects. The internal consistency was checked with Cronbach's alpha test (range between: .692–.950) and it is indicating acceptable to excellent reliability.

3.4. Reliability Test Analysis:

Scale Name	Cronbach's Alpha	No. of Items	Reliability
Employee Perception on Implementation of Corporate Governance	0.906	5	Excellent
Employee Attitudes towards Stakeholder Engagement	0.902	5	Excellent
Governance Communication and Reporting Practices	0.805	4	Good
Presence/Absence of Unfair Practices & Reporting of CG Issues	0.927	5	Excellent
Leadership & Policy Orientation in Corporate Governance	0.900	5	Excellent
Employee (Stakeholder) Silence	0.692	5	Acceptable
Employee Participation in Corporate Governance	0.854	4	Very good
Perceived Impact of Corporate Governance on Organisational Success	0.950	6	Excellent

Table – 1: Reliability Test Table – Cronbach's Alpha

From the above Table-1 of reliability scores, most of the scales used in the study have resulted excellent internal consistency, especially those that are connected to stakeholder engagement, governance implementation, leadership orientation and overall impact of Corporate Governance. These high values of Cronbach's Alpha suggested that respondents, 281 members, have answered these items in a steady and consistent way, which strengthens the trustworthiness of the data and the outcome derived from it.

A few constructs did fall into the good or very good range of reliability, and only one variable that is Employee Silence, showed moderate reliability among the all the scales. This lower score is also acceptable for research as per Cronbach's Alpha criteria. The overall combined results have indicated that the questionnaire is highly reliable and it captures the intended governance related constructs effectively to execute the proposed hypotheses.

3.5. Research Framework

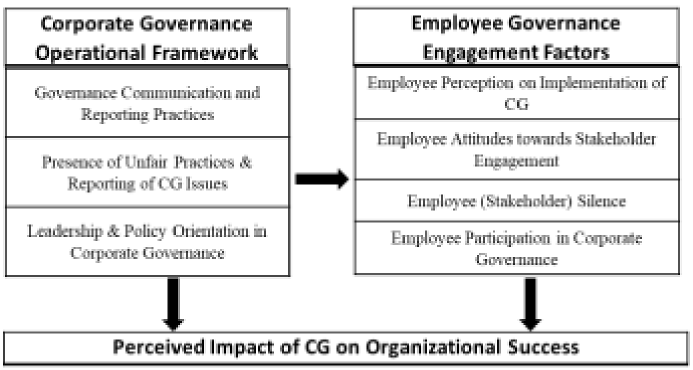

Table-2: Research Framework

The above research framework exhibits the flow of variables in the study. There are two sets of variables, one set is Corporate Governance Operational Framework variables and second one is Employee Engagement Governance factors. The diagram also shows the connection of two variable groups and three hypotheses proposed with the data analysis flow in the framework. The operational framework variables and engagement variables, were considered as independent variables and perceived impact of Corporate Governance on organisational success is considered as dependent variable in the study.

4. DATA ANALYSIS AND INTERPRETATIONS:

4.1. Descriptive Analysis:

Category	*Options*	*Frequency*	*Percent*
Gender	Male	226	80.40%
	Female	55	19.60%
Highest Educational Qualification	Secondary School (X)	6	2.10%
	Intermediate (XII)	33	11.70%
	Diploma	31	11.00%
	Bachelor's Degree	118	42.00%
	Master's Degree	91	32.40%
	Doctoral Degree	2	0.70%
Position / Designation	Junior / Entry Level	64	22.80%
	Middle Management	73	26.00%
	Mid-Senior Management	15	5.30%
	Senior Management	67	23.80%
	Executive Level	59	21.00%
	Board / CEO Level	3	1.10%
Gender Leadership in the Firm	Mainly Men	83	29.50%
	Mainly Women	16	5.70%
	Mixed Leadership	182	64.80%

Table-3: Frequency Table – Demographic Factors (Part-I)

The above frequency data table shows that the majority of respondents were men in the sample of 281, while women' presence was a smaller share of the group. Most of the participants were well educated, with a large proportion of respondents holding Bachelor and Master degrees, and only a very small respondents having qualifications at the Secondary or higher doctoral level. Employees from different levels of the organisational hierarchy have taken part in the survey, ranging from entry level staff to senior and executive positions in various organisations.

This indicated that the responses were reflecting experiences from across the organisational structures. With regards to the leadership patterns, most respondents have reported that their firms have been led by a mix of both men and women leaders and it is suggesting a balanced leadership environment in many organisations.

The male-led leadership firms are still common, while female led leadership remain less frequent in the sample. Overall, the findings are pointed to a diversified and reasonably qualified workforce, operating in the organisations, where the shared leadership is becoming more prominent in the taken sample.

Category	Options (Grouped)	Frequency	Percent
Age (Years)	20–25	64	22.80%
	26–30	84	29.90%
	31–40	92	32.70%
	41 and above	41	14.60%
Total Work Experience	1–3 years	102	36.30%
	4–6 years	63	22.40%
	7–15 years	76	27.00%
	16 years and above	40	14.20%
Age of Firm	1–5 years	54	19.20%
	6–10 years	50	17.80%
	11–20 years	75	26.70%
	More than 20 years	102	36.30%
Size of Firm	1–50 employees	118	42.00%
	51–500 employees	45	16.00%
	501–10,000 employees	38	13.50%
	More than 10,000 employees	80	28.50%

Table-4: Frequency Table – Demographic Factors (Part-II)

The consolidated frequency data shows that most the respondents have come from a broad mix of age groups, work experience levels, and organisational backgrounds. Most participants were between 26 years and 40 years of age and they have 1 to 15 years of experience. It is indicating a strong presence of early and mid-career professionals in the taken sample.

On the other side, there is a meaningful representation from senior employees with more than 16 years of experience. The firms in the sample also vary widely in age, that is from young companies under 5 years to long established organisations, and they are operating for more than two decades. It is observed that the insights come from both emerging and mature workplaces for the study.

A similar diversity appeared in the size of the firms; many respondents have worked in smaller organisations with up to 50 employees and other hand while others come from medium sized and large firms, including those with more than 10,000 employees. This spread in the sample were across age, experience, firm maturity, and firm size have shown that the data gathered from wider perspectives from a wide range of organisational environments, making the responses balanced and reflective of varied workplace realities.

Name of Variable	N	Mean	Standard Deviation (SD)
Employee Perception on Implementation of CG	281	3.7665	1.02254
Employee Attitudes towards Stakeholder Engagement	281	4.0071	.90251
Governance Communication and Reporting Practices	281	3.6913	.78155
Presence of Unfair Practices & Reporting of CG Issues	281	3.8427	.97842

Leadership & Policy Orientation in Corporate Governance	281	3.8740	.93224
Employee (Stakeholder) Silence	281	3.2256	.47650
Employee Participation in Corporate Governance	281	3.6174	.80345
Perceived Impact of CG on Organisational Success	281	3.8618	.93710

Table-5: Descriptive Statistic Table – Select CG Variables

From the above descriptive table, most responses fall in mid to high 3s, which suggests employees generally view governance related areas positively. The Stakeholder engagement stands out as the strongest factor (Mean: 4.01), which suggests that people feel employee engagement is being handled well in the organisations. The implementation of Corporate Governance, presence of unfair practice reporting, leadership orientation and perceived impact on success, all these factors cluster around the Mean of 3.7 to 3.9, suggesting, reasonably positive views but with some spread in opinions (SD near or above 0.9 with variation across respondents). The Employee Silence has the lowest Mean (3.23) and the tightest agreement (SD:0.48), which reveal that the responses on this item are more consistent but less strongly endorsed compared with other items in the study. Depending on how did the Silence item is expressed, this could mean either a modest tendency toward Silence that people generally feel not comfortable speaking up. Finally, the larger SD for implementation of CG (1.02), signals uneven experiences on how well governance is actually put into practice.

4.2. Testing of Hypotheses:

H1: There is a significant positive relationship is existing between employees' (stakeholders) perceptions of various Corporate Governance practices and their perceived impact of Corporate Governance on organisational success.

Variables		**Perceived Impact of Corporate Governance on Organisational Success**
Employee Perception on Implementation of Corporate Governance	Pearson Correlation	.759**
	Sig. (2-tailed)	.000
Employee Attitudes towards Stakeholder Engagement	Pearson Correlation	.665**
	Sig. (2-tailed)	.000
Governance Communication and Reporting Practices	Pearson Correlation	.748**
	Sig. (2-tailed)	.000
Presence/Absence of Unfair Practices & Reporting of CG Issues	Pearson Correlation	.663**
	Sig. (2-tailed)	.000
Leadership & Policy Orientation in Corporate Governance	Pearson Correlation	.731**
	Sig. (2-tailed)	.000
Employee (Stakeholder) Silence	Pearson Correlation	.381**
	Sig. (2-tailed)	.000
Employee Participation in Corporate Governance	Pearson Correlation	.851**
	Sig. (2-tailed)	.000
**. Correlation is significant at the 0.01 level (2-tailed).		

Table-6: Correlation Analysis Table – Select CG Variables

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The correlation table results show that a consistent and meaningful positive relationship is existing between employees' views of Corporate Governance practices and how strongly they believe governance contributes to organisational success. Most of the variables under the study display strong correlations, especially Employee Participation in Corporate Governance (r value is 0.851), implementation of Corporate Governance (r value is 0.759), and Communication and Reporting Practices (r value is 748). These strong coefficients suggest that when employees did feel involved, informed, and see governance practices being implemented effectively in an organisation, they are more likely to perceive governance framework as adding real value to the organisation and its sustainable development.

Other factors namely, Stakeholder engagement (r value is 0.665), Fair Practice reporting (r value is 0.663) and Leadership Orientation (r value is 0.731), also shows substantial positive associations. Even the variable Employee Silence, although lower (r value is 0.381), still reflects a statistically significant relationship among the variables. This pattern implies that the open communication and reduced Employee Silence may indirectly strengthen the perceived impact of sustainable organisational governance. All the variables' correlations are significant at the 0.01 level. It is reinforcing the conclusion that employees' experiences with governance practices meaningfully shape and justify governance's contribution to organisational success.

H2: The Corporate Governance Operational Framework variable has a statistically significant positive influence on the perceived impact of Corporate Governance practices on organisational success.

Table – 7: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.790[a]	.624	.620	.57791

a. Predictors: (Constant), Governance Communication and Reporting Practices, Leadership & Policy Orientation in Corporate Governance, Presence/Absence of Unfair Practices & Reporting of CG Issues

From the above table, the regression model fits the data well, where the $R = 0.790$ and $R^2 = 0.624$ (adjusted $R^2 = .620$), which means the three predictors together explain about 62% of the variation in employees' perception of how Corporate Governance affects organisational success in the substantial share for survey research. The standard error of the estimate (0.578) indicates that typical prediction errors are a little over half a point on your 1–5 scale.

Table -8: Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.339	.170		1.996	.047
	Leadership & Policy Orientation in Corporate Governance	.486	.077	.484	6.321	.000
	Presence/Absence of Unfair Practices & Reporting of CG Issues	-.162	.079	-.169	-2.050	.041
	Governance Communication and Reporting Practices	.612	.077	.511	7.957	.000

a. Dependent Variable: Perceived Impact of Corporate Governance on Organisational Success

Looking at the predictors, Governance Communication and Reporting Practices ($B = 0.612$, $p < .001$) and Leadership & Policy Orientation ($B = 0.486$, $p < .001$), both have positive and highly significant effects: better communication/reporting and stronger leadership orientation are associated with higher perceived impact of governance. By contrast, Presence/Absence of Unfair Practices & Reporting of Corporate Governance issues has a small but significant negative effect ($B = -0.162$, $p = .041$), which in other words, higher scores on this measure (i.e., greater perception of Unfair Practices or problems in reporting) are linked to a lower perceived benefit of governance (assuming higher scores on this scale reflect greater presence of unfair practices). Standardised Betas (.511 for communication, .484 for leadership, −.169 for unfair-practices) show that communication is the single strongest predictor, closely followed by leadership, while unfair practices exert a smaller, negative influence. All coefficients are statistically significant (constant p = .047).

Regression Equation: Perceived Impact of CG=0.339 + 0.486 (Leadership & Policy Orientation) − 0.162 (Unfair Practices) + 0.612 (Governance Communication)

H3: The Employee Engagement Governance Factors collectively have a significant influence on the perceived impact of Corporate Governance on organisational success.

Table-9: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.874[a]	.763	.760	.45948

a. Predictors: (Constant), Employee Participation in Corporate Governance, Employee (Stakeholder) Silence, Employee Attitudes towards Stakeholder Engagement, Employee Perception on Implementation of Corporate Governance

The Regression model shows a strong relationship between employee-related governance factors and how employees perceive the overall impact of Corporate Governance on organisational success. With an R value of .874, the model demonstrates a high degree of association, and an R^2 of .763 indicates that about 76% of the variation in perceived organisational impact can be explained by the four employee-focused variables included in the model. This table reveals that employees' day to day experiences, involvement, and views on governance practices play a major role in shaping the effective corporate governance appears within the organisation and its sustainable development.

Table-10: Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	.153	.209		.732	.465
	Employee Perception on Implementation of Corporate Governance	.163	.056	.177	2.886	.004
	Employee Attitudes towards Stakeholder Engagement	.121	.054	.117	2.245	.026
	Employee (Stakeholder) Silence	-.053	.067	-.027	-.788	.431
	Employee Participation in Corporate Governance	.769	.056	.659	13.639	.000

a. Dependent Variable: Perceived Impact of Corporate Governance on Organisational Success

From the above coefficient table, among the predictors, Employee Participation in Corporate Governance has been emerged as the strongest contributor. Its high coefficient shows that when employees feel meaningfully involved in governance processes and framework, they are more likely to view Corporate Governance as beneficial for the organisational outcomes and success. Employee Perception on the governance is enhanced and their attitudes toward stakeholder engagement also made positive contributions, though at more moderate levels. Especially, Employee Silence is not showing a significant effect, suggesting that remaining silent, whether due to fear, disengagement, or lack of channels, it may not directly shape the way governance effectiveness is perceived, even though it remains an important organisational indicator for successful implementation of governance practices. Finally, the regression model has highlighted that organisations are seeking stronger governance outcomes, and they should be prioritised through transparent involvement and genuine engagement of employees at all levels.

Regression Equation: Perceived Impact of Corporate Governance on Organisational Success = 0.153 + 0.163(Employee Perception on Implementation of Corporate Governance) + 0.121(Employee Attitudes towards Stakeholder Engagement) − 0.053(Employee (Stakeholder) Silence) + 0.769(Employee Participation in Corporate Governance)

5. RESULTS AND DISCUSSION:

The data analysis confirms that the employees live experiences with governance most matter. The descriptive statistics shows most scores clustered in the mid to high 3 value on a 5-point rating scale, with stakeholder engagement is rated highest (M: 4.01) and the Employee Silence lowest (M: 3.23). The hypothesis testing produced clear, actionable findings that are: the correlation analysis revealed strong, positive associations exists between the perceived impact of Corporate Governance and a range of governance practices, most notably Employee Participation (r value is 0.851), implementation of governance (r value is 0.759), and Communication/Reporting (r value 0.748). These relationships, all significant at $p < .01$, indicate that employees who see governance working in practice, who are being informed and who are involved directly, are far more likely to view governance as contributing to organisational success. This type of pattern echoes prior work that links engagement and transparency to trust and performance of organisation (Aggarwal & Goel, 2018; KPMG, 2025).

The multiple regression analysis examining the Corporate Governance Operational Framework (Leadership Orientation, Communication and Reporting, and Unfair Practices Reporting) accounted for roughly 62% of variance in perceived impact (R^2 value is 0.624). The Governance Communication (B value is .612, $p < .001$) and Leadership & Policy Orientation (B value is .486, $p < .001$) were strong positive predictors, while perceived Unfair Practices had a small but significant negative effect (B values is −.162, p value is .041). Practically, this finding implies that a clear two-way communication and visible leadership commitment are the most potent levers for strengthening employee's belief in governance and its practices. The perceived unfairness erodes that belief, even when other systems are present, a finding consistent with the literature on whistleblower protections and fairness (Dimitrief, 2020; Oberoi, 2021).

A complementary regression model focused on Employee Engagement Governance explained an even larger share of variance (R^2 value is .763). The Employee Participation emerged as the dominant factor (B values is .769, $p < .001$). It is followed by positive effects for perception of implementation (B value is .163, p value is .004) and Stakeholder Engagement attitudes variable (B value is .121, p value is .026). The Employee (stakeholder) Silence was not a statistically significant predictor in this multivariate context (B value is −.053, p value is .431). It is suggesting that while silence correlates with perceptions, its independent effect is overshadowed by direct engagement and implementation factors, a nuance that other studies have hinted at (Dimitrief, 2020; Jayalakshmi, 2025).

Collectively, these results are pointing to a coherent managerial message that is to build robust communication channels in organisation, strengthen visible leadership commitment to governance, and create genuine opportunities for employee participation in governance. Doing this, not only enhances employees' confidence in governance but also supports longer term sustainability objectives of an organisation. (Teigland & Hobbs, 2021).

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