

Communication Climate as Predictor of Perceived Corporate Governance and Organizational Success

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Abstract

Empirical studies proved that good corporate governance had a positive link to the success of an organization. Good in directing and managing organizational processes, structures, and information mean satisfaction guaranteed was given to all stakeholders. Essential factor like working atmosphere may be considered when looking into corporate governance as well as organizational success. However, limited literature focused on the importance of communication climate and its connection to corporate governance and organizational success. Hence, this study looked into the predicting effect of communication climate to perceived corporate governance and organizational success. A total of ninety-eight rank and file employees voluntarily participated in accomplishing three questionnaires such as the Communication Climate Inventory by Costigen & Schiedler; Corporate Governance Survey adapted from Wickramanayake's Seven Characteristics of Corporate Governance; and Organizational Success Survey adapted from Ilyas & Rafiq used to measure communication climate, corporate governance, and organizational success respectively. Results revealed that communication climate was a predictor of perceived corporate governance and organizational success. This implied that the role of supervisors in setting work conditions was essential on how rank and file employees perceived corporate governance and organizational success.

Key words: corporate governance, communication climate, organizational success, perceived corporate governance,

Background of the Study

Essential human resource management practices like recruitment and selection aimed to attract highly qualified and talented applicants and later select the best person to achieve the primary goal of the organization (Naga Parameswari & Yugandhar, 2015). Hiring of best employees was equivalent to positive future of an organization. That was why organizational management must also focus on the factors that keep these best employees' motivated. It was the role of motivation within work that keeps employees achieve high performances (Rusu, G. & Avasilcai, S., 2014).

In a study done by Ismajli, N., Zekiri, J., Qosja, E., & Krasniqi, I. (2015), which focused on the factors that motivate employees as human resources in local government indicated that salary, professional advancement and opportunity for promotion, objective assessment of job performance, as well as work conditions were the factors of motivation among employees. These findings were supported in a study done by Rusu, G. & Avasilcai, S. (2014) which revealed that the primary motivational factors in which the employees considered were job security, manager's competence, recognition, value of work, salary, responsibility, promotion, personal development, company policy, and working conditions.

According to Sheikh Ali, A., Abdi Ali., & Ali Adan, Abdiqani. (2013), employees' working conditions were connected to employees' productivity. It stated that employees working conditions can influence the overall well-being and performance in their duties. This was confirmed in the study done by Hsiao, J. & Lin, D. (2018) which clarified that working conditions also indicated employee competencies. Moreover, Eluka, J. & Okafor, C. (2014) noted that provision and maintenance of facilities can improve the relationship between employees and employers.

Maintaining a strong employer and employee relationship can give an advantageous result especially to the organization. It can lead to a more observable positive behavior among employees. They became more productive, more efficient, create less conflict, and more loyal (Subramanian, 2017). Productive and committed employees can also be found in an organization where positive relation with managers and trust with supervisors were present (Sawithri, L., Nishanth, H., & Amarasinghe,

K., 2017). Sometimes, problem arose between employers and employees when there was non-fulfillment of mutual expectations in areas such as working environment, work conditions, information technology innovations, competencies, financial resources, and personal capacity (Lotko, M., Razgale, I., Vilka, L., 2015). Hence, good organization and good economy were built aligned with optimum relationship between managers and employees (El Nabawy Saleh Dewdar, W., 2015). This optimum relationship can be achieved when management established a quality internal environment of the organization since their primary role was to set the communication climate of the organization (Nordin, S., Sivapalan, S., Bhattacharyya, E., Hashim, H., Wan Amad, W., & Abdullah, A., 2014).

Most of the available literatures and studies referred to strong linked between corporate governance and organizational success (Kumar Sar, A., 2018; Hove-Sibanda, P., et.al., 2017; Le Quang Canh, et.al., 2014). One best example was the framework introduced by Ilyas, M. & Rafiq, M. (2012), which according to them, corporate governance included transparency, interdependency, accountability, fairness, social awareness, discipline, and responsibility and how these corporate governance dimensions influenced perceived organizational success.

However, limited literatures explored the predicting effect of communication climate to corporate governance and organizational success. Thus, the current study intended to determine if supportive communication climate predicted perceived corporate governance and organizational success. Specifically, this study intended to answer the following: 1). What is the communication climate as perceived by rank and file employees in business service? 2) What is corporate governance as perceived by rank and file employees in business service? 3) What is the organizational success as perceived by rank and file employees in business service? 4) Does communication climate predict perceived corporate governance and organizational success? Moreover, this study tested the hypothesis that communication climate did not predict the perceived corporate governance and organizational success.

Theoretical and Conceptual Framework

Stewardship Theory. Stewardship theory indicated the behavioral and structural perspective of employment relationship between the owner and manager. It stated that stewards manifest prosocial behavior fostered by the quality of the relationship between the principal and steward as well as the environment and ideals of the organization. Moreover, the theory affirmed that the principal-steward relationship was based on choice. When both parties chose to work toward the same goal, it resulted to a positive effect on performance. The choice of stewardship behavior can be either based on psychological factors such as intrinsic motivation, high identification, and personal power or situational factors such as involvement-oriented, collectivist, and low power distance cultures. Moreover, situational factors represented organizational structure which included management philosophy and culture (Madison, 2014).

Organization communication climate was initially introduced by managers and supervisors to their subordinates. Managers considered as stewards or individuals who exhibited stewardship behavior specifically altruism and the motivation to serve others. These behaviors were stemmed from the managers' personal values, high sense of connection, and motivated to focus on others than self. As stated in stewardship theory, organizational actors gained greater long-term utility from prosocial behaviors and prioritizing the organization and stakeholders' interest. Stewardship motivation and behaviors shaped the organization's structure, functions, and performance as reflected in its mission, vision, performance, and shared values (Neubaum, D., Thomas, C., Dibrell, C., & Craig, J.B., 2017).

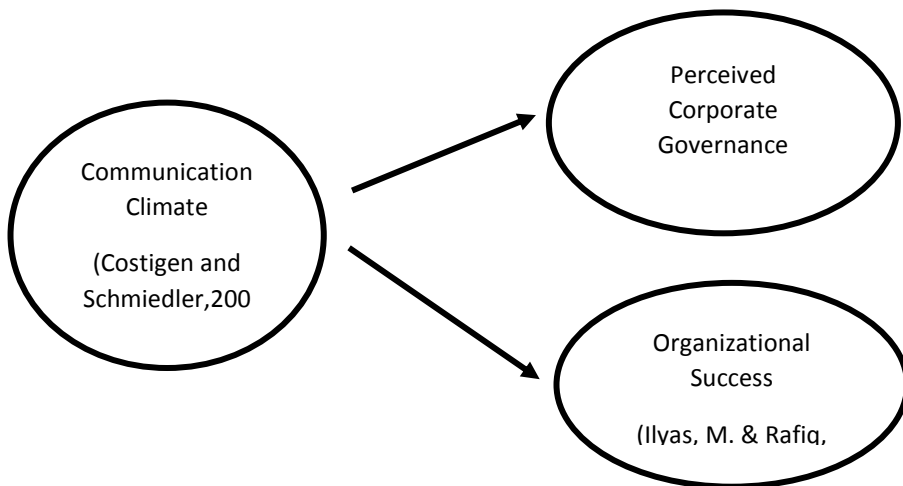
In stewardship theory, corporate governance was related to managers who were good stewards of corporate assets and who were working diligently to maximize shareholder returns. He or she was influenced by current structural situation which gave effective action (L'huillier, B., 2014). Moreover, the management sets aside the individual's self-interest and focus on long-term benefit of the majority. It gave priority to the best interest of the organization and its stakeholders. Thus, the managers as stewards were tasked to fulfill the interests of the stakeholders since they were aware with the dynamics of the organization (Deloitte, 2016). Further, managers who demonstrated board accountability (Keay, A., 2017) and who were highly identified and

committed to the organizational values were found to exhibit loyalty towards organizational goals (Subramanian, S., 2018).

Moreover, good perception of organizational trust and employees' willingness to engage in an open and clear manner were strongly linked to effective management leadership. Further, effective internal communication was present when there was consistency in managers and supervisors' words and actions (Mallah, T., 2016). Therefore, exposure to a comfortable work environment, presence of coordination and communication support the performance of employees to attain organizational goals and objectives (Abdussamad, Z., 2015).

Figure 1.

Conceptual Paradigm illustrating that communication climate as predictor of perceived corporate governance and organizational success.



This study hypothesized that company managers and supervisors who fostered supportive communication climate may or may not predicted good corporate governance and organizational success. Specifically, managers and supervisors who manifested provisionalism, empathy, equality, spontaneity, problem orientation, and description (Costigen and Schmiedler in 2001 as cited by Hassan, B. & Maqsood, A., 2012) may or may not resulted to high observance of discipline, transparency, independence, accountability, responsibility, fairness, social responsibility

(Wickramanayake, K., 2007) and organizational success (Ilyas, M. & Rafiq, M., 2012) as perceived by rank and file employees in service business.

Review of Related Literature

Communication Climate and Organizational Success. Communication climate referred to the organization's internal environment that is observed, experienced, and influenced by its members (Nordin, S., et.al., 2014). It is simply the influence of work environment to employees' well-being (Rusu, G. & Avasilcai, S., 2014). It can also be associated to existing values or attributes which can encourage or discourage communication among members of the organization. In an organization with supportive communication climate, there was worker participation, open in exchanging of information, and positive conflict resolution. On the other hand, in an organization with defensive communication climate, employees secured and self-kept their opinions as well as they express limitedly and guarded their statements (Nordin, S., et.al., 2014).

It can be noted that organizational climate leads to accomplishment of organizational goals, high work motivation, observable work engagement, visible work satisfaction, good work performance, and positive other employees' attitudes (Rusu, G. & Avasilcai, S., 2014). According to Chaudhary, R., Rangnekar, S., & Kumar Barua, M. (2014), it was also good to consider human resource development climate which was characterized by considering every employee as the most important resources, believing in their capacity, communicating openly, encouraging risk taking, recognizing their strengths and weaknesses, and helping them develop the best version of themselves. All these were possible to achieve through the effort of managers and supervisors.

According to Mohammed and Hussein (2013), communication climate was related to communication dimensions such as trust, subordinate interaction, openness in downward communication, listening in upward communication, supportiveness, and participative decision making. They stated that an award-winning organization employed a positive supportive communication climate. This confirmed with the statement of Ragab, O. & Elshazly, E. (2019); Nordin, S., et.al. (2014) that

communication climate contributed to the effectiveness and success of an organization. Similarly, the claimed of Rusu, G & Avasilcai, S. (2014), that there was a strong link of organizational climate and goals accomplishment of the organization. Thus, management needed to establish and maintain a communication climate in which employees can freely express their ideas and opinions (Mohammed & Hussein, 2013) and later predicted high employees' work motivation, work engagement (Chaudhary, R., et.al., 2014), work satisfaction as well as good work performance and other employees' work attitude (Rusu, G. & Avasilcai, S., 2014).

Employees performance can be improved by giving appropriate compensation, motivation, continuous education and training as well as creation of conducive work environment (Abdussamad, Z., 2015) Thus, communication climate influenced job performance and work output. Positive communication climate improved leadership skills, exhibit responsibility and commitment to work. Hence, members of the organization were motivated to give their best performance (Pardede, E., Hasan Miraza, B., Sirojuzilam, Lubis, S., 2014). It was the role of job satisfaction to influence the organizational communication climate which leads to job performance. When an employee was satisfied in his or her job, it created a positive communication climate that resulted to better job performance (Meitisari, N., et.al., 2018).

Corporate Governance and Organizational Success. Mat Yasin, F., Muhamad, R., Sulaiman, N., (2014) described corporate governance as identifier of strengths and functions of an organization since it was the basis of the organization's structure as well as deciding the performance and direction of an organization (Kulkani, R. & Maniam, B., 2014). Cadbury Committee, as cited by Mat Yasin, F., et.al. (2014) noted that corporate governance was a framework that made an organization function to achieve its goals. Consequently, when board of directors and management were receptive to good information and feedbacks it was when good corporate governance exists in an organization.

It is revealed that interactions of governance mechanisms such as management, board of directors, internal and external audit functions and structure were essential for effective governance (Mat Yasin, F., et.al., 2014). They were the key persons who agreed to take responsibility towards the shareholders (Kulkani, R. & Maniam, B., 2014). In sum,

corporate governance actively supported corporate ethics, fairness, transparency, accountability (Aggarwal, P., 2013), consciousness, and openness (Gupta, P. & Mehta Sharma, A., 2014).

As revealed by the study of Kumar Sar, A. (2018), high in aspects of corporate governance such as board structure, disclosure, related party transactions, shareholders rights and board procedure relate to excellent sustainability performance, economic performance, environmental performance, and social equity performance of the organization. Likewise, Hove-Sibanda, P., Sibanda, K., & Poee, D. (2017) found out that Small Medium Enterprise (SME) owners who applied corporate governance observed significant results in competitiveness and performance. This in turn maximized the long-term value of the organization (Gupta, P. and Mehta Sharma, A., 2014).

In a study done by Le Quang Canh, Kwang Soo Kim, & Yu Yi (2014), dual roles of board of directors like chair-CEO resulted to better performance of the organization as well as display of behavior aligned to the organizational value helped employees of the organization develop a shareholder value (Subramanian, S., 2018). On the negative side, according to Le Quang Canh, et.al., (2014), an increased in the number of the board of directors were linked with worse performance. Also, independence of board members was not connected with organizational performance. Further, Gupta, P. & Mehta Sharma, A. (2014) strengthened the previous result through their study which stated that corporate governance practices had small effect on the share prices and financial performance of the organization.

Most of the available literatures and studies referred to strong linked between corporate governance and organizational success (Kumar Sar, A., 2018; Hove-Sibanda, P., et.al., 2017; Le Quang Canh, et.al., 2014). One best example was the framework introduced by Ilyas, M. & Rafiq, M. (2012) which according to them corporate governance included transparency, interdependency, accountability, fairness, social awareness, discipline, and responsibility and how these corporate governance dimensions influenced perceived organizational success.

However, limited literature explored the predicting effect of communication climate to perceived corporate governance. Most of the available literature tackled the influence of working environment to job

performance of employees. Like the study of Abdul Rashid, M., Azman bin Othman, M., Zainudin bin Othman, M., Ain bt Arshad, F. (2011) claimed that work environment dimension influenced employees' job performance. Similarly, Malik, M., Ahmad, A., Gomez, S., & Ali, M. (2011) revealed that performance of employees depended on physical working conditions as well as psychosocial aspects (Samson, G., Waiganjo, M., & Koima, J., (2015). Likewise, supervisors' support influenced positive perceptions of employees regarding their jobs based on their evaluation of the performance management system (Baloyi, S., Van Waveren, C., & Chan, K., 2014). These studies confirmed the importance of communication climate on how employees performed their job responsibilities. Further, these studies implicitly discussed how work atmosphere set by supervisors influenced how the organization managed and directed as perceived by employees. Thus, the current study intended to determine if communication climate predicted perceived corporate governance and organizational success.

Methodology

Research Design

This study employed a survey research design which aimed to determine communication climate as predictor of perceived corporate governance and organizational success. According to Creswell, J. (2012), survey research design referred to procedures in which investigators administered a survey to a sample or population to describe the attitudes, opinions, behaviors, or characteristics of the population.

Research Participants.

There were 100 rank and file employees currently employed in a service business in Manila who agreed, and voluntarily participated and answered the three validated research questionnaires. They were selected using convenience sampling. According to Creswell, J. (2012), in convenience sampling, the researcher selected participants because they were willing and available to be studied.

From the data collected, answers got from two participants were considered invalid because of incomplete answers. Thus, complete

answers from ninety-eight participants considered for data analysis. The data gathered from ninety-eight participants were enough to consider regression analysis. According to Burmeister, E. & Aitken, L. (2012), the computation for any regression in determining the appropriate sample size was the use of the 20:1 rule which stated that the ratio of the sample size to the number of parameters in a regression model should be at least 20 to 1. In this study, there were three (3) variables, one independent and two dependent variables hence the current number of participants were appropriate when applying the 20:1 rule. In this study, communication climate was the identified as independent variable while perceived corporate governance and organization success were the dependent variables. Thus, this study utilized simple linear regression in data analysis.

Measures

Three measures were used in this study to determine the communication climate, corporate governance, and organizational success. Specifically, the Communication Climate Inventory by Costigan & Schmiedler in 2004, as cited by Hassan, B. & Maqsood, A. (2012), the Corporate Governance Survey which was adapted from the Seven Characteristics of Corporate Governance by Wickramanayake, K. (2007); and the Organizational Success Survey which was adapted from Ilyas, M. & Rafiq, M. (2012). Moreover, none of the participants' demographic variables like age, gender, etc. were considered in the present study. This study was limited to variables such as communication climate, perceived corporate governance, and organizational success.

Specifically, the measures were the following:

1. *Communication Climate Inventory.* This inventory was devised by Costigen and Schmiedler in 2001 and measures two main climates of communication, the defensive climate and the supportive climate. However, only the supportive communication climate was considered in this study. The test of internal reliability showed coefficient ranging from .80 to .97 which were considered very good internal consistency for the 36 original items of Communication Climate Inventory (Hassan, B. & Maqsood, A.,2012). The present study only adapted six items from Communication Climate Inventory following the trait of supportive communication climate. The reliability index of .826 for the six items indicated high internal consistency.

The individuals who fostered supportive climate manifested traits such as *provisionalism* in which the supervisor allowed flexibility, experimentation, and creativity; *empathy* in which the supervisor attempted to understand and listen to employee problems and respect feelings and values; *equality* in which the supervisor did not try to make employees feel inferior, did not use status to control situations, and respected the position of others; *spontaneity* in which the supervisor's communication were free of hidden motives and honest, ideas can be communicated freely; *problem orientation* in which the supervisor defined problems rather than giving solutions, was open to discussion about mutual problems, and did not insist on employee agreement; and *description* in which the supervisor's communication are clear, describe situations fairly and present his or her perceptions without implying the need for change (Hassan, B. & Maqsood, A.,2012).

Each statement was scored on a 5-point scale. A score of 5 (strongly agree) and 4 (agree) indicated that the characteristic being measured was part of supportive communication climate. A score of 2 (disagree) and 1 (strongly disagree) indicated that the characteristic was not part of communication climate while a score of 3 (uncertainty) indicated that the characteristic occurred infrequently in the communication climate (Hassan, B. & Maqsood, A.,2012). Mean score was considered in determining the communication climate. The 25th, 50th, and 75th percentile rank were identified to interpret the scores. The bases for interpretation for communication climate were as follows: 3.67 and below=low supportive communication climate, 3.68-4.33=average supportive communication climate, and 4.33 and above=high communication climate.

2. Corporate Governance Survey. Wickramanayake, K. (2007) stated that the seven characteristics of corporate governance were appeared in CLSA Emerging Markets 2001 and King Report on Corporate Governance for South Africa 2002. He discussed that corporate governance was characterized by *discipline* described as commitment by a company's senior management to adhere to behavior universally recognized and accepted to be correct and proper; *transparency* described as the ease with which an outsider made meaningful analysis of a company's actions, its economic fundamentals and the non-financial aspects pertinent to that business; *independence* described as the extent to which mechanisms have

been put in place to minimize or avoid potential conflicts of interest that may exist, such as dominance by a strong chief executive or large share owner; *accountability* referred to individuals or groups in a company, who made decisions and took actions on specific issues, accountable for their decisions and actions; *responsibility* pertained to behavior that allowed for corrective action and for penalizing mismanagement; *fairness* described the systems that exist within the company must be balanced in taking into account all those that have an interest in the company and its future; and *social responsibility* described a well-managed company's awareness and response to social issues, placing a high priority on ethical standards.

The seven items for Corporate Governance Survey were adapted from the seven characteristics of corporate governance discussed by Wickramanayake (2007). Internal consistency of items revealed that the Survey questionnaire was very reliable with the Cronbach alpha of .836. Each statement was scored on a 5-point scale. Mean score was considered in determining the corporate governance as perceived by rank and file employees in service business. The 25th, 50th, and 75th percentile rank were identified to interpret the scores. The bases for interpretation for perceived corporate governance were as follows: 3.71 and below=low perceived corporate governance, 3.72-4.42=average perceived corporate governance, and 4.43 and above=high perceived corporate governance.

3. Organizational Success Survey. It was a 13-item survey used to measure organizational success. It used 5-point scale ranging from strongly disagree to strongly agree with a Cronbach alpha of .968 (Ilyas, M. & Rafiq, M., 2012). In this study, it was reported to have a good internal consistency with a Cronbach alpha of .853.

To determine the organizational success as perceived by rank and file employees in service business, they were tasked to answer the following items: *you know the company's mission and goals; you plan your work before you do it, you know whom you report; all stakeholders are taken in consideration when company makes corporate level strategies; you are able to identify jobs that match your work style; you are able to apply your work style to your current job; you have a good professional relationship with your boss; reward policy is implemented in your organization; reward system is practiced in the organization and is properly communicated to all the employees in the organization; an employee is selected for a reward, it is through proper system; are the employee suggestions considered while reviewing the reward system; there*

are certain advantages when an employers and an employee work together in harmony; and you have certain outstanding qualities which are not possessed by others in your line of work.

Mean score was considered in determining the organizational success as perceived by rank and file employees in service business. The 25th, 50th, and 75th percentile rank were identified to interpret the scores. The bases for interpretation for perceived organizational success were as follows: 3.54 and below=low perceived organizational success, 3.55-4.22=average organizational success, and 4.23 and above=high perceived organizational success.

Limitation of the study. The present study had several limitations. First, limited sample were gathered since it was hard to ask permission to Office Administrators and be allowed to conduct the study to their employees. Thus, the findings of the study cannot be applied to all rank and file employees employed in a service business. Second, there were few measures of corporate governance which led the researchers to adapt the seven characteristics of good corporate governance and utilized in this study. Third, the data gathered were limited to the rank and file employees' perception of communication climate, corporate governance, and organizational success based from the validated questionnaires used in this study. Moreover, no follow up interviews were done after data gathering. Fourth, the demographic characteristics and other factors that may influence communication climate, corporate governance, and organizational were not indicated in this study. Since this study only focused on the perception of rank and file employees on organizational communication climate, corporate governance, and organizational success. It was better to consider the influence of demographic variables to organizations' internal environment and process if participants were managers and supervisors because they were the one who initially set working atmosphere (Neubaum, D., et.al., 2017).

Ethical Note. This study followed the ethical guidelines in data gathering. Upon granting the permission to administer the questionnaires from rank and file employees in the service business through their supervisor, all participants were given orientation about the focus of research, their rights as participants, and the questionnaires they were going to answer. Also, the confidentiality of information was discussed to

them. Moreover, the researchers first secured the signed informed consent of the participants before proceeding to the data gathering.

Results and Discussion

Communication Climate, Perceived Corporate Governance, and Organizational Success. The mean and standard deviation results of communication climate, perceived corporate governance, and organizational success were illustrated in table 1. In terms of *communication climate*, the participants viewed that there was an average supportive communication climate in their workplace. They perceived that their supervisors allowed flexibility, understand employee problems, did not treat employee as inferior, open to discussions, and communicated clearly. However, sometimes they felt that there were restrictions on their movements. As mentioned by Nordin, S., et.al. (2014) that the members were the one who can observe, experience, and influence the organization's internal environment. According to Mohammed and Hussein (2013), communication climate was related to communication dimensions such as Organization's internal environment was further described by Mohammed and Hussein (2013) as trustworthy, openness in subordinate interaction and upward communication, supportiveness, and participative decision making. Based on the findings, not all the time that the rank and file employee enjoyed a supportive working atmosphere. Result also revealed that majority of the participants had the same perception regarding communication climate.

Table 1.

Mean and Standard Deviation Results of the Variables

Variables	M	SD
1. Communication Climate	4.0	.57
2. Perceived Corporate Governance	4.0	.51
3. Organizational Success	3.9	.46

Note: see methodology under measures for interpretation of result

In terms of *corporate governance*, the participants viewed the management exercised discipline, transparency, independence, accountability, responsibility, fairness, and social responsibility in their organization. However, not all involved parties had commitment as well as actions and decisions were not always available and sometimes unfair. Additionally, there were some cases of conflict of interest, not all were accountable for their actions, and they gave less priority on ethical standards. In the study of Dibra, R. (2016), mentioned that strong corporate governance framework was important to develop to protect stakeholders, maintain investor confidence, and attract investments. In this study, majority of the participants perceived that company administrators handled management affairs well but still needed to look on organizational mistakes and weaknesses.

In terms of *perceived organizational success*, most of the participants evaluated the productivity of their organization as average. This implied that the organization fulfilled its objective to offer best services to their stakeholders but there were also downfall side. Specifically, the employees were aware of their company's mission and vision, they planned before they executed their work, they knew to whom they will report, and they had a good professional relationship with their manager (Ilyas, M. & Rafiq, M., 2012). Most rank and file employees felt that their organization was able to maintain and sustain work policies and processes.

Communication Climate as predictor of perceived corporate governance, and organizational success. Table 2 revealed the predicting effect of communication climate to perceived corporate governance. A single linear regression was calculated to predict perceived corporate governance based on communication climate. Result revealed that communication climate significantly predicted perceived corporate governance. This suggested that rank and file employees' perception of corporate governance was based on how their supervisor worked with them. The more they experienced supportive communication climate, the more they observed discipline, transparency, independence, accountability, responsibility, fairness, and social responsibility from company's senior management. Since these employees were affiliated in a service business, good corporate governance was needed in order to achieve the goals of the organization as the same time guaranteed satisfaction among all stakeholders. As confirmed by Mallah, T., (2016) &

Abdussamad, Z. (2015), employees' exposure to a comfortable work environment resulted to good perception of organizational trust and employees' willingness to engage in an open and clear manner were strongly linked to effective management leadership.

Although there were limited studies pertaining to predicting effect of communication climate to perceived corporate governance, some studies revealed implicitly the influence of communication climate to corporate governance through its effect on employees' performance. Specifically, Rangarajan, R. (2017) confirmed the close relationship between communication climate and kind of governance. This insinuated that working atmosphere which positively encourages employees to trust and be open to their superiors also reflected how these superiors managed the organization in the right direction. As an outcome, the bright future of organization was guaranteed.

Moreover, Abdul Rashid, M., Azman bin Othman, M., Zainudin bin Othman, M., & Ain bt Arshad, F. (2015) claimed that work environment dimension as to leadership communication style influenced employees' job performance. Similarly, Malik, M., Ahmad, A., Gomez, S., & Ali, M. (2011) revealed that performance of employees depends on physical working conditions as well as psychosocial aspects (Samson, G., Waiganjo, M., & Koima, J., (2015). Likewise, supervisors' support influenced positive perceptions of employees regarding their jobs based on their evaluation of the performance management system (Baloyi, S., Van Waveren, C., & Chan, K., 2014).

Table 2.

Summary of Linear Regression Analysis for Communication Climate as Predictor of Perceived Corporate Governance and Organizational Success

Variable	Corporate Governance			Organizational Success	
	BSE	β	B	SE	β
Communication Climate	0.46	0.079	.515**	0.43	0.071
	.526**				
	R^2 .265.277				
	F for change in R^2 34.68**			36.78**	

**p<.01

Table 2 also illustrated the predicting effect communication climate to perceived organizational success. Result found out that communication climate significantly predicted perceived organizational success. This implied that how rank and file employees viewed the success of their company was linked to the quality of their working relationship with their superiors.

As what claimed by Rangarajan, R. (2017) that communication climate influenced the effectiveness and success of an organization. This hinted that satisfactory performance of an organization can be linked to the good working relationship of manager and employees. This elevated work motivation and productivity among employees. This was confirmed in the study done by Lantara, A. (2019) which stated that organizational communication climate affected work satisfaction and employee performance.

Additionally, the finding was supported by Rusu, G. & Avasilcai, S. (2014) in which they found out that organizational climate specifically good feelings about work colleagues was connected to manager's competence and positive work conditions. Moreover, they proved that the company rules and procedure were related to efficient manager, responsible employees, and how employees value their work. Further, this was aligned with the findings of Glomo-Narzoles, D. (2012) which stated that communication climate was positively associated to institutional productivity.

Conclusion and Recommendations

The findings of the study proved that supportive working atmosphere may lead to organizational managers performed their duties and responsibilities well. Additionally, good organizational relationships between managers and employees reflected satisfactory performance of the organization. Further, positive feedbacks received by the organization were based from the stakeholders whom they were servicing. This evaluation from customers served as reference for considering the achievement of the organization.

Future research may consider a larger sample to determine a more general conclusion. It was also suggested that future related research may

use a standardized scale on corporate governance. Moreover, other psychological concepts such as personality traits and self-efficacy and how these were related to communication climate and corporate governance among managers and supervisors maybe the focused of future research. Further, organizational administrators can be considered as participants to assess their perception on communication climate and how they manage their respective organizations. Furthermore, a comparative study as well as qualitative studies which involve employees from different nature of organization such as retail, academe, etc. may also be explored in future research.

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