The Effect of Good Governance Mixture in Governmental Organizations on Promotion of Employees’ Job Satisfaction (Case Study: Employees and Faculty Members of Lorestan University)

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Abstract
The aim of this study was to evaluate the effect of indicators of good governance in public organizations to improve the level of employees’ job satisfaction. The methods were confirmatory factor analysis and structural equation modeling using LISREL software and SPSS18 packages. The population consisted of all faculty members and staff of Lorestan University (N=500), which 217 of them were selected systematically using Kerjisi Morgan table. To collect the data 2 standardized questionnaires consisted of good governance and job satisfaction (residents and Ramadan, 2011) were used and the reliability of the questionnaire was (0.73) by calculating Cronbach’s alpha coefficient. The results of the study showed that the implementation of the indicators of good governance in the organization will lead to an increase in employees' job satisfaction.

Keywords: good governance, job satisfaction

1. Introduction
One of the most important and new issues of the 1980s which is proposed in the literature, is good governance. The problem is granted the special place, particularly in developing countries, and it is in line with the establishment and institutionalization of civil society in related policies (Finley et al., 2008; Raj Kumar et al, 2008; Seksina, 2005). The concept of good governance is a model that seeks to inefficient mechanisms of early development provided by the developed countries and the international community (Ray, 2008). Good governance is indicator of human development-driven. The World Bank report in 1989 raised the issue of good governance as a "public service efficient, reliable judicial system and accountable administrative system" (Stowe, 1992, p. 392). Indeed, good governance is a broad concept that encompasses the participation of three government institutions, civil society and the private sector. All three are essential for sustainable human development (Stowe, 1992). In this regard, several studies have been conducted within and outside the country, indicating the importance of this subject. The concept of governance can be examined in four levels but this study investigates this concept at the level of organization. The job satisfaction as a factor that has an impact on career success and increase efficiency and personal satisfaction should be considered wholly, and the lack of job dissatisfaction leads to absenteeism and negligence, and even in higher levels can have adverse effects on planning and results in failure. Employee’s job satisfaction is very important and sensitive. Because if an organization, the organizational satisfaction and employee satisfaction, do not have priority over other objectives of the organization doomed to failure and collapse. Job satisfaction has mutual effect on the individual and the organization. People join to the organization with their goals and dreams and coordination and alignment of the organization with the goals of individual spire job satisfaction in them and at last leads to innovation, creativity in work, increase in production or service and finally, guarantee the health and the dynamics of organization (Mir Shahidi, 2006). In this regard, Nasym et al. (2011) also stated that employee satisfaction plays an important role in determining organizational success and it needs to upgrade the level of employee satisfaction because it is vital factor in the success of any business organization. Mohammad Zadeh and Mehrvuzhan (1996) also stated that if an organization’s employees are satisfied with their work; their organization will also have a positive impact and will be more effective and useful. Therefore, we should follow the factors which could increase the satisfaction level of employees in the organization. Mohammad Zadeh and Mehrvuzhan (1996) in their study showed that 4 factors influence job satisfaction: the overall factor of
organization, the immediate factors of work environment, the contextual factors of work and personal factors. Except personal factors, the other factors are related to the style of governance in organization that is in the field of great organization management, and with applying good governance indicators; we can promote the employees’ job satisfaction. Therefore, the aim of this study was to investigate the effect of indicators of good governance in government organizations on promotion of employees and faculty members of Lorestan University’s job satisfaction.

2. Review of Literature

2.1 The Concept of Good Governance

One of the most important and new issues of the 1980s which is proposed in the literature, is good governance. The problem is granted the special place, particularly in developing countries, and it is in line with the establishment and institutionalization of civil society in related policies (Finley et al., 2008; Raj Kumar et al, 2008; Seksina, 2005). The concept of good governance is a model that seeks to inefficient mechanisms of early development provided by the developed countries and the international community (Ray, 2008). Good governance is indicator of human development-driven. The World Bank report in 1989 raised the issue of good governance as a “public service efficient, reliable judicial system and accountable administrative system” (Stowe, 1992, p. 392). Indeed, good governance is a broad concept that encompasses the participation of three government institutions, civil society and the private sector. All three are essential for sustainable human development. The government creates a political and lawful environment. The private sector creates employment and income, and the civil society facilitates the engagement of political and social activist groups to participate in economic activities. Good governance is not only a new version of concepts such as democracy, human rights, accountability, participation and the rule of law, but it shapes a framework by which all of these goals and values gathered and human development goals such as economic development, political, social and cultural rights with a focus on people be followed (Stowe, 1992). United Nations Development Programme on Human Rights resolution knows the good governance in relation to the environment that follows the enjoyment of human rights and the growth and sustainable human development. To secure the good governance of countries, participation in the development recognized formally as gains and prescriptive achievements have been deemed inappropriate. By linking good governance and sustainable human development, based on the principles of cooperation, accountability and promotion of human rights and prescriptive and mandatory guidelines will not be considered for development (UNDP, 2000).

2.2 Good Governance Indicators (UN-HABITAT, 2006)

Good governance has 8 major components. These components are participatory, result oriented, accountability, clarification, responsiveness, efficiency and effectiveness, inclusiveness and non-discrimination between citizens and ultimately the rule of law. Good governance ensures the reduction of corruption, respects to minorities and vulnerable groups in decision making. As well, the good governance for the current and future needs of society is responsible. All the reviews of individual components will be discussed.

1) Participation

The participation of both women and men is a cornerstone of good governance. Participation can contribute directly or through legitimate intermediate institutions or representatives. It is important to note: representative democracy does not mean that the majority of the populations in decision-making are taken into account. Participation needs to be informed and organized, that is, on the one hand the freedom of association and expression should be considered and on the other hand, the expression of organized civil society should be taken account.

2) Rule of Law

Good governance requires fair legal frameworks that run non-biased. Especially human rights, especially the rights of minorities must be maintained. Impartial law enforcement can be applied by independent judicial system and healthy police.

3) Clarification

Clarification means the decision making and implementation of them in accordance with laws and regulations. It also means free access to information that can affect the people lives. In this regard, sufficient information should be made understandable and placed to the public.

4) Responsiveness

In the good governance, organizations should serve their stakeholders and be responsible for the assigned duties.
Any problem or crisis in the society should be managed by the organization and the relevant departments and there is no problem that no one is responsible for it. Projections and conspiracy, including those that have been used to evade responsiveness.

5) Consensus oriented

There are many actors in society with different views. Good governance must provide access to a broad consensus for different interests of different groups. Consensus-based decision-making is a process in which personal power and information control is open to honest debates about the issues. Consensus oriented requires an understanding of the long-term prospects for sustainable human development and how to achieve the objectives of this type of development.

6) Equity and inclusiveness

Health and welfare in a society are created in the society when all members feel they are in the process of its development and consider their own kind of influence. This issue can be solved only by creating opportunities for vulnerable populations to improve their welfare.

7) Accountability

Accountability is a key requirement for good governance. Not only governmental institutions but also the private sector and non-profit and non-governmental organizations should also be accountable to the public, especially its stakeholders. Who and how you meet the person in decisions and activities of organizations and individuals is variable. In general, any organization for those affected by the work done by the organization, are accountable. The important thing is that accountability can be implemented only through clarification and governance of law.

8) Efficacy and Effectiveness

Good governance means that processes and institutions are in line with the needs of society and use the resources well. The concept of efficiency in the areas of good governance includes the proper use of natural resources for sustainable development and environmental protection as well and only being technical does not mean the efficiency is assured.

2.3 The Results of Good Governance

Good governance and the results are as follows:

- Organized and disciplined use of the superior aspect of politics, performance and appearance.
- Realistic view at current affairs, maintaining morality and justice in the distribution of benefits to keep every one’s satisfaction.

Beyond this, the United Nations has added the following results to good governance

- Giving priority to the problems of poverty
- Raising awareness for the rights of women
- Environmental Protection
- Create opportunities for employment and other environmental issues and welfare (UNDP, 2000).

2.4 Levels of Governance

The concept of governance is on the following four levels:

1) Governance at the global environment, which deals with issues beyond the scope of national governments.
2) Governance at the national atmosphere, i.e., within a country. This level has the following levels: national, provincial, municipal and local.
3) Governance at the organization atmosphere or organizational governance. This level includes the activities of organizations that are usually “must be accountable to the board. Some of them are private organizations (such as private commercial companies) and others, such as public (hospitals, schools, government organizations, etc.).
4) Governance in the local communities, which includes activities at the local level (Sanei, 2006)

2.5 Good Governance Indicators in Public Organizations

According to the above discussion, these dimensions have considered the concept of governance at national and international level. Therefore, in line with the theme of the study we should look at the indicators and aspects of good governance more carefully, and investigate and evaluate these indicators i.e. organizational level at the smaller level.
1. Result-oriented: having a clear organizational goal is a sign of good governance. If the aim is effective development, we can manage and guide the activities and decisions of individuals at all levels in an organization (OPM, CIPFA, 2004).

2. Effectiveness of roles and responsibilities: Good governance requires that all duties, roles and responsibilities related to it be clear, and people behave in such a way that is consistent with their roles.

3. The promotion of roles: A sign of good governance in the development of shared values is to transfer part of the organizational culture, policies and infrastructure behavior of agents to all employees and members of the organization.

4. Clarification: The clarification refers to decision making and implementation in accordance with agreed procedures (OPM, CIPFA, 2004). Information should be freely and directly available to clients, service users and the public as well. The responsibility is undeniable not only at the central government and local governments, but also it should be run on any other independent organization.

5. Capacity building: Organizations need people with high skills to guide and control them effectively. For finding the right and qualified people, organizations should hire people from different kinds and levels. So, it causes a synergy of skills and assists organizations in reaching individual goals (OPM, CIPFA, 2004).

6. Accountability: Accountability, the process of agreement on the activities carried out by you to the other side. A systematic approach is needed to perform this process. The real answer is not only to report or explain previous activities, but also to attract stakeholders to understand and respond to their comments, under the name of the organizational programme and implementation of the comments (NCA, 2005 & OPM, CIPFA, 2004).

2.6 Job Satisfaction

Job satisfaction is a set of emotions and beliefs that people have about their current jobs. Job satisfaction is an important factor in career success and it increases the efficiency and the personal satisfaction (Shafiabadi, 1997). Job satisfaction is to like the requirements for a job, the circumstances in which work is done and the reward for which is received (Sherterzer, 1990). Given the above, we can say, “Job Satisfaction” is to be happy and pleased with own works and the enjoyment of it and then, heart-warming and dependence on job creates. A concept that has dimensions, aspects and various factors and the sets of it should be considered. Among these factors are characteristics of employees, type of work, working environment and human relations at work (Helrygel, 1996). Fischer and Hannah consider job satisfaction as internal factors and a kind of emotional compatibility with jobs and employment conditions. It means if a job provides optimum pleasure; he is satisfied with his job. In contrast, if the job does not give a good pleasure to someone, in this case, he criticizes his work and is going to change it (Shafiabadi, 1998).

According to Hapak, job satisfaction is a complex and multidimensional concept and has to do with the psychological, physical and social factors. One factor does not lead to job satisfaction, it requires a set of different factors cause that employee satisfy with his job in a certain time and enjoy it (Safiri, 1998).

From the definitions of job satisfaction also we found that this concept is indicator of positive feelings and attitudes that person has about the job. When it is said that someone has high levels of job satisfaction, in general it means he loves his job, gives value to it and looks it in a positive way, and in a word he has good feeling toward it (Shafiabadi, 1991).

2.7 The Effects of Job Satisfaction

Aware of the important results of job satisfaction is crucial as knowing the factors that lead to job satisfaction. The results are as follows:

A) Satisfaction and leaving the service

Job satisfaction and leaving the service are related. Vroom realized that the correlation between these two variables in the different studies is from 25% to 42%. Then Porter and Steers in fifteen reviews found that the correlation between satisfaction and leaving the service is 25% (Mohammad Zadeh & Mehrvuzhan, 1996). Reviewers of the last century, which examines the relationship between job satisfaction and job- release, report that a negative relationship exists between these two. It means if the employees are satisfied with their job, they will not abandon their work and if they are not satisfied with their job, they give them up. Lock in 1976, also gave a report about the same issue (Steers & Porter, 1991).

B) Job satisfaction and absenteeism from work

Evidence shows that there is a moderate and inverse correlation between job satisfaction and employee
 absenteeism from their work place. Vroom showed in several studies that its correlation ranges from 14% to 38%. The study was approved by Porter and Steers and others (Mohammad Zadeh & Mehrvuzhan, 1996).

C) The satisfaction and performance
One of the most controversial topics in the field of job satisfaction is its relationship with performance. In this regard, three theories have been proposed:
1. Satisfaction leads to performance.
2. Performance leads to satisfaction.
3. Reward serves as an intermediary between performance and satisfaction.

Vroom acquired in their research, there is a positive relationship between job satisfaction and performance (Shafiabadi, 1997).

Steers & Portersay in their book: the more motivation of employees and labors toward their jobs, and the much more positive attitude to the job (more job satisfaction), the higher his performance level will be. On the contrary, the lower motivation and positive attitude towards the job (less job satisfaction), the lower the performance will be (Mohammad Zadeh & Mehrvuzhan, 1996).

D) The effect of job satisfaction on organization
The evaluation shows that when employees of an organization are satisfied with their work, their organization have a positive impact and act as an effective and useful organization. Furthermore, job satisfaction has other results: satisfied employees complain less than others, they have more physical and mental health, their life span is longer, they learn new tasks associated with the job faster and encounter with occupational injuries fewer (Mohammad Zadeh & Mehrvuzhan, 1996).

Experts believe that job satisfaction is an attitude and they define as: job satisfaction is the attitude of the person toward the job and in plain language how one feels about the job and its various aspects. Research shows that the reason of negative and positive attitudes toward the job and work are as follows:
1) Factors related to the procedures and policies of the organization.
2) Factors related to the working conditions or how to get people in place to do so.
3) Factors related to the employee’s individual character.

2.8 Job Satisfaction Factors
Researchers have long been searching for the determination of the fundamental reasons of job satisfaction in the organization and so far they have been able to achieve a series of factors related to job satisfaction. But achieving a comprehensive empirical model has not been realized yet. Several factors can be briefly noted in this field. Porter and Steers have the following four factors:
1) The overall factors of the organization: the variables that broadly applies to most of the employees as wages and promotion opportunities.
2) The immediate factors of work environment: variables that make up the occupational groups, including ways of supervision and the quality of relationships with colleagues, working conditions and workplace.
3) The contextual factors of work: such as field work (the diversity, autonomy and responsibility) and role clarity.
4) Individual factors: characteristics that distinguish one person from another, such as age, years of service and personality (self-confidence, determination and maturity).

<table>
<thead>
<tr>
<th>The contextual factors of work</th>
<th>The immediate factors of work environment</th>
<th>The overall factors of organization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work territory</td>
<td>Supervision pattern</td>
<td>Benefits of system</td>
</tr>
<tr>
<td>Clarity of role and confliction</td>
<td>Participation in decision making</td>
<td>Promotion opportunities</td>
</tr>
<tr>
<td></td>
<td>The size of work group</td>
<td>Organization policies</td>
</tr>
<tr>
<td></td>
<td>Colleagues relationship</td>
<td>Organizational structures</td>
</tr>
<tr>
<td></td>
<td>Work condition</td>
<td></td>
</tr>
</tbody>
</table>

Figure 1. The effective factors on job satisfaction
2.9 Background of the Research

Several studies have been done in this regard, referring to some of them. Mubarak and Azarpeivand (2010) in a study entitled “A Look at the Indicators of Good Governance from the Perspective of Islam and its Impact on Economic Growth,” investigated the effect of institutional factor, along with other economic factors on economic growth and also they examined the significant and positive correlation between institutional environment and economic growth. Institutional factors include governmental institutions (voice and accountability of political stability, control of corruption, rule of law, bureaucratic quality and effectiveness of government), which separately and generally investigated the Islamic countries with different levels of development among countries in the period 1980-2005 using mixed data. The results showed that the impact of institutional and governance factors for Iran, Egypt, Turkey and other countries was less than other countries.

Moghimi and Ardakani (2011) in a study entitled “Measurement of Good Governance Indicators and the Role of E-government in Promotion” examined the good governance indicators and the impact of e-government on the review of the governance criteria in their public sectors. The results showed that the establishment of e-government leads to improve responsibility, roles effectiveness, capacity building, clarification, result-oriented and promotion of roles as good governance indicators. Bashir and Shaghaghi Shahri (2011) in a study entitled “Good Governance, Pressure and Economic Growth (economic approach to the issue of good governance)” explained the mechanism of good governance relation by reducing corruption and improving economic growth in the form of econometric model panel, for example, southwest of Asian countries studied the question of the “implementation of good governance policy package would lead to economic growth,”. The results showed that there is a significant relationship between different components of good governance indicators and economic growth in the region.

Samet, Ranjbar, and Mohseni (2011) in a study entitled “Analysis of the Impact of Good Governance Indicators on the Human Development index: A Case Study of Southeast of Asian Countries” investigated the effect of these indicators on the human development index as a benchmark economic development in Southeast Asian countries during 2000-2009 using panel data. In this study due to the high correlation between good governance indicators as explanatory variables, factor analysis has been used to investigate the possibility of eliminating some indicators due to co-linearity and validity of the model related to the governance. Also by calculating average of good governance indicators, the quality of governance introduced, and its impact on the human development index is studied. The results of the models estimation indicate that the quality of good governance through harmonic average of governance indices was calculated, and there is a positive and statistically significant effect on the HDI. As well, among the six indicators of good governance, political stability, government effectiveness, quality of regulation and the rule of law have a positive and statistically significant effect on the human development index.

Beiginia and et al. (2012) in a study entitled “Identification and Prioritization of Indicators of Good Governance” discussed the technique by using hierarchical analysis to identify and prioritize good governance indicators. The results showed that among the 24 indicators, the judicial independence is the most important factor in achieving good governance. The public participation indices in decision-making, strengthening political parties, decentralization, development of non-governmental organizations and other indicators of research were identified as the most important factors in achieving good governance priorities. Although many research has been done in this regard, but none of them have examined and determined the relationship between indicators of good governance in the public and job satisfaction.

2.10 Assumption and Conceptual Model of the Study

The main hypothesis: good governance has a positive effect on job satisfaction.

Hypothesis 1: result-oriented has a positive effect on job satisfaction.

Hypothesis 2: Effectiveness of roles has a positive effect on job satisfaction.

Hypothesis 3: Promotion of roles has a positive effect on job satisfaction.

Hypothesis 4: clarification has a positive effect on job satisfaction.

Hypothesis 5: Capacity building has a positive effect on job satisfaction.

Hypothesis 6: Accountability has a positive effect on job satisfaction.
3. Methods

The methods were confirmatory factor analysis and structural equation modeling. The population consisted of all faculty members and staff of Lorestan University whom worked in winter 2013 (N=500), which 217 of them were selected systematically using Kerjisi Morgan table. To collect the data 2 standardized questionnaires consisted of good governance and job satisfaction (residents and Ramadan, 2011) were used. To assess the reliability of the questionnaire, the Cronbach’s alpha coefficient was used. The results are showed in the following table. As is clear from the above table the Cronbach’s alpha coefficients in all cases are greater than 7.0 which imply the validity of the questionnaire. The questionnaire also was tested using confirmatory factor analysis. For analyzing the confirmatory factor analysis and structural equation modeling, the standard operating load and t is calculated. If the factorial load is between 0.3 to 0.6 is acceptable and if it is greater than 0.6 is very desirable. When the correlation between variables was identified, a significant test shall be performed. In order to assess the significance of the relations, the t-statistic is used. If the 5% level of it is more than 1.96 indicates a significant correlation. In this study, all the factors are above 0.6, and all of the t-statistic is 1.96, indicating the significant correlation.

<table>
<thead>
<tr>
<th>Cronbach’s alpha</th>
<th>Number of questions</th>
<th>Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>0/708</td>
<td>35</td>
<td>Good governance</td>
</tr>
<tr>
<td>0/712</td>
<td>16</td>
<td>Job satisfaction</td>
</tr>
<tr>
<td>0/739</td>
<td>51</td>
<td>The whole questionnaire</td>
</tr>
</tbody>
</table>

4. The Analysis

In this study to assess the relationship between the variables, the confirmatory factor analysis and structural equation modeling were used. To do this, the standard operating loads and t-statistics were calculated. If loadings are less than 0.3 a poor relation is considered and it is ignored. Loads between 0.3 to 0.6 are acceptable and if it is greater than 0.6 is very desirable. When the correlation between variables were identified, the test was significant. To evaluate the statistical significance of the relationship between variables t-test and the t-value was used. If the factorial load is greater than 1.96 at the level of 5% a significant relationship is observed.

As it can be seen the standard operating loads of the relationship between good governance and job satisfaction is 0.4, indicating that the relationship is acceptable because the t-statistic of 1.96, i.e. a significant relationship was observed, so the main hypothesis is confirmed. Furthermore, the results of the confirmed sub hypothesis are summarized in Table 2 briefly. However, in some cases, the factorial load is less than 0.3 indicates a weak relationship between variables, but because of all the values of t is greater than 1.96. So, all the relationships are significant.
Table 2. The result of hypothesis proving

<table>
<thead>
<tr>
<th>Result</th>
<th>Statistics t</th>
<th>Factorial load</th>
<th>Hypothesis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Good governance has a positive effect on job satisfaction.</td>
<td>3.79</td>
<td>0.4</td>
<td>main</td>
</tr>
<tr>
<td>Result-oriented has a positive effect on job satisfaction.</td>
<td>2.06</td>
<td>0.21</td>
<td>Sub1</td>
</tr>
<tr>
<td>Effectiveness of roles has a positive effect on job satisfaction.</td>
<td>3.25</td>
<td>0.34</td>
<td>Sub2</td>
</tr>
<tr>
<td>Promotion of the role has a positive effect on job satisfaction.</td>
<td>2.23</td>
<td>0.23</td>
<td>Sub3</td>
</tr>
<tr>
<td>Clarification has a positive effect on job satisfaction.</td>
<td>3.12</td>
<td>0.33</td>
<td>Sub4</td>
</tr>
<tr>
<td>Capacity building has a positive effect on job satisfaction.</td>
<td>3.37</td>
<td>0.37</td>
<td>Sub5</td>
</tr>
<tr>
<td>Responsibility has a positive effect on job satisfaction</td>
<td>4.06</td>
<td>0.47</td>
<td>Sub6</td>
</tr>
</tbody>
</table>
5. Discussion and Conclusion

The present study examines the impact of good governance indicators on promotion of job satisfaction of Lorestan University employees and faculty members. In this study, a confirmatory factor analysis and structural equation modeling was used to assess the relation between variables. The results have shown that there is a significant positive relationship between good governance and job satisfaction. The results indicate that by implementation of good governance in the organization, job satisfaction can be provided. In other words, organization management can implement the following measures to reach this goal: having a clear organizational goal that can guide and manage the decisions and actions of individuals at all levels of the organization, having obvious and clear duties and responsibilities of jobs so that people behave in accordance with their roles, trying to promote organizational roles and transferring them to employees, adopting and implementing decisions on the basis of an agreement with its staff, hiring people from different styles of life for synergy of skills and organization to help the organization in achieving its objectives, and at the end, having two-way interaction between the staff and management for the conducted activities. This process is not only to report or explain previous activities but also to attract stakeholders to understand and respond to their views under the name of organizational programme and implementation of those comments as well. Same studies have been conducted in this area and most of them examined good governance variable at the large levels and less at the small levels. Thus, the result of this study cannot support the results of other studies firmly. At the end, it is worthy of note that few research has been done on the concept of good governance in the organizational environment, and the researchers are suggested to investigate the other variables affecting the relationship between organizational culture and organizational policies in this field, including their good governance indicators.

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