

THE EFFECT OF GOOD UNIVERSITY GOVERNANCE ON EMPLOYEE PERFORMANCE WITH EMPLOYEE ENGAGEMENT AS A MODERATING VARIABLE (A CASE STUDY AT UNIVERSITY X)

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Abstract

This study seeks to evaluate the impact of Good University Governance (GUG) on employee performance and investigate the moderating function of employee engagement at University X. The use of effective governance concepts, including openness, accountability, responsibility, and equity, is thought to foster a favorable work environment and enhance employee performance. This study utilizes a quantitative methodology, gathering data via questionnaires administered to staff at University X. The data were examined through validity and reliability assessments, classical assumption evaluations, and hypothesis testing to ascertain the correlations among variables. The findings demonstrate that Good University Governance positively and significantly influences employee performance. This indicates that improved application of governance principles results in enhanced employee performance. Moreover, employee engagement has been demonstrated to regulate the association between GUG and employee performance, with elevated levels of employee engagement amplifying the positive impact of GUG on performance. This study indicates that raising governance quality in higher education institutions and increasing employee engagement are essential for improving employee performance and efficiently attaining organizational objectives.

Keywords: Good University Governance, Employee Performance, Employee Engagement, Moderating Variable

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1. Introduction

Higher education institutions are progressively mandated to implement efficient governance frameworks to guarantee accountability, transparency, and

organizational sustainability. The adoption of good university governance (GUG) has become a strategic necessity to improve institutional performance and stakeholder confidence. GUG denotes a framework of institutions, principles, and practices aimed at guaranteeing ethical behavior, accountability, transparency, and sustainability in corporate governance (KNKG, 2021). The use of these principles is anticipated to enhance decision-making quality and organizational efficacy within institutions.

Although GUG is conceptually rooted in broader governance principles, its implementation differs substantially from that of business organizations. Universities are public-oriented, non-profit institutions whose primary mission extends beyond organizational efficiency to include education, research, and community service. Consequently, governance in higher education must not only ensure effective resource management and administrative accountability but also preserve academic freedom, institutional autonomy, collegial decision-making, and the achievement of the Tri Dharma of Higher Education, as mandated by Law of the Republic of Indonesia Number 12 of 2012 concerning Higher Education. Furthermore, universities involve multiple stakeholders including students, academic staff, administrative personnel, governing boards, governments, accreditation agencies, and society whose interests are considerably more diverse than those of shareholders in corporate organizations. As emphasized by the OECD (2023), governance in higher education should balance institutional accountability with academic values, stakeholder participation, and long-term sustainability. Therefore, although this study adopts the governance principles proposed in KNKG (2021), GUG is treated as a distinct governance concept that reflects the unique characteristics, governance objectives, and stakeholder relationships of higher education institutions.

From a human resource management standpoint, employee performance is a crucial factor in company success. Employee performance is driven not only by individual competencies but also by organizational structures, including governance practices. Previous research has shown that the adoption of effective governance enhances employee performance by promoting an organized, transparent, and accountable workplace (Supriaddin et al., 2022; Tanjung et al., 2026). The link is particularly relevant in higher education due to the complexity of organizational structures and the range of parties involved.

The correlation between GUG and employee performance is not invariably straightforward. The research on organizational behavior emphasizes

the significance of psychological factors in mediating or modifying this relationship. Employee engagement is a significant phenomenon, described as the degree to which people are emotionally, cognitively, and physically invested in their job tasks (Kahn, 1990). Employees exhibiting elevated engagement levels demonstrate increased excitement, commitment, and concentration, hence improving their performance (Schaufeli & Bakker, 2004).

Empirical data indicates that employee engagement directly influences performance and may also serve as a moderating variable that enhances the relationship between organizational practices and employee outcomes. Kurniawan and Kusumawardani (2024) discovered that employee engagement enhances the impact of organizational characteristics on employee performance. This suggests that the efficacy of GUG adoption may hinge on the extent of employee engagement in their tasks and organizational procedures.

Although there is an expanding corpus of literature on governance and employee performance, research on the moderating influence of employee involvement within the realm of higher education governance is still scarce. Most previous research has concentrated on business environments or has just examined direct correlations among factors. A substantial study gap exists in comprehending the interaction between employee engagement and GUG in relation to employee performance inside universities.

University X serves as a pertinent framework for analyzing this relationship. The institution features a personnel with significant educational qualifications and extensive tenure, reflecting a robust ability to comprehend and assess governance procedures. This condition establishes a suitable framework to examine the implementation of GUG and its impact on employee performance, especially when influenced by employee engagement.

This study is to examine the impact of effective university governance on employee performance, utilizing employee engagement as a moderating variable. This research aims to enhance the theoretical framework of governance and organizational behavior literature, specifically within the higher education sector, while also offering practical insights for the advancement of human resource management in universities.

2. Research Method

This research was performed at University X, a tertiary educational establishment situated in Bandung City, West Java Province. University X comprises an organizational structure with a total of 95 personnel. This research addresses the concern of employee performance, which has not attained the optimal level necessary to meet the expected requirements for achieving corporate objectives. Suboptimal staff performance is a significant issue, as it affects task execution, work productivity, and overall institutional performance.

The population in this study denotes the complete set of individuals or items that are the subject of the research and exhibit characteristics pertinent to the research challenge (Bougie & Sekaran, 2020). The study population comprises all 95 workers of University X. This study used a saturated sampling strategy, or census sampling, because to the relatively modest population size and its complete accessibility. Bougie and Sekaran (2020) assert that census sampling entails include all members of a population when the population size is relatively small, with each element being significant for delivering a thorough representation of the research subject. Consequently, all 95 workers of University X were chosen as research participants. The implementation of the census approach is anticipated to yield more representative data and reduce sampling error, thereby enabling the results to more precisely represent the true conditions of the population (Hair et al., 2019).

The variables in this study were measured using indicators adapted from instruments applied in prior organizational and higher-education research rather than newly developed by the researchers. Good University Governance (X) was operationalized through the principles of accountability, transparency, responsibility, independence, and fairness, adapted from the KNKG (2021) governance guidelines and prior studies examining governance principles in public-sector and educational institutions (Sastrini & Atmadja, 2025; Yanti & Wati, 2023). Employee performance (Y) was measured using indicators of work quality, work quantity, timeliness, effectiveness, and independence, adapted from Robbins and Judge (2019) and earlier employee-performance research. Employee engagement (Z) was measured through the three dimensions proposed by Schaufeli and Bakker (2004), namely vigor, dedication, and absorption. Each adapted item was subsequently subjected to the validity and reliability procedures described below prior to use in hypothesis testing.

This study utilizes an explanatory research methodology. Explanatory study aims to elucidate empirically observable occurrences and investigate the links among variables via hypothesis testing. These interactions may manifest as correlational or causal (cause-and-effect) relationships (Nuryaman & Christina, 2014).

The data in this study were analyzed utilizing SPSS version 26 as the statistical software assistance. The data analysis methodologies employed in this study are as follows:

Validity Test

This study evaluated validity by analyzing the association between individual item scores and the total score of their corresponding variable. The method utilized was the bivariate correlation technique employing Spearman correlation. The examination was performed utilizing a two-tailed methodology at a significance threshold of 5% ($\alpha = 0.05$).

The evaluation criteria are as follows:

1. An item is deemed valid if it exhibits a substantial correlation with the total score, as evidenced by a calculated correlation coefficient (r-value) exceeding the critical value (r-table) in a two-tailed test at $\alpha = 0.05$.
2. An item is deemed invalid if it exhibits a correlation coefficient (r-value) lower than the critical value (r-table) in a two-tailed test at $\alpha = 0.05$, indicating a lack of meaningful connection with the total score.

Reliability Test

The reliability was evaluated utilizing Cronbach's Alpha coefficient. An instrument is deemed dependable if the Cronbach's Alpha value surpasses the minimum acceptable threshold of 0.70. A Cronbach's Alpha value approaching 1 indicates a greater degree of internal consistency of the instrument.

Classical Assumption Test

Normality Test

The normalcy test can be performed statistically with the non-parametric Kolmogorov-Smirnov (K-S) test utilizing SPSS software. If the significant

probability value of the K-S test is greater than or equal to 0.05, the data are deemed normally distributed (Ghozali, 2021).

Furthermore, the normality test may be conducted with the normal probability plot method by examining the data distribution along the diagonal axis of the graph. The criteria for decision-making according to this approach are as follows:

- a. If the data points are aligned with the diagonal line and adhere to its trajectory, the regression model is deemed to satisfy the normality assumption.
- b. If the data points are significantly scattered from the diagonal line or do not adhere to its trajectory, the regression model is said to violate the normality assumption.

Heteroscedasticity Test

This study employed the Glejser test for heteroscedasticity by regressing the absolute residuals against the independent factors. Should the significance value of the independent variables in the Glejser test exceed 0.05, one may infer that the regression model is devoid of heteroscedasticity (Ghozali, 2021).

Multicollinearity Test

The multicollinearity test seeks to determine the presence of high or perfect correlation among the independent variables in the regression model. Multicollinearity can be identified by examining the tolerance value and the Variance Inflation Factor (VIF). Multicollinearity is present in the regression model if the tolerance value is below 0.10 or the VIF value exceeds 10.

Upon detecting multicollinearity, it is advisable to eliminate one of the problematic independent variables from the regression model (Ghozali, 2021). This study assessed multicollinearity by correlation coefficients utilizing SPSS software (Umar, 2013).

Hypothesis Test

Coefficient of Determination (R^2)

The coefficient of determination (R^2) quantifies the degree to which the regression model accounts for the variability in the dependent variable (Ghozali,

2021). The R^2 number varies between 0 and 1. An R^2 score of 0 signifies that the model possesses minimal capacity to account for the variation in the dependant variable. A value of R^2 around 1 signifies that the independent variables can optimally account for almost all fluctuations in the dependent variable. This variable is essential in assessing the degree to which Good University Governance influences employee performance.

The formula for the coefficient of determination is as follows:

$$Kd = R^2 \times 100\%$$

Source: Ghozali (2021)

Where:

Kd=Coefficient of Determination

R^2 = Coefficient of Correlation

Moderated Regression Analysis (MRA)

Moderated Regression Analysis (MRA) is a methodological technique that facilitates the investigation of interaction effects while preserving sample integrity and offering a structure to regulate the impact of moderating variables. This strategy assesses whether a moderating variable amplifies or diminishes the relationship between the independent and dependent variables. The regression equations employed in the MRA testing are as follows:

$$Y = a + \beta_1 X + e$$

$$Y = a + \beta_1 X + \beta_2 Z + e$$

$$Y = a + \beta_1 X + \beta_2 Z + \beta_3 X*Z + e$$

Where:

Y = Employee Performance

a = Constant

X = Good University Governance

Z = Employee Engagement

$X \times Z$ = Interaction variable between Good University Governance and Employee Engagement

β_1 = Regression coefficient of Good University Governance

β_2 = Regression coefficient of Employee Engagement

β_3 = Regression coefficient of the interaction variable ($X \times Z$)

e = Error term (disturbance)

F-Test (Model Significance Test)

The F-test in this investigation was performed at a 95% confidence level with a significance level (α) of 5%. The numerator degrees of freedom (df1) are determined by ($k - 1$), whereas the denominator degrees of freedom (df2) are computed as ($n - k$), where k denotes the number of parameters in the linear regression model and n signifies the number of observations. The factors for decision-making about the F-test are as follows:

a. Based on F-value comparison:

- If $F_{\text{calculated}}$ is less than F_{table} , the independent factors collectively do not exert a meaningful influence on the dependent variable (H_0 is accepted).
- If $F_{\text{calculated}}$ exceeds F_{table} , the independent factors collectively exert a considerable influence on the dependent variable (H_0 is rejected).

b. Based on probability value (significance):

- If the probability value > 0.05 , H_0 is accepted.
- If the probability value < 0.05 , H_0 is rejected.

3. Result and Discussion

The characteristics of respondents in this study reveal that most of the 95 participants originate from varied backgrounds, exhibit a rather balanced gender distribution, and are predominantly within the productive age period of 25 to 35 years. The majority of responders possess advanced degrees (Master's and Doctoral) and have over three years of professional experience, indicating sufficient familiarity with the organizational framework. Respondents mostly hold the position of lecturers, while also including numerous organizational levels, including leadership and administrative roles, and are situated throughout different work units, particularly within study programs.

Normality test

Figure 1. Non-Parametric Kolmogorov-Smirnov (K-S) Normality Test Results

One-Sample Kolmogorov-Smirnov Test			
			Unstandardized Residual
N			95
Normal Parameters ^{a,b}	Mean		
	Std. Deviation		
Most Extreme Differences	Absolute		
	Positive		
	Negative		
Test Statistic			.063
Asymp. Sig. (2-tailed) ^c			.200 ^d
Monte Carlo Sig. (2-tailed) ^e	Sig.		
	99% Confidence Interval	Lower Bound	.441
		Upper Bound	.467

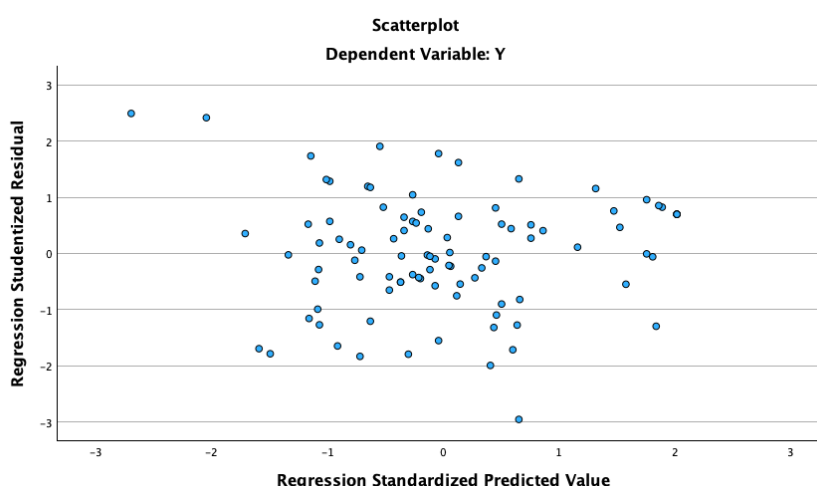
a. Test distribution is Normal.
b. Calculated from data.
c. Lilliefors Significance Correction.
d. This is a lower bound of the true significance.
e. Lilliefors' method based on 10000 Monte Carlo samples with starting seed 2000000.

Source: Output from SPSS Program, 2026

The result of the normality test of the residual value of the regression model with the Kolmogorov-Smirnov method is shown in Table 4.1. The test was carried out to determine whether the residual data were normally distributed as normality is one of the fundamental assumptions that must be met before regression analysis can be performed. Statistical results show that the Asymp. Sig. (2-tailed) is 0.200, which is greater than the significance level of 0.05. Similarly, the Monte Carlo significance value is noted at 0.454 which is also above the threshold of 0.05. The values of significance are greater than 0.05 and thus the null hypothesis that the residuals are normally distributed cannot be rejected. Therefore, it can be concluded that the regression model residuals are normally distributed. As a consequence of the normality assumption, the regression model meets the statistical requirements for further analysis. Therefore, the data are considered to be appropriate to carry out simple linear regression analysis and Moderated Regression Analysis (MRA). In addition to the Kolmogorov-Smirnov statistical test, normality of the residuals is also checked visually by the Normal Probability Plot (also called P-P Plot). The joint

application of statistical and graphic analysis better supports the decision on the fulfillment of the normality assumption by the residual distribution.

Figure 2. Results of the Heteroscedasticity Scatterplot Test



Source: SPSS Output Results, 2026

Figure 4.2 shows that the points in the scatterplot are randomly distributed both above and below the zero value on the Y-axis. The distribution of these points does not form any clear or systematic pattern, such as a widening, narrowing, or wave-like pattern. This random dispersion indicates that there is no evidence of heteroscedasticity in the regression model. In other words, the variance of the residuals remains relatively constant across the observed values. Therefore, the regression model satisfies the homoscedasticity assumption and is considered appropriate for further regression analysis and hypothesis testing.

Multicollinearity Test

The results of the test are presented in the following table:

Figure 3. Results of the Multicollinearity Test

Coefficients ^a							
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	20.100	5.091		3.948	<.001	
	GUG	.250	.063	.363	3.989	<.001	.727
	Employee Engagement	.353	.080	.403	4.429	<.001	.727
a. Dependent Variable: employee performance							

Source: SPSS Output Results, 2026

The findings in Table 4.3 demonstrate that the regression model is devoid of multicollinearity. This is evidenced by all independent variables exhibiting tolerance values exceeding 0.10 and Variance Inflation Factor (VIF) values below 10. Consequently, the presumption that the regression model is devoid of multicollinearity issues has been satisfied.

Hypothesis Test

Regression Analysis of the Effect of Good University Governance (X) and Employee Engagement (Z) on Employee Performance (Y)

A Moderated Regression Analysis (MRA) was performed to assess the impact of Good University Governance (GUG) and employee engagement on employee performance. Data analysis was conducted utilizing IBM SPSS Statistics software. The regression equation employed at this phase is as follows:

$$Y = a + \beta_1 X + \beta_2 Z + e$$

Table 4.4 displays the outcomes of the regression equation analyzing the correlation among GUG, employee engagement, and employee performance.

Figure 4. Results of Regression Equation Estimation of the Effect of Good University Governance, Employee Engagement, and Employee Performance

		Coefficients ^a				
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	Model	B	Std. Error	Beta		
1	(Constant)	20.100	5.091		3.948	<.001
	GUG	.250	.063	.363	3.989	<.001
	Employee Engagement	.353	.080	.403	4.429	<.001

a. Dependent Variable: employee performance

Source: SPSS Output Results

Table 4.4 shows that both Good University Governance (GUG) and employee engagement have significance values below 0.001, indicating that each variable has a significant effect on employee performance. In the second stage of the Moderated Regression Analysis (MRA), employee engagement is categorized as a quasi-moderator because it not only moderates the relationship between GUG and employee performance but also directly influences employee performance. The magnitude of these effects is further presented in Table 4.5.

Table 4.5 Coefficient of Determination of the Effect of Good University Governance and Employee Engagement on Employee Performance

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.668 ^a	.447	.435	4.453
a. Predictors: (Constant), Employee Engagement , GUG				

Source: SPSS Output Results, 2026

The coefficient of determination test produces an R Square value of 0.447. This result indicates that Good University Governance (GUG) and employee engagement collectively account for 44.7% of the variation in employee performance at University X. In other words, changes in employee performance can be partially explained by the implementation of governance principles and the level of employee engagement.

Meanwhile, the remaining 55.3% of the variation in employee performance is influenced by other factors that are not included in the research model. Although these external factors contribute a larger proportion, the R Square value still demonstrates that GUG and employee engagement provide a meaningful contribution to explaining employee performance. Therefore, both variables remain relevant in understanding the factors that support employee performance within the institution.

This study examines the effect of GUG on employee performance and investigates the moderating role of employee engagement in this relationship. The discussion is based on the results of the statistical analyses conducted to answer the research questions and test the proposed hypotheses. Through these findings, the study provides a clearer understanding of how governance practices and employee engagement contribute to improving employee performance at University X.

The Effect of Good University Governance on Employee Performance

This study's results demonstrate that Good University Governance (GUG) influences employee performance at University X. This finding suggests that superior implementation of governance concepts, including ethical conduct, accountability, openness, and sustainability, correlates with enhanced employee

performance. The application of these concepts can establish a more organized work environment, enhance clarity of responsibilities, and motivate people to operate more effectively and efficiently in attaining corporate objectives. Robbins and Judge (2019) assert that, according to Organizational Behavior theory, role clarity and a well-structured organizational system can impact individual behavior inside an organization, hence enhancing employee performance.

The results of this study corroborate earlier research by Adnyani and Julianto (2021), Amalya and Setiawan (2024), Amtsari and Saragih (2023), Parianti, Sahrir, and Syamsuddin (2023), Sastrini et al. (2025), Supriaddin et al. (2022), Wulandari (2020), and Yanti and Wati (2023), which determined that effective governance enhances employee performance. The consistency of these findings suggests that governance serves not just as an organizational control mechanism but also as a determinant of employee behavior in attaining corporate objectives.

The adoption of GUG in higher education institutions has distinct characteristics when compared to business entities. Universities must fulfill administrative and operational objectives while ensuring the quality of educational services, research endeavors, and community engagement in compliance with Law Number 12 of 2012. A robust governance framework is crucial to guarantee that all organizational actions align with institutional objectives (KNKG, 2021). When employees comprehensively grasp organizational regulations, procedures, and policy directives, the likelihood of work errors, task redundancies, and role conflicts can be mitigated. Robbins and Judge (2019) assert that role clarity mitigates role conflict and role ambiguity, hence enhancing individuals' effectiveness in attaining organizational objectives. This situation enables employees to concentrate more on task completion and enhancing the quality of their performance.

The findings of the descriptive analysis indicate that employees rendered a highly favorable evaluation of GUG deployment. This research demonstrates that the majority of respondents recognized clarity in task allocation, predictability in work processes, and organizational accountability in executing institutional activities. This favorable opinion suggests that the established governance structure transcends simple formalities of legislation or policies and is actively experienced in daily work activities. When a business can ensure clarity concerning rights, obligations, and operational procedures, employees will experience an enhanced sense of confidence in executing their tasks. Robbins

and Judge (2019) assert that job clarity diminishes work-related ambiguity and enhances individual effectiveness in attaining organizational objectives.

A notable discovery in this study is the elevated evaluation assigned by respondents to the ethical behavior factor. This condition signifies that the ideals of integrity, honesty, professionalism, and regulatory compliance have been integrated into the organizational work culture. An ethics-oriented workplace culture significantly influences employee behavior by providing a framework for decision-making and task execution. Employees in an atmosphere that promotes ethical ideals exhibit heightened awareness in fulfilling their duties and refraining from actions that could jeopardize the organization. This aligns with Robbins and Judge (2019), who assert that organizational culture constitutes a system of values, beliefs, and conventions that shapes individual cognition and behavior inside an organization. A culture that prioritizes integrity and ethics fosters positive work behavior and enhances performance outcomes. Consequently, ethical behavior serves not only as a moral principle but also as a determinant of enhanced performance.

Despite GUG receiving a commendable evaluation, the findings of this study indicate that the transparency dimension had a lower average score relative to other dimensions. This conclusion is noteworthy since it reveals a perception gap between information transparency and other governance dimensions. This condition indicates that while the business has supplied necessary information to employees, the methods of conveying knowledge and communicating organizational policies have not been viewed effectively by all employees.

This behavior may result from multiple sources. The intricate organizational structure of higher education institutions results in information traversing multiple bureaucratic tiers before disseminating to all personnel. Secondly, not all organizational policies are readily comprehensible to all personnel, particularly when information is conveyed in an excessively formal or technical style. Third, disparities in information access among work units may affect employees' impressions of organizational transparency.

The diminished evaluation of the transparency feature suggests that organizational communication mechanisms have not been entirely refined for all personnel. Robbins and Judge (2019) assert that effective communication is a crucial element in companies as it facilitates information dissemination, mitigates

uncertainty, and enhances work coordination. Consequently, disparities in perceptions of transparency may occur when organizational information has not been uniformly distributed or comprehended by all personnel. Improper management of this condition may result in misconceptions, diminish employee engagement, and undermine the efficacy of organizational policy execution.

The findings suggest that the efficacy of GUG implementation is contingent not only upon the presence of sound rules and policies but also on the organization's capacity to convey these policies effectively to all employees. Organizations must enhance internal communication systems by delivering information that is more transparent, comprehensible, and prompt. Enhancing transparency will bolster the execution of governance principles, augment employee trust in the company, and reinforce their engagement in advancing institutional objectives.

Overall, the results of this study show that GUG plays an important role in creating a work environment that supports improved employee performance. Good governance is able to create role clarity, strengthen coordination, improve accountability, and build a work culture based on ethics and professionalism. These findings support the view of OECD (2023), which states that the implementation of governance principles can improve organizational effectiveness through strengthening control systems, transparency, accountability, and integrity in organizational management. The transparency aspect remains an area requiring further attention so that GUG implementation can be carried out more effectively and provide a more optimal impact on improving employee performance at University X.

The Role of Employee Engagement in Moderating the Effect of Good University Governance on Employee Performance

This study's findings demonstrate that employee involvement enhances the correlation between Good University Governance (GUG) and employee performance. This conclusion suggests that the efficacy of governance implementation relies not only on the caliber of organizational systems, rules, and procedures, but also on employees' perceptions, acceptance, and execution of these policies in their everyday tasks. This aligns with the Organizational Behavior theory posited by Robbins and Judge (2019), which asserts that organizational efficiency is influenced not only by structures and systems but also by the attitudes and behaviors of the persons managing these systems.

Employee engagement denotes a state in which individuals exhibit emotional, cognitive, and behavioral commitment to their work and the organization they serve. This bond urges employees to exert increased energy, focus, and effort in fulfilling their responsibilities. The findings corroborate earlier research by Deta et al. (2023), Firdausi and Wajdi (2024), Kurniawan and Kusumawardani (2024), Pratama et al. (2025), Pratiwi and Rizky (2024), Santri et al. (2023), and Thawornlamlert et al. (2026), demonstrating that employee engagement affects employee performance. The consistency of these data suggests that employee involvement is a reliable element that enhances performance across diverse enterprises.

This study reinforces the perspective that employee engagement transcends a mere human resource concern and constitutes a strategic element influencing the efficacy of attaining organizational objectives. Saks (2006) asserts that employee engagement is a psychological state that motivates individuals to devote their physical, cognitive, and emotional energies to their work, therefore facilitating the attainment of corporate goals. Employee engagement is increasingly vital since organizational success is influenced not only by the attainment of administrative objectives but also by the caliber of academic services, student services, and support for the execution of the Tri Dharma of Higher Education. The presence of highly engaged staff is a crucial advantage for sustaining service quality and institutional viability.

The findings of this study align with the employee engagement framework articulated by Schaufeli and Bakker (2004), which posits that employees exhibiting elevated levels of vigor, dedication, and absorption are likely to exhibit superior work performance relative to those with diminished engagement levels. Employees that are interested in their job do not only execute duties to meet formal requirements; they possess intrinsic desire to deliver optimal contributions to the firm. This condition motivates people to leverage their skills, uphold work quality, and endeavor to meet defined objectives.

Governance establishes a framework that guides organizational actions based on the values of ethical conduct, accountability, transparency, and sustainability. The findings of this study demonstrate that the presence of an effective system does not inherently yield optimal performance. Governance systems fundamentally establish organizational regulations and behavioral norms, with their execution largely contingent upon the persons who administer them. Employee engagement serves as a crucial link between organizational

rules and employee work behavior. Kahn (1990) elucidates that employee engagement denotes a state wherein workers commit themselves physically, cognitively, and emotionally to their work, facilitating the conversion of organizational policies into more effective work practices.

These data suggest that effective governance does not uniformly yield identical outcomes across all organizations. The effect is significantly determined by the degree of employee commitment to the organization. Employees with high engagement tend to comprehend corporate goals better, express greater interest for work results, and show readiness to contribute beyond formal job responsibilities (Schaufeli & Bakker, 2004). Conversely, when employee engagement is deficient, policies formulated through governance processes may devolve into basic administrative procedures, executed solely as obligations without effecting significant alterations in work behavior.

The study's results indicate that both GUG and staff engagement earned highly favorable evaluations from respondents. Simultaneously, numerous indicators had comparatively lower scores relative to others. This state suggests that superior governance quality and great employee engagement have not totally eradicated numerous operational issues experienced by employees. Robbins and Judge (2019) assert that individual performance arises from the interplay of personal factors, social dynamics, and organizational structures that influence the work environment.

A notable finding that warrants notice is the punctuality indicator, which obtained the lowest score in the employee performance metric. This conclusion suggests that despite personnel being seen as professional, competent, and efficient, some nonetheless encounter challenges in meeting established deadlines. This condition indicates that enhancing performance is not solely dependent on individual capabilities or motivation but is also affected by organizational structure elements, including workload allocation, inter-unit cooperation, procedural complexity, and escalating job demands.

This situation signifies that high-quality governance does not invariably surmount all problems encountered in everyday operational execution. Effective governance must establish better organized and efficient work procedures. Nonetheless, the findings indicate that the presence of an effective system does not inherently eradicate operational obstacles at the implementation stage. A disparity exists between the quality of organizational structures established by

the institution and the actual challenges encountered by personnel in their everyday tasks. From the standpoint of Organizational Behavior, the efficacy of a policy is significantly affected by individuals' comprehension, acceptance, and execution of the policy in their everyday work routines (Robbins & Judge, 2019).

A comparable situation is noted in the absorption aspect of employee involvement, which garnered a lower rating than vigor and dedication. This conclusion suggests that the majority of employees exhibit strong work excitement and take pride in their affiliation with the firm; yet, not all employees are capable of becoming fully engaged in their tasks. This situation may suggest that employee involvement is more robust in the affective or emotional dimension than in the behavioral part of daily job. Schaufeli and Bakker (2004) delineate that employee engagement comprises three dimensions: vigor, dedication, and absorption, which may manifest at varying levels for each individual.

This phenomenon suggests that employees may exhibit significant dedication to the business while simultaneously encountering diverse work conditions that diminish their capacity to concentrate fully on their tasks. The intricate landscape of higher education institutions, fluctuating policy modifications, substantial administrative obligations, and several concurrent responsibilities may lead to employees' focus being dispersed across different activities. Robbins and Judge (2019) assert that job features and elevated work demands can affect individual focus and involvement in task execution. A sense of pride in the organization does not always correlate with maximum work engagement.

These findings convey a crucial lesson that businesses must not concentrate just on creating governance structures or enhancing participation in isolation. Both elements must be managed concurrently and mutually reinforce one another. Effective governance devoid of employee engagement may yield mere formal compliance. Intense engagement lacking an effective governance framework may generate enthusiasm devoid of clear direction. This assertion aligns with Robbins and Judge (2019), who highlight that organizational efficiency relies on the congruence between organizational processes and individual behavior. An effective system necessitates constructive work behavior, which in turn demands explicit guidance from a proficient organizational framework. Organizational success hinges on the capacity to harmonize system quality with employees' psychological preparedness.

The findings of this study indicate that employee involvement is not just a supplementary element but a crucial determinant in the translation of governance principles into effective work behavior. These findings indicate that the primary issue for organizations lies not only in creating an effective system but also in ensuring that employees comprehend, accept, and optimally utilize the system in their daily job activities. This finding aligns with the principle of Organizational Behavior, which posits that organizational performance hinges on effectively managing the interplay between organizational structures and individual behaviors to achieve shared objectives (Robbins & Judge, 2019).

4. Conclusion

The study investigating the impact of Good University Governance (GUG) on employee performance, with employee engagement as a moderating variable at University X, yields the following conclusions:

1. *Good University Governance* affects staff performance. The application of governance concepts, such as ethical conduct, accountability, transparency, and sustainability, fosters a work environment conducive to enhanced employee performance. The more effectively these governance principles are implemented, the greater the performance exhibited by employees in fulfilling their obligations and responsibilities.
2. *Employee engagement* has been proven to strengthen the relationship between GUG and employee performance. The implementation of good governance will have a more optimal impact on performance improvement when supported by a high level of employee engagement. Employees with high engagement tend to better understand, accept, and implement organizational policies, thereby enabling the implementation of GUG to be more effective.
3. This study is subject to certain limitations. The research was conducted at a single institution (University X), which constrains the generalizability of the findings to other higher education settings. Future studies are encouraged to involve multiple universities, encompassing both public and private institutions, to enhance external validity, and to conduct comparative analyses across different institutional governance systems in order to examine whether the observed relationships between GUG, employee engagement,

and employee performance hold consistently across varying organizational and regulatory contexts.

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