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Employees' Perception Towards the Implementation of Corporate Governance Principles: An Egyptian Perspective

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Marwa Anis [α] & Amira Abdul Hamid [σ]

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Despite the fact that some employees lack proper knowledge about the issues of corporate governance, the findings were encouraging as the majority of employees have emphasised its importance. The results of this study can be beneficial in developing a better understanding about corporate governance within different Egyptian institutions and in promoting the importance that employees can play in implementing governance.

I. Introduction

Many scholars have defined corporate governance from different perspectives and in different contexts (Turnbull, 1997). It is noted that corporate governance is the process by which the relationship between the company's board of directors, management, and stakeholders is directed and controlled (OECD, 2004).The development of corporate governance into what it is today has taken many years; the concept of corporate governance has been thriving since the 18th century in the East and West (Hubbard & Wood, 2013) and it has become the focus of many enterprises in the recent years. This can be attributed to the global awareness of the importance of its promotion and the negative consequences if it is ignored (The Professional Accountants in Business Committee, 2009).

Corporate governance emerged from agency theory. Agency theory is primarily concerned with protecting and enhancing shareholders' wealth (Jensen & Meckling, 1976). Over time, many scholars have developed theories that seek to define the mechanisms and practices of the code of corporate governance. One of the most noteworthy theories is stakeholder theory which emphasises the role of the stakeholders to the company as they are considered to be essential to the success and survival of the corporation (Boredean, 2012; Spitzech and Hansen, 2010). Traditionally, a stakeholder is any individual who is affected directly or indirectly by the company's decisions and actions (Freeman, 1984). Although all stakeholders are important for a corporation's success, some stakeholders are perceived to be more crucial in determining the organisation's survival, such as employees and shareholders (Lazano, 2005).

For corporate governance to perform its function, the real challenge is not related to drafting codes, but rather to employees' attitudes (Peters, 2004) It is often highlighted that employee attitudes in respect to ethical standards are crucial in tackling this issue. Governance programs will never succeed unless they take time to understand the ethical mind-set of the employees. Also, previously set codes should be entrenched at every level of the business, in every business unit and subsidiary (Peters, 2004).

Several studies consider employees as participants in corporate governance (e.g. Svensson et al., 2016; Glavas and Godwin, 2013; Mc Donnell, 2011; Muthusamy et al., 2011; Lower, 2009; Konzelmann, 2005) concentrate on specific issues such as being a representative on the board. However, they do not adequately tackle how well employees identify with their organisation on these issues.

In these terms, previous studies (e.g. Rasiah, 2012) concentrate their attention only on one agency relation that occurs between owners and management. Others form of agency that may exist in the corporate is not given enough consideration. For instance, in spite the importance of the employees' roles in the implementation of corporate governance principles, the agency relationship between employees and management is ignored (Child et al. 2004); however, it is essential to consider this relationship to achieve organisational objectives. Here we see the importance of studying how employees perceive the importance corporate governance, specifically in the organisation they are currently working in.

Consequently, the current study aims to study employees' perceptions and expectations towards corporate governance within the Egyptian context. The importance of this study lies in the scope and nature of its targeted context, which is a developing country. Generally, previous studies focus on developed

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countries (e.g Svensson et al., 2016; Muthusamy et al., 2011)

Hence, the findings of the current study are mainly directed to answer the following research question: How do employees perceive the practices of corporate governance within their organisation in Egypt?

This question is examined through conducting an exploratory study on employees' perception of corporate governance in Egyptian corporations.

II. Literature Review

One of the early attempts at defining corporate governance is by Berle and Means (1932). They state that the problem of separation between ownership and control in many organisations has led to what is known as the agency problem. The main activities of corporate governance are controlling and regulating ownership within the organisation.

Calder (2003) has provided a more comprehensive framework for the corporate governance concept. This study has stated that corporate governance is related to the practices, duties and responsibilities exercised by the governing body of institutions. It comprises of the board of directors and executive managers and it aims at establishing strategic plans, ascertaining goals are achieved as planned and resources are used properly, and managing risks appropriately.

The term corporate governance has become very significant and popular in many enterprises during recent years; corporate governance carries out all the processes and practices that aim at achieving accountability within an enterprise (Butler, 1999). The Organisation of Economic Cooperation and Development (OECD), in its updated report in April 2004, has highlighted that proper corporate governance helps in enhancing economic growth and efficiency as well as strengthening shareholders' trust. Moreover, it contains within its framework a set of relationships and agreements between the board of directors, managers, shareholders, and other stakeholders of the organisation.

a) Employees' role in governance

According to Davies (2006), employees are a major stakeholder in every company, since their skills and experience are needed for the firm's success, and on the other hand, employees use the organisation to improve and enrich their curriculum vitae. Botha (2011) also stresses that "employees should be aware of their company's corporate governance systems as well as its objectives and directions because employees' involvement contributes significantly to the improvement of the business and create confidence in the promotion of corporate governance principles in the workplace". It can be argued that poor employee relations can lead to a decline in their productivity, morale, loyalty, innovation, and creativity in addition to conflicts of interest and problems in recruiting and retaining staff (Metcalf, 1995).

Hence, involving employees in corporate governance systems and empowering them can lead to the company's efficiency in addition to other positive consequences (Jacoby, 2001). It appears that employees' involvement in corporate governance is as essential as shareholders' involvement because both are complementary and beneficial to protect and maximise the company's assets and to satisfy their risk preferences (Boatright, 2004).

Many scholars have highlighted the important role that employees play in the execution of corporate governance (Botha, 2011). Employee governance and stakeholder governance are considered complementary and mutually beneficial as they bothachieve the same goal which is mainly to protect their firms' specific assets. There are several ways to involve employees in the promotion and enforcement of governance and it can be in the form of employees' share in ownership and election of representatives on the board of directors. It is expected that employee empowerment will encourage them to take a role in the fight against corruption and fraudulent activities in the workplace. In general, employee roles are complementary to forms of governance (Botha, 2011). That is why employees should not only be aware of the organisation goals, but should also be aligned with them. It is evident that the strategic involvement of employees is crucial for the improvement of businesses.

Moreover, if employees do not trust their company's management, this will impose serious threat to a company's performance and it may result in failure of governance. The relation between employees and managers within the organisation is the proper tool to gain a considerable alignment of corporate governance theory (Child et al., 2004).

b) Research question/objectives

There are many limitations in the current area of study as most researches apply studies on developed countries (Mulili, 2011). There is a general lack of sufficient empirical studies based on developing countries such as Egypt, and therefore, the aim of the current study is to examine the ways in which employees in the Egyptian organisation are integrated within their organisation in terms of corporate governance activities. Accordingly, it is crucial to investigate employees' perception and expectations towards corporate governance within the Egyptian context.

This raise the following research question: How do employees perceive the practices of corporate governance within their organisation in Egypt?

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III. Methodology and Data

The adapted questionnaire is used as an instrument to collect the required data to answer the early specified research question gained from these practices. The questionnaire is adapted from a previous study about 'Business students' perceptions on corporate governance' to ensure its validity and reliability with some modifications in order to fit the current study's context (Bordean, 2012).

The respondents were asked to complete a five–point Likert scale questionnaire by indicating their level of agreement to 34 statements after completing the personal information in the first part of the questionnaire. The main reason for choosing this type of questionnaire is to avoid the subjectivity and errors of the open-ended unstructured questions as it might be difficult for the respondents to understand those unstructured questions which will result in unwillingness or inability to answer the stated questions due to its vagueness. On the other hand, the structured five-point Likert scale questions are much easier to understand and answer because they provide the respondents with a set of alternative choices (strongly disagree, disagree, neutral, agree, strongly agree) from which they choose and this increases the respondents' willingness and ability to understand and answer the given questions (Malhotra, Baalbaki, & Bechwati, 2010).

The questionnaire is composed of seven groups pertaining to different corporate governance issues and they are management issues, shareholders issues, personal issues, society issues, customer issues, board of directors issues and overall employees' perceptions towards the importance of corporate governance issues.

The reliability and the validity of the questionnaire are tested before distribution on the identified sample using pilot testing. The purpose of the pilot testing is to refine the questionnaire before distributing it in order to make it more convenient for the respondents to answer the questionnaire without help and to avoid difficulties in managing the data (Saunders, Lewis, & Thornhill, 2012).

IV. Results

The analysis is presented below as follows: a measurement of the validity and reliability of the questionnaire through Cronbach's alpha and factor analysis, and an overall analysis of the answers generated from the distributed surveys using descriptive statistics. In the end, a total of mean scores is calculated for each issue in order to find out the relative importance given to each one of them by the employees.

a) Validity and reliability testing

i. *Cronbach's alpha*

Cronbach's alpha is mainly used to assess the level of validity and reliability of a set of questions by measuring the interrelatedness between various items represented in a certain questionnaire (Grau, 2007). The Cronbach's alpha of the 34 statements of the survey has a value of 0.923 indicating a low level of error variance for the statements represented in the survey to be considered reliable for a single construct scale as mentioned in table 1 and table 2.

Table 1: Case Processing Summary

	N	%
Cases Vaild	131	99.2
Excluded[a]	1	.8
Total	132	100.0

a. Listwise deletion based on all variables in the procedure

Table 2: Reliability Statistics

Cronbach's Alpha	N of Items
.923	34

In particular, when the alpha scores 0.70 or higher, this indicates that the tested variables are considerably unidimensional and reliable (Schmitt, 1996).

b) Factor analysis

Factor analysis is a technique used in developing questionnaires; it aims at identifying the underlying unobservable factors or variables that indicate a pattern of correlations within a set of manifest or observed variables (UCLA, 2015). A Kaiser-Meyer-Olkin measure has been used to test the sampling adequacy. In the current study, the sampling adequacy has scored 0.852 which indicates a proper level of adequacy as the closer the value to 1 as shown in table 3; the better it is (UCLA, 2015).

Table 3: KMO and Bartlett's Test

Kaiset-Meyet-Olkin Measure of Sampling Adequacy		.852
Bartlett's Test of Spheticity	Approx. Chi-Square	2272.197
df		561
Sig		.000

In order to develop a better and more comprehensive understanding of corporate governance, the concept was broken down into seven distinct issues: management issues, shareholders' issues, personal issues, society issues, customer issues, board of directors issues and overall employees perceptions

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towards the importance of CG issues. Hence, the percentage of total variance was calculated for each issue separately in order to estimate the contribution of each factor to that particular issue. The tables 4 to table 10 demonstrate the total variance for each issue and each table can be referred to the questionnaire in the Appendix in order to understand what each statement stands for.

Table 4: Total Variance Explained for Management Issue

Component	Initial Eigenvalues			Extraction sums of Squared Loadings		
	Total	% of Variance	Cumulatice %	Total	% of Variance	Cumulative %
Statement 2	2.307	57.535	Statement 2	2.307	57.535	Statement 2
Statement 3	.664	16.605	Statement 3	.664	16.605	Statement 3
Statement 4	.587	14.675	Statement 4	.587	14.675	Statement 4
Statement 1	.447	11.186	Statement 1	.447	11.186	Statement 1

Extraction Method: Principal Component Analysis.

Since statement 2 (see table 4) in the questionnaire has the highest percentage of the total variance (57.5%), it can be interpreted that it is the most important factor in contributing to management issues, followed by statement 3 which has a value of 16.6% of the total variance. The least effective factor is statement 1 as it has 11.18% of the total variance.

Table 5: Total Variance Explained for Shareholders Issues

Component	Initial Eigenvalues			Extraction sums of Squared Loadings		
	Total	% of Variance	Cumulatice %	Total	% of Variance	Cumulative %
Statement 6	3.214	53.575	53.575	3.214	53.575	53.575
Statement 9	.999	16.650	70.225			
Statement 8	.625	10.412	80.637			
Statement 7	.523	8.723	89.360			
Statement 5	.363	6.046	95.407			
Statement 10	.276	4.593	100.000			

Extraction Method: Principal Component Analysis.

Table 5 displays that, statement 6 has the highest contribution to the total variance in the shareholders issues (53.5%), followed by statement 9 (16.6%) and statement 8 (10.4%), whereas statement 10 has the least contribution (4.5%) to the shareholders' issues.

Table 6: Total Variance Explained for personal Issues

Component	Initial Eigenvalues			Extraction sums of Squared Loadings		
	Total	% of Variance	Cumulatice %	Total	% of Variance	Cumulative %
Statement 13	2.450	61.241	61.241	2.450	61.241	61.241
Statement 11	.615	15.375	76.616			
Statement 14	.519	12.967	89.583			
Statement 12	.47	10.417	100.000			

Extraction Method: Principal Component Analysis.

The total variance for statement 13 (see table 6) is 61.2%, which indicates that this statement has the highest contribution to the personal issues in the questionnaire, followed by statement 11 (15.3%), statement 14 (12.9%) and statement 12 (10.4%).

Table 7: Total Variance Explained for Society Issues

Component	Initial Eigenvalues			Extraction sums of Squared Loadings		
	Total	% of Variance	Cumulatice %	Total	% of Variance	Cumulative %
Statement 16	2.300	57.512	57.512	2.300	57.512	57.512
Statement 15	.746	18.656	76.169			
Statement 18	.662	16.552	92.720			
Statement 17	.291	7.280	100.000			

Extraction Method: Principal Component Analysis.

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Statement 16 as shown in table 7 is the most significant factor in contributing to the society issues in the questionnaire (57.5%), while statement 15 comes next (18.6%), followed by statements 18 and 17 which have 16.5% and 7.2% of the total variance respectively.

Table 8: Total Variance Explained for Customer Issues

Component	Initial Eigenvalues			Extraction sums of Squared Loadings		
	Total	% of Variance	Cumulatice %	Total	% of Variance	Cumulative %
Statement 19	2.437	48.738	48.738	2.437	48.738	48.738
Statement 21	1.264	25.278	74.016	1.264	25.278	74.016
Statement 20	.538	10.766	84.782			
Statement 22	.443	8.865	93.647			
Statement 23	.318	6.353	100.000			

Extraction Method: Principal Component Analysis.

Table 8 demonstrates that the highest percentage of the total variance in the customer issues comes from statement 19 (48.7%), followed by statement 21 (25.2%), statement 20 (10.7%), statement 22 (8.8%) and then statement 23 (6.3%).

Table 9: Total Variance Explained for Board of Directors Issues

Component	Initial Eigenvalues			Extraction sums of Squared Loadings		
	Total	% of Variance	Cumulatice %	Total	% of Variance	Cumulative %
Statement	2.600	32.502	32.502	2.600	32.502	32.502
Statement	1.430	17.871	50.373	1.430	17.871	50.373
Statement	1.107	13.839	64.212	1.107	13.839	64.212
Statement	.824	10.296	74.508			
Statement	.619	7.738	82.246			
Statement	.579	7.239	89.485			
Statement	.539	6.737	96.222			
Statement	.302	3.778	100.000			

Extraction Method: Principal Component Analysis.

For the board of directors issues (see table 9), the highest variance comes from statement 26 in the questionnaire (32.5%), followed by statement 25 (17.8%), statement 28 (13.8%), statement 24 (10.2%), and statement 29 which has the least contribution to the issue (3.7%).

Table 10: Total Variance Explained for Overall Employees' Perception towards the Importance of CG

Component	Initial Eigenvalues			Extraction sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
Statement 33	1.643	54.760	54.760	1.643	54.760	54.760
Statement 34	.952	31.732	86.492			
Statement 32	.405	13.508	100.000			

Extraction Method: Principal Component Analysis.

Table 10 illustrates that statement 33, which has the highest percentage of the total variance (54.7%), contributes to the overall employees' perception towards the importance of CG issues significantly, followed by statement 34 (31.7%), and then statement 32 (13.5%).

c) Data collected and analysis of respondents

The data was gathered using self-administered and online questionnaires, and the targeted sample size was set to be 150 respondents. However, only 132 respondents had completed the survey. The survey consists of 34 questions, excluding the first five personal questions; the 34 statements were divided into seven groups as mentioned previously in order to reflect different issues regarding the discussed topic. The first group of four questions represents management issues; the second group of six questions represents shareholders issues; the third group of four questions represents personal issues; the fourth group of four questions represents society issues; the fifth group of five questions represents customer issues; the following eight questions represent board of directors issues; and the last group is composed of three questions that represent employees' overall perceptions towards the importance of corporate governance.

The percentage of females who completed the survey slightly exceeds the percentage of males as

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56.82% of the respondents were females and 43.18% were males. It is critical to identify the percentage of respondents from each gender in order to interpret the analysis more accurately.

The majority of the respondents who undertook the survey range in age from 20 to 30 years and represent 40.91% of the respondents. The percentage has declined to 33.33% representing the group between 31 and 40 years old. As the age decreases, the percentage of respondents who completed the survey decreases seeing that 14.39% of the respondents range from 41 to 50 years old. Finally, the percentage drops to 11.36% representing respondents above 50 years old.

Based on the data collected from the survey, the majority of the respondents were employees working in the educational sector, 61.36%, while employees working in non-educational sectors was 38.64% of the sample. This variation in percentages could be interpreted as due to the increasing awareness of corporate governance issues in educational institutions among teaching and administrative staff.

The biggest portion of the respondents has more than 10 years' work experience as they represent 45.45% of the sample size. The second portion represents 34.85%, which is respondents who have less than five years' work experience followed by 19.7% of respondents who have work experience ranging from five to 10 years.

47.73% of the respondents are middle-level employees while the second two portions are relatively close as the entry level employees represent 27.27% of the sample size, and 25% represent top-level respondents.

The majority of the respondents agree that their organisations discourage malpractice/unprofessional conduct to gain short-term benefits as they represent 28% of the total sample while 21.9% were neutral, and 18.9% strongly agreed with the statement. However, 17.4% of the respondents disagreed, and 13.6% strongly disagreed.

31.8% of the respondents agreed that their organisation ensures justice/equality and non-discriminatory treatment among its employees. The portion of respondents who were neutral and disagreed with the statement was very close as both represented 21% of the sample. Moreover, 13.6% of the respondents strongly agreed, while 11.3% strongly disagreed.

28.7% of the sample agreed that their organisation ensures the independence of internal and external auditors to strengthen checks and balances in the firm, while 26.5% were neutral. 18.9% of the respondents showed their disagreement while 17.4% strongly agreed with the statement, and only 8.3% strongly disagreed.

When the respondents were asked to indicate their level of agreement/disagreement with whether their organisations discouraged participation in the micro politics of the organisation's higher management, 33.3% were neutral, 21.9% agreed and 21.9% disagreed. Further, 12.8% strongly agreed, while 9.8% strongly disagreed.

29.5% of the sample agreed that their organisation maintains the balance between the interest of different stakeholders and the rights of employees of the firm whereas 28% were neutral. On the other hand, 22.7% of the respondents disagreed with the statement and 10.6% strongly disagreed, while 9% strongly agreed.

28% of the respondents agreed that their organisation forbids helping the owner in his unethical/unlawful business transactions, 23.4% were neutral, 22.7% disagreed, 14.3% strongly agreed, and 11.3% strongly disagreed.

31% of the respondents were neutral when they were asked to what extent they agree/disagree that their organisation ensures the open system and maximum access to information for shareholders while 25.7% agreed with the statement and 22.7% disagreed, 10.6% strongly disagreed, and 9.8% strongly agreed.

The biggest portion of the sample agreed that their organisation forbids them to manipulate or play with the figures to cheat the shareholders/owners, 33.3% of the total sample, and 23.4% strongly agree with the statement. 15.9% disagreed with the statement, 15.5% were neutral, and 12.2% strongly disagreed.

37% of the respondents agreed that their organisation prioritises shareholders'/owners' interest in making business decisions, 21% were neutral, 17.4% strongly agreed, 15.9% disagreed, and 8.3% strongly disagreed.

34.8% of the total sample agreed that their organisation ensures the resources allocation in the interest of shareholders/owners while 28% were neutral, 18% strongly agreed, 14.3% disagreed, and only 4.5% strongly disagreed.

The majority of the respondents agreed that their organisation maintains a high level of morals, justice, and honesty in business and other affairs, 37% of the sample size, while 21.2% of the respondents disagreed with the statement, 20.4% were neutral, 14.3% strongly disagreed, and only 6.8% strongly disagreed.

The answers to this statement were very close as 27.2% were neutral, 26.5% agreed, 24.2% disagreed, 15.9% strongly agreed and only 6% strongly disagreed that their organisation helps them become a socially and ethically responsible citizen.

This figure demonstrates that 30.3% of the respondents were neutral, 27.2% agreed, 21.9% disagreed, 11.3% strongly agreed and 9% strongly disagreed when they were asked to indicate their level of agreement/disagreement whether their organisation ensures 100% transparency and fairness in their business transactions.

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When the respondents were asked if their organisation is not overruling the firm's policies to gain personal benefit/self-interest, 30.3% were neutral, 25.7% agreed, 19.7% disagreed, 14.3% strongly agreed, and 9.8% strongly disagreed.

The majority of the respondents, 39.3%, agreed that their organisation abides by the local laws and regulations in business transaction, while 24.2% were neutral, 20.4% strongly agreed but 8.3% strongly disagreed, and 7.5% disagreed.

43% of the total sample agreed that their organisation enables caring for the local values and culture while making business decisions, 23.4% were neutral, 14.3% disagreed, 11.3% strongly agreed, and 7.5% strongly disagreed.

The responses are relatively close as 28% respondents agreed that their organisation fights for environmental issues while making business decisions and 28.7% were neutral while 23.4% disagreed with the statement and 12% strongly agreed, whereas 7.5% strongly disagreed.

31% of the respondents were neutral, 27.2% agreed, 18.9% disagreed, 14.3% strongly agreed and only 8.3% strongly disagreed when they were asked if they agree/disagree that their organisation discourages the culture of kickbacks and corruption among the local authorities of the state.

32.5% of the sample agreed that their organisation encourages treating the customer with actual and real service features while 24.2% were neutral and 18% strongly agreed, 15.9% disagreed, and 9% strongly disagreed with the statement.

34.8% of the respondents agreed that their organisation strictly disallows cheating customers with impossible promises or unrealistic expectations, which is the largest proportion, followed by those who were neutral and disagreed as each portion scored 19.7% of the total sample size. 18% of the respondents strongly agreed while only 7.5% strongly disagreed.

29.5% agreed that their organisation discourages increasing profit through unfair promotional means whereas 21.2% strongly agreed and 20.4% were neutral, 20.4% disagreed, while 8.3% strongly disagreed with the statement.

When the respondents were asked to indicate their agreement/disagreement with this statement 'my organisation supports working for value maximisation instead of profit maximisation', the results were significantly close: 28.7% agreed, 28% neutral, 22.7% disagreed, 10.6% strongly disagreed, and 9.8% strongly agreed.

32.5% of the respondents disagreed that their organisation predicts that achieving the target is not everything in business success, while 31.8 were neutral, 18.9% agreed, 9% strongly agreed, and 7.5% strongly disagreed with the statement.

When the respondents were asked to evaluate the statement 'there is no need to know the number or the identity of the board of trustees', 28% were neutral, 27.2% disagreed, 20.4% agreed, 15.9% strongly disagreed, and 8.3% strongly agreed.

27.2% of the sample disagreed when they were asked if their organisation is coordinating and communicating activities and information about the board while 26.5% agreed with the statement, 25% were neutral, 12.8% strongly disagreed, and 8.3% strongly agreed.

The biggest portion of responses here represents those who were neutral, 30.3%, whereas those who agreed represent 24.2% of the sample size and the proportion who disagreed was 23.4%. Besides, 12% of the sample strongly disagreed, while 12% strongly agreed.

33.3% of the respondents agreed that it is the responsibility of the board to ensure that there are no malpractices while 29.5% were neutral, 15% strongly agreed, 15% disagreed, and only 6.8% strongly disagreed.

28% of the respondents disagreed with the statement 'it is unnecessary to know details about the duties and responsibilities of the board' whereas 21.9% were neutral, 20.4% agreed, 18% strongly disagreed, and 11.3% strongly agreed.

The biggest portion of the respondents, 36.3%, agreed that it is important to have a board with diverse background/experience while 29.5% strongly agreed, 21.9% were neutral, 6.8% strongly disagreed, and only 5.3% disagreed with the statement.

When the respondents were asked if most of the board members are independent, their responses were somewhat close as 26.7% were neutral, 25% agreed and another 25% disagreed while 12.2% strongly disagreed, and 10.6% strongly agreed.

31.8% of the sample agreed that the CEO and the Chair of the board are two different persons, 23.4% strongly agreed, 21.2% neutral, 16.6% disagreed, and only 6.8% strongly disagreed.

When the respondents were asked if it is unimportant to have several board sub-committees within their organisation, 28% were neutral, 26.5% disagreed, 23.4% agreed, 11.3% strongly disagreed, and 10.6% strongly agreed.

The majority of the respondents agreed that it is essential to have training about the governance issues while 25.7% strongly disagreed, 21.9% were neutral, 6.8% disagreed and only 1.5% strongly disagreed.

37% of the total sample agreed that corporate governance is a key to organisation success, 25.7% strongly agreed, 25% were neutral, 8.3% disagreed, and 3.7 strongly disagreed with the statement.

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d) Calculating average mean scores

As mentioned earlier, the statements in the questionnaire are grouped into seven clusters: management issues, shareholders issues, personal issues, society issues, customer issues, board of directors' issues and overall employee perceptions towards the importance of corporate governance issues. In order to analyse these issues, the author used mean scores in descending order and the findings are presented in the following tables.

Table 11: Mean scores of management issues

Management issues	N	Mean	Std. Deviation
My organisation ensures the independency of internal and external auditors to strengthen the check and balance in the firm	132	3.28	1.200
My organisation discourages to a part of malpractice/ unprofessional conduct to gain short term benefits	132	3.21	1.314
My organization ensures the justice/equality and non discriminatory treatment among the employees of my firm	132	3.15	1.232
My organisation's discourages to participate in the micro politics of the organisation's highet managment	132	3.06	1.164

The management issues (see table 11) are typically concerned with how an organisation is managed and controlled. Those issues are considered to be the key element of corporate governance. It is crucial to know how the employees perceive the management styles and practices within their organisation in order to be able to measure their perception towards corporate governance. The highest mean score here was obtained for their organisation's assurance of internal and external auditors' independence (3.28) followed by their organisation's discouragement to become part of mal/unprofessional conduct to gain short-term benefits (3.21), and (3.15) for their organisation's assurance for justice/equality and non-discriminatory treatment among the employees of the firm whereas (3.06) for their organisation's discouragement to participate in the micro politics of top management.

Table 12: Mean scores of shareholders issues

Shareholdets Issues	N	Mean	Std. Deviation
My organisation ensures the resources allocation in the interest of shareholdets/owners	132	3.48	1.088
My organization forbids me manipulate or play with the figures to cheat the shateholders/owners	132	3.40	1.330
My organization prioritises the shareholders/ owners interest in making the business decision	132	3.39	1.190
My organization forbids helping the owner in his unethical/unlawful business transactions	132	3.11	1.240
My organization maintains the balance between the interest of different stakeholders and rights of employees of the firm	132	3.04	1.149
My organization ensures the open system and maximum access to the information for shareholders	132	3.02	1.146

The shareholders (see table 12) are considered to be an essential element for every organisation's success. The members of the board are not only responsible to oversee the managers' activities, but also entitled to represent the interests of the shareholders on the board. Therefore, it is important to measure how the employees perceive and understand this relationship. The respondents have placed the highest emphasis on how their organisation ensures the allocation resources is in the interests of the shareholder (3.48), and they also believe that their organisation forbids them to manipulate or play with the figures to cheat the shareholders (3.40). This is followed immediately by how they see their organisation prioritises the shareholders interest in making the business decisions (3.39), whereas (3.11) for how their organisation forbids helping the owner in his/her unethical business transactions. Less emphasis was placed on how their organisation maintains the balance between the interests of different stakeholders and rights of the employees and how their organisation ensures the open system and maximum access to the information for the shareholders, as they scored (3.04) and (3.02) respectively.

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Table 13: Mean scores of personal issues

My organization	N	Mean	Std. Deviation
My organization maintains the high level of moral, justice,and honesty in business and othet affairs of life	132	3.31	1.160
My organization helps become a socially and ethically responsible citizen	132	3.22	1.161
My organization is not ovettuling the firm's policies to gain personal benefit/self interest	132	3.15	1.188
My organization ensures the 100% transparency and fairness in my business transactions	132	3.10	1.145

Corporate governance is not only concerned with the activities and practices of the management, but also concerned with the ethical and moral conduct within the organisation. Hence, the respondents were asked to evaluate the personal issues (see table 13) that may influence the practices of corporate governance within their organisation. The mean score for how the employees perceive their organisation's maintenance of a high level of morals, justice and honesty in business and other affairs was (3.31), while (3.22) for how their organisation helps them become socially and ethically responsible citizens, (3.15) for how their organisation is not overruling the firm's policies to gain personal benefits and (3.10) for their organisation's assurance of 100% transparency and fairness in their business transactions.

Table 14: Mean scores of society issues

Society Issues	N	Mean	Std. Deviation
My organisation abides by the local laws and regulations in business transaction	132	3.56	1.148
My organisation enables caring forthe local values and culture while making businesses decision	132	3.36	1.100
My organisation strongly discourages the culture of kickback and corruption among the local authorities of the state	132	3.20	1.157
My organisation fights forthe environmental issues while making the business decision in the firm	132	3.14	1.138

The social issues (see table 14) are significantly incorporated in the concept of corporate governance as corporations do not exist in isolation; they must take into consideration the social issues by supporting the local communities and protecting the environment. Thus, it is beneficial to know employees' perceptions on how their organisations deal with societal issues in order to gain further insights into the current study. In this regard, the highest mean score was (3.56) indicating how the employees perceive their organisation's abidance by the local laws and regulations, followed by (3.36) for how much their organisation cares for the local values and culture while making business decisions. There is a belief among the employees that their organisation strongly discourages the culture of kickbacks and corruption among the local authorities of the state as this statement scored (3.20) whereas (3.14) for how their organisation fights for environmental issues while making business decisions.

Table 15: Mean scores of customer issues

Customerissues	N	Mean	Std. Deviation
My organisation strictly disallows to cheatthe customerwith impossible promises or unrealistic expectations	132	3.36	1.206
My organisation encourages treating the customerwith actual and real service features	132	3.35	1.211
My organisation discourages to increase the profit through unfair promotional means	132	3.35	1.254
My organisation supports working for value maximisation instead of profit maximisation	132	3.05	1.158
My organisation predicts that achieving the target is not each and every thing in business success	132	2.89	1.086

Customers and employees (see table 15) are considered to be key players that can significantly affect an organisation's performance whether positively or negatively, and indeed, customers' satisfaction and loyalty can make or break any business's success. Hence, how the practices of corporate governance within an organisation are directed and controlled can considerably influence customers' loyalty and

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satisfaction. In this case, when employees were asked to evaluate the customer issues within their organisation, the results were: (3.36) for how their organisation strictly disallows cheating scustomer with impossible promises or unrealistic expectations, (3.35) for how their organisation encourages treating customers with actual and real service features, (3.35) for how their organisation discourages increasing profits through unfair promotional means, (3.05) for how their organisation supports working for value maximisation instead of profit maximisation and (2.89) for how their organisation predicts that achieving the target is not everything in business success.

Table 16: Mean scores of board of directors issues

Board of directors issues	N	Mean	Std. Deviation
It is importantto have a board with diverse background/experience	132	3.77	1.138
The CEO and the Chair of the board are two different persons	132	3.48	1.214
It is the responsibility of the board to ensure that there is no any mal practices	132	3.35	1.119
Most of the board members are independent: they are notone of the current or previous organisation stakeholder orfamily member	132	2.97	1.196
My organisation is coordinating and communicating the duties and activities of the different committees of the board	132	2.96	1.168
My organisation is coordinating and communicating activities and information aboutthe board	132	2.90	1.178
It is unnecessary to know details aboutthe duties and responsibilities of the board	132	2.79	1.278
There is no need to know the numberorthe identity of the board of trustee	132	2.78	1.187

The members of the board are the representatives of the shareholders (see table 16); they monitor the activities of the managers in order to ensure that they are directed toward the interests of the shareholders. Therefore, it is vital to understand how employees perceive the board of directors within their organisation. The employees evaluated the board issues as follows: (3.77) for the importance of having a board with diverse background/experience, (3.48) for whether the CEO and the Chair of the board are two different persons, (3.35) for the board's responsibility to ensure that there is no malpractice, (2.97) for the board members' independence, (2.96) for their organisation's coordination and communication of the duties and activities of the board's different committees, (2.90) for their organisation's coordination and communication of the activities and information about the board, (2.79) for the necessity of knowing details about the board's responsibilities and duties and (2.78) for the importance of knowing the number or the identity of the board members.

Table 17: Mean scores of overall employees' perceptions towards the importance of CG

Overall employees perceptions towards the importance of CG	N	Mean	Std. Deviation
It is essential to have a training about the governance issues	132	3.86	.934
Corporate governance is a key to organisation success	132	3.73	1.056
It is unimportant to have several board sub-committees	132	2.95	1.178

The last three statements of the questionnaire as shown in table 17 aimed at evaluating employees' awareness of the importance of corporate governance, the results were encouraging as having a training about the governance issues got the highest score (3.86), followed immediately by how the employees perceive the corporate governance to be a key to their organisation's success (3.73) and (2.95) for the unimportance of having several board sub-committees.

Table 18: Average of mean scores for each issue

Issues	Average score
Overall employees' perceptions towards the importance of CG	3.513
Society issues	3.315
Shareholders issues	3.24
Customer issues	3.2
Personal issues	3.195
Management issues	3.175
Board of directors issues	3.125

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Table 18 summarises the average of mean scores for each issue. According to the perception of the employees, most of the respondents are aware of the importance of corporate governance as it represents the highest average (3.513), followed by social issues (3.315), while shareholders issues scored an average of 3.24, (3.2) for customer issues, (3.195) for personal issues, (3.175) for management issues and the lowest average was for board of directors (3.125).

V. Conclusion

The study's key aim is to investigate employees' perception towards corporate governance within the Egyptian context. The purpose of the paper is to conduct a study based on a developing country as most of the previous scholars focus on developed countries in their studies (Mulili, 2011). The questionnaire is addressed to employees working across different sectors in Egypt with a convenience sample of 132 respondents.

The gathered data are analysed using SPSS and various charts are illustrated in order to develop a thorough and insightful understanding about the current study. Furthermore, the results of the study can be beneficial for business students in addition to managers, practitioners and employees in developing a better understanding about the concept of corporate governance.

Generally, the results of the study indicate that employees in Egypt have a good knowledge of corporate governance issues within their organisations. Nevertheless, some employees have negative perceptions towards the practices of corporate governance in their company.

Despite the fact that some employees lack knowledge about issues involved in corporate governance, the findings of the study at hand were encouraging; the majority of the employees placed emphasis on the importance of applying training programs about corporate governance issues within their company, as they believe that corporate governance is a key to organisation success. Moreover, a large proportion of employees showed good awareness of social issues regarding the practices of corporate governance as they perceive their organisation to be culturally sensitive and environmentally friendly while making business decisions. Shareholders issues come third after the importance of corporate governance and social issues, indicating a positive understanding of the importance of the shareholders and investors in the company's success. However, employees put less emphasis on board of directors issues, reflecting an insufficient awareness of the role and functions of the board within an organisation.

Therefore, employees in Egypt have a positive perception towards the practices and issues of corporate governance according to the findings of the current study.

VI. Practical Implications

a) For employees

There is a significant need for more involvement of the employees in enhancing and widening their scope of knowledge about the corporate governance issues within their organisation; they should seek to learn more about the company's board of trustees, management styles and policies and regularly review the company's website and annual reports in order to stay updated and informed about the key issues and events regarding the practices of corporate governance in their organisation.

b) For management

The company's managers also play an important role in raising employees' awareness about governance issues; they should provide training programs and seminars in order to educate employees about the necessity of having a code of conduct that maintains good CG within the organisation. Moreover, managers can also include employees in their decisions to give them better insight into how the organisation is being governed and controlled.

c) For boards of directors

The board members must maintain the basic corporate governance principles among the company's managers, employees and shareholders which are: transparency, fairness and accountability in order to enhance employees' perceptions towards corporate governance and they should also encourage them to attend meetings and participate in the governance issues within the company.

d) For educational institutions

There is also a severe need for involvement of the educational institutions in Egypt, either schools or universities, in placing emphasis on corporate governance training in order to develop knowledgeable and future employees and managers well-informed on governance and ethical issues.

e) Limitations of the study

There are some limitations to this study that can be overcome in future research. The sample size was only 132 respondents. Although an online survey was employed to solve this problem, the targeted sample size was not reached as some respondents left many questions unanswered. We might speculate that they became discouraged after completing the first or second pages of the questionnaire and closed it before finishing it. The length of the survey consisted of 34 statements in order to cover all the aspects of the study which is also considered to be one of the limitations.

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There was a lack of financial resources needed to help the author distribute a larger number of surveys by hiring interviewers or agents to assist the author in carrying out the survey across multiple organisations and employees.

f) Direction for future research

Further studies could be conducted on this topic after taking into consideration the previously mentioned limitations and taking the current study as a form of comparative research that could be used as a guideline or basis for evaluating the findings of their research.

Other studies may seek a larger sample size in order to increase the validity and reliability of their research findings. Furthermore, the study could be extended to investigate and compare the perceptions of the employees towards corporate governance across two different countries in order to find out whether culture has a significant impact in formulating perceptions towards the concept of corporate governance.

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Appendix 1

The questionnaire

Management Issues:

1	My organisation discourages to become a part of malpractice/unprofessional conduct to gain short term benefits.
2	My organisation ensures the justice/equality and non discriminatory treatment among the employees of my firm.
3	My organisation ensures the independency of internal and external auditors to strengthen the check and balance in the firm.
4	My organisation discourages to participate in the micro politics of the organisation's higher management.

Shareholders Issues:

6	My organisation forbids helping the owner in his unethical/unlawful business transactions.
7	My organisation ensures the open system and maximum access to the information for shareholders.
8	My organisation forbids me to manipulate or play with the figures to cheat the shareholders/owners.
9	My organisationprioritises the shareholders/owners interest in making the business decision.
10	My organisation ensures the resources allocation in the interest of shareholders/owners.

Personal Issues:

11	My organisation maintains the high level of moral, justice, and honesty in business and other affairs of life.
12	My organisation helps become a socially and ethically responsible citizen.
13	My organisation ensures the 100% transparency and fairness in my business transactions.
14	My organisation is not overruling the firm's policies to gain personal benefit/self interest.

Society Issues:

15	My organisation abides by the local laws and regulations in business transaction.
16	My organisation enables caring for the local values and culture while making businesses decision.
17	My organisation fights for the environmental issues while making the business decision in the firm.
18	My organisation strongly discourages the culture of kickback and corruption among the local authorities of the state.

Customer Issues:

19	My organisation encourages treating the customer with actual and real service features.
20	My organisation strictly disallows to cheat the customer with impossible promises or unrealistic expectations.
21	My organisation discourages to increase the profit through unfair promotional means.
22	My organisation supports working for value maximisation instead of profit maximisation.
23	My organisation predicts that achieving the target is not each and every thing in business success.

Board of Directors Issues:

24	There is no need to know the number or the identity of the board of trustee
25	My organisation is coordinating and communicating activities and information about the board
26	My organisation is coordinating and communicating the duties and activities of the different committees of the board

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27	It is the responsibility of the board to ensure that there is no any mal practices
28	It is unnecessary to know details about the duties and responsibilities of the board
29	It is important to have a board with diverse background/experience
30	Most of the board members are independent; they are not one of the current or previous organisation stakeholder or family member
31	The CEO and the Chair of the board are two different persons.

Overall Employees Perceptions towards the Importance of CG issues:

32	It is unimportant to have several board sub-committees
33	It is essential to have a training about the governance issues
34	Corporate governance is a key to organisation success

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