

# THE RELATIONSHIP BETWEEN GOOD GOVERNANCE AND ORGANIZATIONAL PERFORMANCE THROUGH THE MEDIATING ROLE OF EMPLOYEE SATISFACTION

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## Abstract

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The 13th Plan of Thailand (2023–2027) states that good governance is a non-economic factor affecting economic development (Office of the National Economic and Social Development Board & Office of the Prime Minister, 2023; Solaymani & Montes, 2024). This study examines the influence of good governance on organizational performance through mediation of employee satisfaction in business companies. Good governance comprises four factors: social development, economic management, employee participation, and work orientation. Self-administered questionnaires were distributed to respondents working at business companies in Thailand through a convenience sampling online survey of 395 respondents. The Statistical Package for the Social Sciences (SPSS) v. 29 was employed for descriptive analysis, and ADANCO v. 2.3.2 was used to test the hypotheses. The partial least squares structural equation modeling (PLS-SEM) shows that employee satisfaction mediates good governance and organizational performance through social development and economic management (but not employee participation and working orientation). To boost employee satisfaction and performance, businesses should adopt good governance. Business companies should prioritize economic management, social development, employee participation, and working orientation for effective governance. Company policies that promote openness could help economic management. Lifelong learning and transparency in human resource skill development could also boost social growth for the organization. Qualitative interviews provide more insight into additional research.

**Keywords:** Good Governance, Business Companies, Employee Satisfaction, Organizational Performance, PLS-SEM

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## 1. INTRODUCTION

The 12th National Economic and Social Development Plan (2017–2021) (Office of the National Economic and Social Development Board, & Office of the Prime Minister, 2017) focuses on community economic development as a fundamental element for achieving sustainable economic growth. The strategy highlights the significance of indigenous knowledge and expertise in generating income and enhancing capabilities. Continuously, the objective of the 13th Plan (2023–2027) is to guide the country towards becoming a developed nation that is secure, prosperous, and sustainable, in line with the National Strategy based on economic development (Office of the National Economic and Social Development Board & Office of the Prime Minister, 2017, 2023). Many factors might either contribute to or inhibit economic growth. The utilization of resources should be the government's top priority in order to ensure sustained economic growth. As a result, the influence of economic factors (including energy consumption, resource rent, and foreign direct investment) and non-economic ones (including good governance as an indicator of political stability) on the expansion of the economies of a number of nations has been explored (Solaymani & Montes, 2024). In order to achieve sustained economic development, good governance is very necessary. In many different ways, a corporation cannot function properly without having effective corporate governance. In addition to enhancing the company's reputation, it also increases the trust of shareholders and reduces the risk of fraudulent behavior through the implementation of good governance. One might say that there is a connection between effective governance and the performance of an organization (Prima et al., 2024). There is an association between employee satisfaction and organizational performance (Silva et al., 2023; Vizcaino et al., 2023). Moreover, the link between good governance and organizational performance was based on the study of Phuangsuan (2022). Thus, studying good governance is essential to employee satisfaction and organizational performance. The qualitative study aims to propose a conceptual model of good governance (in four dimensions: social development, economic management, employee engagement, and working orientation) relating to employee satisfaction and organizational performance. This study fills the research gap to examine the influence of good governance on organizational performance through the mediating role of employee satisfaction in business companies. The study employs a survey and analyzes data using partial least squares structural equation modeling (PLS-SEM) to confirm the research hypotheses on this relationship.

This study investigates the influence of good governance on organizational performance through the mediating effect of employee satisfaction at business companies and the following research question:

*RQ: How does PLS-SEM explain the relationship between good governance, employee satisfaction, and organizational performance at business companies?*

For instance, the rest of the paper is organized as follows. The pertinent literature is reviewed

conceptual model and research hypotheses are proposed in Section 2. The methodology employed to conduct empirical research is delineated in Section 3, which also describes data collection and analysis methods. The descriptive and inferential statistical analysis (PLS-SEM) are examined in Section 4. The discussion is contained in Section 5. Ultimately, a conclusion is offered in Section 6.

## 2. LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

### 2.1. Good governance in business companies

Good governance lowers uncertainty, transaction, search, and production expenses, improving business performance. Good governance affects country firm profitability. Country good governance indices developed throughout time. However, some papers found a negative relationship between institutional development and profitability. Improving good governance in countries with low governance ratings has a more significant positive effect on firm profitability than in countries with higher governance ratings. Good governance decreases profitability variability, resulting in high-return, low-risk investments. Last, successful governance depends on a country's income. An improvement in public governance is more likely to affect firm performance at lower income levels. Higher good governance ratings are more significant for company profitability stability than lower ones (Ngobo, & Fouda, 2012; Jumroh, 2024; Eksandy, 2024). Good governance could have a positive influence on employee satisfaction and organizational performance. Previous research on the relationship between good governance and performance has often overlooked the critical variables of transparency-accountability, transparency-responsibility, and accountability-responsibility. Recent studies have highlighted the significance of these factors in promoting good governance (Karunia et al., 2023). Good governance studies are rare in Thailand; thus, this study identifies the determinants of good governance as social development, economic management, employee participation, and work orientation that affect organizational performance through the mediating role of employee satisfaction.

#### 2.1.1. Social development

People's living situations and their relationships with other groups and institutions that are a part of the social fabric of a nation are changes and improvements referred to as social development. Health, education, citizen security, and employment are all components of social capital. Only by reducing poverty and inequality will it be possible to achieve this goal. When measuring employee development in Thailand, social development is becoming crucial. Social development includes employment development, health, education, and security (Huther & Shah, 1998; Phuangsuan et al., 2022). In this study, the measurements of social development are: 1) recruitment openness, 2) the company promotes lifelong learning and transparency in human resource development of

skills, 3) the company values honesty and justice, 4) the company emphasizes transparency in good governance-related human resource evaluations, and 5) welfare (medical expenditures, social security, child education allowance) is essential to the company.

### 2.1.2. Economic management

In the long run, it is believed that environmentally friendly inventions and continued financial development are the sole factors that contribute to sustainable economic growth because of the significant policy consequences, particularly with regard to the potential of building sustainable economic growth, particularly through the promotion of environmentally friendly inventions and the implementation of efficient environmental legislation. The levels of stringency of regulatory measures that are being implemented to control the effects of natural resources that inhibit sustainable economic growth are essential. It is essential to control the factors that are slowing down sustainable economic growth; the amount of money allocated to financing projects related to the development of environmental patents should be increased simultaneously. It allows for the development of technologies that will improve the well-being of the environment while also accelerating the process of transitioning between renewable energy sources (Manigandan et al., 2024; Amit & Al Kafy, 2024). In this study, economic management includes: 1) the company has solid economic management and finance, 2) the company follows financial rules, and 3) the financial and economic policies of the company emphasize transparency.

### 2.1.3. Employee participation

Employee participation is a component of employee involvement when employees participate in decision-making processes rather than simply following orders. Employee participation is associated with workplace empowerment. For both the dedication of the company and the efficiency of its personnel, participation from workers is essential. The degree to which an individual is committed to the organization significantly indicates improving employee performance. When an organization voluntarily brings together sufficient assets, including human, physical, and financial resources, and works together to achieve the same goals, efficiency is attained (García-Arca et al., 2024; Haipeter et al., 2024). Employee participation in this study is: 1) under Thai law, political speech is free in this company, 2) employees can criticize the company's management, 3) employees could participate in choosing company executives, and 4) company management responses to employee requirements.

### 2.1.3. Work orientation

Work orientation revolves around the concepts of orientation and work alignment since the organization needs to achieve greater levels of efficiency. An organization must ensure its members are perfectly aligned to achieve its full potential.

Therefore, this individual is familiar with and understands the work systems, regulations, policies, and processes governed by the law. Additionally, this individual is independent in decision-making and does not endorse corrupt practices (Huther & Shah, 1998; Phuangsuan, 2022). In this study, work orientation includes: 1) the company follows national and international laws, 2) economic and societal factors that affect firm efficiency, and 3) corruption is unacceptable.

## 2.2. Employee satisfaction

Within human resource management, allocating resources and implementing strategies to enhance employees' job satisfaction are significant. Employee satisfaction refers to an employee's attitude towards their employment, encompassing their emotions, perceptions, and job assessments. Enhancing employee job satisfaction can strengthen employee commitment, boost employee productivity, foster employee loyalty to the organization, decrease the turnover rate, and play a crucial role in modern corporate management (Wang, 2024). Satisfaction is the emotional response a person experiences when they compare their perceived results to their expectations, resulting in either disappointment or pleasure. Dissatisfaction arises when individuals' experiences need to meet their expectations. Individuals experience contentment when their expectations can be fulfilled. Contentment encompasses various aspects, such as contentment with management, satisfaction with colleagues, satisfaction with the job, satisfaction with the physical surroundings, and satisfaction with salary and other material perks (Limna, Siripattanakul, et al., 2022). In this study, employee satisfaction is the attitude toward good governance regarding its determinants of social development, economic management, employee participation, and working orientation. Also, the employee is the predictor of organizational performance. Employee satisfaction is the mediator between good governance and organizational performance. Good governance, according to the research conducted by Phuangsuan (2022), includes aspects such as social development, economic management, employee participation, and work orientation. These aspects have an impact on the performance of the company through the function that employee satisfaction plays as a mediator.

## 2.3. Organizational performance

Organizational performance, usually referred to as business (corporate) performance, pertains to the operational capacity of a corporation to meet the expectations of its primary stakeholders and ensure its existence. Furthermore, organizational performance is evaluated based on the outcomes of a process-oriented approach while considering pre-established criteria. Organizational performance is based on the notion that an organization is a voluntary coalition of productive assets, including human, physical, and financial resources, collaborating to accomplish a shared objective. It is necessary to assess it to ascertain an organization's success. Various elements enhance business performance

(Hasyim et al., 2024; Khan et al., 2024). Organizational performance in this study refers to the outcome of business performance based on good governance components of social development, economic management, employee participation, and working orientation through employee satisfaction, which is the mediator. The link between good governance, employee satisfaction, and organizational performance is based on the study of Phuangsuwan (2022).

## 2.4. Hypotheses development

The hypotheses have been developed based on the previous studies in the literature review in 2023 and 2024 on the relationship between good governance (employee participation, working orientation, social development, economic management), employee satisfaction, and organizational performance.

Good governance affects country firm profitability (Haroon & Zaka, 2023; Hayek et al., 2023). Good governance decreases profitability variability, resulting in high-return, low-risk investments (Ktit & Khalaf, 2024; Svartefoss & Klitkou, 2024; Malik, 2023). It is possible that effective governance could have a favorable impact on the level of satisfaction experienced by employees as well as the overall success of the firm. Previous studies that have been conducted on the connection between good governance and performance have frequently failed to take into consideration the crucial factors of accountability-responsibility, transparency-accountability, and accountability-responsibility (Karunia et al., 2023). A significant relationship exists between good governance (employee participation, work orientation,

social development, and economic management), employee satisfaction, and organizational performance (Phuangsuwan, 2022).

Recent research has shed light on the significance of these characteristics in terms of their role in fostering good governance. In Thailand, studies on good governance are uncommon; hence, this study identifies the factors that determine good governance, such as social development, economic management, employee participation, and work orientation. These factors have an effect on organizational performance through the function that employee satisfaction plays as a mediator.

The study addresses a significant subject matter and presents intriguing findings discovered through qualitative research methods for a conceptual framework in Figure 1. It also confirms assumptions analyzed using PLS-SEM (with ADANCO v. 2.3.2 software). Therefore, the conceptual model in Figure 1 was based on research hypotheses, and it could be summarized as follows:

*H1: Employee participation significantly influences employee satisfaction.*

*H2: Work orientation significantly influences employee satisfaction.*

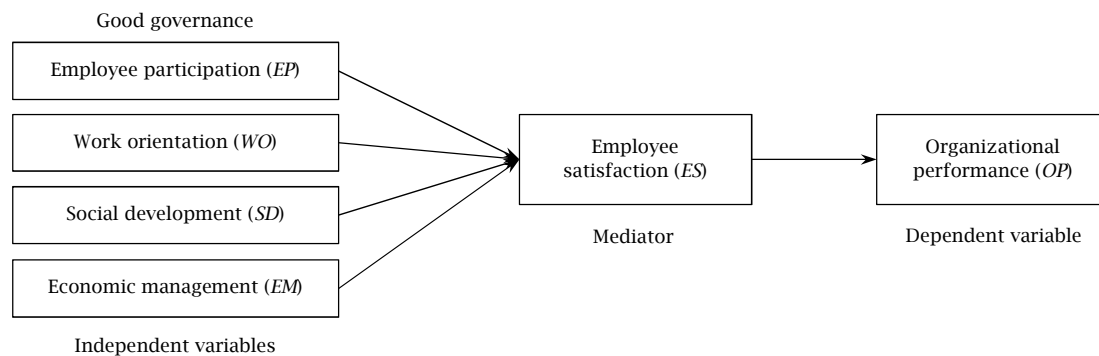
*H3: Social development significantly influences employee satisfaction.*

*H4: Economic management significantly influences employee satisfaction.*

*H5: Employee satisfaction significantly influences organizational performance.*

*H6: Employee satisfaction mediates good governance factors and organizational performance.*

**Figure 1.** The conceptual framework of the study



## 3. RESEARCH METHODOLOGY

Self-administered questionnaires were provided to collect data from the participants. This study utilized quantitative research methodology. The data collection for this quantitative study was carried out through online closed-ended questionnaires that employed the Likert rating scale. The primary factors in this study were assessed using a Likert scale, which utilized a five-point rating system. The scale from 5 (strongly agree) to 1 (strongly disagree). The questionnaire items were meticulously constructed utilizing dependable and validated research data. An assessment was conducted to determine the validity of the measuring instruments, which measures the degree to which a measurement

accurately represents the researchers' intended notion (Klomtoosing & Chirapanda Sato, 2023; Nivornusit et al., 2024).

A convenience sampling online survey was conducted in Thailand, targeting 395 respondents employed in business enterprises. The demographic profile of respondents in the questionnaire was based on the study of Chaiprakarn (2023), Kraivanit et al. (2023), and Phuangsuwan et al. (2024). The variables in the questionnaire were developed based on the study of Phuangsuwan (2022), Zaitul et al. (2023), and Auliani et al. (2024).

The alternative sampling technique is Snowball sampling, which is commonly considered to be one of the most prominent qualitative sampling procedures. In most cases, researchers start with

a limited number of first contacts, often known as seeds, who are initially exposed to the research. After that, the willing participants are asked to identify other connections who fulfill the research criteria and who may potentially be willing volunteers.

This study used convenience sampling to employ ten business companies in Bangkok, Thailand. The online survey questionnaires were collected between January 2024 and February 2024 for convenience in data collection.

Descriptive analysis was conducted using the Statistical Package for the Social Sciences (SPSS) v. 29, while hypotheses were tested using ADANCO v. 2.3.2. The acceptable values of factor loadings is 0.6, Cronbach's alpha is 0.5, and the average variance extracted (AVE) is 0.5, based on the study of Limna, Kraiwanit, et al. (2022) and Limna, Sitthipon, et al. (2022).

#### 4. RESEARCH RESULTS

Table 1 below shows most respondents are female (56.7%), 41 years old or over (67.6%), single (54.7%), employees (59.2%) in domestic business companies (84.6%), monthly income is more than 30,000 baht and those who live in Central (63%).

Table 2 below shows that Cronbach's alphas fall over 0.6 (ranges between 0.6578–0.9427), the factor loadings fall over 0.6 (ranges between 0.6453–0.9427), and the AVEs are over 0.5 (ranges between 0.5364–0.8680); thus, all values are acceptable.

**Table 1.** Respondents' demographic information

Demographics	Frequency	Percentage (%)
<b>Gender</b>		
Male	171	43.3
Female	224	56.7
<b>Age</b>		
30 years old or below	18	4.6
31–35 years old	36	9.1
36–40 years old	74	18.7
41 years old or over	267	67.6
<b>Status</b>		
Single	216	54.7
Married	179	45.3
<b>Company</b>		
International companies	61	15.4
Domestic companies	334	84.6
<b>Education</b>		
Below bachelor's degree	38	9.6
Bachelor's degree	139	35.2
Master's degree or higher	218	55.2
<b>Occupation</b>		
Executives or managers	161	40.8
Employees	234	59.2
<b>Income</b>		
Less than 30,000 baht	126	31.9
More than 30,000 baht	269	68.1
<b>Region of Thailand</b>		
Central	249	63.0
Western and Southern	22	5.6
Eastern	39	9.9
Northeastern	36	9.1
Northern	49	12.4
<b>Total</b>	<b>395</b>	<b>100</b>

Note: n = 395.

**Table 2.** Item loadings, Cronbach's alpha, AVE, mean and standard deviation

Items	Mean	Std. dev.	Factor loadings	Cronbach's alpha	AVE
<b>Employee participation (EP)</b>				0.7086	0.5364
1. Under Thai law, political speech is free in this company.	4.13	1.052	0.7699		
2. You can criticize the company's management.	3.97	1.016	0.8379		
3. Employees could participate in choosing company executives.	3.18	1.315	0.6592		
4. Company management responses to employee requirements.	4.40	0.847	0.6453		
<b>Work orientation (WO)</b>				0.6578	0.5876
1. The company follows Thai and international laws.	4.14	0.899	0.8217		
2. Economic and societal factors affect firm efficiency.	3.69	0.972	0.6514		
3. Corruption is unacceptable.	4.61	0.887	0.8146		
<b>Social development (SD)</b>				0.9343	0.7929
1. Recruitment openness is essential to the company.	4.33	1.029	0.8670		
2. The company promotes lifelong learning and transparency in human resource development of skills.	4.34	0.972	0.8963		
3. The company values honesty, justice, and equality.	4.25	1.020	0.9202		
4. The company emphasizes transparency in good governance-related human resource evaluations.	4.25	0.989	0.9305		
5. Welfare (medical expenditures, social security, child education allowance) is important to the company.	4.32	0.990	0.8349		
<b>Economic management (EM)</b>				0.9240	0.8680
1. For ethical reasons, the company has solid economic management and finance.	4.22	0.949	0.9394		
2. The company follows financial rules.	4.31	0.887	0.9296		
3. The financial and economic policies of the company emphasize transparency.	4.34	0.961	0.9260		
<b>Employee satisfaction (ES)</b>				0.9202	0.8069
1. The company's policy suits me.	3.89	0.987	0.9108		
2. I like the company's structure.	3.80	1.024	0.9039		
3. I like the company's welfare development (medical expenditures, social security, child education allowance).	3.89	1.057	0.8757		
4. I like the company's financial transparency.	4.00	1.042	0.9021		
<b>Organizational performance (OP)</b>				0.9427	0.8533
1. The company has strict governance rules.	3.99	1.042	0.9171		
2. The corporation plans ethically well.	3.95	1.031	0.9427		
3. Every employee is evaluated fairly on performance.	3.83	1.178	0.9211		
4. The company encourages employee development.	3.98	1.067	0.9138		

Note: n = 395.

Table 3 below shows that the R-square ( $R^2$ ) value to predict employee satisfaction is 0.5265 (52.65%), and the adjusted  $R^2$  value is 0.5216 (52.16%). The  $R^2$  value to explain organizational performance is 0.7842 (78.42%), and the adjusted  $R^2$  value is 0.7836 (78.36%).

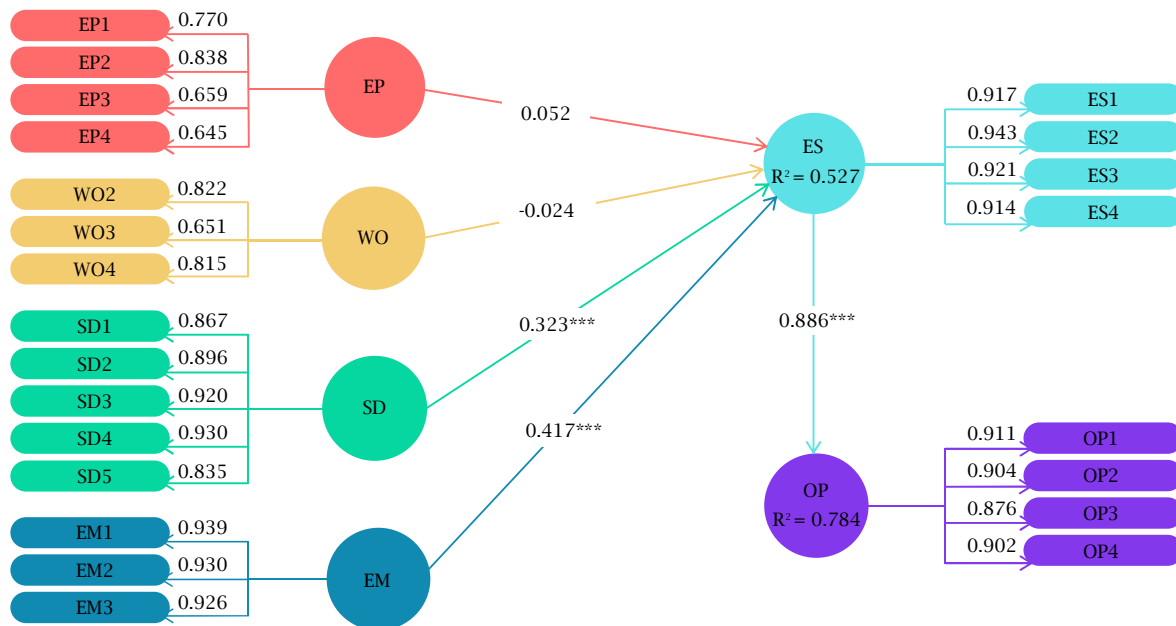
**Table 3.** R-square (n=395)

Construct	$R^2$	Adj. $R^2$
Employee participation (EP)	0.5265	
Organizational performance (OP)	0.7842	0.5216

Note: n = 395.

Figure 2 below demonstrates that the PLS-SEM model in this study has a standardized root mean squared error (SRMR) of 0.055 (less than 0.08), which is within acceptable parameters. Employee satisfaction is a mediator in this model, explaining 52.7% ( $R^2 = 0.527$ ). However, among organizational performance in Thailand, 78.4% of the variance of good governance could predict organizational performance through the mediating role of employee satisfaction by about 78.4% ( $R^2 = 0.784$ ).

**Figure 2.** Structural equation model of the study



Note: \*\*\* significant level at  $p < 0.001$ . SRMR = 0.055.

Table 4 below shows the assumptions. The results show that the overall factors explaining organizational performance in Thailand are about 78.4% ( $R^2 = 0.784$ ). The results of testing the hypotheses are outlined as follows.  $H1$  and  $H2$  were rejected, and  $H3-H6$  were accepted regarding the significant level at  $p < 0.001$ . Employee

satisfaction mediates between good governance factors and organizational performance through social development ( $\beta = 0.323***$ , at  $p$ -value  $< 0.001$ ) and economic management ( $\beta = 0.417***$ , at  $p$ -value  $< 0.001$ ), but not employee participation ( $\beta = 0.052$  at  $p$ -value  $> 0.05$ ), and work orientation ( $\beta = -0.024$ , at  $p$ -value  $> 0.05$ ).

**Table 4.** Hypotheses testing

Hypotheses	Results	Actions
$H1$ : Employee participation (EP) → Employee satisfaction (ES)	$\beta = 0.052$ at $p$ -value $> 0.05$	Rejected $H1$
$H2$ : Work orientation (WO) → Employee satisfaction (ES)	$\beta = -0.024$ at $p$ -value $> 0.05$	Rejected $H2$
$H3$ : Social development (SD) → Employee satisfaction (ES)	$\beta = 0.323***$ at $p$ -value $< 0.001$	Accepted $H3$
$H4$ : Economic management (EM) → Employee satisfaction (ES)	$\beta = 0.417***$ at $p$ -value $< 0.001$	Accepted $H4$
$H5$ : Employee satisfaction (ES) → Organizational performance (OP)	$\beta = 0.886***$ at $p$ -value $< 0.001$ , $R^2 = 0.527$	Accepted $H5$
$H6$ : Employee satisfaction (ES) mediates good governance factors and organizational performance (OP)	$R^2 = 0.784$	Accepted $H6$

Note: \*\*\* significant level at  $p < 0.001$ .

## 5. DISCUSSION OF THE RESULTS

This section discusses the link between good governance (social development and economic management, employee participation and working orientation), employee satisfaction, and organizational performance. The findings support previous studies on this relationship.

The findings support the previous studies of Ngobo and Fouda (2012), Vizcaíno et al. (2023), Jumroh (2024), Amit and Al Kafy (2024), and Eksandy (2024) on the influence of good governance on organizational performance and employee satisfaction. Good governance reduces uncertainty, transaction, search, and production costs, boosting firm performance. Good governance impacts a country's corporate profits. Country good

governance indices evolved. Some studies indicated a negative correlation between institutional development and profitability. In nations with poor governance ratings, improving governance boosts company profitability more than in those with higher governance ratings. Good governance reduces profitability variability, resulting in high-return, low-risk investments. Government success depends on a country's income. At lower income levels, public governance improvements affect corporate performance more. Lower good governance ratings are less significant for corporate profitability stability and employee satisfaction.

The results confirmed the previous studies of Haroon and Zaka (2023), Hayek et al. (2023), Ktit and Khalaf (2024), Svartefoss and Klitkou (2024), and Malik (2023) that good governance affects country firm profitability. Good governance decreases profitability variability, resulting in high-return, low-risk investments.

The findings support the previous study of Karunia et al. (2023), Silva et al. (2023), Jumroh (2024), Eksandy (2024), Manigandan et al. (2024), García-Arca et al. (2024), Haipeter et al. (2024), and Prima et al. (2024), that several factors might contribute to or inhibit economic growth. The utilization of resources should be the government's top priority to ensure sustained economic growth. As a result, the influence of economic factors (including energy consumption, resource rent, and foreign direct investment) and non-economic ones (including good governance as an indicator of political stability) on the expansion of the economies of several nations has been explored. Good governance is essential to achieving sustainable economic development in Thailand. In many ways, a corporation cannot function properly without having effective corporate governance. In addition to enhancing the company's reputation, it also increases the trust of shareholders and reduces the risk of fraudulent activity through implementing good governance. There is a connection between the regulation of the government, the establishment of efficient corporate governance, and the performance of an organization.

This study corresponds with the study of Phuangsuan (2022), which found a correlation between the level of satisfaction experienced by employees and the performance of the organization. Therefore, the study of good governance is crucial to the satisfaction of employees and the performance of organizations in Thailand. As a result, this research aims to investigate the impact of good governance on the performance of organizations by focusing on the function that employee satisfaction plays as a mediator at business companies in Thailand. If business company management adopts good governance, it could improve organizational performance through the mediating effect of employee satisfaction. The components of good governance for business companies in this study are suggested for enhancing: 1) social development, 2) economic management, 3) employee participation, and 4) work orientation, respectively.

## 6. CONCLUSION

This section concludes the research findings of this study. The aggregate factors that explain organizational performance in Thailand are approximately 78.4% ( $R^2 = 0.784$ ). The hypotheses were tested, and the results are summarized below. Regarding the significant level at  $p < 0.001$ ,  $H1$  and  $H2$  were rejected, while  $H3-H6$  were accepted. Employee satisfaction is a mediator between organizational performance and good governance factors through economic management ( $\beta = 0.417^{***}$ , at  $p$ -value  $< 0.001$ ) and social development ( $\beta = 0.323^{***}$ ), but not through work orientation ( $\beta = -0.024$ , at  $p$ -value  $> 0.05$ ) and employee participation ( $\beta = 0.052$  at  $p$ -value  $> 0.05$ ). Thus, business companies in Thailand should pay attention to good governance because it could improve organizational performance by mediating employee satisfaction. The priorities of good governance components are: 1) social development, 2) economic management, 3) employee participation, and 4) work orientation. The significant factors of good governance are social development and economic management. However, non-significant factors of employee participation and work orientation are still essential in the total effect of good governance. The assumptions demonstrate that PLS-SEM may be explained very effectively in order to forecast organizational performance using good governance variables (especially social development, economic management, employee participation, and work orientation). In order to increase social development, business enterprises might concentrate on the company itself, encourage learning that continues throughout one's life, and be transparent about the process of building human resource capabilities. By enhancing their economic management and placing an emphasis on openness, businesses have the potential to contribute to sustained economic growth. The company can increase employee participation by concentrating on company management's reactions to the employees' requirements. The findings of this study could only provide an explanation for four aspects of effective governance in Thailand. More variables must be included in subsequent investigations for further studies. It is recommended that ongoing research be carried out in other foreign nations. In addition, the study is quantitative, and it was not possible to provide an explanation that would provide a more in-depth understanding. In order to conduct additional research, qualitative interviews or focus groups are recommended. As a last point of conclusion, the organization could enhance its work focus by outlawing corruption. According to the findings of this study, the PLS-SEM model has the potential to be utilized by any company to accomplish the objective of organizational performance and sustainable development by utilizing the notion of good governance regarding four components: social development, economic management, employee participation, and work orientation. Moreover, employee satisfaction is recommended as the significant mediator for this study.

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