

The Reality of Organization Governance in Business Ethics and Social Responsibility

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ABSTRACT: *The study aimed to identify the reality of governance, and the extent of the application of the concept in the private universities in Jordan. Questionnaire was developed to collect data, in which distributed to a sample of 210 persons. Data were analyzed using SPSS. Study found a range of results which highlighted by the presence of the positive medium degree of satisfaction for governance application in the private universities. The study recommended work on activating the reality of governance, related concepts on the ground, as well as working to maintain spirit of justice, equality and the value of the accountability, transparency, participation, and development of the constructive spirit of citizenship committed to ethics.*

Key words: *Governance, university governance, business ethics, social responsibility*

Date of Submission: 05-12-2019

Date of acceptance: 18-12-2019

I. INTRODUCTION

Interest in organizations' governance has increased over the past two decades, because of transitions, global changes and the accompanied financial and economic crises over the past two decades. In addition, it has become seen later as an effective solution for many stumbled organizations that contains a lot of chaos and corruption in various fields (Aljawarneh & Atan, 2018; Al-Jawarneh, 2016). Moreover, excellence performance has become a great concern of business organizations and a quality factor to achieve objectives by obeying laws and frameworks to protect individuals and dealers' rights within the framework of social responsibility, ethical obligations, and constructive citizenship which reflect the cultural reference intended for organizations seeking survival, continuity, growth, and administrative excellence which is aimed by the effective leaderships. These leaderships are responsible for forming foundations and criteria, for plans' implementations, policies and decision-making in consistent with values and work ethic. Universities' improved academic performance levels and enhanced outcomes are desired, as universities play an important role in higher education for being considered as a source of eligible competencies. Therefore, universities should activate governance concept and do more researches in this regard. Several and huge challenges are facing universities generally and private universities, which make it even harder to solve them by traditional methods, therefore, governance and management have become the desired hope to meet these challenges and reduce its results as much as possible. Several questions are proposed in this study: to what extent does the study sample understand the concept of governance? To what extent is the application of this in private universities study the focus? The extent of shareholders for the satisfaction of their rights? The extent of the application of disclosure and transparency? How universities assume social responsibilities towards the local community and the surrounding environment?

The importance of this study in the orientation of the serious business organizations to apply the concept of governance on the ground and pull it out of the circle to the theory. Series of failures experienced by many business organizations at all levels and levels, whether local or global. The spread of the phenomenon of corruption and administrative slack physical, administrative and imbalances, which necessitated him to resort to legislation and regulations that would clarify the relationship between all relevant actors and to facilitate the work procedures within the frameworks of ethical and social responsibility actors. This study seeks to achieve the following objectives: Introduction to the concept of governance in the Jordanian private universities in the north of the Kingdom and the commitment involved in the study sample bases and legislation that clarifies the relationship between management and workers, and with the stakeholders and shareholders and to know the extent of compliance with ethical standards to work from the perspective of social responsibility and values, and decision-making aiming to achieve the goals and to reach the results of which will hopefully assist in the development of the concept of governance, and the extent of its application in business organizations, and knowledge of the benefits accruing from it.

II. THEORETICAL FRAMEWORK

The definitions varied and there were many concepts that dealt with the term governance, according to the differences among those interested in it, whether cultural, social, professional, and others, but the aspects of agreement on this are prevalent, and the term governance is seen as the abbreviated translation of the term Corporate Governance. This term, agreed upon, is: "The method of exercising the powers of good governance." The definitions for this term are numerous, with each term indicating the viewpoint of the definition provider. IFC defines governance as "the system by which companies are managed and controlled." (Clarke, 2004).

The Organization for Economic Co-operation and Development (OECD) defines it as "a set of relationships between the management of the company, the board of directors, shareholders and other shareholders" (Council, 2007). Moreover, it is defined as: "the sum of the "rules of the game" used to manage the company from within, and for the board to oversee it to protect the financial interests and rights of shareholders (Alomari, 2020). Performance, including the long-term strengthening of the institution and the definition of responsible and responsibility.

Others define it as "the sum of the" rules of the game "that are used to manage the company from the inside and to be supervised by the board to protect the financial interests and rights of shareholders" (Alamgir, 2007).

Governance rules and regulations aim at achieving transparency and fairness, granting the right of accountability of the management of the company, and thus achieving protection for shareholders and policyholders, taking into account the interests of work and workers, and limit the exploitation of power in the non-public interest, which leads to the development of investment and encourage its flow, and the development of savings, and maximize Profitability, and create new jobs (Aljawarneh & Al-Omari, 2018). These rules also emphasize the importance of adhering to the provisions of the law, and working to ensure the review of financial performance, and the existence of administrative structures to hold management accountable to shareholders, with the formation of a review committee of non-members of the Executive Board, which has many functions and competencies and powers to achieve independent control of implementation (Al-Omari, Z., Alomari, K., & Aljawarneh, N. 2020).

The focus of governance in advanced economies is to ensure that publicly owned companies are managed ethically and effectively by dealing directly with problems arising from the separation of ownership and management, through adherence to internationally recognized principles, such as the OECD Governance Principles. The application of existing rules and accurate disclosure of important information, especially related to the financial position of companies (Freeland, 2007).

Sullivan argues that weak corporate governance can be linked to economic collapse, inability to attract investment, rampant corruption, privatization failures, lack of property rights maintenance, and other challenges facing many countries in the world. Many countries are switching to free market economies. This requires that corporate governance takes the bulk of the transformation process. Iramelstein has led the OECD to a set of corporate governance principles of transparency, accountability, integrity and responsibility. The implementation of these principles requires joint cooperation between companies themselves, the government, as well as business associations (Dahawy, 2009).

Some argue that governance standards can fall into five groups as follows Dahawy, (2009); Al-Jawarneh, 2016:

1) Shareholders' rights include the right to transfer ownership of shares, vote in the general assembly, choose the board of directors and receive dividends and their right to participate actively in the general assembly meetings.

2) Equal treatment of shareholders within each category as well as their right to vote in the general assembly in relation to the fundamental and important decisions of the company, and their right to have access to all transactions with the members of the board of directors and executives.

3) The role of shareholders or parties associated with the company "The role of shareholders" means respect for their legal rights and compensation for any violation of those rights and strengthen their role in participating in the control of the company and access to the required information

4) Disclosure and Transparency Disclosure and Transparency means the disclosure of important information about the company, the role of the auditor, the disclosure of ownership of the majority of shares and the disclosure related to directors and directors.

5. Responsibility of the Board of Directors "The responsibility of the board" includes the structure of the board of directors and legal duties and how to select its members and core functions, and a course in overseeing the executive management in the company.

From the World Bank's perspective, there are five areas of focus on higher education governance that are considered as dimensions of better university performance: framework, management, participation, accountability, and independence.

Many writers have pointed out that the main reason for attention to the issue of corporate governance is the separation between ownership and management, and thus between shareholders and company management. It is important to emphasize that this problem (the separation of ownership from management) stems from the difference of interests between managers and owners, as well as owners do not have full information on management behavior and management decisions, and therefore the problem of the agency arose from the differences of interests between management and project owners (Al-Omari, et al., 2018).

There are those who see governance from a narrow perspective, and some who see it from a broad perspective. From a narrow perspective, corporate governance deals with the ways that fund providers offer the company to secure themselves and ensure that they receive a return on their investment. From a broad perspective, governance is seen as a system of rules and factors that control the company's operations, including the company's relationship with stakeholders, society, laws, instructions, listing rules and voluntary private sector practices that enable the company to attract capital and achieve corporate goals efficiently and meet both legal obligations and the aspirations of society at large (Al-Omari, et al., 2018). Some argue that good governance improves performance through increased efficiency, good asset management, clear policies, and good stakeholder relationships.

Social and moral responsibility towards society is one of the main demands of any society towards any business organization at present. A new kind of challenge has placed more burdens on the manager of any organization and has thus become one of the components of that manager's function. Ethics is seen as a system of noble social values that must be adhered to, as it differentiates between what is right and what is wrong, and between right and wrong, between what is legal and unlawful, like other values such as honesty, beauty, honesty and truth, It governs the behavior and behavior of business organizations towards their clients and all related parties. Work ethics and ethical obligations are bi-directional (Porta et al, 2000).

The first represents management's ethical commitment to employees, such as the application of the values of justice, equality, integrity, respect for others, transparency, responsibility, love of others, etc. The second trend is the ethical commitment of employees to the organization, such as the values of sincerity at work, non-cheating, dedication to work, the preference of public interest over personal interest, loyalty and belonging, preservation of public property, non-disclosure of secrets of work, adherence to timings during working hours, good use Resources of the organization, not to use the tools of the organization for personal and other purposes (General, 2002).

Business organizations can frame these values by adopting business charters, codes of ethics, or declaring principles governing the relationship with all parties involved, such as management, employees, customers, suppliers, government, competitors, and all those involved. Some argue that there is a strong relationship between the culture of the organization and moral commitment. Cultural values encourage ethical behavior. These moral values are part of the formal and informal policies of culture in business organizations (Shleifer & Vishny, 1997).

H01: There is no positive degree of satisfaction to apply the concepts of governance in general in Jordanian private universities in the course of the research. Several sub-hypotheses stem from this main hypothesis:

H01-1: There is no positive degree of satisfaction with regard to the rights of shareholders in the Jordanian private universities.

H01-2: There is no positive degree of satisfaction with regard to the rights of stakeholders in the Jordanian private universities.

H01-3: There is no positive degree of satisfaction with the level of disclosure and transparency in the Jordanian private universities.

H01-4: There is no positive degree of satisfaction with social responsibility undertaken by the Jordanian private universities towards the local community.

III. METHODOLOGY

The study consisted of 17 universities in Jordan. The sample included five private universities: Al-Balqa National University, Ajloun National University, Jerash University, Philadelphia University, and Zarqa University. The questionnaire was adopted as a data collection tool consisting of four main sections: Section one concerns the application of some concepts related to governance and the number of paragraphs (12) paragraphs; Section two concerns some of the obstacles that may face the way of governance and the number of paragraphs (6) paragraphs. The main questionnaire included thirty

paragraphs around four main issues: shareholders' rights, stakeholders' rights, transparency and disclosure, and social responsibility; the final section relates to the interrogator's personal opinion on how to improve university performance from an ethical perspective, good citizenship and mainstream culture. The researcher used to analyze (SPSS) through arithmetic media, standard deviations, correlation coefficient and regression, T-lab and significance levels.

Total of (250) questionnaires were distributed to the study sample (50) questionnaires for each university and distributed to competitions, staff, and faculty members. 40 questionnaires were excluded of the analysis Due to deficiencies and lack of clarity. (210) questionnaires were studied (84%) of the total questionnaires distributed, which is acceptable for the purposes of analysis. This section consists of thirty paragraphs dealing with four main issues: shareholders' / stakeholders' rights, disclosure and transparency, and social responsibility.

Table 1: Questionnaire's paragraphs and its means and standard deviations

Number	Paragraph	M.	Std.	Rank
sredloherahs' rights				
1	stnemetatS laicnaniF weiveR	3.20	1.20	13
2	rotinoM stnuocCA	3.10	1.11	15
3	seetsurT fo draoB eht ot snoitseuq ksA regarding scipot tnatropmi	3.92	0.99	4
4	fo draoB eht gnitceles fo dohtem ehT seetsurT	3.00	1.14	20
5	tnemtaert laugEbetween sredloherahs lla	3.05	1.33	16
6	gniteem ylbmessA lareneG eht rof llaC	4.12	0.92	2
7	sredloherahs neewteb ytilauqE	2.75	1.99	24
Total		3.30	0.96	
redlohekatSs' sthgir				
8	ni noitapicitraP making yb nekat snoised ytisrevinu eht	2.65	1.50	27
9	gnirahs noitamrofni	2.75	1.06	24
10	serudecorp lortnoC	4.14	0.98	1
11	eht ta sredael gnitceles fo dohtem ehT ytisrevinu	2.67	1.82	26
12	eht fo noitcele eht ni stneduts fo elor ehT sredael cimedaca	2.50	1.01	28
13	tnatropmi ni srebmem ytlucaf fo elor ehT snoised	2.30	1.45	30
14	Promotion srebmem ytlucaf rof metsys	3.22	0.91	6
15	noitatneserper tnedutS in the university's boards	3.14	1.33	11
16	ecitsuJ in ytlucaf members seiralas	3.10	0.98	10
17	ytlucaf rof airetirC tnmesssA tnedutS srebmem	3.01	1.13	19
Total		2.94	1.22	
eruloscsiD dna ycnerepsnarT				
18	noitamrofni laicnaniF	3.00	0.87	20
19	ecnamrofneP Information	3.03	0.99	18
20	Future objectives Information	4.03	0.87	3
21	Potential risks information	3.12	0.99	14
22	dnevidiD distribution seicilop	3.04	1.05	17
23	Property information	2.88	1.08	22
Total		3.17	0.97	
ytilibisnopseR laicoS				
24	sredloherahs llams tceptorp oT	2.78	1.06	23
25	lacol eht ot secivres hcaertuo evitacidni ytinummoc	3.62	0.84	8
26	eht fo noitceptorp eht ot etubirtnoC tmemnorivne	3.22	0.89	12
27	eht fo noitaivella eht ot etubirtnoC lacol eht ni melborp tnyolpmenu ytinummoc	3.85	0.97	5
28	krow fo syad dna sranimeSwhere srebmem ytinummoc lacol eht fo are invited	3.50	1.01	10
29	lanretni eht ni noitapicitrap ytinummoC ytisrevinU eht fo seitivitca	3.75	0.92	7
30	edivorp oThelp deen ni stneduts roop ot	3.60	0.95	9
Total		3.47	0.94	

It is noted through the analysis of the paragraphs of shareholders' rights as stated in table (1) above that the sixth paragraph related to the invitation to the General Assembly meeting was the most acceptable with an arithmetic mean of (4.12) and a standard deviation of (0.92) followed by the third paragraph on satisfaction with the inquiries to the Board However, the fourth paragraph, which measures satisfaction with the method of selection of the Board of Trustees, did not receive a high degree of satisfaction with its average of 3.00 and the standard deviation (1.14).

The mean of all paragraphs of Shareholders' rights was positive (3.30) and standard deviation (0.96). The participation in decision-making, the sharing of information, the method of selecting university leaders, the role of students in the election of academic leaders, and the role of faculty in important decisions did not receive a high degree of satisfaction with evidence of their low arithmetic medium from the intermediate medium. The arithmetic mean of all paragraphs of stakeholder's rights was below the average reached (2.94) and standard deviation (1.22).

In analyzing the disclosure and transparency clauses, it was found that paragraph (20), which relates to the degree of satisfaction with future targets, was ranked first with an average of (4.03) and a standard deviation (0.87). Evidence of low mean arithmetic capacity (2.88) and standard deviation (1.08). In general, the mean of all the disclosure and transparency paragraphs was positive (3.17) and standard deviation (0.97). The participation of the local community in the internal activities of the university was the most accepted by the rise in their computational circles (3.85), (3.75), standard deviations (0.97) and (0.92). Arithmetic mean (2.78) and standard deviation (0.84) the total social responsibility items were positive (3.47) and standard deviation (0.94).

3.1 Hypotheses testing

The first sub-hypothesis: "There is no positive degree of satisfaction with regard to the rights of shareholders in Jordanian private universities"

Table 2: srif eht tset ot ledom eht fo ytidilav eht niatrecsa ot sisylana noisserger fo

Source	serauqs fomuS	Freedom degree	Squares average	F calculated value	Significance level
noissergeR	30.421	1	15.323	30.421	0.000
laudiseR		208	0.421	51.745	
Total		209			

It is noted from the figures in table (6) above that the model is suitable to test the first hypothesis of the value of F calculated over the value of the table at the level of significance (0.000) and degrees of freedom, 208.1. Shareholders account for 45.8 variances in the dependent variable, which indicates that all these elements are important and have an impact on achieving full satisfaction with the concept of governance. T calculated for the tables at the level of significance (0.000) and the value of T for the equity variables This is reinforced by the Beta coefficient of 0.589. The same table indicates that the equity variables bear a positive trend towards achieving the satisfaction factor, ie affect the dependent variable at the level of 0.000 and degrees of freedom 208, as well as the height of the arithmetic mean of the default mean (3.30) and standard deviation (0.96) as shown in Table (5) This also reinforces the positive trend. This result requires the rejection of the null hypothesis which states that there is no positive degree of satisfaction with regard to the rights of shareholders in Jordanian private universities, and the alternative hypothesis that there is a positive degree of satisfaction should be accepted. Satisfaction with regard to shareholders' rights.

Table 3: The results of the analysis of the correlation explanatory power adjusted interpretive power and standard error

Correlation	R2	Adjusted interpretive power	Standard error
0.683	0.466	0.458	0.542

Table 4: The results of multiple regression analysis to test the independent variables

Variable	B	Standard error	Beta	T value	T level
Shareholders' rights	0.548	0.114	0.589	6.852	0.000

The second sub-hypothesis "There is no positive degree of satisfaction with regard to the stakeholders' rights in Jordanian private universities."

Table 5: The results of the analysis of the correlation, explanatory power, Adjusted interpretive power and standard error

Correlation	R2	Adjusted interpretive power	Standard error
0.968	0.032	0.051	0.228

Table 6: The results of multiple regression analysis to test the independent variables

Variable	B	Standard error	Beta	T value	T level
redlohekatSs' sthgir	1.103	0.114	1.041	0.981	0.000

It is noted from Table (9) above that the independent variables of stakeholders explain the 0.051 variance in the common variable, and shows that the elements of this hypothesis combined are not important, and did not talk. 10 Stakeholders 'rights variables did not have a statistical function, as evidenced by the decrease in the value of the rights holders' variables, and the value of Beta (1.041). The default mean was (2.94) and standard deviation (1.22) as stated in Table (5). The result requires acceptance of the null hypothesis, which states that there is no positive degree of satisfaction with regard to the stakeholders' right in Jordanian private universities.

The third sub-hypothesis "There is no positive degree of satisfaction with the level of disclosure and transparency in the Jordanian private universities."

It is noted from table (12) that the independent variables of disclosure and transparency explain the amount of (0.34) of the variance in the dependent variable, and this indicates that these elements combined are important and have an impact on satisfaction with the concept of governance, and it is clear from table (13) that the variables of disclosure and transparency It has a statistical function in the index of the value of T calculated from the table at the significance level (0.000) where the value of T for the disclosure and transparency variables (6.394) and the value of Beta (0.541). The same table indicates that the variables of disclosure and transparency bear a positive trend towards achieving the satisfaction factor. In the absence of a positive degree of satisfaction with the level of disclosure and transparency, we must accept the alternative hypothesis that there is a positive degree of satisfaction with the level of disclosure and transparency in Jordanian private universities.

Table 7: The results of regression analysis to ascertain the validity of the model to test the third hypothesis

Source	fomuS serauqs	Freedom degree	Squares average	F calculated value	Significance level
noissergeR	16.725	1	16.725		0.000
laudiseR	52.154	208	47.846		
Total		209			

Table 8: The results of the analysis of the correlation, explanatory power, Adjusted interpretive power and standard error

Correlation	R2	Adjusted interpretive power	Standard error
0.592	0.350	0.342	0.658

Table 9: The results of multiple regression analysis to test the independent variables

Variable	B	Standard error	Beta	T value	T level
Transparency and Disclosure	0.528	0.109	0.541	6.394	0.000

Table 10: The results of the analysis of the correlation, explanatory power, Adjusted interpretive power and standard error

Correlation	R2	Adjusted interpretive power	Standard error
0.698	0.487	0.462	0.338

Table 11: The results of multiple regression analysis to test the independent variables

Variable	B	Standard error	Beta	T value	T level
social responsibility	0.504	0.135	0.541	6.993	0.000

IV. RESULTS AND RECOMMENDATIONS

After the analysis of obtained data from the study sample in private Jordanian universities, the study reached a number of results: A positive degree of satisfaction with respect to shareholders' rights in general, appeared by paragraphs high arithmetic mean reaching (3.30). A positive degree of satisfaction regarding social responsibilities taken by private universities towards the local community, as the arithmetic mean of the

paragraphs of social responsibility referred to (3.47). Low level of satisfaction with the method of dealing with stakeholders from staff, students, and faculty members, as evidenced by the low arithmetic mean of the paragraphs where it reached (2.30). Low level of satisfaction on the method of selection universities' boards of trustees, which is reflected negatively on performance and carrying out duties. A large commitment to government legislation and laws, tax policies, and comply with the higher education instructions in general. The low level of intermediate satisfaction with the application of the governance concepts in general, emerged through the calculation of the arithmetic mean of the four main paragraphs: shareholders' rights, stakeholders' rights, disclosure and transparency, and social responsibility, which reached (3.06).

This study concluded the following recommendations: Work on the development of standards for corporate governance, and to promote culture in the universities through fixed rules and frameworks adhered to by all interested stakeholders. Work to promote the spirit of justice and equality for all without exception, especially in the scale of salaries, promotions and emissions and to consecrate the concept of loyalty and belonging. Development of accountability and transparency values among all, and the impartiality of nepotism and cronyism in order to ensure a high degree of clarity and streamlined work. Make way for students and faculty members to choose leaders in universities, and respect their opinions and take their proposals serve the public interest. The involvement of members of the teaching body in the important decisions taken by the university administration. Attention to small shareholders and safeguard their rights. Foster a spirit of good citizenship among all, and focus on the pros, and respect for others, and constructive criticism so as to ensure freedom of expression. Encourage researchers to pay attention to the current issues of society, and to Realistic studies to contribute to finding logical solutions to outstanding issues.

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Ali Awad Alwagfi "The Reality of Organization Governance in Business Ethics and Social Responsibility" *International Journal of Business and Management Invention (IJBMI)*, vol. 08, no. 12, 2019, pp 10-16