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The effect of corporate governance on the individual work performance of employees: The case of private higher education

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ABSTRACT

The study aims to examine the effect of corporate governance on the individual work performance of employees of private higher education. To deepen the understanding of the concept of corporate governance and work performance, literature was reviewed. The study used a descriptive assessment and correlational research design and the population of the study was all employees of the Divine Word College of Laoag, Ilocos Norte. Questionnaires were used to gather the data. The study found that the corporate governance of the institution is considered high and the work performance is moderate. However, the Pearson r product moment analysis found that there is a significant correlation between corporate governance and the individual work performance of employees.

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Introduction

Employee performance has been the key factor in the attainment of organizational objectives. Thus, it is the major concern of management on maintaining and improving employees' work performance. Propelling employee performance has no simple solution because it needs many management strategies and principles. It would be so naïve if one thinks that money or a higher salary is the key to motivating employees to work smarter. Money or salary is only one of the many components in motivating employees to perform smarter. There are a lot of other factors that come into play. It is the same true with managing a higher education institution. It is not different from managing profit-oriented corporations. It involves the application of corporate governance accordingly. Though the context and the orientation are different, the corporate governance principles are also applicable to private higher institutions, though they may not apply the same principles as in the profit-oriented corporation. However, the schools are encouraged to adopt good corporate governance practices to improve performance, as Madashiru et al (2014) suggested.

Studies have been showing a positive correlation between corporate governance and organizational performance. For example, the study by Wasdani, et.al (2021), Delima and Ragel (2017), Madashiru, et.al (2014) found that good corporate governance practices such as board size, board skill, management skills, longer serving CEOs, size of the audit committee, audit committee independence, foreign ownership, institutional ownership, dividend policy and annual general meeting have a significant correlation with the organizational performance. These studies are enough evidence to suggest that applying good corporate governance practices will help improve organizational productivity or performance. Thus, it is recommended then that good corporate governance practices

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must be adopted not only by the profit-oriented business corporation but even not – profit corporations such as non-profit higher education.

The dimensions of corporate governance practices in non-profit private education might be different from profit-oriented business corporations, however, some of the principles of good corporate governance that are being practised in profit-orientation business organizations can also be applied to private higher education. Some common dimensions can be applied to both natures of corporations. Take, for example, some good corporate governance principles such as leadership and governance, quality control/quality assurance, resource management, transparency, accountability, external relations, research and representation can be applied to any form of the organization including higher private education. However, there are elements of corporate governance in the private higher institution that cannot be applied to any business corporation because those elements can only be applied to an educational institution such as rules on teaching and learning and students' services.

Issues about higher education governance in Southeast Asia have been discussed by Asian Development Bank (2012). The ADB's report has pointed out three challenges that the countries in Southeast Asia are facing: autonomy, quality, access and equity (ADB, 2012). Issues on autonomy refer to the extent to which independent higher educations are from government interference. Some countries provide certain laws that allow independence but some countries don't. Besides issues on autonomy, the Southeast Asia countries are facing the greatest challenge which is the issue of quality. These issues are somehow related to the autonomy issue and the lack of government support. Addressing these issues, the government through the higher education commission provides a mechanism to safeguard the quality which is called *Quality Assurance*.

The QA is a parameter that all higher education must follow in its operation, cascaded down to ISA or Institutional Self-Assessment. It provides a tool for self-assessment if the institution implements the standards. The evaluation is done by the institution and interventions are initiated by the institution itself. Southeast Asia's education institutions also face problems in terms of access and equity. The poor cannot avail of higher education because of poverty and cannot access the best higher education because of poverty. The government seems to be indifferent to this issue because of limited financial resources. Southeast Asia countries have addressed these issues differently which results in differences in terms of governance structure. Malaysia and Indonesia have much in common (however, the Indonesian government has established a balance to maintain government control and independence), the Philippines and Thailand have much in common in terms of low government intervention, while Cambodia, Lao PDR, Mongolia and Vietnam have the top-down approach in which the government has the complete control over the operation of the higher education institution. Each country has its corporate governance (Gonzales, 2018) because of differences in the legal system (Morck, 2005).

The most striking challenge of Southeast Asian Countries is quality education and answering such problems, the government of each country has established quality assurance guidelines which are carried out by different accrediting agencies. In Cambodia, it is called ACC (Accreditation Committee of Cambodia, in Indonesia, it is called BAN-PT (Badan Akreditasi Nasional Perguruan Tinggi), Malaysia, it is named MQA (Malaysia Qualifications Agency), the Philippines has AACUP (Accrediting Agency of Chartered Colleges and Universities in the Philippines), PAASCU (Philippine Accrediting Association of Schools, Colleges and Universities), PACUCOA (Association of Colleges and Universities Commission on Accreditation), ACSCU-AAI (Association of Christian Schools, Colleges and Universities Accrediting Association Inc). In Thailand, it is called Office for National Education Standards and Quality Assessment [ONESQA]), and Viet Nam is called the Department of Education Testing and Accreditation (DETA).

In the Philippine context, since the government's intervention in the operation of higher education is considered low, thus the independent accrediting agencies have been playing important roles in monitoring the higher education institutions if they are following the quality assurance standards. Thus, the institutions are encouraged to join one of those accrediting agencies and those that are not joining, are monitored directly by the CHED or Commission on Higher Education. Along with the Southeast Asia educational landscape and the Philippines' educational landscape, the Divine Word College of Laoag in Ilocos Norte does not want to be left behind in terms of following quality standards provided by the Commission on Higher Education. Therefore, they have joined the PAASCU as its accrediting agency to evaluate their corporate governance. This is the interest of the current research to find out if the Divine Word College of Laoag follows the prescribed corporate governance provided by the ISA SED and how it affects the employees' work performance.

The study is divided into five parts. The first part is the introduction or the rationale of the study that explains the background of the study. The second part is the literature review which explains the theoretical and conceptual frameworks that discuss the theories of the study. The third part is the research methodology which explains the research method and procedures for conducting the study. The fourth part is the data presentation and analysis and lastly is the result and discussion and conclusion.

The Literature Review

This part discusses the existing literature and studies related to the current topic that has discussed the corporate governance issues in general and corporate governance issues in higher education in particular. This is to establish the theories and the conceptual framework of the study.

Theoretical and Conceptual Framework

The History and the Concept of Corporate Governance

Before one can understand the concepts of corporate governance, one should know the history of corporate governance. Tracing the history of corporate governance (CG), literature informs us that each country has a different history of corporate governance. Take, for example, France began giving attention to corporate governance after the collapse of the Mississippi Company in 1720. China has started giving attention to it during the period the 1880s-to 1920s after the failure of the 1904 Company Law in fostering shareholder capitalism. While India has raised the concern about the need for corporate governance after World War II for the Indian software industry's development (Morck, 2005). Based on the history of corporate governance in each country, shows that corporate governance is born out of certain contexts and certain problems and thus corporate governance was born to offer solutions to the existing problems of that time, particularly corruption (bribery among others) and nepotism. As a result of different contexts and problems in each country is that each country has its corporate governance practices and emphasis. Cheffins (2012) argued that there is no definitive corporate governance account that can be taken as a common historical account for all countries. But for sure, according to Wells (2010), corporate governance has been with us since the use of corporate form.

The creation of corporations raises the concern of corporate governance particularly, how to manage the conflict between the investors and the managers. The term corporate governance came into existence in the 1970s in the USA through its inclusion in the official reform agenda proposed by the Federal Security Exchange Commission and the terms appear officially in the Federal Register by 1976 (Ocasio and Joseph, 2005: 167). But the terms only gain their prominence in the 1990s and since then it invites the attention of academics and regulators about the contents of corporate governance. Most of the concerns of corporate governance were about managerial accountability, board structures, and shareholders' rights (Cheffins, 2012).

From the history that we have pointed out, it is clear that corporate governance was born out of concern to solve corruption problems such as widespread illicit payments by U.S. Corporations, falsification of corporate records, and bribery (Seligman, 1982: 537). These problems prompted the Security and Exchange Commission to discuss the issue of shareholders' participation in the corporate electoral process and corporate governance and requires companies to disclose information related to the independence of directors, the audit, nomination and compensation committees (Seligman, 1982: 534, 550). Looking into such a history, one can understand the reason, the importance and the purpose of corporate governance. It is the way how to manage corporations in the best interest of the public, the shareholders and the corporations themselves particularly the increase in their share value.

Studies have found that corporate financial performance has been always associated with good corporate practices (Goe, 2016, Mahrani & Soewarno, 2018, Maher & Andersson, 1999). These findings suggest that failure to practice good corporate governance can lead to bankruptcy. This is true in real history. There are many examples of companies that went bankrupt because of corporate governance failures which we do not need to elaborate on one by one. Just take two examples of corporate governance failure. One is the Enron Scandal which allowed "dubious financial transactions" and such practices brought its bankruptcy (Clark & Demirag, 2002). The second is WorldCom, a telecommunication giant that went bankrupt because of an accounting scandal. The company manipulated accounting numbers, the company inflated the company's assets by around 12.8 billion dollars. This is considered one of the worst corporate crimes in history (Ashraf, 2011).

Thus, the concept and the definition of corporate governance cannot be separated from its history. Chartered Governance Institute UK & Ireland (2021) defines corporate governance as "how companies are governed and to what purpose". It pinpoints who has power and his/her accountability, who makes decisions and provides controls, and rules on how to make decisions to protect the interest of shareholders, employees, suppliers, customers and the community. Along with such a definition, Licht (2013) defines it as "the institutional framework that regulates the division and exercise of power in the corporation". These two definitions indicate power regulation as the basic concept of corporate governance. When the power goes unchecked, then one can do anything to serve his/her interest. Thus, Morris (2009) defines it as "the system by which companies are directed and controlled" and Boatright (2012) views it as "the set of legal rules that specify the parties that have the right to make the most important decisions in business organizations that constitute corporate control, as well as the legal rules that specify the processes and procedures by which these parties exercise this decision-making power or control". These definitions suggest that corporate governance is a toolkit that provides checks and balances that no one holds a single power in running a corporation.

Therefore, the issue of corporate governance is the issue of checks and balances. On one hand, it is important to give autonomy to the company directors to run the company as they deem it worthy to pursue but on the other hand, autonomous power without accountability to the shareholders would not guarantee success. The power without control always leads to disaster in the end. Thus, the directors need to work within the company's framework of accountability (Morris, 2008). The company needs to prepare a structure that provides accountability and allows check and balance. The accountability is not just limited to the accountability of the directors toward the direct corporate participants but the directors also have accountability toward the public. Consumer protection is one of the ethical responsibilities of the corporation. In this regard, the public has social control over corporate behaviour. Corporate governance in this case is not just about rules that govern the relationship among the direct corporate participants such as shareholders, directors, managers and employees but it is also about its relationship with the public/community (Blair, 2001). In other words,

corporate governance is not just a mechanism of balancing the interest of the shareholders and directors and managers but it is also a balancing of interests among all the corporate stakeholders (Blair, 2001).

Corporate Governance of Higher Education in the Philippines

The nature of a corporation determines the kind of corporate governance to be applied. Just like different countries use different corporate governance practices, thus, it is also the same true with private higher education. The nature of the non-profit and non-stock corporations such as religious private education is different from the profit-oriented education institution and consequently, corporate governance principles to be applied to each education institution can vary. It is also true that not all the corporate governance principles that are found in the profit-oriented corporation can be found in the higher education corporate governance. Higher education has its unique nature with its unique governance.

The practise of corporate governance in higher education is not also the same. Not all higher education has the same principle of corporate governance because there are differences between the public and private higher institutions. The practise of corporate governance in public schools is different from private education. Given their differences, however, all are under the Commission on Higher Education (CHED) and therefore, private higher education is also governed by the rules and regulations of the Commission on Higher Education (CHED). This is to ensure the quality of education that support the country's development program and at the same time protects the interest of the stakeholders.

In the Philippines' higher education, the Commission on Higher Education (CHED) has provided a manual of regulations for private higher education or MORPHE (Commission on Higher Education, 2008). The manual is used by private higher education as their guide in the operation and the manual provides rules and regulations related to government intervention and the autonomy of private higher education. Take, for example, Article IV, "Organization and General Powers", provides guidelines related to the supervision over higher education institutions (Sect. 15), power and functions of the commission (Sect. 16), compliance with minimum standards (Sect. 18), and academic freedom (Sect. 19). This article indicates the power of the government through the CHED over private education but at the same time allows a certain level of academic freedom. Article VI, "Institutional Facilities" contains rules on institutional sites and buildings (Sect. 26), Library standards (Sect. 27), Library development programs (Sect. 28), textbook selection criteria (Sect. 29), changes in the textbook (Sect.30). Article VII, "Internal Organization: Administrators" provides rules on the governing board (Sect. 31), qualification of the head (Sect.32), qualifications and functions of the dean (Sect. 33), and the qualification of the registrar (Sect. 34). Article VIII, Internal Organization: Academic and Non-Academic Personnel" includes rules on minimum faculty qualification (Sect.35), full-time and part-time faculty (Sect. 36), full-time faculty complement (Sect.37), faculty classification and ranking (Sect.38), and rules on other institution officials, academic support, and non-academic personnel (Sect. 39). The manual also provides rules on university status (Art. IX), Centers of Excellence and Centers Development (Art. X), autonomous and deregulated status (Art. XI), operation and recognition of programs (Art. XII), graduate education (Art. XIII), Accreditation (Art. XIV), International linkages and twinning programs (Art. XV), transnational education (Art. XVI), school calendar and class size (Art. XVII), student admission (Art. XVIII), Student load (Art. XIX), school records and transfer of students (Art. XX), student discipline,(Art. XXI), grading system (Art. XXII), graduation (Art. XXIII), personnel standards and transactions (Art. XXIV), and institutional finances (Art. XXV).

Reading the manual suggests that private higher education does not have the autonomy and power to run its education institution according to its mission if it has not achieved autonomous and deregulated status (Art. XI). Achieving such status enjoys autonomy in terms of no monitoring from CHED, financial assistance, determining and prescribing curricular programs, offering new courses, establishing new branches/satellite campuses, and extension classes or distance education. Though each institution has its institutional manual, those manuals do not represent autonomous status because those manuals may not contradict the manual of regulations for the private higher education of the CHED. After all, when it contradicts the manual provided by the CHED, then the manual of the CHED for private education prevails. The government through the Commission on Higher Education controls private higher education. The basic purpose is to achieve quality, access and equity (ADB, 2012) which remains a challenge for higher education in Southeast Asia today (ADB, 2012).

Ensuring the quality of higher education and the implementation of the manuals of regulations for private higher education, the government through the Commission on Higher Education has provided a tool which is called the institutional sustainability Assessment Self-Evaluation Document (ISA SED). This tool is used by the institution to assess its operation by looking at the quality standard that has been provided by the CHED. Besides such self-assessment tools, the higher institutions have partnered with external quality assurance agencies which are the private accrediting agencies to accredit the schools in terms of their compliance with the government standards. In the Philippines, there is AACCUP, PAASCU, PACUCOA, and ACSCU-AAI. Generally, in the case of Catholic Colleges and Universities, PAASCU has been taken as their accrediting agency. The agency has been in existence since 1957. These accrediting agencies evaluate the operation of the institution if the institution is complying with the government standards which are reflected in the ISA-SED.

ISA SED (Institutional Sustainability Assessment Self-Evaluation Document)

Discussion on quality education often varies from one expert to another and even varies from one country to another country. For example, Nafukho and Muyia (2021) African authors, emphasize five elements of quality education and these are quality learners,

quality learning environment, quality content, quality process, and quality outcomes. Rodriguez (2022) defines quality as “the one that empowers students to think critically about their reality; by being creative and developing ownership of their learning experience, they learn through creativity and problem solving which helps them to develop critical consciousness about current realities they live in”. Igbinkhase and Naidoo (2020) defined quality education as “a well designed to provide the recipient with an all-round development of skills and potential to achieve success in their future endeavours in a society”. Olatokun and Omuinu (2021) view quality education as education that “enables people to develop all of their attributes and skills to achieve their potential as human beings and members of society”.

Quality education is not just an individual or institutional concern but it becomes the government’s concern because it is through quality education, that the human resources of a country are trained for nation-building. The government through its Commission on Higher Education of the Philippines adopts a definition of quality education and at the same time proposed a definition of quality education as the basis for quality assessment tools. It adopts the definition of Harvey and Green (1993) that quality education is a “fitness for purpose” and transformation of stakeholders, especially for the mature institution”. Based on such definition, the CHED (2017) views quality as “the alignment and consistency of outcomes with the institution’s vision-mission and goals, demonstrated by learning and service outcomes at exceptional levels, and by a shared culture of quality”. Based on such a definition, the Philippine government through the Commission on Higher Education has prepared a mechanism to check and monitor the quality of education by creating a tool which is called “Institutional Sustainability Assessment Self-Evaluation” to measure the extent of how far the private higher education implemented the government’s rule on quality education. Commission on Higher Education (2017) through its Office of Institutional Quality Assurance and Governance provided Institutional Sustainability Assessment Self-Evaluation Document (ISA SED). The document contains the principles of good governance. The purpose is to establish a positive culture of quality education that can be achieved and contribute to nation-building (Commission on Higher Education (2017). The governance principles that are recommended by ISA SED as an internal assessment tool for all the higher education include Governance and Management (including management of resources), Quality of Teaching and Learning (competency, programs, faculty), Quality of Professional Exposure, Research, and Creative Work (including linkages), Support for Students (learning resources and support structures), and the Relations with the Community (extra-curricular linkages, service learning, outreach) (Commission on Higher Education, 2017). However, the current paper focuses its investigation on governance.

ISA SED on Governance and Management

There is a little disagreement on the definition of governance, leading to the disagreement on what constitutes governance. According to Ruhanen, et.al. (2010) this is caused by the fact that many empirical studies have no common conceptual framework when the researchers investigate the topic. But to avoid confusion about the meaning of the word and what constitutes governance, let us revisit the original meaning of the word. The word governance came from Latin Word, “gubernare” which originally comes from the Greek word, “kubernaein” which means to steer. Based on this etymology, governance refers to the way to steer, govern, direct, and control a group of people. Merriam-Webster Dictionary defines governance as “the act or process of governing or overseeing the control and direction of something (such as a country or an organization). This definition of governance emphasizes the way to control and direct to achieve the goal which involves rules. Thus, Veeneman (2021) defines governance as a set of rules that guide the stakeholders to decide together on the solutions to be implemented. While, the Commission on Higher Education (2017), as reflected in the Institutional Sustainability Assessment Self-Evaluation Document (ISA-SED) defines governance as “the systems that reflect the principles guiding the overall use of authority and decision-making of the institution’s governing body”. Based on this definition, the Commission on Higher Education (2017) identifies five elements of governance namely **probity, strategic vision, Accountability, awareness and management of risk and effective monitoring of performance**. Probity refers to the integrity and objectivity of business transactions within the institution. The strategic vision is defined as the strategic plan of the institution which is approved and supported by the governing body. Accountability is a culture of quality and accountability through the process of regular internal and external audits through financial and non-financial aspects. Awareness and management of risk refer to the solvency of the institution in which the institution is financially stable and sustainable because of appropriate systems and structures that safeguard the assets (Commission on Higher Education. While effective monitoring of performance means that the institution is reputable, sustainable, and relevant because of quality improvement resulting from regular monitoring and assessment of performance.

Under ISA-SED tools, governance and management are clustered within one area of evaluation. Though governance and management are closely related, however, in ISA SED, management generates its definition and dimensions. In the ISA SED, the management refers to “the institution’s management of operation, financial control and quality assurance arrangements which allow the higher institution to respond to development and change”. ISA SED tools of evaluation identify three dimensions of an institution’s management namely management of operation, financial control, and quality assurance arrangement. Management of operation includes operation efficiency, effectiveness and responsiveness to challenges and change. While financial control refers to the solvency of the financial situation of the institution in which the institution is financially stable and stable because of prudent financial control. Lastly, quality assurance arrangement means reputability, sustainability and relevance of the institution because of continuous quality improvement (Commission on Higher Education, 2017).

For the investigation, the paper focuses on the concept of governance and its elements because management aspects are already discussed within the governance key result areas.

Individual Work Performance: Key Concerns of Management

Organizational performance measurement has been the key concern of every management. However, measuring organizational performance can be quite confusing because it is not a single construct but a multidimensional construct (Kaplan & Norton, 1992; Moore, 1995) which means that measuring organizational performance involves many dimensions. Kaplan and Norton, (1992); Moore, (1995); Nalwoga, (2016) proposed four dimensions namely inputs where the focus is on the resources used to produce the product and services, activity focuses on the action taken to produce the product/services, output focuses on the volume of products and services produced and outcome focuses on the impact of products and services produced. While Draghici, et al. (2014) hold that measuring organizational performance can be from three sources which are efficiency, effectiveness and pertinence. On one hand, efficiency refers to the level of performance that uses the lowest number of inputs to produce the greater amount of outputs. On the other hand, effectiveness relates to the use of all inputs to produce any given output including personal time and energy which lead to the attainment of organizational objectives. While pertinence measures the organizational leader/manager behaviour.

Though the big picture of organizational performance measures focuses on inputs, activity, output, outcome, efficiency and effectiveness, and pertinence, however, it must be recognized that all these organizational performance measures are performed by individual employees. Thus, it is my honest opinion that the key concern of the management is individual employees' work performance. As Kim and Ployhart (2014) contend that individual work performance is the building block on which the entire economy is based. In the same vein, I also argue that individual employees' work performance is the foundation of organizational performance. Thus, the focus of performance evaluation is the individual work performance. The concern of individual work performance has called the attention of many companies and inspires researchers to investigate which results in different approaches to evaluating individual work performance (Koopmans, et al., 2011, Tubre, 2006).

As we have pointed out earlier, commonly research evaluating individual work performance has been focusing on the output or work productivity by identifying employees' absences, how many he/she produces and what quality one produces. Unfortunately, the evaluation is sometimes objective and subjective because the evaluation focuses on the quantity and quality which is according to the judgement of peers and supervisors (Viswesvaran & Ones, 2000, Kempplila & Lonnqvist, 2003). However, despite the weaknesses of these researches, they contribute valuable information related to measuring individual work performance. Other researchers argued that none of these measures captures the complexity and full range of behaviours that constitute employees' performance at work (Campbell, 1990, Griffin, et al. 2007). The problem behind those different approaches is that there was no common definition and conceptual framework for individual work performance to be measured. Each researcher defined and proposed their dimensions in measuring work performance which is later found to serve no purpose.

Campbell and Wiernik (2015) found that many variables presented in different studies do not measure individual work performance. Therefore, Campbell and Wiernik (2015) suggest developing a consensus on the definition of individual work performance. A consensus is that individual job performance is what people do, the actions they take that contribute to the organization's goals (Campbell & Wiernik, 2015). Therefore, the concern of individual work performance evaluation is the actions taken by the employees that contribute to the attainment of organizational goals whether they are written or not written in the job description. All agree that performance has nothing to do with the determining factors such as knowledge, skills and choice of behaviour. Though these factors affect performance, they are not the performance itself. This latest agreement maintained the proposal of Motowidlo et al. (1997) who argued that performance is related to actions that directly affect the attainment of organizational goals and it is not about the outcome of performance or efficiency or productivity (Campbell, 2013 b).

Related to the dimensions to be measured, the researchers were consistent with the previous position of researchers that individual work performance is a multidimensional construct and not a unidimensional construct. Earlier Campbell (1993) identified the latent structure of performance as composed of eight factors namely job-specific technical proficiency, non-job-specific technical proficiency, communication, demonstrated effort and initiative, personal discipline, facilitating peer and team performance, supervision/leadership, and management/administration. Later Motowidlo, et al. (1997) proposed two major dimensions of individual work performance which are composed of core technical and contextual performance. On the one hand, core technical performance refers to activities that transform raw materials into the main service and products of the organization. On the other hand, contextual performance relates to activities that help the core technical performance to function well. Before Motowidlo, et al. (1997), Organ (1988) had suggested organizational citizenship behaviours as a major component of individual work performance. These are behaviours that are not included in the job description but voluntary behaviours that promote the effective functioning of the organization. Then later Bennett & Robinson (2000) considered counterproductive behaviour as a major component of individual work performance. It is negative behaviours that are not helping the organization achieve its goals. There are two primary sub-factors of the CWB which are negative behaviours that are affecting others and negative behaviours that are affecting the organization directly like absences, and theft. etc. Campbell (2012) revised his previous elements of the latent structure of individual work performance and his latest revised version includes technical performance (on the belief that all work role requires technical performance), communication (proficiency with which one conveys information that is clear, understandable, compelling, and well organized), Initiative, persistence, and effort (refers to conscientious initiative), counterproductive work behavior (behaviours that have a negative effect on the organization), supervisory, managerial, executive (refers to leadership performance in a hierarchical relationship), hierarchical management performance (actions that deal with generating, preserving, and allocating the organization's resources to best achieve its goals), peer/team member leadership performance (actions that are in the context of peer or team member

interrelationships), and peer/team member management performance (actions related to planning, organizing, problem-solving). Earlier, before Campbell (2012), Koopmans, et.al (2011) identified **only three major dimensions of work performance which include task performance, contextual performance and counterproductive behaviour**. The current researcher believes that these three dimensions encompass the content of different dimensions identified by Campbell (2012), Motowidlo (1997), and Organ (1988).

Task performance as defined by Borman & Motowidlo, (1993) and cited by Silong, et al. (2013) is “the effectiveness with which job incumbents carry out activities that contribute to the organization's "technical core" either directly by executing a part of its technical process or indirectly by providing it with needed materials or services”. This definition refers to competency and expertise one has in performing his/her functions effectively (Harrison, Newman, & Roth, 2006) which is called by Campbell (1990) task proficiency or technical core. These are the behaviours that directly affect the completion of the task which contribute to the technical core of the organization. This is the basic requirement when one is given a certain task, that he/she should possess the basic knowledge and skills to perform the task at hand.

Contextual performance is defined by Doğru (2019) as “the degree to which an employee behaves positively consisting of volunteering for extra duties, helping coworkers and cooperating with them with an expectation of a reward”. Organ (1988) considered these behaviours as organizational citizenship behaviour. It is behaviours that are exercised voluntarily beyond the job description, beyond the main duties and responsibilities that are reflected through the job description. These behaviours maintain and enhance the organizational environment which helps employees exercise their task performance. Though these behaviours are not required by the organization, they are important to help employees perform their main tasks. Studies have shown that contextual performance relates to task performance (Diaz-Vilela, et al. 2015), and effectiveness (Griffin, et.al., 2001).

Counterproductive work behaviour is defined as negative behaviours that harm the organization and other people who are working in that organization (Spector & Fox, 2005). These behaviours are directed toward the organization and the individuals within the organization (Robinson & Bennett, 1995). These behaviours include abuse, production deviance, sabotage, theft and withdrawal (Spector, et al. 2006 as cited by Ispas & Borman, 2015). Concerning the workgroup, counterproductive work behaviour (CWB) may include laissez-faire in which a person or leader of a group does not care to supervise the work, violating group norms or policy, destroying the working relationships and applying one's values (Braun & Hentschel, 2015). The main objective of CWB is intended to fail the organization achieve its objectives. It captures a wide range of behaviours that are consciously done to undermine organizational performance with hidden motivations.

Conceptual Framework

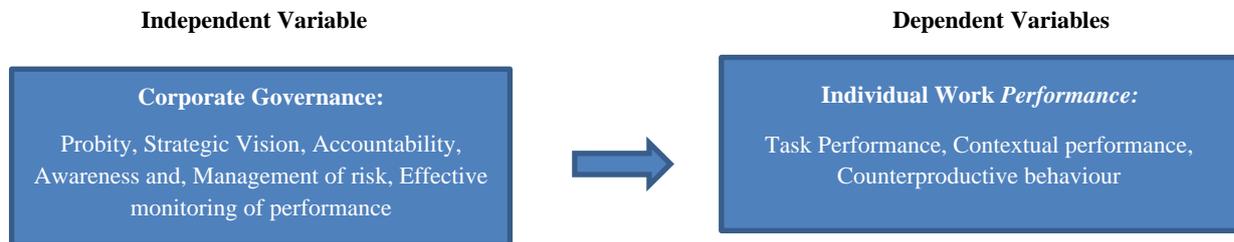


Figure 1: The conceptual framework reflects the relationship between corporate governance; *Source: ISA SED (Commission on Higher Education) and Koopmans et al, (2011) and Abun, et.al (2021).*

It explains that corporate governance affects individual work performance. Good corporate governance results in good individual work performance.

Statement of the Problems

The study aims to determine the effect of corporate governance on the individual work performance of employees. It specifically answers the following questions:

1. What is corporate governance in terms of
 - a. Probity
 - b. Strategic vision
 - c. Accountability
 - d. Awareness and management of risk
 - e. Effective monitoring of performance
2. What is the individual work performance of employees in terms of
 - a. Task performance
 - b. Contextual performance
 - c. Counterproductive behaviour

3. Is there a relationship between corporate governance and individual work performance?

Assumptions

The study assumes that good corporate governance affects individual work performance and consequently organizational performance. Furthermore, it assumes that the variables reflect corporate governance and individual work performance and can be measured.

Hypothesis

The study by Mudashiru, et al. (2014), and Kiratu (2016) found a correlation between good corporate governance and organizational performance. Based on these studies, the current study hypothesizes that corporate governance influences individual work performance.

Scope and Delimitation of the Study

The study limits its investigation to Divine Word College of Laoag and delimits its discussion on corporate governance along corporate governance indicated in the ISA SED which includes probity, strategic vision, accountability, awareness and management of risk, and effective monitoring of performance.

Research Methodology

As required by scientific inquiry, research must follow a certain methodology of investigation. The methodology reflects how the study went through in identifying, selecting, processing, and analyzing information about a topic (Wilkinson, 2000, Leedy, 1974). This is a must-follow procedure to be called scientific and for the study to be valid. The study follows the rule of procedures in the investigation by determining the research design, data gathering instruments method, the population of the study, the locale of the study, the data gathering procedures, and statistical treatment of data.

Research Design of the study

The study applied a descriptive assessment, and correlational research design to determine the level of corporate governance practices and individual work performance. Ariola (2006) contended that a descriptive correlation study is intended to describe the relationship among variables without seeking to establish a causal connection. While descriptive research is simply to describe a population, a situation, or a phenomenon. It is also used to describe profiles, frequency distribution, describe characteristics of people, situations, or phenomena. In short, it answers the question of what, when, how, where, and not why question (McCombes, 2020).

The locale of the Study

The locale of the study was Divine Word College of Laoag in Ilocos Norte.

Population

The respondents of the study are all employees of the Divine Word Colleges of Laoag in Ilocos Norte. A total of 170 employees were taken as the sample of the study. Since the number of employees is limited, therefore, the total enumeration sampling was used and thus all employees and administrators were taken as respondents to the study.

Data Gathering instruments

The data were gathered through research questionnaires. The study adopted the instruments of ISA SED prepared by the Commission on Higher Education and concerning individual work performance, the questionnaires were taken from Koopmans, et al. (2011) and adapted by Abun, et.al. (2021).

Data Gathering Procedures

The integrity and quality of research do not depend only on the content but also depends on the process of how the study is carried out. It has to be done through the right process. Concerning this study, before the researcher distributes the questionnaires, a letter was sent to the Presidents of the colleges to request them to allow the researcher to float his questionnaires in their respective institutions. In the process of collecting the data, the researcher requests employees' representatives to retrieve the data from different individual employees before they are submitted to the researcher.

Ethical Procedures

The study was carried out after the research ethics committee examined and approved the procedures and content of the paper if it does not violate ethical standards and if it does not cause harm to human life and the environment.

Statistical Treatment of Data

To analyze the data, descriptive and inferential statistic was used. The weighted mean was used to determine the level of corporate governance and individual work performance and the Pearson r product-moment correlation was used to measure the correlation between corporate governance and individual performance of employees.

The following ranges of values with their descriptive interpretation will be used:

<i>Statistical Range</i>	<i>Descriptive Interpretation</i>
4.21-5.00	<i>strongly agree/Very High</i>
3.41-4.20	<i>Agree/High</i>
2.61-3.40	<i>somewhat agree/moderate</i>
1.81-2.60	<i>Disagree/Low</i>
1.00-1.80	<i>Strongly disagree/Very Low</i>

Data Presentation and Analysis

This part presents the data that was gathered through research questionnaires and statistically tabulated. The presentation follows the order of the statement of the problems:

Problem 1: What is the corporate governance in terms of

- i. Probity
- ii. Strategic vision
- iii. Accountability
- iv. Awareness and management of risk
- v. Effective monitoring of performance

Table 1: Corporate Governance in terms of Probity

Indicators	Mean	DR
1. There is a system to ensure integrity and objectivity in the transaction of its business.	3.76	A
2. The organization follows institutional processes for governance.	3.49	A
3. Administrators articulate, follow and implement the guidelines set by the governing body	3.68	A
4. Decisions of the governing body are disseminated to the community	3.46	A
5. There is a structure of transparency and integrity at all levels with respect for the process, knowledge of guidelines and protocols and observance of communication channels.	3.71	A
6. Stakeholders are satisfied with the transparency, integrity and objectivity of the governing body in decision making	3.68	A
7. There is evidence that the institution keeps the highest levels of technical standards in its operation	3.66	A
Composite Mean	3.63	A

Source: ISA SED (2017)

Based on the data presented in the table, reveals that as a whole, corporate governance in terms of probity obtained a composite mean of 3.63 which is translated as “agree/high”. This composite mean suggests that the corporate governance of the Divine Word College of Laoag in terms of probity is not very high and it is not also very low, low or moderate but it is high. Even if the indicators are taken singly, all indicators are rated within the same mean range level with the same interpretation as “agree/high”. Employees agreed that there is high probity in the institution in terms of system to ensure integrity and objectivity in transactions, institutional processes for governance, following the guidelines set by the governing body, the decisions of the governing body are disseminated to the community members, structure for integrity and transparency at all levels, stakeholders’ satisfaction with the transparency, integrity and objectivity of the governing body in decision making and keeping the highest levels of technical standards in its operation.

Table 2: Corporate Governance in terms of Strategic Vision

Indicators	Mean	DR
1. The strategic plan is well-documented and disseminated to the organization	3.73	A
2. There is a system for monitoring and assessing the achievement of goals	3.75	A
3. The policies (academic, financial, quality assurance and resource allocation) of the institution are consistent with the vision, mission and goals of the institution.	3.59	A
4. There is a process followed in formulating and approving the plan which allowed the participation of the stakeholders.	3.58	A
5. There is a clear articulation of who is responsible and accountable for the implementation of particular parts of the strategic plan.	3.52	A
6. Stakeholders support the strategic plan because they took part in putting it together.	3.68	A
7. The organization demonstrates robust performance according to its goals and desired outcomes.	3.80	A
8. There is evidence that the strategic plan energizes the institution in working toward its goals and targets	3.59	A
Composite Mean	3.65	A

Source: ISA SED

As indicated by the data on the table, it shows that as a whole the corporate governance in terms of strategic vision gained a composite mean of 3.65 which is considered “agree or high”. It means that the corporate governance of the institution in terms of strategic vision is not very high and it is not also very low, low or moderate but it is high. Even when the indicators are taken separately, all indicators are rated within the same mean range level with the interpretation of “agree/high”. Clearly, in terms of strategic vision, all employees agree that the strategic plan is well documented and disseminated to the community members, there is a system for monitoring and assessments of the goals achieved, the policies of the institution is consistent with the vision, mission and the goals of the institution, there is a process in formulating and approving plans which were done together with the stakeholders, appointed persons to be responsible and accountable for the implementations of particular parts of the strategic plan, stakeholders support the plan, the institution’s performance is according to its goals and plans, and there is evidence that the institution is moving towards its goals and targets.

Table 3: Corporate Governance in terms of Accountability

Indicators	Mean	DR
1. There is a system for undertaking regular internal/external audit reports	3.65	A
2. There is documentation on the use of funds as well as a system for disbursement and reposting	3.71	A
3. The governing body and the management ensure the regular implementation and evaluation of its QA (Quality Assurance) system.	3.47	A
4. Appropriate action is done to address concerns in internal/external audit reports	3.74	A
5. The governing body ensures that funds are used for the intended purposes, made available following the specified terms and conditions and monitored regularly	3.69	A
6. There is a culture of integrity and accountability at all levels shown by the conduct and behaviours of the members of the school community.	3.49	A
7. Stakeholders are satisfied with the transparency, integrity and objectivity of the governing body in decision making	3.62	A
8. There is evidence of improvement in key performance indicators due to regular audits and an effective QA system.	3.51	A
Composite Mean	3.61	A

Source: ISA SED

The data on the table manifests that as a whole the corporate governance in terms of accountability got a composite mean of 3.61 which is translated as “agree/high”. This composite mean indicates that the corporate governance of the institution in terms of accountability is not very high and it is not also very low, low or moderate but it is high. Even if the indicators are taken singly, all indicators are rated within the same range of mean. All employees agree that the institution has a system for undertaking regular internal or external auditors, there is documentation on the use and disbursement of funds, the governing body conducts regular evaluations of the implementation of its QA system, actions are taken as recommended by the internal or external auditor, the governing body monitors the use of funds for the intended purpose, there is a culture of integrity and accountability at all levels as manifested by the behaviour of the community members, stakeholders are satisfied with the transparency, integrity and objectivity of the governing body in decision making and there is evidence of improvement along with the key performance indicators as a result of regular audits and effective QA system.

Table 4: Corporate Governance in terms of Awareness and Management of Risk

Indicators	Mean	DR
1. Some systems and structures implement financial strategy, annual operating plans and budgets to safeguard the institution's assets.	3.50	A
2. The governing body identifies persons/teams for effective and efficient fiscal management, including risk management	3.65	A
3. The finance team studies, manages and evaluates major financial investments	3.66	A
4. Program offerings and institutional projects are supported by appropriate feasibility studies	3.52	A
5. The institution has safety nets put in place to manage risks and protect assets	3.66	A
6. The institution is solvent, financially stable and sustainable as a result of its risk management	3.44	A
Composite Mean	3.57	A

Source: ISA SED

As reflected by the data on the table, it appears that as a whole the corporate governance in terms of awareness and management of risk obtained a composite mean of 3.57 which is interpreted as “agree/high”. Such composite mean specifies that the corporate governance of the institution in terms of awareness and management of risk is not very high and it is also not very low, low or moderate but it is high. Even when the indicators are taken separately, all indicators are rated within the same range of mean level with the interpretation of “agree/high”. All employees agree that the institution has some system and structure in implementing a financial strategy, annual operating plans and budget to safeguard the institution’s assets, identified persons/teams for effective and

efficient fiscal management including risk management, a team that manages and evaluates major financial investments, a feasibility study conducted before opening a program, has safety nets in place to manage risks and protect the assets, and the institution is solvent financially stable and sustainable as a result of its risk management.

Table 5: Corporate Governance in terms of Effective Monitoring of Performance

Indicators	Mean	DR
1. There are systems and structures to monitor and assess the institution's performance against its planned strategies and operational targets and enable action for continuous quality improvement.	3.61	A
2. The governing body and the management regularly monitor the performance of the institution, particularly along with areas: of academic performance, support services, health and safety, employment policies, and relation with the external stakeholders, among others.	3.70	A
3. The governing body and the management regularly monitor the performance of the institution particularly related to the strategic management of the institution's land, buildings, facilities and academic resources	3.56	A
4. The stakeholders are satisfied with the quality and performance of the Institution	3.69	A
5. Programs are kept current and relevant because the governing body is involved in their approval, performance and monitoring	3.57	A
6. There is evidence in the performance of the quality of the institution as seen in key performance indicators such as accreditation, passing rates in licensure examinations and stakeholders' satisfaction	3.71	A
Composite Mean	3.64	A

Source: ISA SED

As pointed out by the data in the table, illustrates that as a whole the corporate governance in terms of effective monitoring performance gained a composite mean of 3.64 which is translated as “agree/high”. This composite level signposts that the corporate governance of the institution in terms of effective monitoring performance is not very high and it is also not very low, low or moderate but it is high. Even if the indicators are taken separately, all items are evaluated within the same level of mean range with the same interpretation of “agree/high”. All employees agree that the institution has a system and structure to monitor and assess the institution's performance against its planned strategies, the governing body and the management regularly monitor the performance of the institution, particularly in areas: of academic performance, support services, health and safety, employment policies, and relation with the external stakeholders, the strategic management of the institution's land, buildings, facilities and academic resources, the stakeholders are satisfied with the quality and performance of the institution, programs are current and relevant because the governing body is involved in their approval, performance and monitoring and there is evidence of quality performance through the passing rates of the licensure examination.

Table 6: Summary of Corporate Governance

ITEMS	Mean	DR
1. Probity	3.63	A
2. Strategic Vision	3.65	A
3. Accountability	3.61	A
4. Awareness and Management Risk	3.57	A
5. Effective Monitoring of Performance	3.64	A
Overall Mean	3.62	A

The data on the summary table discloses that as a whole the corporate governance of the institution obtained an overall mean rating of 3.62 which is considered “agree/high”. This proposes that the corporate governance of the institution is not very high and it is also not very low, low or moderate but it is high. Even if the five indicators are taken separately, all indicators are rated within the same mean range with the same interpretation of “agree/high”. All employees of the institution agree that the institution has probity, strategic vision, accountability, awareness of the risk and manage the risk and has effective monitoring performance.

Problem 2: What is the individual work performance of employees in terms of

- i. Task performance
- ii. Contextual performance
- iii. Counterproductive behaviour

Table 7: Individual Work Performance of Employees in terms of Task Performance

Indicators	Mean	DR
1. I manage to plan my work so that it was done on time	3.78	A
2. My planning was optimal	3.88	A
3. I kept in mind the results that I have to achieve in my work	3.78	A
4. I was able to separate main issues from side issues at work	3.74	A
5. I knew how to set the right priorities.	3.85	A
6. I was able to perform my work well with minimal time and effort	3.76	A
Composite Mean	3.80	A

Source: Koopmans, et al. (2011) and Abun, et aal. (2021)

As indicated by the data on the table, it tells that as a whole the individual work performance of employees in terms of task performance attained a composite mean of 3.80 which is considered “agree/high”.

The composite mean specifies that the individual work performance of the institution in terms of task performance is not very high and it is also not very low, low or moderate but it is high. Even if the indicators are taken singly, all indicators are rated within the same mean range level with the same interpretation of “agree/high”.

All employees agree that they manage to plan their work so that it is done on time and their plan was optimal, kept in their mind the results that they are going to achieve, knew how to set the right priorities, performed work within a minimal time effort and able to separate main issues from site issues at work.

Table 8: Individual Work Performance of Employees in terms of Contextual Performance

Indicators	Mean	DR
1. I took on extra responsibilities	3.81	A
2. I started a new task myself when my old ones were finished	3.75	A
3. I took on a challenging work task, when available	3.86	A
4. I worked at keeping my job knowledge up-to-date	3.80	A
5. I worked at keeping my job skills up-to-date	3.73	A
6. I came up with creative solutions to new problems	3.69	A
7. I kept looking for new challenges in my job	3.69	A
8. I did more than was expected of me	3.84	A
9. I actively participated in work meetings	3.65	A
10. I actively look for ways to improve my performance at work	3.63	A
11. I grasped opportunities when they presented themselves	3.82	A
12. I knew how to solve difficult situations and setbacks quickly	3.78	A
Composite Mean	3.75	A

Source: Koopmans, et al. (2011) and Abun, et aal. (2021)

As it appears on the table, the data demonstrates that as a whole, individual work performance in terms of contextual performance attained a composite mean of 3.75 which is understood as “agree or high”.

The composite mean suggests that the individual work performance of employees in terms of contextual performance is not very high and it is also not very low, low or moderate but it is high. Even if the indicators are taken singly, they all are assessed within the same mean level with the same interpretation of “agree/high”.

Employees agree that besides their main tasks, they also took on extra responsibilities, took the new task themselves after the old ones finished, took on challenging work when available, kept their knowledge and skills up to date by themselves, proposed new solutions to new problems, kept looking for new challenges in their job, participated in work meetings, looked for ways to improve performance by themselves, grasped opportunities when they came and knew how to solve difficult situations and setbacks quickly by themselves.

Table 9: Individual Work Performance of Employees in terms of Counterproductive Behaviour

Indicators	Mean	DR
1. I complained about unimportant matters at work	2.68	SWA
2. I made problems greater than they were at work	2.57	D
3. I focused on the negative aspects of a work situation, instead of on the positive aspects.	2.59	D
4. I spoke with colleagues about the negative aspects of my work.	2.52	D
5. I spoke with people from outside the organization about the negative aspects of my work	2.55	D
6. I did less than was expected of me	2.51	D
7. I managed to get off from a work task easily	2.51	D
8. I sometimes did nothing, while I should have been working	2.43	D
Composite Mean	2.54	D

Source: Koopmans, et al. (2011) and Abun, et aal. (2021)

Based on the data on the table, illustrates that as a whole the individual work performance in terms of counterproductive behaviour gained a composite mean rating of 2.54 which is interpreted as “disagree/low”. This composite mean indicates that the individual work performance of employees in terms of counterproductive behaviour is not very high or high and it is not also very low, or moderate but it is low. Even if the indicators are taken separately, almost all indicators are rated within the same mean level with the interpretation of “disagree/low”. The employees disagree that they made problems greater than they were at work, focused on the negative aspects of their work instead of the positive aspects, spoke with colleagues about the negative aspects of their work, spoke with people from outside the organization about the negative aspects of their work, did less than was expected of them, got off from a work task easily, and did nothing, while they should have been working. However, the employees somewhat agree that they complained about unimportant matters at work.

Table 10: Summary Table of Individual Work Performance

ITEMS	Mean	DR
1. Task Performance	3.80	A
2. Contextual Performance	3.75	A
3. Counterproductive Behaviour*	2.54	D
Overall Mean	3.36	SWA

The summary table reveals that as a whole the individual work performance of employees obtained an overall mean of 3.36 which is considered “somewhat agree/moderate”. But taking the indicators separately, on the one hand, the task performance and contextual performance are high which is considered positive and required to attain the organizational objectives and on the other hand, their counterproductive behaviour is low which is also considered positive in supporting the attainment of the organizational goals. This indicates that when the task and contextual performance is high, then the counterproductive behaviour is low. The lowest counterproductive behaviour is important because it means that positive behaviour is greater than negative behaviour among the employees.

Table 11: Relationship between Corporate Governance and Individual Work Performance

		Task Performance	Contextual	Counterproductive Behavior
Probity	Pearson Correlation	.590**	.467**	-.202**
	Sig. (2-tailed)	.000	.000	.008
	N	170	170	170
Strategic Vision	Pearson Correlation	.545**	.475**	-.108
	Sig. (2-tailed)	.000	.000	.161
	N	170	170	170
Accountability	Pearson Correlation	.645**	.557**	-.186*
	Sig. (2-tailed)	.000	.000	.015
	N	170	170	170
Awareness and Mgt of risk	Pearson Correlation	.599**	.517**	-.074
	Sig. (2-tailed)	.000	.000	.335
	N	170	170	170
Monitoring Performance	Pearson Correlation	.662**	.551**	-.187*
	Sig. (2-tailed)	.000	.000	.015
	N	170	170	170

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed)

Source: IBM SPSS Statistics 20.

The study aimed to examine the effect of corporate governance on the individual work performance of employees. The Pearson r product moment of correlation reveals that there is a significant correlation at a 0.01 level between corporate governance and the individual work performance of employees. Taking them singly, probity is significantly correlated at a 0.01 level of significance with the task performance, contextual performance and counterproductive behaviour. The other four indicators such as strategic vision, accountability, awareness and management of risk, and effective monitoring of performance are all significantly correlated with the task performance and contextual performance at a 0.01 level of significance and significant at a 0.05 level of significance with the counterproductive behaviour. This suggests that good corporate performance necessarily improves the task and contextual performance and reduces counterproductive behaviour. The higher or the better the corporate governance is the lesser the counterproductive behaviour becomes.

Result and Discussion

The main objective of the study is to examine the effect of corporate governance on the individual work performance of employees. As pointed out by the result of the Pearson r product moment of correlation, it suggests that the better the corporate governance is the higher the individual work performance becomes specifically along with task performance and contextual performance and better corporate governance reduces the counterproductive behaviour of employees. In the context of educational institutions, corporate governance like probity, strategic vision, awareness and management of risk, accountability, and effective monitoring of performance is important to motivate employees to perform their job better. The finding is in line with the finding of the previous studies related to the positive effect of corporate governance on work performance such as Shaker et al (2020), Naimah and Hamidah (2016), Mustafa, et al. (2018), Guluma (2021) on the effect of corporate governance on the firm performance. The better the corporate governance is, the more motivated the employees become to perform their job (Nmai & Delle, 2014) and the organizational goal can be attained. Those findings suggest that bad corporate governance would necessarily increase the counterproductive behaviour of the employees and would affect the attainment of organizational goals. Beyond the failure to attain organizational objectives, bad corporate governance can have a negative long-lasting effect on the reputation of the company as pointed out by the study of Larcker and Tayan (2016).

The current study enriches the discussion on the contribution of corporate governance in improving or increasing employees' performance to attain the organizational vision and mission and objectives and to minimize counterproductive behaviour of employees. Therefore, the management should give priority to improving corporate governance to eliminate bad behaviour and enhance the good behaviour of employees.

Conclusion

The finding of the study answers the main questions of the study related to the extent of corporate governance along with probity, strategic vision, accountability, awareness and management of risk, effective monitoring of risk, and the question of the extent of individual work performance and the relationship between corporate governance and individual work performance. The study found that corporate governance of the institution is considered high and the individual work performance is also considered moderate. The correlation analysis indicates that there is a significant correlation between corporate governance and individual work performance. Improving corporate governance is necessary to increase individual work performance and reduce counterproductive behaviour. The hypothesis of the study is accepted.

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Institutional Review Board Statement: Ethical review and approval were waived for this study, due to the research do not deal with vulnerable groups or sensitive issues.

Informed Consent Statement: Informed consent was obtained from all subjects involved in the study.

Data Availability Statement: The data presented in this study are available on request from the corresponding author. The data are not publicly available due to privacy.

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