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The Influence of Perceived Managerialism, Ethical Leadership and Collegial Governance on Relational Governance Culture in Malaysian Higher Education

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ABSTRACT

Malaysian higher education institutions operate within an increasingly complex governance environment shaped by global rankings, regulatory oversight, audit cultures, and market competition. Public and private universities are expected to demonstrate measurable performance while preserving academic integrity, collegial traditions, and social responsibility. Such demands have intensified debates about how governance models influence institutional culture. This study is inspired by the lyric of "Ada" by M. Nasir (1993). The line "dalam aku ada Dia, dan dalam Dia ada kita, ada semua", symbolically reflects layered accountability. Within individual lies moral awareness, and within that awareness resides collective responsibility. From a higher education perspective, governance not just limited to structural compliance, but a moral and relational system grounded in shared accountability. Drawing on Social Exchange Theory (SET), this study examines how perceived managerialism, ethical leadership, and collegial governance influence relational governance culture in Malaysian universities. SET posits that relationships are shaped by reciprocity and perceived fairness. Using a quantitative design, data were collected through stratified non-random sampling from academicians in public and private universities across Malaysia. A total of 412 usable responses were analysed using SPSS 29 and SmartPLS 4.0. The structural model demonstrated strong explanatory power ($R^2 = 0.672$). Ethical leadership ($\beta = 0.663$, $p < 0.001$) and perceived managerialism ($\beta = 0.287$, $p < 0.001$) significantly influence relational governance culture, while collegial governance showed no significant direct effect ($\beta = -0.085$, $p = 0.149$). The lyric "dalam aku ada Dia, dan dalam Dia ada kita, ada semua" summarises the philosophical foundation of this study that is "within individual moral realisation lies collective responsibility". Ethical leadership emerges as the primary driver of a relational governance culture, reinforcing reciprocity, trust, and shared responsibility. Governance in Malaysian higher education, therefore, is not solely about systems and performance metrics only (managerialism) but about moral leadership that nurtures collective commitment and long-term institutional sustainability.

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1. Introduction

The trend towards performance-based governance in Malaysia (e.g., key performance indicators, audit processes and output-based evaluations) raises serious concerns about the weakening of relational governance culture. While these types of management practices are thought to improve accountability and effectiveness (but could potentially negatively impact collegial relationships) and move governance towards compliance-based approaches, there is a clear tension between achieving structural efficiency and maintaining relational integrity, which is still a necessary condition for ethical and effective governance [2,52].

The philosophical perspective of M. Nasir's [47] lyric; "dalam aku ada Dia, dan dalam Dia ada kita, ada semua" serves to illustrate this tension more clearly. This verse indicates that people are guided by a higher moral consciousness than their actions and connected to the collective responsibility of others. In terms of governance, this indicates that systems and procedures are inadequate instruments of governance, as governance must also be accompanied by an ethical consciousness and a strong relational bond between members of the institution [44].

Although relational governance culture is important, it has been given little attention in the current literature, especially regarding Malaysia [44]. There is a lack of empirical study that explores how existing governance practices impact this cultural aspect [63]. Therefore, significant gaps exist regarding how relationships are formed, sustained or deteriorated in institutions. This gap is especially important when considering potential long-term consequences associated with poor relational governance, such as decreased trust, decreased collaboration and decreased resilience of an institution [36,63].

To fill this gap, the study investigates the direct relationships among the variables of perceived managerialism, ethical leadership, collegial governance and relational governance culture. Using Social Exchange Theory (SET) and Stewardship Theory, governance is viewed as a relational and moral activity whereby fairness, reciprocity and mutual benefit are important determinants of behaviour and outcomes [45]. This provides the basis for the study to elaborate upon how the three primary factors influence the strength of relational governance culture in the higher education sector.

This study makes a significant contribution to the field of academic and business governance by establishing relational governance culture as a major result of effective governance practices, as well as a reflection of the overall quality/sustainability of those practices. It will also help define the difference between formal governance structures and the underlying moral and relational foundations of those structures. From an applied/managerial perspective, these findings suggest that there is a need for policy-makers and institutional leaders to develop policies and practices that encourage the development of a relational governance culture by balancing managerial practices with ethical leadership and institutional collegiality.

This study contends that in order for Malaysian higher education to have sustainable governance, both efficient governance systems and strong relational governance cultures must be in place. It echoes the sentiments of M. Nasir's [47] song when he notes that when individual trustworthiness, shared responsibility, and mutual trust become interdependent, the foundation for long term governance success will be established. Therefore, this study will examine the extent to which current governance practices impact the relational aspect of higher education institutions. The next section reviews the literature to identify critical gaps and demonstrate the need for this study.

2. Problem Statement and Literature Review

The relational governance culture in higher education institutions represents an emerging, yet still inadequately examined, component of governance [3,21]. Unlike formal governance systems that emphasise a) rules; b) structure; and c) compliance; relational governance on the other hand builds on the foundation of trust, mutual respect, ethics, and shared responsibility [20,37]. It describes the way individuals within institutions work with and support each other, while also promoting collective values [37,64]. The ability to create, sustain, and promote strong relationships in academic environments where collaboration and the sharing of knowledge are essential is critical to successful governance [19].

However, despite the importance of relational governance, current governance practices have tended to emphasise performance measurement and accountability. As a result, the increased emphasis on measuring performance, auditing, and evaluating based on output is indicative of a shift from traditional to managerial models of governance [5]. Therefore, while these types of practices are intended to improve operational efficiencies, they tend to ignore the relational aspects of governance. Consequently, governance will become even more quantifiable, whereas, the relational (human) dimension of governance will receive less and less attention [9].

An important consideration is perceived managerialism. This refers to the degree to which institutional members think managers influence governance processes [15]. Research studies are inconclusive on whether or not managerialism positively contributes to establishing accountability and coordination or negatively affects relationships between colleagues, autonomy, and distance among all members of the institution [41]. Evidence is scarce with regard to the effect of perceived managerialism on relational governance culture in Malaysia [1,49]. Therefore, it is important to determine whether or not managerial practices support or constrain relational dynamics in an institution.

Ethics is another factor that may influence the development of relational governance culture. Leaders who model integrity, fairness, and social responsibility impact the behaviour and interactions of others [53]. In higher education, leadership has an essential role in creating ethical norms and building relationships of trust among faculty [53]. Numerous studies link management to cooperative behaviours, increased commitment, and trust; but little is known about how ethical management or leadership directly contributes to developing relational governance cultures within institutions of higher education [31,57], thus calling for more research.

In traditional collegiate governance, universities operate under a system of democratic shared decision-making, where all members share collectively in developing plans and making decisions for the university's future [39]. Academic values are used to distribute authority among all university members, reach decisions by discussing options as a group, and agree on those decisions by achieving consensus. However, with current trends toward using managerial models for governance in educational institutions, there are growing concerns regarding the decreasing effect of collegiate governance [31,53]. Increasing centralisation and performance pressures may reduce opportunities for participation in university-level decision-making and limit or pressure collegiate social interactions [31,53]. Despite the positive relational outcomes that are often associated with collegiate governance, empirical evidence demonstrating its direct connection to relational outcomes is lacking in the context of Malaysian higher education institutions [46,53,57].

There is little empirical research to understand how perceived managerialism, ethical leadership, and collegiate governance combined influence the relational governance culture of Malaysian higher education institutions [53]. Much of the previous research regarding governance in Malaysian higher education institutions (e.g., 4,42) has focused on structural efficiency and performance of the

university. By focusing on structural aspects of governance in Malaysian higher education institutions, there is clearly a gap in research regarding how governance practices influence the development of relationships among members of the institution.

To fill the existing void in the knowledge of relational governance culture, the following study examines the role of perceived managerialism, ethical leadership, and collegial governance in their effect on relational governance culture by directly assessing their relationship to each other. This direct relationship approach enhances the understanding of how all three, individually and collectively, contribute to governance effectiveness at the organisational level and shows that while structure and performance are essential components of effective governance systems, they can only be completely effective if they are also built upon strong ethical and relational foundations. The importance of the literature on managerialism, ethical leadership, collegial governance, and governance systems have many gaps, nevertheless, as highlighted previously, there are few clear theoretical models that explain how governance factors affect relational outcomes. Thus, this next section provides a summary of the theoretical basis for examining these issues.

2.1 Underpinning Theory and Proposed Research Framework

In order to understand the relational governance culture, it is essential to have a theoretical view that explains not only how people interact, but also why they behave in the same way. For example, people will behave in ways to reinforce a relationship with an institution (e.g., support the institution) or behave in ways that will erode the relationship (e.g., weaken the institution) with others. In this research study, social exchange theory and stewardship theory provide a theoretical foundation upon which a theoretical basis exists with regard to the relational aspect of governance development and the moral basis associated with values-based governance.

Social exchange theory (SET) that was coined by Blau [6] and Homans [30] is concerned with how people form and maintain relationships through patterns of cooperation, to develop the trust needed for long-term success. However, SET also states that the individual's actions reflect their treatment by others through the provision of fair, respectful and supportive behaviours with positive behaviours (e.g., cooperating with others) in return [6,12]. With regard to institutions of higher learning, SET states that governance processes (e.g., policies, procedures) are not autonomous or neutral systems, but rather provide cues about how academicians will interpret and react to their institutional contexts [43,54-55]. For example, when governance processes are perceived as fair, inclusive, and collaborative, then individuals can be expected to behave in a positive manner towards the institution and each other. Conversely, if governance processes are perceived as controlling and/or solely performance-based, then individuals may have fewer positive experiences to build strong relationships with one another. Through the use of SET, the research study identifies how individuals' perceptions of managerialism, ethical leadership, and collegiality in governance, are directly related to the relational governance culture through their interactions and behaviours on a day-to-day basis.

Stewardship Theory (ST) that was invented by Davis et al. [14], in comparison with SET, provides a much more thorough rationale for the motivation and intent of individuals. ST also questions the common assumption that humans are motivated primarily by self-interest, but rather they have the capacity to place collective objectives as high as or higher than their own interests, and to consider the long-term viability of the institution in their actions. In higher education, the notion of stewardship is especially applicable due to the fact that many academic endeavours are grounded in common values, professional ethics, and a sense of obligation to the institution [29]. Stewardship-style leaders create a workplace environment that promotes personal integrity, shares accountability with subordinates and shows concern for the common good. ST closely relates to ethical leadership

and collegial governance because both forms of leadership place an emphasis on shared accountability and respect for one another [8]. Therefore, from the stewardship perspective, governance encompasses much more than simply the control and coordination of activities. It is about fostering an environment where individuals are willing to behave in ways that help to create and maintain productive relationships and an institution that is well-cohesive [34].

By combining these two theories, this study has developed a strong basis for analysis of the integration of governance methods into the relationship outcome's creation process. The achievement of relationship outcomes is described by the SET, which describes how different forms of governance methods can impact relationship outcomes through the interaction between people, and how they view/interpret their interaction with others. Meanwhile, the ST explains why people make a conscious choice to act in ways that are in support of collective goals. This combination also helps to clarify that the culture of relational governance was created through both behaviour-based exchanges and value-driven actions, and should not be viewed as an outcome, but as a product that is continually produced and produced through the interaction of people. In addition, it provides a better understanding of governance by supporting a more critical view of governance, recognising that while formal governance structures are important, they are not enough without the backing of ethical intent and an awareness of the relationship with others.

When applying the above to identify and explain the gaps in the current governance of the Malaysian higher education system, there are some significant gaps that become evident. The first gap is that relational governance culture is rarely considered a key outcome in the Malaysian higher education context [24]. The second gap is that the perceived relationship between managerialism and relational governance culture is rarely discussed with respect to the consequences of the relationship between the two; more generally, there are very few articles that discuss perceived managerialism and the effect of efficiency [59]. The third gap is that while ethical leadership is widely recognised, the role ethical leadership has in creating relational governance culture within an academic institution is not adequately covered [44]. Finally, while collegial governance is often assumed to provide a positive relationship between people within the governance systems of higher education institutions, the actual relationship between collegial governance, their respective members, and the impact of increasing managerial pressures on the relationships between people within a higher education institution requires closer examination [16,56].

This study seeks to enhance individuals understanding of two significant areas (theoretical and practical) by adding to additional knowledge of the relationship between governance and the moral aspects relating to governance. It also serves to illustrate how systems/performance operate in addition to discussing that overall effectiveness of governance relies as heavily on the quality of relationships established between organisations as it does on the systems themselves or on the performance of those systems. Based on the previous framework, current study will examine the direct relationships between the variables outlined in the framework using relational governance culture as an explanation of how traditional governance theory views not only the quality of interactions but also the amount of trust and the number of shared values within an organisation.

To support the development of this study, Fig. 1. provides a complete research framework that illustrates the proposed relationships between the variables under investigation. Following this, the next section outlines the hypotheses that will guide current study concerning the direct relationship between managerialism, ethical leadership, collegial governance, and relational governance culture. Within the context of relational governance culture, the quality of interactions, trust, and shared values define the culture of an organisation based on how those involved in governance experience and interpret governance experiences. Additionally, this study proposes that the relationship

between managerialism, ethical leadership, collegial governance, and relational governance culture can be explained through the theories of social exchange (SET) and stewardship (ST).

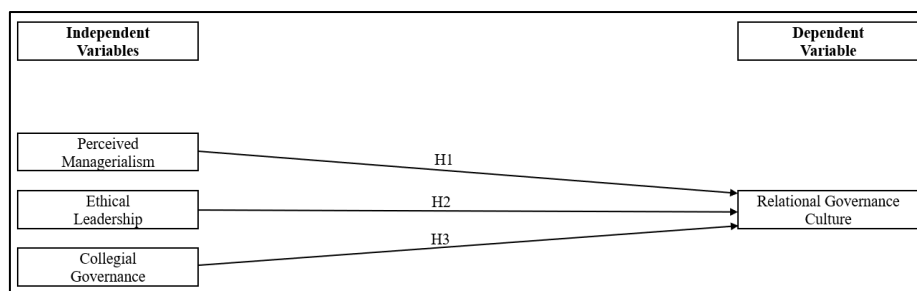


Fig. 1. Proposed research framework

Perception of managerialism measures the degree to which governance is perceived as being influenced by performance measures, control and formal systems of accountability [59]. SET views governance practices as signals that impact how people react to their institutional environment [27]. If a person perceives their governance as being controlled or rigid, their feelings of trust and mutual respect could be diminished, leading to a decrease in their relational engagement with the institution. Managerial practices that produce compliance-oriented behaviour rather than cooperation.

ST posits that excessive managerial control may also be in opposition to the premise that humans act in the best interests of the group. Limiting individual autonomy and increasing monitoring through governance may limit an employees' sense of overall shared accountability, diminishing their overall commitment to institutional values [34]. Therefore, relational governance culture would suffer. Hypothesis 1 states: "Perceived managerialism will have a negative correlation with relational governance culture."

Ethical Leadership is referred to as a style of leadership behaviour that demonstrates integrity, fairness and is morally responsible [61]. According to SET, when leaders behave ethically, they create a trustful environment conducive to reciprocity. When people view leaders as being fair and principled, they are more likely to respond with cooperation, respect and commitment [43,53,54].

ST supports the idea that when leaders prioritise the community over their own interests, while using integrity, they create a shared vision with others. When leaders are ethical, they ensure a cohesive relationship between individual values and the values of the organisation, and ethical leaders encourage behaviours that maintain relationships [61]. In this way, ethical leaders are key to creating and developing a culture of relational governance. H2: The relationship between ethical leadership and relational governance culture is positive and significant.

Collegial governance is based on decision-making that is shared, participative and collectively accountable [56]. In other words, from a SET perspective, participative governance creates opportunities for building relationships through communicating, conversing and respecting each other thus fostering stronger relationships within the organisation [6,12]. If individuals feel a part of the decision-making process, they are more likely to develop trust and feel like they belong.

Like ST, collegial governance is about shared accountability and being committed to the greater good [56]. Collegial practices encourage individuals to look beyond their self-interests to contribute to the collective good [60]. This ultimately supports the development of a governance culture that is based on collaboration and shared values.

Nonetheless, in modern-day environments where management styles are becoming more commonplace, the impact of collegial governance might not hold for everyone equally [13]. Hence, there is a need to carry out a comprehensive investigation into the direct impact of collegial governance on relational governance culture. H3: Collegiate governance bears a statistically

significant positive correlation with relational governance culture. To establish these hypotheses, the application of a systematic research design is critical. The next section outlines the methods used to examine the proposed correlations.

3. Research Methodology

This study will use a quantitative and cross-sectional approach to examine the relationships between perceived managerialism, ethical leadership, collegial governance, and relational governance culture as shown by academicians from Malaysian HEIs (Higher Education Institutions). A quantitative approach will provide a reliable means of obtaining standardised measures of constructs and to conduct statistical analyses on the relationships proposed in this study [11,58]. The cross-sectional research design of collecting data at one point in time is appropriate because it captures educators' current perceptions of collegial governance [58].

Academics from public and private universities across Malaysia make up the target population. Because these people participate directly in institutional governance, they have the ability to review and assess governance practises and relational circumstances within their institution. Two types of sampling methods were used to obtain the study sample. Stratified sampling ensured that both public and private universities were fairly represented in the sample [58], while non-probability sampling was used because of operational limitations in obtaining a complete list of academics from each of the universities [58]. Overall, the study had a total of 412 valid responses, exceeding the minimum recommended sample size of 384 (for a large population) [35], indicating that the sample meets or exceeds the reliability of conducting statistical analysis, thus providing a valid and reliable basis for evaluating the research problem.

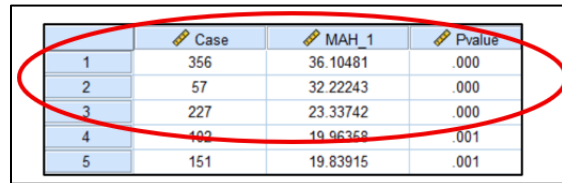
An online, self-administered questionnaire was used to gather data from respondents across multiple locations, while permitting anonymity and minimising response bias. Participation was voluntary, however, respondents were made aware of the research objectives and confidentiality was guaranteed. All items measured were on a 5 point Likert scale (1 = strongly disagree to 5 = strongly agree). All measurement items for perceived managerialism, ethical leadership, collegial governance and relational governance culture were adapted from pre-existing validated sources [15,7,60,23], respectively. As such the use of validated instruments contributes to the reliability and consistency of the measures [17].

Three field experts assessed the questionnaire for clarity and relevance to guarantee consistency and precision of questions [17,40]. Prior to the major data collection phase, a pilot study of 33 respondents was executed. The reliability rating was acceptable, with all constructs receiving a minimum of 0.70 on Cronbach's alpha, which is the requisite standard [25,50]. Data analysis was performed with SPSS-29 to conduct initial data screening, followed by using SmartPLS-4.0 for measurement and structural model evaluations. Ethical issues related to this study included voluntary participation; informed consent; and confidentiality regarding survey responses.

4. Data Analysis and Findings

Data analysis began with a data screening process to detect the presence of extreme outliers. In this study, the Mahalanobis distance method was used to identify cases that significantly deviated from the overall data pattern. Based on this procedure, three cases (Case 356, Case 57, and Case 227) were identified as extreme outliers, with probability values below 0.001 [62], as shown in Fig. 2. To maintain the accuracy and reliability of the findings, these cases were removed from the dataset. The

subsequent analyses were therefore conducted using the remaining 409 valid responses, ensuring that the results were not influenced by extreme values.



	Case	MAH_1	Pvalue
1	356	36.10481	.000
2	57	32.22243	.000
3	227	23.33742	.000
4	103	19.96358	.001
5	151	19.83915	.001

Fig. 2. Extreme outliers through Mahanalobis distance P-value

Table 1 presents the results to confirm whether or not common method variance (CMV) issue presents in the remaining 409 data. Ensuring the data is free from CMV issue is pivotal as an advanced procedure to identify collinearity issues [51]. As presented in Table 1, since the first component is showing cumulative percentage of Eigenvalues that is less than 50%, it can be concluded that collinearity or CMV issue is not a concern in this study [51].

Table 1

Total variance explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	15.310	46.393	46.393	15.310	46.393	46.393	5.117	15.507	15.507
2	3.158	9.570	55.963	3.158	9.570	55.963	4.992	15.126	30.634
3	1.976	5.987	61.950	1.976	5.987	61.950	4.757	14.415	45.049
4	1.413	4.281	66.231	1.413	4.281	66.231	3.529	10.693	55.742
5	1.056	3.199	69.429	1.056	3.199	69.429	3.500	10.605	66.347
6	1.047	3.174	72.603	1.047	3.174	72.603	2.065	6.257	72.603
7	0.815	2.470	75.073						

The next step in data screening involved assessing the normality of the remaining 409 responses. Normality was evaluated using skewness and kurtosis values. According to Kline [32], data can be considered normally distributed when skewness values fall within the range of -2 to +2, and kurtosis values fall within the range of -3 to +3. As presented in Table 2, all variables recorded skewness and kurtosis values within these acceptable thresholds. This indicates that the data are normally distributed and free from significant normality issues. Based on these results, the dataset was deemed suitable for further analysis, and the study proceeded with the measurement model assessment using the 409 valid responses.

Table 2

Normality test

	N	Mean	Std. Deviation	Skewness		Kurtosis	
				Statistic	Std. Error	Statistic	Std. Error
MeanEL	409	4.220	0.783	-0.945	0.121	0.508	0.241
MeanRCG	409	4.361	0.804	-1.564	0.121	2.383	0.241
MeanPM	409	4.465	0.557	-0.909	0.121	-0.094	0.241
MeanCG	409	4.669	0.465	-1.372	0.121	1.168	0.241

**PM=Perceived Managerialism, EL=Ethical Leadership, CG=Collegial Governance, IT=Institutional Trust; RCG=relational governance culture

4.1 Measurement Model Analysis

The first step in assessing the measurement model involved evaluating the reliability of the indicators used to measure each variable in this study. This process ensures that all items are consistent and suitable for hypothesis testing [22,25]. The analysis was conducted using the PLS Algorithm, which allows for the assessment of internal consistency, composite reliability, and convergent validity.

Table 3

Internal consistency, composite reliability and convergent validity

	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
Collegial Governance	0.927	0.929	0.942	0.732
Ethical Leadership	0.923	0.929	0.939	0.687
Perceived Managerialism	0.886	0.911	0.909	0.589
Relational Governance Culture	0.900	0.912	0.926	0.715

The results of this study's internal consistency analysis, which used Cronbach's alpha, rho_a for composite reliability, and rho_c for composite reliability, support the conclusion that all variables are internally consistent. All of these scores exceeded the threshold of 0.70 (acceptable) [18,25]. Additionally, the average variance extracted (AVE) from each construct supported the conclusion of convergent validity, as all constructs had an AVE above the minimum requirement of 0.50 [22,25]. Thus, the results of this study indicate high reliability for the measurements as well as a good representation of the constructs, therefore establishing reliability and convergent validity, so the analysis can continue.

Even though the internal consistency was established, the next step in evaluating discriminant validity (whether or not the constructs in the research model are uniquely different/discrete from each other (distinct). This evaluates that each variable is measured by its associated indicators and not mixed in with other constructs and limits the opportunity for multicollinearity within the research model [28]. The method of assessing discriminant validity used in this study is Heterotrait–Monotrait ratio (HTMT) (the results are illustrated in Tables 4). The HTMT results indicated that all scores were below the generally accepted threshold of 0.85, providing support that there are no problems with discriminant validity [28]. These findings confirm that each construct is clearly differentiated and accurately measured. Therefore, the measurement model demonstrates satisfactory discriminant validity and is suitable for further structural analysis.

Table 4

Heterotrait–Monotrait ratio

	Collegial Governance	Ethical Leadership	Perceived Managerialism	Relational Governance Culture
Collegial Governance				
Ethical Leadership	0.587			
Perceived Managerialism	0.816	0.674		
Relational Governance Culture	0.517	0.841	0.667	

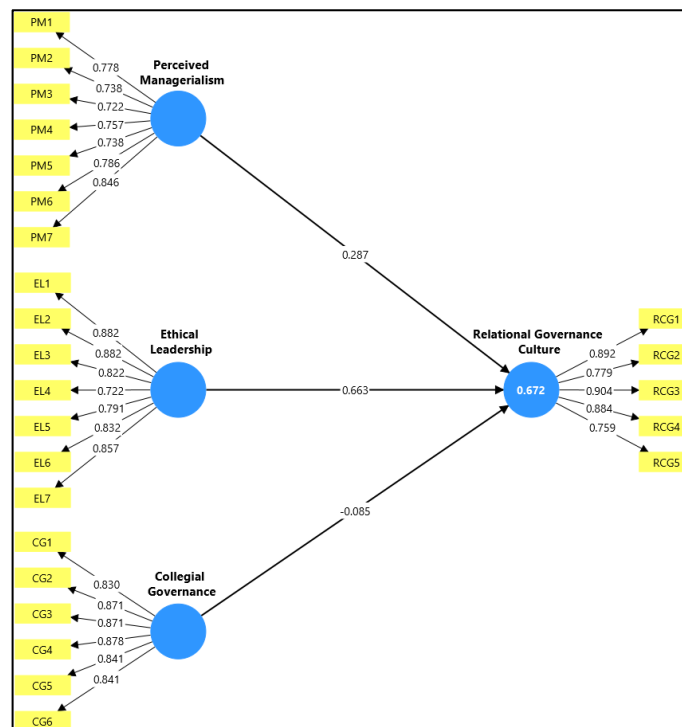


Fig. 4. PLS algorithm

4.2 Structural Model Analysis

The multicollinearity assessment containing the multicollinearity results between all three independent variables shown in Table 5 of this study suggests that multicollinearity is not an issue because the variance inflation factors (VIF) of each of the independent variables are less than the commonly accepted value of 3.3 [33]. Therefore, based on the findings of this assessment, it is appropriate to include these variables (perceived managerialism, ethical leadership, and collegial governance) in the model and to continue with subsequent structural analysis (as outlined in the next table).

Table 5

Multicollinearity analysis (Inner Variance Inflation Factor, VIF)

	Collegial Governance	Ethical Leadership	Perceived Managerialism	Relational Governance Culture
Collegial Governance				2.1970
Ethical Leadership				1.6900
Perceived Managerialism				2.5640

Table 6 shows the structural model of the relationships between independent variables and relational governance culture. The results indicate there are varying degrees of effect of the three predictors (independent variables) on relational governance culture. Additionally, ethical leadership has the greatest positive effect on relational governance culture ($\beta = 0.663$; $t = 17.036$; $p < 0.001$). The results of this study suggest that ethical leadership is fundamental to the development of relational governance culture in higher education institutions and thus the most important predictor variable in the present study [25].

The relationship between perceived managerialism and relational governance culture is statistically significant ($\beta = 0.287$, $t = 4.284$, $p < 0.001$), which suggests that a positive perception of managerial behaviour can help develop a relational governance culture. However, it has a significantly weaker effect relative to ethical leadership [25]. In addition, the relationship between collegial governance and relational governance culture is not significant ($\beta = -0.085$, $t = 1.444$, $p = 0.149$), and other than the negative coefficient is relatively the smallest, it indicates that collegial governance has no substantial connection to relational governance culture based upon this study's research model [25]. Thus, it can be concluded that, ethical leadership is the most influential aspect of relational governance culture, followed by perceived managerialism, while collegial governance has no influence at all simultaneously having the weakest relationship, towards relational governance culture.

Table 6

Mean, standard deviation, T-values & P-values

			Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values
Collegial Governance -> Relational Governance Culture			-0.085	-0.082	0.059	1.444	0.149
Ethical Leadership -> Relational Governance Culture			0.663	0.663	0.039	17.036	0.000
Perceived Managerialism -> Relational Governance Culture			0.287	0.286	0.067	4.284	0.000

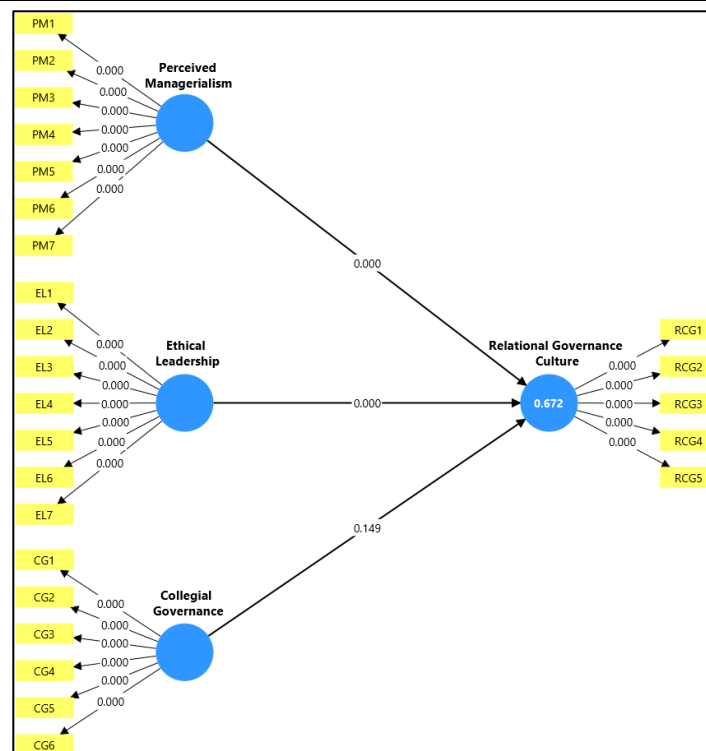


Fig. 5. PLS Bootstrapping

Table 7

Coefficient of Determination (R^2)

	R-square	R-square adjusted
Relational Governance Culture	0.672	0.669

Table 7 displays the coefficient of determination (R^2) of the relational governance culture model. The model accounts for a significant majority of the variance in relational governance culture with an R^2 of 0.672. This suggests that perceived managerialism, ethical leadership and collegial governance combined account for approximately 67.2% of the variance in relational governance culture. Therefore, it demonstrates that the independent variables analysed in this study are good predictors (explained moderately) of relational governance culture [25]. Moreover, the data supports the model as an accurate representation of how governance and other factors can affect relational outcomes at post-secondary institutions.

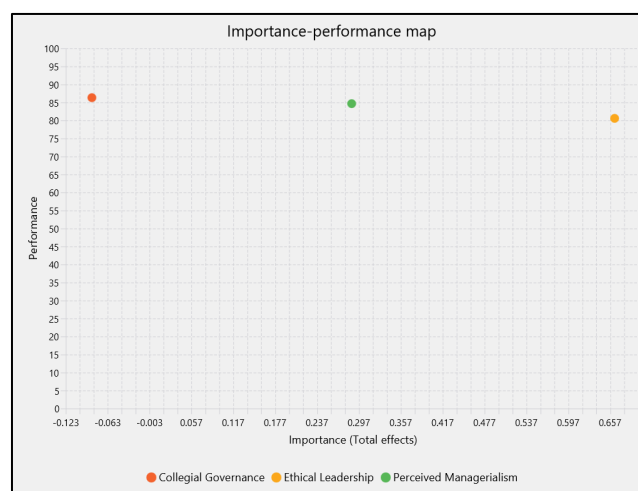


Fig. 6. The importance-performance map analysis (IPMA)

IPMA (Importance–Performance Map Analysis) is used to provide more information on the relative importance and performance of the variables included in this study that predict relational governance culture [26], see Fig. 6. Results indicate that ethical leadership is the most important predictor of relational governance culture concurrently exhibits high performance, thus it is the primary focus for institutional improvement efforts. Perceived managerialism has moderate importance and has adequate performance, which indicates that managerial practices are adequately performing and providing some contribution to relational governance culture, but their relationship is lower than that of ethical leadership.

Collegial governance has a high level of success (in term of performance) but provides little input on the governance model itself. Thus, even with the existence of a collegial governance method in the governance structure, research shows its contribution to the relational governance aspects of culture are limited. Subsequently, collegial governance is a lower priority for strategic initiatives. The IPMA research findings provide valuable insights for institutional leaders and policy makers in the following ways; first, emphasis must be placed on building stronger moral leaders because this group has the greatest effect on relational governance within institutions; second, moral leaders must continue to exhibit integrity at all times to build and maintain trust and positive relationships with other stakeholders in the institution; and third, institutions must continue to build structures that provide the opportunity for participation by all stakeholders while ensuring that strong performance

practices support relational governance, rather than undermine it both inside and outside the institution.

Lastly, while collegial governance remains important to support the overall mission of an institution, its lower impact on relational governance indicates more than participatory structures are required to improve relational governance culture. They demonstrated that strong ethical leadership, a system of caring for each other, and effective relationships between all stakeholder groups are the most important components of an effective governing body. The key message to institutions is to prioritise the creation of moral leadership, provide balanced management of performance and enhance the relational aspects of governance to achieve continuous improvement.

5. Discussion

This study explored how perceived managerialism, ethical leadership, and collegial governance can impact relational governance culture in Malaysian higher education. It also found there are distinct differences in the nature and strength of all three of these phenomena. Ethical leadership is the only one of the three variables that is consistently found to have a strong and highly statistically significant positive impact on relational governance culture. The decision-making and behaviours of leaders within institutions greatly influence the ways in which people interact with one another in those institutions. According to SET, when leaders demonstrate fairness, integrity and respect to their employees, academic staff are more likely to respond with trust, co-operation and commitment. The greater amount of trust, co-operation and commitment demonstrated by academic staff leads to stronger relationships and the development of a healthy governance culture.

Similarly, Stewardship Theory explains that when leaders focus on the needs of the collective and behave in a responsible manner, they encourage others to do so. Given that performance targets and formal requirements are having an increasing impact on governance in Malaysian higher education, it is essential for ethical leadership to provide an ethical foundation for governance so as to maintain trust and cohesion in an environment that may otherwise feel very rigid or control-oriented. This is the reason why ethical leadership emerged as the most influential predictor in this study.

There is also a positive and significant connection between perceived managerialism and relational governance culture, but its influence is less than that of ethical leadership. This indicates that, although managerialist practices are often thought of as limits to autonomy and competency, the results suggest that they do not necessarily lead to negative results. Why can academicians no longer see performance-based systems as disruptive? One possibility is that academicians have adjusted to performance-based systems, including performance appraisal systems, as if they did not disrupt education. Otherwise, where managerialist practices are implemented in an orderly and transparent manner, they can provide, clarity, direction and perform consistently, which can help with co-ordination and reduce uncertainty for all parties involved.

From a SE perspective, if the clearly defined expectations and the evaluation system are seen as reasonable and consistent, then the organisations will still have positive interpretations of how to govern their relationships as a consequence of their perceived managerialism. This suggests that managerialism has an indirect effect in supporting relational governance culture by creating an orderly environment for individuals to understand their roles. However, the weaker effect indicates that structure alone is not sufficient to create the quality of relational governance; rather, relational governance will continue to depend more heavily on ethical behaviour and interpersonal trust.

Relational Governance Culture and Collegial Governance Culture do not have a statistically significant relationship with each other, contradicting the traditional perspective (e.g., 10,38,48] that collegiality is an important factor driving positive relationships in higher education. One potential

explanation could be attributed to the evolution of governance in higher education, where collegial governance remains an important governance principle but may be diminishing due to the increased centralisation of higher education governance and greater performance pressure on higher education institutions.

Many institutions continue to formally utilise collegial governance processes, however, based on this study, their actual ability to impact formal and informal decision making processes and daily interactions among faculty and staff may be limited. Collegial participation may continue to exist in a number of institutions, however, it may no longer provide value to the institution, the individuals utilising those collegial processes, and the university community as a whole. As such, collegial governance may no longer have a direct impact on improving relational outcomes or improving reciprocity among university community members. In summary, collegial governance structures must be maintained; however, the way in which those structures exist in practice may be of greater significance than maintaining those structures themselves. If collegial governance processes are not genuinely engaged and/or supported by ethical leaders, collegial governance structures will become more symbolic than real and may continue to not yield relational benefits.

Relational governance culture is created primarily from the actions and ethics of an individual, as opposed to formalised structures. Authoritative ethics serve as the central component in developing relationships and the building of trust among individuals within an organisation. Therefore, while Managerial Style is important to relational governance, their outcome is determined by the context of their implementation and perception. The values of collegial governance are the basis of creating relational governance, so the application of collegial governance will have less impact in developing relational governance if it is not actively applied at a meaningful level. This study highlights an important caveat on effective governance in higher education; effective regional governance cannot be achieved by simply building governance through systems and procedures; it must be built through ethical leadership and the quality of relationships within an institution.

6. Research Significance, Limitation and Recommendation

This project makes significant contributions to theory and practice within the context of governance in higher education. Theoretically, the project enhances the understanding of governance within higher education by presenting the concept of relational governance culture as a critical outcome of effective governance rather than simply one of several secondary concepts used in earlier studies. While much of the literature on governance in higher education has focused on governance efficiencies (e.g., structure) and governance performance, the current study emphasises that the relational and ethical elements of governance are as important or more important than the structural elements of governance when considering the effectiveness of governance within institutions of higher education.

By combining theories of social exchange and stewardship, this study presents a unified framework that acknowledges the need for the inclusion of both behaviour (conduct and actions) and ethical models (values) in the examination of the manner in which governance influences institutional outcomes. Additionally, the findings of the study offer new perspectives on the impact of perceived managerialism, ethical leadership, and collegial governance. The findings suggest that ethical leadership is the most important determinant of successful governance and thus reinforces the idea that governance is not merely a technical procedure but is a moral endeavour. Furthermore, the findings suggest that collegial governance does not always produce greater relational outcomes than other governance methods and that managerial governance has the potential to promote greater relational outcomes but only when effectively managed.

From a practical perspective, this study provides clear guidance for policymakers and institutional leaders. The findings suggest that improving governance should not focus solely on systems, policies, or performance indicators. Instead, greater emphasis should be placed on developing ethical leadership and strengthening interpersonal relationships within institutions. This has important implications for leadership development, governance design, and organisational culture in Malaysian higher education. Overall, this study contributes to a more holistic understanding of governance by demonstrating that sustainable institutional effectiveness depends not only on structure and performance, but also on trust, ethics, and human interaction.

There are limitations associated with this study; therefore, they should be noted. The first limitation is the cross-sectional design used so that we cannot assess changes over time. Hence, the results from this study provide a snapshot of governance practices and relational dynamics at one point in time and can no longer reflect how these will change over time (for example, external policy pressures and the changing role of an institution). A second limitation is the use of self-reported data from academics who participated in this study. Although self-reported data is appropriate for obtaining individuals' perceptions, it may represent personal bias or individual interpretation. A third limitation is that this study is only focused on Malaysian higher educating institutions, providing a specific contextual background, but it will be difficult to generalise from these findings to other countries with different governance structures. A final limitation is that this study only examines the direct relationships between the three selected variables. Therefore, there are likely other factors, for example, the influence of organisational culture and variations in the leadership style of academics while developing a relational governance culture that are influencing the relationship between evidence-based practice, relational governance and the academic culture which were not included in the research design.

Based on these limitations several future research recommendations are offered. Longitudinal research is recommended to understand how governance practices and relational dynamics evolve over time to develop a better understanding of the causal associations and long-term impact. Qualitative methods such as interviews or case studies can be used to understand how university faculty experience governance practices in their day-to-day work in greater depth and therefore would complement the quantitative findings and provide a more complete understanding. Future research could investigate additional factors including organisational culture, leadership style or institutional policies that further elaborate the relationship governance culture. By expanding upon the model, researchers can incorporate a better understanding of the overall governance dynamics. Comparative research across different countries or institutional contexts would also help researchers to determine whether the present findings are consistent in different settings or influenced by particular cultural and organisational variables.

7. Conclusion

The purpose of this study was to investigate the various aspects that impact relational governance culture in Higher Education institutions in Malaysia. Although the results of the study show that both governance outside formal and performance systems and ethical leadership are the highest and most dominant factors in creating a relational governance culture, they indicate that all of these factors influence how institutional relationships are developed and maintained; ethical leadership is found to be the most dominant factor in building institutional relationships. Furthermore, while the impact of perceived managerialism is also positively impacted, its effect on relational governance culture will be somewhat limited, as it has been shown that structure alone is not sufficient to improve and/or support relational governance. Finally, the lack of a significant relationship between collegial

governance and relational governance culture indicates that traditional forms of governance are becoming less relevant unless they are complemented with engagement and ethical leadership.

These outcomes support a key realisation that effective governance is created not only by systems of control, but also by the people who work within them. While having policies, procedures and performance measures are all vital components, they cannot replicate the meaning of trust, respect and cooperation that are developed from ethical leadership. Therefore, as we change to a more performance-driven system, this study provides strong evidence for shifting how we prioritise governance as academic institutions. Rebalancing presents an opportunity for academic institutions to move beyond a narrow definition of metrics and compliance to invest in ethical leadership and building strong relationships. Overall, this study continues to demonstrate the importance of ethical leadership being at the centre of all sustainable governance and that meaningful relationships will lead to long-term success for the organisation.

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