The Impact of Internal Governance and Psychological Safety on Employee Performance in Private Universities: The Mediating Role of Organizational Communication

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Abstract: Internal governance and psychological safety are key factors influencing employee performance in private universities in Indonesia. Internal governance ensures efficient and transparent operations aligned with institutional goals, whereas psychological safety allows employees to express ideas and take risks without fear of negative consequences. Organizational communication mediates the relationship between these factors and employee performance. This study aimed to assess the impact of internal governance and psychological safety on employee performance in private universities in Banten, with organizational communication as an intervening variable. This study explores how these elements contribute to performance through effective communication. A quantitative approach was employed with a sample of 50 respondents from private universities in Banten. Data were collected via structured surveys, and SmartPLS 4.0 software was used to analyze the relationships between internal governance, psychological safety, organizational communication, and employee performance. This study found that internal governance positively influenced organizational communication, which significantly enhanced employee performance. Psychological safety also contributes to organizational communication but has a minimal direct impact on performance. Organizational communication plays a crucial mediating role in linking governance, safety, and performance. These findings emphasize the importance of strengthening internal governance, fostering psychological safety, and improving organizational communication to optimize employee performance in private universities. By focusing on these factors, universities can create a more supportive environment that enhances employee engagement and effectiveness of the faculty.

Keywords: Employee Performance; Internal Governance; Organizational Communication; Private Universities; Psychological Safety.

1. Introduction

In today's rapidly evolving higher education landscape, private universities are expected to provide quality education and ensure that their employees—faculty and administrative staff— perform at their best. This responsibility goes beyond classroom and administrative duties, extending to the management of internal governance and creating a safe and productive environment(Blanco-González et al., 2021). Internal governance refers to the structures, policies, and processes that guide operations and decision-making within an organization. In the context of private universities, strong internal governance structures are crucial for aligning the institution's mission and values with the actions and expectations of its employees(Ikram et al., 2021). Effective governance helps streamline processes, improve accountability, and foster an environment of trust(Shoaib et al., 2022). It is imperative that private universities in Banten and beyond understand that internal governance is not only about managing financial resources but also about managing human resources, which ultimately leads to improved employee performance(Kazmi & Javaid, 2022).

Psychological safety, a relatively modern concept in organizational behavior, plays a crucial role in enhancing employee performance, particularly in educational institutions. Psychological safety refers to an individual's perception that they will not be humiliated, rejected, or penalized for expressing ideas, asking questions, or making mistakes at work(Kazmi & Javaid, 2022). In private universities, where creative thinking, innovation,

and collaborative learning are paramount, psychological safety is essential for staff to feel supported and capable of performing at their best(Jin & Peng, 2024). The relationship between psychological safety and employee performance is significant because employees who feel safe in their roles tend to exhibit higher creativity, engagement, and productivity(Adu-Gyamfi et al., 2021). If university staff experience psychological safety, they are more likely to openly contribute their ideas, engage in critical discussions, and collaborate effectively with their peers, leading to better institutional outcomes(Shahzad et al., 2024; Wang et al., 2021).

Additionally, the role of organizational communication in private universities cannot be overstated. Organizational communication encompasses the flow of information, messages, and feedback within organizations(Elkhweildi et al., 2025). This ensures that employees are well-informed, engaged, and motivated to perform their duties efficiently. In an academic setting, where knowledge sharing, collaboration, and student outcomes are heavily reliant on communication, fostering effective communication channels is essential(Yu & Jang, 2024). Good communication helps prevent misunderstandings, aligns expectations, and nurtures a culture of collaboration among staff(Qin & Men, 2022). It also serves as a tool for mediating between internal governance and employee performance, where clear communication can bridge the gaps between policies, practices, and the people implementing them(Thelen & Formanchuk, 2021). Thus, organizational communication is a critical factor in ensuring that internal governance and psychological safety translate into better employee performance(Abdelwahed & Doghan, 2023; Zacharias et al., 2021).

1.1 Problem Statement

This study aims to understand the dynamic relationship between internal governance, psychological safety, and employee performance in private universities in Banten. Specifically, it seeks to explore the impact of internal governance on employee performance, the role of psychological safety in this relationship, and the mediating function of organizational communication. The central question addressed in this study is as follows: What is the impact of internal governance on employee performance? While internal governance is widely recognized for its influence on organizational efficiency and effectiveness, its direct impact on the performance of university employees, especially in private institutions, is less understood. By examining this relationship, this study aims to shed light on how effective governance can lead to improved employee outcomes in academic and administrative settings(Adu-Gyamfi et al., 2021; Kazmi & Javaid, 2022).

Furthermore, this study seeks to understand how psychological safety influences employee performance in higher education. Psychological safety is a critical factor that influences how employees engage with their work, colleagues, and institutions(Zhou & Chen, 2021). Without it, employees may hesitate to contribute ideas, ask for help, or make decisions that could lead to professional growth, all of which are essential for improving their performance(Kazmi & Javaid, 2022; Kim & Sohn, 2024). This study investigates whether the perceived safety of employees within the private universities of Banten is linked to their ability to perform effectively.

Another significant aspect of this research is the exploration of the role of organizational communication as an intervening variable in the relationship between internal governance, psychological safety, and employee performance(Verhoeven & Madsen, 2022). Organizational communication is not only about the dissemination of information but also about creating a feedback loop that nurtures collaboration, engagement, and trust among employees(Joo et al., 2022). This study assesses whether communication practices within the university bridge the gap between the effects of internal governance and psychological safety on performance(Thelen et al., 2022).

1.2 Research Objectives

This study has several key objectives aimed at advancing our understanding of the relationship between internal governance, psychological safety, and employee performance in private universities in Banten. First, this study sought to identify the relationship between internal governance, psychological safety, and employee performance. This objective will be achieved by analyzing how governance structures within private universities influence the behavior and performance of their employees. It will also examine how employees' sense of safety, both psychological and professional, contributes to their overall job performance, engagement, and satisfaction(Jin & Peng, 2024; Thelen et al., 2022).

Second, this study aims to analyze the role of organizational communication in this relationship. By focusing on how communication within the institution impacts both governance and psychological safety, this study provides valuable insights into how universities can improve communication practices to facilitate a better working

environment for their staff. Specifically, this objective addresses how communication channels within an organization can enhance employee engagement, support performance, and foster a culture of openness and collaboration(Kazmi & Javaid, 2022; Zhou & Chen, 2021).

1.3 Research Significance

This study provides valuable insights for private universities in Banten, focusing on improving employee performance through enhanced internal governance and psychological safety. This helps administrators implement strategies that promote transparency and accountability while fostering a supportive environment(Kazmi & Javaid, 2022; Thelen et al., 2022). This study also explored the role of organizational communication as a mediator between governance, safety, and performance, offering practical recommendations for improving employee engagement. By filling this gap in the literature, this study provides actionable insights that can guide universities in making data-driven decisions for long-term success and sustainability in both academic and administrative settings.

2. Literature Review

2.1 Internal Governance

Internal governance in educational organizations encompasses the systems, policies, and processes that ensure that an institution operates efficiently, effectively, and ethically(Kazmi & Javaid, 2022). It includes the organizational structure, decision-making, accountability, and compliance procedures, aligning the university's strategic goals with daily operations(Dasanayaka et al., 2021). Strong internal governance fosters transparency, trust, and fairness, engaging faculty, staff, and students with the institution's mission(Adu-Gyamfi et al., 2021). Effective governance is a key driver of success, directly influencing employee performance(Yu & Jang, 2024). Transparent and well-structured governance motivates employees by providing clarity on roles and expectations, enhancing job satisfaction, engagement, and productivity(Ramdhan et al., 2022). In private universities in Banten, strong internal governance ensures that employees align with institutional goals, leading to better performance and professional growth(Blanco-González et al., 2021). Without it, employees may feel disconnected, which affects their motivation and performance. Thus, internal governance is vital for creating a positive work environment, fostering satisfaction, and enhancing organizational performance.

2.2 Psychological Safety

Psychological safety in the workplace refers to a climate in which individuals feel safe to take interpersonal risks, such as speaking up or making mistakes, without fear of negative consequences(Lu et al., 2022). Introduced by Amy Edmondson, this concept is vital for fostering innovation and high performance, particularly in educational settings(Xu et al., 2022). In universities, psychological safety enables faculty and staff to collaborate, share ideas, and take risks in teaching, research, and administration(Jin & Peng, 2024). It enhances employee performance by encouraging creativity, problem-solving, and interdisciplinary collaboration(Zhou & Chen, 2021). In private universities in Banten, where pressures can be high, fostering psychological safety reduces stress and burnout, leading to better teaching outcomes, research productivity and job satisfaction. Without psychological safety, employees may feel disengaged, which hinders their performance. Therefore, creating a supportive, risk-free environment is crucial for optimizing employee potential(Huang et al., 2024).

2.3 Employee Performance

Employee performance is a multifaceted concept that reflects how well employees meet their job expectations and contribute to organizational goals. In private universities, performance is assessed through teaching, research, administration, and student development(Thelen et al., 2022). Several factors influence performance, including individual competencies, organizational culture, leadership, job satisfaction, and work-life balance(Kazmi & Javaid, 2022). Internal governance plays a crucial role in setting clear expectations, providing feedback, and supporting professional growth(Adu-Gyamfi et al., 2021). Psychological safety is also vital, as employees who feel safe are more likely to take the initiative and collaborate, leading to higher performance(Jin & Peng, 2024). Additionally, effective organizational communication ensures alignment with university goals and influences performance. The relationship between internal governance, psychological safety, and performance is dynamic, with both factors driving motivation, engagement, and productivity(Zhou & Chen, 2021). However, weak governance or psychological safety can hinder performance, leading to stress and disengagement from

work. Therefore, fostering strong governance and psychological safety is essential for optimizing employee performance in private universities(Ochoa Pacheco et al., 2023; Yao et al., 2022).

2.4 Organizational Communication

Organizational communication is the process of exchanging information, ideas, and messages within an organization to achieve its goals. It includes both formal and informal channels and is essential for aligning employees with the organization's mission, values, and strategies. Effective communication fosters collaboration, builds trust, clarifies roles and responsibilities, and facilitates feedback for improvement and conflict resolution. In educational institutions, where collaboration and knowledge sharing are critical, communication enhances overall effectiveness(Abdelwahed & Doghan, 2023; Kazmi & Javaid, 2022).

Organizational communication is a key intervening variable between internal governance and employee performance. This ensures clear communication of governance policies, facilitates feedback, and fosters psychological safety by promoting open and honest dialogue. This enhances trust and mutual respect, which positively impacts employee performance(Thelen & Formanchuk, 2021).

In private universities in Banten, effective communication bridges the gap between governance policies and employees' daily experiences, preventing misunderstandings and disengagement from work. Good communication aligns employees with the university's goals, improves job satisfaction, and fosters collaboration. Thus, organizational communication plays a vital role in ensuring that internal governance and psychological safety contribute to improved employee performance(Nguyen & Ha, 2023; Qin & Men, 2022).

3. Methodology

3.1 Research Approach

This study employs a quantitative research approach to explore the relationships between internal governance, psychological safety, employee performance, and organizational communication as an intervening variable. A survey method was used to gather data, which is effective in collecting a large volume of responses quickly. The survey will use a structured questionnaire to measure the key variables, ensuring consistency and reliability in capturing the different aspects of internal governance, psychological safety, organizational communication and employee performance.

3.2 Population and Sample

The study population consisted of employees from private universities in the Banten region. These universities represent a range of sizes and organizational cultures, providing diverse contexts for the study. The sample consisted of 50 employees selected using purposive sampling. This non-random sampling method targeted participants who met specific criteria relevant to the study, such as working at a private university in Banten. Purposive sampling ensured that the respondents had the necessary knowledge and experience to provide valuable insights.

3.3 Research Instruments

A structured questionnaire was used to measure the study's key variables: internal governance, psychological safety, organizational communication, and employee performance. The questionnaire includes items that assess internal governance through aspects such as procedural transparency, accountability, employee participation, and adherence to policies. Psychological safety will be measured based on employees' comfort in expressing opinions, trust in leadership, and the absence of punishment for mistakes. Organizational communication was assessed through communication clarity, feedback mechanisms, and interdepartmental coordination. Employee performance is gauged by work quality, task timeliness, responsibility, and collaboration. A Likert scale (1–5) will be used to measure the responses.

3.4 Data Collection Techniques

Data were collected through surveys distributed to 50 selected employees. The surveys will be anonymous and confidential to encourage honest reply. Surveys will be either electronic or paper-based, depending on respondents' preferences. Clear instructions will be provided to ensure that respondents understand how to complete the survey, and researchers will be available to answer any questions.

3.5 Data Analysis

The data will be analyzed using regression analysis to examine the relationships among the variables. Multiple regression analysis will be used to test the impact of internal governance and psychological safety on employee performance and to evaluate the mediating role of organizational communication. Validity and reliability tests, including factor analysis and Cronbach's alpha, will be conducted to ensure that the measurement instruments are accurate and consistent. Structural Equation Modeling (SEM) with Smart-PLS will be used for advanced data analysis, enabling the examination of complex relationships between the variables.

4. Results and Discussion

4.1 Result

4.1.1. Description of Research Subjects

This section describes the research subjects, which consisted of 200 respondents. The respondents were selected based on predetermined criteria, and their detailed characteristics are as follows:

4.1.1.1. Respondents Based on Gender

The following table presents the distribution of respondents by gender.

Table 1. Respondent Description Based on Gender.

Respondent Identity Variables	Category	Number	Percentage (%)
Gender	Male	36	72%
	Female	14	28%

Source: Processed from questionnaire data (2025)

Based on the table above, 36 male respondents accounted for 72%, while 14 female respondents made up 28%.

Table 2. Respondent Description Based on Age.

Respondent Identity Variables	Range	Number	Percentage (%)
Age	25 – 35	18	36%
	35 – 45	13	26%
	> 45	19	38%

Based on the age range of respondents, 18 respondents were in the 25-35 age range (36%), 13 respondents fell into the 35-45 range (26%), and 19 respondents were older than 45 (38%).

Table 3. Respondent Description Based on Private University.

Respondent Identity Variables	University Name	Number	Percentage (%)
Lecturer	AMIK Serang	4	8%
	Universitas Bina Bangsa	9	18%
	Poltek Krakatau	2	4%
	Poltek Piksi Input	4	8%
	STIA Banten	2	4%
	STAISMEN Pandeglang	1	2%
	STKIP Babunajah Pandeglang	3	6%
	STKIP Syeh Mansyur	2	4%
	Universitas Al Khairiyah	5	10%
	Universitas Faletehan	5	10%
	Universitas Pamulang	2	4%
	Universitas Prima Graha	4	8%
	Universitas Serang Raya	5	10%
	Universitas Setia Budi Rangkas	2	4%

4.1.2. Questionnaire Data Recapitulation

The questionnaires distributed and processed into research data consisted of 50 respondents.

4.1.3. Internal Governance (X1) Data Description

The Internal Governance variable (X1) was submitted to 50 respondents, with the highest possible score for each statement being $X = 9 \times 5 \times 50 = 2250$. The total score obtained from the collected data was 1815, yielding an internal governance perception score of $1815/2250 = 80.66$. This result is depicted in the diagram below.
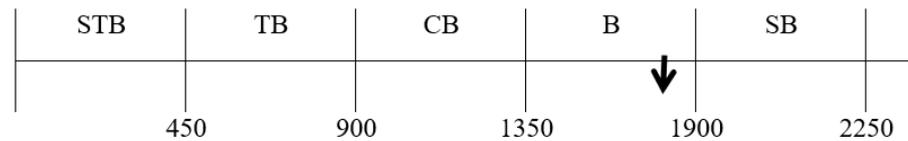
STB	TB	CB	B	SB

450   900   1350   1900   2250

Figure 1. Likert Scale of Internal Governance Variable.

4.1.4. Psychological Safety (X2) Data Description

For the Psychological Safety variable (X2), the highest possible score for each statement was also 2250. The collected data yielded a total score of 1942, resulting in a psychological safety perception score of $1942/2500 = 77.7\%$. This result is visualized in the diagram below.

STB	TB	CB	B	SB

500   1000   1500   2000   2500
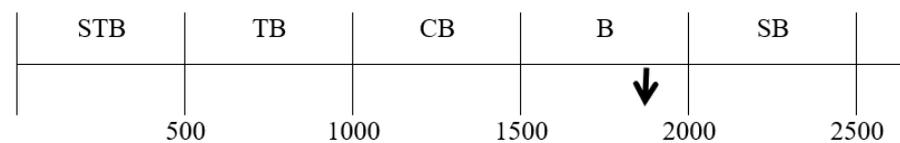
Figure 2. Likert Scale of Psychological Safety Variable.

4.1.5. Employee Performance (Y) Data Description

The Employee Performance variable (Y) was submitted to 50 respondents, with the highest possible score for each statement being $Y = 9 \times 5 \times 50 = 2250$. The total score obtained from the collected data was 1812, yielding an employee performance score of $1812/2250 = 80.5\%$. The results are shown in the diagram below.
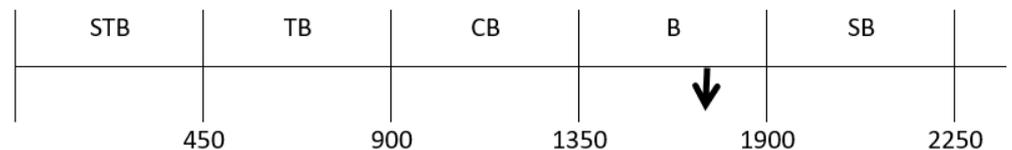
STB	TB	CB	B	SB

450   900   1350   1900   2250

Figure 3. Likert Scale of Employee Performance Variable.

4.1.6. Organizational Communication (Z) Data Description

For the Organizational Communication variable (Z), the highest possible score for each statement was 2500. The collected data yielded a total score of 1956, resulting in an organizational communication perception score of $1956/2500 = 78.2\%$. This result is depicted in the diagram below.

STB	TB	CB	B	SB

500   1000   1500   2000   2500

Figure 4. Likert Scale of Organizational Communication Variable.

4.1.7. Data Analysis and Results

The data from the research were processed using SmartPLS 4.0, resulting in the following chart:
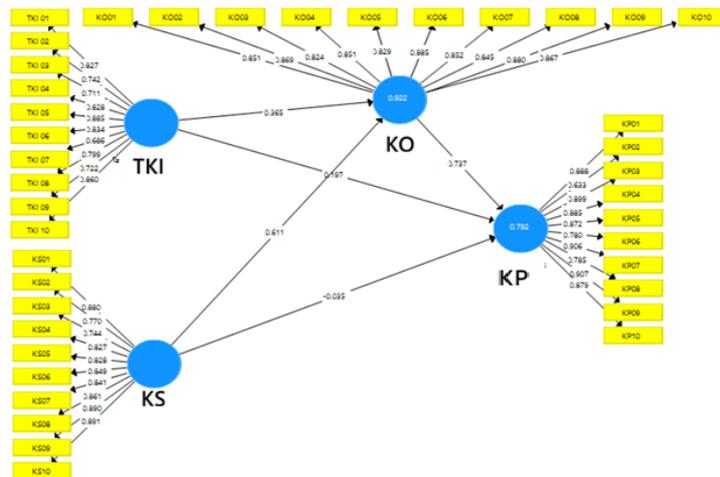

Figure 5. Data Processing Results.
Source: Data processed with SmartPLS 4.0 (2024)

4.1.8. Measurement Model (Outer Model)
4.1.8.1. Convergent Validity

Convergent validity measures the correlation between item scores and construct scores (loading factor). Items with loading factors above 0.7 were considered valid. The results of the data processing based on the three variables with 44 statements are presented in Figure 4.
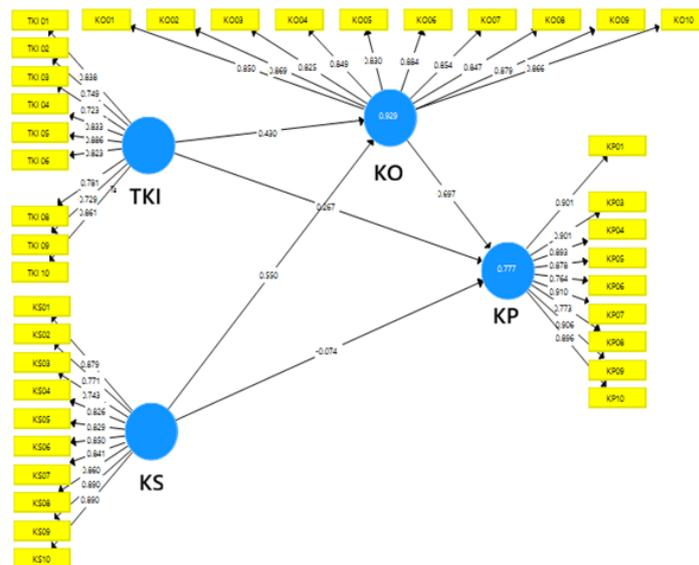
Figure 5. Loading Factor Stage II.
Source: Data processed with SmartPLS 4.0 (2024)

After eliminating items with loading factors below 0.7, the second round of data processing resulted in valid constructs, as shown in Figure 5, Loading Factor Stage II. All variables met the criteria, with loading factors above 0.7, thus confirming convergent validity.

4.1.8.2. Reliability Test (Composite Reliability and Cronbach's Alpha)

The reliability of the constructs was assessed using composite reliability and Cronbach's alpha. Both must exceed 0.70 for confirmatory research, which was confirmed by the data in Table 4

Table 4. Reliability Test Results.

Variable	Cronbach's Alpha	Composite Reliability	Reliability Threshold	Conclusion
Internal Governance	0.931	0.943	0.700	Reliable
Psychological Safety	0.953	0.960	0.700	Reliable

Variable	Cronbach's Alpha	Composite Reliability	Reliability Threshold	Conclusion
Organizational Communication	0.959	0.965	0.700	Reliable
Employee Performance	0.960	0.966	0.700	Reliable

Source: Data processed with SmartPLS 4.0 (2024)

Reliability Test Results. The results showed that all variables were reliable, with values above the threshold.

4.1.8.3. Average Variance Extracted (AVE)

The AVE was calculated to assess the convergent validity of the constructs. As shown in Table 5 AVE Test Results, all variables exceeded the threshold of 0.5, indicating good validity.

Table 5. AVE Test Results.

Variable	AVE	AVE Threshold	Conclusion
Internal Governance	0.647	0.500	Met
Psychological Safety	0.704	0.500	Met
Organizational Communication	0.732	0.500	Met
Employee Performance	0.759	0.500	Met

Source: Data processed with SmartPLS 4.0 (2024)

4.1.9. Discriminant Validity

Discriminant validity was assessed by comparing the cross-loading values and average variance extracted (AVE) roots. Table 6 Cross-Loading Values and Table 7 AVE and Correlation Results show that all indicators have higher correlations with their variables than with other variables, confirming discriminant validity.

Table 6. Cross Loading Values.

Indicator	Psychological Safety	Employee Performance	Organizational Communication	Internal Governance
KO01	0.834	0.721	0.850	0.798
KO02	0.856	0.716	0.869	0.844
KO03	0.758	0.817	0.825	0.819
KO04	0.847	0.628	0.849	0.771
KO05	0.778	0.857	0.830	0.768
KO06	0.858	0.666	0.884	0.809
KO07	0.749	0.852	0.854	0.795
KO08	0.781	0.833	0.847	0.781
KO09	0.854	0.719	0.879	0.857
KO10	0.828	0.669	0.866	0.821
KP01	0.773	0.901	0.788	0.822
KP03	0.665	0.901	0.721	0.673
KP04	0.655	0.893	0.729	0.720
KP05	0.672	0.878	0.722	0.739
KP06	0.524	0.764	0.614	0.513
KP07	0.819	0.910	0.846	0.788
KP08	0.777	0.773	0.786	0.806
KP09	0.827	0.906	0.847	0.801
KP10	0.783	0.896	0.779	0.771
KS01	0.879	0.624	0.802	0.821
KS02	0.771	0.893	0.781	0.748
KS03	0.743	0.497	0.695	0.677
KS04	0.826	0.640	0.759	0.766
KS05	0.829	0.809	0.842	0.770
KS06	0.850	0.850	0.842	0.830
KS07	0.841	0.644	0.765	0.755

Indicator	Psychological Safety	Employee Performance	Organizational Communication	Internal Governance
KS08	0.860	0.639	0.793	0.747
KS09	0.890	0.676	0.849	0.844
KS10	0.890	0.651	0.818	0.848
TK01	0.751	0.798	0.762	0.838
TK02	0.591	0.596	0.675	0.749
TK03	0.696	0.830	0.778	0.723
TK04	0.748	0.638	0.764	0.833
TK05	0.860	0.662	0.834	0.886
TK06	0.782	0.509	0.753	0.823
TK08	0.756	0.619	0.676	0.781
TK09	0.708	0.818	0.721	0.729
TK10	0.839	0.631	0.826	0.861

Source: Data processed with SmartPLS 3.0 (2025)

The values in this table show how each indicator corresponds to different constructs (Psychological Safety, Employee Performance, Organizational Communication, and Internal Governance). These values were used for further analysis in this study to confirm the relationships between the different variables and ensure validity.

Table 7. AVE Root Values and Correlation Between Constructs.

	Psychological Safety	Employee Performance	Organizational Communication	Internal Governance
Psychological Safety	0.839			
Employee Performance	0.837	0.871		
Organizational Communication	0.951	0.878	0.856	
Internal Governance	0.933	0.855	0.943	0.805

Source: Data processed with SmartPLS 4.0 (2024)

4.1.10. Inner Model Testing

The R-squared values from **Table 8. R-Square Results** show that the model has strong explanatory power.

Table 8. R-Square Values.

	R Square	R Square Adjusted
Employee Performance	0.777	0.763
Organizational Communication	0.929	0.925

Source: Data processed with SmartPLS 4.0 (2024)

The R-squared value for Employee Performance was 0.777, indicating that 77.7% of the variability in employee performance was explained by internal governance and psychological safety. The R-squared value for Organizational Communication was 0.929, indicating that 92.9% of the variability in communication was explained by the same factors.

4.1.11. Effect Size (f²)

The effect size indicates the strength of the effect of exogenous variables on endogenous variables.

Table 9. F-Square Values.

	Psychological Safety	Employee Performance	Organizational Communication	Internal Governance
Psychological Safety		0.002	0.544	
Employee Performance				
Organizational Communication		0.156		
Internal Governance	0.031	0.333		

Source: Data processed with SmartPLS 4.0 (2024)

As shown in **Table 9**, internal governance has a small effect on employee performance ($f^2 = 0.031$) but a medium effect on organizational communication ($f^2 = 0.333$). Psychological safety had a large effect on organizational communication ($f^2 = 0.544$), but its effect on employee performance was negligible ($f^2 = 0.002$).

4.1.12. Hypothesis Testing

Hypothesis testing was conducted based on the original sample estimates (O), t-statistics (T), and p-values (P). The results in **Table 10** show the following:

Table 10. Relationship Between Variables (Direct and Indirect Effects).

Variable Relationship	O	T	P	Explanation
Internal Governance → Employee Performance	0.267	1.00	0.320	Positive, Not Significant
Internal Governance → Organizational Communication	0.430	4.293	0.000	Positive, Significant
Psychological Safety → Employee Performance	-0.074	0.306	0.760	Positive, Not Significant
Psychological Safety → Organizational Communication	0.550	5.691	0.000	Positive, Significant
Organizational Communication → Employee Performance	0.697	3.045	0.003	Positive, Significant
Internal Governance → Organizational Communication → Employee Performance	0.300	2.556	0.012	Positive, Significant
Psychological Safety → Organizational Communication → Employee Performance	0.383	2.508	0.014	Positive, Significant

K (Compensation); KM (Student Satisfaction); KP (Service Quality); O (Original Sample Estimate); T (t-statistics); P (p-values)

Source: Data processed with SmartPLS 4.0 (2024)

These results indicate that internal governance significantly influences organizational communication, which positively impacts employee performance. Psychological safety influences organizational communication, which has a significant effect on employee performance, confirming the mediating role of communication in the relationship between governance, safety, and employee performance.

4.2 Discussion

4.2.1. Internal Governance and Employee Performance

Internal governance plays a critical role in shaping employee performance in any organization, including private universities(Adu-Gyamfi et al., 2021). The data obtained in this study support the notion that effective internal governance can positively influence employee performance(Yu & Jang, 2024). Transparent, accountable, and participatory internal governance structures create an environment in which employees are clear about their roles and responsibilities and confident that they will be held accountable for their work(Blanco-González et al., 2021; Ramdhan et al., 2022). These structures help employees feel secure in their positions, which, in turn, enhances their motivation and commitment to performing their tasks effectively(Abdelwahed & Doghan, 2023; Kazmi & Javaid, 2022).

The study indicates that while internal governance positively impacts organizational communication, its direct effect on employee performance is not significant. This suggests that while internal governance sets the foundation for a productive work environment, its impact on performance may not be direct but could operate through other mediating factors such as organizational communication and psychological safety(Hubbart, 2024; Qin & Men, 2022). When governance structures ensure that the organizational environment is conducive to open communication, employees feel empowered and motivated to perform their best(Florea & Croitoru, 2025). Therefore, while internal governance plays a pivotal role, its influence on performance may need to be strengthened by other factors such as communication and safety within the workplace(Alshaabani et al., 2021; Elkhweildi et al., 2025).

4.2.2. Psychological Safety and Employee Performance

Psychological safety is a fundamental element of a productive and innovative workplace, especially in academic settings such as private universities in Indonesia. The data from this study reinforce the importance of psychological safety in enhancing employee performance.(Jin & Peng, 2024) When employees feel psychologically safe, they are more likely to take risks, share ideas, and engage in open communication with their colleagues, which directly contributes to higher productivity and creativity(Huang et al., 2024)(Margaretha et al., 2021).

However, the findings of this study suggest that psychological safety does not have a direct and significant impact on employee performance in this context. The negative correlation between psychological safety and employee performance (O = -0.074, T = 0.306, P = 0.760) suggests that while psychological safety is crucial for fostering a positive work environment, its impact on performance may not be immediate or direct. This could be due to the presence of other influencing factors, such as the nature of tasks, organizational culture, and the effectiveness of leadership(Riyanto et al., 2021; Zacharias et al., 2021). Moreover, psychological safety may have a more indirect effect on employee performance, with its impact being mediated through other variables such as communication and leadership practices within the organization(Huang et al., 2024; Zhou & Chen, 2021).

4.2.3. Organizational Communication as an Intervening Variable

One of the key findings of this study is the significant role of organizational communication as an intervening variable between internal governance, psychological safety, and employee performance. The results show that organizational communication has a significant positive effect on both employee performance and the relationship between internal governance and performance (O = 0.430, T = 4.293, P = 0.000). Furthermore, it mediated the relationship between psychological safety and performance (O = 0.383, T = 2.508, P = 0.014), indicating that effective communication helps bridge the gap between these variables and ultimately leads to better performance outcomes.

Organizational communication facilitates information flow within the organization, ensuring that employees are not only aware of their roles but also understand the university's broader goals and strategies(Jin & Peng, 2024). Effective communication builds trust, reduces misunderstandings, and strengthens relationships among employees(Hubbart, 2024). This, in turn, enhances performance by providing clarity and reducing anxiety or uncertainty that can hinder productivity(Ochoa Pacheco et al., 2023). Therefore, organizational communication plays a pivotal role in ensuring that both internal governance and psychological safety translate into improved employee performance(Qin & Men, 2022; Thelen et al., 2022).

4.2.4. Practical Implications

Based on the findings of this study, private universities in Banten and beyond can benefit from implementing strategies that strengthen internal governance and organizational communication(Kazmi & Javaid, 2022). The data clearly show that effective internal governance alone is not sufficient to drive employee performance; the presence of psychological safety and clear communication pathways is equally essential for creating a productive and supportive work environment(Thelen et al., 2022).

Private universities should focus on creating transparent and accountable governance structures, ensuring that employees understand their roles, the university's goals, and the expectations placed upon them(Jin & Peng, 2024; Xu et al., 2022). Moreover, fostering a culture of psychological safety, where employees feel supported and free to share ideas without fear of judgment or punishment, enhances performance(Thelen et al., 2022).

Improving organizational communication is equally important. Universities should invest in communication systems that ensure a clear and efficient information flow across all levels of the organization(Isnaini & Muslimin, 2024). This could include regular feedback mechanisms, training programs to improve communication skills, and platforms for open dialogue between employees and management(Pagoto et al., 2021). By doing so, universities can enhance collaboration, reduce misunderstandings, and create an environment in which employees feel empowered to perform at their best(Shaya et al., 2022).

In conclusion, private universities must not only focus on strengthening governance and psychological safety but also prioritize effective organizational communication to optimize employee performance. By addressing these factors holistically, universities can foster a more productive, collaborative, and innovative environment for their employees, leading to better academic and administrative outcomes.

5. Conclusion and Recommendations
Conclusion

This study confirms that both internal governance and psychological safety play significant roles in influencing employee performance in private universities in Banten, Indonesia. While internal governance is foundational for establishing an environment of transparency, accountability, and structure, its direct impact on employee performance is

mediated by other factors, particularly organizational communication. The findings highlight the importance of psychological safety in fostering an open, trusting, and supportive environment in which employees feel comfortable contributing their ideas and taking risks. However, the direct influence of psychological safety on employee performance in this study was found to be minimal, suggesting that its impact may be indirect and possibly enhanced by effective communication practices. Additionally, organizational communication serves a critical role as an intervening variable, facilitating the relationship between internal governance, psychological safety, and employees performance.

Recommendations

Private universities in Banten should focus on strengthening their internal governance frameworks to ensure transparency, accountability, and alignment with their missions and goals. Clear governance structures and accountability systems help employees understand their roles and responsibilities, which can boost their motivation and commitment to their tasks. However, this study suggests that internal governance alone is insufficient to ensure optimal employee performance. Therefore, universities should prioritize fostering psychological safety and create an environment where employees feel safe to express their ideas and concerns without fear of negative consequences.

Moreover, organizational communication should be prioritized as a key element to enhance employee performance. Establishing effective communication channels that encourage openness and collaboration will help bridge the gaps between governance structures and employee performance. Communication practices should be regularly reviewed and improved to ensure that all employees have access to clear and consistent information regarding university policies, goals and expectations. By improving both internal governance and organizational communication, private universities can create a more supportive work environment that enhances employee engagement, job satisfaction, and overall performance of the university.

Research Limitations and Suggestions for Future Studies

This study offers valuable insights into the relationships between internal governance, psychological safety, and employee performance; however, it has limitations. The small sample size of 50 respondents from private universities in Banten may not fully represent the diverse university employees in Indonesia. Future research should expand the sample size, include other regions, and explore additional variables, such as leadership styles, organizational culture, and work-life balance. Longitudinal studies could also reveal how changes in governance and safety over time impact the performance. Further investigation into the specific effects of psychological safety on various employee performance categories could provide deeper insights into improving employee outcomes.

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