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Towards Sustainable Governance Excellence: Perspectives from Malaysian Public-listed Companies

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Abstract: Sustainable governance has been extensively criticized, raising concerns about its interpretation within the corporate community as well as its practical application in diverse businesses and sectors. The urgent question among these uncertainties is how companies can effectively respond to the challenges of implementing sustainable governance strategies. The purpose of this study, which employs the Resource-Based View (RBV) paradigm, is to provide guidance by highlighting key aspects of successful sustainable governance practices. This study investigates sustainable governance practices in the corporate setting and finds critical success factors through semi-structured interviews with selected Malaysian public-listed companies (PLCs). The findings emphasize the necessity of strong management quality, including internal communications and ethical leadership, as well as the construction of a strong data governance structure to support long-term business goals. The study recommends that organizations should develop ongoing strategies for the continuous improvement of sustainable governance practices.

Keywords: Sustainable Governance, Resource-Based View, Public-Listed Companies, Inernal Communications, Data Governance.

INTRODUCTION

The complexity of sustainable governance issues has long been acknowledged, evidence of the need for a more proactive response is scarce. In the corporate context, strategic sustainable governance focuses on sustainable profit with growth opportunities. Consequently, the concept of sustainable governance has three meta-characteristics: (i) it is tridimensional, integrating economic, environmental and social dimensions in a triple bottom line (Fernando, 2012; Montiel & Delgado-Ceballos, 2014); (ii) it deals with short-term and long-term conditions (Bansal & DesJardine, 2014; Dyllick & Hockerts, 2002); and (iii) it employs incomes while maintaining the economic, environmental, and social capital base (Dyllick & Hockerts, 2002). The current study seeks to provide evidence that sustainable governance issues align with proactive sustainable governance practices, emphasizing the importance of internal and external resources and capabilities (Husted & Sousa-Filho, 2017).

Recent evidence suggests that governance lies between business ownership and shareholders' ability to compensate and put managers in control (Habib & Hasan, 2016; Rodriguez-Fernandez, 2016; Servaes & Tamayo, 2013). There are two categories of sustainable governance mechanisms: internal mechanism (such as board size, board independence, and board of directors) and external mechanism (such as competitive market conditions, the market for managerial labour, and talent and market for corporate control). Governance plays a vital role in disciplining and advising management on making the most appropriate decisions (Naciti, Cesaroni, & Pulejo, 2021). Effective governance plays a crucial role in guiding and monitoring managerial decision-making, facilitating relevant incentives, and creating tools for monitoring and controlling managers.

A growing body of literature acknowledges that companies need to establish an appropriate framework for internal and external controls to ensure compliance with existing laws and regulations set by government and local authorities (X. Li et al., 2018; Klomp & Clear, 2018). This involves striking a balance between the pressures exerted on the company by these governing bodies. Accordingly, proper governance measures and practices attempt to prevent corporate judgments and damage shareholders' perceptions (Husted 2017; Campbell, 2007). Besides, good governance potentially reduces future misconduct that leads to lawsuits (e.g., fraud), especially for complex companies (Christensen, 2016) and thus contributing to the company's resilience (Nollet et al., 2016).

Companies also have progressively focused on their suppliers and customers' obligation and concerned with their internal operational functions (Krause, Vachon, & Klassen, 2009). Du Rietz (2018) and Aras and Crowther (2008) discovered that the integration of governance with environmental and social practices is fundamental and considered accountability components for sustainable governance. Thus, consistent with sustainable governance supporting beyond damage control or public relations ideas (Gardner & Paulin, 2018). Apart from that, sustainable governance encompasses the guidelines, policies, practices, and projects that can meet the identified requirements for social good (Matten & Moon,

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2008). These can reduce capital cost, increase the company's value, improve operational performance that supports better management and resource allocation, enhance risk management, and improve relationships with stakeholders, namely employees, customers, and suppliers (Beryl & Watson, 2015).

This study intended to explore how companies' resources and capabilities can effectively enhance sustainable governance practices, ultimately contributing to the company's success. The goals of the study include: 1) to understand sustainable governance practices in the corporate context and 2) to identify the critical elements of effective sustainable governance. By providing preliminary evidence that integrates internal business factors, resources, and capabilities, this study aims to contribute to sustainable governance at the corporate level.

LITERATURE REVIEW

There is a growing body of literature that acknowledges the importance of resource optimization and capability development in the context of sustainable governance. The Resource-Based View (RBV) theory asserts that a company's success relies on effectively utilizing and leveraging its resources, including tangible and intangible assets, and developing unique capabilities (Corbett & Claridge, 2002). This approach emphasizes the strategic alignment of resources and capabilities with the company's objectives, strategy, and values. RBV emphasizes the proactive adoption of environmental strategies and the cultivation of sustainability dynamic capabilities to respond to sustainable governance pressures. Companies that allocate resources to environmental activities can generate valuable capabilities and gain competitive advantages (Peteraf, 1993; Yu, Chavez, Jacobs, & Feng, 2018). However, while RBV provides insights into the importance of resources and capabilities, there are challenges in identifying and effectively leveraging these resources to drive strategy and performance.

In this theory, resources refer to the internal resources owned and controlled by the company, which include tangible and intangible resources of the company that drives business strategy and performance (Ray, Barney, & Muhanna, 2004). For instance, financial, technology, information, and knowledge (Galbreath, 2005; Russo & Fouts, 1997). Meanwhile, capabilities are defined as a company's core competencies through resource utilisation that allows them to outperform competitors and create competitive barriers (Galbreath, 2005; Guillamon-Saorin, Kapelko, & Stefanou, 2018). Utilising its resources for the best outcomes and produced incomparable products will lead to the improvement of resource efficiency (Amit & Schoemaker, 1993). Capabilities are the integration of many resources owned by companies; therefore, they are company-specific and less transferable, beneficial to companies (Peng, Wang, Jiang, & Peng, 2008). Capability includes people who undertake the fundamental quests of the company, leading to the advancement and realisation of the company's goals (Collis, 1994).

The central of RBV is pursuing sustainable governance towards strategic agenda and superior performance, which considers the availability of companies' internal resources and capabilities. Both companies' resources and capabilities are also used to justify the proactive behaviours of companies (Grewatsch & Kleindienst, 2017; Naciti et al., 2021; Wijethilake & Ekanayake, 2018), which distinguishes between proactive companies and compliance-oriented companies (Russo & Fouts, 1997). The difference between resources and capabilities is capabilities are ingrained in the dynamic interactions of multiple knowledge sources and are more specific and less transferable (Peng et al., 2008); that is, competencies or skills are acquired by employees. Besides interactions development, the cognitive frame, which initially forms the individual-level concept (Biesenthal, Gudergan, & Ambrosini, 2019; Parmentier-Cajaiba, Lazaric, & Cajaiba-Santana, 2020), may be formed through individuals, namely the company's top management (Kaplan, 2008; Lee & Rhee, 2007).

Many argued how the company's capabilities were cognitively generated. Evidence suggests that the cognitive frame is rooted in a dominant collective cognition about the company's objectives, strategy, values, and everyday activities that cultivate how employees' think and act (Hahn, Rudiger, Lulfs, 2014; Rerup & Feldman, 2011; Van der Byl & Slawinski, 2015). According to the RBV, strategic sustainable governance can overcome company inefficiencies because the company is focusing on optimising resources and capabilities, which are relevant to the know-how and corporate culture (Guillamon-Saorin et al., 2018). In fact, sustainable governance will enhance resources productivity (Amit & Schoemaker, 1993), it is solution-orientated, and create excellent opportunities for the company (Orsato, Garcia, Mendes-Da-Silva, Simonetti, & Monzoni, 2015), add capital access and talent quality (Guillamon-Saorin et al., 2018). Although there are many criticisms on the company's capabilities to evolve and change over time, RBV suggests that companies' survival depends on resource exploitation, build upon existing capabilities, and unique capabilities (Peteraf, 1993; Yu, Chavez, Jacobs, & Feng, 2018).

Furthermore, following the RBV of companies, Hart (1995) argued that companies might implement proactive sustainability strategies and sustainability dynamic capabilities (e.g., sustainability innovation capabilities) in response to sustainable governance pressures. In fact, the importance of resources in shaping business strategy in response to environmental issues has been empirically validated (Bansal, 2005; Russo & Fouts, 1997; Sharma & Vredenburg, 1998). Besides, companies with proactive environmental strategies generate valuable capabilities that may lead to competitive benefits (Hart, 1995; Sharma & Vredenburg, 1998). Companies allocate more resources to environmental activities to create and sustain competitive advantage (Amran, Ooi, Wong, & Hashim, 2016; Roberts & Dowling, 2002).

The studies by Aragón-Correa and Sharma (2003), Lueg and Radlach (2016), and Engert, Rauter, and Baumgartner (2016) provide valuable insights into the relationship between resources, sustainable governance, and competitive advantage. Aragón-Correa and Sharma (2003) argued that companies should identify resources that generate proactive strategies, they do not provide clear guidelines on how to identify and leverage these resources effectively. Merely acknowledging the importance of resources does not provide a comprehensive understanding of the mechanisms through which they drive strategy.

Lueg and Radlach (2016) suggested that RBV focuses on the strategic way of utilising assets to improve performance and create opportunities. Although this is a valid perspective, their analysis primarily focuses on the strategic dimension, neglecting other crucial aspects such as operational efficiency and organizational capabilities. A more holistic approach that considers all facets of resource utilization would enhance the applicability of the RBV (Bansal, 2005). However, it is challenging to address sustainable governance issues while fulfilling multiple stakeholders' expectations (IE School of Communication and Global Alliance, 2010).

Companies that possess bigger resources are more likely to gain competitive advantages in the marketplace (Dangelico & Pontrandolfo, 2015; Runyan, Huddleston, & Swinney, 2007). Likewise, companies that have implemented good sustainable governance strategies may potentially gain competitive advantages. RBV provides proper means to analyse how specific governance mechanisms reduce costs (Hart, 1995). Nevertheless, other findings indicated that they were costly (Knight, Megicks, Agarwal, & Leenders, 2018; Yusof, Awang, & Iranmanesh, 2017). In contrast, Ehrenfeld and Hoffman (2013) explained the performance measurement concept of eco-efficiency, which is cost-effective while reducing environmental impact. The concept also provides a logical explanation that businesses with fewer resources are more likely to utilise their resources more efficiently to achieve goals. This study applied Resource-Based View (RBV) theory to explore the optimisation of internal business factors, such as resources and capabilities, for achieving maximum social benefits (Formentini & Taticchi, 2016; Qiu, Shaukat, & Tharyan, 2016) for gaining sustainable competitive advantage (Bansal, 2005; Zhao, Fisher, Lounsbury, & Miller, 2017).

The current literature on sustainability governance places significant emphasis on several key aspects. Engert, Rauter, and Baumgartner's (2016) study identifies various factors that influence the integration of sustainability into strategic management. However, questions arise regarding the specific mechanisms through which resources influence environmental behavior, as strong brands and financial resources were found to have no significant impact on sustainable governance efforts. Further investigation is needed to gain a deeper understanding of these relationships.

The role of the supply chain in supporting stakeholder relationships and sustainable governance is acknowledged by Ardakani and Soltanmohammadi (2019) and Mollenkopf et al. (2010). However, the specific strategies and practices through which the supply chain can contribute to sustainable governance require further investigation. Additionally, the social and environmental dimensions of management within the supply chain should be equally emphasized, as they play critical roles in achieving sustainability goals. Environmentally, management assists in the internal processes, while socially, its role is more about employees' welfare and products' health and safety. Therefore, the measurement should improve the practice and considers the procurement regulations and policies in the presence of complex processes (Lu, Ye, Chau, & Flanagan, 2018).

Besides, the accounting system should provide a rigorous environmental accounting system with better methodologies, identified key parameters, transparent reporting systems for customers with input-output techniques to quantify and map the different scopes of supply chain resources (Koh, Gunasekaran, Morris, Obayi, & Ebrahimi, 2017). It also tracks key environmental metrics and fair third-party audits (Klassen & Vachon, 2011). Meanwhile, multinational companies, such as Unilever, showed exemplary conduct in its green supply chain in its entire tea business, and Nike, in improving its practice following the accusations about its violations of human rights.

The role of ethical leadership specifically involved the board of directors and top management. Companies could appoint a dedicated sustainable governance committee to engage in more impactful social and environmental activities and communicate their social engagements more effectively (Arayssi et al., 2020). In terms of sustainable governance, the inclusion of directors in the environmental expert team or the establishment of board committees dedicated to environmental and social issues are examples of internal initiatives that affect sustainable governance practice (Walls et al., 2012). Surprisingly, Velte (2016) found CSR expertise did not have a significant impact on sustainable governance. Thus, it would be interesting to examine whether the implementation of a CSR committee has a positive and significant link with sustainable governance performance.

Meanwhile, Husted (2017) suggested that companies need to have a sustainable governance strategy relating to internal communication. Transparent communication, disseminated in a top-down manner, is seen as crucial for supporting the development of sustainable governance initiatives. While Langwell and Heaton (2016) and DuBois and DuBois (2012) provide some support for this perspective, the specific strategies and mechanisms for effective internal communication remain unclear. Further research is needed to identify and evaluate the alternatives for reinforcing sustainable governance within organizations. The top-bottom direction must be transparent and disseminated to support the development of sustainable governance initiatives (e.g., Langwell & Heaton, 2016; DuBois & DuBois, 2012).

Many alternatives could be used to reinforce sustainable governance (Macke & Genari, 2019), for instance, to have an ongoing dialogue with employees (Haugh & Talwar, 2010). Additionally, the reliance on informal communication channels like emails and messaging apps to enhance employees' understanding of company processes and goals, as proposed by the (World Business Council For Sustainable Development, 2011), raises questions about the adequacy and reliability of these channels for conveying important information.

Gloet (2006) and Langwell & Heaton (2016) highlight the importance of knowledge and information exchange for developing support and commitment to sustainable governance. While this notion seems logical, the extent to which knowledge exchange directly translates into improved governance outcomes is not well-established. Further research should explore the causal relationships between knowledge exchange, support for sustainable governance, and organizational outcomes.

The suggestion to monitor managers' actions in the interest of shareholders (Giannarakis, Zafeiriou, Arabatzis, & Partalidou, 2018) implies the need for accountability and alignment with shareholder expectations. However, the link between monitoring and sustainable governance outcomes requires more empirical investigation. Additionally, the assertion that ethical leadership and coordinated decision-making lead to improved financial performance lacks concrete evidence and warrants careful examination.

The alignment of companies' objectives with sustainable governance, as emphasized by Barbosa, Francato, & Barbosa (2019), is believed to have a positive effect on accounting performance measures (Y. Li, Gong, Zhang, & Koh, 2018; Tian, Liu, & Fan, 2015). However, the impact on stock prices, as indicated by Brooks and Oikonomou (2018), is less significant. These findings suggest that the relationship between sustainable governance and financial outcomes is complex and may vary across different performance measures. Further research should delve deeper into the underlying mechanisms and contextual factors that influence these relationships.

While the evidence points towards the importance of a balanced internal and external mechanism, the role of the supply chain, and ethical leadership as contributing factors to sustainable governance and company success, it is essential to critically evaluate the existing studies and address the gaps and limitations in current understanding. Future research should provide more rigorous empirical evidence, explore the mechanisms through which these factors operate, and consider the contextual nuances that may influence the relationships between sustainable governance and organizational outcomes.

RESEARCH METHODOLOGY

This study focused on exploring prominent Malaysian publicly listed companies with extensive experience in corporate sustainability. The companies were selected using opportunistic sampling, targeting participants who demonstrated interest in the topic. To maintain consistency, semi-structured interviews were employed as the data collection method. These interviews were audio-recorded and later transcribed for qualitative analysis, following established methodologies (Jasni & Yusoff, 2020; B. Lee & Humphrey, 2006). This approach allowed for a comprehensive exploration of the complexities and diverse perspectives related to sustainable governance.

The study involved five participants representing different sectors: P1 (homebuilders and developers), P2 and P3 (telecommunications), P4 (power generation), and P5 (agribusiness and commodity business). Each interview lasted between 20 and 30 minutes and involved one-on-one discussions with the head of the sustainability department and executives. The research question guiding these interviews aimed to identify the essential components of sustainable governance practices.

To enhance data credibility, in-depth semi-structured interviews were conducted one week after receiving the participants' written accounts. The structure and content of the interviews were informed by the written accounts. Prior to the interviews, the main topics of the interview questions were shared with the participants to capture their enthusiasm and emotional responses. The participants willingly consented to participate in the study by signing a consent form provided by the university.

Thematic analysis was chosen as the methodology to analyze the findings due to its suitability for exploring qualitative data (Ali & Johl, 2022). Ensuring the reliability of the companies and the credibility of the participants was crucial to establish the validity of the study. By identifying commonalities in the challenges faced by the companies, the study aimed to project broader implications and enhance external validity.

FINDINGS & DISCUSSION

Key Finding 1: Quality of top management - Internal communications

In this study, participants were asked about the critical elements of effective sustainable governance practice. Interestingly, the responses varied among the companies. P1, P2, and P3 emphasized the importance of clear internal communications and direct top-bottom access to top management. They mentioned activities such as quarterly ethics and sustainability forums, monthly meetings with unit leaders, and regular reporting to the top management. One participant stated,

"I have regular access to the top management because I report directly to the Chief Corporate Officer."

Similarly, P2 mentioned,

"The ethics forum and sustainability forum comprised the management team, and we report to the board of directors."

P3 also highlighted their internal application called 'Flow,' similar to WhatsApp, which they used for communication and updates.

On the other hand, P5 had a different approach, where the interviewee mentioned preparing reports directly to the top management using applications like 'Mensui' growing mechanism. They stated,

“We have the 'Mensui' growing mechanism, where ground-level people can report directly to specific contacts."

All companies appreciated communication channels to disseminate information, with P3 specifically mentioning the use of their internal application, 'Flow,' for weekly newsletters and updates. P4 highlighted their digitalization efforts, including the use of their website for publishing news and creating interconnectivity among staff.

These findings suggest that communication channels play a crucial role in sustainable governance practices. Internal and external communication is used to reinforce the importance of sustainability and to ensure that employees understand the processes and goals. Effective communication fosters knowledge exchange and support for sustainability initiatives. Additionally, it can help ensure that managers act in the best interest of shareholders.

Therefore, the study underscores the significance of strong internal communications, including regular access to top management, forums for discussions, internal applications, and digitalization efforts. These elements contribute to effective sustainable governance practices and facilitate better alignment and understanding within the organization. The findings provide groundwork evidence that communication channels are used as a tool of communication. Internal and external communication reinforced the importance of sustainable governance using everyday language to helps employees understand the processes and goals (World Business Council for Sustainable Development, 2011). The deeper the intensity of knowledge and information exchange, the better the chance of developing support for sustainability (Gloet, 2006; Langwell & Heaton, 2016), and to ensure that managers act only in shareholders' interest (Giannarakis et al., 2018).

KEY FINDING 2: QUALITY OF TOP MANAGEMENT - THE ROLE OF ETHICAL LEADERSHIP

The study highlighted that the role of ethical leadership is crucial in sustainable governance. P2 emphasized the importance of abiding by regulations, government legislation, and working policies. The interviewee mentioned the need to enforce legal authority and comply with requests from different government or political parties, which can involve blocking certain activities. Additionally, the interviewee mentioned the significance of staff's code of conduct and how it influences their work:

"Again, staff's code of conduct is how you work" (P2)

Furthermore, P5, as an oil palm plantation company, discussed the government's requirement to comply with the MSPO certification, which signifies sustainable production and adds value to the company. However, the interviewee from P5 also acknowledged the challenges of strict monitoring and overseeing 16 company policies that cover areas such as gender, carbon, and the environment:

"From the smallest company to big companies, every company must have MPSO. So if an oil palm plantation has MSPO certification, it means they are producing sustainably" (P5)

The interviewee noted that managing these policies can be difficult and costly: "It is quite difficult and challenging to control. So sometimes it could be costly" (P5)

These findings demonstrate that ethical leadership plays a critical role in ensuring compliance with regulations and working policies. It also highlights the importance of aligning with sustainability certifications and implementing policies that address various aspects of sustainability. However, the challenges associated with monitoring and implementing these policies should be acknowledged, as they can require significant resources.

Therefore, the study highlights the need for ethical leadership to guide sustainable governance efforts and navigate complex regulatory and certification requirements. By adhering to legal authority, enforcing codes of conduct, and addressing environmental and social concerns, companies can demonstrate their commitment to sustainable practices. However, the challenges involved in managing and monitoring multiple policies should be carefully considered to ensure effective implementation.

KEY FINDING 3: DATA GOVERNANCE

Interestingly, P4 and P5 highlighted the importance of data governance, which was not prominently emphasized by companies in the medium-risk sector. These companies emphasized the significance of reliable measurement systems and achieving targets. They argued that by effectively capturing and quantifying various aspects of resource capital in the supply chain, such as emissions, materials, energy, and social capital, companies can optimize production and make informed decisions:

"So, when you talk about data governance, we take it seriously because we believe in what has been measured. They have their guidelines. They have their way of working, so their system has to be reliable" (P4).

"Data, for instance… When we talk about greenhouse gas, we have the policy as well. Greenhouse gas and the goals we want to achieve, such as to reduce carbon in 2020 by 40%; when we have these things, then we start to think about our plan, such as building a biogas plant to reduce GHG" (P5)

The interviewees expressed the seriousness with which they approach data governance and the belief in the accuracy of their measurements. They emphasized the need for reliable systems and guidelines to ensure the credibility of the data. Furthermore, they discussed specific goals related to greenhouse gas reduction and how data governance plays a role in planning and implementing strategies to achieve those goals.

This finding aligns with previous studies that have highlighted the importance of balanced internal and external mechanisms and the role of ethical leadership in sustainable governance (Li et al., 2018; Klomp & Clear, 2018; Velte, 2016; Walls et al., 2012). It also introduces an unexpected finding that data governance is a contributing factor to effective sustainable governance practices and overall company success.

These findings suggest that organizations should prioritize both the quality of top management and improved data governance when considering the critical elements of effective sustainable governance practices. By ensuring reliable measurement systems and effectively managing data related to various aspects of sustainability, companies can enhance their decision-making processes and optimize resource allocation.

Thus, this study emphasizes the importance of data governance in sustainable governance and adds to the existing understanding of the key factors influencing sustainable governance practices. By integrating data governance into their sustainability strategies, companies can further enhance their performance and contribute to long-term success.

Table 1. Qualitative Results of Critical Elements of Effective Sustainable Governance Practice.

RQ	Codes	Categorizing	Final Theme
How to achieve effective sustainable governance practice?	Top-bottom/ bottom-up approaches, a Communication channel to disseminate information	Internal communications	Quality of top management
	Align with government movement/ requirement, Working policies	Beyond compliance commitment	
	Input-output	Effective supply chain	Data governance

Table 2. Comparative Analysis of Critical Elements Of Effective Sustainable Governance Practice Between Participants.

	Resources			Capabilities		Participants (Interviewees)
	H	F	T	I	E	
Quality of top management – internal communications	H		T	I		P1
	H		T	I		P2
	H		T	I		P3
	H		T	I		P4
	H		T			P5
Quality of top management – the role of ethical leadership	H					P1
	H			I	E	P2
						P3
	H					P4
	H	F		I	E	P5
Data governance						P1
						P2
						P3
	H		T			P4
	H	F	T	I		P5

Note: H-Human, F-Financial, I-Information Systems and Technology, I-Internal, E-External.

The results of the study emphasise the importance of efficient top-level management and better data governance in promoting effective and sustainable governance practises. The study showed that the participants were skilled in utilising various resources such as human resources, information systems and technology, and financial resources (with a focus on P5). The study clearly demonstrates that a company's financial success depends on a variety of elements, including information systems and technology, human resources, and internal and external capabilities. To effectively disseminate sustainability information and engage the workforce, it is imperative to strengthen internal communications through information systems and technology resources. Ethical leadership plays a crucial role in enhancing business values and growth, particularly in partnership with strategic stakeholders like government agencies. Additionally, skilled human resources and advanced technology can efficiently assess output and performance through data governance, an essential internal capability.

The study highlights that successful sustainable governance practices demand top management quality and improved data governance. Participants in the study utilised their resources, including information systems and technology, human resources, and stakeholder integration and engagement, to achieve sustainability objectives. These findings align with the resource-based perspective, which considers internal business factors as performance measures (Guillamon-Saorin et al., 2018; Qiu, Shaukat, & Tharyan, 2016).

Overall, the study stresses the importance of balancing internal and external mechanisms, ethical leadership, effective supply chain management, and data governance in achieving successful sustainable governance practices. By leveraging these critical elements, organizations can enhance their financial performance and align with sustainability objectives.

CONCLUSION

This study aimed to contribute to the existing literature by exploring ways to integrate sustainable governance into companies' strategic plans and decision-making processes. It focused on identifying internal business factors, such as resources and capabilities, that can enhance sustainable governance practices. The study specifically examined the impact of various resources (financial, human capital, technology, and innovation) and identified the capabilities necessary for effective sustainable governance. Consequently, this study contributes to the understanding of how companies can integrate sustainable governance into their operations. It highlights the importance of key factors such as communication, ethical leadership, and data governance, while also acknowledging the need for future research to delve deeper into these areas and address any existing gaps. The findings of the study suggest that companies should prioritize effective communication and ethical leadership at the top management level. Additionally, having robust data governance systems is crucial for promoting long-term sustainability. However, it's important to note that the conclusions drawn from this study are based solely on the perspectives of the interviewed sustainability managers and executives. The sample size was limited due to time constraints, and further research is needed to explore more proactive actions, opportunities, and solutions, as well as to examine communication both within and outside the company.

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