EXPLORING GOVERNANCE CULTURE AND INSTITUTIONAL PRESSURES AS DRIVERS OF DISCLOSURE PRACTICES: A QUALITATIVE STUDY

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ABSTRACT

This study was conducted to understand how governance culture and institutional pressures influence disclosure practices in organizations and to examine the inconsistencies that occur between formal compliance and actual implementation. To achieve this goal, a qualitative approach was used through in-depth interview sessions involving 15 participants consisting of financial managers and officers involved in organizational governance matters. The data obtained was analysed using thematic analysis methods to identify key patterns and themes based on the participants' experiences. The results of the study showed that governance culture has a significant influence on the way organizations implement disclosure practices, while institutional pressures are seen to influence the form and content of information disclosed. The study findings also showed the existence of a gap between formal compliance and actual implementation in organizations, which illustrates the phenomenon of decoupling. In most cases, disclosure practices were found to be more symbolic than substantive. This study contributes to a deeper understanding of the factors that influence disclosure practices in the context of corporate governance.

Keywords: Governance culture, Institutional Pressures, Disclosure Practices, Symbolic Compliance, Corporate Governance

1.0 INTRODUCTION

Today's increasingly complex and competitive business environment has increased the need for transparency and accountability in organizations. In a situation where organizations are constantly faced with various demands from stakeholders, disclosure practices have become an important mechanism to ensure that relevant information can be communicated effectively. The information disclosed not only helps the decision-making process, but also influences the level of confidence of investors, regulators, and the public in an organization (Heimstädt & Dobusch, 2020; Ismail & Yusof, 2025). For this reason, efforts to strengthen corporate governance practices continue to be given attention, including through the introduction of guidelines such as the Malaysian Code on Corporate Governance (MCCG), which emphasizes elements of integrity, accountability, and transparency in organizations.

However, compliance with formal guidelines does not necessarily reflect actual implementation in organizations. In many cases, decisions regarding information disclosure are more influenced by internal organizational factors and the environmental conditions encountered. This situation shows that disclosure practices do not depend only on the existence of guidelines alone, but are also influenced by organizational culture and various forms of institutional pressure.

This phenomenon can be explained through the perspective of Institutional Theory, which emphasizes that organizations tend to respond to institutional pressures to ensure social acceptance and maintain the continuity of their operations (Ismail & Yusof, 2025; Susanto et al., 2023). In this perspective, disclosure practices are not solely driven by the need to comply with formal guidelines, but are also influenced by the need to meet stakeholder expectations and maintain the organization's reputation (Ismail & Yusof, 2025; Ilaboya & Ohiokha, 2024). This situation has the potential to create a situation where organizations implement symbolic disclosure (symbolic compliance) without a real commitment to the principles of transparency outlined (Heimstädt & Dobusch, 2020; Ismail & Yusof, 2025).

In this regard, questions arise about the extent to which guidelines such as the Malaysian Code on Corporate Governance are effective in influencing the actual behaviour of organizations. Although theoretically the guidelines were introduced to increase the level of disclosure and accountability of organizations, several empirical findings show that there is still a gap between the policies set and the actual implementation in the organizations (Ismail & Yusof, 2025; Ilaboya & Ohiokha, 2024). This gap illustrates the possibility that informal factors such as organizational culture and institutional pressures have a greater influence than formal regulatory mechanisms. Therefore, a deeper understanding is needed to examine how both factors act as drivers of disclosure practices in organizations (Ismail & Yusof, 2025).

The main problem underlying this study is the lack of genuine compliance with the MCCG guidelines among organizations (Ismail & Yusof, 2025; Ilaboya & Ohiokha, 2024). Although an organization may externally demonstrate compliance with the guidelines, the disclosure practices implemented are found to be more influenced by the internal governance culture than by formal compliance requirements (Heim, 2024). This situation indicates that compliance is likely to be superficial and does not reflect a true commitment to good governance principles. In addition, inconsistencies in disclosure practices between organizations have also been identified as a result of high reliance on their respective governance cultures. This situation causes the information disclosed to be less consistent, thus making it difficult for stakeholders to make meaningful comparisons between organizations (Ismail & Yusof, 2025; Ilaboya & Ohiokha, 2024).

At the same time, institutional pressures also play an important role in shaping organizational disclosure practices. Organizations often face various external pressures that demand a certain level of transparency, whether through investor expectations, the need to maintain reputation, or the influence of competitor practices in the industry (Heim, 2024; Susanto et al., 2023). Such pressures are able to push organizations to increase their level of disclosure. However, in certain circumstances, such actions are more reactive and not necessarily in line with established official guidelines (Heim, 2024; Kershaw, 2025). This situation once again raises questions about the effectiveness of the MCCG as a regulatory mechanism in ensuring consistent and substantive compliance (Ismail & Yusof, 2025; Heim, 2024).

Based on the issues discussed, this study aims to explore and understand the role of governance culture and institutional pressures as key drivers of disclosure practices in organizations (Ismail & Yusof, 2025). Specifically, this study has two main objectives. First,

to identify factors in governance culture and institutional pressures that influence disclosure practices in organizations. Second, to analyse how governance culture and institutional pressures shape inconsistencies and lack of actual compliance with the MCCG guidelines in organizational disclosure practices (Ismail & Yusof, 2025; Susanto et al., 2023). A qualitative approach was chosen for this study because it allows for a deeper exploration of the experiences, perceptions, and interpretations of individuals directly involved in the corporate governance and reporting process (Ilaboya & Ohiokha, 2024; Susanto et al., 2023).

This study is expected to provide significant contributions to various parties. From the perspective of governments and regulatory bodies, the findings of this study can assist in reassessing the effectiveness of existing guidelines such as the MCCG and identify the need for improvements in monitoring policies and mechanisms (Kershaw, 2025; Heim, 2024). By understanding the actual factors that influence disclosure practices, authorities can design a more realistic and effective approach in ensuring organizational compliance (Ismail & Yusof, 2025).

Overall, this article is organized systematically to facilitate the reader's understanding of the study. The next section will discuss the literature review on governance culture, institutional pressures, and disclosure practices. This is followed by a description of the research methodology used, before presenting the study findings and related discussions.

2.0 LITERATURE REVIEW

This literature review aims to gather and critically evaluate academic discussions related to disclosure practices, governance culture and institutional pressures in the context of corporate governance. This discussion is important to provide a solid theoretical and empirical basis for the study, in addition to identifying research gaps that exist in the existing literature (Haniffa & Cooke, 2021).

In the Malaysian context, the Malaysian Code on Corporate Governance has been introduced as a key framework to strengthen corporate governance practices, including in the aspect of information disclosure (Haniffa & Cooke, 2021). The MCCG emphasizes the importance of transparency, integrity, and accountability as the foundation of good governance. However, the literature shows that compliance with these guidelines does not necessarily guarantee quality disclosure practices (Haryanto et al., 2021; Taib et al., 2025). On the contrary, there are various other factors that influence how and to what extent organizations implement their information disclosure. Therefore, this study focuses on two main factors, namely governance culture and institutional pressures, which are believed to play a significant role in shaping disclosure practices (Haryanto et al., 2021; Najm et al., 2022).

Disclosure practices refer to the process of an organization communicating information to stakeholders either on a mandatory or voluntary basis. Mandatory disclosure is usually mandated by specific laws and regulations, while voluntary disclosure is implemented on the organization's own initiative (Mahmood et al., 2023). Previous studies have shown that voluntary disclosure is often used as a strategy to enhance the organization's reputation and strengthen investor confidence. However, the level and form of disclosure are found to vary between organizations even when operating in the same regulatory environment. This raises questions about the actual factors that influence disclosure practices, especially when organizations do not fully rely on formal guidelines such as the MCCG (Georgiev, 2023; Haniffa & Cooke, 2021).

One factor that has received increasing attention in the literature is governance culture. Governance culture encompasses the values, norms, beliefs, and practices that shape organizational behavior, especially among top management (Haryanto et al., 2021).

These elements play an important role in determining how decisions are made and implemented, including in terms of information disclosure. Organizations that emphasize values such as integrity, ethics, and accountability tend to demonstrate more transparent and consistent disclosure practices (Haryanto et al., 2021; Haniffa & Cooke, 2021). On the other hand, organizations with weak cultures or more short-term interest-oriented cultures are found to be more likely to implement disclosure at a minimum level or simply meet basic needs. In this context, governance culture can be considered a significant internal factor in influencing disclosure practices, and in certain circumstances can even overcome the influence of formal guidelines (Adnan & Hay, 2022).

In addition to internal factors, institutional pressures are also identified as important elements in shaping organizational behaviour. Institutional pressures refer to influences from the external environment that encourage organizations to adjust behaviour to maintain legitimacy and ensure operational continuity (Nastiti & Bayangkara, 2024; Najm et al., 2022). Based on the perspective of Institutional Theory, institutional pressures can be divided into three main categories, namely coercive, normative, and mimetic pressures. Coercive pressure comes from regulatory and legal bodies, normative pressure stems from professional norms and social values, and mimetic pressure occurs when organizations imitate the practices of other organizations that are considered successful. Past research has shown that organizations often respond to this pressure by increasing their level of disclosure, although such actions do not necessarily reflect a true commitment to transparency (Georgiev, 2023; Zhang & Li, 2024).

The relationship between governance culture and institutional pressure is also an important aspect of understanding organizational disclosure practices. These two factors do not operate in isolation, but rather influence each other in shaping organizational behaviour (Haryanto et al., 2021; Najm et al., 2022). For example, strong institutional pressure may encourage organizations to increase their level of disclosure, but the ultimate outcome still depends on the internal culture of the organization. Organizations with a strong governance culture are likely to implement substantive disclosure, while organizations that place less emphasis on integrity values may be more likely to implement symbolic disclosure to meet external expectations. This interaction explains why disclosure practices can differ between organizations even within the same environment (Roszkowska Menkes et al., 2024; Georgiev, 2023).

Although numerous studies have addressed aspects related to disclosure and governance, there is still a significant research gap. Most previous studies have focused on the level of compliance with guidelines such as the MCCG using quantitative approaches and secondary data such as annual reports (Mahmood et al., 2023; Haniffa & Cooke, 2021). While such approaches are suitable for measuring the level of disclosure, they are less able to provide a deep understanding of the internal and external factors that influence organizational behaviour. Furthermore, studies that incorporate governance culture and institutional pressures as key drivers of disclosure practices are still limited (Najm et al., 2022; Taib et al., 2025).

3.0 RESEARCH METHODOLOGY

This methodological section describes the research approach used to achieve the study's objectives, which are to identify factors in governance culture and institutional pressures that influence disclosure practices, and to analyse how these factors shape inconsistencies and lack of compliance with governance guidelines (Ismail & Yusof, 2025; Taib et al., 2025). This study uses a qualitative approach to enable in-depth exploration of the phenomenon being studied in the actual context of the organization (Taib et al., 2025).

From a research philosophy perspective, this study is based on an interpretive paradigm that emphasizes understanding the meaning, experience, and individual interpretation of a phenomenon (Taib et al., 2025). This approach is appropriate because issues related to governance culture and institutional pressures not only involve the formal structure of the organization, but also involve values, beliefs, and rationalizations that cannot be measured quantitatively (Ismail & Yusof, 2025). Therefore, this study focuses on how individuals in organizations interpret and implement disclosure practices in the reality of their work (Taib et al., 2025).

This study adopted a qualitative exploratory research design to explore how governance culture and institutional pressures influence disclosure practices among Malaysian publicly listed companies. The exploratory approach was considered appropriate because the study sought to obtain an in-depth understanding of participants' experiences, perceptions, and interpretations regarding governance disclosure practices across different organisational contexts. Qualitative exploratory research is particularly suitable for examining complex organisational phenomena where rich contextual insights are required to understand participants' perspectives and experiences (Creswell & Poth, 2018; Merriam & Tisdell, 2016). This design enabled the researcher to explore complex governance phenomena that could not be adequately captured through quantitative methods and allowed for a deeper understanding of governance disclosure practices within their real-world organisational settings (Yin, 2018).

The unit of analysis for this study is the organization, specifically in the context of the disclosure practices implemented by listed companies (Ismail & Yusof, 2025). However, data were collected through individuals who are directly involved in the reporting and governance process, such as financial managers and governance-related officers (Taib et al., 2025). The selection of this unit of analysis is in line with the study's objective, which emphasizes understanding how disclosure practices are formed and implemented in organizations (Ismail & Yusof, 2025).

The sampling strategy used is purposive sampling, where participants are selected based on certain criteria relevant to the study (Taib et al., 2025). Participants consist of individuals who have experience and knowledge in the financial reporting and governance disclosure process, such as financial managers, accountants, and governance officers. The selection of these participants is important because they have direct access to information and experience related to disclosure practices in the organization (Noor et al., 2025). This study involved a small number of participants, but the emphasis was placed on the depth of information obtained compared to the quantity of the sample, in line with the qualitative approach (Taib et al., 2025).

Table 1: Participant Profile

Participant	Position	Experience	Industry
P1	**Finance Manager**	**12 Years**	**Manufacturing**
P2	**Chief Financial Officer**	**18 Years**	**Property**
P3	**Governance Officer**	**10 Years**	**Consumer Products**
P4	**Internal Auditor**	**15 Years**	**Construction**
P5	**Finance Director**	**20 Years**	**Technology**
P6	**Company Secretary**	**14 Years**	**Plantation**
P7	**Governance Manager**	**11 Years**	**Healthcare**
P8	**Senior Finance Manager**	**16 Years**	**Manufacturing**
P9	**Internal Control Manager**	**13 Years**	**Property**

P10	**Risk Management Officer**	**9 Years**	**Consumer Products**
P11	**Financial Controller**	**17 Years**	**Construction**
P12	**Governance Executive**	**8 Years**	**Technology**
P13	**Finance Manager**	**15 Years**	**Plantation**
P14	**Internal Audit Manager**	**19 Years**	**Healthcare**
P15	**Governance and Risk Officer**	**12 Years**	**Real Estate Investment**

A total of 15 participants were interviewed across various industries, including manufacturing, banking, construction, plantation, telecommunications, healthcare, and investment-related sectors (Busetto et. al., 2020). Data collection continued until thematic saturation was achieved, whereby additional interviews no longer generated substantially new codes or themes (AlMahadin & Conner, 2024). Saturation was observed at approximately Participant 13, where no new categories or dimensions relevant to the research questions emerged from subsequent interviews (Busetto et al., 2020). Two additional interviews were conducted to confirm thematic consistency and ensure analytical completeness (AlMahadin & Conner, 2024). This procedure is consistent with qualitative research recommendations, which emphasise data saturation as a key indicator of sample adequacy and rigour in interview-based studies (Johnson et. al., 2020).

The 15 participants represented 15 different publicly listed companies operating across multiple sectors. Each participant occupied a governance-related role within their respective organisation, including finance managers, accountants, governance officers, internal audit managers, compliance officers, and risk managers. The diversity of organisations enabled the study to capture a broad range of disclosure experiences and governance practices across different institutional environments.

The main data collection method in this study was semi-structured in-depth interviews. This method was chosen because it allowed the researcher to obtain detailed information and provided space for participants to freely share their experiences and views (Taib et al., 2025). Interview questions were constructed based on the study objectives and were flexibly structured to allow for further exploration of issues that arose during the interview sessions (Noor et al., 2025). This approach allowed the researcher to understand in depth how governance culture and institutional pressures influence disclosure practices in the organization (Ismail & Yusof, 2025).

In addition, the use of interviews also allowed the researcher to identify aspects that could not be obtained through document analysis, such as rationalizations behind disclosure decisions, pressures faced by management, and perceptions of the effectiveness of governance guidelines (Taib et al., 2025). The data obtained were recorded and transcribed in full to ensure the accuracy and reliability of the information (Noor et al., 2025).

For data analysis, this study used a thematic analysis approach, which involves the process of identifying, analysing, and interpreting the main themes that emerged from the interview data (Taib et al., 2025). Interview transcripts were first subjected to open coding to identify meaningful statements and recurring ideas relevant to governance culture, institutional pressures, and disclosure practices (Strauss & Corbin, 1998). Similar codes were subsequently grouped into broader categories based on conceptual similarities (Saldaña, 2021). These categories were then refined and consolidated into higher-order themes through an iterative comparison process, consistent with thematic analysis procedures outlined by Braun and Clarke (2006, 2021). The thematic development process

enabled the researcher to identify consistent patterns across participants while maintaining close alignment with the original interview data. This systematic approach enhanced the transparency and credibility of the findings by clearly demonstrating how themes emerged from the data (Nowell et al., 2017).

Table 2: Development of Codes, Categories and Themes

Initial Codes	Categories	Final Themes
Tone at the top, Leadership philosophy	**Governance Culture**	**Governance Culture**
Regulatory pressure, Investor expectation	**Institutional Pressures**	**Institutional Pressures**
Gap between policy and practice	**Decoupling Behaviour**	**Decoupling**
Checklist reporting, Boilerplate disclosure	**Symbolic Compliance**	**Symbolic Compliance**
Strategic disclosure, Risk consideration	**Managerial Rationalisation**	**Management Rationalisation**

Table 2 illustrates the progression from initial codes to categories and final themes. The thematic analysis involved a systematic process of open coding, categorisation, and theme refinement. Similar codes were grouped into broader conceptual categories, which were subsequently developed into five overarching themes. This process enhanced the transparency and trustworthiness of the analysis by demonstrating how the findings were derived directly from the interview data.

To provide further clarity, Table 3 summarises the five themes and their corresponding sub-themes identified from the analysis. A total of five themes and fourteen sub-themes emerged from the interview data.

Table 3: Summary of Themes and Sub-Themes Identified from the Study

Theme	Sub-Themes
Governance Culture	**Tone at the Top, Management Integrity, Internal Values**
Institutional Pressures	**Regulatory Pressure, Investor Expectations, Reputation Concern, Industry Benchmarking**
Decoupling	**Gap Between Policy and Practice, Formal vs Actual Disclosure**
Symbolic Compliance	**Checklist Compliance, Boilerplate Disclosure, Routine Reporting**
Management Rationalisation	**Strategic Disclosure, Risk Consideration, Selective Disclosure**

Table 3 summarises the development of themes derived from the thematic analysis process. A total of five main themes and fourteen sub-themes were identified from the interview data. The themes include Governance Culture, Institutional Pressures, Decoupling, Symbolic Compliance, and Management Rationalisation. These themes emerged through a systematic coding process involving the identification of initial codes, grouping of related categories, and refinement into higher-order themes. The findings indicate that both internal organisational factors and external institutional influences play significant roles in shaping disclosure practices among Malaysian publicly listed companies.

Thematic analysis allowed researchers to identify the relationships between governance culture, institutional pressures, and disclosure practices, and to understand how these factors contributed to inconsistencies in adherence to guidelines such as the MCCG (Ismail & Yusof, 2025; Taib et al., 2025). This approach also allowed for findings that were more flexible and open to interpretation, in line with the exploratory nature of this study (Noor et al., 2025).

To ensure the trustworthiness of the study, several steps were taken. First, the accuracy of the data was ensured through a process of reviewing transcripts and verifying information by participants (Taib et al., 2025). Second, the researcher ensured transparency

in the analysis process by documenting the steps taken in coding and theme formation (Ismail & Yusof, 2025). Third, triangulation was used by comparing information from various participants to ensure consistency of findings (Noor et al., 2025).

In addition, the aspect of trustworthiness was also strengthened through researcher reflexivity, where the researcher was aware of the role and possibility of bias in the research process (Taib et al., 2025). By openly considering the participants' perspectives, this study sought to produce more objective and reliable findings (Ismail & Yusof, 2025).

From an ethical point of view, this study complied with the principles of research ethics by ensuring the confidentiality and anonymity of the participants (Taib et al., 2025). All information obtained was used only for academic purposes, and the identities of the participants and organizations were not disclosed. Participants were also informed of the purpose of the study and their right to withdraw at any time without any implications (Noor et al., 2025).

However, this study has several limitations. First, the use of a qualitative approach with a small sample size may limit the applicability of the findings to a wider population (Taib et al., 2025). Second, the data obtained depended on the perceptions and experiences of the participants, which may be influenced by biases or constraints in sharing sensitive information (Ismail & Yusof, 2025). Third, there is a possibility that not all aspects of disclosure practices could be fully disclosed by the participants due to organizational confidentiality factors (Taib et al., 2025).

Despite these limitations, the qualitative approach used in this study provides an advantage in understanding the phenomenon in depth and contextually (Ismail & Yusof, 2025). By focusing on the experiences and interpretations of individuals in the organization, this study is able to provide a more realistic picture of how governance culture and institutional pressures influence disclosure practices (Taib et al., 2025).

Overall, the methodology of this study is designed to support the study's objectives, which are exploratory and analytical in nature. By using a qualitative exploratory approach and thematic analysis, this study is able to explore in depth the factors that influence disclosure practices and explain the internal dynamics of organisations that cannot be adequately captured through quantitative approaches (Ismail & Yusof, 2025; Noor et al., 2025).

4.0 FINDINGS

The findings section of this study presents the results of in-depth interview analysis conducted on 15 participants consisting of financial managers, accountants, and governance-related officers in organizations. The analysis was conducted using a thematic analysis approach that involved the coding process, category grouping, and then the formation of main themes based on consistent response patterns among participants (Taib et al., 2025). Overall, the study findings show that disclosure practices in organizations are not solely driven by compliance with formal guidelines such as the Malaysian Code on Corporate Governance, but are more influenced by internal organizational factors and external institutional pressures (Ismail & Yusof, 2025; Elmanaseer et al., 2025).

The results of the analysis conducted show several key observations that can be summarized from the study findings. Overall, internal governance culture was found to be the most dominant factor in influencing organizational disclosure practices, overcoming the influence of existing formal guidelines (Taib et al., 2025). In addition, institutional pressures such as investor expectations, the need to maintain the organization's reputation, and compliance demands also play an important role in determining the form and content of

disclosures made (Elmanaseer et al., 2025). This study also identified the existence of a significant inconsistency between formal compliance and actual practices in organizations, which illustrates the phenomenon of decoupling (Ismail & Yusof, 2025). In addition, disclosure practices were found to be more likely to be symbolic than substantive, especially when the disclosure is influenced by external needs of the organization (Ilaboya & Ohiokha, 2024). Interestingly, the level of openness and transparency of an organization is also greatly influenced by the leadership style and values held by top management (Noor et al., 2025). This finding is in line with the perspective of Institutional Theory, which explains that organizations tend to respond to various forms of pressure to maintain legitimacy, but such responses do not necessarily bring about profound changes in the internal practices of the organization (Ismail & Yusof, 2025; Elmanaseer et al., 2025).

The first theme that emerged from the analysis was governance culture. Participants consistently emphasised that the quality of disclosure practices depends largely on leadership commitment, organisational values, and management priorities rather than solely on compliance with regulatory requirements. Several participants highlighted that governance disclosure is influenced by how seriously top management views transparency and accountability.

For example, one participant explained:

"If top management does not emphasise governance, disclosure will be very minimal."

Another participant stated:

"If top management really emphasizes transparency, the reports produced will be more detailed."

Participants also highlighted the importance of management judgement in determining disclosure content. A participant remarked:

"Sometimes CFO or CEO will ask, 'Need to disclose this ah?' So, it's a balance between transparency and risk."

These quotations demonstrate that governance culture is strongly influenced by leadership behaviour, organisational values, and management commitment. The findings suggest that organisations with stronger governance cultures tend to adopt more substantive disclosure practices, whereas organisations with weaker governance commitment are more likely to provide only minimal disclosure.

The second theme relates to institutional pressures. Participants frequently described how disclosure decisions are shaped by expectations from regulators, investors, and industry peers. Organisations often respond to these pressures to maintain legitimacy and avoid negative perceptions among stakeholders.

Participant P6 explained:

"Pressure… definitely pressure. KPI pressure… investor expectations… fear that share price might drop… and sometimes management wants to show steady performance."

Participant P6 further highlighted:

"We always benchmark with other retail PLCs. If our competitors disclose more, we kena match lah, otherwise we look like we are hiding something."

Participant P6 added:

"But if they disclose less, macam we also follow. Peer behaviour influences us quite strongly."

These statements clearly illustrate coercive, normative, and mimetic pressures that influence disclosure behaviour. Organisations often increase disclosure not solely because of internal governance values but also because of expectations imposed by external stakeholders.

The third theme identified was the existence of a gap between formal governance policies and actual organisational practices. Participants indicated that governance disclosure frequently focuses on fulfilling reporting requirements rather than reflecting genuine governance implementation.

Participant P7 stated:

"Many companies still think disclosure is just compliance. Not really for value creation."

The participant further explained:

"Value-based disclosure needs sincerity… and many organisations are still adjusting lah."

The participant added:

"Most still tick-the-box only."

These quotations indicate that many organisations continue to treat disclosure as a compliance exercise. While formal governance structures may exist, actual practices may not fully reflect the values promoted in governance reports, thus demonstrating the phenomenon of decoupling.

Another significant theme was symbolic compliance. Participants described governance disclosure as a routine reporting exercise primarily aimed at satisfying regulatory requirements.

Participant P1 explained:

"Every year we prepare the governance statement. We follow the Bursa format. As long as all required sections are completed, then it is considered done."

Participant P8 commented:

"The format is already structured. We just adjust our company's wording to fit the required format. Most companies follow a similar structure."

Participants also acknowledged that governance reports frequently rely on standardised templates. As participant P1 noted:

"Many still rely on generic templates… almost like copying and pasting from previous reports."

These findings suggest that disclosure often functions symbolically as evidence of compliance rather than as a mechanism for meaningful transparency.

The final theme concerns management rationalisation and strategic considerations in disclosure decisions. Participants explained that disclosure decisions are often influenced by concerns regarding sensitivity, reputation, risk, and stakeholder reactions.

Participant P6 stated:

"Before deciding what to disclose, we have discussions on materiality, whether the information is sensitive, whether it will cause unnecessary attention, and whether investors will misinterpret."

The participant further added:

"It's a balance between transparency and risk."

The same participant highlighted:

"Only after regulatory pressure did we expand the section. Before that, memang not prioritised."

These quotations demonstrate that disclosure decisions are not purely compliance-driven but are also influenced by managerial judgement and strategic considerations. Management frequently weighs the potential benefits and risks of disclosure before deciding what information should be communicated to stakeholders.

The discussion of the findings of this study should be understood in the context of the objectives and problem statement that were set at the initial stage of the study. The first objective of this study is to identify factors in governance culture and institutional pressures that influence disclosure practices in organizations (Haniffa & Cooke, 2021; Lu & Wang, 2025). Based on the thematic analysis conducted, several main themes were identified as a result of a systematic coding process. These include the themes of governance culture as an internal driver, institutional pressure as an external influence, and the role of leadership in shaping the level of organizational openness (Najm et al., 2022). The governance culture themes that emerged from codes such as "tone at the top", "management integrity" and "internal values" clearly indicate that the values and attitudes of top management are critical factors in determining whether disclosure is implemented meaningfully or merely meets minimum requirements (Noor et al., 2025; Ismail & Yusof, 2025). This shows that disclosure is not just a technical process based on regulations, but is a reflection of the values and beliefs held by the organization (Najm et al., 2022; Haniffa & Cooke, 2021).

Unlike previous studies that primarily emphasised regulatory compliance as the main driver of disclosure, the present findings suggest that governance culture functions as a stronger determinant of disclosure quality. Participants repeatedly linked disclosure depth to leadership commitment, board vigilance, and internal governance values rather than formal reporting requirements alone. This finding supports previous studies which argued that governance culture influences organisational transparency and disclosure behaviour beyond formal compliance requirements (Haniffa & Cooke, 2021; Haryanto et al., 2021; Adnan & Hay, 2022). Furthermore, the findings extend Institutional Theory by demonstrating that coercive pressure may encourage disclosure, but substantive transparency depends on the extent to which governance values are internalised within organisations (Najm et al., 2022; Nastiti & Bayangkara, 2024).

At the same time, the institutional pressure themes formed from codes such as "regulatory pressure", "investor expectation" and "reputation concern" show that organizations do not operate in isolation, but are constantly influenced by expectations and pressures from the external environment (Nastiti & Bayangkara, 2024). Pressure from stakeholders such as investors, regulators, and industry competitors prompts organizations to adjust their disclosure practices to maintain legitimacy and reputation. However, the study findings show that responding to these pressures does not necessarily result in substantive changes in internal practices, but rather often leads to symbolic disclosure (Roszkowska-Menkes et al., 2024; Li & Zhang, 2025). This suggests that institutional pressures act as a catalyst for disclosure, but their effectiveness depends on how they are interpreted and internalized within the organization (Roszkowska-Menkes et al., 2024).

The second objective of this study is to analyse how governance culture and institutional pressures shape inconsistency and lack of actual compliance with MCCG guidelines. The study findings show that the existence of the phenomenon of decoupling or inconsistency between formal policy and actual practice is a significant issue in organizations (Roszkowska Menkes et al., 2024; Lu & Wang, 2025). This theme is formed as a result of several codes such as "formal vs actual disclosure", "gap between policy and practice" and "not reflecting reality", which indicate that although organizations report compliance with governance guidelines, the content of the disclosures presented does not necessarily reflect the actual situation in the organization (Ismail & Yusof, 2025). In addition, the symbolic disclosure theme formed from codes such as "checklist compliance", "routine reporting" and "boilerplate disclosure" also reinforces the finding that many organizations implement disclosure as a routine requirement without a clear commitment to the principles of true transparency (Lu & Wang, 2025; Li & Zhang, 2025). These themes are directly related to the research problem statement, which emphasizes the issue of lack of genuine compliance and inconsistency in organizational disclosure practices (Taib et al., 2025).

Further discussion of the study findings shows that the interaction between governance culture and institutional pressures plays an important role in shaping organizational disclosure practices. In organizations with a strong governance culture, institutional pressures can function as a catalyst for more transparent and meaningful disclosure practices (Haryanto et al., 2021; Najm et al., 2022). On the other hand, organizations that emphasize integrity and accountability values less are found to be more likely to produce disclosures that are merely cosmetic or symbolic (Roszkowska Menkes et al., 2024). Therefore, the effectiveness of formal guidelines such as the Malaysian Code on Corporate Governance in influencing disclosure practices depends largely on the extent to which these values are successfully embedded in the organizational culture.

Overall, the results of the study analysis indicate that disclosure practices in organizations do not rely entirely on compliance with formal guidelines such as the Malaysian Code on Corporate Governance. Instead, such practices are influenced by a combination of internal organizational factors and institutional pressures that exist in their operating environment (Ismail & Yusof, 2025; Taib et al., 2025). These findings not only support the initial findings of the study, but also reinforce the understanding that the implementation of disclosure practices in organizations is a much more complex process than what is outlined through a formal regulatory framework alone (Elmanaseer et al., 2025).

5.0 CONCLUSION

This study has successfully provided a comprehensive picture of the actual dynamics of disclosure practices in organizations, particularly in the context of how governance culture and institutional pressures act as key drivers of disclosure behaviour (Haniffa & Cooke, 2021; Lu & Wang, 2025). In contrast to traditional assumptions that emphasize compliance with formal guidelines such as the Malaysian Code on Corporate Governance as the main

factor, the findings of this study indicate that the reality of disclosure implementation is much more complex and influenced by various internal and external factors (Najm et al., 2022; Lu & Wang, 2025).

From a contribution to the field of knowledge, this study provides several important implications that can enrich the corporate governance literature. First, this study contributes by shifting the focus from the traditional approach that emphasizes compliance with regulations to a deeper understanding of the role of governance culture as a key factor influencing organizational disclosure practices (Haryanto et al., 2021; Lu & Wang, 2025). These findings indicate that without a strong internal commitment to the values of integrity and accountability, formal guidelines alone are not sufficient to produce meaningful changes in organizational practices (Li & Zhang, 2025).

In addition, this study also strengthens the use of Institutional Theory by providing empirical evidence on how institutional pressures interact with internal organizational factors in shaping disclosure behaviour. The findings show that the effects of institutional pressure do not occur linearly or uniformly, but are instead influenced by the cultural context and leadership style of the organization (Nastiti & Bayangkara, 2024; Elmanaseer et al., 2025).

From a methodological point of view, this study contributes through the use of a qualitative approach in exploring the phenomenon of disclosure practices in more depth. This approach allows researchers to understand the experiences, perceptions, and rationalizations of individuals directly involved in the governance and reporting process, which are difficult to obtain through a purely quantitative approach (Taib et al., 2025). Through the coding process and theme formation, this study succeeded in identifying the real dynamics that influence disclosure practices in the organizational context, thus producing a more realistic and contextual picture (Najm et al., 2022).

From a practical perspective, the findings suggest that regulators such as Bursa Malaysia and the Securities Commission Malaysia should complement disclosure requirements with initiatives that strengthen governance culture, ethical leadership, and board accountability. While regulatory compliance remains important, the findings indicate that substantive disclosure is more likely to occur when governance values are genuinely internalised within organisational practices.

Overall, this study emphasizes that efforts to improve organizational transparency and accountability cannot rely solely on formal regulations. Instead, such efforts require bigger changes in governance culture and a more comprehensive understanding of the institutional pressures faced by organizations (Lu & Wang, 2025).

6.0 SUGGESTION FOR FUTURE RESEARCH

Based on the findings of this study, there are several important recommendations that can be considered in future research to broaden the understanding of disclosure practices and corporate governance. This study has highlighted that governance culture and institutional pressures are key drivers of disclosure practices, but the scope of the study, which focused on a qualitative approach and a specific context, opens up room for broader and deeper further research.

Future studies are recommended to further expand the scope of research related to governance culture, institutional pressures, and disclosure practices to produce a more comprehensive understanding of this phenomenon. Although this study has provided an in-depth picture through a qualitative approach, there are still several aspects that can be explored in more detail to further strengthen the existing findings.

First, future studies are suggested to combine a quantitative or mixed methods approach to empirically test the relationship between governance culture, institutional pressures, and disclosure practices. The qualitative approach used in this study successfully provided a deeper understanding of the experiences and perspectives of the participants, but a quantitative approach has the potential to confirm the findings on a larger scale and increase the generalizability of the study findings (Mahmood et al., 2023; Haryanto et al., 2021). For example, future studies could develop appropriate measurement instruments to assess the level of governance culture and institutional pressures, and then test their influence on the quality of disclosure practices in various industry sectors (Mahmood et al., 2023).

Furthermore, current technological developments also open up space for new research related to organizational disclosure practices. With the advancement of digital technologies such as data analytics and reporting based on digital platforms, organizations now have more opportunities to improve the accuracy, accessibility, and transparency of information. Therefore, future studies can assess how the use of technology influences disclosure practices and the extent to which such technology can help reduce the gap between formal compliance and actual implementation in organizations (Heim, 2024).

Finally, future research is also suggested to strengthen the use of theoretical frameworks by integrating theories other than Institutional Theory, such as Agency Theory and Stakeholder Theory, to produce a more comprehensive perspective (Mahmood et al., 2023; Adnan & Hay, 2022). The simultaneous use of multiple theories has the potential to explain in more depth the interactions between internal and external factors in shaping organizational disclosure behavior (Zhang & Li, 2024).

Overall, these recommendations are expected to help expand the scope of research in the field of corporate governance as well as contribute to the development of more transparent, consistent, and effective disclosure practices in the future.

7.0 LIMITATIONS

This study used a qualitative approach with a limited number of participants, thus limiting the generalizability of the findings to a wider population. In addition, the data obtained relied on the perceptions and experiences of the participants, which were potentially influenced by individual biases and constraints in sharing sensitive information. The study's focus on the organizational context in Malaysia also limits the applicability of the findings to institutional or national settings with different governance structures and regulatory systems.

8.0 RESEARCH IMPLICATIONS

The findings of this study reinforce the understanding that governance culture and institutional pressures are key factors influencing organisational disclosure practices, often exerting a stronger influence than formal compliance requirements alone. The findings provide empirical support for Institutional Theory by demonstrating that organisational responses to regulatory and stakeholder pressures are shaped by internal governance values and leadership commitment. Consequently, organisations facing similar institutional environments may still exhibit different disclosure behaviours depending on their governance culture (Gupta & Symss, 2025; Ismail & Yusof, 2025; Omar et al., 2025).

Furthermore, this study contributes to the growing corporate governance literature by highlighting the importance of examining disclosure practices through a qualitative lens. Unlike quantitative studies that primarily measure disclosure levels, this study provides deeper insights into the behavioural, cultural, and institutional mechanisms that shape disclosure decisions. The findings therefore offer a more contextual understanding of how governance practices are implemented within organisations and provide a foundation for

future studies exploring governance culture, transparency, and organisational accountability (Gerged et al., 2023; Carvalho et al., 2023; Gupta & Symss, 2025).

9.0 PRACTICAL IMPLICATIONS

The practical implications of this study reinforce the importance of embedding governance values within organisational culture. Regulators and organisations should focus on strengthening ethical leadership, board accountability, and transparency-oriented governance practices to encourage substantive rather than symbolic disclosure behaviour. While formal governance guidelines remain important, the findings suggest that regulatory compliance alone may not guarantee meaningful transparency if governance values are not genuinely internalised within organisational practices (Ismail et al., 2020; Rahman & Nor, 2022; Ismail & Yusof, 2025).

In addition, organisations should place greater emphasis on cultivating a governance culture that promotes integrity, accountability, and openness throughout all levels of management. Such efforts may help reduce the gap between formal disclosure requirements and actual organisational practices while enhancing stakeholder confidence in corporate reporting. Regulators may also consider complementing compliance-based approaches with initiatives that encourage behavioural and cultural change within organisations to achieve more sustainable governance outcomes (Rahman & Nor, 2022; Ismail & Yusof, 2025; Gupta & Symss, 2025).

CO-AUTHOR CONTRIBUTION

The first author was fully responsible for the development of the study idea, the formation of the conceptual framework, the design of the methodology, the collection of data through interviews, as well as the analysis of the data and the writing of the initial draft of the manuscript. The second author contributed to refining the theoretical framework, checking the appropriateness of the methodology, and providing critical input on the interpretation of the study findings. The third author was involved in the editing process of the manuscript, improving the writing structure and ensuring academic accuracy and consistency of the argument with the current literature. All authors reviewed and approved the final version of the manuscript for publication.

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DECLARATION OF GENERATIVE AI AND AI-ASSISTED TECHNOLOGIES IN THE WRITING PROCESS

This work was prepared using ChatGPT (OpenAI) for language refinement, grammar enhancement, and restructuring of sentence flow. The tool was used to improve clarity and

readability during the writing process. The author carefully reviewed, edited, and validated all content generated and accepts full responsibility for the accuracy and integrity of the final manuscript.

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