

## IMPROVING ACCOUNTABILITY AND SUSTAINABILITY THROUGH VALUE CREATION AND DYNAMIC CAPABILITIES: AN EMPIRICAL STUDY IN PUBLIC INTEREST COMPANIES

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**Abstract:** Traditionally, value creation is about producing new products and new production processes that add value to the firm reflecting an increase in shareholders' wealth and customers' value. However, besides this economic focus, a new paradigm of value creation emphasizes on financial, social and environmental sustainability, accountability, and survival of the business to ensure long term value creation. The purpose of this paper is to investigate the influence of dynamic capabilities on value creation in public interest companies in Malaysia called Government Linked Companies (GLCs). This study adopted the quantitative approach through a cross-sectional survey test to address the research objective. The questionnaire survey was distributed by mail to 455 state and federal level GLCs in Malaysia and collected 215 responses. The findings reveal that dynamic capabilities play a significant role in developing value creation. This study is expected to provide evidence on how to significantly enrich value creation through dynamic capabilities that improve competitiveness in the industry, accountability and sustainability, as well as to secure long-term performance.

**Keywords:** Accountability, dynamic capabilities, government linked companies, sustainability, value creation

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### Introduction

In recent years, value creation has garnered international attention in response to a progressive stream of issues, such as stock market pressure, product discontinuation due to operation failures, and brand damage (Lau and Tong, 2008; Prahalad and Ramaswamy, 2004; Wonyra, 2018). Consequently, value creation has become a debatable element in ensuring business sustainability (Kraaijenbrink and Spender, 2011). The success of value creation is marked through share prices increases, as well as sales growth, reputation, profitability, customer satisfaction, and product variation (Fernandez, 2015). The new paradigm of value creation known as a comprehensive value creation, stresses on financial, social and environmental sustainability and survival of the business to ensure long term value

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