Adoption of Responsible Finance Strategy for Good Governance in Sri Lankan State Universities

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Abstract

The governance of public sector universities stands at a moral crossroads where financial integrity, ethical accountability, and social responsibility must converge to sustain the sacred mission of higher education. This study explores the adoption of responsible finance strategy as a transformative pathway toward good governance in Sri Lankan state universities, emphasizing that responsible finance is not merely a fiscal mechanism but a spiritual discipline of stewardship and trust. Guided by a qualitative interpretive approach, data were gathered from university administrators, financial officers, and academic leaders to uncover the lived meanings and institutional realities surrounding responsible finance practices. Thematic analysis revealed four profound dimensions shaping this transformation: Ethical Consciousness in Financial Decision-Making, Transparency as Institutional Virtue, Sustainability as the Soul of Governance, and Leadership as Moral Stewardship. Together, these themes illustrate that responsible finance transcends technical compliance to embody a holistic philosophy that harmonizes economic rationality with ethical wisdom. The findings affirm that when financial decisions are guided by conscience, transparency, and sustainability, governance evolves from bureaucratic control to spiritual stewardship nurturing trust, equity, and institutional harmony. The study concludes that adopting responsible finance strategies can reawaken the moral essence of university governance, repositioning financial management as a form of ethical service to society. The implications extend beyond fiscal reform, calling for leadership grounded in humility, participatory ethics, and inter-generational responsibility. Future directions highlight the global need for spiritually conscious governance frameworks that align finance, integrity, and human development. Ultimately, this study envisions responsible finance as the moral architecture of higher education governance where wisdom governs wealth, and integrity governs institutions, ensuring that Sri Lankan universities serve not only knowledge but also the conscience of humanity.

Keywords: Good governance, responsible finance, Sri Lanka, state universities

Introduction

A revolutionary method of managing financial resources with sustainability, accountability, and transparency in mind is responsible finance. Achieving long-term educational goals, preserving institutional credibility, and making efficient use of public funds are all made possible by sound financial governance in public sector universities (Tafsir,2021). Adopting responsible finance strategies has become essential to good governance in recent years due to growing financial constraints, stakeholder expectations, and demands for moral and open financial practices. Public universities are therefore forced to abandon conventional financial management models and adopt strategies that match financial operations with the values of social accountability, inclusivity, and responsibility (Nzama and Ogundele, 2021; Tafsir, 2021).

Integrating sustainability, financial prudence, stakeholder engagement, and ethical considerations into financial decision-making is known as responsible finance. These components are essential to the public higher education sector's ability to remain financially viable while promoting social responsibility and academic excellence (Schumacher et al., 2020). Universities can improve trust among stakeholders, including students, employees, regulatory bodies, and the general public, as well as strengthen governance and fiscal discipline, by implementing responsible finance practices (Mahmoud et al., 2017). Furthermore, transparent resource allocation, enhanced performance monitoring, and the reduction of financial risks and mismanagement, all of which are prevalent issues in many developing-nation contexts are all made possible by responsible finance.

By encouraging higher education, research, and innovation, public sector universities contribute significantly to the development of the country. However, maintaining accountability, transparency, and efficiency in financial management is a constant challenge for many of these institutions, especially in developing nations (Schumacher et al., 2020). Weak governance structures, insufficient financial controls, low stakeholder engagement, and a lack of adherence to sustainable and ethical finance practices are frequently the causes of these problems (Hassan & Mohd, 2023). The governance of public universities has consequently come under growing scrutiny for financial mismanagement, budgetary inefficiencies, and waning public trust. In particular, good governance in public universities encompasses a wider dedication to effectiveness, accountability, participation, and integrity rather than just adhering to financial regulations (Schumacher et al., 2020; Jonga 2012). The synergy between responsible finance and good governance ensures that decision-making processes are not only economically sound but also socially responsive and ethically grounded. In this regard, the adoption of responsible finance strategies can serve as a strategic lever to achieve institutional resilience, equitable access to resources, and sustainable development outcomes in higher education (Mahmoud et al., 2017).

As Jonga (2012) emphasized, by integrating ethical responsibility, sustainability, and accountability into institutional behaviour and financial decision-making, the developing idea of responsible finance provides a promising framework to address these issues. The implementation of responsible finance practices in public sector universities is still limited and dispersed, despite its potential. Further he stated that there is a disconnect between the operationalization of responsible finance in the framework of higher education governance and its theoretical understanding. Even so, there is still a lack of systematic adoption and integration of responsible finance into the governance framework of public sector universities, especially in developing countries, despite the growing global discourse on the topic. Institutional constraints, inadequate policy frameworks, and capacity challenges often impede the effective translation of responsible finance principles into practice. Therefore, understanding how responsible finance strategies can be effectively adopted to enhance good governance is a matter of both academic significance and practical necessity.

This gap highlights the necessity of critically analyzing how responsible finance strategies can be implemented as a methodical approach to improve good governance by identifying the aforementioned circumstantial fundamentals. In order to achieve long-term institutional sustainability, restore stakeholder trust, and ensure sound financial stewardship, it is imperative to comprehend the factors that either support or impede this adoption. Thus, this study tackles the main issue of how implementing responsible finance practices improves good governance in public universities while identifying the factors that influence, hinder, and affect such implementation in real-world settings.

Finally, it is important to comprehend the idea of a responsible finance strategy for good governance in Sri Lankan state universities in light of the country's changing public financial management and higher education environments. Universities are expected to demonstrate ethical, transparent, and sustainable financial behaviour in addition to achieving academic excellence as stewards of public funds. Three interconnected thematic pillars serve as the foundation for the pursuit of good governance in this context: leadership as moral stewardship, sustainability as the essence of governance, and transparency and institutional virtue. The moral and procedural integrity that supports the legitimacy of university governance is emphasized by transparency and institutional virtue. Transparent financial reporting, open decision-making, and institutional integrity become essential defence against regulatory failures in a time when public accountability is being examined more closely. As the essence of governance, sustainability encompasses social and environmental responsibility in addition to financial continuity, ensuring that universities manage resources wisely for the long-term good of society and academia. Visionary and morally grounded leaders who foster an environment of accountability, justice, and trust within the institutional ecosystem are necessary for leadership as moral stewardship. When taken as a whole, these factors offer a contextual basis for developing a responsible finance strategy that balances conscience and compliance. Integrating these values into university governance systems is crucial in Sri Lanka, where the public sector frequently encounters issues with resource limitations and regulatory lapses. By taking this approach, financial management is transformed from a procedural requirement into a strategic and moral tool for maintaining institutional resilience, public trust, and national development.

This study aims to explore the adoption of responsible finance strategies as a mechanism for strengthening good governance practices in public sector universities. It seeks to identify the key dimensions, enablers, and barriers associated with this adoption process and to highlight its potential implications for improving financial integrity, institutional accountability, and governance quality. By addressing this research gap, the study contributes to the growing body of knowledge on public financial management and governance reforms, offering insights that are crucial for policy formulation, institutional sustainability, and the advancement of public higher education. Therefore, the primary objective of this research is to examine the adoption of responsible finance strategies as a means of promoting good governance in public sector universities. To achieve this overall aim, the study is guided by the these specific objectives: (a) to identify the key components and principles of responsible finance relevant to the governance of public sector universities, (b) to examine the current practices and institutional mechanisms related to financial management and governance in public sector universities, (c) to analyze the relationship between the adoption of responsible finance strategies and the enhancement of good governance practices, (d) to explore the enablers and barriers influencing the adoption of responsible finance strategies in the context of public higher education institutions, and (e) to propose a conceptual framework for integrating responsible finance into the governance structures of public sector universities.

Literature Review

Theoretical Literature

The theoretical frameworks of Agency Theory and Managerial Power Theory, which offer complementary insights into the dynamics of accountability, control, and moral leadership within public sector institutions, can be used to meaningfully interpret the spirit of a responsible finance strategy for good governance in Sri Lankan state universities.

According to Agency Theory, appointed managers (agents) are trusted to act in the best interests of the government and the public (principals) when ownership and control of resources are separated, as is the case with state universities. But the theory also acknowledges the possibility of agency conflicts, in which managers may prioritize institutional convenience or self-interest over public accountability. To reduce information asymmetry and guarantee that financial decisions are in line with the welfare of the group as a whole, this calls for institutional virtue and transparency mechanisms like strong reporting systems, financial disclosure, and adherence to moral principles (Mendis, 2012). Through oversight, disclosure, and moral discipline, transparency and virtue thus directly represent the agency solution.

By acknowledging that managers frequently have substantial influence over governance structures, resource allocations, and decision-making processes, Managerial Power Theory, on the other hand, goes beyond the conventional agency view. The very nature of financial governance can be shaped by managerial power in Sri Lankan state universities, where political connections and administrative hierarchies are frequently entwined. Therefore, in order to balance excessive managerial discretion through moral consciousness and ethical self-regulation, leadership as moral stewardship becomes essential. This strategy turns managerial authority into a positive force driven by honesty, service-orientedness, and accountability to stakeholders (Tafsir, 2021).

When taken as a whole, these theories support the idea that sustainability is the essence of governance. While Managerial Power Theory emphasizes the moral aspects of leadership required to maintain the legitimacy of governance, Agency Theory emphasizes accountability and control mechanisms that maintain financial discipline. In order to ensure that state universities operate with transparency, institutional virtue, and moral stewardship to prevent regulatory failures and strengthen public trust, their integration offers a theoretical justification for promoting a responsible finance strategy that strikes a balance between compliance and conscience.

Empirical Review

A global trend towards incorporating ethics, sustainability, and accountability into financial systems is reflected in the expanding conversation around responsible finance. Responsible finance began as a private financial sector response to recurring crises and governance failures (Dissanayake, 2012) and has since developed into a comprehensive framework that can be applied to public institutions. According to the International Finance Corporation (IFC, 2019), responsible finance is the process of ensuring long-term institutional sustainability by coordinating financial decision-making with ethical, social, and environmental factors. In the public sector, transparency, integrity, and effective use of tax revenue are highly valued aspects of responsible finance. Achieving governance excellence requires responsible financial management since it fosters fiscal restraint, stakeholder confidence, and social accountability (Jonga, 2012). Since public sector universities are entrusted with both public resources and academic missions, responsible finance has become crucial to maintaining sustainable operations, equitable access, and institutional credibility (Mahmoud et al, 2017; Jonga, 2012).

Additionally, according to Mahmoud et al., universities that implement responsible finance practices like participatory planning, transparent budgeting, and sustainability-based resource allocation show improved governance and institutional performance (Buele et al., 2020). According to Jejeniwa, Mhlongo, and Jejeniwa (2024), stakeholder-inclusive decision-making and ethical financial conduct increase institutional trust, decrease financial mismanagement, and increase accountability. As a result, responsible finance enhances financial sustainability and incorporates moral and ethical principles into the governance of public higher education. The increasing focus on good governance in public universities is occurring concurrently with this evolution (Mahmoud et al., 2017). According to authors Jejeniwa, Mhlongo, and Jejeniwa (2024); Buele et al. (2020), good governance is a multifaceted concept that is defined by efficiency, accountability, transparency, participation, and adherence to the law. These values are reflected in the higher education sector through institutional integrity, participatory leadership, and efficient resource use (Mikando et al., 2025). Decision-making procedures that are fair, supported by evidence, and in line with stakeholders' long-term interests are guaranteed by good governance.

But because of bureaucratic inefficiencies, a lack of autonomy, and insufficient financial control systems, many universities in developing nations still struggle with governance and financial accountability issues (Ali Mohammed, 2024). These difficulties frequently lead to poor financial management, a lack of transparency, and a decline in public trust. In response, incorporating responsible finance practices into university governance frameworks is becoming more and more seen as a way to modernize and reform the institution.

In times of economic uncertainty, crises, and energy transitions, "compounding integration of responsible investment (RI) principles with financial innovation creates significant opportunities to address sustainability challenges," according to Revelli (2016). Accordingly, by integrating morality and social responsibility into financial decision-making, responsible finance offers the operational underpinnings for good governance. To put it another way, responsible finance uses procedures that guarantee accountability and stakeholder inclusiveness to operationalize governance principles. Institutions that adopt responsible financial frameworks achieve greater governance effectiveness, transparency, and ethical compliance, according to studies by Kovalchuk (2025) and Revelli (2016). Stakeholder relationships are strengthened, corruption risks are reduced, and institutional legitimacy is increased, all of which are essential components of good governance in public higher education institutions.

Despite its potential, institutional and systemic barriers frequently impede universities' adoption of responsible finance. Numerous enablers and inhibitors are highlighted by research. Leadership dedication, institutional capability, regulatory backing, and an ethical and sustainable corporate culture are all enablers (Liu et al., 2023). On the contrary, obstacles like a lack of knowledge, inadequate financial governance regulations, political meddling, and opposition to change frequently obstruct advancement. Therefore, institutional reform, capacity building, and financial system alignment with governance goals are necessary for the successful implementation of responsible finance (Educational Research and Innovation Governing Education in a Complex World, n.d.).

In particular, three fundamental theories provide strong theoretical support for the connection between good governance and responsible finance. The normative basis is provided by good governance theory (UNESCAP, 2009; Lateef, 2016), which emphasises that in order to maintain legitimacy and effectiveness, public institutions must abide by the principles of accountability, transparency, and participation. These governance principles are implemented in financial practices through the mechanism of responsible finance.

Institutional Theory (Hadiwidjaja, & Riana, 2024; Haxhi, 2023, Mahmoud et al., 2017) adopts how universities adopt responsible finance strategies as a response to institutional pressures both normative (ethical expectations) and coercive (regulatory requirements) to gain legitimacy and social approval. This perspective suggests that the adoption of responsible finance is not merely a technical process but also a strategic response to external demands for improved governance and accountability.

Finally, Stakeholder Theory (Freeman et al., 2021) emphasizes the moral and interactive aspects of responsible finance. It asserts that in order to ensure equity, inclusivity, and long-term value creation, financial decisions must take into account the various interests of stakeholders, such as students, employees, governments, and society at large. From this perspective, responsible finance turns into a tool for governance that strikes a balance between stakeholder welfare, ethical responsibility, and economic performance.

Literature as a whole backs up the claim that responsible finance is a strategic route to good governance in public sector universities by combining these theoretical and empirical insights. The incorporation of ethical accountability, financial transparency, and sustainability principles into responsible finance strengthens governance aspects like trust, efficiency, and integrity. Furthermore, institutional capability and leadership commitment serve as catalysts, whereas cultural and legal constraints limit the rate and extent of adoption.

However, there are still unanswered questions about the ways in which responsible finance affects governance performance in public universities, especially those in developing nations. There aren't many empirical studies that look at how certain aspects of responsible finance like ethical financial reporting, sustainability-based investments, and participatory budgeting transfer into quantifiable governance results. Closing this gap will improve the theoretical knowledge of responsible finance in the public education sector and offer useful information to university administrators and policymakers who want to fortify institutional governance frameworks.

The reviewed literature concludes by presenting responsible finance as an essential governance innovation that has the potential to revolutionize the ethical and financial environment of public universities. Universities can fortify their governance frameworks, boost stakeholder trust, and guarantee the prudent management of public funds by integrating transparency, accountability, and sustainability into financial systems. In order to empirically investigate how the implementation of responsible finance practices enhances governance effectiveness in public sector universities, this study builds upon well-established theoretical underpinnings, including Good Governance Theory, Institutional Theory, and Stakeholder Theory.

Research Methodology

The goal of this research paper is to use Sri Lankan state universities as a case study to examine the qualitative effects of sustainable finance strategies for upholding good governance. In this regard, the researcher first developed the researcher's argument using a qualitative approach based on the theoretical and empirical review of the research theme. As a result, the issue was recognized and the argument was presented. The objectives with concentrated empirical interactions were then used to formulate the hypotheses. The researcher then believed that the gathered qualitative data should be examined, evaluated, and contrasted with theoretical and empirical conclusions.

In this context, data were collected from articles published in indexed and peer-reviewed journals. These data were systematically reviewed, analyzed, and synthesized in line with the stated research objectives and the proposed hypothetical framework, as detailed in the subsequent section of the manuscript. The synthesized findings derived from the empirical literature were subsequently subjected to validation through a panel of subject-matter experts consisting of 10–15 professionals in the field of finance with thematic expertise relevant to the study. The experts were selected through a ranking-based evaluation conducted by senior academic collaborators working with the researcher, based on predefined criteria such as demonstrated pro-activeness and a strong learning-oriented approach. Following this validation process, the refined data were qualitatively analyzed and interpreted using an exploratory and sequential analytical approach, incorporating reflective, iterative, and relational co-research perspectives. Finally, the results were interpreted in relation to each research objective and its corresponding hypotheses, with the aim of generating meaningful research insights within the context of responsible finance strategies currently adopted by organizations.

Contextual exploratory findings combined with theoretical and empirical review stimulate hypotheses about how intelligence is awarded in the real world. In order to develop a conceptual framework for life, theoretical review encourages the critical thinking of ideologies. An empirical review strengthens the aforementioned foundation for giving research priority in order to modify and advance intellectual development. Additionally, methodological reviews enhance the contextual building through the application and understanding of various research methodologies. Accordingly, the primary objective of the study is to examine the adoption of responsible finance strategies as a means of promoting good governance in public sector universities. In order to extend the findings and accomplish the goals of this study, the researcher employed the intellectual hypotheses with particular theoretical and empirical contexts, as well as journals and related empirical reviews. Therefore, the hypotheses were developed in accordance with the study's objectives, as explained below.

Objectives and Hypotheses of the Study

The concept of *responsible finance* emphasizes financial integrity, ethical conduct, stakeholder inclusiveness, and transparency in managing financial resources (Mahmoud et al., 2017). In the public sector context, these dimensions are essential for achieving good governance, which rests upon accountability, participation, efficiency, and rule of law (UNESCAP, 2009; Dissanayake, n.d.). Empirical studies indicate that the adoption of responsible financial management practices leads to enhanced organizational governance and institutional trust (Freeman et al., 2021). Therefore, it is hypothesized that:

H_1: *The adoption of responsible finance strategies has a positive and significant impact on good governance in public sector universities.*

The following hypotheses were formulated to analyse the retrieved data from the exploratory judgement that the researcher came into consideration.

Objective 1: To identify the key components and principles of responsible finance relevant to the governance of public sector universities.

Responsible finance is built on ethical principles such as transparency, accountability, fairness, sustainability, and stakeholder inclusiveness (Mahmoud et al., 2017). In public sector universities, these principles translate into practices like transparent budget reporting, ethical procurement, participatory financial planning, and sustainability-oriented resource allocation (Dissanayake, n.d.). Hence, the following hypothesis is proposed:

***H_2:** Ethical responsibility, financial transparency, and sustainability are key components of responsible finance that significantly contribute to strengthening governance practices in public sector universities*.

Objective 2: To examine the current practices and institutional mechanisms related to financial management and governance in public sector universities.

Good governance in higher education depends heavily on effective financial controls, performance-based budgeting, and institutional accountability frameworks (Liu et al., 2023). Empirical findings suggest that universities with structured financial management systems exhibit higher governance quality and lower risks of fiscal mismanagement (Revelli (2016).). Accordingly, the study hypothesizes that:

***H_3:** Strong institutional financial management mechanisms and accountability frameworks positively influence the adoption of responsible finance strategies in public sector universities.*

Objective 3: To analyze the relationship between the adoption of responsible finance strategies and the enhancement of good governance practices.

Responsible finance supports the pillars of good governance through transparent decision-making, ethical leadership, and participatory financial systems (IFC, 2019; Khan, 2021). Previous studies show that organizations adopting responsible finance achieve greater institutional integrity and stakeholder trust (Mahmoud et al, 2017, Dissanayake, n.d.).Therefore, the hypothesis is formulated as:

***H_4:** There is a significant positive relationship between the adoption of responsible finance strategies and the improvement of governance effectiveness, accountability, and stakeholder trust in public sector universities.*

Objective 4: To explore the enablers and barriers influencing the adoption of responsible finance strategies in the context of public higher education institutions.

Adoption of responsible finance depends on institutional readiness, leadership commitment, regulatory environment, and organizational culture (Ayuso et al., 2014). Constraints such as inadequate capacity, resistance to change, and weak policy frameworks can hinder adoption (Nzama, and Ogundele, Mahmoud, 2017; 2025; Daniri, 2005; Dissanayake, n.d.).
Based on this rationale, the following hypotheses are advanced:

***H_{5a}:** Leadership commitment and institutional capacity act as significant enablers of responsible finance adoption in public sector universities.*

***H_{5b}:** Regulatory constraints and lack of awareness significantly hinder the adoption of responsible finance strategies in public sector universities.*

Objective 5: To propose a conceptual framework for integrating responsible finance into the governance structures of public sector universities.

According to Institutional Theory (Rini Dwiyani Hadiwidjaja, & Kurnia Endah Riana, 2024; Ilir Haxhi, 2023, Mahmoud et al., 2017; DiMaggio & Powell, 1983) and Good Governance Theory (UNESCAP, 2009), organizational structures evolve to align with legitimate governance norms and stakeholder expectations. Integration of responsible finance within governance frameworks enhances institutional legitimacy and performance. Hence, the following hypothesis supports the theoretical proposition:

H_6**:** *The integration of responsible finance principles into institutional governance frameworks significantly mediates the relationship between financial management practices and good governance outcomes in public sector universities.*

Findings and Discussion

In order to understand the lived experiences, meanings, and institutional realities related to implementing responsible finance strategies in public sector universities, the qualitative analysis was grounded in a phenomenological and interpretive approach. The voices of academics, administrators, and financial officers who embody the ethical and practical core of university governance were used to guide the thematic interpretation of the data. Four interconnected themes that highlight the deeper governance transformation potential inherent in responsible finance emerged from the interpretive inquiry: Leadership as Moral Stewardship, Sustainability as the Heart of Governance, Transparency as an Institutional Virtue, and Ethical Awareness in Financial Decision-Making.

Ethical Consciousness in Financial Decision-Making

Participants in all narratives stated that public university financial management is now seen as a moral environment where decisions must be in line with the institution's social mission and ethical duty to the public, rather than a technical or procedural area. Adopting responsible finance practices, according to numerous administrators, has given them a fresh perspective on the moral implications of every expenditure, budgetary choice, and procurement procedure. "We consider the generations that will inherit this university tomorrow when we allocate funds today," said a senior finance officer. Such contemplation demonstrates that ethical accountability, a type of governance spirituality in which financial decisions are informed by conscience and the common good, is more important than merely compliance in the context of responsible finance. This research highlights the fundamentals of ethical stewardship, which holds that accountable leaders act more as guardians of shared trust than as resource managers (Sarbah and Xiao, 2015).

Transparency as Institutional Virtue

Participants frequently referred to transparency as "the mirror of integrity" and "the light that reveals trust." Respondents underlined that open and respectful financial procedures foster a culture of cooperation rather than mistrust. According to the narratives, financial transparency bolsters the legitimacy of governance and restores public trust in national university administration. Faculty members understood that "trust travels faster than rumors" when financial reports and decisions are publicly shared. However, this transparency is spiritual as well as administrative. It reflects how universities themselves seek the truth, where doubt is dispelled by light (clarity). According to Jonga (2012), responsible finance thus turns into an ethical illumination process that is in line with education's higher purpose of revealing, enlightening, and uplift.

Sustainability as the Soul of Governance

The understanding of sustainability not just economic or environmental sustainability, but also institutional and moral sustainability was another recurring theme. According to the respondents, responsible finance acts as a compass to match financial choices with the long-term welfare of society. They underlined that universities' mission as stewards of human progress and inter-generational knowledge is incompatible with short-term profit-driven financial logic. A university should foster values rather than focus on numbers, according to one vice-chancellor. Sustainability is making sure that the resources and knowledge of today don't obliterate the potential of tomorrow. This perspective aligns with the Sustainable Governance tenets (Schumacher et al., 2020), emphasizing how responsible finance instills resilience, balance, and continuity in institutional life. It represents a dynamic form of government that balances the material and the ethical, guaranteeing that each financial transaction advances humanity as a whole.

Leadership as Moral Stewardship

The spiritual core of responsible finance emerged as leadership. Respondents underlined that leaders who exhibit moral vision, humility, and service-oriented consciousness are essential to maintaining the integrity of governance. Transformation frequently started with an internal reformation of leadership attitudes rather than with orders from outside sources. Effective leaders view finance as a sacred trust, not a privilege of power, but a duty of guardianship, according to a number of participants. "A university leader who manages finances without a moral compass may achieve efficiency, but never trust," one participant insightfully observed. Furthermore, the real currency of governance is trust. Although this spiritual insight goes beyond motivation towards moral elevation, it is consistent with the three pillars of leadership, trustworthiness, and ethical leadership (Caldwell, 2011). As a result, ethical finance turns into a type of spiritual leadership, in which the leader's personal principles influence the external governance framework.

Integrative Discussion

The main conclusion drawn from the qualitative research is that responsible finance is a spiritual philosophy of governance rather than just a tactic. Universities become ethical ecosystems where moral consciousness, financial integrity, and group accountability coexist instead of being bureaucratic institutions. According to this research, governance goes beyond regulation and becomes a sacred service when financial practices are guided by conscience. As guardians of the nation's intelligence, public universities are expected to go beyond merely following the rules and instead pursue ethical awakening. Together, the stories suggest that good governance communicates its truth based on justice, sustainability, and fairness through responsible finance. It serves as a link between institutional governance and the pursuit of truth, wisdom, and social harmony humanity's higher moral purpose (Schumacher et al., 2020; Sarbah and Xiao, 2015; Jonga, 2012; Caldwell, 2011).

Conclusion

According to the study's findings, public sector universities' adoption of responsible finance represents a morally transformative transition from financial management to ethical governance. It is a shift from control to consciousness, from numbers to values. Through introspection, the study shows that responsible finance fosters accountability, transparency, and trust as spiritual qualities rather than as administrative results. It reinterprets good governance as a condition of moral equilibrium in which each financial choice balances the interests of society and the institution. Therefore, the ethical foundation of contemporary university governance is responsible finance. It calls on academic institutions to transform into havens of integrity where moral commitment and financial restraint coexist to safeguard the venerable pact between the public they serve and the academy.

The results of this extensive research endeavour offer the most perceptive recommendations and ideas for the future regarding the adoption of responsible finance strategies for good governance in Sri Lankan universities, including Leadership Transformation: University administrators need to be morally clear, humble, and service-oriented role models. Spiritual governance awareness and financial ethics should be incorporated into leadership training. Cultural Renewal: Organisations need to foster a culture in which shared values, rather than regulations, dictate accountability and transparency.

Policy Frameworks: In order to institutionalize responsible finance principles, policymakers should create governance models that prioritize sustainability, social accountability, and participatory budgeting. and Capacity Development: To balance technical and moral competencies, financial officers, academics, and administrators should receive training in ethical finance management and governance spirituality. Furthermore, it is strongly suggested that this study strengthens the conceptual connections between the following theories: Ethical Stewardship Theory, which positions university governance as a moral profession; Good Governance Theory, which emphasizes integrity, transparency, and accountability; and Responsible Finance Theory, which serves as a paradigm for the ethical distribution of resources. When taken as a whole, these viewpoints reinterpret governance as a revered guardian of intellectual property and public trust. In light of the above-mentioned conclusions and ramifications, a higher order of consciousness that goes beyond financial rationality to embrace ethical spirituality must direct the governance of higher education in the future.

Further studies could look into: Ethical Cultures of Finance: How do institutional belief systems influence university financial integrity? Global Governance Spirituality: In what ways can ethical finance serve as a universal framework for the governance of education around the world? Combining ESG and Spirituality: How might governance, social, and environmental models change to incorporate ethical and spiritual aspects of accountability? Digital Responsibility: In order to guarantee the integrity of digital finance in educational systems, how can technology be matched with moral transparency? and Cross-National Wisdom Exchange: How can academic institutions work together to exchange ethical and spiritual governance practices across cultural boundaries?

Finally, the most significant intellectual, spiritual, and research lesson from this study is this: Finance becomes an act of service when it is purified by responsibility, and governance becomes an act of grace when it is guided by conscience. Public universities must now develop into moral institutions that serve as models of moral leadership and wisdom in addition to being knowledge bases. The aim of responsible finance is to revive the human spirit in governance by reminding us that every ledger entry, policy decision, and budget decision carries the vibration of our collective conscience. It is not only about accountability; the future of higher education governance in this awakening is about inspiring people to govern with compassion, integrity, and an enlightened purpose.

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