

EDITORIAL: New horizons and developments in the field of public governance, regulatory mechanisms, and fraud detection in the light of macroeconomic imperatives

Dear readers!

On behalf of the editorial team, I feel proud to introduce the second issue (special issue) of volume 13 (2024) of the *Journal of Governance and Regulation*. The current issue includes scholarly articles falling in the purview of a wide range of research themes, for example, public governance, corruption, legal aspects and regulatory environment, cybersecurity, behavioural aspects related to merger and acquisition, public sector internal control system, forensic accounting, sustainable tourism governance, and institutional settings and characteristics of public bodies including state organizations and universities, among others. The current issue encompasses several upcoming trends in the field of governance and regulatory developments that underline new business challenges, leadership issues, comparison of firm performance measures, macroeconomic characteristics, and a multitude of institutional settings, among others. An interesting feature of the current issue is that it includes manuscripts highlighting traditional themes *per se* as well as these themes from new perspectives along with several new themes that are relatively under-explored. Therefore, I am very confident that readers will find articles published in the current issue not only interesting, but they will also be able to study them in relation to each other to have a coherent and cohesive understanding.

The business world is inseparable from the political, economic, social, technological, and cultural changes both at the national, and international levels. Therefore, any discourse related to governance and regulation must be initiated, explored, deliberated, and understood in the light of aforesaid changes. For example, COVID-19, Russia's invasion of Ukraine, global economic crisis, stagflation in Europe, disruptions in the global supply chain, technological risks, and political and military conflicts in West Asia have created massive challenges for the contemporary business world. These changes have necessitated business organizations to make major reforms in their planning, strategies, and major decisions. Therefore, governance and regulatory systems must be compatible with these changes with the objectives to get effectively aligned with the business world. It is pertinent to note that high-quality research is needed for such alignment to be effective.

The governance and regulatory system have enhanced its ambit by moving beyond its traditional monitoring and controlling roles to the creation of an ecosystem in which it acts as a facilitator, in recent decades. This development has made the institutions of governance and regulation more proactive than being reactive in the past. Similarly, the principles and practices of sustainability have occupied the center stage in major narratives related to governance and regulation. For example, in the contemporary business world any discussion pertaining to a fair legal system, effective enforcement mechanisms, corporate performance, strategic decision-making, managerial behaviour, accountability, and executive compensation, among others, revolves around the broader theme of sustainability.

In the current issue, *Ahmad Zaki Fadlur Rohman*, *Muhammad Barqah Prantama*, and *Abdul Rachman Sopyan*, in their study emphasize the relevance of social capital (Archer, 2010). Social capital not only favorably impacts the community's well-being, but it can also be traced in the actions of local organizations, therefore, highlighting communitarianism (Woolcock & Narayan, 2000). Among other things, social capital disseminates the objective flow of information, influences, and legitimizes the actions of agents representing public organizations (Isabelle & Heslop, 2014).

Continuing the agents' actions underlying managerial discretion and the resultant agency costs, *Le Trung Dao*, *Ngoc Toan Bui*, and *Thu-Trang Thi Doan* explore the impact of corruption control on foreign direct investment (FDI). The study classifies the positive, negative, and insignificant impacts of corruption control measures on FDI. The study signifies the positive impacts of corruption control on FDI in the form of lower investment costs and higher investment efficiency (Habib & Zurawicki, 2002). The negative impacts of corruption control on FDI cannot be ruled out as corruption can be used as a catalyst meant to skirt legal barriers more easily (Bardhan, 1997).

However, there are still some studies that find no significant impact of corruption control on FDI (Hoa & Lin, 2016).

In their study, *Aggelia Xanthopoulou, Michalis Skordoulis, Petros Kalantonis, and Panagiotis Arsenos* investigate if the internal control characteristics influence the quality of forensic accounting operations, and presence of robust and effective corporate governance practices enhance the quality of forensic accounting. Forensic accounting can improve corporate fraud risk management including response strategy, and efficacy of control mechanisms (Mittal et al., 2021).

I hope that scholars in the relevant disciplines will find all the published articles in the current issue highly useful and they will utilize the contributions, and overcome the limitations identified in these publications in their future research endeavours.

My sincere thanks and best wishes to the authors, readers, reviewers, editorial team, and support team of Virtus Interpress.

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