

EDITORIAL: Governance at the crossroads — Aligning sustainability, innovation, and resilience

Dear readers!

In recent years, academic research has increasingly emphasized the role of governance — whether corporate, public, or digital — as a cornerstone for achieving economic resilience, organizational effectiveness, and social responsibility. The second issue of 2025 published in volume 14 of the *Journal of Governance and Regulation* reflects this convergence, showcasing a diverse array of studies that point toward a unifying trend: the strategic alignment of governance mechanisms with sustainability, innovation, and performance outcomes in both emerging and mature economies.

One notable research direction lies in the evolving intersection between environmental, social, and governance (ESG) factors and financial performance. ESG metrics are no longer peripheral but central to shaping corporate strategies, investment behavior, and consumer expectations. Studies on this issue, such as those by *Pranesh Debnath, Hiranmayee Debi, Ashima Goel, Maharaj Das, Animesh Saha, Sonashree Das, Dhanesh Sharma*, and *Rishav Kanoo* (on Indian listed companies) and *Ngoc Son Nguyen, Bao Tram Tran, Thi Ngoc Linh Le*, and *Nhu Quynh Nguyen* (on digital ESG and consumer behavior in Vietnam), demonstrate the rising importance of ESG disclosures and their tangible impacts on market performance and purchase intention. This research confirms existing literature highlighting the role of ESG in enhancing firm valuation and reducing risk (Friede et al., 2015; Khan et al., 2016) and suggests future work should explore ESG's standardization across sectors and jurisdictions.

Another area gaining traction is the modernization of public administration and leadership education, especially in developing and transitional economies. Contributions like the one by *Raed Awashreh* and *Hisham Al Ghunaimi* propose culturally embedded leadership models — such as the “wise leadership” framework — adapted to the specific needs of Arab public governance systems. Such perspectives resonate with a growing body of scholarship advocating for locally contextualized governance reforms in postcolonial and rapidly evolving regions (Hope, 2009; Christensen & Laegreid, 2011).

A parallel trend is the broadening of corporate governance research beyond traditional board structure metrics. For instance, *Richard Kajumbula* and *Patricia Lindelwa Makoni* examine the moderating role of board independence in the chief executive officer (CEO) power-bank risk relationship, reinforcing calls for a nuanced understanding of internal governance mechanisms. Similarly, *Luke Charles Chikosi* and *Ashley Teedzwi Mutezo*'s study links board characteristics to occupational health and safety in mining, contributing to the literature on governance as a driver of social responsibility and employee welfare. These findings align with earlier calls for more integrative governance models that consider both shareholder and stakeholder interests (Aguilera et al., 2008).

A dynamic and fast-growing research stream involves the integration of digital technologies and data governance into organizational strategy and public policy. *Pongsakorn Limna, Natworadee Chinnapakjarusiri, Rattawut Nivornusit, Yarnaphat Shaengchart, Prapasri Siri*, and *Ruangchan Thetle* explore how big data enables personalized newsfeeds and improved customer relationship management (CRM), reflecting a shift toward algorithmic governance and consumer-level customization. As organizations harness AI and analytics to optimize decision-making, scholars and practitioners alike must address data ethics, digital literacy, and regulatory frameworks (Zuboff, 2019; Kitchin, 2014).

Finally, many papers in this issue underscore the importance of resilience and adaptability in governance amid economic and social disruptions. Whether through dividend policy adjustments during COVID-19 (*The Nu Tran, Dinh Viet Duong, Thanh Hai Nguyen Thi, Ngoc Lan Do Thi, Duc Dinh Truong, Van Hau Nguyen*, and *Thanh Thu Pham Thi*) or the examination of zombie companies' impact on financial performance (*Thi Khanh Phuong Nguyen, Thi Le Thanh Nguyen*, and *Dieu Linh Nguyen*), these studies highlight governance's

critical role in navigating crises. Future research may delve deeper into how governance frameworks can be designed for uncertainty, with flexible structures and proactive oversight mechanisms.

Together, the papers in this issue highlight the ongoing transformation of governance in multiple domains and regions. They also signal a growing demand for interdisciplinary approaches that bridge finance, management, law, and technology to meet the evolving challenges of our time.

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