

EDITORIAL: From regulation to resilience — Emerging trends in governance theory and practice

Dear readers!

It is with great pleasure that we introduce this special issue of the *Journal of Governance and Regulation* (Volume 14, Issue 2, 2025), which brings together a diverse collection of research contributions that reflect the evolving challenges and innovations in governance across sectors and geographies. The articles in this issue collectively underscore the importance of responsive, inclusive, and adaptive governance mechanisms in tackling complex contemporary issues, from digital transformation and sustainability to employee well-being and gender-sensitive financial management. The breadth of topics underscores the journal's ongoing commitment to fostering scholarly dialogue on regulatory frameworks, stakeholder accountability, and organizational resilience in an increasingly interconnected and volatile world (Tricker, 2019; Aguilera et al., 2008).

A key theme emerging from this issue is the centrality of trust and stakeholder engagement in the governance of professional services. *Thi Thuan Nguyen, Thi Hong Ngan Luong, and Nguyen Bich Hien Tran* provide a timely examination of how service quality in the audit industry, particularly in terms of dimensions such as assurance, empathy, and responsiveness, influences customer loyalty. Drawing on survey data from 731 listed firms in Vietnam, their study supports the notion that trust, as a multidimensional construct, plays a pivotal role in sustaining long-term client relationships in financial services (DeAngelo, 1981; Knechel et al., 2013). By integrating theoretical perspectives from relationship marketing and service quality literature (Parasuraman et al., 1988), the authors contribute to a more comprehensive understanding of how intangible factors influence perceptions of value and credibility in auditing. This field has been increasingly scrutinized in the wake of global financial irregularities.

The issue also presents several contributions that highlight the challenges of governance in times of macroeconomic volatility and institutional transformation. *Mandla Phillemon Chauke and Ireen Choga* investigate the relationship between real interest rates and gross fixed capital formation in South Africa's post-COVID-19 economy. Their empirical findings reveal a significant inverse relationship, reinforcing earlier research that high borrowing costs can inhibit productive investment, especially in emerging markets (Ghosh & Ramakrishnan, 2012). The study recommends more accommodative monetary policies that strike a balance between inflation control and investment incentives, particularly as economies strive to recover from pandemic-induced shocks and respond to geopolitical uncertainty. The findings are also relevant to discussions about financial governance and the role of central banks in promoting long-term economic stability (Bernanke, 2007).

Another vital focus in this issue is corporate governance and shareholder engagement. *Syed Naveed Ul Hassan Shah and Yongqiang Li* explore voting behavior among shareholders at Australian annual general meetings (AGMs), revealing asymmetries in participation across different types of resolutions. While routine items such as board elections receive strong support, ESG-related proposals often lack the majority needed for passage. The study lends empirical weight to recent debates on the efficacy of shareholder democracy and whether institutional investors are sufficiently influencing corporate sustainability agendas (Goranova & Ryan, 2013; Eccles & Klimenko, 2019). Furthermore, the authors propose leveraging artificial intelligence and digital tools to make AGM participation more accessible and data-driven, aligning with a broader trend toward digitally augmented governance practices that increase transparency and inclusiveness (Larcker & Tayan, 2020).

Issues of labor policy and employee well-being are also addressed in depth in this issue. *Anwaar Alkandari, Abdulwahab Baroun, and Bedour Alboloushi* investigate the right to disconnect and its implications for burnout and well-being among female teachers in Kuwait's Ministry of Education. The study applies the Job Demands-Resources (JD-R) model and boundary theory to reveal how after-hours communication erodes work-life balance and increases stress among public sector employees. Their findings align with a growing body of literature that emphasizes the risks of digital overconnectivity in knowledge-based occupations (Derks & Bakker, 2014). This work highlights the urgent need for regulatory and institutional safeguards that protect workers' psychological health, particularly for women who often bear a disproportionate burden of caregiving responsibilities and emotional labor (Chung et al., 2020).

Sustainability governance is another recurring theme in this issue, exemplified by the study by *Bich Thuy Nguyen and Ngoc Bao Anh Le*, who investigate the governance of eco-industrial parks (EIPs) in Vietnam through the lens of the circular economy (CE). Using the analytic hierarchy process, the authors identify critical barriers to CE implementation, including poor stakeholder

coordination, low consumer awareness, and insufficient regulatory incentives. This study complements global research calling for systemic reforms to operationalize CE models, particularly in developing economies where linear production models dominate (Ghisellini et al., 2016; Korhonen et al., 2018). By situating CE within the context of governance, the paper emphasizes that achieving sustainability requires not just technological innovation but also cross-sectoral collaboration, policy coherence, and cultural change.

The issue concludes with a compelling study by *Armand Krasniqi* and *Alberta Tahiri*, who bring a gender lens to risk management and financial sustainability in the tourism sector. Their research demonstrates how gender-inclusive governance practices enhance financial resilience by incorporating diverse perspectives into decision-making and risk assessments. The authors argue that gender-sensitive policies are not only socially just but also economically strategic, reinforcing recent findings from global institutions such as the United Nations Development Programme (UNDP) and Organisation for Economic Co-operation and Development (OECD) on the link between gender equality and institutional performance (UNDP, 2023). The tourism sector, especially vulnerable to market volatility and external shocks, stands to benefit significantly from frameworks that promote inclusion, equity, and adaptability.

Together, these articles offer a rich and multi-layered view of governance across diverse contexts. From the boardroom to the classroom, from eco-industrial parks to audit firms, the research published in this issue challenges us to think critically about how governance structures can be reimagined to support equity, innovation, and resilience. We thank all contributing authors for their rigorous and thought-provoking work and encourage readers to engage with the findings as a catalyst for future scholarship and reform-oriented policy development.

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