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The Impact of Corporate Governance and Stakeholder Engagement on Organizational Resilience in Kuwaiti Islamic Financial Institutions

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Abstract
Corporate governance and stakeholder engagement are vital in enhancing organizational resilience. Nevertheless, very little has been done to evaluate how they impact the organizational resilience of Kuwaiti Islamic Financial Institutions (KIFIs). Using mixed research method, the current study evaluated how the two variables (corporate governance and stakeholder engagement) impacted the resilience of KIFIs against adverse events. A sample of 120 research participants was recruited randomly from KIFIs' employees to participate in the quantitative part of the study. Thirty-five (35) research participants from the 120 research participants were also recruited randomly to participate in the qualitative part of the study. A positive correlation that was statistically significant ($r = 0.591$, $p < 0.5$) was identified between corporate governance and organizational resilience of Kuwaiti IFIs. Similarly, a statistically significant positive correlation ($r = 0.589$, $p < 0.5$) was identified between stakeholder engagement and organizational resilience of Kuwaiti IFIs. A unit increase in corporate governance variable was found to increase the resilience of Kuwaiti IFIs by 0.42 units whereas a unit increase in stakeholder engagement increased it by 0.367 units. The findings were supported by the qualitative findings that highlighted the notable impact that corporate governance and stakeholder engagement had on organizational resilience of Kuwaiti IFIs. The study concluded that both corporate governance and stakeholder engagement had positive impact organizational resilience of Kuwaiti IFIs.
Keywords: Corporate governance, Stakeholder engagement, Organizational resilience, Kuwait, IFIs.
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1. Introduction

The popularity of Islamic Financial Institutions (IFIs) continues to grow especially post 2007/08 Global Financial Crisis (GFC) following the assumption that Islamic institutions are resilient from global crises (Ahmad & Arafat, 2020; Mansour & Bhatti, 2018). However, very little has been done to evaluate their organizational resilience against adverse events that may disrupt their business processes. While this is the case, poor corporate governance, and non-involvement of stakeholders in business processes have been identified as undermining organizational resilience (Ahmad & Arafat, 2020; Barasa et al., 2018; Sajko et al., 2020). In response, corporate governance has become a subject of focus since the end of 2007/08 GFC (Ahmad & Arafat, 2020; Mansour & Bhatti, 2018).

Ahmad and Arafat (2020) define corporate governance as the sets of rules and regulations that define the link between management teams and other stakeholders in an organization. According to Mansour and Bhatti (2018), the rules and regulations in corporate governance are aimed at enhancing organizational performance and protecting the interests of shareholders among other groups of interest. Like other institutions in the world, the

Kuwaiti IFIs adopt corporate governance mechanisms to promote transparency and accountability in business practices. However, their corporate governance mechanisms are slightly different from the conventional CG mechanisms. As reported by Mallin (2016), they consist of both boards of directors and Shariah Supervisory Board (SSB). The boards of directors protect the interests of the people and institutions that invest in IFIs whereas SSB, on the other hand, ensure that IFIs are shariah-compliant. By so doing, they protect IFIs from engaging in unethical business practices thereby promote the resilience of IFIs.

Stakeholder engagement is also an important aspect in organizational resilience. It does not only ensure that stakeholders are involved in business processes, but it also ensures that their interests are taken care of and included in decision making processes. Doing so enhances organizational resilience by embedding organizations into their respective social and natural environments (Sajko et al., 2020). Van Greuning and Iqbal (2008) identify standard setting bodies such as AAIOFI, different interest groups and internal stakeholders such as shareholders, depositors, shariah board, executive management, and BOD as the main categories of IFIs' stakeholders. Each of these groups has considerable effect on the performance and resilience of IFIs (Mansour & Bhatti, 2018). Accordingly, their engagement at different levels of IFI management is critical to organizational resilience. In appreciation of this fact, Mansour and Bhatti (2018) claim that IFIs should engage stakeholders at all stages of business processes to ensure that they comply with corresponding contracting principles and shariah rules. The authors claim that the failure to engage stakeholders in IFIs' business processes may result in the collapse of IFIs.

Both corporate governance and stakeholder engagement of the Kuwaiti IFIs are important for two main reasons. Firstly, according to Mansour and Bhatti (2018), the IFIs manage funds collected from depositors by investing them into shariah-compliant channels that require consistent regulation to minimize possible risks. As such, the engagement of stakeholders and efficient corporate governance of the institutions is paramount to their resilience. Secondly, the institutions play vital roles in economic growth and financial stability of Kuwaiti because they facilitate the movement of financial resources across the Kuwaiti economy (Ahmad & Arafat, 2020). Their failure from non-resilience from adverse events may be disastrous to the economy; hence, the need to ensure that they are resilient.

The current study evaluated the impact of corporate governance and stakeholder engagement on organizational resilience of Kuwaiti IFIs using a correlational research design. It explored how corporate governance and stakeholder engagement associated with organizational resilience of Kuwaiti IFIs prior to determining how unit increases in study's independent variables impacted organizational resilience. Its research questions were two and they included the following.

RQ1: What is the impact of corporate governance on organizational resilience of Kuwaiti IFIs?

RQ2: How does stakeholder engagement impact the organizational resilience of Kuwaiti IFIs?

The next part of the study is organized as follows. The literature review defines further the study's variables (corporate governance, stakeholder engagement and organizational resilience) prior to determining how both corporate governance and stakeholder engagement relate with organizational resilience. It concludes by providing a conceptual framework depicting how the variables interact with each other. The research methodology provides the research methods utilized to conduct the study whereas the findings present the study's result. The discussion deliberates the findings in relation to previous studies, highlights the study's limitations before concluding it.

2. Literature review

2.1 Theory

Theoretically, the stakeholder theory was utilized to evaluate how both Corporate Governance (CG) and stakeholder engagement enhanced the resilience of Kuwaiti IFIs. The study presumed that the Islamic CG practices were in line with stakeholder theory. Accordingly, the Kuwaiti IFIs were presumed to engage different groups of stakeholders in business practices and decision-making processes. By presuming so, the study assumed that the Kuwaiti IFIs were not only concerned about protecting the interests of IFIs' shareholders, but also protecting the interests of other groups of stakeholders such as customers and employees in line with Islamic teachings (Mallin, 2016).

The stakeholder theory appreciates that apart from shareholders, various parties should be considered in decision making and organizational strategy development processes. Sajko et al. (2020) define stakeholders as the groups of people or individuals who are affected or affect the attainment of organizational objectives. Such people include customers, employees, suppliers, and neighbouring communities among others. In line with this perspective, the executives' social responsibilities are not solely directed to shareholders alone, but they are also directed to people and organizations with contractual arrangements with organizations they lead (DesJardine et al., 2019). Shareholders are normally the primary stakeholders whereas other people and institutions with contractual arrangements with organizations are secondary stakeholders. Typically, secondary stakeholders do not enter formal transactions or contracts with organizations; hence, protecting their interests is paramount.

2.2 Corporate governance

The term "corporate governance" describes the management and control of a company (Cadbury, 1992). It provides a company with a means of utilizing rules and processes to coordinate the interests of many stakeholders while it works toward its varied objectives (Shleifer and Vishny, 1997). Moreover, some significant procedures that are part of corporate governance are information disclosure, risk management, internal control, board responsibility, and shareholder involvement (Shahar et al., 2020). According to the Central Bank of Kuwait (2013), corporate governance is defined as the following: "the way in which the affairs and business of companies are organized by their boards of directors and the executive management, which determines the proper methods in setting the goals and strategies of companies and their daily operations, and ensuring the achievement of the accountability principle before shareholders, taking into account the rights of the relevant parties, the rules and instructions issued by the supervisory authority, the protection of rights of shareholders, creditors and other stakeholders and the necessity to develop strong risk management systems".

As reported by Mallin (2016), the boards of directors, which are critical components of corporate governance, are tasked with leading and controlling organizations. Also, they are tasked with monitoring the extent to which organizations comply with applicable laws and regulations including providing advice to those managing organizations on shareholders' behalf. Ahmad and Arafat (2020) identify the sharia law and corporate governance as the main mechanisms that enhance the resilience of IFIs against external shocks. They claim that the uniqueness of IFIs' corporate governance contributes to their resilience against financial crises. As reported by Mansour and Bhatti (2018), the uniqueness of IFIs' corporate governance mechanisms lies in the strictness of prudential regulations and Sharia Supervisory Boards (SSBs) that ensure IFIs are sharia compliant. The SSBs do not only ensure that the boards follow prudential regulations, but they also ensure that boards of directors adhere to Islamic business teachings and practices (Ahmad & Arafat, 2020). Doing so promotes the resilience of IFIs against financial crises and other forms of adverse events.

According to Ahmad and Arafat (2020), corporate governance is aimed at eliminating the conflict of interest between shareholders and managers. The authors claim that the inclusion of large shareholders in corporate governance and composition of boards of directors are geared towards ensuring that managers do not promote self-interests at the expense of shareholders. Theoretically, managers are said to make decisions that promote organizational performance and resilience in the short term to achieve self-centred goals whereas shareholders favour decisions that target long-term investment (Mansour & Bhatti, 2018). Also, they prefer addressing organizational risks because they protect their jobs as managers whereas shareholders focus attention on market risks that affect returns on shares. To reduce conflict between both groups of people, corporate governances consist of both parties. Also, they consist of both internal and external board members, board sizes that accommodate various groups of people and compensation policies geared towards minimizing agency cost (Ahmad & Arafat, 2020). Accordingly, corporate governance is an important aspect in organizational resilience because it does not only ensure a balance between board members, but it also ensures that measures are taken to protect organizations from possible crises.

In contrast to conventional financial institutions, IFIs consist of boards of directors and Sharia Supervisory Boards (SSBs). The SSBs address governance from an Islam-based perspective whereas the boards of directors address it from a profit-oriented perspective (Ahmad & Arafat, 2020). Mansour and Bhatti (2018) claim that the inclusion of SSBs in IFIs is critical because contracting parties in financial sector suffer from severe asymmetric distribution of information. As such, there is need to ensure that the interests of each party are protected via SSBs that reduce manipulation of investors. The SSBs enhance organizational resilience by ensuring that boards of directors that are profit-oriented do not violate contracting rule stemming from sharia maxims (Mansour & Bhatti, 2018).

2.3 Stakeholder engagement

Stakeholder engagement may be defined in terms of the extent to which organizations remain open to differing viewpoints of people and institutions that affect or are affected by their direct activities (DesJardine et al., 2019). The differing people and institutions in this case may include outsider directors such as board chairs who are not CEOs, indigenous groups/people and customers. As reported by Sajko et al. (2020), the diverse actors contribute to stakeholder engagement by necessitating their involvement in business processes. Although doing so complicates business management processes, it stimulates creativity that is critical at the time of uncertainty. Evidence from existing body of research shows that diverse information from stakeholders help managers and top management teams to improve their awareness of strategic problems. Also, it shows that doing so promotes stakeholders' abilities to develop strategic activities needed at the time of adverse events (DesJardine et al., 2019). In this respect, stakeholder engagement and inclusion of stakeholders from different backgrounds is critical in enhancing organizational resilience. It does not only ensure that organizations acquire information from different stakeholders, but it also ensures that they are prepared to handle adverse events.

DesJardine et al. (2019) argue that positive labour relations that emanate from employee engagement promote organizational commitment that is critical to organizational resilience. The authors allege that the involvement of employees in developing issues that affect them allow organizations to respond to employees' needs, which in turn, contribute to organizational resilience. Sajko et al. (2020) argue that the involvement of people living in neighbouring communities in business processes enhance organizational resilience by providing organizations with social licenses to operate in those communities. They claim that the tighter relationships with different stakeholders result in interdependencies among stakeholders that in turn contribute to organizational stability. Stakeholder engagement in this case promote organizational resilience by depicting organizations as compliant to institutional pressures.

As reported by DesJardine et al. (2019), conformity to institutional and social pressures reduce unnecessary scrutiny on organizations by stakeholders thereby contribute to organizational resilience. Also, it ensures that organizations experience lesser unsystematic risks in markets, which contributes to their resilience to adverse events. Stakeholder engagement ensures that organizations and stakeholders depend on each other. Without such an interdependence that is distinctive and diverse, stakeholder engagement could not contribute to organizational resilience. In view of this, DesJardine et al. (2019) argue that tactical social and environmental practices do not contribute to organizational resilience because they do not promote interdependence between organizations and stakeholders.

2.4 Organizational resilience

The idea of resilience is multifaceted and cross-disciplinary (Bhamra et al., 2011); it has several meanings across a broad range of study domains (Annarelli and Nonino, 2016). The ability and potential of an element to return to its normal state following the occurrence of an event that disrupts its status is commonly referred to as resilience, however the concepts and metrics used to quantify it differ throughout research (Bhamra et al., 2011; Hosseini et al., 2016).

Resilience at the organizational level describes the requirement that businesses adapt to a business environment that is changing quickly (Hosseini et al., 2016). Organizational resilience, as defined by Chewning et al. (2012), is the capacity of an organization to implement new procedures and fix outdated ones as necessary. According to Linnenluecke (2017), organizational resilience refers to the capacity of an organization to bounce back from unfavourable situations and continue to produce desired outcomes even in the face of conflict. Words like adaptation, recovery, resisting significant disruptions, absorbing changes and disturbances, modifying and preserving functions and structures are examples of how definitions of organizational resilience are comparable (Hosseini et al., 2016). Nevertheless, the idea of resilience as it relates to companies has evolved throughout time to include a proactive aspect as well as a deeper meaning (Annarelli and Nonino, 2016).

As reported by Ritchie and Campiranon (2015), resilience management that focuses on firms' situational awareness, adaptive capacity and keystone vulnerabilities is an approach that organizations adopt to address unforeseen disruptions in business processes. The approach does not only enable organizations to respond to unforeseen disruptions, but it also enables them to stabilize business processes post disruptions. Since the emergence of organizational resilience concept, varying definitions of the concept have been put forth by different authors. Bostick et al. (2017) define it as the ability of an organization to plan and prepare for, recover from, adapt, and successfully absorb adverse events. Preparation in this case includes activities taken to organize, train, equip and plan for disasters. Absorption, on the other hand, includes capacity for organizations to handle adverse events and even cope with them. Recovery includes activities taken to rebuild business processes negatively affected by adverse events whereas adaptation includes activities taken to cope up with adverse events.

Sajko et al. (2020) define organizational resilience as the ability of organizations to endure, recover and maintain existing structures after they go through adverse events. They identify flexibility and stability as the essential elements that propagate resilient organizations and systems. They claim that stability entails the set of capabilities that allow organizations to preserve their vital organizational attributes such as structures and core functions in the midst of disturbances. On the other hand, they claim that flexibility includes the diverse resources that enable organizations to develop alternative solutions to disruptions (Sajko et al., 2020). From this perspective, resilient organizations are able to rally from adverse events and setbacks, preserve core structures and functions because they are proficient at absorbing, anticipating adjusting to changes that occur in their business processes. As reported by Ritchie and Campiranon (2015), resilient organizations are highly reliable and easy to adapt to changes, which enables them to manage disruptive forces easily.

Lee et al. (2013) claim that organizational resilience prompts organizations to be highly reliable and adapt to changes during turbulent times. Adaptation in turn enables organizations to handle disruptive challenges. Although organizations' abilities to adapt to challenges during turbulent times has been widely researched, concerns have been raised questioning the types of adaptations that quality to be regarded as organizational resilience and those falling short of organizational resilience. Woods (2006), for instance, claims that some adaptations do not equal resilience implying that resilience is more than some forms of adaptation. In response, Lee et al. (2013) identify two categories of adaptive capabilities. The first category referred to as first-order is manifested when organizations bounce back or respond to adverse events using pre-determined capabilities and planning. This form of adaptation is normally attained via risk management and business continuity. The second-order adaptive capability, on the other hand, is displayed when organizations harness new capabilities as they respond dynamically to adverse events outside of their planning processes. Despite the differences between the two types of adaptive capabilities, one form of resilience in an organization can influence resilience at another level. Accordingly, the current study does not distinguish between the two forms of adaptation in its analysis even though it appreciates that organizations may attain high levels of security without necessarily being resilient. In the light of the above, some of the relevant definitions of organizational resilience to the current study include the capacity of the Kuwaiti IFIs to adjust and sustain desirable functions under straining or challenging conditions. Others include the ability of Kuwaiti IFIs to bounce back from challenging moments, organizational adaptability, and ability to recuperate from unsettling forces. From this perspective, the study evaluates the IFIs' abilities to bear and recuperate from adverse conditions. Also, it evaluates their abilities to take actions swiftly in response to unfavourable conditions and promote cohesion among employees during turbulent times (Mousa et al., 2019). Each of these attributes is evaluated in relation to corporate governance and stakeholder engagement.

2.5 The impact of corporate governance on organizational resilience

Ahmad and Arafat (2020) evaluated the resilience of Pakistani Islamic banks by assessing how they performed before and during the 2007/08 financial crisis. Focusing their attentions on ownership concentration, board of directors and Shariah Supervisory Board (SSB) as the building blocks of corporate governance, the authors included Islamic banks in the country that operated between 2003 and 2016. They found that the size of SSB had positive effect on banks' resilience against the financial crisis. Palmi et al. (2018) evaluated how organizational resilience operated prior and after the 2007/08 global economy using American publicly listed companies. With a focus on firms' social, environmental, and corporate governance practices, the study found that the resilience of the American firms prior and after the 2007/08 was not only influenced by traditional social and environmental practices, but also corporate governance practices. The findings highlight the importance of corporate governance in organizational resilience during and after adverse events.

In addition, Sevimli and Çemberci (2021) conducted empirical research to examine the relationship between corporate governance and organizational resilience in Turkey. The purpose of the study was to look at the connection between organizational resilience and corporate governance scores. While information on resilience was acquired by primary data gathering through questionnaires, corporate governance ratings were acquired as secondary data from XKURY. The accessible population was made up of the 55 institutions that make up the firms that are part of XKURY. However, only 23 firms took part in the study because of communication issues. Snowball sampling yielded an average of 21 replies per firm from a total of 483 questionnaires sent. Moreover, a 21-statement scale with four dimensions which are durability, backup, skill, and agility, was used to assess organizational resilience. The findings of the research revealed that there is a significant positive relationship between organizational resilience and corporate governance.

A systematic literature review by Barasa et al. (2018) identifies corporate governance as an important aspect in enhancing organizational resilience. It identifies decentralization, non-linear planning, deliberative democracy, transparency, and coordination as important corporate governance aspects in enhancing organizational resilience. The review claims that decentralization that is largely characterized by distributed control as opposed to centralized control enables organizations to respond quickly to changes. It alleges that decentralization empowers local actors to timely respond to challenges. The findings are supported by a Californian-based water management program that proved effective at addressing chronic political, environmental, and economic challenges via decentralization (Booher & Innes, 2010). According to Van der Vegt et al. (2015), centralized authority with formal role descriptions proves insufficient during crises. In keeping with Barasa et al. (2018), adaptive responses required during crises necessitate the transformation of centralized corporate structures into decentralized systems. Although the Kuwaiti IFIs do not have decentralized systems of corporate governance, they have different groups of people involved in managing corporate affairs that are critical in enhancing organizational resilience.

Barasa et al. (2018) claim that linear planning that is structured in a stepwise fashion hinders deliberation among people involved in running programs. In contrast, the non-linear planning method allows members to discuss possible solutions during project implementation thereby highlights the importance of stakeholder engagement in enhancing organizational resilience. The authors also find deliberative corporate governance representation as more effective in enhancing organizational resilience than representative democracy that largely focuses on voting in decision-making processes. As reported by Hassall, Sanderson and Cameron (2014), deliberative democracy in corporate governance promotes commitment, motivation and trust among those in boards of management.

Although centralized corporate governance systems with formal role descriptions are identified as ineffective during times of adverse events, organizations with uncoordinated governance systems are identified as less resilient to adverse shocks. Accordingly, although corporate governance should be decentralized to enhance organizational resilience, it should also embrace some form of coordination for it to be effective in promotion organizational resilience. Additionally, those in corporate governance should be able to leverage external networks meaning that they should involve stakeholders at different levels of governance. Pursuant to Barasa et al. (2018), organizations do not build resilience by confining their attentions on internal factors only, but also by building networks of partnerships with other stakeholders. Such networks enable them to develop social connections that prove effective during adverse events. In line with the above, the study hypothesized the following in relation to corporate governance.

H_1: The corporate governance of Kuwaiti IFIs has positive impact on organizational resilience of Kuwaiti IFIs

2.6 The impact of stakeholder engagement on organizational resilience

In keeping with Sajko et al. (2020), stakeholder engagement fosters organizational resilience via mechanisms that are largely external to organizations. In this respect, organizations that largely engage stakeholders enhance their resilience by becoming more embedded in natural and social environments. In so doing, they decrease their vulnerability to environmental shocks; hence, are resilient. As reported by DesJardine et al. (2019), stakeholder engagement promotes firms' abilities to absorb exogenic disturbances by developing interdependencies between firms and social systems that firms are embedded in. The interdependencies in this case emanate from regular interactions that organizations develop with stakeholders. This extends to information, values, and resources that organizations and stakeholders share with each other.

In order to look at the ways that inter-organizational governance and stakeholder connections with antecedent ties contribute to the project's resilience, Yang et al. (2022) carried out an embedded comparative case study. The findings revealed that there is a small number of past connections among stakeholders maintain their alertness and preparation for resilience, but a large number of prior links maintain social solidarity among stakeholders and promote resilience's reaction and recovery. By outlining the duties and obligations of stakeholders and fostering collective cognition, contractual and relational governance, respectively, enhance resilience. The authors believe that a plural governance structure built on past relationships between stakeholders would strengthen the inter-organizational project's resilience by encouraging dynamically dispersed and centralized stakeholder participation in anticipating, responding to, and recovering from the unexpected.

According to DesJardine et al. (2019), stakeholder engagement promotes organizational resilience by ensuring that organizations are more responsive to stakeholders' needs. It ensures that organizations understand employees' needs, which in turn, promote organizational commitment. Additionally, it ensures that organizations address concerns of people and institutions that affect the attainment of their organizational goals and objectives. DesJardine et al. (2019) argue that the strategic practices that organizations engage in enables them to create interdependencies with stakeholders. The authors claim that in the absence of interdependency between organizations and stakeholders, firms may not be resilient to adverse events. Sajko et al. (2020) claim that firms that invest heavily in stakeholder engagement before adverse events are more resilient because they have deeper links with stakeholders and are strongly embedded in their respective social and natural environments. This does not mean that organizations should not invest in stakeholder engagement after they encounter challenging moments. Instead, it highlights the need of engaging stakeholders always because adverse events are bound to strike at one time or the other.

Mouhcine et al. (2023) appraised the extent to which stakeholder involvement enhanced the resilience of Moroccan cooperatives post COVID-19 era by evaluating the factors that strengthened cooperatives' resilience. Using a sample of 160 persons working at the cooperatives, the study found that stakeholder involvement had positive influence on cooperatives' resilience post COVID-19 era. The findings suggested that stakeholder engagement had positive influence on the resilience of Moroccan cooperatives. In line with the above, the study hypothesized the following in relation to stakeholder engagement.

H_2: The stakeholder engagement of Kuwaiti IFIs has positive impact on organizational resilience of Kuwaiti IFIs.

3. Conceptual framework

Figure 1 provides the conceptual framework that was used to evaluate the impact of corporate governance and stakeholder engagement on organizational resilience of Kuwaiti IFIs. As Figure 1 indicates, the study presumed that the resilience of Kuwaiti IFIs was influenced by corporate governance and stakeholder engagement. Corporate governance was measured in terms of board sizes, board composition and board diversity. Stakeholder engagement was measured in terms of how Kuwaiti IFIs involved, informed, and consulted stakeholders in business processes. Organizational resilience, on the other hand, was measured in terms of how Kuwaiti IFIs were agile, robust, and exercised integrity during adverse events.

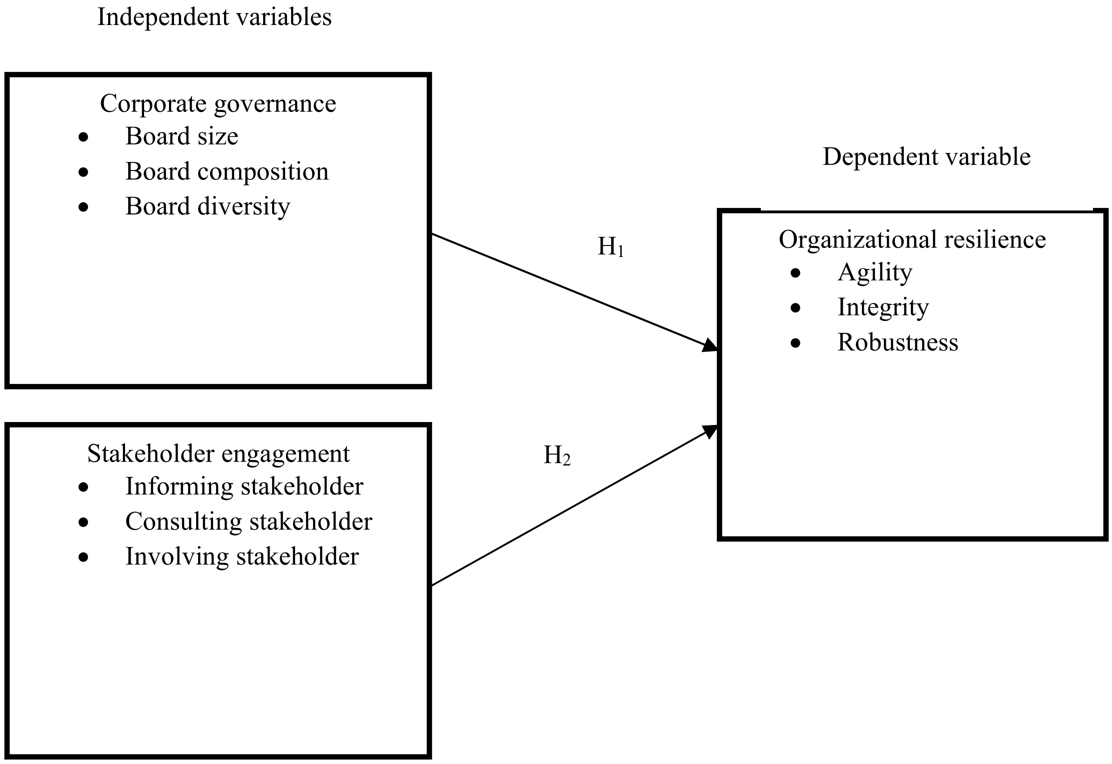

Figure 1. Study's Conceptual Framework

4. Research methodology

4.1 Research philosophy

A pragmatism research philosophy was adopted throughout the study to evaluate how corporate governance and stakeholder engagement impacted the resilience of Kuwaiti IFIs. By adopting this research philosophy, the study presumed that reality about the impact of corporate governance and stakeholder engagement on Kuwaiti IFIs' organizational resilience was external and that it existed in different forms. Accordingly, it acknowledged that worldview chosen throughout the study should be geared towards answering research questions in the best way (Biggam, 2008). Therefore, it acknowledged the fact that subjective meanings and observable phenomena could be combined to provide acceptable levels of knowledge based on research questions. The studies that adopt this philosophy tend to focus much of their attention on practical applied research with a view of combining diverse perspectives in data interpretation (Saunders et al., 2019). In this respect, mixed research methods that combined both qualitative and quantitative research methods in research process were utilized to conduct the study.

With regards to quantitative research method, theories relating to how corporate governance and stakeholder engagement impacted organizational resilience of Kuwaiti IFIs were developed from existing body of literature. A questionnaire, on the other hand, was developed from literature review to measure the impact and predict how both corporate governance and stakeholder engagement impacted the resilience of Kuwaiti IFIs (Kumar, 2011). Corporate governance and stakeholder engagement were the study's independent variables whereas organizational resilience of Kuwaiti IFIs was the study's dependent variable. The study's null hypotheses hypothesized that both corporate governance and stakeholder engagement did not impact organizational resilience of Kuwaiti IFIs. A sample of 120 Kuwaiti IFIs' employees was then selected randomly to take part in the study to determine how the study's independent variables impacted the dependent variable.

A deductive research approach was utilized to evaluate how stakeholder engagement and corporate governance impacted the resilience of Kuwaiti IFIs. The approach involved testing propositions derived from literature review about how corporate governance and stakeholder engagement impacted the resilience of Kuwaiti IFIs (Saunders et al., 2019). The approach was intended to either confirm or refute the propositions with a view to recommend what Kuwaiti IFIs should do to improve their resilience against adverse events.

In relation to qualitative research method, qualitative data was obtained from 35 research participants working at Kuwaiti IFIs. The participants in the qualitative study were a subset of those who took part in the quantitative research study. As a result, their demographics were relatively the same as those who took part in the quantitative study.

4.2 Research design

A correlational research design was used to describe the link between organizational resilience of the Kuwaiti IFIs and corporate governance and stakeholder engagement. The intention was to determine whether Kuwaiti IFIs with enhanced corporate governances and stakeholder engagement were resilient to adverse events or not. By nature, the design was non-experimental meaning that no form of manipulation was applied to stakeholder engagement and corporate governance to assess their impacts on organizational resilience of Kuwaiti IFIs (Creswell & Creswell, 2018). The design was appropriate for the study because it was practically impossible to apply any form of manipulation on corporate governance and stakeholder engagement to assess their impact on Kuwaiti IFIs' organizational resilience. Additionally, it was appropriate because it allowed the study to predict the magnitude of the impact of stakeholder engagement and corporate governance on resilience of Kuwaiti IFIs.

4.3 Sample selection

The study's target population included high ranking employees at Kuwaiti IFIs. These people understood most of the issues relating to IFIs' corporate governance and stakeholder engagement. Also, they understood most of the issues relating to organizational resilience in their respective organizations. The target population came from 30 Kuwaiti IFIs that operated in Kuwait at the time of the study. The 30 IFIs included twenty-two (22) firms in financial sector, six (6) Islamic banks and two (2) insurance companies. Table 1 summarizes the number of participants selected from each category of IFIs included in the analysis suggesting that each category was adequately represented based on the number of institutions at each of them.

Sample Selection Process			
Sector	**Firms in the Sample**	**Participants in Quantitative Study**	**Participants in Qualitative Study**
Banking	6	30	10
Insurance	2	15	5
Investment	22	75	20
Total	30	120	35

Table 1. The Number of Participants Selected from Each Category of IFIs.

Simple random sampling method was utilized to select the 120 research participants who took part in the study (Casteel & Bridier, 2021). The research participants included high ranking employees working at Kuwaiti IFIs' management level, boards of directors and high-ranking employees who were knowledgeable about corporate governance and stakeholder engagement practices in their respective firms. The selection procedure involved approaching potential research participants, introducing them to the study and urging them to participate in it on voluntary basis. The participants who accepted to participate in the study were issued with questionnaires to fill on their own and return them to researcher after filling them.

4.4 Measures

Table 2 presents the demographics of research participants. As seen in the table, both genders were well-represented because their percentages were almost equal to 50 percent implying that participants from each gender were included in the analysis. The participants from all working age groups were also represented even if majority of them were over 35 years in line with study's focus that was inclined to older people working in management positions.

Participants' Demographics			
Demographics	Items	Frequency	Percentage (%)
Gender	Male	65	54.17
	Female	55	45.83
Age	Below 25 years	7	5.83
	26 – 35 years	13	10.83
	36 – 45 years	45	37.50
	46 – 55 years	35	29.17
	56 and above	20	16.67
Level of Education	Diploma	25	20.83
	Bachelor	70	58.33
	Master's	15	12.50
	PhD	10	8.33

Table 2. The Demographics of Research Participants

4.5 Instrument

The study utilised the organizational resilience scale advanced by Kantur and Iseri-Say (2015) to measure the resilience of Kuwaiti IFIs. The scale included three dimensions of organizational resilience, namely, robustness, integrity, and agility. The robustness dimension that consisted of four items measured the IFIs' capacities to bear and recuperate from adverse conditions. The integrity dimension, on the other hand, that consisted of three items measured cohesion among employees during adverse events. Lastly, the agility dimension that consisted of three items as well measured the IFIs' abilities to take actions swiftly in response to unfavourable conditions (Mousa et al., 2019).

The stakeholder engagement was measured using research questions derived from literature review relating to how organizations engage stakeholders in business processes. The research questions evaluated the extent to which Kuwaiti IFIs consulted, informed, and involved different stakeholders in business practices. Corporate governance was also measured using research questions derived from literature review relating to how organizations govern corporate issues. The questions related to the size of boards, diversity of board members and board composition. A 5-point Likert scale ranging between 1 (strongly disagree) and 5 (strongly agree) was utilized to assess the degree to which the respondents agreed/disagreed with statements relating to organizational resilience.

5. Data analysis

5.1 Quantitative data

Both multiple linear regression models and correlation data analysis methods were used to analyse the quantitative data. The multiple linear regression models were used to evaluate how the unit increases in CG and stakeholder engagement impacted IFIs' resilience. The correlation data analysis method, on the other hand, was used to evaluate how both stakeholders engage, and corporate governance practices correlated with IFIs' resilience. The following multiple linear regression model was utilized throughout the analysis.

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \varepsilon$$

Where:
Y = Organizational resilience
X1 = Corporate Governance (CG)
X2 = stakeholder engagement
β0 = Regression intercept
β1, β2 = Model's beta associated with CG and stakeholder engagement.
ε = random error associated with the model

The data analysis method, which was conducted using the SPSS computer program, involved averaging items relating to each study's variable to produce overall scores ranging between 1 and 5. The average scores were then used to determine how the study's independent variables (corporate governance and stakeholder engagement) associated with study's dependent variable (organizational resilience) using bivariate correlation method. They were also used to predict how CG and stakeholder engagement impacted the organizational resilience of the Kuwaiti IFIs. A 5 percent significance level was utilized throughout the study to make statistical decisions. The decision rule was to reject the null hypotheses for p-values less than or equal to 0.05 and retain them for p-values greater than 0.05.

5.2 Qualitative data

Three steps were adopted to analyse the qualitative data. The first step entailed reducing the data by way of putting it into different categories based on emerging themes. This involved reading through the qualitative data obtained from research participants and developing the various categorizes relating to the impact of corporate governance and stakeholder engagement on organizational resilience that emerged from the data (Braun & Clarke, 2006). Certain categories were developed right from the start of the data analysis process, but others were developed during the analysis process (Duffy & Hatton, 2019). Despite this, the pre-developed categories were modified or even combined with others during the data analysis process based on emerging themes. This resulted to development of new knowledge that emanated from the responses that research participants provided.
Once the data was reduced and theories developed in the process of data analysis, the data was then tabulated and displayed in various forms to help the reader get a glimpse of what was going on. This entailed adopting a creative way of displaying the data in line with the manner the main issues emerged (Easterby-Smith et al., 2015). Finally, the data was cross-checked for possible biases and evaluated to ensure that it was credible before the findings were presented and discussed.

6. Findings

6.1 Descriptive statistics

Descriptive statistics for the variables included in the analysis were run to provide an overview of each variable. Table 3 provides the results indicating that the respondents were neutral on most of statements relating to corporate governance, stakeholder engagement and organizational resilience. Both skewness and kurtosis were within the range of -1 and +1 suggesting that the data was normally distributed. In spite of this, the assumptions of linearity, multi-collinearity and normality were evaluated with no significant violation.

Variable	Mean	Std. dev.	Minimum	Maximum	Skewness	Kurtosis
Corporate Governance	3.0967	.30346	2.40	3.80	-.393	-.145
Stakeholder Engagement	3.2433	.34023	2.40	4.20	-.106	.551
Organizational Resilience	3.5117	.36580	2.80	4.20	-.088	-.805

Table 3. Variables' descriptive statistics

6.2 Correlation analysis results

To assess the link between study's dependent variable (organizational resilience of Kuwaiti IFIs) and study's independent variables (corporate governance and stakeholder engagement), a bivariate correlation analysis was carried out. The study established a notable correlation ($r=0.591$, $p < 0.5$) between corporate governance and organizational resilience of Kuwaiti IFIs. Similarly, it established a notable correlation ($r=0.589$, $p < 0.5$) between stakeholder engagement and organizational resilience of Kuwaiti IFIs (Table 4). In line with Schober, Boer and Schwarte (2018), the correlation was considered moderate. Additionally, the findings were interpreted to imply that both corporate governance and stakeholder engagement had positive impact on organizational resilience of Kuwaiti IFIs. Accordingly, the first and second research hypotheses that hypothesized that both variables had positive impact on organizational resilience of Kuwaiti IFIs were supported. They indicated that the positive improvements made on stakeholder engagement and corporate governance had positive influence on the resilience of Kuwaiti IFIs.

Variables	Corporate Governance	Stakeholder Engagement	Organizational Resilience
Corporate Governance	1	.711**	.591**
Stakeholder Engagement		1	.589**
Organizational Resilience			1
Mean	3.0967	3.2433	3.5117
Std. dev.	.30346	.34023	.36580
**. Correlation is significant at the level 0.01 level (2-tailed).			

Table 4. Correlation among variables

6.3 Multiple regressions

In line with the above, multiple regression analysis was carried out to predict the impact of corporate governance and stakeholder engagement on organizational resilience of Kuwaiti IFIs. Both variables (corporate governance and stakeholder engagement) were entered instantaneously into the multiple regression analysis because their impacts were statistically significant. Table 5 presents the model's fit outcomes indicating that both variables explained about 63.8 percent of variation in the firms' resilience. The implication was that there were other variables not included in the analysis that impacted the organizational resilience of Kuwaiti IFIs. As a result, further studies should be carried out to identify the variables not included in the current study.

Model	R	R squared	Adjusted R squared	Std. Error of the Estimate
1	.638 [a]	.407	.396	.28419
a. Predictors: (constant), stakeholder engagement, corporate governance				

Table 5. Model's fit outcomes

As can be seen in Table 6, the findings of the study were significant, $F(2, 117) = 40.078$, $p=0.00$, indicating that at least one of the independent variables had some influence on organizational resilience of Kuwaiti IFIs.

Table 6. Model's ANOVA table

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	6.474	2	3.237	40.078	.000[b]
	Residual	9.450	117	.081		
	Total	15.924	119			
a. Dependent Variable: organizational resilience						
b. Predictors: (Constant), Stakeholder engagement, corporate governance						

Table 7 presents the outcomes of the model including the beta weights of each variable on organizational resilience. As can be seen in the table, both corporate governance and stakeholder engagement are significantly related to organizational resilience of the Kuwaiti IFIs. As indicated by the variables' beta values (34.8% and 34.1%) the influence of both variables (corporate governance and stakeholder engagement respectively) on organizational resilience of the Kuwaiti IFIs is relatively equal. This is consistent with the correlational bivariate's findings in the previous section that identified correlation between both variables and resilience of Kuwaiti IFIs as almost equal (0.591 and 0.589).

Table 7 Model's coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.022	.280		3.650	.000
	Corporate governance	.420	.122	.348	3.438	.001
	Stakeholder engagement	.367	.109	.341	3.367	.001
a. Dependent Variable: Organizational resilience						

At individual level, a unit increase in corporate governance variable increased the resilience of Kuwaiti IFIs by 0.42 units. On the other hand, a unit increase in stakeholder engagement increased the resilience of Kuwaiti IFIs by 0.367 units. Based on model's coefficients in Table 7, the following regression model was derived to depict the impact of each variable on organizational resilience.

$$Y = 1.022 + 0.42X_1 + 0.367X_2 + \varepsilon$$

Where:
Y = Organizational resilience
X1 = Corporate Governance (CG)
X2 = stakeholder engagement
ε = random error associated with the model

In summary, the quantitative findings indicated that both corporate governance and stakeholder engagement had moderate positive impact on organizational resilience of Kuwaiti IFIs. Additionally, they indicated that the impact of both variables on organizational resilience of Kuwaiti IFIs was almost equal even if corporate governance had a slightly higher impact than stakeholder engagement.

7. Qualitative data findings

7.1 Corporate governance

The qualitative data identified board composition, board size and board diversity as important corporate governance elements in enhancing the resilience of Kuwaiti IFIs against adverse events. They specifically identified board size in terms of the number of board members serving in boards of directors as having relatively high impact on organizational resilience of Kuwaiti IFIs against adverse events. This was confirmed by 31 respondents out 35 respondents who took part in the study. Respondent 1 stated the following:

> *"The sufficient number of members of the board of directors, through which it should cover the special activities of the company, so the number of the board of directors affects the activities that it exercises and affects the resilience of the company against adverse events."*

Respondent 33 also stated the following in support of the impact of board size on organizational resilience:

> *"The Capital Markets Authority has requested that, according to the statute, the number of members of the board of directors should be specified, but it must be compatible with the company's activity and the committees that need to be formed and be appropriate and compatible with this activity in terms of number and expertise. The majority of the members must be non-executive to activate the role of oversight and objectives Owners and the role assigned to the board of directors.*

Board composition was also identified as an important aspect in the resilience of Kuwaiti IFIs. This was in response to 29 respondents out of 35 respondents who identified as impacting the resilience of Kuwaiti IFIs. In support of board composition, Respondent 11 stated the following:

> *"The board of directors must be a non-executive member, due to the lack of conflict of interest with the management and to urge active participation, as the separation of roles enhances performance and pushes for a distinguished performance for a company. One of these matters is participation in important committees that monitor performance in the company, such as the Audit Committee and The Internal Control Committee and the Committee for 12. Determining the Annual Remuneration and Bonus for the Executive Management and the Board of Directors alike is also important in enhancing organizational resilience."*

In support of the importance of board composition in enhancing organizational resilience, Respondent 2 stated the following:

> *"There are executive members and there are non-executive members. The executive members support organizational resilience in decision-making processes and implementation according to the policy of the board and the system, the goals set by the board of directors, so the executive member is effective in the board."*

The respondents also identified SSBs as important in enhancing organizational resilience. They claimed that the boards ensured that Islamic business practices were observed throughout business processes; hence, enhanced the resilience of Kuwaiti IFIs. In support of the SSBs, Respondent 22 claimed the following:

> *"Shari'a governance through the Shari'a board of directors and the related body of internal and external Shari'a audit that leads to compliance with Shari'a principles and business. In so doing, it*

plays an important role in promoting the resilience of Islamic firms."

Respondent 27 supported the boards' role in enhancing resilience by stating the following:

"Activating the role of Sharia governance by giving it a fundamental and influential role and the independence and obligation of this part represented in the following: supervision, accountability and responsibility; the Sharia supervisory board and its formation, the independence of the Sharia supervisory board, appropriate efficiency, confidentiality, consistency between business, internal and external auditing of operations. From this perspective, it is vital in the resilience of our firm."

7.2 Stakeholder engagement

The respondents also identified stakeholder engagement as vital in promoting the resilience of Kuwaiti IFIs. They claimed that the involvement of stakeholders in business processes ensured that their interests were catered for throughout strategy implementation processes. Respondent 12 stated the following in support of the impact of stakeholder engagement on organizational resilience:

"Realizing the role of stakeholders and their impact on organizational resilience and activating their role in oversight by encouraging participation. Establishing systems and policies that preserve the rights of stakeholders and showing how to compensate them when their rights are infringed is of course an important aspect in ensuring that the firm survives all odds."

Respondent 33 also highlighted the importance of consulting stakeholders in organizational resilience by stating the following:

"I strongly believe that although some of the stakeholders are not professional business leaders, they have a major contribution in ensuring that Islamic firms are resilient. Therefore, they should be consulted to ensure that their interests are considered throughout decision making processes."

Respondent 35 claimed the following expressing her support for stakeholder involvement in enhancing organizational resilience:

"The involvement of stakeholders in various stages of decision-making process provide the organization with a platform for stakeholders to state what they want included in the organization. I have seen such involvement help the organization overcome unexpected outcomes in business process."

Respondent 21 highlighted the importance of informing stakeholders of what the organizations were doing in enhancing organizational resilience. The respondent claimed the following:

"I have found the information provided to stakeholders as important in promoting organizational resilience because stakeholders understand what is going on in the organization. When provided with that information, they stand with the organization during challenging moments."

Respondent 16 stated the following in support of stakeholder involvement in business processes.

"I strongly support the idea of ensuring that stakeholders are informed of what the organization is doing at any given time. Doing so ensures that stakeholders are part of the organization even when it is encountering challenges in business processes."

8. Discussion

This study evaluated the impact of corporate governance and stakeholder engagement on the organizational resilience of Kuwaiti IFIs. It established that both corporate governance and stakeholder engagement were positively related to organizational resilience of Kuwaiti IFIs; hence, their impacts on organizational resilience were positive. At individual level, the study established that a unit increase in corporate governance variable increased the resilience of Kuwaiti IFIs by 0.42 units whereas a unit increase in stakeholder engagement increased the resilience of Kuwaiti IFIs by 0.367 units. The findings suggested that an increase in corporate governance and stakeholder engagement had positive influence on the resilience of Kuwaiti IFIs. The implication was that the more the Kuwaiti IFIs improved corporate governance and stakeholder engagement, the more they enhanced their resilience against unexpected outcomes in the market.

The strong correlation between the study's independent variables (corporate governance and stakeholder engagement) and organizational resilience of Kuwaiti IFIs indicates the strong connection between both variables. It indicates that the more Kuwaiti IFIs engage stakeholders in different business processes, the more they enhance their resilience against unforeseen challenges (Ritchie & Campiranon, 2015). The unforeseen challenges in this case may relate to negative circumstances that arise during business processes. Alternatively, they may relate to crises that arise out of business processes requiring organizations to adjust to changes and stabilize thereof. The findings suggest that the more the Kuwaiti IFIs engage different stakeholders in business processes, the more they are able to handle challenging issues. The implication is that the least they engage stakeholders in business processes, the least they enhance their resilience against the unforeseen circumstances. The findings are in agreement with studies that support the involvement of stakeholders in business processes (Sajko et al., 2020). They highlight the importance of ensuring that the relevant stakeholders are involved in their respective lines of involvement.

Alongside the above, the findings are in agreement with Ahmad and Arafat (2020) who identify SSB as critical in enhancing the resilience of Pakistani Islamic banks. In agreement with Ahmad and Arafat (2020), the findings indicate that corporate governance has positive impact on the resilience of Kuwaiti IFIs. They suggest that the more the corporate governance of the Kuwaiti IFIs improve, the more the resilience of IFIs improve as well. Accordingly, a decline in the corporate governance of Kuwaiti IFIs would be expected to undermine their resilience against unforeseen circumstances. This does not mean that corporate governance has a causal link on organizational resilience of Kuwaiti IFIs implying that a change in corporate governance causes a change in organizational resilience of Kuwaiti IFIs (Jackson, 2016). Instead, it means that both variables move in the same direction; as such, if corporate governance would move in the positive direction, then it would be expected to cause a positive move in organizational resilience, and vice versa.

The findings are also in agreement with Barasa et al. (2018) who identify corporate governance as a critical aspect in enhancing organizational resilience. In agreement with Barasa et al. (2018), they indicate that the corporate governance practices utilized in Kuwaiti IFIs have positive impact on the resilience of the IFIs. Although the study did not evaluate the level of decentralization in corporate governance as Barasa et al. (2018) have done, it highlighted the importance of stakeholder engagement in promoting organizational resilience. Also, it highlighted the importance of transparency and effective coordination in corporate governance especially during unforeseen circumstances. In keeping with Mansour and Bhatti (2018), the findings highlighted the need for eliminating possible agency problem in management of Kuwaiti IFIs. They identified the critical roles that SSBs play in ensuring that the boards of directors do not manipulate shareholders' interests by engaging in unethical practices that undermine organizational resilience. They demonstrated the extent to which SSBs ensure that business practices are conducted within sharia law to enhance organizational resilience against adverse events.

With regards to stakeholder engagement, the findings agree with Mouhcine et al. (2023) who identify stakeholder involvement as critical in enhancing the resilience of Moroccan cooperatives post COVID-19 era. In agreement with Mouhcine et al. (2023), they indicate that the more the Kuwaiti IFIs engage stakeholders in different business practices, the more they enhance their resilience against unexpected outcomes. The findings are also in agreement with DesJardine et al. (2019) and Sajko et al. (2020) who highlight the need of organizations to engage employees and other stakeholder in business processes to reduce possible negative effects. In keeping with Sajko et al. (2020), the findings suggested that the more the Kuwaiti IFIs increased interdependency with stakeholders by engaging them in business processes, the more they enhanced their resilience against adverse events. The interdependence between Kuwaiti IFIs and stakeholders via stakeholder engagement embed Kuwaiti IFIs in their social and natural environments. In so doing, it promotes their stability in those environments. Also, it promotes their flexibility during challenging moments thereby they withstand adverse events (DesJardine et al., 2019).

Although interdependence between organizations and stakeholders is critical in promoting organizational resilience, it needs to be developed through regular interaction between both parties. The implication is that Kuwaiti IFIs have to make deliberate effort geared towards interacting with stakeholders on regular basis so that they can share information, resources and values they need in promoting resilience. According to Sajko et al. (2020), the organizations that interact regularly with employees to develop strong labour relations with them promote resilience by cultivating employees' commitment to business processes. Similarly, firms that engage in corporate social responsibility via stakeholder engagement are more embedded into their natural and social environments; hence, resilient to adverse events.

As reported by Sajko et al. (2020), when Kuwaiti IFIs involve employees in processes aimed at developing positive labour relations with them, they develop labour relations that encourage employees to remain committed to organizational processes. Similarly, when they engage in discussions with SSBs geared towards improving their relations with shareholders, they promote an atmosphere of trust that reduce friction between them and shareholders. Doing this embed Kuwaiti IFIs in their respective social and natural environments. As a result, when adverse events arise, the stakeholders are able to stand with Kuwaiti IFIs throughout the challenging moments. In contrast, when the Kuwaiti IFIs do not engage employees and SSBs among other stakeholders in business processes, they fail to address pertinent issues relating to stakeholders. Therefore, when adverse events arise out of stakeholders' concern, the IFIs lack stakeholders' support that is critical during challenging moments.

Although the study did not evaluate the resources that Kuwaiti IFIs share with stakeholders during stakeholder engagement, the findings suggested that the IFIs benefitted from close interactions with stakeholders. In line with DesJardine et al. (2019), it is possible that the stakeholders share vital information and resources with Kuwaiti IFIs that help them to be resilient during adverse events. Alternatively, it is possible that during stakeholder engagement, Kuwaiti IFIs gain access to diverse information and viewpoints that promote resilience against adverse events. At the same time, it is possible that their interaction with stakeholders enable them to identify environmental threats that are critical in boosting resilience (Sajko et al., 2020). The study did not evaluate these things, but the insights obtained from the findings may be critical in identifying new areas of research among the Kuwaiti IFIs.

Despite the above, the success of stakeholder engagement in boosting organizational resilience depends on the willingness of different stakeholders to share resources and information with their respective organizations. Those willing to share resources and information contribute much to development of novel solutions during adverse events. In contrast, the unwilling stakeholders contribute very little to enhancing organizational resilience; hence, the need to understand stakeholders' motives throughout the engagement processes.

9. Limitations

The study's findings have notable implications to the corporate governance and stakeholder engagement of the Kuwaiti IFIs. However, the study had the following limitations worth highlighting to depict how they may impact the study's outcomes. Firstly, the data utilized throughout the study was collected using a questionnaire that was largely self-reported. Self-reporting is a good data collection method, but because it relies on personal opinions, it is open to inaccuracies and bias (Biggam, 2008). Although effective measures were put in place to minimize such biases and inaccuracies, poor memory recall by research participants may have undermined the quality of the data. As a result, it would be worthwhile noting this limitation even if employees from different departments and institutions were recruited into the study to ensure that the study did not rely on one set of research participants. Additionally, the questionnaire was detailed and extensive to eliminate possible bias in responding to research questions.

Secondly, the data utilized throughout the study was cross-sectional in nature meaning that it was collected once from research participants without following them for some time to determine how their responses changed over time. Although the design was appropriate for the study, the study's findings cannot be used to make inferences about how changes in corporate governance and stakeholder engagement impact organizational resilience of Kuwaiti IFIs over time. Similarly, causal inferences about the study's variables on organizational resilience of Kuwaiti IFIs cannot be made using the study's findings.

Thirdly, a correlational research design was utilized throughout the study to evaluate the impact of stakeholder engagement and corporate governance on organizational resilience of Kuwaiti IFIs. As reported by Jackson (2016), the correlation between the study's independent and dependent variables should not be misinterpreted to imply a causal link between the variables. In other words, it should not be misinterpreted to mean that a change in the study's independent variables (corporate governance and stakeholder engagement) causes a change in study's dependent variable (organizational resilience of Kuwaiti IFIs). Instead, it should be interpreted to mean that the study's independent and dependent variables vary together. For this reason, further research should be carried out to determine whether changes in study's independent variables have any causal link with organizational resilience of Kuwaiti IFIs. Until such studies are carried out, the study's findings should be interpreted with caution regarding the causal link between Kuwaiti IFIs' organizational resilience and corporate governance as well as stakeholder engagement.

Alongside the above, it would be worthwhile appreciating that although the study's independent variables correlate strongly with organizational resilience of Kuwaiti IFIs, a third variable may be responsible for the high correlation (Jackson, 2016). While such a variable may have notable impact on correlation between the study's independent and dependent variables, it may have nothing to do with organizational resilience of Kuwaiti IFIs. For this reason, given that the study's two independent variables explained only 63.8 percent of variation in organizational resilience of Kuwaiti IFIs further research should be conducted to identify the other factors that impact the resilience of Kuwaiti IFIs.

Finally, it would be important to appreciate that the study was conducted in Kuwait specifically among Kuwaiti IFIs. As a result, its findings cannot be generalized to IFIs in every part of the world or even in Middle East. Additionally, they cannot be generalized to other financial institutions in Kuwait that were not included in the analysis. Instead, the findings should be restricted to Kuwaiti IFIs even if it would be necessary to conduct further studies to evaluate areas not addressed in the study.

10. Conclusion

The study evaluated the impact of corporate governance and stakeholder engagement on organizational resilience of Kuwaiti IFIs using primary data collected from people working in the IFIs. The findings of the study highlight how important it is for stakeholders to be involved in corporate governance in order to strengthen the organizational resilience of Kuwaiti Islamic Financial Institutions (IFIs). The study demonstrated the positive relationship among organizational resilience, stakeholder engagement, and corporate governance procedures, emphasizing the pivotal role these practices play in enabling IFIs to skilfully negotiate unanticipated obstacles. Additionally, it established that a unit increase in corporate governance increased the IFIs' organizational resilience by 0.42 units. On the other hand, it established that a unit increase in stakeholder engagement increased the firms' resilience by 0.367 units. The study concludes that both corporate governance and stakeholder engagement have positive impact on organizational resilience of Kuwaiti IFIs. Accordingly, an improvement in corporate governance would be expected to improve the resilience of Kuwaiti IFIs because both variables move in the same direction. Based on the study's findings and research design, it may be impossible to pinpoint the exact corporate governance variable that may be enhanced to improve organizational resilience. However, it is evident that an improvement in corporate governance in general has positive effect on organizational resilience of Kuwaiti IFIs. As a result, it would be expected that the Kuwaiti IFIs should focus on improving their corporate governance mechanism and practices in general with a view to improve organizational resilience. The study also emphasizes how important Shari'ah Supervisory Boards (SSBs) are to maintaining moral corporate governance standards in Kuwaiti IFIs and protecting them from unfavorable incidents. SSBs are essential in reducing agency issues and preserving the robustness of IFIs because they uphold Shari'ah standards and encourage openness and efficient coordination. Moreover, the results are consistent with previous studies, highlighting the value of stakeholder participation in fostering organizational resilience in various settings. They emphasize how crucial it is for Kuwaiti IFIs to actively include stakeholders in their business operations and decision-making processes in order to improve their ability to successfully respond to unanticipated difficulties and crises.

Alongside the above, an increase in stakeholder engagement in Kuwaiti IFIs would be expected to boost the firms' resilience. The implication is that the more the Kuwaiti IFIs engage stakeholders in business processes, the more they boost their resilience against adverse events. In this respect, a decrease in stakeholder engagement would be expected to undermine the firms' resilience. The study recommends that the Kuwaiti IFIs should continue engaging different stakeholders in business processes. By recommending so, it appreciates that stakeholder engagement would have positive effects on organizational resilience whereas the converse would undermine it. This is in spite of the fact that some stakeholders may be unwilling to contribute much to development of novel solutions that may be used during challenging moments. Irrespective of such an eventuality, the findings suggest that most of the Kuwaiti stakeholders may be willing to contribute to organizational resilience; hence, the need to continue with stakeholder engagement.

Finally, the study offers insightful information about how organizational resilience, stakeholder involvement, and corporate governance relate to Kuwaiti IFIs. It emphasizes how crucial it is to take proactive steps to fortify governance procedures, successfully include stakeholders, and cultivate a resilient culture inside IFIs in order to survive and prosper in an increasingly unstable and unpredictable economic climate. Subsequent investigations may focus on the precise processes by which stakeholder participation bolsters resilience and investigate methods for getting over obstacles to productive participation in Kuwait's IFI industry.

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