
Preface

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Biographical notes: Said Elfakhani is Professor of Finance and Associate Dean, Olayan School of Business at the American University of Beirut (AUB), Lebanon. He earned his BBA from the Lebanese University, MBA from the University of Texas at Arlington, and MSc and PhD in Finance from University of Texas at Dallas. He taught at the University of Saskatchewan (1988–1998), and held visiting appointments at Indiana State University and King Fahad University of Petroleum and Minerals (Saudi Arabia). He has published 23 papers in international journals, 12 papers in international proceedings, and presented 30 papers in international conferences world wide. He has served as an Academic and Professional Consultant for AUB in several projects undertaken within AUB Regional External Programs. He is listed as an ‘International Scholar in Finance’ with the Organisation of Arab Academic Leaders for the Advancement of Business and Economic Knowledge.

Welcome to the inaugural issue of the *Journal for Global Business Advancement*. The mix of papers in this issue lends weight to the advancement of contemporary research in the field of global business.

The first paper, by Jain, synthesises the progress made by international marketing as a field of study during the last 35 years, and makes recommendations for future research in this area. In particular, the paper reviews the existing literature in the areas of country of origin, standardisation vs. customisation of marketing strategy and marketing entry strategies including exporting and channel development, and emphasises the need to use non-US examples, longitudinal studies, comparative studies and sources of secondary information. The paper also highlights the need to focus on all aspects of the marketing mix, including new areas such as marketing on the internet and the development of new research tools.

Extending the existing theory of improvisation in business to an international setting, the second paper, by Chelminski, develops a theoretical framework for an analysis of the potential influence of national culture on the propensity for organisational improvisation. The paper argues that organisational improvisation is more likely to occur in cultures that are characterised by low uncertainty avoidance and power distance, and are mainly collectivist and masculine in orientation than in those that are characterised by higher levels of uncertainty avoidance and higher power distance and are mainly individualistic and feminine in orientation. In doing so, the paper argues towards developing a better understanding of the concept of improvisation and its impact on performance effectiveness.

The impact of government export promotion programmes on internationalisation of developing country firms is the focus of the third paper, by Ali and Shamsuddoha. The authors draw upon the internationalisation process theory and resource-based view in order to develop and test a conceptual model of a firm's export performance. Using data from exporting firms in three major export-orientated industries in Bangladesh, the authors conclude that export promotion programmes play a significant role in improving the export performance of domestic firms as they help in overcoming managers' mental barriers and developing positive attitudes towards exporting.

In a related domain, Wilkinson and Brouthers investigate the effects of state-sponsored trade shows and trade missions on the export performance of smaller firms. Using data from 764 client firms in a large midwestern state in the USA, the authors analyse and compare two models of export performance. Their findings suggest that the greater use of state-sponsored trade shows is positively associated with both higher export performance and long-term export growth for smaller firms. Thus the study highlights the role of trade shows as an important promotional activity and their long-term export development potential for small firms.

The fifth paper, by Habiyakare and Törnroos, explores the foreign market expansion process followed by Finnish multinational companies while entering the South African market. The authors first discuss a framework of corporate internalisation, and review both location-based and behavioural approaches to corporate internalisation. On the basis of some qualitative interviews conducted with managers in both Finland and South Africa, they then present a summary of the internationalisation process followed by the participating firms and identify a number of economic and business challenges relevant to the foreign market expansion process. In particular, uncertainty, lack of export experience, information and knowledge, and the turbulent nature of foreign business environments are viewed as important factors in foreign market development and planning.

Constas, Vichas and Pashtenko look at the topic of subsidiary management inputs into the process of strategic decision-making, such as the termination of overseas operations. The authors adopt a longitudinal design and analyse data collected at two different times from 32 manufacturing concerns. The paper concludes that the participating subsidiary managers acted as custodians, limited themselves to production and cost-related decisions, combined local traditions and cultural values but did not participate in closing overseas operations. Rather the plants were phased out by the corporate management owing to changes in the business environment.

Using data from American and Mexican managers, Parnell and Lester investigate the differences in five dimensions of strategic philosophy between the managers. Findings suggest that Mexican managers, in comparison with American managers, were more likely to view strategy as a scientific process, to favour an open strategy dialogue, and to embrace risk as an integral part of the strategy process.

While previous research dealing with consolidated financial reporting of multinational companies has focused on horizontal adjustments, the paper by Fagerstrom, Hassle and Cunningham explores whether vertical adjustments are made as an indicator of compliance with Swedish accounting standards by Swedish multinational companies. Data was collected at two different time intervals from all the companies listed on the Stockholm Stock Exchange as having foreign subsidiaries and which were not part of a consolidate group. Their findings indicate that not only do foreign subsidiaries of most Swedish multinationals make vertical adjustments when information is sent to the

parent company. but also the proportion of companies making such adjustments increased between the two time periods.

Sovereign risk is the risk of a government or government-related entity meeting its obligation, and Haddad and Hakim explain and quantify the variables of sovereign risks in five countries during 1998 to 2002. Their findings reveal that the temporal fluctuation in sovereign spreads is explained by changes in the current account, the assigned rating from the rating agencies, and per capita income.

Finally, Zbib and Feghali aim to identify information system failure indicators in order to establish a prevention model. The authors conclude that information failure can be categorised into three dimensions, vis. managerial, cultural and technological, and that every information technology related issue must be looked at not only from a technological viewpoint but also from the managerial and cultural views.