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## **Preface**

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**Biographical notes:** Fariza Hashim is an Associate Professor at Prince Sultan University, Riyadh, Saudi Arabia. She specialises in International Business and Strategy and has been teaching at both undergraduate and postgraduate levels. Her research interest includes Knowledge and Innovation, FDI, Global Strategy and Internationalisation. Her recent publications emerge in journals such as Emerald, Oxford and Inderscience Publications.

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We are very pleased to present the *Journal of Global Business Advancement's* special edition on issues of international business. It presents six papers developed from proceedings first presented at the 9th AGBA Annual World Congress under the theme 'Business and Entrepreneurship Development in a Globalised Era and the Rise of UAE', which was hosted at Ajman University of Science and Technology (AUST) in May 2012. The papers presented here are from various different tracks discussing under the general theme of the conference. Therefore, the content of this issue is quite broad, and readers will find papers that tackle a wide range of empirical issues in international business concerned within emerging markets as well as developed economies. The papers were selected on the basis of their relevance to the topic and contribution. All the papers went through the standard referee and editorial processes of the journal, including assessments by at least two anonymous referees, and they benefited from the comments made during the conferences. We believe that the papers that were developed from the proceedings presented at the conference were successful in bringing some of critical issues highlighted, in addition to introducing some of the excellent thought-leaders to the fore.

The idea behind the special edition was to address the general issues of international business as there have been unprecedented changes in the global economy during the past two decades. The economic linkages between developed and developing countries have become much stronger and trade linkages have risen dramatically. This has led to the

emergence of a rapidly growing literature analysing factors surrounding the issue. While not exhaustive of all the issues regarding international business, we have been mindful to include in this edition papers that address the issues. We feel that this edition successfully interrogates the subject matter and we hope that the insights offered will open up further dialogue and possibilities for meaningful, useful discussions and initiatives for future work.

The first paper in this special issue, 'Internationalisation process of Malaysian firms: the mediating effects of motivation and network' by Hashim and Ismail, is very relevant to our theme. This paper is based on research conducted among 100 Malaysian large firms that examines the internationalisation process and the mediating forces between internationalisation advantage and internationalisation intensity. With respect to our own learning as a community of scholars, there is much that is commendable and relevant in this work in the field of firm internationalisation.

There has been a tremendous growth in Islamic or shari'a compliant financing instrument (sukuk) within the global market. This big number of sukuk issuance can be supported by the fact that some Western countries like the UK and the USA have also issued sukuk, as well as companies such as General Electric and East Cameron Gas in the USA. However, despite the magnificent growth, the size of Islamic finance relative to global financial markets remains very small and according to some estimates it is less than 1% of the global financial system. Therefore, while there appears to be a large growth potential for sukuk, it is pertinent to understand the possible reasons for this scenario. This is where the second paper, written by Naser, Tabsh and Moukayed, provides an insight within the Lebanese market in their paper entitled 'Barriers for implementing Sukuk (Islamic bonds) across Lebanon'. The authors identified a few barriers that were hindering the acceptance of sukuk based on their investigation of the local perception of the Islamic financial instrument. Among the barriers highlighted were the credibility of the issuer, insufficient regulations governing sukuk issuances and management, and the lower returns compared with the conventional mechanism. In addition, the political and economic instability of the country itself was also a reason stated for sukuk poor response.

Moving on within the general issue of financial and economic development, foreign direct investment (FDI) is one of the most dominant forms of capital flow in the global economy, even for developing countries. This is because of its various benefits and its importance in the world economy vis-à-vis other forms of capital flows. While much discussion about FDIs has been published within the developed economies followed by the developing economies, not much is known concerning countries that are 'barred' from doing business internationally. This is a worthy contribution by Moniruzzaman, Kazi, Al-Atiyat and Mahmood, in which these authors investigate the determinants of FDI of the Islamic Republic of Iran based on a developing economy model, namely Malaysia. Their study found that, with the exception of government expenditure, none of the typical determinants of FDI discussed in the literature, and in this case Malaysia, showed any significance in attracting FDI in Iran. While it is plausible that the international sanctions may have contributed towards the findings, this paper could provide a venue for more future works concerning FDI in Iran.

Article four, by Tahir, is about repatriation, which is the activity of bringing back expatriates to the home country. His article, 'The experiences of female repatriate managers in Australia and New Zealand (ANZ) companies', explores the experiences of female repatriate managers of Australia and New Zealand companies through their

stories, feelings and reflections of their time spent in their repatriation adjustment process. Repatriation has become more widely recognised by practitioners and academics as something that needs careful managing, although this increased attention is somewhat belated. The mounting empirical and anecdotal evidence shows that re-entry into the home country presents new challenges as the repatriate copes with what has been termed reverse culture shock. In this paper, the results concurred with previous studies where the respondents noted that the overall repatriation process for the female expatriate managers in ANZ companies is unsatisfactory. This is an important issue as the multinational's ability to attract future expatriates may be affected by the manner in which it handles repatriation.

Within the general instrument of international trade, although countertrade is associated with the old economies of currency controls, artificial exchange rates, and administratively managed trade, it appears that the usage of countertrade in the world trade is expanding and not contracting. Estimates showed that countertrade accounts for 30% of world trade and anecdotal evidence suggests that these practices grow in the wake of each economic and financial crisis. While much of the existing studies have focus on countertrade forms and its legal and microeconomic aspects, the paper 'Countertrade: compensatory requests to sell abroad', by Nassimbeni, Sartor and Orzes, is one of the first to develop classification of the compensatory requests used in 'offset' agreements, which are among the most important, complex, and least documented countertrade forms. The authors provide an elaborated and extensive discussion on the various forms of these compensatory requests and their contribution in this aspect is very much noted.

Finally, no academic conference with a focus on business advancement and a theme that centres on the concept of nation-building can afford to ignore service. The last paper in this special issue, written by Abu Bakar, Abdul-Talib and Hashim, 'Restoring service quality, satisfaction and loyalty in higher education institutions through market orientation', investigates the effect of being market-oriented on service quality perceptions and its relationship with customer satisfaction and loyalty within the higher education institutions in a developing economy – Malaysia. Higher education institutions have realised that their long-term survival depends on how good their services are, and that quality sets one institution apart from the rest. Their study found that the institution's market orientation influences service quality, which subsequently influences customer satisfaction and loyalty. Coherently, the implications of the research are discussed in the paper.

We believe the articles presented in this special issue have captured a snapshot of some key issues and development regarding international business in general. Clearly, more studies are needed in this area. We hope that you enjoy this special issue and that it helps to reignite and sustain an important academic debate.

Last but not least, we would like to thank all of those who contributed to this special issue including the reviewers, sponsors of the events and the editorial team at the *Journal of Global Business Advancement* who worked tirelessly towards its production.