

Guest Editorial Preface

Special Issue on Business, Economics and Finance in Brunei Darussalam

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Brunei Darussalam, the smallest country but the second highest GDP per capita in the ASEAN Economic Community (AEC), is one of the most politically and economically stable member of AEC. It has a highly educated population with a very high Human Development Index (0.853 in 2017), second highest in the AEC and among the highest in the Asia-Pacific region. Brunei's wealth is derived from oil and gas industry. However, relying on oil and gas may not provide sustainable development for the Sultanate. Hence, economic diversification and expanding the role of private sectors in the economic development as well as tapping opportunities generated by AEC must be seriously considered. Brunei is making progress in this direction. Recently, Brunei is ranked 62 out of 140 economies in terms of competitiveness and 55 among 190 economies in the ease of doing business.

The aim of the special issue is to provide a research progress and critical analysis of the state of the art of economics, finance and management in Brunei Darussalam so that readers can have clear insights about these issues in this important member of AEC. The special issue is formed by 8 papers that address key topics to help to understand economics, finance and management in Brunei.

The first paper titled "Deposit Withdrawal Behavior of Islamic Banking Customers in Brunei Darussalam" (by Muhamad Abduh, University of Brunei Darussalam, Brunei) investigates "the deposit withdrawal behavior of Islamic banking customers in Brunei Darussalam. More specifically, it explores the influence of individual characteristics upon the action of deposit withdrawal when the customers encounter three different situations; (i) non-shariah compliance issues upon products and services, (ii) uncompetitive return, and (iii) low service quality. Data collection is done using self-administered questionnaires with 180 completed questionnaires are usable for the analysis. The study uses chi-squared independent test and binary logistic regression as its method of analyses. The findings show that deposit withdrawal is a real future threat for Islamic banking industry in Brunei Darussalam and it happens when customers with certain characteristics and motivations encounter the three situations mentioned above."

The second paper titled "Factors Affecting Organizational Effectiveness: A Proposed Framework for Brunei's Public Sector" (by Md Zahidul Islam, Thuraya Farhana Said, Wardah Azimah Sumardi, and Safayet Rahman, Universiti Brunei Darussalam, Brunei) proposes "a conceptual framework of organizational effectiveness for Brunei's public sector. This study proposed knowledge sharing as a potential mediator for the relationship between organizational factors (organizational climate, structure and leadership) and organizational effectiveness. This study also proposed ICT as a potential moderator for the relationship between organizational factors and knowledge sharing. This study will help public sector managers to understand organizational effectiveness from a different perspective. Propositions of knowledge sharing as a potential mediator and ICT support as a potential moderator will provide public sector managers with guidance to ensure sustainable organizational effectiveness."

The third paper titled “The Adoption of Social Media as Marketing Tools: Case Small and Medium Enterprises in Brunei Darussalam” (by Siti Farzana Izzati Haji Jaman, Nurin Jazlina Haji Damit, Nurul Amirah Ishak, Monica Lesley Anak Ason, Mimi Rahzia Tamin, Korachal Tangphadungrutch and Mohammad Nabil Almunawar, Universiti Brunei Darussalam, Brunei) “investigates the factors that mainly drive social media adoption among the SMEs in Brunei, to determine the types of social media platforms that they used as well as to examine the potential benefits and challenges of adopting it. The authors administered online questionnaires to 57 CEO or managers of local SMEs. Based on the empirical findings of this research, technological factors, ease of use and perceived benefits, are the prominent drivers for social media adoption among SMEs in Brunei.”

The fourth paper titled “Accounting Information Systems (AIS) in SMEs: The Case of Brunei Darussalam” (by Fahmi Ibrahim, Diyana Najwa Haji Ali and Nur Suaidah Awang Besar, Universiti Teknologi Brunei, Brunei) states that “Small-Medium Enterprises (SMEs) have always been considered to be the backbone of Brunei’s economy. As published by OECD in 2006, SMEs constitutes high percentage of businesses where they account for 98% of all active business enterprises and contribute about 92% of employment in private sector and at least 66% of GDP within the non-oil sector of the economy. Since SMEs are considered to be significant for the economy, they are encouraged to improve their business performances in order to sustain their business development by enhancing their accounting information system. This paper will focus on the current accounting practices in which Brunei SMEs have been implemented by MMA Cube Stores as a case study. As cube shop businesses have been growing all over the country, it is significant to carry out this research as it may apply to the other similar business in Brunei. Reasonable recommendations are included in this paper for augmentation of the accounting system among Brunei SMEs.”

The fifth paper titled “The Impact of Human Resource Management Practices on SMEs Performance: An Exploratory Study in Brunei Darussalam” (by Chin Han Wuen, Fahmi Ibrahim and Kabiru Jinjiri Ringim, Universiti Teknologi Brunei, Brunei) explores “the impact of human resource management practices towards the SMEs in Brunei Darussalam. By conducting an exploratory study, a questionnaire survey of 296 was collected from the local SMEs to ascertain how the human resource management practices impact their performance. This is followed by the analyzing the result via the Pearson Correlation and Multiple Linear Regression which suggests that specific human resource management practices have a significant impact on the SMEs. As part of the contribution, the article extends the knowledge of human resource management in SMEs context by understanding their impact towards the SMEs performance.”

The sixth paper titled “Addressing Issues of Unemployment in Brunei: The Mismatch Between Employers Expectations and Employees Aspirations” (by Siti Fatimahwati Pehin Dato Hj Musa and Dk Siti Rozaidah Pg Hj Idris, Universiti Brunei Darussalam, Brunei) studies “the issue of youth unemployment in Brunei by exploring the occupational aspirations of youths, the expectations of employers towards their employees and the current policy initiatives of the government. The aspirations of youths were explored by conducting a series of focus groups among youths of different age groups and educational levels. The findings indicated that youths in Brunei preferred jobs that are prestigious, highly paid, stable and are less likely to take risks. The expectations of employers, on the other hand, entailed a semi-structured interview to assess the employers’ expectations for their current and/or prospective employees. The findings revealed that youths’ lacks awareness on important employability skills that are critical for their entrance into and performance in the labour market. A majority of the employers attributes the lack of drive, entrepreneurial spirit and awareness of the importance of leadership from an early age for employability and a need to strengthen collaborative development amongst the relevant agencies.”

The seventh paper titled “Training Effectiveness in Times of Austerity: A Case of an Oil Subsidiary Company in Brunei” (by Nur Ehsan Ibrahim and Wardah Azimah Haji Sumardi, Universiti Brunei Darussalam, Brunei) “evaluates the effectiveness of such training approach adopted. This allow

training to be appraised in tangible terms i.e. how much trainees have benefited to provide evidence to justify the importance of training, in times when training is assumed to be among the first casualties”.

And the eighth and last paper of the special issue, titled “Maximizing Smartcard for Public Usage: PDCA and Root Cause Analysis” (by Fakhriyah Abdullah Thani and Muhammad Anshari, Universiti Brunei Darussalam, Brunei) presents “a multipurpose smart card as a solution for the duplicate smart card system. Using a mix method approach, one hundred samples were collected from the public. The data was analyzed using descriptive statistics. Plan-Do-Check-Act (PDCA) assessment and Root Cause Analysis (RCA) were used to analyze collected data. The results indicated that public views the current smart card system to serve limited function and are becoming open to the idea of a multipurpose smart card system. Recommendations are given to raise the awareness of the current smart card problem and to provide insight to better serve the public.”

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Guest Editors

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