

Guest Editorial Preface

Special Issue on “Business, Culture, and Management in Pakistan: Towards a More Competitive Economy”: Some Insights on Pakistani Business and Economic Environment – Competing in a Globalized Economy

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South East Asia is expected to be the fastest growing region in Asia Pacific in 2019, with an expected growth of 6.8% in 2019 and 6.9% in 2020 while developing Asia is expected to grow 5.7% in 2019 (Asian Development Bank, 2019a). However, we must be very cautious as this economic growth with slowdown due to the potential risks from the current China-US trade war and a potential Brexit with “no-deal” or disorderly (Ordoñez, 2018).

In the case of Pakistan, the downward spiral of the Pakistani economy for last 2 years offers many challenges for the country new leader Pakistan Tehreek-e-Insaf (PTI) chief Imran Khan.

With a population of more than 200 million people, Pakistan’s GDP is expected to grow by 3.9% in 2020 and 3.6% in 2020. Other neighboring countries like Afghanistan, Bangladesh, Bhutan or India are expected to grow by 3%, 8%, 6% and 7,3% respectively in 2020 (Asia Development Bank, 2019). Pakistan ranks number 136 out of 190 in the ease of doing business ranking (World Bank, 2019).

The aim of the special issue is providing a critical analysis of the state of the art of business and managerial issues in Pakistan so that readers can have clear insights on what is going in this country that has a strategic role in Asia today and its future challenges. This special issue on Pakistan is formed by 4 papers that cover different topics from human resource management, total quality management to exports orientation and banking issues. Two additional papers on India and Indonesia are included.

The first paper titled “An Analysis on Consumer Preference of Ayurvedic Products in Indian Market” (by Renuka Majajan, Richa Mishra and Sonali Singh) presents the results of customer interest in the Ayurvedic Products in the Indian Market. The authors used exploratory factor analysis, descriptive statistics and the relationship between the demographic factors and the preference of the Ayurvedic Products. The authors identify what products consumers trust and prefer and how that applies to the Ayurvedic Products.

The second paper titled “Impact of High Performance Work Systems on Organizational Performance: A Case of Banking Sector of Pakistan” (by Rabia Mazhar, Muhammad Adnan Sarwar, Muhammad Yousaf Malik, Muhammad Nazam and Saman Mazhar), states that today’s business organizations require increased effectiveness and competitive advantage that can be achieved through High Performance Work Systems (HPWS). This study has proved the same effect in commercial banking sector of Pakistan through a quantitative research design using random sampling technique. A valid and reliable questionnaire tool was used to analyse the data through various statistical techniques. Employee attitude concerning organizational performance influenced via various practiced HPWS

measured in organizational commitment, job satisfaction, and employee turnover intention. The study revealed that reward system and selective staff are not aligned to employee's attitude. Overall the study depicts that conventional banks are incapable to adopt HPWS practices in adequate, satisfactory, worthwhile, dynamic, and advantageous way.

The third paper titled "Financial Technology and Disruptive Innovation in Business" (by Muhammad Anshari, Mohammad Nabil Almunawar and Masairol Masri), presents the results of local FinTech in Indonesia versus global FinTech players. The authors discuss the concept and characteristics of local FinTech in Indonesia and compare that to the global FinTech players. They wanted to see how the local FinTech competed against the global one; could it be resilient against the global FinTech? In this comparative assessment, the authors find that the local FinTech could withstand the global FinTech players in a competition.

The fourth paper titled "Investment Protection Under Bilateral Investment Treaties of Pakistan" (by Muhammad Khalid and Tansif Ur Rehman) explores the BITs of Pakistan and its effects on bringing much needed foreign investment in Pakistan, which is considered a backbone for the economic development for any country. The research reveals that the BITs entered by Pakistan remained a ceremonial gesture to improve the economic relations of Pakistan with other countries without even analyzing the contents of these treaties. Due to this unawareness at the government level, BITs are becoming more nuisance as they give rise to the international investment disputes at international forums, where Pakistan is exposed to investment claims and the cost of international arbitration. Keeping in view of these aims, this research paper highlights the pros and cons of the BITs regime of Pakistan with a hope that in future, a careful analysis may be undertaken before entering into such type of treaties.

The fifth paper titled "Nexus and Perception of Customers Toward Conventional Banking System Does Islamic Banking System Exist as Competitor?: Nexus and Perception of Customers toward Conventional Banking System" (by Malik Shahzad Shabbir and Anika Zeb) studies the perception of customer regarding conventional and Islamic banking system. This research has found the opinions of customers of conventional banks with comparison to Islamic banks, and standalone Islamic branches of conventional banks. However, the respondents belonged to different age groups, occupational background and education irrespective of gender. Furthermore, two branches of each type of bank were selected at random from Lahore city, where eighty (80) customers were selected from each type of bank. The statistical package of social sciences (SPSS) software is used for data analysis. The result also indicates that (40%) of Islamic banks customers should not opt conventional bank for saving deposits due to interest. Moreover, another interesting result highlights the strength of conventional bank, as they don't need of specific shariah board committee, whereas, (42%) and (51%) of Islamic and standalone banks customers are not satisfied with the jurisprudence of these shariah board members.

The last paper of the special issue, titled "Attributes Ensuring Positive Consumer Evaluation in Brand Extension of Pakistan" (by Malik Shahzad Shabbir) states that brand extension is an important cost-effective marketing method to offer new products. However, Ordinary Least Square regression with control variables has been applied for estimation of variable coefficients. In this study, consumer evaluation of brand extension in Pakistan is dependent on quality of the original brand, substitutability of the extension with the original brand in certain usage situation and helpfulness of people, facilities and skills used in developing, refining and making the original brand for constructing its extension. Furthermore, other independent variables including complementarity, difficulty and moderating role of quality of the original brand with fit attributes have been found as irrelevant for determining consumer evaluation of brand extension in Pakistan. This study has found an expected significance outcome on ideal point effect of substitutability at 15%.

We hope this collection of papers on Pakistan contribute to shed light on some issues on business and management in Pakistan.

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