

## EDITORIAL

*Dear readers!*

We are pleased to present the first issue of the journal in 2018. This year we continued improving our practices of open access publishing using the rolling model. This model allows us to ensure timeliness of publication which is an important factor for authors nowadays. Among other good news is the announcement that the Journal of Governance and Regulation was included in the Chartered Association of Business Schools Academic Journal Guide 2018 (United Kingdom) and we see this as one of many acknowledgments of the journal's improvements that we have already received and will receive in the future. We are committed to continuously increasing the overall quality of the journal to serve the needs of research community worldwide.

Starting from 2018 the editorial team of the journal would like to introduce some changes to our editorial note. From now on, the note will also include a scholarly vision of the journal co-Editors or the members of the Editorial Board regarding the papers, published in the current journal issue within wider research perspective.

The current issue of the Journal of Governance and Regulation pays attention to the problems of corporate bankruptcies, relationship marketing in banks, corporate social responsibility in SMEs, monetary operations and Islamic banking in the GCC, corporate brand extensions, the impact of risk factors on the financial performance of the commercial banking sector.

*Young Jun Choi* analyzes the effect of the fast-track program, introduced to address insolvent companies swiftly. The author shows that the effect of this program on interest coverage ratio, representing the degree of rehabilitation, is positive. *Wachyudi N.* aims to provide an alternative model for understanding bank customers' loyalty behavior by examining the effect of relationship marketing in banks and service quality on customer satisfaction and customer loyalty moderated with switching costs. *Electra Pitoska, Konstantinos Giannakis and Dimitra Sdraka* examine dominant perceptions of SMEs and their attitudes towards corporate social responsibility in Greece. *Ritu Basu, Ananthkrishnan Prasad, and Sergio Rodriguez* provide evidence of market segmentation across Islamic and conventional banks in the Gulf Cooperation Council that leads to excess liquidity, and an uneven playing field for Islamic banks that might affect their growth. The authors propose solving this problem by deepening Islamic government securities and developing Shari'ah-compliant money market instruments. *Spyridon Goumas, Dimitrios Charamis, Eirini Maroukla, Alexandros Garefalakis* examine the purchase likelihood of hypothetical service brand extensions from product companies focusing on consumer electronics based on sector categorization and perceptions of fit between the existing product category and image of the company. And finally *Anthony Wood and Shanise McConney* determine the impact of risk factors on the financial performance of the commercial banking sector in Barbados using quarterly data for the period 2000 to 2015. The empirical results indicate that capital risk, credit risk, liquidity risk, interest rate risk and operational risk have statistically significant impacts on financial performance. This paper is the first effort employing such an extensive dataset based on Barbados' commercial banking sector and shows the main factors that influence commercial banks' financial performance in this developing economy.

Some of the aspects of the topics studied in mentioned papers were explored in the academic literature previously. For example, some issues of the firm behavior were analyzed by a number of studies including Vaz Ferreira (2011) and Laghi, Pucci, Tutino, & Di Marcantonio (2012), but mentioned papers did not address companies that are in the insolvency process. At the same time marketing efforts of banks were highlighted in several papers (Assensoh-Kodua, 2016; Lekhanya, 2016; Satt & Tamek, 2017; Colgate & Hedge, 2001; Carlos Fandos Roig, Sanchez Garcia, Angel Moliner Tena & Llorens Monzonis, 2006) however they did not pay sufficient attention to the word of mouth and switching costs. Also, there is a number of papers devoted to the issues of CSR in SMEs in particular (Cranmer, 2017;

Momin & Hossain, 2011; Stiglbauer, 2011) although few studies covered Greek evidence. Widely debated issue in recent years is Islamic banking (Gelmini, 2017; Iswaissi & Falahati, 2017; Marsidi, Annuar & Abdul Rahman, 2016) however neither of mentioned studies made as deep analysis of the problem on the macroeconomic level as in the paper present in the current journal issue. The bank governance and risk-performance relationship is also very polemical research issue (El-Bannany, 2008; Hassan, Wolfe & Maroney, 2004; Kleinow & Horsch, 2014) but there is a huge demand for a substantial research in this direction based on the data from the emerging countries as it is presented in Wood and McConney paper published in the current issue.

We hope that you will enjoy reading the journal and in future, you will contribute to studying the most important issues and best practices of governance and regulation!

*Dr. Yaroslav Mozghovyi, Co-Editor-in-Chief, Journal of Governance and Regulation*

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