

Content

1	Introduction.....	1
1.1	Research Problem	1
1.2	Research Objective and Approach.....	2
1.3	Research Structure	3
2	Analytical Framework	5
2.1	Theories of Strategic Management	5
2.1.1	Strategic Management Approaches	5
2.1.1.1	The Market-based View of Strategic Management	6
2.1.1.2	The Resource-based View of Strategic Management.....	7
2.1.1.3	New Institutional Economics Approaches.....	9
2.1.2	Strategic Management Propositions on Banking	11
2.1.2.1	Bank Performance: The Importance of Corporate Vision, Mission and Objectives.....	12
2.1.2.2	The Impact of External Factors on Bank Performance.....	13
2.1.2.3	The Impact of Internal Factors on Bank Performance.....	17
2.1.2.4	The Impact of Company Strategies on Bank Performance.....	19
2.1.2.5	The Impact of Strategy Implementation on Bank Performance	20
2.2	Islamic Finance in Theory and Practice.....	22
2.2.1	The Fundamentals of Islamic Finance	22
2.2.1.1	Sources, Methods and Schools of Law	23
2.2.1.2	Principles of Islamic Economics and Finance	25
2.2.2	Islamic Financial Products	28
2.2.2.1	Debt-like Instruments.....	29
2.2.2.2	Equity-like Instruments.....	31
2.2.2.3	Derivative-like Instruments	33
2.2.2.4	Hybrid Instruments	35

2.2.2.5 Other Transactions and Services.....	37
2.2.3 Islamic Finance Markets	38
2.2.3.1 Overview.....	38
2.2.3.2 Institutional Framework.....	42
2.2.3.3 Islamic Banking in the GCC area	47
2.2.3.4 Islamic Banking in Malaysia	57
2.3 Empirical Literature Review.....	62
2.3.1 General Studies	63
2.3.2 Islamic Finance Studies	65
2.4 Conceptual Model and Hypotheses	67
2.4.1 Overview.....	67
2.4.2 Hypotheses.....	71
2.4.2.1 Model 1: Impact of External Factors on Performance.....	71
2.4.2.2 Model 2: Impact of Internal Factors on Performance.....	73
2.4.2.3 Model 3: Impact of Company Strategies on Performance.....	75
2.4.3 Summary	77
3 Empirical Study	79
3.1 Research Methodology	79
3.1.1 Data Collection and Sampling	79
3.1.1.1 Data Collection Tool.....	79
3.1.1.2 Data Generation	81
3.1.1.3 Sample.....	82
3.1.2 Data Analysis	87
3.1.3 Data Measurement	91
3.1.3.1 Operationalisation of External Factors	92
3.1.3.2 Operationalisation of Internal Factors	93
3.1.3.3 Operationalisation of Company Strategies	103
3.1.3.4 Operationalisation of Company Performance.....	108
3.2 Research Findings.....	110
3.2.1 Model 1: Impact of External Factors on Performance.....	110
3.2.2 Model 2: Impact of Internal Factors on Performance.....	114

3.2.3	Model 3: Impact of Company Strategies on Performance.....	120
3.2.4	Summary of Empirical Results.....	125
4	Summary and Concluding Remarks.....	127
4.1	Analytical and Empirical Summary.....	127
4.2	Implications for Islamic Financial Institutions.....	129
4.3	Limitations and Future Research Suggestions.....	132
	References.....	137
	Appendix.....	153