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The Malaysian Institute of Management is proud to present the Jan-Jun 2011 edition of the Malaysian Management Review. This issue features four papers on general management and one on Islamic Finance. We have also revamped our editorial committee as part of our commitment to present you with the best in management thinking.

The Notes for Authors have also been updated, please browse through them to better understand our requirements for article submission for the upcoming issues.

In this edition, we are featuring:

**Affecting Eternity via Management by Connectivity: An Islamic View**
In view of a raised capitalist society the business attitude of maximising material gains has crossed the limits for greed indicative of an ethical crisis characterised by depleted managerial moral behavior. The study examines the role of business managers in a capitalist business world and suggests deontological measures gained through Divine Command Islamic perspectives (after having discussions with Islamic Scholars) on how to deal with ethical crises.

**Exploring Malaysian Corporate Leaders’ Views of an Effective Board**
This paper reports on the exploratory and qualitative study of the characteristics of an effective board by the Malaysian corporate leaders. The results are derived from semi structured interviews with 41 directors of top 100 Malaysian Public Listed Companies (PLCs). Four characteristics of an effective board perceived to be important and discovered in this study suggest that a board has; (1) the right memberships; (2) the right culture; (3) clear roles and responsibilities; and (4) the right structures.

**Moderating Effects of Age, Gender and Hierarchy Level of the Superior on The Relationship between Conflict Handling Styles and Satisfaction with Supervision**
This study aims to explore the moderating effect of a superior’s age, gender and hierarchy level on the relationship between conflict handling styles and satisfaction.

**Pricing on Islamic Banking Products**
In the past, banks have traditionally priced their products based upon either on the competition’s pricing or what the market would bear. This paper highlights the current pricing methods of Islamic Banking Products and provides a few examples of pricing mechanisms (for Islamic banking products).
The influence of Organisational Commitment on Organisational Readiness for Change in a provision of higher learning institution.

Many factors contribute to the effectiveness in implementing organisational change. However, change management is a painful process and many change efforts failed due to lack of commitment, management style and emotional distress of the employees. This study was intended to determine the influence of organisational commitment on organisational readiness for change in a higher learning institution. It is based on a conceptual framework that combined part of an adapted model from organisational development and change theory.

Here is to a productive 2011 for all our readers!

The Chief Editor
ABSTRACT

This paper aims to highlight the current pricing methods and to provide a few examples of pricing mechanisms for Islamic banking products. In the past, banks have traditionally priced their products based upon the competition’s pricing or what the market would bear. It has become obvious to us that in the current competitive environment, those old methods will not work. Furthermore, Islamic banks are prohibited from paying and receiving interest and Islamic banks are co-existing with conventional banks. The pricing methods of Islamic banking products would definitely create a displaced commercial risk and admissibility from the shari’ah perspective. Hence, the pricing mechanism of Islamic banking products become an important area that needs to be explored.

Keywords: pricing methods; displaced commercial risk; prohibition of interest

1. INTRODUCTION

In the past, banks have traditionally priced based upon either what the competition is doing or what the market would bear. It has become obvious to us that in the current competitive environment, those old methods will not work. Before setting pricing parameters, the bank should set some basic return objectives such as return on average assets, return on average equity, and net income margin. Equally important to meeting the objectives is the establishment of a loan-to-deposit ratio. Why should the bank be concerned with return on average assets and return on average equity since these are in reality end-result or "big picture" considerations? The answer is very simple. If the banks are not focused upon the desired end-result, the banks cannot be reasonably