

EXPORT PERFORMANCE UNDER THE MICROSCOPE: MANAGERIAL, ORGANISATIONAL AND ENVIRONMENTAL LENSES

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Keywords: Export performance; Small and medium sized enterprises; Spain.

JEL Classifications: F23

ABSTRACT

The objective of the paper is to determine which managerial, organisational and environmental determinants significantly influence the export performance of small and medium-sized enterprises (SMEs), involved in export activities. The present research aims to contribute to a better understanding of the export performance, measured both objectively and subjectively, by jointly studying its internal and external determinants. The proposed conceptual model, previously revised by employing four case-studies, is afterwards tested with a sample of Spanish (Catalan) SMEs. The results show that managerial language skills, export perceived stimuli and firm export experience positively influence export intensity while firm age is negatively correlated. Moreover, manager's international business knowledge and years of international experience, the export commitment of the firm and the unexpected orders from abroad positively influence the satisfaction with export performance whereas manager's global mindset is negatively associated with the same dependent variable. Also, some industry based differences are revealed by the analysis.

INTRODUCTION

As a result of the intensifying globalisation of the world's economies (Morgan and Katsikeas, 1997) as well as the focus on improving national deficits (Katsikeas et al., 1996) international business involvement is becoming particularly relevant both in terms of national prosperity and for individual organisations.

Exporting represents the most popular, quickest and easiest way for many small companies to internationalise (Leonidou et al., 2007). Indeed, Morgan and Katsikeas (1997) asserted that in the case of SMEs exporting activities gain particular importance for their survival, growth and long-term viability, since exporting represents a less resource-laden approach as compared with alternative foreign market entry and expansion modes, such as joint ventures arrangements or manufacturing operations overseas.

Much of the literature on the internationalisation of the firm has focused on multinational enterprises (MNEs) (Andersson et al., 2004) or large, well-established firms (McDougall and Oviatt, 1996). This research is focused on small and medium enterprises (SMEs) due to their recognized importance to economic activity, employment, innovation and wealth creation in most countries (Katsikeas et al., 1998; Sousa, 2004). Also, improving the international contributions of the small business sector is widely considered as an increasingly important policy priority in countries across the world.

In order to be able to improve the international contributions of SMEs it is crucial to identify and analyse the influence that certain export determinants may have on export performance. During the last four decades, numerous studies have related one or multiple of these determinants to export performance, however, most of them adopting either the

internal perspective (managerial and/or organisational factors) or the external one (environmental and/or industry factors). Moreover, no universal agreement has been reached in the export oriented literature regarding which are the relevant determinants of export performance and their measurement (Zou and Stan, 1998). Therefore, the present study intends to further research this complex topic, with the view of providing a comprehensive picture of SMEs export performance by jointly studying the influence of the internal and external determinants.

The European Union is the world's largest exporter of goods (Lages and Montgomery, 2004). However, there is a certain need for research to pay attention to European SMEs, considering that most research has been carried out with firms based outside the European Union (EU), especially North American companies (Bloodgood et al., 1996; Leonidou and Katsikeas, 1996; Calantone et al., 2006). In this sense, this paper selected to focus on the Spanish (Catalan) geographical context, as it has not been as widely researched and therefore, deserves further attention.

THEORETICAL BACKGROUND

Several theoretical approaches have been used for explaining how firms engage in international business. Among those some suggest that the internationalisation of the firm is a gradual process (e.g. The Uppsala-model) while other approaches emphasize the entrance into international markets from inception (e.g. The Born Global phenomenon). The Uppsala-model initiated by Johanson and Wiedersheim-Paul (1975) and reformulated by Johanson and Vahlne (1977; 1990) posits that as firms learn more about a certain foreign market, they become more committed to it by investing more resources into that market. Johanson and Wiedersheim-Paul's (1975) study identified the lack of knowledge and/or resources, and the resulting uncertainty to the firm, as the principle obstacle to

internationalisation. Over time and with the accumulation of experimental knowledge the firm gradually extends its foreign activities to markets that have increasingly greater psychic distance. Making reference to the lack of knowledge and/or resources as an important barrier to extending company's activities abroad, as well as to the relevance of the learning process based on continuous accumulation of overseas market experience, the Uppsala model is particularly adequate for studying SMEs internationalisation, in spite of various criticism it has received (Andersen 1993; Andersson, 2004). As opposed to the stage models, more recent research into the internationalisation of the firm revealed an early and rapid expansion into international markets by smaller, highly committed, technology intensive firms (McNaughton, 2003). The so called "Born Global" firms aim at international markets or even at the global market right from their birth.

While one of the dominant perspectives in the business strategy literature, the Resource Based View (RBV) has received relatively little attention in the context of international business, though it is gaining momentum (Fahy, 2002). Following Peng (2001), the RBV in international business has lately become a burgeoning perspective, with contributions from a wide variety of authors and institutions around the world. According to the RBV, firm resources are sources of competitive advantage. Bloodgood et al. (1996) further build on this idea arguing that those firms which present unique bundles and combinations of resource stocks might have a higher proclivity towards internationalisation. Previous empirical research also revealed that resources and capabilities have a significant influence on firm performance. Frequently firm size and age are used as proxies for organisational resources and capabilities. Also, drawing on the RBV insight, top managers may represent some of the most valuable, unique, and hard to imitate resources (Peng, 2001).

LITERATURE REVIEW AND HYPOTHESES

A review of the literature concerned with the determinants of firm's export performance reveals that there have been generally identified three main groups of such factors: managerial determinants (including managerial characteristics and perceptions), organisational determinants and environmental determinants (including the incidence of the industry sectors). The first two groups of factors represent internal determinants which can be controlled by the management while the last group, the external determinants, can only be controlled to a limited extent by the firm. In what follows, we provide a literature review on what one could consider to be the most relevant determinants of export performance (Insert Figure 1).

Managerial Determinants: Characteristics and Perceptions

Researchers have identified numerous managerial characteristics and perceptions which may shed light on the export performance of the firm; however, the literature on the topic is still characterised by the lack of consensus among scholars as to what constitutes the managerial factor in determining exporting and what specific dimensions are influenced by management (Leonidou et al., 1998).

Managerial Characteristics

Age. Numerous scholars observed that younger managers seem to be more export oriented than their older counterparts. Jaffe et al. (1988) and Moon and Lee (1990) considered manager's age as a predictor for export behaviour, due to the fact that younger managers are generally more internationally minded and cosmopolitan than their older counterparts. A more recent study also observed that the age of the CEO (younger CEOs) may explain why smaller firms continue to grow in international activities, as the younger generation of

CEOs see the world as their market place and push for increased international activities (Andersson et al., 2004).

H1a: Manager's age is negatively related to SME's export performance.

International Experience. This concept is associated with managerial involvement in international business. Czinkota and Ursic (1991) observed that decision maker's exposure to foreign cultures affected export performance. The more time the manager has been in contact with the international environment, the better he/she is able to understand foreign cultures and ways of doing business, as well as he/she is able to identify potential market opportunities abroad, establish contact with foreign partners and successfully perform in the international arena.

H1b: Manager's international experience is positively related to SME's export performance.

Foreign Language Skills. According to Davis (1995), in addition to facilitating communication, foreign language skills ease the understanding of a certain foreign culture. Moreover, a recent study Knowles et al. (2006) points out that decision-makers of successful exporting firms were much more likely to have foreign language skills and these skills were often at a higher level than those of less successful exporters, at the same time presenting an international mindset that is conducive to successful internationalisation.

H1c: Manager's foreign language skills are positively related to SME's export performance.

Global Mindset. As a result of the increased globalisation of the world's economies, the global mindset concept has emerged as a crucial source of long-term competitive

advantage in the global marketplace (Levy et al., 2007). A growing number of scholars consider global mindset as an important determinant of various organisational outcomes (Harveston et al., 2000; Gupta and Govindarajan, 2002). For defining the global mindset concept we adopt the definition provided by Gupta and Govindarajan (2002, pp. 117): “*a high differentiation, high integration mindset in the context of different cultures and markets. ... one that combines an openness to and awareness of diversity across cultures and markets with a propensity and ability to synthesize across this diversity*”.

H1d: Manager’s global mindset is positively related to SME’s export performance.

International Business Knowledge. We have previously argued that certain managerial characteristics, which have been frequently studied in association with export performance and behaviour in general, such as: years of international experience, the foreign language skills as well as the global mindset may have an impact on the export performance of the SME. Yet, it is not only the above mentioned factors that may influence export performance, but also the actual international business knowledge acquired with the aid of these factors, possibly based on former international business focused education and most likely required in order to yield high export performance.

H1e: Manager’s international business knowledge is positively related to SME’s export performance.

Managerial Perceptions

Managerial Perceptions about Firm’s Growth/Profit as Exporting Expectations. The concept refers to the way in which the decision-maker pictures the future of the firm and his/her general perception about exporting. According to Cavusgil (1984) the development of export activities is related to the goals of the firm. The extent to which a firm is

motivated to export by sales/profit goals is largely contingent upon the decision maker's perceptions about the export markets (Leonidou et al., 2007). Other studies show the existence of a positive relationship between profit perceptions and export development (Jaffe et al., 1988; Moon and Lee, 1990).

H1f: The more important the management perceives the contribution of the export activity for sales growth and profit, the more likely a positive relationship with SME's export performance.

Perceived Export Barriers. In international business it is crucial to take into consideration the way the general environment is perceived by the management (Cateora, 1996). However, the influence that the managerial environmental perceptions have on the internationalisation of the company represents a research area relatively under explored (Manolova et al., 2002). In particular, socio-cultural and political-legal factors form part of the industry structure and may represent export barriers.

H1g: The more the management perceives the environmental differences to represent barriers for the export activity, the more likely a negative relationship with SME's export performance.

Organisational Determinants

Various firm's characteristics have been identified in the literature as direct determinants of export performance, most of them, however, provided rather contradictory results. The present study hereby considers the organisational characteristics most frequently associated with export performance, which deserve to be further investigated.

Firm Size. Firm size represents one of the firm's characteristic most frequently related to export performance and one of the most controversial at the same time. While numerous

studies have established a positive relationship between firm size and export performance (e.g.: Cavusgil and Naor, 1987; Baldauf et al., 2000; Majocchi et al., 2005; Karadeniz and Göçer, 2007) other researchers (Bonaccorsi, 1992; Kaynak and Kuan, 1993; Alonso and Donoso, 2000) found no association or a negative one. Therefore, we believe further research is needed for assessing whether firm size has a significant impact on export performance, and if so to determine its direction.

H2a: Firm size is positively related to SME's export performance.

Firm Age. Likewise, findings regarding firm's age in relationship with export performance are mixed. Majocchi et al. (2005) and Karadeniz and Göçer (2007) report a significant positive relationship between firm age and foreign sales. On the contrary, Kaynak and Kuan (1993) observed that younger firms tend to have better profitability as they seem to be more willing to adapt. Also, other researchers observed a significant negative relationship between the age of company and export performance (Baldauf et al., 2000).

H2b: Firm age is positively related to SME's export performance.

Firm Export Experience. As in the case of firm size and age, previous studies dealing with the relationship between export experience and performance obtained controversial results. While scholars such as Madsen (1989), Dominguez and Sequeira (1993) and Cavusgil and Zou (1994) observed a positive relationship between export experience and export performance, Cooper and Kleinschmidt (1985) and Naidu and Prasad (1994) identified a negative association.

H2c: Firm export experience is positively related to SME's export performance.

Firm Export Commitment. Previous research has highlighted firm's export commitment as an important determinant of export behaviour (e.g.: Cavusgil and Naor, 1987; Beamish, 1993; and Katsikeas et al., 1996). More precisely, it is considered that if the firm dedicates special efforts and allocates important resources to the export activities higher export performance results would be achieved.

H2d: Firm export commitment is positively related to SME's export performance.

Environmental Determinants

Finally, export performance may be influenced by some environmental factors such as: demand saturation/shrinkage/high competition on the domestic market, unexpected orders from abroad, the attractiveness (high potential) of overseas markets, information availability regarding opportunities abroad as well as the industry determinant. These factors are not under the control of the manager, yet they may have an impact on export performance.

Demand Saturation. Various researchers argued that high competition on the domestic market is a relevant determinant for the manager's decision to enter or expand (to) foreign market activities (Kaymak and Kothari, 1984; Seyoum, 2004). Dean et al. (2000) also posited that many firms may direct themselves to foreign markets because of intensified competition at home, maturing domestic markets, or limited home market opportunities.

H3a: Demand saturation/shrinkage/high competition on the domestic markets is positively related to SME's export performance.

Unexpected Orders from Abroad. Authors such as Cavusgil and Zou (1994) or Crick and Chaudhry (1997) found that an unsolicited order from abroad acted as an important stimuli for the development of the export activity. In spite of the fact that the unsolicited orders

from abroad have been typically associated with export initiation, we believe that their incidence on firm's export performance (especially measured as export intensity and satisfaction with different aspects related to export performance) should also be further analysed.

H3b: The unexpected orders from abroad are positively related to SME's export performance.

Export Market Attractiveness (High Potential). As an alternative to already saturated or highly competitive domestic markets and potentially providing higher profit margins, foreign market high potential could determine increased export involvement as well as high export performance. While the majority of the studies found that export market attractiveness has a positive effect on export performance (Madsen, 1989; Styles and Ambler, 1994; Naidu and Prasad, 1994), others reported a negative or insignificant effect for this factor (e.g. Kaynak and Kuan, 1993).

H3c: Export market attractiveness (high potential) is positively related to SME's export performance.

Information Availability Regarding Opportunities Abroad. According to Andersen (2006) export managers often find themselves in situations where the lack of relevant export information constitutes an important barrier to initiating/further developing export activities. Leonidou and Katsikeas (1996) argued that acquisition of sufficient information on foreign markets and operations is of crucial importance for a firm's export expansion. In addition, researchers showed that export information affected export performance (Wilkinson et al., 2002).

H3d: Information availability regarding opportunities abroad is positively related to SME's export performance.

Firm Industrial Sector. Industry characteristics define the competitive environment within which firms operate. This becomes even more true the smaller the firm's resources (Majocchi et al., 2005). With no intension of hypothesising a relationship, we believe that certain distinction will appear in terms of export performance between manufacturing and service SMEs.

EMPIRICAL METHODOLOGY

Data Collection

In order to select and analyse the most relevant managerial, organisational and environmental determinants for our quantitative study of Spanish (Catalan) exporting SMEs, we considered of crucial importance to carry out two preliminary phases. In the first place, a comprehensive review of the export performance determinants was made. Afterwards, in order to determine which internal and external determinants, from the wide variety highlighted by the literature in the field, have at present a strong influence on the export performance of Spanish (Catalan) SMEs, four case-studies were employed. Consequently, the conceptual model presented above has been previously assessed and revised by employing a qualitative research method.

In order to empirically test our model by means of a larger dataset, quantitative data was collected through an online survey directed to the managers/person in charge of the export activity in Spanish (Catalan) SMEs. For selecting the firms to which the questionnaire was aimed, the Kompass data-base was used. The final population obtained was of 3,470

exporting SMEs, established in Catalonia, Spain. However, the enterprises that did not have specified a personal e-mail address, indispensable requirement for participating in the survey, or whose e-mail was incorrect, had to be excluded from the sample. The questionnaires were sent out in February 2008 in the following manner: firstly, questionnaires were sent out in early February 2008; 163 answers were received back until mid February, when a remainder was sent; 150 more answers were obtained and a second reminder, also mentioning the deadline of the survey was at the end of February, was sent; this yielded 110 more answers. A total number of 423 questionnaires were received back, representing a 12% response rate. Nevertheless, given the fact that the questionnaire was seven pages long and numerous questions required exact, detailed answers, a large number of the observations presented missing values to certain questions. Hence, after eliminating those that did not provide answers for all the questions related to this study, 129 cases (exporting SMEs) were considered valid. However, the 129 observation sample presents a very similar representatively both in terms of the nine industrial sectors considered in the study as well as regarding the size of the companies, when compared to the larger sample.

Measurement of Variables

Independent Variables

- Manager's age: choosing out of four intervals (<30; 31-40; 41-50; >50 years).
- Manager's international experience: total number of years being involved in international business, measured as a continuous variable.
- Manager's foreign languages skills: total number of foreign languages spoken, measured as a continuous variable.
- Manager's global mindset: answering if he/she considers himself/herself to be characterised by a global mindset, dummy coded.

- Manager's international business knowledge: six items were included in this construct: i) international marketing knowledge, ii) international management knowledge, iii) global knowledge of international markets, iv) international finance knowledge, v) international legislation knowledge, vi) knowledge of applying ITC to international business. Respondents were asked to assess their own ability regarding the six items above mentioned, on a five-point Likert scale extending from "limited" = 1 to "extensive" = 5.
- Managerial perceptions regarding exporting: were measured with six different items on a five-point Likert scale. The respondents had to indicate the extent to which he/she disagreed/agreed ("total disagreement" = 1; "total agreement" = 5) with six statements regarding the export activity: i)-ii) the export activity contributes fundamentally to the growth in sales of the firm/profit of the firm; iii)-vi) language/cultural/political/legal differences represent important barriers for overseas activities.
- Firm size: was measured as a continuous variable, by using the total number of full time employees.
- Firm age: was operationalised as the number of years since start-up measured as a continuous variable.
- Firm export experience was measured as a continuous variable, by the number of years the firm has been engaged in export activities.
- Firm export commitment: represents a construct composed of four items: i) the existence of a separate export department, ii) strategic planning of the export activities; iii) carry out research activities on the international markets, iv) regular visits to the export markets. The first item, related to the export department, is dummy coded ("yes" = 1; "no" = 0), while the other three items are measured on a five-point Likert scale

where the respondents had to express the extent to which they disagreed/agreed with the statements (“total disagreement” = 1; “total agreement” = 5).

- Four environment related items were selected for the study. The respondents were asked to indicate the importance, on a five-point Likert scale (“not important” = 1; “very important” = 5), of the following four items for the export activity (performance): i) domestic market characterised by demand saturation/shrinkage or high competition, ii) unexpected orders from abroad, iii) attractiveness (high potential) of the export markets, iv) information availability regarding opportunities abroad.
- With regards to the activity sectors, the 129 firms included in the valid sample belong to one of nine different sectors, eight of which being manufacturing sectors: i) food and beverage, ii) textile, iii) wood, paper and furniture, iv) chemical industry, v) metallurgical and metal machinery, vi) electrics and office machinery, vii) extractive and constructions, viii) transport materials and other manufacturing and the ninth is the service sector.

Dependent Variables

No uniform definition of export performance is provided by the literature (Cavusgil and Zou, 1994) and also, there is no agreement on how to measure export performance (Zou and Stan, 1998). Numerous studies have measured export performance using a single indicator providing a rather limited explanation of the phenomenon. Zou and Stan (1998) stated that many studies are focused on a narrow view of export performance (e.g. export sales), whereas others have used non-financial measures. Hence, it is advisable to make use of both financial/objective and non-financial/subjective measures, in order to provide a more complete picture of export performance. From the objective perspective, we chose to rely on export intensity. This variable is, according to Katsikeas et al. (2000), by far the

most widely employed indicator in empirical research. Export performance was also measured subjectively by using a set of ten items. More precisely, respondents were asked to self-evaluate, on a five-point Likert scale (“very unsatisfied” = 1; “very satisfied” = 5), their satisfaction with the following items: i) achieving the established objectives of the export activity, ii) the results on the main markets as compared with the main competitors (local and international), iii)-iv) the growth of the overseas sales in total/on the main markets, v)-vi) the total market share overseas/on the main markets, vii)-viii) the results of the main products in total/on the main markets, ix) the profitability of the overseas activities, x) the expansion to new geographical markets.

RESULTS AND DISCUSSION

Analysis and Results

The analyses performed for this paper are three folded. Firstly we made use of descriptive analysis for revealing a general profile of the exporting firms included in the sample. Next four procedures of factor analysis were employed for checking construct dimensionality, also followed by descriptive statistics and correlations for the variables/constructs (variables constructed on the factor scores previously obtained) included in the present study. Finally Ordinary Least Square (OLS) regression analyses were used with the purpose of testing the proposed hypotheses.

Profile of Exporting Firms

In order to describe our sample and to provide the profile of the 129 Spanish exporting SMEs included in this study, we performed brief descriptive statistics. Our results show that 8.5% of the SMEs included in our sample are micro firms (1-9 employees), 54.3% are small firms (10-49 employees) and 37.2% are medium enterprises (50-249 employees).

The mean firm age was of 34 years and on average the 129 firms have been exporting for 17 years. The enterprises comprised in the sample belong to nine different activity sectors: food and beverage 10.1%, textile and clothing 7.8%, wood, paper and furniture 4.7%, chemicals 12.4%, metallurgy and metal machinery 24.8%, electronics and office apparel 14.7%, extractive and constructions 4.7%, transport material and other manufactures 9.3% and services 11.6 %.

Factor Analysis Results

Four factor analysis procedures were conducted in order to assess construct dimensionality and to condense and summarize the information related for several determinants. KMO and Bartlett sphericity tests were utilised for revealing the correlation degree among the items considered. Next, principal components analysis, with varimax rotation, was conducted and factors with eigenvalues greater than 1 were extracted. Thus, factor scores were calculated, the new dimensions were interpreted and further used in the analysis. We also checked the reliability of the newly obtained scales by using the Cronbach alpha coefficient (Insert Table 1). Next, we provided descriptive statistics and correlations for the variables/constructs used in this research. Due to space consideration, the industry related items could not be included in this statistic analysis (Insert Table 2).

Regression Analysis Results

The conceptual model (Figure1) was specified as a linear equation and estimated using (OLS) regression procedures, individually, for each of the three export performance measures: ratio of exports to total sales in 2007 (Regression Model 1), satisfaction with export market position and achievement of export objectives (Regression Model 2) and satisfaction with main product export results, export profitability and new market entry

(Regression Model 3). For all three regressions procedures, we have used as independent variables all those variables included in the conceptual model, some of them being the result of a factor analysis procedure, as mentioned above.

Regression Model 1 proved to be globally significant ($F=2.751$, $p<0.001$) and explained a 25.5% of the total variance. Four variables appeared to have a statistically significant effect on export performance measured as the ratio of exports to total sales in 2007. While the number of foreign languages spoken ($b=4.420$, $p<0.05$), the perceived export stimuli ($b=6.971$, $p<0.01$) and firm export experience ($b=0.416$, $p<0.05$) positively related to export intensity, firm age ($b=-374$, $p=0.001$) negatively influenced the same dependent variable (Insert Table 3).

Regarding Regression Model 2, the overall model was also significant ($F=1.958$, $p=0.01$) and accounted for a 15.8% of the total variance. Two variables were statistically significant. Both international business knowledge of the manager ($b=0.302$, $p<0.01$) and unexpected orders from abroad ($b=0.386$, $p<0.05$) were positively related to the satisfaction with export market position and achievement of export objectives (Insert Table 4).

Regression Model 3, as the other two models, proved to be statistically significant ($F=2.628$, $p<0.001$) and explained a 24.1% of the total variance. This time, three variables turned up to be statistically significant. While the years of international experience of the manager ($b=0.044$, $p<0.01$) as well as firm export commitment ($b=0.209$, $p<0.05$) related positively to the satisfaction with main product export results, export profitability and new

market entry, the global mindset of the manager ($b=-0.600$, $p=0.01$) related negatively to the same dependent variable (Insert Table 5).

In addition, some significant results were found related to the activity sector, in terms of the subjective export performance measures. Using the service sector as reference category, we observed significant positive results for the following manufacturing sectors: food and beverage ($b=0.779$, $p<0.05$), extractive and constructions ($b=0.969$, $p<0.05$) – with satisfaction with export market position and achievement of export objectives as dependent variable and chemicals ($b=1.577$, $p<0.001$), metallurgy and metal machinery ($b=0.672$, $p<0.05$), electronics and office apparel ($b=0.988$, $p<0.01$), transport material and other manufactures ($b=0.972$, $p<0.05$) - with satisfaction with main product export results, export profitability and new market entry as dependent variable.

Discussion

As we have previously seen, we conducted three OLS regression analyses in order to test our hypotheses, thus being able to verify which of the export determinants analysed have an impact on the export performance of Spanish SMEs. The results obtained reveal that the three performance measures considered appear to be influenced by different export determinants.

Related to the managerial determinants of export performance we proposed and tested hypotheses H1a-g. Based on the literature review, we predicted a negative relationship between manager's age and the export performance of the firm (H1a), however, no significant association was found. H1b proposed that the international experience of the manager, measured by the years of international business involvement, positively related to

export performance. Our results revealed indeed, one significant positive relationship between manager's international experience and satisfaction with main product export results, export profitability and new market entry. Regarding the number of foreign languages spoken by the manager a significant positive relationship was observed with the ratio of exports to total sales as proposed by H1c. Although the subjective performance measures are not statistically significant related to manager's foreign language skills, this determinant clearly influences export intensity. H1d suggested a positive association between manager's global mindset and export performance. Contrary to our prediction, the results showed a significant negative link with the satisfaction with the main product export results, export profitability and new market entry. This could point to the idea that more global minded managers have higher expectations, and are particularly exigent when evaluating the outcomes of the export activity. No other significant associations were found with the remaining two measures of export performance. As put forward by H1e, manager's international business knowledge and the satisfaction with export market position and achievement of export objectives are positively related. In other words, and most likely as a result of being better aware of the highly demanding international business conditions, the more international business knowledge the decision maker possesses, the higher his/her satisfaction with export market position and achievement of export objectives. Concerning the managerial perceptions, we proposed a positive relationship between export stimuli and export performance (H1f) and a negative one between export barriers and the same dependent variable (H1g). The results uncover only one significant association, with a positive sign, between the perceived export stimuli and the ratio of exports to total sales. Thus, support is found for H1f related to this objective export measurement; the more important the perceived export incentives regarding growth and higher profit on the overseas markets, the more the firm is involved in exporting.

Among the organisational characteristics, firm size, which was expected to be positively related to export performance (H2a) turned out not to have a significant effect on neither the objective nor the subjective measures of the dependent variable, showing that, for the exporting SMEs analysed in this study, firm size no longer necessarily corresponds to international success. On the other hand, both firm age and firm export experience are significantly related to the ratio of exports to total sales. While the relationship established between firm age and export intensity is a negative one, contradicting our proposed hypothesis (H2b), and providing certain support for the Born-Global phenomenon, firm export experience and export intensity appear to be positively related, thus supporting H2c, and the Stage-model theory. Given the rather contradictory nature of our last two findings, we believe that these results may be interpreted in the following manner: in order to reach higher export performance, some SMEs start the overseas activities while young as they need to rapidly accumulate export experience on the international markets in order to fulfil this goal. We could also argue that younger firms tend to be more internationally oriented from inception, and therefore, get involved in abroad activities earlier and with an increased facility as compared to their older counterparts, perhaps more resistant to change and less risk tolerant. However, for achieving higher export levels they would need to gain certain export experience. No significant association was found between any of these two variables and the subjective measures of export performance. H2d predicted that export commitment positively influenced export performance. Only one significant relationship, with a positive sign, was established between this variable and satisfaction with main product export results, export profitability and new market entry implying that the more committed the firm is to exporting, the more optimistic and satisfied the decision-maker is.

Turning to the effects of the environmental determinants, only one significant relationship was established. While the situation on the domestic market (H3a), the attractiveness (high potential) of foreign markets (H3b) and the availability of information about export opportunities (H3d) did not bear any significant impact on export performance, the unexpected orders from abroad (H3c) was significantly related to the satisfaction with export market position and achievement of export objectives as predicted by our proposed hypothesis. This could suggest that the additional export sales brought by unsolicited orders from abroad had a relevant contribution to the achievement of a certain export market position as well as of export objectives, thus augmenting the export performance satisfaction.

Also, the significant results obtained by some manufacturing industries as compared to the service one, showed that managers belonging to several manufacturing sectors seem to be more satisfied with their firm's export performance than those working in the service industry. A possible reason for this may be the fact that export activity is easier to measure and assess in manufacturing firms in comparison to service firms.

CONCLUSIONS

An overview of the results shows that the three different measures of export performance are influenced by different export determinants. Thus, when considering the objective export performance measure, we observed that, as predicted by previous research, a significant positive relationship was established with both manager's foreign language skills and the perceived export stimuli. Moreover, firm export experience positively influences export intensity while firm age is negatively related to the same dependent variable. Regarding the subjective measures of export performance, manager's

international business knowledge and the reception of unexpected orders from abroad positively influence manager's satisfaction with export market position and achievement of export objectives. On the other hand, manager's years of international experience as well as the sustained effort to commit to exporting conducted to a higher level of satisfaction with the main product export results, export profitability and new market entry. On the contrary, the results showed that the more global minded the manager the less satisfied with the main product export results, export profitability and new market entry. This could be explained by the fact that more global minded decision-makers are also more self-demanding and rather exigent when assessing their own company's performance results. The results also point to a distinction regarding satisfaction with export performance in between the service and manufacturing sectors.

From an academic point of view, the present study intended to provide further insights into the topic concerned with the determinants of SMEs' export performance. In order to accomplish that, we aimed to fill in existent gaps in the literature by: choosing as geographical context Spain, country where the topics related to SMEs export performance determinants have not yet been as widely investigated, focusing on a multi-dimensional perspective of the export performance determinants' considering both the internal and external influences at the same time, employing not only either objective or subjective measures of export performance, but both of them.

The research reveals relevant policy implications. The policy initiatives should aim to develop the international orientation of the decision maker in the firm as a precursor of the formulation and afterwards implementation of successful internationalisation strategies. Therefore, the promotion of foreign languages as well as of international business training

programmes should be pursued, in both schools/universities and working places, in order to get the future decision makers in firms more familiarised with different languages and cultures, thus, increasing their international propensity. Government organisms should also stimulate SMEs managers to start exporting as soon as possible after start-up, thus, being able to accumulate export experience faster and obtain higher performance levels.

The study also provides some contribution to practitioners. As the empirical findings show, the export performance of the firm, objectively measured, is strongly influenced by the foreign language skills of the manager, the perceptions regarding export stimuli, the firm age, and the firm export experience. More precisely, our findings could help managers realise the importance of controllable variables for achieving higher export intensity. Consequently, they should be aware that the key role in improving objective export performance is played by their own foreign language skills and perceptions regarding export incentives rather than by the environmental determinants. Besides, the lack of significance in the relationship of manager's age as well as firm size regarding all three export performance measures points to the idea that on one hand that export performance is practically independent of decision maker's age and on the other hand that rather small firms should not consider their size as a possible hindrance for being a successful exporter.

The present empirical analysis also has some limitations. First, the SMEs included in the sample are all located in one of Spain's provinces, Catalonia, and therefore, the results may solely be representative for this region rather than for the whole Spanish or European context. Second, the data used for this research is static in nature, no longitudinal analysis being performed. As future research directions we believe it would be fruitful to test similar export performance models in other geographical settings within Spanish and

European regions. A longitudinal approach of the topic would also be highly recommended. Alternatively, we consider that other determinants of export performance should be taken into consideration (e.g. technological, organisational and social/relational capital and international marketing strategy) and additional performance measures.

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APPENDIX

Figure 1. Proposed Conceptual Model of Export Performance

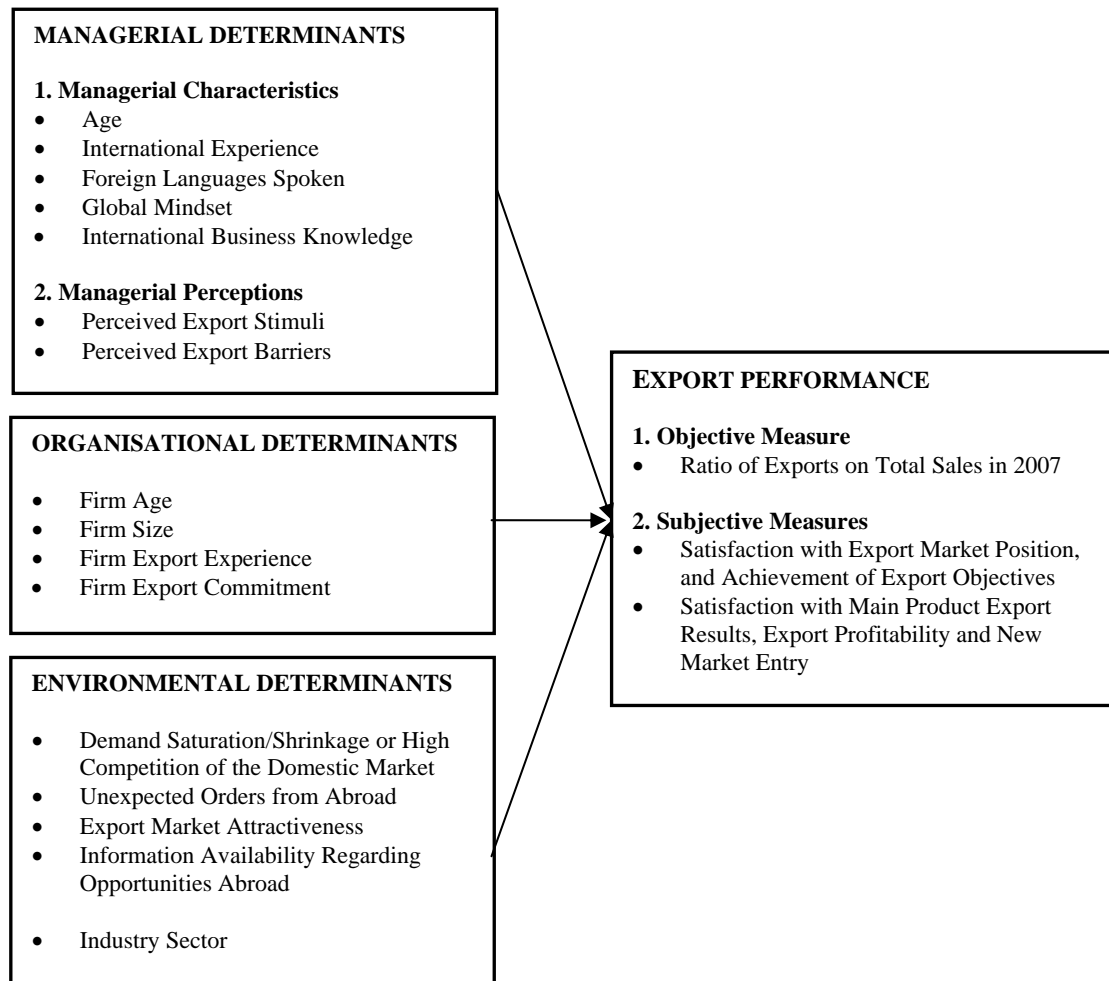


Table 1. Factor analysis of the four groups of export performance determinants

Analysis	Dimension/Item	Factor Loading	Eigenvalues	% of Variance Explained	Cronbach Alpha
I	Factor 1. International business knowledge		3.871	64.516	0.887
	International management knowledge	0.930			
	Global knowledge of international markets	0.815			
	International marketing knowledge	0.786			
	International legislation knowledge	0.784			
	International finance knowledge	0.770			
	Knowledge of applying ITC to international business	0.719			
II	Factor 2. Managerial Perceptions			69.749	
	Factor 2.1 Perceived export barriers		2.473	41.214	0.792
	Cultural differences between home and host markets	0.832			
	Political differences between home and host markets	0.826			
	Legal differences between home and host markets	0.766			
	Language differences between home and host markets	0.713			
	Factor 2.2 Perceived export stimuli		1.712	28.536	0.825
	Export activity contributes fundamentally to the profit of the firm	0.925			
III	Export activity contributes fundamentally to the growth in sales of the firm	0.919			
	Factor 3. Firm export commitment		2.311	57.784	0.751
	Research activities on international markets	0.821			
	Regular visits to the export markets	0.812			
	Strategic planning of the export activities	0.806			
IV	Existence of a separate export department	0.573			
	Factor 4. Satisfaction with export performance			68.064	
	Factor 4.1 Satisfaction with export market position and achievement of export objectives		3.892	38.918	0.908
	Market share on the main markets	0.872			
	Total market share overseas	0.863			
	Results on the main markets compared to the main competitors	0.768			
	Growth of the overseas sales on the main markets	0.711			
	Growth of the overseas sales in total	0.706			
	Achieving the established objectives of the export activity	0.673			
	Factor 4.2 Satisfaction with main product exports results, export profitability and new market entry		2.915	29.146	0.801
	Results of the main products in total	0.841			
	Results of the main product on the main markets	0.833			
	Profitability of the overseas activities	0.661			
	Expansion to new geographical markets	0.640			

Table 2. Descriptive statistics and correlations

Variable/Construct	Mean	SD	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
Age (<30)	0.09	0.29	-																				
Age (31-40)	0.41	0.49	-.27**	-																			
Age (41-50)	0.31	0.46	-.22*	-.56**	-																		
Age (>50)	0.19	0.39	-.15*	-.40**	-.32**	-																	
Int. experience (manager)	12.79	8.62	-.34*	-.45**	.18*	.60**	-																
Foreign languages spoken	1.96	0.97	-.02	-.10	.06	.10	.25**	-															
Global mindset	0.82	0.38	.01	.06	-.13	.07	.08	.07	-														
Int. business knowledge ¹	0.00	1.00	-.03	.01	-.06	.08	.20*	.11	.33**	-													
Perceived export stimuli ¹	0.00	1.00	.05	.02	-.20*	.18*	.11	-.04	.01	.10	-												
Perceived export barriers ¹	0.00	1.00	.10	-.01	-.11	.07	-.20*	-.09	-.28**	-.33**	.00	-											
Firm age	34.19	26.35	-.17	.09	-.05	.07	.13	.03	.00	.07	-.09	-.10	-										
Firm size	55.89	56.47	.22*	.00	-.02	-.15	-.06	.10	.05	.24**	-.14	-.14	.36**	-									
Firm export experience	16.54	12.28	-.16	-.02	.03	.12	.27**	.14	-.03	.05	-.10	-.08	.61**	.19*	-								
Firm export commitment ¹	0.00	1.00	-.02	.04	-.10	.09	.17	.21*	.30**	.38**	.29**	-.08	.01	.11	.02	-							
Demand on domestic market	0.78	0.41	-.09	.06	-.06	.06	.01	-.00	-.05	-.08	.02	.27**	.11	-.02	-.02	.09	-						
Unexpected abroad orders	0.36	0.48	-.02	.09	.02	-.11	-.08	-.00	-.11	-.12	.08	.13	-.13	-.06	-.02	-.11	.01	-					
High potential export market	0.92	0.27	-.01	.01	.01	-.01	-.01	-.10	.09	-.00	.17*	.01	.04	-.13	-.04	.09	.06	.04	-				
Information opportunity abroad	0.88	0.33	.04	.08	-.10	-.00	-.10	.06	.07	.13	.17	-.01	-.07	.01	-.07	.13	.14	.04	.42**	-			
Ratio of export on total sales	33.43	23.96	-.78	.02	-.08	.13	.25**	.23*	.10	.18*	.34**	-.23**	-.22*	-.08	.03	.21*	-.18*	-.04	.00	-.08	-		
Satisfaction 1 ¹	0.00	1.00	.06	.03	-.17	.12	.13*	-.02	.17	.33**	.12	-.18*	-.07	.08	.00	.11	-.05	.12	-.12	-.14	.39**	-	
Satisfaction 2 ¹	0.00	1.00	.04	-.02	-.08	.09	.19*	.07	-.07	.09	.15	-.12	.17	.15	.09	.27**	-.00	-.18*	.15	.07	.12	.00	-

¹These variables were constructed on the basis of factor scores; therefore the mean is 0 and the standard deviation is 1.

* p < 0.05

**p < 0.01

Note: Due to space consideration, the industry related items could not be included in this statistic analysis.
Satisfaction 1 = Satisfaction with export market position and achievement of export objectives
Satisfaction 2 = Satisfaction with main product export results, export profitability and new market entry

Table 3. Results of OLS regression analysis for the ratio of exports to total sales in 2007

Variable	b Coefficient	t-value	p-value
<u>Independent Variables</u>			
Number of foreign languages spoken	4.420	2.080*	0.040
Perceived export stimuli	6.971	3.197**	0.002
Firm age	-0.374	-3.585***	0.001
Firm export experience	0.416	2.043*	0.044
<u>Dependent Variable</u>			
Ratio of exports to total sales in 2007			
Notes: $R^2 = 0.400$; Adjusted $R^2 = 0.255$; F-value = 2.751***; p-value = 0.000;			
*Significant at 0.05 level; **Significant at 0.01 level; ***Significant at 0.001 level.			

Table 4. Results of OLS regression analysis for satisfaction with export market position and achievement of export objectives.

Variable	b Coefficient	t-value	p-value
<u>Independent Variables</u>			
International business knowledge	0.302	2.892**	0.005
Unexpected orders from abroad	0.386	2.073*	0.041
<u>Dependent Variable</u>			
Satisfaction with export market position and achievement of export objectives			
Notes: $R^2 = 0.322$; Adjusted $R^2 = 0.158$; F-value = 1.958**; p-value = 0.010;			
*Significant at 0.05 level; **Significant at 0.01 level; ***Significant at 0.001 level.			

Table 5. Results of OLS regression analysis for satisfaction with main product export results, export profitability and new market entry

Variable	b Coefficient	t-value	p-value
<u>Independent Variables</u>			
Years of international experience (manager)	0.044	2.840**	0.005
Global mindset	-0.600	-2.623**	0.010
Firm export commitment	0.209	2.121*	0.036
<u>Dependent Variable</u>			
Satisfaction with main product exports results, export profitability and new market entry			
Notes: $R^2 = 0.389$; Adjusted $R^2 = 0.241$; F-value = 2.628***; p-value = 0.000;			
*Significant at 0.05 level; **Significant at 0.01 level; ***Significant at 0.001 level.			