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How the Attitudinal Characteristics of Management Influence on Export Performance: A review of the Empirical Literature 1989-2009

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Abstract:

The growing of sales activity and global trade and in the international markets cause the increasing attention to the determinants of firm export performance. However, despite numerous published works on determinants of firm export performance, the literatures are characterized by the lack of consensus among researchers as to what constitutes managerial factors. As a result, this reviews of articles published between 1989 and 2009 attempt to assess the management attitudinal characteristics determinants of export performance. Based upon a comprehensives and systematic literature study, a synthesized model which can be apply for understanding management attitudinal characteristics influence on export to enhance the firm export performance will be eventually designed. The management attitudinal characteristics can be categorized to perceptions about export advantage and export barrier, management international orientation, customer orientation, perception toward competitiveness, export commitment and support. Later, the results of previous studies about relationship between management attitudinal characteristics determinants and firm export performance are mentioned and a proposed conceptual framework is developed for the researchers who are interested to investigate this issue further.

Keywords: Firm export performance, global trade, internal determinants, management characteristics, attitudinal characteristics.

Introduction

The growing of global trade and sales activity in the world has increasingly accentuated the importance of exporting for firms and countries. Globalization process, global market competition and the subsequent performance difficulties encouraged by exporters cause the increasing interest in this subject (Sousa *et al.*, 2008). Exporting plays a vital role in the world and has countless benefits for firms and countries. Exporting is a fundamental strategy in ensuring firm's survival or growth, and firms may achieve competitive advantage in international markets with a positive influence on current and future export performance (Navarro *et al.*, 2009) and so, many companies recently allocate more attention and resources in order to export their products to foreign markets (Julian and O'Cass, 2003; Julian and O'Cass, 2002a; Lages, 2003; Navarro *et al.*, 2009). In addition, contributing to nation's economy prosperity is one of important roles of exporting (Koksal, 2008; Shamsuddoha, 2004, Ahmed *et al.*, 2004, Langes and Montgomery, 2005). Export has great effects onto countries in terms of enhancing economic growth and activity, increasing the internal production, reducing the unemployment rate, supplying foreign currencies for import, becoming growth accelerator, making favorable balance of trade, accumulating the foreign exchange reserves, increasing profitability and societal success, enhancing trade balances and industrial development, improving capacity utilization and productivity, providing employment and creates new job opportunities. Thus, the ulterior goal in most firms and national governments is to expand the exports.

The understanding on the determinants of export performance in today's business environment has been emphasized by the understanding on the impact of export success and export performance on firm survival and expansion, the achievement of having competitive advantage in international markets, the development of economy as well as the development and implementation of public policy. Hence, within the past 30 years many substantial numbers of studies have been done to identify the key variables that affect the export performance of firms (Zou and Stan 1998; Baldauf *et.al*, 2000; Lages, 2003; Ahmed *et al.*, 2004; Haahi *et al.* 2005; Sousa *et.al.*, 2008). Identifying the variables which affect export performance is a strategic move and has triggered vital interest for export managers, public policy makers and researchers to study them (Sousa *et al.*, 2008; Lages, 2003; Haahi *et al.*, 2005; Mohamad *et al.*, 2009).

Since Bilkey's (1978) work that was the first study about successful export practice, many previous literatures are identified numerous variables as determinants of export performance. Later, researchers such as Aaby and Slater (1988), Zou and Stan (1998), Sousa *et al.* (2008) summarized and reviewed the export performance literature. These literatures classified the determinants of export performance. Cooper, (1985); Baldauf *et al.*, (2000); Cicic *et al.*, (2002); Leonidou *et al.*, (2002) assumed that export performance depended on firms' structure or internal factors, international environment or external factors, and marketing strategy. Zou and Stan (1998) in the review of the empirical literature classified determinants into internal and external with attention to controllable and uncontrollable and recently, Sousa *et al.* (2008) classified the determinants of export performance to internal factors and external factors. In the previous study management characteristics are mentioned as internal determinants that influence on firm export performance.

However, in spite of prior efforts to recognize the affect of determinants on export performance, there was still gap in literature, there was fragmented literature, there were no comprehensive reviews and the findings were considered as "confusing" (Aaby and Slater, 1988; Zou and Stan, 1998; Sousa *et al.*, 2008). Due to the increasingly significant role of management in development of company's internationalization strategies (Suarez-Ortega *et al.* 2005), this study focused on the managerial determinants that are classified as internal factors. The attitude, perceptions and characteristics of managers play significant roles in export success of firms (Maurel, 2009). On other hand, although many have studied the elements management characteristics (Zou and Stan (1998); Suarez-Ortega *et al.* (2005); Sousa *et al.* (2008)), these studies or review did not mention all elements of management characteristics. There was also lack of consensus among them on factors that constitute a managerial factor in determining exporting which was highlighted by Leonidou *et al.* (1998) and recently by Suarez-Ortega and Alamo-Vera (2005). At present, there is sufficient literature on this issue. However, a systematic synthesis on the existing studies and frameworks is needed to understand the management determinants of export performance better.

Literature review. Managerial characteristic

Management is the major force behind the beginning development, sustenance, and prosperity in exporting. The focus of many empirical researches is the relationship between export performance and managerial characteristics (Sousa *et al.*, 2008). Previous literature reviews placed management characteristics as determinants of export performance and most of scholars proved that this determinant was an important factor in export performance that may influence the export success significantly. Katsikea and Skarmeas (2003) noted that "*management characteristics play a significant role in influencing export sales unit effectiveness*". Export performance is usually controlled by organization and management, so they are responsible for poor or excellent performance of firm's exporting (Nazar and Saleem, 2009; Zou and Stan, 1998). Refer to previous study managerial characteristics are divided into perceptual and attitudinal characteristics and the skill based characteristics. In this study perceptual and attitudinal characteristics of managers are discussed as follows.

Attitudinal characteristics (Orientation and Perception)

Export commitment and support are the most common determinants among management characteristics in the previous studies and they are critical factors to successful export performance in foreign market (Sousa *et al.*, 2008). They appear in competitive environment, management commitment and support in exporting process which is necessary for export success (Sousa *et al.*, 2008) and they are a the key determinant (Nazar and Saleem, 2009; Cavusgil and Zou, 1994) that helps to increase export performance (Nazar and Saleem, 2009; Julian and Nhat Lu, 2007; Julian, 2003) and propensity to enter international market and international sale positively (Cicic *et al.*, 2002). Management commitment is very important for export success because, when manager have commitments to export, they will plan carefully programs to enter export market and allocate financial and managerial resources sufficiently (Sousa *et al.*, 2008; O'Cass and Julian, 2003). This allows a company to acquire opportunities in foreign market and pursue efficient export marketing strategy to improve performance of firm's exporting (Zou and Stan, 1998; Cavusgil and Zou, 1994). Management support has a direct impact on export performance and in addition, positive managerial attitudes and the level of management support have the stronger positive impact, while the negative attitudes had negative influence on export performance (Cicic *et al.*, 2002). Many scholars have proved that management commitment and support help the export

success to have positive impact on export performance. Julian and Nhat Lu, (2007) in their survey mentioned management commitments positively contribute to export marketing performance. Therefore, companies have much to gain if they hire or train qualified personnel. These outcomes are consistent with the studies done by Stottinger and Holzmullerm, (2001), Cicic *et al.*, (2002); O’Cass and Julian (2003); Alvarez, (2004); Castaldi *et al.*, (2003); and Faver-Bonte and Giannelloni, (2007) concluded that management commitments and support had positive correlation with export performance. In addition Sousa, *et al.* (2008) explained that all studies reviewed by them, had similar findings.

Management international orientation is the antecedent of export operation in firms. Managers should have international orientation to be successful in managing export. International companies can better obtain opportunities and prevent of threats in export markets (Nazar and Saleem, 2009; Zou and Stan, 1998). The forecasters of export performance are the international vision (Nazar and Saleem, 2009; Aby and Slater, 1989) and international orientation (Nazar and Saleem, 2009; Zou and Stan, 1998). Totally, the effective entrepreneurial orientation is one of determinants of export performance that influence export performance positively and in constant the poor management causes weak performance (Mavrogiannis *et al.* 2008). Increasing probability of exporting has been found to be related to positive management attitudes toward export to international market (Das, 1994).

Customer orientation (CO) is the determinant that a few researchers have examined in recognizing its relationship with export performance. But according to a review study done by Nazar and Saleem, (2009 customer orientation was considered as the attitudinal management characteristics. Nwankwo, (1995) emphasized that previous literature defined customer orientation in a different way. He explained that many academics suggested that customer orientation was one of the behavioral components of market orientation and there was no clear destination between them and it was one part of this kind of market orientation definition that consisted of customer orientation, competitor orientation, and inter functional coordination. On the other hand, customer orientation was identified by Brown *et al.*, (2002), as “predisposition to meet customer needs in an on-the-job context”. In addition, Drucker, (2007) defined customer orientation as "the set of beliefs in sales that says that customer needs and satisfaction are the priorities of an organization. It focuses on dynamic interactions between the organization and customers. It is the business seen from the

point of view of its final result, that is, from the customer's point of view." The adaptation of customer's needs guaranty the success in customer orientation. Therefore, managers in highly effective export sales organization need to be more focused on consumers (Katsikea and Skarmeas 2003). A study by Leonidou *et al.*, (1998) about identifying managerial influences on exporting concluded that overseas customer orientation was one of the export sales manager elements to enhance exporting. In addition, Katsikea and Skarmeas, (2003) in their research that categorized exporters into high and low effectiveness export units concluded that customer orientation components was one of significant between high and low effectiveness export and mentioned customer orientation influence export performance positively. Customer orientated is one of the important manager's characteristics that provide the buyer needs and firm that want effective organization is advised to evaluate this attitude of managers.

Perception toward competitiveness is another determinant of export performance that is less examined in previous studies. Perception of managers about competitiveness of the export merchandise has correlation with outcome of firm's exporting (Nazar and Saleem, 2009). In addition, a number of researchers explained that capability of managers to perceive and interpret signals from the market and to determine whether competitive environment has a key role in deciding whether or not firms to export (Nassimbeni, 2001). Furthermore, Eusebio *et al.*, (2007) explained that determinants of operating the competitive capacities of the firms in global markets are attitude of the director and confident of manger about export product competitiveness that enhance the intensity of exporting. Managers need to be confident in dealing with the competitors of their product in order to compete in export market and increase performance of export.

Perceptions about export advantage and export barrier of exporting are one of the important forecasters of export performance (Nazar and Saleem, 2009; Zou and Stan, 1998). Perception about export advantage is such as perceived importance or profit percentage of export outcomes for company and on the other hand, perception about export barrier is such as expected risk, cost involved, or complexities of exporting. Exhalent export sales, profits, and high growth establish management's perceived export advantage while, low export sales, slow export growth, and low perceived export success, or fail to be significant predictors of export performance make management's perceived export barriers. A study done by

Ogunmokun and Ng, (2004) mentioned that manager's attitudes toward exporting was one criterion for discriminating between organization with a high level export performance and organization with a low level performance of export. They also emphasized in their study that managers of firms with high export performance had a more positive perception and attitude towards export operation compared to low export performance companies. In the same vein, The Ogunmokun and Ng, (2004); Suarez-Ortega and Alamo-Vera, (2005); Wilkinson and Brouthers, (2006); Castaldi *et al.*, (2003) emphasized that there is the negative link between perceived export barrier and export performance. The outcome of literature reviews showed that it is essential for managers to concentrate on the advantages instead of barriers to exporting, and keep the positive attitude toward the prospect of exporting (Zou and Stan, 1998).

All attitudinal characteristics of management that have been mentioned in previous study are summarized in Table 1. This summary is done to help readers to have better understanding on the influence of attitudinal characteristics of management determinants and to facilitate the design of the proposed conceptual framework.

Table 1: The proposed determinants by literatures for attitudinal characteristics of management

Determinates	Researchers / years	Significant positive relationship	No significant relationship	Significant negative relationship
Export commitment and Support	Julian and Nhat Lu, (2007)	✓		
	Julian, (2003)	✓		
	Faver-Bonte, V.r., Giannelloni, j.L. (2007)	✓		
	Sousa <i>et al.</i> , (2008)	✓		
	Alvarez, (2004)	✓		
	Nazar and Saleem, (2009)	✓		
	Cavusgil and Zou, (1994)	✓		
	O'Cass and Julian (2003)	✓		
	Cicic <i>et al.</i> , (2002)	✓		
	Castaldie <i>et al.</i> , (2003)		✓	
	Stottinger and Holzmullerm, (2001)		✓	
Style and Ambler, (2000)		✓		
Management international	Mavrogiannis <i>et al.</i> (2008)	✓		
	Zou and Stan, (1998)	✓		
	Aby and Slater, (1989)	✓		

orientation

	Nazar and Saleem, (2009)	✓	
Management Customer orientation	Katsikea and Skarmeas (2003)	if they are customer orient	if they are not customer orient
	Leonidou, (1998)	✓	
Perception toward competitiveness	Eusebio et al., (2007)	If they have confident about product	If they have not confident about product
	Nassimbeni, (2001)	✓	
Perception about export advantage	Ogunmokun and Ng, (2004)	✓	
	Suarez-Ortega and Alamo-Vera, (2005)	✓	
Perception about export barrier	Ogunmokun and Ng, (2004)		✓
	Suarez-Ortega and Alamo-Vera, (2005)		✓
	Wilkinson and Brouthers, (2006)		✓
	Castaldi et al., (2003)		✓
	Alvares (2004)		✓

Research framework and methodology

The aim of this study is to synthesize the available studies on management characteristics influences on export performance. An assessment of the export performance measure and characteristics of previous studies are not included, as Sousa (2004), Zou and Stan (1998), Sousa *et al.*, (2008) have offered valuable and adequate reviews of the previous published. Indeed, the current studies report different and often contradicting results on determinants of firm export performance that this issue clarify that it is need to analysis the variable influence on export performance. Thus, to facilitate the conceptual framework for determinants of export performance, this need to be clarified the variables that influence export performance has to be identified. The focus of this review paper is on empirical works that have been published between 1989 and 2008. In addition, as in other reviews paper, case studies and non English studies are not evaluated in this research. The analytical method of this research is a vote-counting technique that Zou and Stan (1998) and Sosa *et al.* (2005) had

used in their review papers. This technique allows this study to report the significant negative effect, the significant positive effect, and non-significant effect on export performance.

The broad literature about management characteristic has provided the base for classifying the management characteristics determinants of export performance. According to the findings taken from the comprehensive review of existing reference in the literature on export performance, a conceptual model has been designed to represent a model about relationship between attitudinal characteristics of management and export performance as presented in Figure 1 as following.

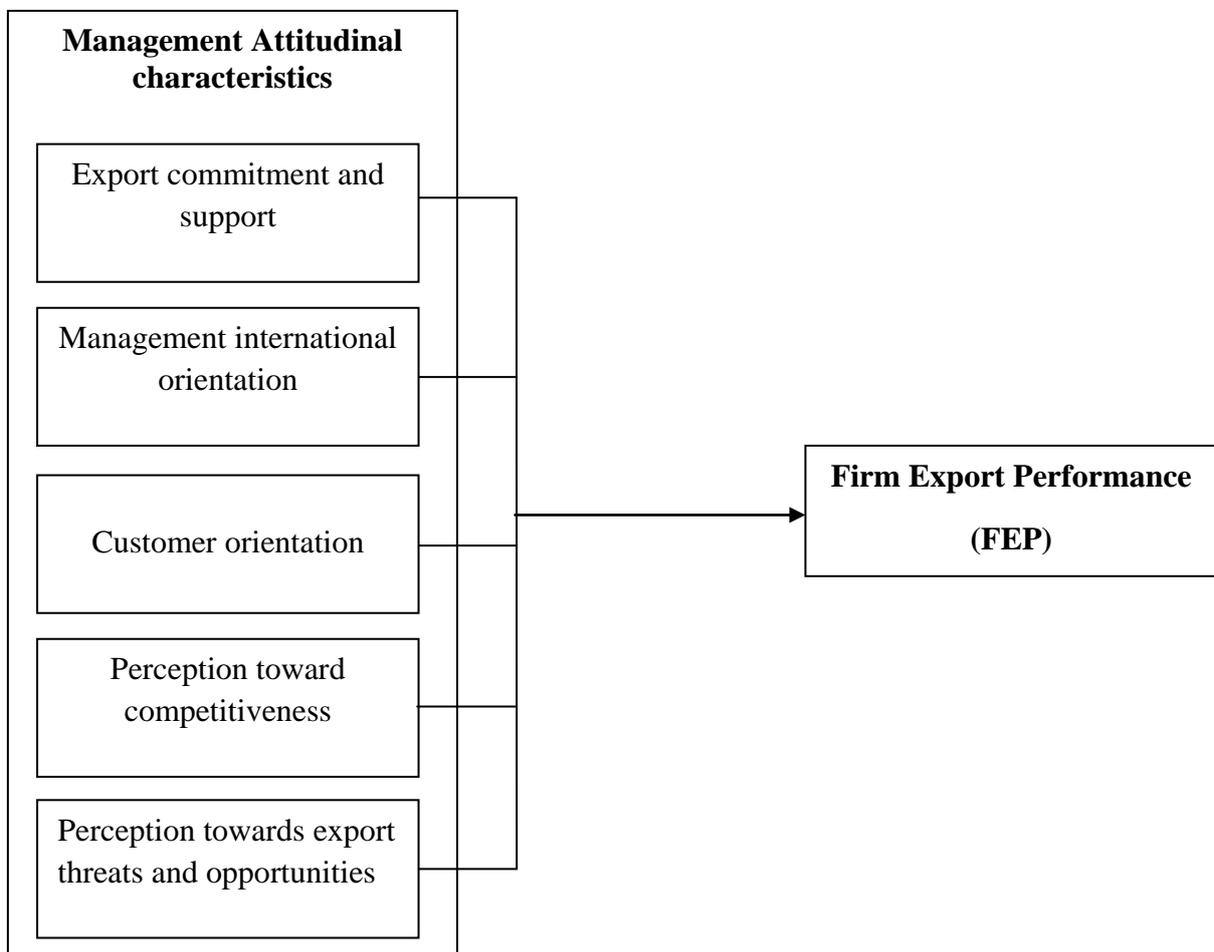


Figure 1: A Proposed Conceptual Framework

CONCLUSION

Many studies have been conducted to identify influence that attitudinal characteristics of management have on exporting. However, little and most likely no previous study had tried to mention all important elements of management attitudinal characteristics. Besides that, the consensus among researchers as to attitudinal managerial factor influence that constitutes the firm export performance should be highlighted to finalize the framework. Thus, base on the systematic literature reviews, it is possible to design attitudinal characteristics of management determinants of export performance model which may help firm to focus on manger characteristics as one of important elements to enhance export performance in global markets. This conceptual synthesis model is based on attitudinal characteristics of management determinants influence on export performance that have been previously recorded by researchers in various publications in order to develop a classification that may supply a comprehensive base for comprehension management determinants of firm export performance. Attitudinal characteristics are further classified into management international orientation, export commitment and support, customer orientation, perception toward competitiveness, perceptions about export advantage and export barrier. This synthesis model may be used for better understanding of the management attitudinal characteristics factors that contribute in explaining the export performance of firm. It can also be used to develop a questionnaire in order to evaluate the relative impact of management attitudinal characteristics variables on firm export performance. Since the proposed framework is highly conceptual and the constructs have been based from the several literatures, the framework has to be validated empirically through an empirical method for example, by case study or survey questionnaire.

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