

Key Antecedents to Export Market Orientation

By

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*A thesis submitted to the Victoria University of Wellington in
fulfilment for the degree of
Master of Commerce and Administration.*

**Victoria University of Wellington, New Zealand
1998**

This thesis is dedicated with love to the memory of

Josephine and Kenneth Paul

(Nana and Pop)

“With the development of a valid measure of market orientation and the demonstration of its significant effect on performance, the most important question to practitioners becomes, ‘How does one increase and sustain a market orientation?’ ”

(Narver and Slater, 1990, p. 34).

“CEO’s are firmly of the opinion that growth in international markets is increasingly the key to their companies’ success”

(Theuerkauf, Ernst and Mahini,, 1996, p. 8).

ACKNOWLEDGEMENTS

I would not have reached this end without the input, encouragement and support of a number people.

Of course, I would firstly like to extend a most heartfelt thanks to my supervisor Dr. John Cadogan. Your intellect, personal drive and passion for your vocation has been inspiring. You have enabled me to both gain an understanding of my limitations, and to realise my full potential. The patience and the perseverance that you have exercised throughout this process is remarkable. Thanks especially for being prepared on a personal level to soften the necessary professional knocks with a ready supply of laughs, wine, cigars – and the odd tissue!

Dr. Anne Souchon- boy can I thank my lucky stars that my supervisor came equipped with an in-built wife who is as kind, generous and smart as you are! For both your friendship, and your valuable professional input into my research, I am enormously grateful.

My office mate Loren Howson probably had no idea what she was getting herself in for when she let me take up the desk next to her. During the past year I have ensured that Loren gained much valuable experience in the many roles that I have allowed her to take on. These have included being my; therapist, thesis technical adviser, chauffeur, barmaid, nurturer of hangovers, and social secretary. For all of the above I am sure she will be eternally thankful–*kidding*- but what can I say mate- cheers! Thanks to Gareth Sutcliffe for all your support Masters wise. In particular, your superb sense of humour and the morale boosting phone calls you made to my office when you knew I was ‘putting in the hard yards’ have helped keep me sane (well as sane as I ever am anyway). A huge thanks also to Olivia Mitchell and Ngaire Hill for the help with the proof reading.

I would also like to express a warm thanks to my many other fantastic friends and extended family (yes, that means you Marcie P and you too Emma ☺). I feel extremely lucky that you have all been so understanding about this process-I promise as soon as I get a job I will be buying drinks all round! A special thanks to Steve Guiney-words cannot express how much I appreciate all that you have done for me during the past five years.

Thanks to my brothers Matt and Luke for putting up with my moods that fluctuated as unpredictably as the progress of my thesis, and also for providing me with those much needed reality checks.

To my father Christopher Paul, thank you for teaching me both to value knowledge and to believe that no goal was out of my reach. Finally, I would like to thank my Mom-Robyn Nixon. It has been your numerous personal sacrifices, financial and emotional support, interest, encouragement and enthusiasm that has helped me achieve what I have in life. Thank you for unconditionally backing me in everything that I do.

ABSTRACT

Consistent with research in the purely domestic context, recent empirical evidence provides support for the notion that companies adopting a market orientation in their export markets enjoy greater export success. The objective of this study was to identify those factors which may foster, or bring about, an export market orientation.

In order to achieve this objective a literature-based framework of the construct's antecedents was developed. It was hypothesised that external factors (the export market environment), as well as elements of the company's internal environment (e.g., aspects of export structure, export systems, individual, business specific and leadership issues) were important determinants of a company's export market orientation.

A quantitative analysis was conducted to test the hypotheses. A mail questionnaire was developed, with all measures being drawn from the existing literature. A total of 292 New Zealand exporters responded and the hypotheses were tested using multiple regression analysis.

As a result of the above process, support was found for a number of proposed antecedents to export market orientation. The theoretical and practical implications of the results are discussed. Finally, several strengths and weaknesses to the study are highlighted and opportunities for future research are identified.

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1.1. THE IMPORTANCE OF EXPORT MARKET ORIENTATION

With the globalisation of markets and competition (Levitt, 1983) foreign markets have become an increasingly viable and natural opportunity for firms (Cavusgil and Zou, 1994). Furthermore, with a recent focus on national trade deficits (c.f. Katsikeas, Piercy and Ioannidis, 1996) international business involvement may be central to national prosperity. Indeed, *“the globalization of markets is one of the most significant and undoubtedly permanent trends of this period. Whereas global markets were once primarily the concern of large multinational firms, today global competitors, customers and suppliers are a fact of life for practically every business, large and small”* (Webster and Deshpandé, 1990, p. 1).

Technology and information has made an important contribution towards the globalisation of business (Webster and Deshpandé, 1990). Other factors which have turned the focus to international business include stagnant domestic markets, falling profit margins, changes in regulation and an increased trend towards trade agreements (Douglas and Craig, 1992; Katsikeas and Piercy, 1993; Hansen, Gillespie and Gencturk, 1994). Not surprisingly, this situation has stimulated a growing body of research within the marketing field. Exporting, being the most common form of international business involvement (Leonidou, 1995), has naturally received much of the research attention. In this context, export marketing research has focused on identifying and developing a greater understanding of the antecedents to strong export performance (Schlegelmilch and Ross, 1987; Cavusgil and Zou, 1994; Shoham and Albaum, 1994; Souchon and Diamantopoulos, 1997).

Parallel to the developments in the export performance literature has been a renewed emphasis on how businesses may create and sustain superior value for their customers (e.g., Parasuraman, 1997; Slater, 1997). Because of the dynamic nature of what constitutes superior value, firms need to consistently track and respond to changes in the marketplace (Jaworski and Kohli, 1993). This perception

that information processing may be critical to a firm's success has led to increased attention in the literature on the concept of 'market orientation' (e.g., Shapiro, 1988; Deshpandé and Webster, 1989; Kohli and Jaworski, 1990; Narver and Slater, 1990; Mohr-Jackson, 1991; Ruekert, 1992; Jaworski and Kohli, 1993; Greenly, 1995; Atuahene-Gima, 1996; Pelham and Wilson, 1996).

Pioneering research in the conceptualisation and measurement of the market orientation construct is primarily attributable to the work of Narver and Slater (1990), Kohli and Jaworski (1990) and Jaworski and Kohli (1993). A recent integration of these two approaches concluded that market orientation is comprised of "*intelligence generation, intelligence dissemination, and responsiveness* activities, characterized by a *customer and competitor orientation* and guided by a *coordinating mechanism* which ensures that these activities are carried out effectively and efficiently" (Cadogan and Diamantopoulos, 1995, p. 55).

Empirical evidence resulting from the market orientation research has provided consistent confirmation of the positive influence of a market orientation on various indicators of business performance, including profitability, sales volume, sales revenue, new product success and market share (e.g., Narver and Slater, 1990; Ruekert, 1992; Jaworski and Kohli, 1993; Slater and Narver, 1994; Greenley, 1995; Atuahene-Gima, 1996; Pelham and Wilson, 1996; Cadogan, Diamantopoulos and de Mortanges, 1997). Indeed, Jaworski and Kohli (1993, p. 64) found that "*the market orientation of a business is an important determinant of its performance*" and urged managers to strive to improve the market orientation of their business.

1.2. RESEARCH GAP

Significantly, the focus of this research has, for the most part, centred on market orientation within a domestic setting. Only in the last few years have researchers explored issues relating to market orientation in an international context (Dalgic, 1994; Diamantopoulos and Cadogan, 1996). Furthermore, while the literature has

provided a seemingly compelling base of argument and empirical support for the positive link between a firm's market orientation and its performance, the existing base of knowledge is far from satisfactory for exporters. One of the main concerns is that while marketing researchers and policy makers continue to preach the adoption of an export market orientation (e.g., Crick and Czinkota, 1995), they have very little in the way of practical advice for marketing managers wishing to implement a market orientation in their export operations.

Within a purely domestic context, several researchers have examined the impact of variables, such as firm structure, leadership factors, and human resource issues, on market orientation (e.g., Ruekert, 1992; Jaworski and Kohli, 1993; Bhuiyan, 1996; Pelham and Wilson, 1996: see also Borghgraef and Verbeke, 1997; Gounaris and Avlonitis, 1997; Widing et al., 1997). However, while this research provides some implications which can be generalised and may be of use to managers in the field, its relevance to an export context has yet to be determined. This is an especially crucial limitation to the existing body of research given that exporting firms are potentially exposed to a wide and differing range of forces from those which are faced in domestic markets (Walters, 1983; Raven, McCullough and Tansuhaj, 1994; Souchon and Diamantopoulos, 1996). It seems likely that the exporting environment may influence the ability of the firm to implement an export market orientation (Diamantopoulos and Cadogan, 1996).

A notable exception to the paucity of research about antecedents to an export market orientation has been very recent research from Siguaw et al. (1998) which hypothesises that firm size, export experience, export dependence and environmental complexity would be antecedents to aspects of a firm's export intelligence generation, dissemination and responsiveness activities. However, research has yet to identify the antecedents to the fourth component of a market orientation - a firm's coordinating mechanism. The literature indicates that developing an efficient and effective coordinating mechanism is essential; indeed, *"a seller's creation of value for buyers is analogous to a symphony orchestra in which the contribution of each subgroup is tailored and integrated by a conductor – with a synergistic effect. A seller must draw upon and integrate effectively, as well*

as adapt as necessary, its entire human and other capital resources in its continuous effort to create superior value for buyers” (Narver and Slater, 1990, p. 22).

In summary, and notwithstanding the developments to date, no study had synthesised the existing domestic and exporting literature, in order to identify a *broad set* of antecedents to export intelligence generation, dissemination and responsiveness activities. Furthermore, researchers had yet to identify the antecedents to the coordinating component of an export market orientation.

1.3. RESEARCH OBJECTIVES

In light of the above, this study sought to develop from the literature a set of key antecedents to export market orientation and to quantitatively test the resulting conceptualisation. The study purpose was broken down into two main objectives:

1. To identify the key antecedents to the coordinating mechanism of exporting firms.
2. To identify the key antecedents to the export market intelligence generation, dissemination and responsiveness behaviours of exporting firms.

1.4. RESEARCH FOCUS

It was anticipated that the achievement of the study objectives would make a twofold contribution. Firstly, it would provide the academic community with a comprehensive theoretical base of knowledge about the antecedents to export market orientation, from which further research can develop. Secondly, the *findings* of the study would provide marketing practitioners with clear guidelines about how they may facilitate higher levels of export market orientation in their firms.

Furthermore, it was expected that the *instrument* developed for the study would be able to be used by managers as a measurement tool. This would enable firms to benchmark their firm's strengths and weaknesses vis-à-vis the antecedents to export market orientation and then systematically monitor how these change over time.

Given the above research objectives and an emphasis on a firm's *export* activities, several theoretical and practical issues needed to be balanced when determining the focus of the research. Specifically, it should be noted that in both the conceptualisation and operationalisation of the antecedents to export market orientation the emphasis was on the *export* functions of the organisation. It is possible, because of the inevitable and necessary interaction between an organisation as a whole and its exporting function(s), that the domestic factors of the firm (e.g., domestic market environment, emphasis on market orientation in the domestic market, domestic reward systems) may also influence an organisation's export market orientation. Indeed, Diamantopoulos and Cadogan (1996) provide some support to this notion finding that of the firms who were the most effective disseminators of export market intelligence *all* members were oriented towards *both* the domestic and the export markets.

The reason that this study focused on export specific issues are as follows. (a) Arguably, the crucial influences on export market orientation are likely to be found at the export function level. Therefore, giving the research an export-specific focus enables the study to have greater precision. For example, while "centralisation" at a firm wide level may impact on the firm's level of export market orientation, it is the level of centralisation of decision making within the exporting function which is likely to have the greater impact on the firm's export market orientation. This approach is consistent with that adopted by others who, when conducting research in the area, have mainly focused on export - specific determinants of an export market orientation (i.e, Cadogan, Diamantopoulos and Siguaw (1998) and Siguaw et al. (1998)). (b) The alternative to adopting an export specific approach would have required measuring the antecedents at both a firm and export specific level. This would have made data collection problematic, involving an extremely long questionnaire and possibly necessitating multiple respondents in order to measure

the constructs accurately. Furthermore, the link from non export-specific antecedents, to export - specific antecedents and export market orientation is not clear. For example a firm could be centralised at the firm level but not within the exporting function. Given the paucity of research to date which has investigated any links in this area, a more exploratory, qualitative approach would have first been required, unfortunately in the case of this study research constraints prohibited this approach.

In light of the above discussion, in general it has been beyond the scope of this research study to investigate aspects of domestic market orientation as part of the key antecedental constructs in the conceptual model. However, it is suggested that this area be addressed in future research on export market orientation. Particularly with respect to any internal friction and synergy that may occur between the level of firm wide influences on a firm's level of export market orientation vis-à-vis its export - specific antecedents.

1.5. OUTLINE OF THESIS STRUCTURE

The remainder of this thesis is structured as follows (see also Figure 1.1. below).

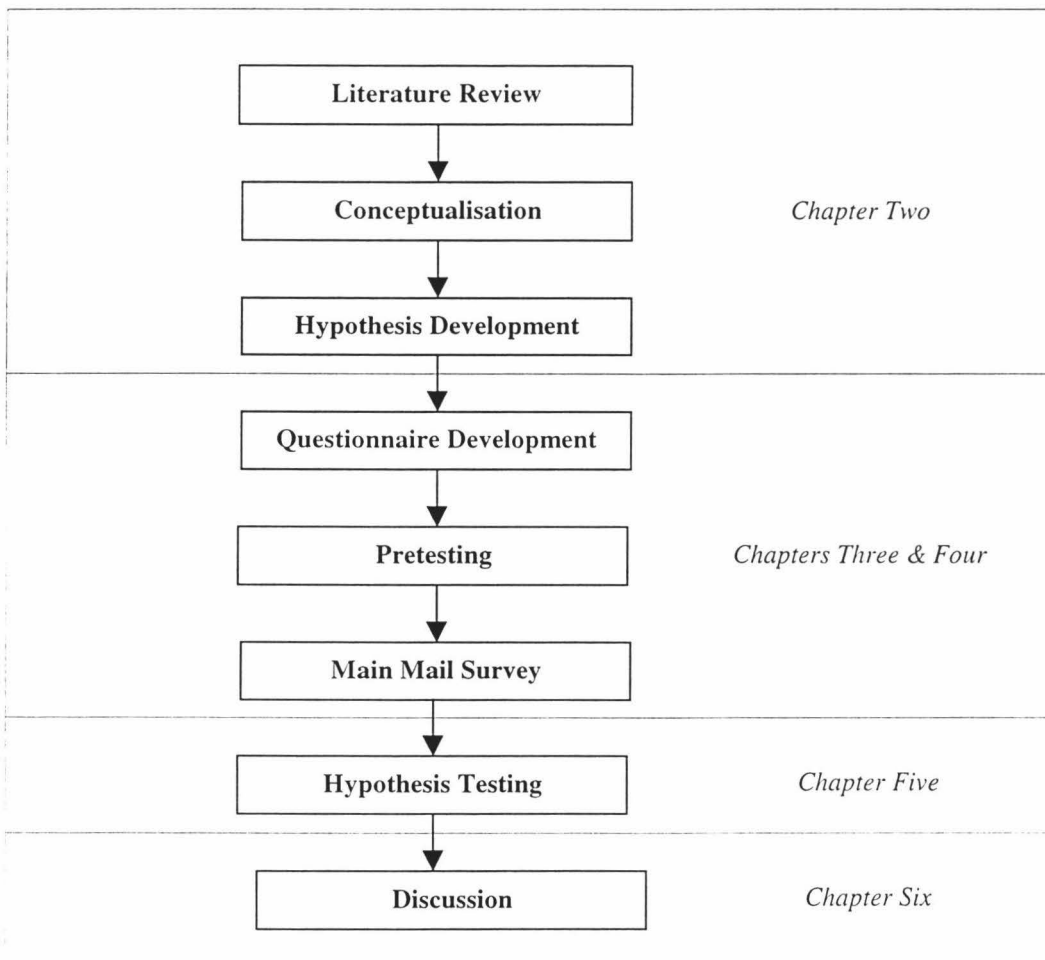
Chapter Two provides a brief background to the development of the market orientation construct. Next, through drawing on the base of theoretical knowledge in the marketing and management literature, likely antecedents to export market orientation are conceptualised and the research hypotheses are developed. The relationships under study are depicted in a theoretical framework.

Chapter Three provides a detailed description of the methodology that was employed in order to achieve the study objectives. This includes the theoretical justification for and description of the research design, operational definitions of the variables, and instrument refinement. Finally the pilot and main study methodology including sampling procedure, data collection method and non-response analysis are explained.

Chapters Four and Five both address the quantitative analysis phase of the research. Chapter Four describes the characteristics of the respondents obtained from the sample. Chapter Five describes the regression analysis conducted to test the research hypotheses and the results obtained.

The final chapter, (*Chapter Six*), summarises the research findings, highlighting the key theoretical and practical implications of the study, and addresses the strengths and weaknesses of the study. Finally, recommendations for future research directions are proposed.

Figure 1.1: Structural Overview of the Thesis



Chapter Two: ANTECEDENTS TO EXPORT MARKET ORIENTATION; A LITERATURE BASED PERSPECTIVE

2.1. BACKGROUND

A review of the market orientation literature reveals that in the past there has been one main difference between the various approaches to the conceptualisation of market orientation. That is that whilst some conceptualisations of market orientation are of a philosophically-based nature, others take a behaviourally-based approach.

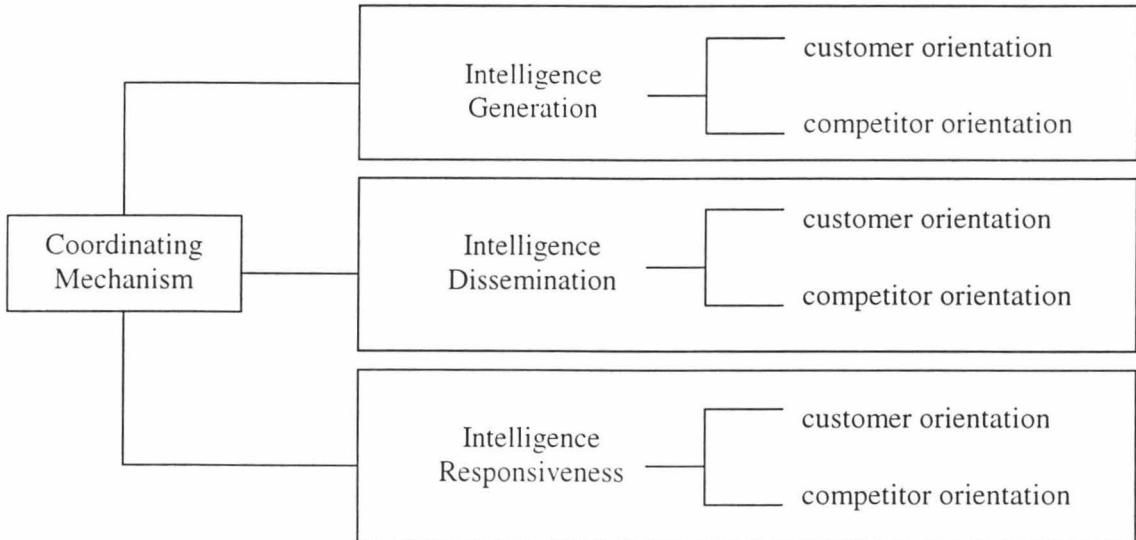
From the philosophical perspective, market orientation has been viewed as a form of organisational cognition - an approach to doing business. This intangible state of mind drives the organisation's behaviour (Avlontis, Kouremenos and Gounaris, 1994). Authors from this philosophical school of thought describe market orientation as being made up of many intrinsic qualities including customer-oriented values and beliefs (Webster, 1988), a culture which creates superior value for buyers (Deshpandé, Farley and Webster, 1993), and organisational philosophy and attitudes (Hooley, Lynch and Shepard, 1990). In other words, market orientation is viewed as the business heart through which the life blood activities of the firm are driven.

Central to the behaviourists' view of market orientation is that it is activity based - what the firm actually does as opposed to how it thinks. In the literature, two approaches have dominated the operationalisation of market orientation - those provided by Narver and Slater (1990) and Kohli and Jaworski (1990, 1993). Market orientation is viewed as a firm's information generation, dissemination and responsiveness to market information (Kohli and Jaworski, 1990). Furthermore, that information is derived with an external focus and both a current and future consideration (Narver and Slater, 1990).

Recently, a re-conceptualised model of market orientation has been developed. This integrates Narver and Slater's (1990) and Kohli and Jaworski's (1990)

approaches to market orientation and applies the construct to the international arena (Cadogan and Diamantopoulos, 1995; Diamantopoulos and Cadogan, 1996; Cadogan, Diamantopoulos and de Mortanges, 1997). Under this new perspective, a four component construct of market orientation is proposed (see Figure 2.1). The construct encompasses three generic activities which take the form of generating, disseminating and responding to export market intelligence. Each of the generic activities are qualitatively distinct from each other, but highly related. Export intelligence generation includes all activities which are involved in creating export market intelligence (e.g., export market research and export assistance). The conceptual domain of export intelligence dissemination encompasses the formal and informal activities that are involved in the sharing of export market intelligence. Responsiveness to export intelligence includes design and implementation of responses to the generated and disseminated export intelligence.

Figure 2.1: Market Orientation¹



The critical focus of these generic activities is the firm's customers and exogenous market pressures (e.g., competitor, technological, regulatory and other environmental pressures). The export market-oriented activities may occur at any

Notes:

¹ Figure 2.1 taken from Cadogan and Diamantopoulos (1995)

hierarchical and functional level of the firm (e.g., export department, marketing department and R&D). However, the generic activities do *not* include aspects of co-operation and coordination; these are the domain of the fourth component of the export market-oriented construct - the coordinating mechanism.

The coordinating mechanism is clearly distinguished from the three behavioural components (export market intelligence generation, dissemination and responsiveness) and has been found to consist of four inter-related themes (Diamantopoulos and Cadogan, 1996). These are; communication, dysfunctional conflict, organisational culture and co-operative vs. competitive goals. An effective and efficient coordinating mechanism will reflect inter- and intra-functional coordination in the organisation across all hierarchical levels. Interestingly it can be seen that the coordinating mechanism as conceptualised by Diamantopoulos and Cadogan (1996) taps into many elements of the previously described philosophically-based view of market orientation. That is, the coordinating mechanism is conceptualised as being partly comprised of “intrinsic” market-oriented qualities such the extent to which the firm members *have beliefs and values* which are customer oriented. These cognitive elements help to steer the firm efficiently and effectively through the market-oriented activities.

The advantages to the conceptualisation and operationalisation of market orientation as developed by Cadogan and Diamantopoulos (1995), Diamantopoulos and Cadogan (1996), Cadogan, Diamantopoulos and de Mortanges (1997) are three-fold. First, the measure draws on the strengths of both the philosophical and behavioural approaches to market orientation. Secondly, it integrates the Narver and Slater (1990) and Jaworski and Kohli (1993) approaches. Thirdly, it is the only measure of market orientation that has been developed for the international context, and as such serves the purposes of this study well. Thus, throughout this study, ‘export market orientation’ refers to the construct as conceptualised by Cadogan and Diamantopoulos (1995), and Diamantopoulos and Cadogan (1996).

2.2. ANTECEDENTS TO EXPORT MARKET ORIENTATION

Figure 2.2 provides an overview of the hypothesised antecedents to export market orientation and serves to structure the subsequent discussion. A detailed discussion of the theory underlying the conceptual framework follows.

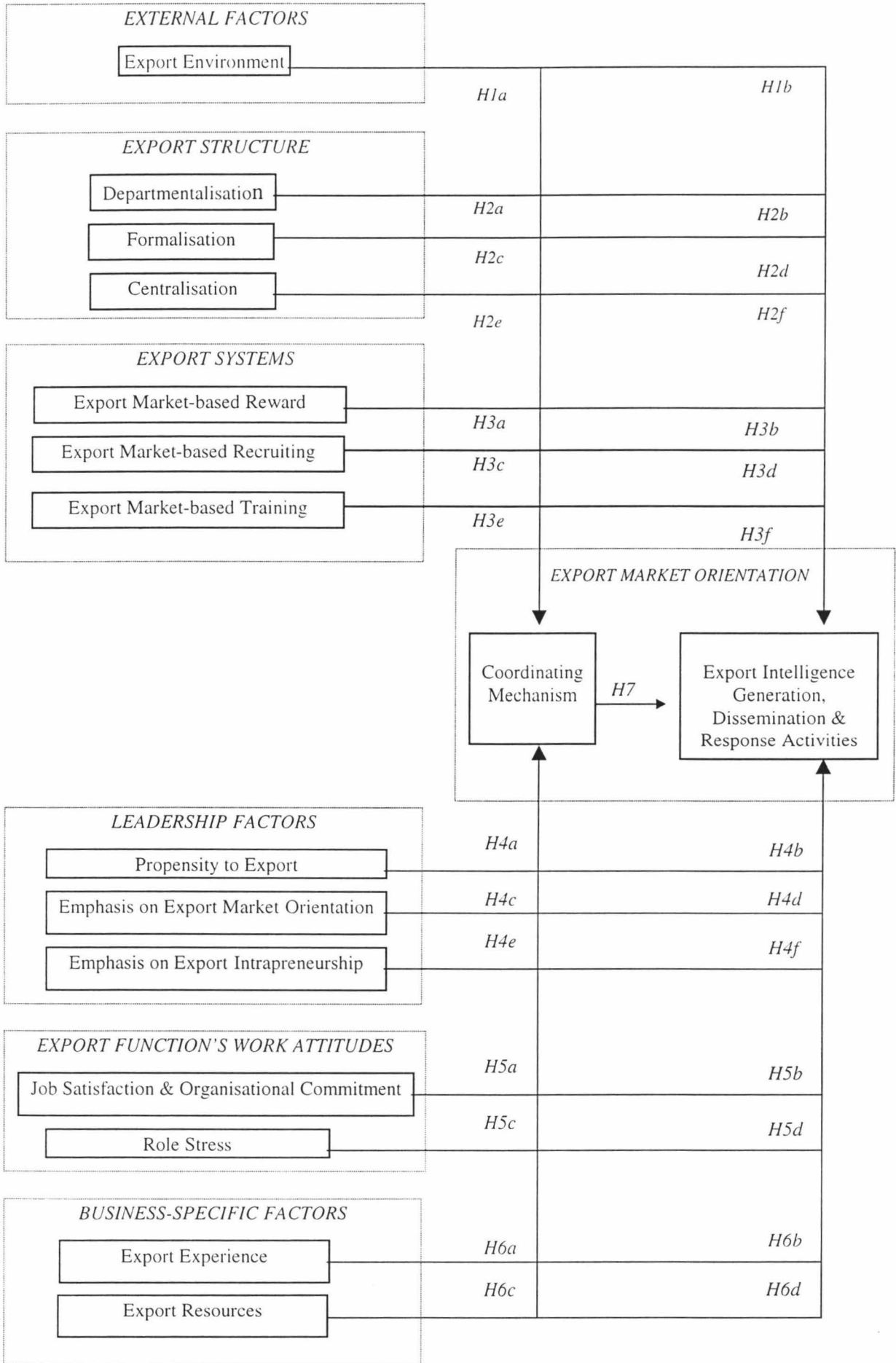
2.2.1. External Factors

In the purely domestic context, aspects of the external environment in which a firm operates have been proposed as likely influences on market orientation (Davis, Morris and Allen, 1991; Dobscha, Mentzer and Littlefield, 1994; Slater and Narver, 1994; Golden et al., 1995; Pelham and Wilson, 1996; Gounaris and Avlonitis, 1997). This is also likely to be the case for exporters.

The external environment has been conceptualised according to its intensity, dynamism and complexity (Davis, Morris and Allen, 1991). Intensity refers to the intensity of competition in an organisation's environment (Pelham and Wilson, 1996), dynamism refers to the degree of change and uncertainty in the organisation's environment (Glazer and Weiss, 1993; Maltz and Kohli, 1996) and complexity refers to the heterogeneity (number and diversity) of external events that are relevant to the organisation (Daft, Sormunen and Parks, 1988).

However, in the market orientation literature a common approach to the consideration of the external environment has been to classify it according to where the environmental pressure originates (e.g., customer, competitor, and technological pressures) and to examine intensity, dynamism and complexity as underlying influences of these pressures (e.g., Jaworski and Kohli, 1993). The customer environment includes all individuals or organisations who purchase an organisation's products. The competitor environment includes the organisations and products that compete with the firm, and the competitive tactics used by the firm and its competitors. The regulatory environment includes legislation and regulations, city or community policies, and political developments at all levels of government. The technological sector of the environment includes the development

Figure 2.2: Conceptual Framework



of new production techniques or materials which lead to cost advantage or innovative products (Daft, Sormunen and Parks, 1988).

The literature indicates that complexity and instability in the firm's external environment may have a negative impact on elements of the coordinating mechanism. As the turbulence in the firm's environment increases, so too will the uncertainty (Achrol and Stern, 1988) and cognitive demands (Wierseman and Bantel, 1993) that individuals face in their decision-making. This may lead individuals within the firm to specialise in particular environmental sectors, resulting in differentiated priorities and perspectives among the organisational members (Wierseman and Bantel, 1993). This, in turn, may cause conflict, communication difficulties, and increased political behaviour among organisational members (Achrol and Stern, 1988; Wierseman and Bantel, 1993), thus negatively impacting on the coordinating mechanism of the firm.

Specifically in the international context, it has been argued that a firm will experience high degrees of environmental pressure due to differences in the markets and market structure (e.g., differing consumer tastes, channels of distribution, communication media, local regulation) (Martinez and Jarillo, 1991). Furthermore, Martinez and Jarillo (1991) found evidence that country managers may resist attempts to increase firm wide coordination because they feared they would experience a loss of autonomy and the loss of the ability to be responsive to their foreign customers. As a result, it is hypothesised that:

H1a *Export market environmental turbulence will have a negative relationship with the efficiency and effectiveness of the coordinating mechanism.*

The extant literature indicates that export environmental turbulence is also likely to impact directly on a firm's export intelligence generation, dissemination and responsiveness activities (Cadogan, Diamantopoulos and Siguaw, 1998). The significant issue here is that the degree of generation, dissemination and responsiveness to export market intelligence is likely to be a function of perceived information need (c.f., Huber and Daft, 1987; Glazer, 1991; Belich and Dubinsky,

1995). Thus, increased turbulence experienced in the export environment will increase uncertainty in decision-making (c.f., Daft, Sormunen and Parks, 1988), perceived information need (c.f., Sinkula, 1994) and, therefore influence a firm's amount of export market-oriented activity (Diamantopoulos and Cadogan, 1996). Indeed, Siguaw et al. (1998), found support for the hypothesis that the higher the complexity and turbulence of a firm's export market environment, the greater the intelligence generation activities. Furthermore, Cadogan, Diamantopoulos and Siguaw (1998) found some support for the argument that the complex and dynamic nature of a firm's export environment will positively impact on export intelligence generation, dissemination and responsiveness activities. More specifically, the customer environment has been proposed to impact directly on market-oriented activities in several ways. For example, it has been argued that rate of change of customer demand, rate of new customers entering the market (market growth), and the cultural complexity of the market will increase the need for an organisation to track and respond to the needs of the customer (Achrol and Stern, 1988; Jaworski and Kohli, 1993; Slater and Narver, 1994; Pelham and Wilson, 1996).

An intense competitive environment is influenced by competitive rivalry, concentration of firms in an industry, power of the firm's customers, ease of entry into the industry and supplier power (Porter, 1980). Under conditions of high competition, customers have many alternative options to satisfy their needs and wants. This is also likely to motivate firms to be more responsive to customers' needs and competitors' actions (Lusch and Laczniak, 1987; Kohli and Jaworski, 1990; Dobscha, Mentzer, and Littlefield, 1994; Belich and Dubinsky, 1995; Pelham and Wilson, 1996; Gounaris and Avlonitis, 1997).

Competing through technological innovation has been previously conceptualised as an *alternative* strategy to gaining competitive advantage through a strong level of market orientation (e.g., Jaworski and Kohli, 1993; Slater and Narver, 1994). However, the technological environment has only been investigated in terms of any moderating influence that it may have on the market orientation to performance relationship and, while Slater and Narver (1994) found weak support, Jaworski and Kohli (1993) found no support. An alternative argument is that technology may be

an antecedent to the market orientation to performance relationship. This is because when the firm's technological environment is highly dynamic it may be more fruitful for firms to *increase* their level of export market-oriented activity, as this will enable them to be necessarily responsive to customer demands for technological innovation and to pre-empt competitor moves to do likewise. Menon, Jaworski and Kohli (1997) provide some support for this notion, arguing that organisations need to co-operate and share information when technology is stable, and that it will be even more important that the organisation is able to share information quickly when technology is changing rapidly. Similarly, Cavusgil and Zou (1994) suggest that a dynamic technical environment, both in the home and foreign markets, will require constant monitoring in order to anticipate and respond to changes.

It has also been suggested that the regulatory environment within a firm's foreign markets may influence a firm's export behaviour (Cavusgil, Zou and Naidu, 1993). Indeed Diamantopoulos and Cadogan (1996) found that firms operating in turbulent regulatory environments need to constantly monitor and respond to changes, as regulatory changes may have potentially large effects on the business. For example, changes to regulation in health, safety or technical standards may require the firm to change the products and promotions that it offers to its export customers (Cavusgil, Zou and Naidu, 1993). In summary of the above arguments it is hypothesised that:

H1b *There will be a positive relationship between the export market environmental turbulence and export market-oriented activities (i.e., intelligence generation, dissemination and responsiveness).*

2.2.2. Export Structure

The role and impact of the structural characteristics of an organisation on coordination and information processing issues have received much attention in the literature (e.g., Aiken and Hage, 1968; Deshpandé and Zaltman, 1982; John and Martin, 1984; Deshpandé and Zaltman, 1987; Kohli and Jaworski, 1990; Barclay, 1991; Menon and Varadarajan, 1992; Jaworski and Kohli, 1993; Belich and

Dubinsky, 1995; Gounaris and Avlonitis, 1997). Kohli and Jaworski (1990) argued for a direct negative relationship between departmentalisation, formalisation, and centralisation and intelligence generation, dissemination and response design and a positive relationship with the former variables and response implementation. However, they failed to find significant empirical support for these propositions (Jaworski and Kohli, 1993). Building on the work of Kohli and Jaworski (1990) and Jaworski and Kohli (1993), and extending it to the exporting context, it is possible to argue that departmentalisation, formalisation, and centralisation may indirectly impact on export market-oriented activities via the coordinating mechanism. It is also argued that these three structural variables will impact directly on export market-oriented activities, but that some of these relationships may be moderated by the external export environment.

i) Departmentalisation

Departmentalisation refers to elements of both physical (e.g., Jaworski and Kohli, 1993) and psychological (e.g., Fisher, Maltz and Jaworski, 1997) segregation within a firm. In terms of exporting firms, the organisation of the export function within a firm can take many forms (Samiee and Walters, 1990). In some firms, a separate export department may be responsible for export activities. In others, those responsible for dealing with exports may not operate within the boundaries of an export unit and may also be involved with domestic operations (Cavusgil, 1984).

The extant literature suggests that departmentalisation may accentuate differences among groups and build 'territorial viewpoints' (Menon, Jaworski and Kohli, 1997). This may force employees to have a narrow view, focusing on functional problems, issues and solutions and causing the organisational members to lack a superordinate focus (Fisher, Maltz and Jaworski, 1997). Applying this to the exporting context it may be that in situations where a firm's employees strongly identify with the exporting function of the firm, communication difficulties will arise between the exporting function and the rest of the firm. Shoham and Albaum (1994) provide support to this argument suggesting that lower proportions of staff in

an organisation involved in exporting may decrease co-operation between export and non-export departments. Furthermore, Cadogan and Diamantopoulos (1995) suggest that when a firm has a separate exporting division and key stakeholders within a firm are not committed to exporting, it is possible that export personnel will find it difficult to obtain the resources they need, and interdepartmental conflict for resources may occur. It has also been found that strong divisions between exporting employees and other firm members (e.g., marketing department, manufacturing, finance) may lead to situations of distrust between organisational members and political use of information (Diamantopoulos and Cadogan, 1996).

Coordination problems caused by departmentalisation may not just be restricted to between exporting and other departments, they may also occur between functional groups within the export division. For example, it has also been suggested that departmentalisation may lead to decreased communication (Kohli and Jaworski, 1990; Pelham and Wilson, 1996) and increased conflict (Barclay, 1991). Furthermore, Ruekert and Walker (1987) suggest that even when domains (goals) are similar, differences in training backgrounds and values may make communication difficult and may lead to conflict between departments. Therefore:

H2a *Greater departmentalisation has a negative relationship with the efficiency and effectiveness of the coordinating mechanism.*

Departmentalisation is also likely to have a direct impact upon the export market-oriented activities of export intelligence generation, dissemination and responsiveness. In this context, Diamantopoulos and Cadogan (1996) found that organisations that achieved rapid and multidimensional information dissemination made little distinction between domestic and export operations. Where there is strong divisions between exporting and non-exporting departments important information (for example about delays in production and delivery times) may not be passed on to exporting personnel (Diamantopoulos and Cadogan, 1996). This may occur because the non-exporting personnel are unwilling or unable to recognise the importance or usefulness of such information.

It has also been indicated in the literature that departmentalisation may adversely affect information processing activities, not just between the exporting and non-exporting functions, but also within the exporting function. For example, the organisational departments who are responsible for exporting may be geographically separated. This may reduce the opportunity for informal “hall talk” communication to occur between organisational members, thus, potentially decreasing intelligence dissemination in the organisation, and lowering the levels of export market knowledge held by organisational members (c.f., Maltz and Kohli, 1996). This may, in turn, diminish organisational responsiveness to their export market. High degrees of departmentalisation within the exporting function may also have an adverse effect. If managers identify strongly with their functional group (e.g., export marketing research or export sales) they may become ambivalent to export-wide norms and, therefore, be less likely to engage in behaviour which involves frequent and bi-directional information sharing across the entire exporting function of the firm (c.f., Fisher, Maltz and Jaworski, 1997). As a result of the above discussion, the following hypothesis is made:

H2b *Greater departmentalisation has a negative relationship with export market-oriented activities (i.e., intelligence generation, dissemination and responsiveness).*

ii) Formalisation

Formalisation has been defined by Kohli and Jaworski (1990, p. 10), as “the degree to which rules define roles, authority relations, communications, norms, and sanctions and procedures”.

It can be argued that the degree of formalisation within the exporting function of a firm will have a positive relationship with the coordinating mechanism. Specifically, higher levels of formalisation help clarify expectations and responsibilities and may thus lead to lower levels of dysfunctional conflict among decision-makers (Menon, Bharadwaj and Howell, 1996). By making explicit the norms to be adopted, members of more formal organisational systems are more

likely to come to share similar value systems, an important aspect of the coordinating mechanism (Diamantopoulos and Cadogan, 1996). Other research has also suggested that formalisation may support effective management and communication of information (e.g., Quinn and Rohrbaugh, 1983; Ruckert and Walker, 1987; Cameron and Freeman, 1991). This argument has also been extended to the international context, where Martinez and Jarillo (1991) suggest that formalisation will be a factor which positively contributes to the coordination of firms who operate in the complex international environment. Therefore, it is hypothesised that:

H2c *Formalisation of the exporting function of a firm has a positive relationship with the efficiency and effectiveness of the coordinating mechanism.*

It can be argued that there is a relationship between the level of formalisation of the exporting function of the firm and the export market-oriented activities of that firm (i.e., intelligence generation, dissemination and responsiveness). As the discussion that follows will indicate, it is possible that this relationship is moderated by the external export environment. It is thought that when export environmental turbulence is low, formalisation will have a positive relationship with export market-oriented activity. On the other hand, when export environmental turbulence is high, formalisation will have a negative relationship with the export market-oriented activities.

Several researchers have implied that the environment may influence the relationship between formalisation and information processing activities (e.g., Hannan and Freeman, 1984; Ruckert, Walker and Roering, 1985; Deshpandé and Kohli, 1989). Specifically, it has been argued that when the environment is heterogeneous, organisations will need to have adaptive, less formalised structures in order to cope with the variability and multiplicity of demands and constraints that are posed by the environment (Dwyer and Welsh, 1985). Hopwood (1974) points out that management must be careful that rules in their own right are not considered valuable, but rather a means to a wider end. Indeed, if management places too strong an emphasis on formalisation, organisational inertia and resistance to change

may set in (Kelly and Amberg, 1991). This in turn may reduce an organisation's ability to be responsive to market conditions, and will thus decrease the level of market orientation (Kohli and Jaworski, 1990). Furthermore, it has also been argued that in complex and dynamic environments, less formalised structures will facilitate the dissemination and processing of information (Deshpandé and Kohli, 1989). Several other researchers have also argued that there will be a negative relationship between formalisation and aspects of information processing (Deshpandé, and Zaltman, 1982; Jaworski and Kohli, 1993; Belich and Dubinsky, 1995).

However, it is also possible to argue that there are efficiencies to be gained through more formalised structures and that under conditions of low environmental turbulence the negative relationship between formalisation and export market-oriented activity may be weaker. Pelham and Wilson (1996) provide some support for this notion arguing that increased formalisation in small firms may positively influence internal efficiency and marketing implementation. Diamantopoulos and Cadogan (1996) suggest that formal and systematic communication methods aided dissemination processes in exporting organisations.

The above discussion primarily refers to the extensive examination of the nature and role of the relationship between formalisation and aspects of information processing activity in the domestic setting. However, there is no reason to suspect that the nature of this relationship will be different in the exporting setting (Souchon and Diamantopoulos, 1996). In summary, therefore, the following is hypothesised:

H2d *The influence of the formalisation of the exporting function on export market-oriented activities (i.e., export intelligence generation, dissemination and responsiveness) is moderated by the external environment. Under conditions of high environmental turbulence, formalisation will have a stronger negative relationship with export market-oriented activities than it will under conditions of low environmental turbulence.*

iii) Centralisation

“Centralization refers to the centrality of decision-making and information resource flow” (Belich and Dubinsky, 1995, p. 3).

Centralised structures in the exporting function of a firm may have a negative impact on the coordinating mechanism. For example, the collective domestic market-related research suggests that centralisation may lower autonomy and participatory decision-making by employees. This may in turn, facilitate friction and feelings of alienation in employees, impeding trust and decreasing the amount of idea exchange, (e.g., Barclay, 1991; Menon and Varadarajan, 1992; Shoham and Albaum, 1994; Olsen, Walker and Ruckert, 1995). Furthermore, it is suggested that centralisation may create a climate of tension, conflict and lack of cohesion (Menon, Jaworski and Kohli, 1997). Reports by Martinez and Jarillo (1991) that loss of autonomy may result in internal resistance from managers in a firm’s international markets provide some indication that in the exporting context centralisation may have a similarly adverse impact on the firm’s coordination. Therefore:

H2e *The greater the centralisation in the exporting function of the firm the lower the efficiency and effectiveness of the coordinating mechanism.*

There appears to be strong theoretical support in the literature, both in the domestic (e.g., Deshpandé and Zaltman, 1982; Sinkula and Hampton, 1988; Jaworski and Kohli, 1993) and international (e.g., Egelhoff, 1991; Belich and Dubinsky, 1995; Souchon and Diamantopoulos, 1996) contexts, for the argument that the loss of management autonomy through centralised decision making structures will be negatively related to aspects of market-oriented activities.

Deshpandé and Zaltman (1982) found that managers in decentralised organisations were more likely to make greater use of research they subcontracted. Furthermore, it has been suggested that over time, the degree of information generation and dissemination within a firm may decrease as information flows may become

constrained and important information is ignored (Sinkula and Hampton, 1988). Similarly, it was argued that under a centralised export structure the top office may be burdened with an excessive work-load, limiting export market-oriented activity (Egelhoff, 1991). Jaworski and Kohli (1993) found empirical support for the proposition that there is a negative relationship between centralisation and market orientation. Replication of their work with a sample of Saudi Arabian manufacturing firms by Bhuian (1996) also found some support for this proposition.

However, it is possible that the export environment will have a moderating influence on the relationship between centralisation and export market-oriented activity. Indeed, as export environmental turbulence increases, an increasing number of demands and constraints are placed on the firm. In order to carry out export market-oriented activity effectively in this situation, firms need to be supported by a structure that enables rapid responses to the environment and thus a decentralised structure is argued to be most appropriate. Conversely, in situations where the export environment has low levels of turbulence, the dangers of central management experiencing information overload are lower, and thus the necessity for a decentralised decision making is less (Egelhoff, 1991). Therefore, it is thought that the environment will act as a homologizer moderator, changing the strength of the negative relationship between centralisation and export market oriented activity. The following proposition summarises the above argument:

H2f *The influence of centralisation in the exporting function of a firm on export market-oriented activities (i.e., export intelligence generation, dissemination and responsiveness) is moderated by the environment. Under conditions of high export environmental turbulence, centralisation will have a stronger negative relationship with export market-oriented activities than it will under conditions of low export environmental turbulence.*

2.2.3. Export Systems

i) Export-market based reward systems

The organisational control literature suggests that reward systems can be used to influence individuals' behaviour in order to positively impact upon a firm's performance (e.g., Anderson and Chambers, 1985; Jaworski, 1988; Webster, 1988; Kohli and Jaworski, 1990; Ruekert, 1992; Jaworski and Kohli, 1993; Widing et al., 1997). As Anderson and Chambers (1985, p. 8) state, "organizational members are induced to contribute toward attainment of organizational objectives because they receive rewards for doing so". Therefore, the following section argues that export market-based reward systems can be used to direct individuals towards developing export market-oriented attitudes and behaviours.

Specifically, the literature indicates that this may be achieved by implementing market-based reward systems, with an emphasis on long-term profit and customer value (Webster, 1988; Kohli and Jaworski, 1990; Ruekert, 1992; Mohr-Jackson, 1992; Jaworski and Kohli, 1993; Widing et al., 1997). Reward and recognition systems must be keyed to market driven indicators, otherwise inappropriate behaviour from the employee is likely to be reinforced (Mohr-Jackson, 1992). Rewards should be interpreted broadly so as to include appreciation, recognition and approval given to employees in a firm. For example, through public recognition of individual employees who behave in such a way as to provide a high degree of customer value (Kohli and Jaworski, 1990).

It can be argued that the efficiency and effectiveness of the coordinating mechanism may be improved through rewarding employees for export market-oriented attitudes and behaviours. For example, individuals and groups may have market-based rewards for such behaviours as satisfying and building good relationships and satisfying the customer (Widing et al., 1997). The implementation of market-based rewards will align and create interdependence of goals within the firm and also align the individual's goals with the firm's goals (Widing et al., 1997). This

common focus, in turn, will increase trust, decrease political behaviour and conflict (Bharadwaj, 1996) and nurture cooperation and sharing among work groups (Menon, Jaworski and Kohli, 1997). Martinez and Janillo (1991) provide some indication that these arguments can be extended to the exporting context. They report that the conscious development of coordination (through mechanisms such as employee rewards) is just as evident in the international context.

H3a *The use of export market-based reward systems will have a positive relationship with the efficiency and effectiveness of the coordinating mechanism.*

It is also proposed that export market-based reward systems will have a direct impact on export market-oriented activities. It has been argued, from the inducements-contributions perspective of organisational behaviour (i.e., Barnard, 1938), that reward systems may influence the behaviour of employees (Anderson and Chambers, 1985). Therefore, if individuals are rewarded for carrying out organisationally desirable behaviour (such as a market-oriented activity) then the frequency of emission of these behaviours will increase (Kohli and Jaworski, 1990; Ruekert, 1992). Ruekert (1992) and Jaworski and Kohli (1993) found significant empirical support for the proposition that firms which have market-based reward systems that encourage a market-driven customer focus, achieve a higher degree of intelligence generation, dissemination and market responsiveness. In seeking to identify the applicability of these arguments to the export context, it became clear that there has been no research to date which investigates the relationship between *export* market-based reward systems and employee behaviour. However, it seems intuitively appealing that the compelling arguments relating reward systems to employee behaviour in the domestic setting can be extended to this exporting context - indeed there has been no evidence to suggest otherwise. It is therefore hypothesised that:

H3b *The use of export market-based reward systems in a firm will have a positive relationship with export market-oriented activities (i.e., export intelligence generation, dissemination and responsiveness).*

ii) Export market-oriented recruiting systems

Individuals' values, beliefs and past experiences will affect their perceptions, which in turn may affect their behaviour (Hopwood, 1974). It has been suggested that recruitment of staff who already have those skills and values required to achieve a market orientation may help a firm to develop and sustain a market orientation (e.g., Ruekert, 1992; Ghosh et al., 1994; George and Miller, 1996).

The coordinating activities of the exporting function of the firm can be directly improved through recruiting individuals who have the skills needed for efficient and effective coordination. For example, in the international context Martinez and Janillo (1991) suggest that employees who have had experience working in a number of functional areas are more likely to be able to communicate well across units within the company. Additionally, an individual may have proven listening, team work and conflict resolution skills which would help minimise adverse effects of inter- and intra-departmental conflict, and aid communication. It should be noted that export market-oriented individuals who are recruited into a non-export market-oriented culture may challenge beliefs and procedures in the firm (Kanter, 1983). This may initially increase conflict in the firm. However, over the long term the recruitment of individuals who have already developed a strong export market orientation should have a positive impact on the coordinating mechanism in the firm.

H3c *The use of export market-oriented recruiting systems in a firm will have a positive relationship with the efficiency and effectiveness of the coordinating mechanism.*

It is also possible that recruitment of market-oriented employees will have a direct impact on the export intelligence generation, dissemination and responsiveness activities. Ruekert (1992, p. 230) argued that “[we] would expect that the extent to which the organization recruits and selects individuals who have a commitment to serving customers, or who have skills which can improve the market orientation of

the business unit, should be related to the level of market orientation achieved by the business". Indeed, certain types of individuals may have skills which already equip them well to carry out the international activities of the firm, whether it be through education or previous experience (Ball and McCulloch, 1992). For example, employees who have existing knowledge about the foreign market may facilitate the acquisition of more and better information (Welch and Welch, 1996). Similarly, it has been suggested that one of the keys to developing a firm-wide passion for customer service is through recruiting employees who have a strong service orientation (Schuler, 1996). Several other authors have suggested, in the international context, that it is possible to recruit individuals who have skills or knowledge that may facilitate export market-oriented behaviour in the firm (e.g., Leonidou, 1992; Diamantopoulos and Cadogan, 1996). Therefore:

H3d *The use of export market-oriented recruiting systems in a firm will have a positive relationship with the export market-oriented activities (i.e., export intelligence generation, dissemination and responsiveness).*

iii) Export market training systems

A critical step towards fostering an export market orientation in a firm is to train employees so that they are equipped with the skills, methods and ability to continuously innovate in order to achieve export customer satisfaction. As Mohr-Jackson (1992, p.462) found, "training sets the stage, direction, and foundation of a market orientation and facilitates the clarity of focus and vision".

Training can directly improve the efficiency and effectiveness of the coordinating mechanism. In particular it may help employees build trust and sensitivity towards each other and acceptance of new ways of doing things, improve communication and co-operation skills and reduce functional and vertical communication boundaries, decrease dysfunctional conflict, and facilitate the development of shared beliefs and values (c.f., Anderson and Chambers, 1985; Band, 1989;

Ruekert, 1992; Czinkota and Ronkainen, 1995). Four practical examples of the numerous training activities which may help achieve this are:

- Team building activities. These will develop trust, co-operation and break down functional barriers.
- Top management spending time at work “in the front line”. Not only may this decrease vertical boundaries in the firm through helping managers to better understand the role of lower-level employees, it may also bring the managers closer to, and increase their understanding of, the customer.
- Teaching employees the firm’s communication systems and processes so that they know how to use the communication tools available to them (Bramson, 1991).

It seems that training may be particularly important in the often complex environment associated with international business. For example, cross functional training and job rotation, increase employees understanding of other functional departments needs and perspective’s. This may be particularly useful in the case of the exporting department and can facilitate communication and decrease dysfunctional conflict between departments (c.f., Brown and Duguid, 1994).

Indeed, Martinez and Janillo (1991) suggest that firm cultural aspects of coordination such as shared identification, developing loyalties and socialisation of employees can be developed through training. In summary therefore it is hypothesised that:

H3e *The use of export market-oriented training systems in a firm will have a positive relationship with the efficiency and effectiveness of the coordinating mechanism.*

Export market-based training may also directly influence the degree and quality of export intelligence generation, dissemination and responsiveness. Specifically, employee training can be used to develop the skills needed in the employees, and promote and reinforce the practices in the firm which facilitate export market-

oriented activities. Examples of how this can be achieved include firm publications and video training material about exporting, in-house executive development programmes (Webster 1988), techniques to incorporate customer information into the planning system (Ruekert, 1992), culture and language training, overseas visits by employees to the export market (c.f., Welch and Welch, 1997), training on how to use information technology, and information acquisition quality improvements through the use of models which guide systematic analysis.

Specifically in the exporting context Leonidou (1995) reports that problems associated with training may be a barrier to successful exporting. Burton and Schlegelmich (1987) add weight to this, finding that successful exporters highly value education and training programmes for management. Hooley and Newcomb (1983) argue that the improvements in communication and understanding of export customers culture that will be associated with knowledge of foreign languages may be an extremely important criteria for export success. In summary, it can be seen that training may be an integral part of facilitating an export market orientation in a firm. Therefore:

H3f *The use of export market-oriented training systems in a firm will have a positive relationship with the export market-oriented activities (i.e., export intelligence generation, dissemination and responsiveness).*

2.2.4. Leadership Factors

The literature is seemingly unanimous in agreement that leadership by management plays a vital role in shaping the behaviour of individuals in the firm and the firm's performance (Webster, 1988; Kohli and Jaworski, 1990; Jaworski and Kohli, 1993; Pulendran and Speed, 1996b). For example, Kohli and Jaworski (1990, p. 7) found from their qualitative research that "[t]he role of senior management [is] one of the most important factors in fostering a market orientation". Specifically in the exporting context Aaby and Slater (1988, p. 17) state that "management's disposition, (mis)perceptions, awareness and attitudes are dependable determinants

of export performance”, while Shoham and Albaum (1994) note that management practices are the most critical factors underlying export success. Thus, top management’s attitudes and behaviour appear to play a key role in facilitating an export market orientation through the impact the leaders have on other firm members. Specifically, it is thought that i) leader propensity to export, ii) leader emphasis on the importance of an export market orientation and, iii) leader emphasis on intrapreneurial export behaviour, will facilitate the achievement of an export market orientation in a firm.

i) Leader propensity to export

Cavusgil (1984) reports that management’s expectations about how attractive their firm’s export markets are will influence the firm’s export behaviour. The following section argues that there will be a relationship between leader propensity to export and the degree of export market orientation in a firm. Propensity to export is conceptualised as consisting of both attitudes towards exporting held by the top management in the firm, and the actual export behaviour of that firm.

The concept of managerial attitudes towards exporting refers to “decision-makers’ preconceived views, perceptual tendencies, expectations, beliefs, and general attitudes towards foreign markets” (Eshghi, 1992, p. 48). Actual export behaviour is also an element of leader propensity to export. For example, Cavusgil (1984) suggests that management will form attitudes about the profitability, riskiness and impact of the changing export environment and, as the firm becomes more involved with export marketing, they develop increasingly more optimistic expectations.

It is interesting to note that the relationship between attitudes towards exporting and actual export behaviour has been demonstrated as being not always consistent (Eshghi, 1992). It is suggested that the relationship may be moderated by intervening factors. Four examples of possible intervening factors follow (Eshghi, 1992). First, lack of specific information and knowledge about export markets may inhibit export involvement. Secondly, companies may lack the necessary resources

to invest in exporting. Thirdly, it is possible that the elapse of time may intervene, in other words, managers may be favourably disposed towards exporting but have not yet had the time to increase their involvement. Finally some firms may have simply responded to unsolicited orders from abroad, or been forced to export due to declining domestic sales whilst still exhibiting no attitudinal commitment to exporting activity. Therefore, it is argued that leader propensity to export is measurable in degrees. Firms which exhibit both management who have favourable attitudes to exporting, and a high degree of export involvement, are more likely to enjoy higher levels of export market orientation.

Specifically, with respect to the relationship between leader propensity to export and the coordinating mechanism, Diamantopoulos and Cadogan (1996) report some cases where key individuals within the firm were not supportive of those functioning in the export unit. They suggest that those situations, amplified by lack of goal congruence, may escalate into inter-functional conflict. Additionally, they found that where export dependence was high, there was greater acceptance of exporting as a legitimate activity, value systems were export-oriented and coordination was high. Additionally, Gencturk, Childers and Ruekert (1995) suggest that favourable senior management attitudes to exporting will be positively related to non-financial resource allocation (such as coordinating activity). As a result, it is likely that greater leader propensity to export is positively related to the coordinating mechanism.

H4a *Leader propensity to export has a positive relationship with the efficiency and effectiveness of the coordinating mechanism.*

It has been suggested that positive management perceptions and attitudes toward export problems and incentives will lead to more risk-taking behaviour, a willingness to overcome export barriers and a general willingness to commit resources to exporting (Samiee and Walters, 1990). Thus, a strong management propensity to export is one of the most important determinants of export performance (c.f., Aaby and Slater, 1989; Eshghi, 1992; Gencturk, Childers and Ruekert, 1995). The logic of this argument is adhered to and extended, to propose

that management propensity to export is likely to lead to a higher allocation of both financial and non-financial resources to export market-oriented activity and thus lead to increased export intelligence generation, dissemination and responsiveness. For example, committing high numbers of employees to be involved in the exporting function of the firm will directly and positively impact on the opportunity for firm-wide generation, dissemination and responsiveness to intelligence about the export market. Katsikeas (1996) indicates that regular exporters who have management in the firm who are export minded are more likely to be proactive in their exporting activities, whilst sporadic exporters are more likely to react to export opportunities for example, as an opportunity to reduce inventory, or in response to adverse conditions in the export market. Furthermore, high dependence on exporting activity may lead to a wider scope of export intelligence generation, faster and broader dissemination of export intelligence, and more speedy and proactive responses to the export environment, than would be experienced in firms where the management did not have a high propensity to export (c.f., Diamantopoulos and Cadogan, 1996). Therefore:

H4b *Leader propensity to export has a positive relationship with export market-oriented activities (i.e., export intelligence generation, dissemination and responsiveness).*

ii) Export leader emphasis on export market orientation

The literature on market orientation in the domestic context indicates that in order for a firm to achieve a high degree of market orientation, management emphasis and commitment to market orientation is critical (Jaworski and Kohli, 1993; Pulendran and Speed, 1996a). As Jaworski and Kohli (1993, p. 55) state, “[u]nless an organization gets clear signals from top managers about the importance of being responsive to customer needs, the organization is not likely to be market-oriented”. It is logically appealing that leader emphasis on market orientation in the exporting context will also be important. Interestingly, Hooley and Newcomb (1983) argue that a lack of commitment by top management to a market orientation in their export markets was a key cause of declining export performance in Britain.

The firm leaders are the driving force behind the creation of the values and beliefs held in a firm (Webster, 1988). Firms whose export leaders develop a shared purpose or mission through emphasising the importance of export customer satisfaction can develop a sense of team work among employees (Diamantopoulos and Cadogan, 1996). Furthermore, failure to develop a company wide focus on export market orientation may hamper the effectiveness of the coordinating mechanism. For example, if employees from outside of the exporting function are not committed to exporting they may obstruct the exporting functions operations, leading to inter-firm conflict (Diamantopoulos and Cadogan, 1996). In summary therefore:

H4c *Emphasis from export leaders on export market orientation will have a positive relationship with the efficiency and effectiveness of the coordinating mechanism.*

In the domestic context Jaworski and Kohli (1993) argue that if leaders develop in their subordinates the perception that it is vital to be sensitive to competitor moves, customer needs and market trends, they are more likely to be motivated to generate and disseminate information at all levels. The logic of their argument is extended to the exporting context to suggest that leader emphasis on export market orientation will be important in facilitating export market-oriented activity. Hooley and Newcomb (1983) provide support to this notion, suggesting that management emphasis on export market orientation will lead to increased resources being allocated to, and priority being placed on, the export market. This facilitates increased export intelligence generation, dissemination and responsiveness. For example, through enabling: an increase in the level of export market research conducted and an increase in the number of sales staff operating in the foreign market (Hooley and Newcomb, 1983), the installation of sophisticated information technology to aid information dissemination (Diamantopoulos and Cadogan, 1996) and a higher priority to be placed on speedy responses to export customer needs. It is therefore hypothesised that:

H4d *Emphasis from the export leaders on export market orientation will have a positive relationship with the export market-oriented activities (i.e., export intelligence generation, dissemination and responsiveness).*

iii) Export leader emphasis on export intrapreneurship

Intrapreneurship (corporate entrepreneurship) can be defined as “the act of creating new products and processes within an organization. The intrapreneur is the corporate entrepreneur” (Bateman and Zeithaml, 1993, p. G-5). Davis, Morris and Allen (1991) explain that the aim of intrapreneurship is to create value and suggest that the three main areas of the construct include risk-taking, innovation and proactiveness. The literature indicates that lack of innovation within a firm may mean that the firm fails to identify latent customer needs (e.g., Bennett and Cooper, 1980). Specifically in the international setting, Yeoh and Jeon (1995) conclude that prior research suggests strong support for the applicability of the innovation, proactiveness and risk taking elements of the intrapreneurship construct to the exporting context. The following section argues that there may be a positive relationship between leader emphasis on export intrapreneurship and export market orientation.

If management is risk-averse, in its export markets and unwilling to accept the occasional failures that are the normal part of business, it is anticipated that this will increase conflict within the organisation, as department and functions attempt to avoid responsibility for the failures (c.f., Menon, Jaworski and Kohli, 1997). Additionally, Menon, Jaworski and Kohli (1997) have argued that if risk-averse management react negatively to the inevitable delays and missteps associated with the inter-departmental communication which is necessary for entrepreneurial behaviour, they will motivate staff to adopt low-risk departmental tasks. Conversely, if management leaders emphasise and develop a firm that thrives on change and innovation, export employees will find that they will need to communicate ideas and work together to achieve the shared goal of developing innovative products and systems for their export customers and markets. In summary therefore:

H4e *The emphasis from the export leaders on export intrapreneurship has a positive relationship with the efficiency and effectiveness of the coordinating mechanism.*

It is also likely that export leader emphasis on export intrapreneurship will have a positive impact on export market-oriented activity. Interestingly, it has been suggested that market orientation impacts negatively on product innovation (e.g., Bennet and Cooper 1979, 1981). The basis to this argument is that a market orientation may limit the focus of a firm's intelligence efforts, thus causing the firm to ignore emerging markets, competitors and latent customer needs. However, as described by Kohli and Jaworski (1990) and Narver and Slater (1990), a market orientation requires that a firm create superior value for its customers by understanding its customers' entire value chain, and considering their needs and the likely exogenous influences on their needs, both currently and in the future. Therefore, a firm that is truly market-oriented will not demonstrate a limited focus. Further, aspects of intrapreneurship activity (such as innovation) have been argued to be a critical and integral part of a market orientation (e.g., Miles and Arnold, 1991; Jaworski and Kohli, 1993; Atuahene-Gima, 1996). Kohli and Jaworski (1990, p. 8) argue that, "if top management demonstrate a willingness to take risks and accept the occasional failure, junior management are more likely to propose and introduce new offerings in response to changes in customer needs". They find empirical support for the proposition that as management risk aversion increases, the market orientation of a firm will decrease (Jaworski and Kohli, 1993). Furthermore, Kohli and Jaworski (1990) argue that senior managers' formal education, upward mobility, and attitudes toward change are also important influences on market orientation. This is because of the likelihood that managers who exhibit these qualities will emphasise, and behave in a way which supports, continuous innovation in the firm. Additionally, Menon and Varadarjan (1992) argue that leader emphasis on intrapreneurship is a vital influence on market-oriented activity and propose a relationship between a pro-innovation culture and marketing information utilisation.

Katsikeas (1996) argues that regular exporters will be more proactive than sporadic exporters in seeking, identifying and exploiting export market opportunities. Furthermore they find that those proactive exporters will be better at generating information (e.g., attending export seminars, making frequent use of secondary information sources) and responding to opportunities in the export markets. Other authors have also emphasised the importance of innovation, risk taking and proactiveness to export success (e.g., Aaby and Slater, 1988; Shoham and Albaum, 1994; Yeoh and Jeong, 1995). Thus in a synthesis of the literature the following hypothesis is offered:

H4f *The emphasis from export leaders on export intrapreneurship has a positive relationship with export market-oriented activities (i.e., export intelligence generation, dissemination and responsiveness).*

2.2.5. Export Function's Employee Attitudes

As discussed in Section 2.2.4, export leaders can communicate to their subordinates the expected norms of behaviour that will enable the firm to achieve an export market orientation. However, in order for the work force to behave in such a way as to contribute to the achievement of this goal, they must first be induced to do so (Barnard, 1938). In this context, the importance of the internal customer (the firm's employees) has already been recognised in the Total Quality Management literature (e.g., Lukas and Maignan, 1996) but has generally been overlooked in marketing (Mohr-Jackson, 1992). The following section argues that in order to induce a work force to work towards the goal of an export market orientation it is necessary to develop job satisfaction and organisational commitment and to minimise role stress experienced by the firm's employees. In this context, it will be particularly important that employees in the exporting function of the firm are committed to the firm, are satisfied with their jobs, and experience minimal role stress, as the behaviour of these employees will have a particularly vital influence on the degree of export market orientation achieved.

It should be noted that it has previously been argued in the literature that individual factors such as job satisfaction, commitment and role stress may be consequences of a firm's market orientation (Kohli and Jaworski, 1990; Ruekert, 1992; Jaworski and Kohli, 1993; Siguaw, Brown and Widing., 1994; Mengüç, 1996). However, Siguaw, Brown and Widing (1994) also indicate that it is possible that customer orientation both affects, and is affected by, job attitudes. Similarly, Jaworski and Kohli (1993) suggest that individual characteristics such as attitudes should be considered in future research, as possible antecedents to market orientation. It therefore seems that there is a causality issue regarding the relationship between work force attitudes and a firm's market-oriented behaviour. The relationship between attitudes and behaviour has been of central concern in the organisational behaviour literature (see for example Vroom, 1964). In the literature, an individual's behaviour has been consistently conceptualised as being impacted on by their attitudes. For example, French, Kast and Rosenzweig (1985) describe individual behaviour as a function of individual factors, including their attitudes and goals, their environment, and the firm's structure, systems and management styles. Furthermore, in Barnard's (1938) now classic inducements/contributions model, the individual is conceptualised as making contributions (actions as guided by the firm's goals) in response to satisfaction with the inducements offered by the firm.

Applying organisational behaviour theory to this context, therefore, it can be argued that the attitudes of the employees in the exporting function, such as job satisfaction, should be conceptualised as antecedents to the employee's export market-oriented behaviour, such as export intelligence generation and interdepartmental communication. In the context of marketing, Meldrum (1997) provides some support for this notion arguing that an attitude can be thought of as a predisposition to act in particular ways and that the attitudes of some marketing managers may lead to the dysfunctional use of knowledge and skills for an organisation and enhance organisational performance in others. Meldrum (1997) adds that within the marketing literature this has been noted on an anecdotal basis by a number of other writers. In light of the above discussion the following section argues that the levels of job satisfaction, organisational commitment and role stress

experienced by employees in the organisation's exporting function have an important influence on the organisation's level of export market orientation.

i) Job Satisfaction and Organisational Commitment

Conventional wisdom and empirical evidence suggests that job satisfaction and organisational commitment can lead to higher performance levels in the organisation (c.f., Kanter, 1968; Walker, Churchill and Ford, 1975; Johnston et al., 1990, Bateman and Zeithaml, 1993; Brown and Peterson, 1993; McLennan, 1995). This perspective is subscribed to, and the logic extended, to suggest that job satisfaction and organisational commitment experienced by employees in the exporting function of the firm will facilitate the creation and maintenance of an effective coordinating mechanism. Organisational commitment is associated with employee acceptance of an organisation's major goals and values (Porter, 1968) and job satisfaction is associated with increased good citizenship among employees and behaviour which shows regard for the organisation (Kearney and Hays, 1994). Thus, through developing commitment and satisfaction amongst employees who are involved with the export function, trust, co-operation and communication levels will be increased and dysfunctional conflict levels decreased. Hoffman and Ingram (1992, p. 71) provide support for this notion, stating that feelings of job satisfaction and organisational commitment will be associated with "behavior reflecting interpersonal sensitivity and kindness—behaviors such as listening to others, showing awareness and concern for the needs and feelings of others, tact, emotional control, acceptance of criticism". Similarly, Maltz and Kohli (1996) propose that there is a direct relationship between an individual's organisational commitment level and the trust this person will have in the senders of information in his/her organisation.

H5a *Job satisfaction and commitment experienced by employees involved with the exporting function of the organisation will have a positive relationship with the efficiency and effectiveness of the coordinating mechanism.*

It can be seen that job satisfaction and organisational commitment may also have a direct impact on the level of export market-oriented activity carried out in an organisation. Specifically, positive attitudes held by the employees involved with the export function of the organisation such as satisfaction and commitment may be positively associated with behaviour which supports the organisation's goals (French, Kast and Rosenweig, 1985). Committed employees are more likely to exert high levels of effort on behalf of the organisation (Porter, 1968) and can be described as 'going out of their way' to ensure the well-being of the organisation (Jaworski and Kohli, 1993). Similarly, if employees are satisfied by the inducements offered by the organisation, they are likely to make a contribution to help achieve organisational goals (Barnard, 1938). Therefore, in this context, it is argued that if export employees are satisfied and committed their behaviour will support the organisation's goals of generation, dissemination and responsiveness to export market intelligence about the export customer, competitors and other external influences. For example; a study by Beltramini (1988) found that the information acquisition processes of an employee are significantly related to the involvement and corporate commitment of that employee. Maltz and Kohli (1996) found that as organisational commitment of an employee increases so too will information dissemination frequency. Job satisfaction has been found to be associated with increased employee customer orientation (Hoffman and Ingram, 1992) and increased quality of customer service (Bramson, 1991; Mohr-Jackson, 1991; Bowen, 1996; Lukas and Maignan, 1996). Finally, John and Martin (1984) indicate that negative attitudes may lower the degree of compliance with organisational activities such as those required response outputs. Therefore, it is hypothesised that:

H5b *Job satisfaction and commitment experienced by employees involved with the exporting function of the organisation will have a positive relationship with the export market-oriented activities (i.e., export intelligence generation, dissemination and responsiveness).*

ii) *Role Stress*

“Role stress occurs when employees have conflicting job demands placed on them, or when they are unsure what is expected of them from certain job situations” (Boshoff and Gerhard, 1995, p. 23). Role stress is often described as consisting of two primary components; role conflict and role ambiguity (Behrman and Perreault, 1984; Johnston et al., 1990; Boles, Johnston and Hair, 1997). Role conflict exists when the expectations and demands of two or more role set members are incompatible. This may create conflicting role forces and psychological conflict within the employee. Role ambiguity occurs when an employee does not feel they have the necessary information to perform their role adequately, and are uncertain about what is expected of them (Walker, Churchill and Ford, 1975).

While it is highly likely that role stress will influence an employee’s job satisfaction and commitment levels (e.g., Walker, Churchill and Ford, 1975; Behrman and Perreault, 1984; Johnston et al., 1990; Brown and Peterson, 1993; Boshoff and Gerhard, 1995; Singh, Verbeke and Rhoads, 1996), the following section argues that the level of role conflict and ambiguity experienced by employees involved in the exporting function of a firm will also have a direct impact on a firm’s export market orientation.

When the employees in a firm who are involved with exporting experience role stress, it may impact on the efficiency and effectiveness of the coordinating mechanism. For example, role stress has been found to induce emotional exhaustion in the individual (Boles, Johnston and Haire, 1997). This may, in turn, reduce communication efficiency and increase dysfunctional conflict. It has been suggested that emotional stress may result in failure in work relationships, selfishness and resentment in the individual (Hall and Savery, 1987) and reactions of anger (Ross, 1995). Furthermore, role ambiguity and conflict (especially in situations where an employee has to report to more than one supervisor) can induce political behaviour (c.f., Hall and Savery, 1987). Indeed, similar to the arguments

put forward by Shenkar and Zeira (1992) with respect to multinational companies, it is arguable that export managers may experience considerable role stress when trying to simultaneously meet policy compliance and stakeholder demands for both their export markets and domestic headquarter obligations. As Shenkar and Zeira (1992) point out this may lead to stress, hostility, dissatisfaction, difficulty in decision making and distortion of realities. The aggregate effect of many employees who are involved in the exporting function of the firm and are experiencing such role stress as described above, would clearly have an adverse influence on the efficiency and effectiveness of the coordinating mechanism.

H5c *Role stress experienced by employees in the exporting function of the firm will have a negative relationship with the efficiency and effectiveness of the coordinating mechanism.*

In addition to the impact on the coordinating mechanism, it is thought that role stress experienced by the employees who are involved in the exporting function of the firm will also influence the level of export intelligence generation, dissemination and responsiveness behaviours. If, for example, managers say that employees involved with the export function should be export market-oriented, but then proceed to cut back on export market research funds, it will create ambiguity about the amount of effort and resources that the employee should allocate to export market-oriented tasks, and thereby lead to lower levels of export market-oriented activity (c.f., Kohli and Jaworski, 1990). Likewise, if a firm's salespeople are tightly constrained by rules and closely supervised they will not have the latitude to adjust behaviour to customer demands (Walker, Churchill and Ford, 1975). This role conflict would have a direct negative impact on the level of market-oriented behaviour in the firm.

H5d *Role stress experienced by employees in the exporting function of the firm will have a negative relationship with the export market-oriented activities (i.e., intelligence generation, dissemination and responsiveness.)*

2.2.6. Business-Specific Factors

The market orientation and related literature also indicates that various business-specific factors may impact on a firm's export market orientation. In particular, export experience and export resources may be important influences on a firm's export market orientation.

i) Export Experience

Although objective knowledge can be taught, some knowledge can only be learned through personal experience (Johanson and Vahlne, 1977). That is, organisational members acquire experience through contact with, and about, the export market. In turn, those organisational member will learn and build their knowledge through making inferences about their experiences, and encoding them into routines and belief structures that guide their future behaviour (Levitt and March, 1988).

Johanson and Vahlne (1977) note that experience can lead to both general knowledge, for example, experience with production processes and types of customers irrespective of their geographic location, and also to market specific knowledge, which is knowledge about characteristics of the specific national market, for example, business climate, cultural patterns and characteristics of the individual customer companies and their personnel. As well as guiding the individual employee's behaviour (Perkins and Rao, 1990), the experiential lessons are transmitted through such things as socialisation, education, imitation, and personnel movements to other current and future organisational members (Levitt and March, 1988). Therefore, past experiences, through the learning that follows, will critically influence how an organisation processes market information (Sinkula, 1994). In summary of the above discussion, export experience, as conceptualised in this study, refers to the knowledge and skills which the firm has about it's export operations and markets.

It is thought that the direct effect of experience on the coordinating mechanism will be negative. This is because past learning has been argued to inhibit new learning,

and conflict may escalate as dissenters voice their new ideas (Nystrom and Starbuck, 1984) . Furthermore, experience in a firm may lead to high levels of political behaviour among key stakeholders who may have vested interests (Nystrom and Starbuck, 1984; Aldrich and Auster, 1986). It is also likely that as a firm increases its experience each members knowledge and skills will become more specialised. This in turn may result in firm member's experiencing communication difficulties due to the different thought paradigms that they are communicating from (Wierseman and Bantel, 1993), thus hampering the efficiency and effectiveness of the coordinating mechanism.

H6a *There will be a direct negative relationship between firm export experience and the coordinating mechanism.*

Different aspects of information processing activities have been suggested by several authors as being influenced by organisational experience (e.g., Aldrich and Auster, 1980; Levitt and March, 1988; Sinkula, 1994; Siguaw et al. 1998).

In addition to the negative influence via the coordinating mechanism, export experience may have a direct and positive influence on export intelligence generation, dissemination and responsiveness activity. It has been suggested that in the international context, information may be difficult and expensive to obtain (Walters, 1983). However, as experience increases so too will the familiarity with available sources of export information and how to tap into them. For example, more experienced companies have developed a network of personal contacts and customer relationships abroad (Katsikeas, Piercy and Ioannidis, 1996). Diamantopoulos and Cadogan's (1996) field work supports this notion, finding that a lack of export experience was one of the main reasons underlying poor information generation. Additionally, as more experienced companies may have a better knowledge about the foreign market (Johanson and Vahlne, 1977), they may be better equipped to recognise what is important information to disseminate throughout the firm. Furthermore, experience will help firms better understand the uncertainty and likely consequences of their actions (Perkins and Rao, 1990). This

will clearly improve the efficiency and effectiveness of responsiveness in the firm. Cadogan, Diamantopoulos and Siguaw (1998) provide weight to the above discussion arguing and finding some empirical support for the hypothesis that experience will be positively related to export market intelligence generation, dissemination and responsiveness. Therefore, in summary;

H6b *There will a direct positive relationship between firm export experience and the export market-oriented activities (i.e., export intelligence generation, dissemination and responsiveness).*

ii) Export resources

As the amount of resources allocated to exporting increases it is likely that the efficiency and effectiveness of the coordinating mechanism will increase. Magner and Johnson (1995) argue that perceived justice in budgetary decisions concerning the allocation of resources evokes strong emotional responses because those budgetary decisions will affect a given individual's ability to realise personal gains. For example, a ceiling on expenditure may inhibit an export programme's performance, which in turn may influence an individuals' rewards (e.g., pay, promotion, recognition). Magner and Johnson (1995) further suggest that consequences of perceived justice of resource allocation include trust in supervisors and belief and acceptance of organisational values and goals. Applying these arguments to the export context, it is suggested that as the allocation of resources to the exporting function increases both employee trust in the firm and acceptance of the exporting values and goals of the firm will increase. This will in turn increase the efficiency and effectiveness of the export coordinating mechanism.

H6c *There will be a positive relationship between export resources and the coordinating mechanism.*

Resources allocated to exporting will also have a relationship with aspects of export intelligence generation, dissemination and responsiveness activity. This is because a greater allocation of production, financial and managerial resources to the export function may better equip it to carry out information processing activity. For example, exporters will be able to install sophisticated information dissemination mechanisms (Diamantopoulos and Cadogan, 1996) and conduct more informal and formal export market research (Samiee and Walters, 1990; Belich and Dubinsky, 1995). Cost advantages, for example, through economies of scale gained from bulk purchasing and raising finance at a lower cost (Abdel-Malek, 1978; Wagner, 1995) may also facilitate increased responsiveness to the export customer. This may be achieved through passing the cost savings directly on to the export customer or through investing the savings in export product improvement. Companies with high export resources may also be at an advantage in that they may be more able than companies with less export resources to afford risk-taking behaviour and thus may be more export innovative (c.f., Abdel-Malek, 1978; Wagner, 1995). In summary it is hypothesised that:

H6d *There will be a positive relationship between export resources and the export market-oriented activities (i.e., export intelligence generation, dissemination and responsiveness).*

2.2.7. Coordinating Mechanism

Diamantopoulos and Cadogan (1996) remark that fundamental to the coordinating mechanism is communication, not merely seen as dissemination of intelligence, but as a method for cultivating and maintaining relationships. They also suggest that shared culture and vision, lack of conflict and aligned goals are an integral part of an effective coordinating mechanism.

The following section argues that there will be a positive relationship between the strength of a firm's coordinating mechanism and the level of export market intelligence generation, dissemination and responsiveness carried out in the firm.

It can be seen that the coordinating mechanism encompasses Jaworski and Kohli's (1993) connectedness and conflict constructs. Jaworski and Kohli (1993) find that interdepartmental conflict will create tension. Conversely a lack of conflict and increased connectedness will aid communication which will positively influence aspects of export market oriented activity. Other aspects of the coordinating mechanism such as culture, values and beliefs have also been previously conceptualised as an important influence on a firm's activities (e.g., Webster, 1988; Deshpande, Farley and Webster, 1993).

Consistent with the view that the coordinating mechanism is not just part of an export market orientation, but also an antecedent to the export market-oriented activity, Diamantopoulos and Cadogan (1996, p. 44) state that the coordinating mechanism "plays an important role in steering market orientation within companies". They add that because of internal differentiation and high levels of complexity often found in international firms that this will be particularly important in the international context. Siguaw et al., (1998) find support for the hypothesis that the stronger the coordinating mechanism the greater the level of a firms export intelligence generation, dissemination and responsiveness. Furthermore, Cadogan, Diamantopoulos and Siguaw (1998) find that, of a set of hypothesised antecedents to export intelligence generation, dissemination and responsiveness the coordinating mechanism is the strongest predictor. Therefore;

H7 *There will be a positive relationship between the coordinating mechanism and the firm's level of export market-oriented activity (i.e., export market intelligence generation, dissemination and responsiveness).*

2.2.8. Additional Considerations

The conceptual framework outlined in Figure 2.2 excludes two factors which have been suggested as antecedents to market orientation in the marketing literature. First, it has been noted by some authors that strategy (planning) and strategic type may be related to a market orientation (e.g., Rajaratnam and Chonko, 1995; Pelham and Wilson, 1996; Pulendran and Speed 1996a, 1996b). Franzak, McDermott and Little (1993, p. 423) take this a step further when they state that “the strategic archetype of an organization does have some influence on the adoption of a market orientation”.

That there is a relationship between strategy and/or strategic type and market orientation is not in dispute. However, the causal relationship implied by Franzak, McDermott and Little (1993) is questionable. Specifically, a firm’s strategic type is defined according to its strategic behaviours; thus for example, “defenders” produce only a limited set of products directed at a narrow segment of the total potential market, while prospectors will be more active in generating, disseminating and responding to market intelligence than the other three types (Franzak, McDermott and Little, 1993). Yet these strategies are actually responses to the environments in which the firms exist (i.e., defenders are responding to the perception that they exist in an environment characterised by little change and uncertainty (Franzak, McDermott and Little, 1993)). As such it seems more appropriate to classify these strategic behaviours under the umbrella of the responsiveness component of the market orientation construct (c.f., Ruekert, 1992; Slater and Narver, 1996).

A second issue concerns organisational culture. In particular, Moorman (1995), building on the work of Deshpandé, Farley and Webster (1993), has argued that a firm’s culture is an antecedent to organisational market information processes. When determining whether to explicitly include organisational culture as an antecedent variable in the model, the issue was not whether certain cultural types are better at achieving certain aspects of market orientation but, rather, the issue focused on the causal nature of the relationship between cultural type and export market orientation.

It is argued that, in the context of this study, cultural type is not of central interest. Rather, it is the behavioural and cognitive characteristics of an organisation (such as export systems, structures and leadership factors) - which are engendered by various forms of organisational culture - that are hypothesised to impact on market orientation. For example, market cultures are characterised by more formal information processing systems, whereas clan cultures value more flexible systems (Moorman, 1995). This study therefore looks at the degree of formalisation as an antecedent to export market-oriented behaviours. In the context of this study's research objectives this approach is appealing since in practice, most organisations exhibit a mix of cultural types (Moorman, 1995).

2.3. CHAPTER SUMMARY

This chapter represents an attempt to identify the key antecedents to a firm's market orientation in its export markets. Through synthesising research from a wide variety of literature sources, it has been argued that there are many factors, both external and internal to the firm, that are responsible for the degree to which an exporter develops an efficient and effective coordinating mechanism, and the scope and speed with which it generates, disseminates and responds to export market intelligence.

Specifically, it has been argued that the antecedents to an export market orientation include the export environment of the, export structure variables, export systems, leadership factors, export functions work attitudes, business-specific and, finally, the coordinating mechanism has been conceptualised as being an antecedent to the firm's export market-orientated activities.

Building on the literature, the previous chapter identified key antecedents to export market orientation. This chapter describes the methodology employed to test the proposed hypotheses. The first section of this chapter discusses general data collection issues (cross-sectional versus longitudinal study; choice of measuring instrument). Next, the design of the measuring instrument is depicted in detail (operational definitions, adaptation of scales). Finally, research instrument, sample design and data collection processes are outlined.

3.1. GENERAL DATA COLLECTION ISSUES

3.1.1. Cross-Sectional versus Longitudinal Design

There are two basic types of descriptive studies, one is the longitudinal design and the other is cross-sectional design (Churchill, 1995). Longitudinal data offers advantages over cross-sectional data in terms of both the types of analysis that can be conducted and the degree of data accuracy (Churchill, 1995). However, using a longitudinal design is more expensive than cross-sectional design and requires conducting the research over a long period of time. Indeed, Churchill (1995) argues that the large amount of resources demanded for longitudinal designs mean that they often tend to be non-representative. The financial and time constraints of this study meant that using a longitudinal design was not feasible and therefore a cross-sectional design was chosen.

Through adopting a cross-sectional design approach for this study it was possible to obtain a representative sample and at the same time overcome the resource constraints outlined earlier. Given that research identifying the antecedents to export market orientation is still in its infancy the more incremental approach to knowledge development necessitated by the cross-sectional design is thought to be acceptable (c.f., Greenly, 1995). Furthermore, it is hoped that when measuring the respondents perceptions, the instrument will capture not just the respondent's

perception at the point-in-time of the measure, but a *general* perception which incorporates elements of both the historic and current situation. For example, when the respondents indicate their opinions about the level of environmental turbulence that their firms experience, it is likely that they will consider not just the turbulence of that particular day, but also the general environmental turbulence that their firms have experienced over the past few years.

3.1.2. Administration Method

Several of the data collection options were considered including face-to-face (personal), telephone and mail interviews. There are many strengths and weaknesses associated with each of these approaches (see e.g., Churchill, 1995). For this study a mail survey was deemed the optimal approach to data collection for the following reasons.

The population under study includes all New Zealand exporters. In order to meet the study objectives it was necessary to obtain a sample that was representative of the population, and randomly drawn so that generalisations based on the study could be made. Furthermore, it was necessary to obtain a large enough sample to ensure that there would be sufficient statistical power in the analysis. Given the budget and time constraints of this study, the personal interview method would not have enabled the use of a sample that was either large, or representative enough.

Telephone interviewing was also considered as a data collection option. However, given that the instrument was very long (12 pages) use of a telephone interview method was not optimal. This is because, as Churchill (1995) points out, telephone interviews may produce inaccurate responses due to interviewer bias and when the interview is lengthy (Churchill, 1995). Furthermore, as Jobber, Allen and Oakland (1985) highlight, under circumstances where attitude, rating or ranking scales are used, or when additional information sources may need to be consulted by the interviewee in order for them to answer questions, a telephone survey may be

difficult to administer. It was for these reasons that a telephone interview method was rejected.

The two main problems that would have been associated with the face-to-face and telephone administration methods can be overcome through administering the questionnaire by mail. For widely dispersed populations, such as the one in this study, the mail survey method is the least expensive option (Jobber, 1989). It is also thought that the mail survey will permit control of the bias caused by the interviewee's perception of the interviewer (Churchill, 1995). Several additional advantages to the mail survey method have been suggested. These include both the ability for the interviewee to work at their own pace thinking through the answers in more depth, and the possibility that the anonymity sometimes associated with a mailed questionnaire may result in more frank answers on certain sensitive issues (Churchill, 1995).

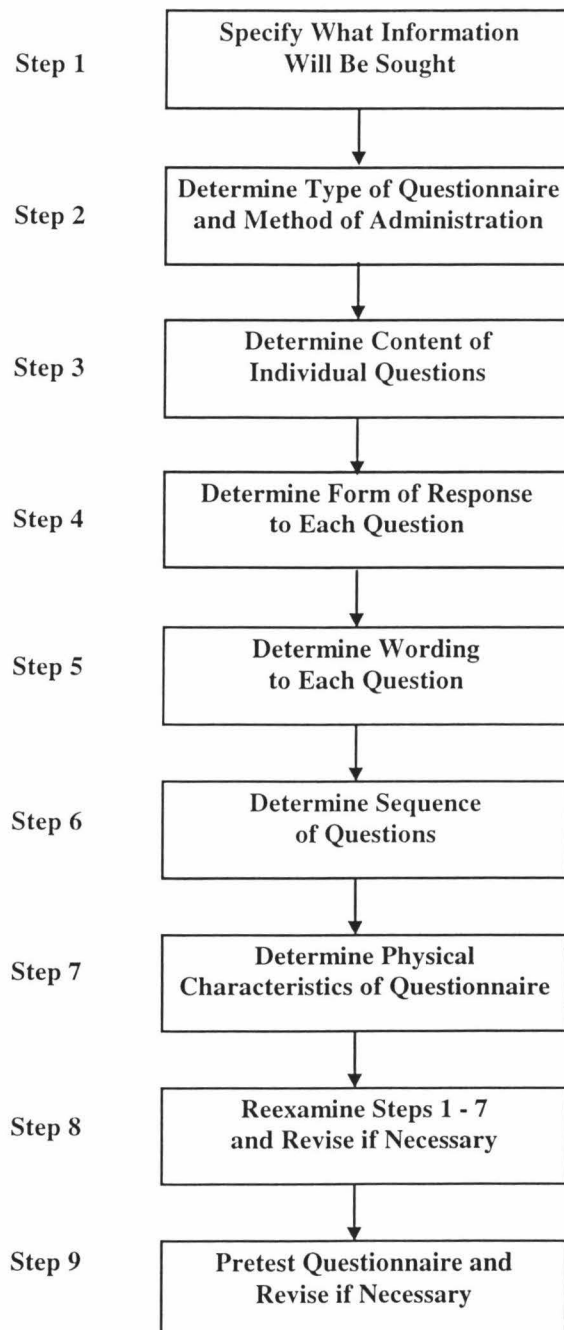
The main disadvantages to the mail survey method are said to be low response rates and non-response bias (Jobber and O'Reilly, 1995; Diamantopoulos and Schlegelmilch, 1996). This is because low response rates and lack of response may limit the quality of the data obtained. For example, non-response bias may occur if those who did respond are different in some important way from those who did not respond (Churchill, 1995). Furthermore, smaller amounts of data will lower the statistical power of the analysis. It is anticipated that these disadvantages may be partially counterbalanced through employing certain methodological techniques (Harvey, 1987). For example, the literature suggests that response rates may be improved from the outset through; personalising the cover letter (Diamantopoulos and Schlegelmilch, 1996), assuring confidentiality and anonymity of responses (Diamantopoulos and Schlegelmilch, 1996), pre-notifying the respondent by telephone (Schlegelmilch and Diamantopoulos, 1991) and through sending follow up questionnaires (Jobber and O'Reilly 1995). Additionally non-response errors may be estimated and corrected if necessary (Armstrong and Overton, 1977).

3.2. QUESTIONNAIRE DESIGN

3.2.1. Design Overview

Figure 3.1 was taken from Churchill (1995) and depicts the procedure followed in the questionnaire design. The conceptualisations and hypotheses, developed from the literature and described in Chapter Two, dictated the information that needed to

Figure 3.1: Procedure for Developing the Questionnaire



be collected in the questionnaire. Next, the questionnaire was pre-tested, the purpose of this was to refine the instrument and identify an error which may have only been apparent to the population under study (Diamantopoulos, Reynolds and Schlegelmilch, 1994). Based on the information gained from the pre-testing, the questionnaire was revised. Following this, the main mail survey was administered to a sample of New Zealand exporters. Finally, follow-up telephone calls were made to a random selection of non-respondents. The remainder of this chapter provides a detailed description of the methodological procedures applied to this research.

3.2.2. Information Sought

There were eight main areas of information sought from the respondents, these being information about; external environment, export structure, export systems, export leadership factors, export function's work attitudes, business specific factors, level of export market orientation and export performance. Following is a detailed discussion of the measures used. Appendix A7 shows the final measuring instrument. It should be noted, however, that the instrument was developed through several iterations and the final measure are, in some cases, quite different from those initially proposed. More is said on this in later sections.

i) External Environment

The discussion in the literature review (Chapter Two) showed that several studies prior to this one have measured the impact of environmental factors on market orientation. Areas of environmental influence that have previously been measured in relation to market orientation include; competitive turbulence and intensity (e.g., Lusch and Laczniak, 1987; Diamantopoulos and Hart, 1993; Jaworski and Kohli, 1993; Slater and Narver, 1994; Pelham and Wilson, 1996; Gounaris and Avlonitis, 1997), customer turbulence, complexity and power (e.g., Achrol and Stern, 1988; Diamantopoulos and Hart, 1993; Jaworski and Kohli, 1993; Slater and Narver, 1994; Pelham and Wilson, 1996), and technological dynamism (e.g., Jaworski and

Kohli, 1993; Liu, 1993; Slater and Narver, 1994; Greenley, 1995; Bhuian, 1996; Pelham and Wilson, 1996). Additionally, a dynamic regulatory environment is also likely to impact upon export market orientation (Cadogan, Diamantopoulos and Siguaw, 1998).

The selection criteria included evaluating both the degree to which the measures appeared to conceptually capture the various aspect of the environment, and the demonstrated reliability of the measure. All of the export environment measures were borrowed from the work of Cadogan, Diamantopolous and Siguaw (1998) who had adapted the scales from the existing literature specifically in order to measure the export environment. Each item was measured on a 7-point Likert scale.

The competitive intensity scale contained seven items and assessed the ease in which a firm could differentiate itself in its market. For the competitive, (as with the market and technology) scales the respondent was asked to indicate the extent to which they agreed with a series of attitudinal statements ranging from 1 = “not at all” through to 7 = “to an extreme extent”. The items in the competitive intensity scale are shown in Appendix A7, Page Four, Items Nine-15. Changes in customer preferences and needs, demand and market growth was measured using a 5-item market turbulence measure. The market turbulence items are shown in Appendix A7, Page Four, Items One-Five. A 4-item technological turbulence scale was used to capture changes in the technological environment. This is shown in Appendix A7, Page Four, Items 16-19. The regulatory environment was measured using an eight item scale. Respondents were asked to indicate the extent to which a number of regulatory environment factors impacted on their firms ranging from 1 = “very low impact” through to 7 = “very high impact”. The exact items for this scale are shown in Appendix A7, Page Two, Items 14-21.

ii) Export Structure

As was discussed in Chapter Two the way that firms organise the departmentalisation of their exporting function may vary a lot from firm to firm. Furthermore, when measuring departmentalisation it is necessary to capture both the degree of departmentalisation within the exporting function and also the degree of departmentalisation between the exporting function and other functions. A number of items were therefore used to measure the degree of departmentalisation in the firm. The physical degree of departmentalisation was measured by asking the respondent questions about the number of departments and hierarchies in their firm (see Appendix A7, Page Six, Questions Three* and Four). These were adapted for the exporting context from Jaworski and Kohli's (1993) departmentalisation and Menon, Jaworski and Kohli's (1997) hierarchy measures. Items were also included which determined whether or not the firm had a separate export department, and the extent to which any export department was sub-departmentalised (see Appendix A7, Page Six, Questions One and Two).

It is also important to capture, not just the physical departmental structure, but the degree to which managers in a firm are psychologically 'departmentalised'. That is, the strength with which they identify with the exporting function in the firm as opposed to the firm as a whole (c.f., Deshpandé and Zaltman, 1982). In order to measure this psychological departmentalisation, a 4-item, 7 point, Likert scale based on Fisher, Maltz and Jaworski's (1997) relative functional identification measure was employed and adapted to the exporting context. For a copy of the items in this scale please see Appendix A7, Page Six, Question Five, Items One- Four. As can be seen the respondent was asked to indicate the extent they agreed with four attitudinal statements ranging from 1 = "very strongly disagree" through to 7 = "very strongly agree".

Centralisation and formalisation were taken from Jaworski and Kohli's (1993) 5-item centralisation and 7-item formalisation scales (see Appendix A1, Section Four, Question 6). Centralisation captured the centrality of decision making and information dissemination in the firm. Formalisation captured the degree to which

rules defined roles, relations and procedures. All items were adapted for the exporting context and measured on a 7-point scale ranging from “very strongly disagree” to “very strongly agree”. The formalisation items are shown in Appendix A7, Page Six, Question Five, Items Five-11. The centralisation items are shown in Appendix A7, Page Seven, Question Five, Items 15-19.

iii) Export Systems

Ruekert (1992) has previously examined the relationship between reward, recruiting and training systems and market orientation. Jaworski and Kohli (1993) also measured the relationship between reward systems and market orientation. However, all of these measures were developed for the domestic context. Therefore, in order to make the scales relevant to the exporting context of this study it was necessary to use adapted versions of these scales. For example, a Ruekert (1992) recruiting item had read “We do a good job of recruiting people who have experience in marketing” instead, the question was phrased as “When it comes to recruiting export personnel, we are good at recruiting people who have experience in export marketing”. Similarly, a Ruekert (1992) training item which had read “Our product line management views marketing training as an import investment” was phrased as, “In this company our management views export marketing training as an important investment”. The export training and export recruiting scales were based on Ruekert’s (1992) training and recruiting scales and the export reward systems scale was a combination of both Jaworski and Kohli’s (1993) reward system scale and Ruekert’s (1992) reward/compensation scale. All items were measured on 7-point Likert scales, whereby the respondent was asked to indicate the extent to which they agreed that a series of statements applied to their firm. They respondents options ranged from 1 = “very strongly disagree” through to 7 = “very strongly agree”. Appendix A7, Question Five, Page Seven shows the reward scale (Items One-Five), the training scale (Items Six-13) and the recruiting scale (Items 20-23).

iv) Leadership Factors

It is argued in the literature review (Chapter Two) that management propensity to export is an element of both management attitudes and actual behaviour. In order to capture the management propensity to export attitudes dimension, a 6-item, 9-point Likert scale based on Genturk, Childers and Ruekert's (1995) managerial attitudes scale was used (see appendix A7, Page Ten, Items Six-11). Respondents were asked to indicate the extent to which they agreed with a series of statements. In an effort to reduce skewness in response patterns the wording on the scale was modified after the pre-testing phase of the research (this is discussed in full later in this chapter). The final scale ranged from 1= "disagree" through to 9= "very strongly agree". The second dimension of management propensity to export was actual behaviour. To operationalise the amount of export behaviour, export dependence was captured (Diamantopoulos and Inglis, 1988). Therefore, an item was included asking the respondent what percentage of the firms' total sales turnover is derived from exports (Appendix A7, Page Ten, Section Seven, Question One).

A 9-item scale was used to measure leader emphasis on export market orientation. The anchors on the scales were identical to that used to measure management propensity to export (described above). The items in the leader emphasis on export market orientation scale was based on the Jaworski and Kohli (1993) top management emphasis scale and adapted for the exporting context. For example, Jaworski and Kohli's (1993) item, "Top managers often tell employees to be sensitive to the activities of our competitors", was changed to, "In this company our export management team emphasises that employees must be sensitive to the activities of the export competitors". To see the scales in full refer to Appendix A7, Page Ten, Items 12-16.

As discussed in the literature review (Chapter Two) intrapreneurship includes the three dimensions of risk taking, innovation and pro-activeness. Therefore, in order to measure export leader emphasis on export intrapreneurship Doucette and Jambulingam's (1997) 3-item proactiveness, 3-item innovativeness and 3-item risk-

taking scales were adapted to suit the exporting context. All items were measured on a 9-point scale, with the scale's anchors being identical to those used for the other leadership scales (described above). Refer to Appendix A7, Page Ten, Items 12-16 for a copy of the exact items.

v) Export Function's Work Attitudes

Commitment and job satisfaction were measured by, 7-point Likert scales, the 3-item commitment scale was adapted from Doucette and Jambulingam's (1997) work ethics scale and aimed to measure the extent of employees' attitude and morality towards work. The 4 item job satisfaction scale was based on Churchill, Ford and Walker's (1974) job satisfaction measure. The job satisfaction scale assessed the extent to which individuals were content and fulfilled by their jobs. See Appendix A7, Section Six, Page Nine, Items 11-13 for a copy of the commitment scale and Items 14-16 for a copy of the job satisfaction scale.

Role conflict and Role ambiguity were measured on two 7-point Likert scales. These were taken from Rizzo, House and Lirtzman's (1970) role conflict and role ambiguity scales. The role conflict scale contained five items and tapped the degree of compatibility-incompatibility of the differing requirements of the individual's role (Appendix A7, Section Six, Page Eight, Items 11-15). The role ambiguity scale contained five items and assessed the clarity of the roles behavioural requirements (Appendix A7, Section Six, Page Nine, Items Six-Ten).

For all of the scales which tapped into the export function's work attitudes (job satisfaction, commitment, role ambiguity and role conflict) the respondent was asked to indicate the extent to which they agreed with a series of statements. The scale anchors ranged from 1 = "very strongly disagree", to the midpoint four "neither agree nor disagree, and to the endpoint 7 = "very strongly agree". In asking the respondent to give their opinion about the export employees' work attitudes this study follows the approach adopted by Jaworski and Kohli (1993) when measuring the degree of commitment and esprit de corp in an organisation.

vi) Business-Specific Factors

As discussed in Chapter Two experience in this study refers to the knowledge and skills which the firm has about export operations and markets. Experience was measured in four different ways. Firstly, an 8-item scale was adapted from Seringhaus's (1991) knowledge/skill level scale, to assess directly the degree of export skills and knowledge developed in the company. All items in this scale were measured on a 7-point scale whereby the respondent was asked to indicate the extent to which a series of skills had been developed in their firm. The anchors ranged from 1 = "skill poorly developed", to the midpoint 4 = "skill moderately developed, to the endpoint 7 = "skill very well developed". All items in the skills/knowledge scale are shown in Appendix A7, Section Seven, Page 11, Question Seven. Three other items were also included to measure experience. These assessed, the length of time the firm had been exporting (Appendix A7, Section Seven, Page Ten, Question Two), the number of countries the firm exports to (Appendix A7, Section Seven, Page 11, Question Five), and the number of regions the firm exports to (Appendix A7, Section Seven, Page 11, Question Six). These three questions were in line with other studies that have operationalised experience in terms of depth and/or scope of experience (e.g., Erramilli 1991, Katsikeas, Piercy and Ioannidis, 1996).

Traditionally, researchers have used size as a proxy for firm resources and argued for a relationship between size and aspects of information use (e.g., Walters, 1983), market orientation (e.g., Liu, 1995) and export market orientation (e.g., Diamantopoulos and Cadogan, 1996). This is because larger firm size usually implies greater availability of production, financial and managerial resources (Cavusgil, 1984) which may better equip companies to carry out information processing activities. However, it is argued that when considering export resources one must not just consider whether a given firm has relatively large number of resources per se, but the extent to which those firm resources can be secured by the exporting function. Tjosvold (1990) argues that situations in which competitive goals exist within a firm have traditionally been associated with the use of power. Therefore, it can be argued that in a situation where there is competition between

the exporting and domestic functions of a firm for scarce resources it is likely that the relative power of the groups will influence organisational resource allocation. Schwochau, Feuille and Delaney (1988) give support to his notion, arguing that scholars have long recognised that subunit power has a potentially large influence on resource allocation decisions. Furthermore, Schwochau, Feuille and Delaney (1988) argue that a firm's dependence on a subunit to contribute to its goals and the collective bargaining power of that subunit, are important sources of power for the subunit when negotiating for resources. Extending that argument to the exporting context, it is likely the larger the number of people in the exporting function of the firm, the higher the exporting function's bargaining power will be, and thus the more export resources they will secure.

In light of the above discussion two distinct approaches were also taken to measure export resources. Firstly, firm size was measured as a proxy for assessing the absolute amount of resources available to the firm. Specifically size was measured by asking the respondent to indicate the number of full time employees and total sales turnover of the firm (see Appendix A7, Section Seven, Page Ten, Questions Three (a) and 18). This approach to the conceptualisation and measurement of resources corresponds with the literature (e.g., Reid, 1983; Walters, 1983; Liu, 1995). Secondly, in order to measure the likely bargaining power of the exporting function an item was included that assessed the number of people involved directly in exporting. Please see Appendix A7, Section Seven, Question Three (b) for the exact wording of this aspect of the export resource items.

vii) Export Market Orientation

The Export Market Orientation construct was operationalised using the four component measuring instrument developed and validated by Cadogan, Diamantopoulos and de Mortanges (1997). Although several operationalisations of market orientation exist (e.g., Narver and Slater, 1990; Jaworski and Kohli, 1990) the measure of market orientation developed by Cadogan, Diamantopoulos and de Mortanges (1997) synthesises previous approaches to measuring market orientation

(Cadogan and Diamantopoulos, 1995) and is the only measure which has been operationalised specifically for the exporting context. Furthermore the measure has demonstrated cross-cultural validity and strong internal reliability (see Cadogan, Diamantopoulos and de Mortanges, 1997).

The four components of the export market orientation measure are export intelligence generation, export intelligence dissemination, export intelligence responsiveness and a coordinating mechanism. Export intelligence generation includes all activities which constitute the creation of export market intelligence (e.g., export market research) and was measured on a 7 –point, 11-item scale (see Appendix A7, Section One, Page Two, Items One-11). Export intelligence dissemination includes all activities which constitute the sharing of export market intelligence and was measured on a 7-point, 18-item scale (see Appendix A7, Section One, Page Two, Items 12-29). Export intelligence responsiveness includes the design and implementation of all responses to export intelligence and was measured on a 7-point, 17-item scale (see Appendix A7, Section Three, Page Five, Items One-17). Finally, the conceptual domain of the coordinating mechanism consists of several interrelated and overlapping themes; communication, firm culture emphasising responsibility, cooperation, help and assistance, a lack of dysfunctional conflict and congruent goals. The coordinating mechanism scale contained ten items (see Appendix A7, Section Five, Page Eight, Items One- Ten). In order to reduce the size of the questionnaire the ten coordinating mechanism items were selected, based on face validity, from the Cadogan, Diamantopoulos and Pahud de Mortanges (1997) original 25 item coordinating mechanism scale. Each of the export market orientation scales was measured on a 7-point Likert scale whereby respondents were asked to indicate the extent to which a series of statements applied to their firm. The anchors for the scales ranged from 1 = “not at all” to 7 = “to an extreme extent”.

viii) Performance Measures

One of the assumptions underlying this study has been that export market orientation is beneficial to firms. In the domestic context there has been strong empirical support suggesting a positive relationship between market orientation and various indicators of performance (e.g., Narver and Slater, 1990; Ruekert, 1992; Jaworski and Kohli, 1993; Greenley, 1995; Atuahene-Gima, 1996; Pelham and Wilson, 1996). Furthermore, evidence from the United Kingdom, the United States of America and Holland suggests that export market orientation and export performance are positively linked (Cadogan, Diamantopoulos and de Mortanges, 1997; Cadogan, Diamantopoulos and Sigauw, 1998). Nonetheless, given the data collection is taking place in New Zealand it would seem prudent to validate the assumption that export market orientation is positively linked to performance. Accordingly, measures of export performance have been included.

The literature on export performance suggests that there are varying definitions and operationalisations of export performance (Aaby and Slater, 1989; Cavusgil and Zou, 1994). In the past the use of single measure approaches has received criticism in the literature (e.g., Reid, 1982) and the multi-indicator approach has been widely supported (e.g., Madsen, 1989; Bijmolt and Zwart, 1994). The literature also recommends that subjective measures of export performance (such as satisfaction with overall export performance) be included in addition to the more traditional objective measures (such as sales growth and profit) (e.g., Cavusgil and Zou, 1984). Finally, the literature suggests that it is necessary to include relative measures of export performance. For example, performance relative to the strategic goals of the firm (Cavusgil and Zou, 1984).

Therefore, in order to capture the complexity of the construct, it was decided that the use of multiple performance indicators was warranted. The performance measures used in this study were adapted from Cavusgil and Zou (1994). The specific performance measures used are outlined as follows:

- Respondents' satisfaction with export performance was measured *relative* to the degree of *importance* that respondents placed on those performance objectives. In order to assess this, respondents were asked to assign 100 points between four performance objectives (export sales volume, export market share, export profitability, market entry), with the largest number of points corresponding to the most important objective (see Appendix A7, Section Seven, Page 11, Question 11). Next the respondent was asked to rate on a 10-point scale their level of satisfaction with the firm's performance across those four dimensions of performance (see Appendix A7, Section Seven, Page 12, Question 12). From the responses obtained in Questions 11 and 12 a weighted satisfaction with export performance score could be calculated.
- Absolute export sales growth was measured by asking respondents to (a) indicate whether export sales had grown or declined or remained static during the past three years and then to (b) indicate the percentage of that movement (see Appendix A7, Section Seven, Page 12, Questions 13 and 14). Respondents were also asked, on a scale ranging from 1 = "poor" to 10 = "outstanding", to rate the firm's growth relative to the industry average.
- Export profitability was measured by including an item which asked respondents to indicate how profitable exporting has been over the past three years. Answers were provided on a 10-point scale ranging from 1 = "very unprofitable" to 10 = "very profitable" (see Appendix A7, Section Seven, Page 12, Question 16).
- An overall measure of performance was also gathered, whereby respondents were asked to rate their firm's overall export performance on a 10-point scale ranging from 1 = "poor" to 10 = "outstanding" (see Appendix A7, Page 12, Section Seven, Question 17).
- Finally, the respondents had already been asked to indicate the annual total sales turnover, the percentage of sales that were derived from exporting and the

number of employees in the firm. Using these responses a measure of export sales per employee was calculated.

ix) Additional Variables

Two profile variables were included in the study. Firstly, respondents were asked to indicate the number of years their firm had been in business (see Appendix A7, Page 11, Section Seven, Question Four). Secondly, an item was included which assessed the position of the survey respondent in the firm (see Appendix A7, Page 12, Section Seven, Question 19).

For research purposes outside the scope of this study, several other items were also included in the questionnaire. A 6-item connectedness scale was taken from Menon, Jaworski and Kohli (1997) (Appendix A7, Section Six, Page Eight, Item 16 and Page Nine Items One to Five). Product quality was assessed through adapting Menon, Jaworski and Kohli's (1997) product quality scales to the exporting context (Appendix A7, Section Three, Page Five, Items 18-20). Based on Slater and Narver's (1994) control variables items were also included which assessed the level of buyer power (Appendix A7, Section Two, Page Four, Items 6-8), relative size (Appendix A7, Section Seven, Page 11, Question Nine), relative cost (Appendix A7, Section Seven, Page 11, Question Nine) and ease of entry (Appendix A7, Section Seven, Page 11, Question Ten). Finally, a 3-item scale was included to assess the degree of information overload in the firm (Appendix A7, Section Four, Page Six, Question Five, Items 12-14). This scale was developed based on Souchon and Diamantopoulos' (1997) conceptualisation and operationalisation of information overload.

3.2.3. Response Form

The form of responses were structured-undisguised and primarily closed-ended in nature. Closed-ended response forms were selected over the open-ended approach for several reasons. Firstly, the closed-ended approach reduces the possibility that questions will be misinterpreted (Huber and Power, 1985). Secondly, the structured nature of the closed-ended approach is particularly suitable when answers must be compared across multiple respondents (Huber and Power, 1985) and when the questionnaire is being administered by mail (Churchill, 1995). Thirdly, closed-ended response forms are faster to complete thus minimising respondent fatigue. Finally, closed-ended response forms enable faster and less expensive data collection and analysis than that of open-ended response forms (Kinnear and Taylor, 1991).

In order to enable the use of parametric statistical analysis, most forms of response were selected at either interval or ratio level. There has been much debate in the literature about whether data collected in the rating scales should be treated as ordinal or interval in nature (Babakus and Ferguson, 1988). A review of the debate by Borgatta and Bohrnstedt (1980) concludes (p. 160) “given that most constructs are conceptualized as continuous and can be thought of as reasonably distributed in the population using a bell-shaped curve as a model, we see no reason not to analyze the manifest data using parametric statistics, even though they are imperfect interval-level scales”. This view is apparently widely supported for the use of rating scales as interval data is the predominant approach in the market orientation literature (e.g. Narver and Slater, 1990; Ruekert, 1992; Jaworski and Kohli, 1993; Pelham and Wilson, 1996).

The majority of the constructs pertaining to export market orientation and its antecedents were measured using rating scales. The use of rating scales to measure latent attitude was in line with the approach adopted by market orientation researchers (e.g. Ruekert, 1992; Jaworski and Kohli, 1993; Pelham and Wilson, 1996) when measuring market orientation and its antecedents.

Initially, the 5-point Likert scale was the most frequently employed scale. However, qualitative feedback and response patterns at the pre-testing phase of the research indicated that there was a need to increase the variability of response and thus the number of category options was increased. Furthermore, the literature suggests that questions with more response categories may be preferable to those with fewer categories, in that they produce measures that are both more reliable and more valid (Alwin, 1997). Accordingly, all 5-point scales were lengthened to 7-point scales and in the case of the scales in Section Six, Question Two, 9-point scales were used (see Appendix A7, Pages Nine-Ten).

With respect to the remaining forms of response in the questionnaire, where possible, open-ended questions were asked which would prompt responses in the form of ratio data. For example, the length of time the firm had been exporting, percentage of export sales to total, and annual total sales turnover. In the situations where it was not practical to collect ratio data, interval data was collected. For example, in the question measuring whether annual export sales had grown, declined or been static, a three category measure was used.

3.2.4. Question Sequence and Physical Characteristics

As demonstrated by Mayer and Piper (1982) the influence of layout for self-administered questionnaires may be critical. Following is a description of the question sequence of the instrument (Please refer to Appendix A7, to see a copy of the final version of the questionnaire). The question sequence was developed based on the recommendations about question sequence made by Churchill (1995). The first questions in the instrument were about intelligence generation activity in the firm. It was hoped that barriers to the respondents' willingness to participate in the research would be minimised through opening with these simple, interesting and opinion-based questions. The second set of questions in Section One were the intelligence dissemination questions, which were deemed to flow naturally from the intelligence generation questions.

In order to break the monotony of the response, Section Two contained questions about the firm's export environment. Section Three shifted back to the export market orientation measure, with questions about intelligence responsiveness. The branching questions which opened Section Four (About Your Company's Structure and Systems) were developed in order to reduce the number of alternative options of response required for the physical departmentalisation measures. The structure and systems questions were grouped together as they seemed to be logically related to each other.

Section Five contained the coordinating questions and Section Six the questions about the firm's people. These two sections were placed towards the end of the questionnaire as these were thought to be of a more sensitive nature than the earlier questions. It was hoped that by placing these questions later in the questionnaire that the respondent would have become involved in the study and thus be less likely to react negatively to them.

The most difficult and sensitive of all the questions were the performance questions. This was because some of the information requested was commercially sensitive, and additionally may have required the respondent to consult additional sources of information. Thus those questions were placed last in the questionnaire (in Section Seven). Again, it was hoped that this may minimise negative reactions to these questions. Additionally, as suggested by Churchill (1995), the questions which had the purpose of obtaining a firm's classification information were included in that final section of the instrument.

The physical characteristics of the instrument are also important as they may affect the accuracy of the replies (Churchill, 1995). There has been inconsistent support for propositions that questionnaire length may influence response rate (Harvey, 1987). However, bearing in mind research which finds that business people may be more sensitive to questionnaire length than the general population (Jobber and Saunders, 1993), questions were double-sided on the paper and the questionnaire was shaped in a booklet form in order to make the questionnaire look shorter. Care was taken to make sure the layout was attractive and uncramped looking, for

example, through ensuring that the font was easy to read (size 12) and questions were well spaced.

In order to break the monotony of response, some scales required the respondent to circle the number which best reflected their opinion whilst others required the respondent to fill the number into the box next to the question. Short instructions were also included when new response actions were required. Additionally, where questions relating to a particular scale carried over to a new page, a copy of that scale was placed at the top of the page to aid ease of response and minimise error.

3.3. PRETESTING

“[T]he questionnaire pretest serves the same role in questionnaire design that test marketing serves in new product design” (Churchill, 1995, p 436). Pretesting is the stage in the survey design where fundamental problems can be identified and corrected (Diamantopoulos, Reynolds and Schlegelmilch, 1994).

The literature suggests that it is wise to initially conduct a series of pretests by personal interview, even if the questionnaire will ultimately be administered by telephone or mail (Hunt, Sparkman and Wilcox, 1982). The personal interview approach will enable the interviewer to note reactions, hesitations and other body language cues that could not be picked up via telephone or mail. However, it has been advised that both personal interview and the final study medium (if different) be used for pretesting (Diamantopoulos, Reynolds and Schlegelmilch, 1994; Churchill, 1995). Therefore, for the purposes of this study it was decided to use a combination of both personal interview pretests and a mail pretest.

3.3.1. Personal Interview Pretests

Research suggests that respondents who are familiar with issues relating to questionnaire design and knowledgeable in the subject area of the questionnaire are more likely to detect faults with the questionnaire (Diamantopoulos, Reynolds and Schlegelmilch, 1994). Furthermore, it has been suggested that using 'expert' pretest respondents and possibly briefing respondents on the types of errors that can occur in research design may improve the error detection rate (Diamantopoulos, Reynolds and Schlegelmilch, 1994). Therefore, in Stage One of the pretesting conducted in this research, the questionnaire was reviewed by several colleagues who were judged to be particularly knowledgeable in the area of questionnaire design. The colleagues identified several inadequate items (those that did not adequately tap the domain in question) and poorly worded (e.g., double-barrelled/leading) questions. They also made suggestions regarding the clarity and ambiguity of questions and the overall questionnaire design.

For Stage Two of the pretesting, the initial version of the questionnaire (see Appendix A1) was pretested through interviews with three managers from the export sector. Given that the questionnaire for this research was lengthy (12 pages) the protocol approach was adopted. This was because it has been suggested that, when using a debrief approach with long questionnaires, problems encountered at the beginning of the questionnaire may be overshadowed by problems at the end of the questionnaire (Diamantopoulos, Reynolds and Schlegelmilch, 1994). Each interviewee was briefed at the beginning of the interview about the types of problems that needed to be identified (e.g., confusing, difficult or ambiguous questions or inadequate response options).

Each interview lasted for approximately one hour. As was indicated previously the version of the questionnaire that was used for the protocols is shown in Appendix A1. A discussion of the specific changes that were made in light of the protocols follows. In Section Six (Page Eight 11-16 and Page Nine, Items One to 16) it was suggested that there were not enough response options. Therefore, the scales were

lengthened from 5-point to a 7-point scales. The anchors had previously ranged from 1 = “strongly disagree” to 5 = “strongly agree”, instead, as can be seen in the second version of the questionnaire (Appendix A3) they were changed to range between 1 = “very strongly disagree” to 7 = “very strongly agree”. Some adjustments were made to make words used in the questions more appropriate to the New Zealand and marketing practitioner cultures. For example the use of ‘personnel’ was changed to ‘people’ and ‘functional unit’ was changed to ‘department’. Several changes were also made to the layout of the questionnaire. For example, some items too close to the bottom of the page were found easy to miss, and were thus formatted and spaced so that they would stand out more clearly. Adjustments were also made to the items in Section Four which measured the physical departmental structure in the firm; these were found to be confusing to answer and thus a ‘branching’ question was developed. All interviewees commented that the questionnaire was too long. Nothing could be done to decrease the length of the questionnaire without compromising the quality of the data collected.

3.3.2. Mail Survey Pretest

As a result of the protocols several changes to the questionnaire were made and the second version of the questionnaire (which was used for the pilot study) is shown in Appendix A3. The mail pilot test was conducted to identify any administration problems associated with the questionnaire and in order to indicate the response rate that may be obtained from the main mail survey. The literature indicated that the pretest sample should be representative of the target population (Hunt, Sparkman and Wilcox, 1982). Sample sizes for pre-testing are generally small (e.g., up to 100) and the optimum size will depend on the complexity of the instrument and the diversity of the target population rate (Diamantopoulos, Reynolds and Schlegelmilch, 1994).

For this study the population was defined as all New Zealand firms who export. However it should be noted that there were concerns that some smaller firms may

have returned the questionnaires unanswered due to their self-assessment that they were too small in size for the study to be applicable to them. A reason that a firm may be too small for their response to be valid and reliable is that if a firm only had one person in it, then questions about the coordination of activities and dissemination of information would not be appropriate. In order to minimise resource wastage incurred through targeting such small firms the population sample frame purchased was supposed to have been restricted to companies with 50 or more employees. Furthermore, as a result of suggestions made during the protocol interview, respondents were instructed in the cover letter (see Appendices A2 and A6) to, where necessary, answer in accordance of the spirit of the question, even if technically the question was not directly applicable to the respondent's firm. For example, it was suggested that if a firm did not have an export 'department', that they should answer in terms of the exporting function of the organisation.

A randomly selected sample of 50 respondents was drawn from the Profile Publishing database for the pilot test (please refer to the discussion in the next section on sample frame selection). Previous studies in market orientation have obtained responses from individuals in varying positions of the firm. For example, Narver and Slater, (1990) and Kohli and Jaworski (1993) targeted managers at the SBU level, Pelham and Wilson (1996) targeted presidents of small firms and Greenley (1995) targeted managing directors/CEO's. For the purposes of this study it was necessary to select respondents who would be both extremely knowledgeable about the exporting operations and also about such factors as the levels of job satisfaction, role ambiguity and leader emphasis experienced by employees. Therefore, the actual respondents targeted were (on a first to last choice basis) either the export marketing manager, or the marketing manager, or the CEO or else the person that a firm representative said would know most about the exporting operations of the firm. It has been suggested in the literature that individual responses may vary significantly across functional departments and levels within the firm hierarchy, and that measurement of individual level responses better enables the measurement of individual attitudes such as job satisfaction (c.f., Ruekert 1992). Ideally, multiple respondents from each firm would have been surveyed in this research. For example, surveying respondents from both marketing

and non-marketing, and management and non-management. However, despite the obvious advantages this approach would have held, resource constraints were prohibitive. Furthermore, Jaworski and Kohli (1993) in their study in the market orientation area used dual-respondents (one marketing and one non-marketing manager) and they found differences between the two groups to be extremely low.

3.3.3. Sample Frame Selection

Sample frame selection was based on several criteria. Firstly, as dictated by the population definition (above), it was necessary to find a database that contained a representative sample of New Zealand exporting firms. Secondly, given that in order to increase response rate (see Section 3.3.4. below) it was desirable to personalise each letter, a database that contained individual names of target respondent was needed (see discussion regarding type of respondents in the section above). Thirdly, it was also desirable to obtain a database that had current and accurate information in it.

In total six organisations were considered as possible database suppliers; these were Universal Business Directory, TRADENZ, New Zealand Chamber of Commerce, New Zealand Manufacturing Federation, Dun and Bradstreet and Profile Publishing. The New Zealand Manufacturing Federation and the New Zealand Chamber of Commerce were eliminated as they were unable to deliver a database that differentiated between exporters and non-exporters. TRADENZ and the Universal Business Directory were also struck off the list because, relative to Dun and Bradstreet and Profile Publishing, their database was very small and thus less likely to be representative of the population. The final choice was between the databases of Profile Publishings and Dun and Bradstreet. Both were able to differentiate between exporters and non-exporters and also between companies that had more or less than 50 employees. Both had approximately the same number of firms classified as “exporters”(about 5000) and, both could provide the data in such a way that personalised letters and mailing labels to the appropriate respondent would be relatively simple to print. However the Profile Publishing database was selected

over the Dun and Bradstreet one because Profile Publishing claimed to collect their data approximately twice a year by personally calling on the firms in the database, for the explicit purpose of updating their database information. Whereas Dun and Bradstreet were said to collect their data through making annual telephone calls to assess credit ratings of firms. It was thus judged that the Profile Publishing database may have had more accurate and/or more current information. The final database purchased contained 1072 firms each of which were said to be exporters and to employ more than 50 people.

3.3.4. Response Rate Enhancement

Low response rates have historically been a problem with industrial mail surveys (Jobber and O'Reilly, 1995). Of course, the key problem with low response rates is that because non-respondents may differ from respondents, non-response bias has an increased chance of occurring when response rates are low (Armstrong and Overton, 1977). Numerous factors have been suggested as having a relationship with response rates of industrial mail surveys. These include; follow-ups (Harvey, 1987; Jobber and O'Reilly, 1995), stamped reply envelopes (Harvey, 1987; Diamantopoulos and Schlegelmilch, 1996), pre-notification (Jobber, Allen and Oakland, 1985; Harvey, 1987; Schlegelmilch and Diamantopoulos, 1991; Jobber and O'Reilly, 1995), monetary incentives (Harvey, 1987), non-monetary incentives (Diamantopoulos and Schlegelmilch, 1996), personalisation (Harvey, 1987; Diamantopoulos and Schlegelmilch, 1996), cover letter appeal (Harvey, 1987), assurances of anonymity and/ or confidentiality (Schlegelmilch, Diamantopoulos and Webb, 1991), and warnings that reminders will be sent (Green, 1996). As many as possible of these methods for maximising the response rate were incorporated into the study. Additionally, after responses had dwindled (one month after each respondent should have received their final follow up letter) non-respondents were contacted to determine reasons for non-response.

i) Pre-notification

It has been suggested that pre-notification by mail may actually be counterproductive to improving response rates (Schlegelmilch and Diamantopoulos, 1991). However, empirical research suggests that pre-notification by telephone may increase response rates substantially. Both Jobber, Allen and Oakland (1985) and Schlegelmilch and Diamantopoulos (1991) found that response rates approximately doubled when respondents were pre-notified by telephone. However, other research has provided less compelling support for the effectiveness of pre-notification by telephone (see Harvey, 1987). Given the substantial time and financial costs associated with pre-notification it was decided for the pilot test to trial a mixture of both pre-notification and non pre-notification. It was hoped that the outcome of this would provide some indication of the most appropriate cost/benefit trade-off to make for the main survey. For those respondents that were pre-notified, the background to the study was explained and appeals were made which were similar to that described in subsection iv) below. Next the respondent was asked to cooperate with the study by filling out a questionnaire that would be mailed to them shortly.

ii) Follow-ups and stamped reply envelopes

Research suggests that “ up to a point, the more one reminds the respondent, the more likely one is to secure a higher response rate” (Harvey, 1987, p.342). The literature suggests that the optimal length of time between follow up contact is a week to ten days (Harvey, 1987). Accordingly, seven days after the initial questionnaire was mailed to them each respondent was sent a reminder card (see Appendix A4). A further seven days after that they were sent a reminder letter (see Appendix A5) together with another copy of the questionnaire. The wording of the letter and reminder card varied slightly depending on whether the respondent was part of the pre-notified or non pre-notified sample. An identification system was set in place to ensure that respondents who had already replied would not be sent reminders. Research also suggests that a stamped addressed return envelope is important in encouraging response (Diamantopoulos and Schlegelmilch, 1996), so a free post reply envelope was enclosed with each copy of the questionnaire sent.

iii) Incentives

Monetary incentives were beyond the scope of the research budget. Furthermore, recent research suggests that financial incentives may be less effective as a response-inducing device than previously thought (Diamantopoulos and Schlegelmilch, 1996). However, each respondent was offered the opportunity, if they enclosed a copy of their business card, to receive a summary copy of the research findings.

iv) Personalisation and cover letter appeal

Each cover and follow-up letter was personalised by addressing the respondent by name and title. Additionally the researcher individually signed all letters. It was hoped that, in line with literature suggestions (e.g., Diamantopoulos and Schlegelmilch, 1996), this would give the letter less of a mass mail look and thus increase the appeal of study participation. The cover letter also emphasised that the respondents' answers would help the researcher develop practical guidelines for managers wishing to improve their export market orientation. Further, it was stressed that the respondents' participation really could make the difference between the success or failure of both the study and the researcher's Masters thesis. As recommended by Diamantopoulos and Schlegelmilch (1996) it was anticipated that this combination of egoistic, social utility and conscience appeals would positively affect the likelihood of the respondent participating in the study.

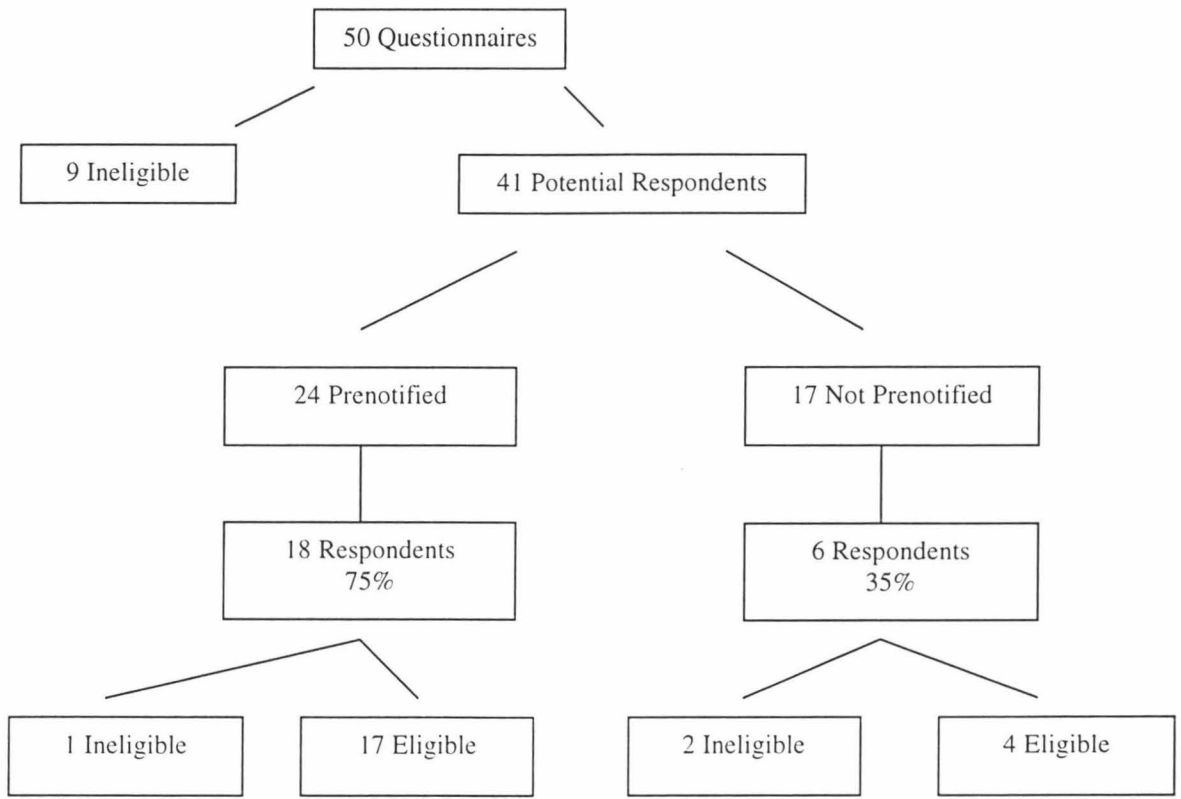
v) Assurances of anonymity and confidentiality

Each respondent was assured that the information they disclosed would remain confidential and anonymous, as given the sensitive nature of some of the questions in the survey, this was seen as particularly important. Through careful security confidentiality was relative easy to ensure, however, the issue of anonymity was slightly more problematic. In order to be able to personalise the cover letter, and send follow ups and research results it was not possible to keep the respondent anonymous throughout the entire research process. Instead, anonymity was assured from the data analysis phase onwards. Therefore, each respondent who returned a completed response was identified by a code which was pencilled onto the back page of the questionnaire. They were then eliminated from the follow up process and after that the code linking the respondent to their response was erased. Any business card enclosed (so the respondent could receive a summary research report) was separated from the questionnaire. Thus from that stage onwards the respondent's response became anonymous. Thus, after the code was eliminated and the business card separated from the questionnaire, even the researcher could not trace any response to any one respondent. As well as assisting response rates, anonymity and confidentiality were conditions that had to be met in order to receive ethical approval for this study from the Faculty of Commerce and Administration at Victoria University of Wellington.

3.3.5. Response Analysis and Follow Up

As can be seen in Figure 3.2 below, of the 50 respondents in the pilot sample, 9 were initially found to be ineligible to participate in the study because of repeats in the sample frame. Of the remaining 41 firms, 24 were contacted by telephone and agreed to participate in the study. From them, 18 sent back eligible responses and one sent back a blank questionnaire saying that the questionnaire was not applicable to them as they did not engage in export marketing. Thus the effective response rate for those respondents pre-notified by telephone was 75%. Of the 17 who were not pre-notified, four eligible responses were received and 2 ineligible responses, thus yielding an effective response rate of 35%.

Figure 3.2: Response Analysis-Pilot Study



There were many reasons why respondents were found to be ineligible. Firstly, as explained above in some instances the database had the firm name repeated. Secondly, for some firms it was found that although they may have exported in the past they were no longer exporting. Thirdly, while some firms “exported” it was not necessary for them to engage in “export market-oriented activities” and so the study was not relevant for them. For example, if they were a shipping or airfreight firm or simply a supplier to an offshore branch of their own firm.

Of the 17 respondents who did not respond, eight were contacted to try and determine reasons for non-response. Of those, two respondents claimed to have sent the questionnaire back, two were ineligible (they did not export), two said that the questionnaire was too long and they didn’t have time to reply, one person had

left the firm, and the final person had not received the questionnaire and said it must have got “lost in the system”.

The response results of the pilot study helped with the estimation of an appropriate sample size and administration method for the main sample. Particularly, there was a strong indication that many of the firms in the database would not be eligible to participate in the study. Therefore, it was decided that it would be most efficient to prenotify all respondents in order to enable a quick and cost effective identification of ineligible firms by telephone. It was also decided that it would be necessary to use a sample frame that was big enough to allow for a large proportion of firms to be ineligible to participate in the study, whilst still securing a sample large enough for the purposes of the study. The response patterns of the pilot study also lead to some changes being made to the questionnaire. These issues are discussed in full in the following section.

3.4. MAIN SAMPLE

3.4.1. Further Questionnaire Revisions

As a result of the pilot mail study several more changes were made to the questionnaire. As indicated earlier a copy of the pilot study questionnaire is in Appendix A3. For a copy of the updated and final version of the questionnaire that was used in the main study please refer to Appendix A7. Specifically;

As a result of a lack of variability in response patterns observed in the pilot study several changes were made to the number of categories and wording of the scales. The bi-polar export environment scale (see Appendix A7, Section Two, Page Three, Question One, Items one to eight) had the wording changed from reading ‘low and high’ impact to reading ‘very low and very high’ impact. Similarly, for Question Two of that section the scale was changed to a 7-point scale and instead of the bipolar anchors reading ‘strongly disagree’ and ‘strongly agree’ the wording was changed on the anchors to read ‘not at all’ and ‘to an extreme extent’. Scales in

Sections Three, Four, and Six (Question One), and Section Seven (Question Seven) were also lengthened from 5-point to 7-point scales. As discussed earlier, the scale in Section Six (Question Two) was lengthened to a 9-point scale. It was anticipated (as discussed under Section 3.2.3.) that the increased strength in the wording of the anchors combined with the increased number of response categories would better capture the variability in response.

Several of the respondents when answering Question 13 in Section Seven failed to realise that they had been asked to indicate whether the percentage of change in export sales had been a growth or a decline, rather they just gave an absolute percentage. Therefore to increase clarity, the question was divided into two. In the revised questionnaire, Question 13 asked whether average annual export sales have been increasing, decreasing or static and Question 14 asks the respondent to indicate the extent of that change.

Some changes were also made to the question about export turnover (Section Seven, Question 17). This question was to be utilised in conjunction with Question 18 of that section (total sales turnover) to measure the degree of export dependence. Perhaps due to the sensitive nature of these questions several respondents had not answered them. Therefore, Question 17 was placed earlier in Section Seven, and changed so that it instead asked what percentage of sales turnover was derived from total sales turnover. This meant that even if respondents did not complete the 'total sales turnover' question, there would still be a measure of export dependence.

Several layout and presentation changes were also made to increase the clarity and ease of answering of the questions. For example, the formatting in Section Four, Questions Two and Three was altered and the instructions at the beginning of each section were put into bold font.

3.4.2. Sample Frame Selection and Sample Administration

The sample design employed in the main data collection phase was similar to that used in the pilot study. As with the pilot study a simple random sample was drawn from the Profile Publishing database of New Zealand Exporters (please refer to Section 3.3.3. above for details about the sample frame selection). In the pilot study the response rate from those respondents who had been pre-notified was 75% which was substantially larger than the 35% obtained from those who were not pre-notified. It was therefore decided to pre-notify by telephone all respondents in the main survey. Given the large number of constructs under consideration in this study and in order to ensure that there would be sufficient power in the statistical analysis, it was crucial that a reasonable number of cases was obtained. The literature indicates that that at least 100 to 200 cases are necessary to adequately assess reliability and validity of measures (Spector, 1992). Using the results from the pilot study as a rough guide, a conservative estimation was made that approximately 450 respondents who had agreed to participate in the study should be sent questionnaires. This would mean that (even if in the main survey the response rate was well below the 75% response rate achieved with the prenotified respondents in the pilot study), that approximately 200 cases would be secured for the statistical analysis.

During the pilot study 50 cases had been randomly drawn from the original 1072 cases supplied by Profile Publishing. Of that 50, 28% of firms had been found to be ineligible to participate. For example they were no longer exporting, or the firm had been listed at least once already on the database. Therefore for the main survey data collection, in order to obtain the consent to send surveys to the desired 450 respondents, it was decided that all of the remaining 1022 randomly ordered firms in the Profile Publishing database would be used for the sampling frame.

As with the pilot study each respondent was first contacted by telephone, their eligibility to participate was assessed and consent to have a questionnaire sent to them was secured from the respondent. Seven days after the first questionnaire was sent, a reminder card was mailed to the respondent. A further seven days after the

reminder card had been sent, a reminder letter and another copy of the questionnaire were sent to those respondents who had not yet replied. One month after this, telephone calls were made to determine reasons for non-response.

3.4.3. Response Rate Enhancement

Several steps were taken to maximise the response rate. These steps were the same for the main survey as those taken in the pilot study, and are discussed in full in Section 3.3.4. The only extra step taken to increase the response rate was that, as advised by Green (1996), a warning that reminders would be sent was included in the covering letter (see Appendix A6). Furthermore, *all* respondents in the main survey were pre-notified.

3.4.4. Response Analysis

i) Response Rate

As can be seen in Figure 3.3 169 respondents from the randomly ordered sample frame were not contacted by telephone at the pre-notification. This was because, given expected response rates, it was decided (as described above) to secure approximately 450 respondents' agreement to participate, and each those 169 simply were not contacted prior to this goal being reached. Reasons for the inability to contact those respondents were numerous, and included the respondent being abroad, on annual leave, and in meetings or away from the phone at each contact attempt.

A large proportion, (438/1022), of the firms on the database were found to be ineligible to participate. Reasons for ineligibility were similar to those in the pilot study (e.g., that the firm did not export, did not need to engage in export marketing, was repeated on the database). Please see Section 3.3.5. for a full explanation. A peculiarity of the study is that of the 452 respondents who were notified by telephone and agreed to participate in the study, 46 later turned out to be ineligible

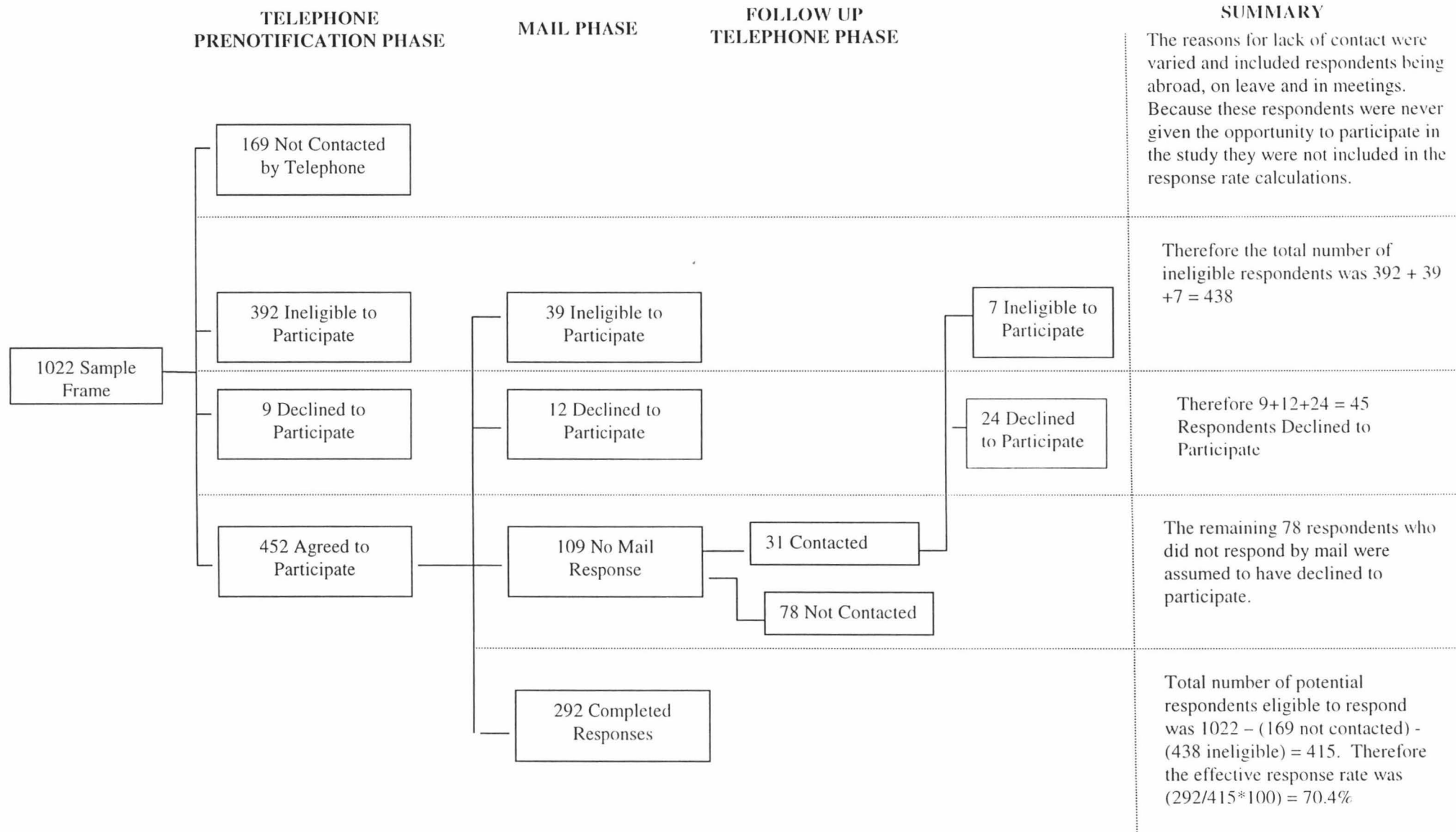
to participate. Reasons for this were generally because a) the firm was very small and therefore it was deemed that the questionnaire was not applicable to the firm, b) there had been a miscommunication over the telephone and non-exporters had agreed to participate not understanding it was a study being conducted in the export context, c) the firm was an exporter but did not engage in export marketing.

In total 130 respondents did not agree to participate in the research or, having agreed to participate, simply did not send a response back. Unfortunately, given resource constraints not all of the reasons for this could be ascertained. However, at the pre-notification phase 9 firms declined to participate and their reasons were noted, a further 12 respondents either faxed or telephoned during the mail phase to explain why they would not be participating in the study after all. A final 109 simply did not respond. However, as part of the non-response analysis, 31 of those 109 non-respondents were contacted by telephone and their reasons for not responding were ascertained. Therefore, in total, the non response reasons for 52 of the 130 non-respondents were obtained. Table 3.1 below shows the reasons given for non-response. Overall, it was deemed that the reasons gave no cause for concern with respect to non-response bias in this study.

Table 3.1: Reasons for Non-response

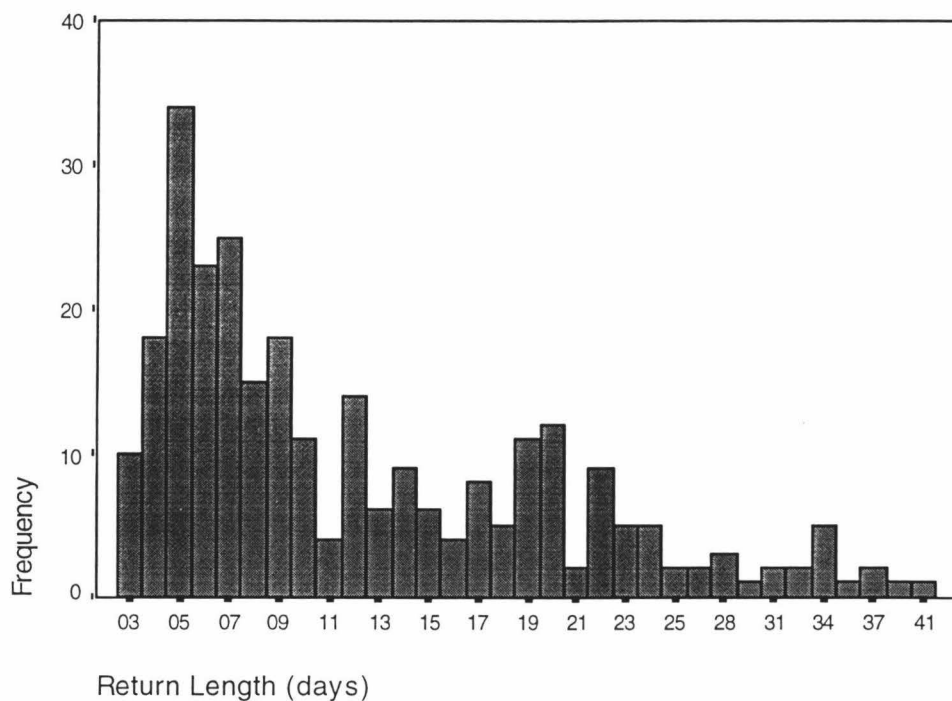
Reason for Non-response	Number of Firms
Did not receive/person left company	3
No time to fill in questionnaire/questionnaire too long	27
Passed on to someone else and lost in system	1
A company policy not to fill in questionnaires	3
Claim not to have received the questionnaire	1
Has just got back from extensive leave and/or trip abroad	2
Felt their company was too small for survey to be applicable	4
Claimed to have sent it back	4
Ineligible to participate	7

Figure 3.3: Response Analysis – Main Study



The response patterns for the main mail survey are shown in Figure 3.4 below. As can be seen, approximately 40% of the returned surveys were received back before the respondent had been sent the reminder card (at the 7 day mark). Approximately 68% of the surveys were received back before the respondent had been sent the reminder letter and questionnaire (at the 14 day mark).

Figure 3.4: Response Patterns - Main Mail Survey



As was outlined in Figure 3.3, the *effective* response rate was $(292/415 * 100) = 70.4\%$. This was calculated by taking into account those respondents who were not contacted at the pre-notification phase and those who were found to be ineligible to participate. Respondents who had not been contacted at the telephone pre-notification phase of the research were not included in the response rate calculations. This was because if a respondent had not been asked to respond (either by telephone or mail) to participate, it would be hardly reasonable to expect

them to respond, and therefore it would not make sense to include them as 'non-respondents' in the response rate calculations. The reported response rates in the empirical export and market orientation literature vary widely. For example, Narver and Slater (1990) report 80%; Jaworski and Kohli (1993) report 79.6% and 70%; Ruekert (1992) 70%; Belich and Dubinsky (1995) 64%; Atuahene-Gima (1995) 47.7% and Cadogan, Diamantopolous and Siguaw (1998) report an effective response rate ranging between 22% and 34% (US) and 24% and 31% (UK). Overall it is concluded that the 70.4% response rate obtained in this study is satisfactory.

ii) Non-response error

It has been suggested that persons who respond later are more like non-respondents than the early repliers (Armsstrong and Overton, 1977). Therefore, an analysis was conducted across the 27 variables that were used in the final regression analysis to test for significant differences in responses of early and late respondents. Questionnaires received prior to the Sixth day after the initial mailing were classified as early responses, those that were received five days or more after the last reminder letter were classified as late responses. The results from the t-tests performed across the 27 variables used in the final regression equation are shown in Table 3.2.

Only the variable Number of Countries was significant (at the 0.05 level). However, this result was found to be due to this variable containing 5 outlier value- an analysis without these five cases showed no difference between the early and late respondents on the number of countries variable. The non-significant results from the above analysis, across early and late respondent differences, adds weight to the conclusion that the sample does not suffer from response bias.

Table 3.2: Response Bias Analysis

Variable	Mean of Early Responses	Mean of Late Responses	Sig-of t value
Generation, Dissemination and Responsiveness	4.9	4.8	0.438
Coordinating Mechanism	5.3	5.1	0.084
Competitor Environment	4.4	4.9	0.714
Customer Environment	4.0	3.8	0.610
Regulatory Environment	3.4	3.2	0.218
Technological Environment	4.6	4.2	0.907
Departmentalisation	2.6	2.9	0.339
Number of Departments	5.1	5.1	0.938
Number of Hierarchies	4.0	4.2	0.583
Export Department	0.5	0.4	0.262
Centralisation	2.9	2.4	0.226
Formalisation	4.1	3.6	0.587
Recruitment	4.6	4.3	0.290
Reward	3.3	3.4	0.721
Training	4.3	4.2	0.388
Emphasis on Export Market Orientation	6.3	6.3	0.986
Emphasis on Intrapreneurship	5.2	4.9	0.342
Propensity to Export	6.9	6.9	0.758
Export Dependence	41.3	46.4	0.443
Commitment	5.5	5.7	0.189
Job Satisfaction	5.2	5.1	0.471
Role Ambiguity	2.4	2.5	0.703
Role Conflict	3.2	3.4	0.222
Skills/Knowledge	4.3	4.5	0.248
Years Experience	19.3	23.3	0.336
Number of Countries	10.6	23.6	0.029
Number of Export Personal	16.0	42.0	0.194

iii) Respondents' position

As can be seen in Table 3.3 below, overall the respondents who were involved in the study met the respondent criteria set out in Section 3.3.2. Namely, 60.2% of the respondents were made up of sales and/or marketing managers for whom many the title was export specific. A further 24.7% of the respondents were the top managers of their firm. The remainder of the respondents were designated by the firms themselves at the pre-notification phase of the research as the person being most knowledgeable about the firm's export marketing activities

Table 3.3: Respondents' Organisational Positions

Position of Respondent	Absolute frequency (%)
Top Manager (CEO/MD/GM)	72 (24.7)
Export Manager	50 (17.1)
Marketing Manager	75 (25.7)
Export Sales Manager	43 (14.7)
Sales and Marketing Manager	8 (2.7)
Export Administrator	24 (8.2)
Finance Officer/Accountant	6 (2.1)
Other	9 (3.1)

3.5. CHAPTER SUMMARY

This chapter described the methodology that was employed in this study. Specifically, a mail survey was selected as the mode of data collection. A measuring instrument was developed and then refined through a series of protocol and mail pre-tests. The response rate of 70.4% achieved in the main survey was high, and non-response bias did not appear to be a problem. The following chapter highlights the main findings of the descriptive analysis that was performed with the 292 useable responses.

The following chapter highlights the key areas of the descriptive analysis that was undertaken prior to the inferential analysis (described in Chapter Five). There were five main purposes to the descriptive analysis. 1) To help detect errors that may have occurred at the coding phase. 2) To provide an understanding of the typical responses and the extent to which those responses varied for each variable of interest. 3) To ensure that all measures involved in the analysis were a) reliable and b) uni-dimensional. 4) To provide preliminary insights into the relationships between the variables in order to ensure that multicollinearity was not an issue during the next part of the analysis. 5) To gain a general understanding of the measures and patterns of response, in order to provide further insight into the results of the inferential stage of the analysis.

Through employing a number of techniques including graphical displays and measures of central tendency and dispersion, this chapter examines characteristics of the variables that were involved in measuring the hypothesised antecedents to export market orientation. Also, the patterns of response to the export market orientation variables are described.

4.1. RESPONDENT PROFILE

4.1.1. Firm Size

Both total sales turnover and the number of full time employees on the New Zealand payroll were used to measure firm size. The turnover mean was \$78,366,549 and the standard deviation was 292,000,000. As Table 4.1 indicates turnover was highly positively skewed with 90.2% of the values falling below \$110,000,000; the median of turnover was only \$20,000,000.

Table 4.1: Profiling the Respondents- Summary Statistics

Variable	Mean	Median	Standard Deviation	Range	N
Turnover (million NZ\$)	78.367	20	292	12-3500	256
Number of Employees	236	100	494	1-6500	287
Number of Export Employees	22	5	73.28	0-1000	281
Number of Departments	5	5	3.03	0-20	285
Years Exporting	20	15	17.85	2-150	287
Number of Countries Exported to	14	8	21.71	1-266	273
Number of Hierarchies	4	4	1.83	1-24	276

The number of full time employees ranged from 1 to 6500. The average number of full time employees was found to be 236 with a large standard deviation of 494. The median, however, was only 100. As Table 4.1 illustrates the distribution was positively skewed with 90.9% of respondents reporting 500 or less employees.

Given that both turnover and number of employees are indicators of size, the correlation between the two variables was obtained. The Spearman correlation coefficient was 0.671 (N=255). Given the high correlation between the two measures, it was decided that number of employees would be used as the size measure for the inferential analysis. This decision was primarily made because turnover had a relatively large number of missing values (36), presumably due to the sensitive nature of the question, whereas number of employees had only five missing values.

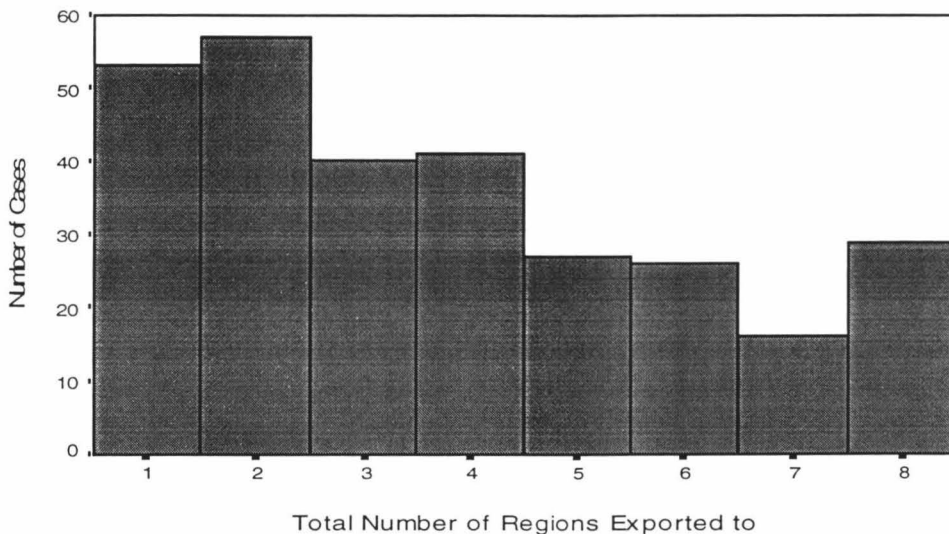
In order to capture the size of the export 'function', the number of employees involved directly with exporting was measured. The reported numbers ranged from 0 to 1000 with a mean of 22 and a large standard deviation of 73.28. However, as can be seen in Table 4.1, the distribution was positively skewed. The median of the sample was in fact just five.

4.1.2. Export Experience

Export experience was measured by (a) the length of time the firm had been exporting, (b) the number of countries the firm exports to and, (c) the number of regions the firm exports to. Regarding the range of time that firms within the sample had been exporting for, the lowest value in the range was two years and the highest was 150 years. The mean of this variable was 20 years and the standard deviation was 17.85. The median was 15 years and as Table 4.1 indicates the distribution was positively skewed. In fact 90.2% of all the firms in the sample had been exporting for less than 35 years.

With respect to the variables that measured complexity of export experience, Table 4.1 shows that the mean number of countries that the firms export to was found to be 14, with an associated standard deviation of 21.71. The distribution had a high degree of positive skewness, with few cases exceeding 60. Indeed, the median was just eight.

Figure 4.1: Number of Regions Exported To



Regarding the number of regions exported to, the mean number was four regions with an associated standard deviation of 2.26. The median was three. As can be seen in the histogram (Figure 4.1) the respondents were fairly evenly distributed

between the eight possible response categories. As would be expected, given the closer proximity of this regions to New Zealand, 96.6% of all respondents indicated that they exported to Asia. Of the remaining regions, 50% reported exporting to North America, 37.3% to the United Kingdom, 35.6% to Western Europe, 33.9% to Africa and the Middle East and 18.2% to Eastern Europe. The Spearman correlation coefficient between the number of countries and the number of regions exported to was 0.722, with a one-tailed significance of 0.000 (N= 273). Thus, number of regions exported to was not included in the regression analysis.

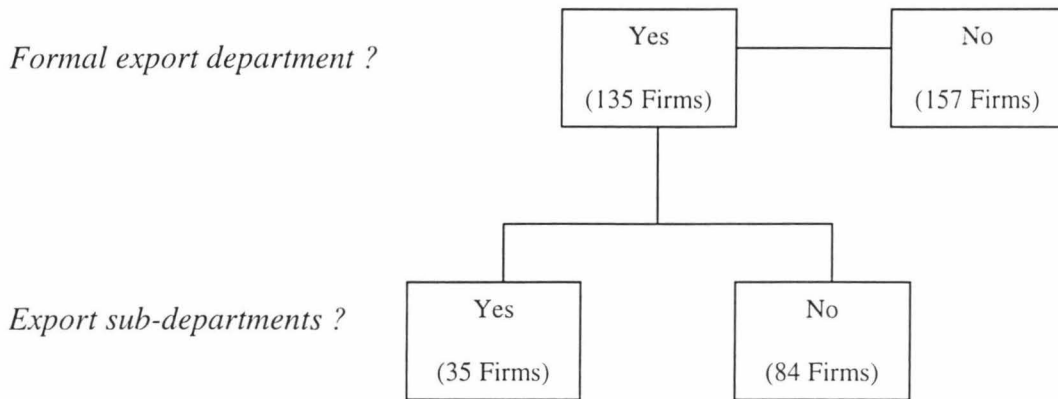
4.1.3. Structure

The following discussion highlights some characteristics of the respondents' firm structure. Specifically examined are (a) the number of departments, (b) the number of hierarchies and, (c) the presence of a separate export department and the number of departments within that export department.

With respect to the number of departments in the firm, the mean was 5 with a standard deviation of 3.03 (see Table 4.1). The range was spread between zero and 20 departments with a median of five. As can be seen in Table 4.1 there was a somewhat leptokurtic distribution for this variable with 55.8% of all respondents indicating that they had three, four, or five departments in their firm. The average number of hierarchies reported in the sample was 4 with an associated standard deviation of 1.83. The number of hierarchies ranged between one and 24 with a median of four. However only one respondent reported a value above 10 hierarchies and, as with the number of departments, the number or hierarchies has a highly leptokurtic distribution (see Table 4.1).

Firms were also asked whether or not they had a formal separate export department. As is shown in Figure 4.2, 135 firms (46.2%) stated that they did, of those 35 firms (approximately 12% of the total sample) indicated that their export department was further divided into separate sub-departments.

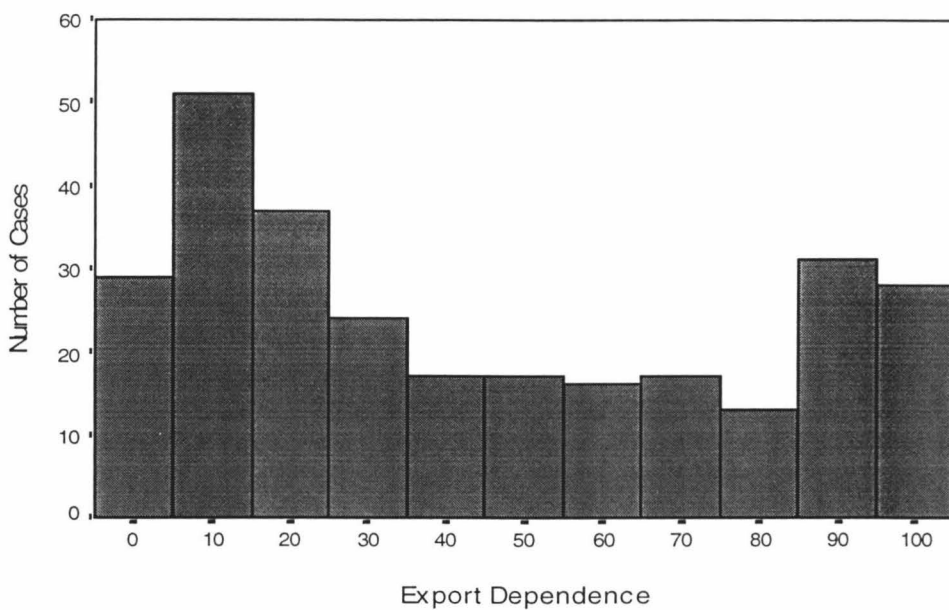
Figure 4.2: Departmental Division



4.1.4. Export Dependence

With respect to export dependence, amongst the firms in the sample it was found that on average 42.19 % of total sales were generated from export markets. The standard deviation associated with the mean was 33.83. As can be seen in the histogram (Figure 4.3) below the distribution was positively skewed, so whilst the range was between 1 % and 100% the median was 30% and in fact 50% of firms reported a score of 30% or less.

Figure 4.3: Percentage of Total Sales Revenue Derived from Exporting



As has been demonstrated in the above section, which profiled the respondents the types of firms in this study's sample were of a wide range of size and experience levels. Furthermore, they exhibited varying types of structure and widely differing levels of export dependence. The following section describes the reliability assessment of the scales that were employed in this study.

4.2. SCALE DESCRIPTIVE ANALYSIS

As was discussed in Chapter Three (Research Methodology) the conceptual constructs from the hypotheses were operationalised using a number of scales. Prior to testing the hypotheses each scale was assessed for reliability and unidimensionality. Reliability, as Churchill (1995, p.483) explains, "assesses the issue of the similarity of results provided by independent but comparable measures of the same object, trait, or construct: it is an important indicator of the measure's quality because it determines the impact of inconsistencies in measurement on the results".

In order to test for scale reliability each scale was purified in order to ensure it had a coefficient which exceeded the value of .70 recommended by Nunnally (1978). In order to test for unidimensionality all of the items which were from conceptually similar scales (for example the items from the export market-oriented systems scales of training, recruiting and reward systems) were subjected to a factor analysis to help ascertain the unidimensionality of the scales. Principle Axis factor analysis was used with Varimax rotation. Items that cross loaded at above the .40 level, or which did not load on any factor at above the .40 level were eliminated from the analysis. As a result of the factor analysis refinements were made to some of the scales and those refined scales were assessed to ensure that their reliability still exceeded the .70 minimum level recommended by Nunnally (1978).

Table 4.2: Scale Reliability Analyses ²

Scale	Cronbach's α	Number of items	Number of cases	Mean Score	Standard deviation
Skill/Knowledge	0.8884	8	289	4.25	1.12
Relative Functional Identification	0.5220	4	290	3.45	0.84
Relative Functional Identification	0.7607	3	290	2.77	1.11
Formalisation	0.8187	7	290	3.89	1.10
Formalisation	0.9004	5	290	4.42	1.37
Centralisation	0.8315	5	291	2.81	1.10
Competitor Environment	0.8126	7	289	4.36	1.09
Competitor Environment	0.8243	6	290	4.19	1.16
Customer Environment	0.7743	5	291	3.84	1.10
Technology Environment	0.9004	4	290	4.53	1.41
Regulatory Environment	0.8110	8	292	3.18	1.15
Leader Propensity to Export	0.9447	6	290	6.89	1.73
Leader Propensity to Export	0.9430	5	290	6.99	1.70
Leader Emphasis EMO	0.9035	5	286	6.24	1.66
Leader Emphasis on Intrapreneurship	0.9260	9	290	5.04	1.52
Leader Emphasis on Intrapreneurship	0.9264	6	290	5.46	1.60
Job Satisfaction	0.8058	4	290	5.17	0.93
Job Satisfaction	0.7270	2	290	4.92	1.17
Commitment	0.8779	3	290	5.57	0.86
Role Ambiguity	0.8812	5	290	2.55	0.96
Role Conflict	0.7457	5	290	3.24	1.0
Role Conflict	0.7826	4	290	3.28	1.12
Export Training Systems	0.8305	8	292	4.17	1.02
Export Training Systems	0.8448	7	292	4.25	1.09
Export Recruiting Systems	0.8750	3	277	4.42	1.27
Export Reward Systems	0.7813	6	292	3.30	1.06
Export Reward Systems	0.7898	5	292	4.27	1.33
Intelligence Generation	0.8083	11	292	4.31	0.99
Intelligence Dissemination	0.9060	18	291	4.96	0.98
Intelligence Responsiveness	0.8531	17	289	5.05	0.77
Coordinating Mechanism	0.9274	10	291	5.15	0.90
Coordinating Mechanism	0.9177	8	291	5.19	0.91

Note: The final version of the scales are shown in bold

² In order to minimise the loss of data due to non-response these values reported subjected to a missing value analysis. When respondents had missed inserting a value for a particular item, each instance was manually assessed based on the situation of that missing value. Specifically the items with the missing value was assessed (prior to the scale purification process) to determine (a) if the proportion of items missing values across the scale was small and, (b) If there was an unusually large number of missing values for that item across the sample. If the situation was satisfactory, the missing data was manually replaced by taking an average of the items for that scale. For example if a scale had five items in it and a given respondent had failed to supply a response for one of those items then an average was taken of the values the respondent had given to the other four items in the scale. This average was used as a replacement value for the missing item. 63 changes were made in total.

Following is a description of the reliability and unidimensionality analysis conducted for each of the scales. The summary statistics for each final factor solution are given under each sub-section, and the statistics for each scale both before and after the factor analysis and refinement process are shown in bold in Table 4.2. The final score for each scale was an average of all the items included in the scale. This average was calculated by:

$$\text{Scale score} = \frac{[\sum (is_1 + is_2 + is_3 + \dots + is_n)]}{n}$$

where:

is = item score

n = the total number of items in the scale

i) Experience

As was discussed in Chapter Three, in order to measure the degree of skill/knowledge that the firm possessed, a scale was adapted from the literature. As can be seen in Table 4.2 the scale mean of the 7-point scale was 4.25 with a standard deviation of 1.12. Reliability assessment resulted in a coefficient alpha of .89 which comfortably exceeds the recommended value of .70 (Nunnally, 1978).

ii) Structure

Multi-item scales were also used to measure the levels of formalisation, centralisation and relative functional identification in the firms. As explained above, in order to assess the dimensionality of these structural scales all three scales were subjected to one factor analysis and as a result of the factor analysis some refinements to the scales were made. The initial factor solutions, complete with the items detailed in full, are shown in Appendix B. Table 4.2 above shows the reliability statistics of the scales before and after those scale refinements and Table 4.3 shows the summary statistics of the final factor solutions.

Table 4.3 Final Factor Solutions - Structure Scales

Variable	Factor 1	Factor 2	Factor 3
Centralisation 1		.427	
Centralisation 2		.642	
Centralisation 3		.851	
Centralisation 4		.862	
Centralisation 5		.744	
Formalisation 1	.677		
Formalisation 2	.778		
Formalisation 3	.837		
Formalisation 4	.749		
Formalisation 5	.838		
Departmentalisation 1			.683
Departmentalisation 2			.752
Departmentalisation 3			.726
Eigenvalue	3.918	2.236	1.563
Percentage of Variance Explained	30.1	17.2	12.0
Cumulative Percentage of Variance Explained	30.1	47.3	59.4

The degree of psychological departmentalisation of the exporting function was measured on a 4-item, 7-point relative functional identification scale which was originally adapted from Fisher, Maltz and Jaworski's (1997) 4 item scale. However, in this study, the initial 4 item scale failed to meet the minimum coefficient alpha required to indicate internal consistency ($\alpha = .5220$). An examination of the correlation matrix and item-total correlations revealed that the item "*Export employees in this company feel that being part of the export function is important to them*" gave low values. Furthermore, as the initial factor analysis shows (Appendix B), that item did not load sufficiently high on any factor in the analysis. As Table 4.3 depicts, after eliminating this item, all the other items from that scale loaded onto a single factor. As Table 4.2 highlights in bold, the resulting 3-item scale yielded a coefficient alpha of .76 which exceeds the .70 recommended by Nunnally (1978).

Formalisation was originally measured on a 7-point scale using an adapted version of Jaworski and Kohli's (1993) formalisation scale. As Table 4.2 shows the initial reliability assessment resulted in a coefficient alpha of .82 which exceeds the value of .70 recommended by Nunnally (1978). However, the initial factor analysis (see Appendix B) revealed that items six and seven of the formalisation scale did not

load at above the 0.40 level on the same factor as the other items in the scale, furthermore those items cross-loaded on to another factor. Thus, in order to ensure unidimensionality of the scale those items were deleted from the scale. As Table 4.2 depicts in bold, the final formalisation scale contained five items and the reliability assessment of the revised scale resulted in a coefficient alpha of 0.90 which also comfortably exceeds the 0.70 level recommended by Nunnally (1978).

The 7-point multi-item centralisation scale was adapted from Jaworski and Kohli's (1993) 5-item centralisation scale. The reliability assessment (see Table 4.2) yielded a coefficient alpha of .83 which meets the Nunnally (1978) .70 reliability criteria.

iii) Environment

As described in Chapter Three, four multi-item scales were taken to measure the firm's export environment. These were competitor, customer, technology and regulatory 7-point scales. As can be seen in Table 4.2 the initial reliability analysis found all four scales to be internally reliable with scores of .81 (competitor), .77 (customer), .90 (technology), .81 (regulatory). Therefore all exceeding the level recommended by Nunnally (1978). However, a factor analysis was conducted to assess the dimensionality of the scales. It was found in the initial factor analysis (see Appendix B) that item six in the competitor environment scale did not load sufficiently high on any one factor, this item was therefore eliminated from the final scale. The final factor solutions are shown in Table 4.4 below. It should be noted that although items six, seven and eight from the regulatory environment scale loaded on two different factors, they did not cross load on to a factor which contained items from one of the other scales. Furthermore, on examination of those items there was nothing in terms of face validity to indicate that the items were conceptually distinct from the other items in the regulatory items scale, and thus they were retained in the final regulatory environment scale. As is depicted in Table 4.2 above the refined six item competitor environment scale was found to be internally reliable with its coefficient alpha of .82 exceeding the .70 level recommended by Nunnally (1978).

4.4: Final Factor Solutions – Environment Scales

Variable	Factor 1	Factor 2	Factor 3	Factor 4	Factor 5
Competitor Environment 1		.723			
Competitor Environment 2		.555			
Competitor Environment 3		.545			
Competitor Environment 4		.769			
Competitor Environment 5		.667			
Competitor Environment 7		.686			
Customer Environment 1				.700	
Customer Environment 2				.574	
Customer Environment 3				.718	
Customer Environment 4				.475	
Customer Environment 5				.664	
Regulatory Environment 1			.527		
Regulatory Environment 2			.684		
Regulatory Environment 3			.634		
Regulatory Environment 4			.649		
Regulatory Environment 5			.489		
Regulatory Environment 6			.434		.571
Regulatory Environment 7			.520		.432
Regulatory Environment 8			.604		.445
Technological Environment 1	.779				
Technological Environment 2	.840				
Technological Environment 3	.854				
Technological Environment 4	.787				
Eigenvalue	4.505	2.829	2.486	1.368	.563
Percentage of Variance Explained	18.8	11.8	10.4	5.7	2.3
Cumulative Percentage of Variance Explained	18.8	30.6	40.9	46.6	49.0

iv) Leadership

As discussed in Chapter Three (Research Methodology) three aspects to leadership were measured in this study; propensity to export, emphasis on export market orientation and emphasis on intrapreneurship. The 9-point leader propensity to export scale used was based on Genturk, Childers and Ruekert's (1995) managerial attitudes scale. As Table 4.2 depicts, the initial reliability analysis conducted showed that the scale comfortably exceeded the .70 Nunnally (1978) level with a coefficient alpha of .95. Jaworski and Kohli's (1993) emphasis on market orientation scale was adapted for this exporting context to measure leader emphasis

on export market orientation. The initial internal consistency assessment yielded a coefficient alpha of .90 which meets Nunnally's (1978) minimum reliability criteria (see Table 4.2). To measure emphasis on export intrapreneurship, scales were taken from Doucette and Jambulingam (1997) and adapted slightly to suit the exporting context of this study. Reliability analysis gave (as shown in Table 4.2) a coefficient alpha of .93 which easily exceeds the Nunnally (1978) recommended minimum level of .70.

Table 4.5: Final Factor Solutions – Leadership Scales

Variable	Factor 1	Factor 2	Factor 3
Leader Emphasis on Intrapreneurship 1		.630	
Leader Emphasis on Intrapreneurship 2		.713	
Leader Emphasis on Intrapreneurship 3		.775	
Leader Emphasis on Intrapreneurship 4		.765	
Leader Emphasis on Intrapreneurship 5		.822	
Leader Emphasis on Intrapreneurship 6		.853	
Leader Emphasis on EMO 1			.660
Leader Emphasis on EMO 2			.711
Leader Emphasis on EMO 3			.633
Leader Emphasis on EMO 4			.449
Leader Propensity to Export 1	.760		
Leader Propensity to Export 2	.901		
Leader Propensity to Export 3	.865		
Leader Propensity to Export 4	.878		
Leader Propensity to Export 5	.768		
Eigenvalue	6.56	2.22	0.92
Percentage of Variance Explained	43.70	14.80	6.10
Cumulative Percentage of Variance Explained	43.70	58.50	64.60

However, as with the other scales in the study, in order to test for unidimensionality of the scales the items from all three leadership scales were included in a factor analysis. As can be seen in Appendix B, the initial factor analysis showed a large amount of cross loading between the emphasis on export market orientation items and the propensity to export items. Furthermore, the initial correlation analysis between the two scales was very high (the Pearson's correlation coefficient between the two variables was 0.813). Indeed, despite the conceptual distinctiveness between the two constructs, it does seem intuitively appealing that the extent to which a firms' leaders have a propensity to export will influence the level of emphasis that they place on the importance of having an export market orientation.

Therefore, in order to create a pure measure of emphasis on export market orientation, a simple regression analysis was conducted with each item from the emphasis on export market orientation scale being assigned as the dependent variable, and propensity to export measure as the independent variable. The error terms from the regression equations were saved. These error terms represented a 'pure' level of emphasis on export market orientation, that was not being explained by the propensity to export variable. As can be seen in Appendix C, the correlation between the two variables used in the final analysis (the original propensity to export variable and the new 'pure' emphasis on export market orientation variable) was zero.

As can be seen in Table 4.5 the final factor solution using the purified leader emphasis on export market orientation shows no cross loading between items from different scales. As is shown in Table 4.2 the reliability analysis on the scales after they had been refined showed each to exceed the 0.70 level recommended by Nunnally (1978).

v) Work Attitudes

A number of multi-item scales were involved in measuring aspects of the export function's work attitudes. These were 7-point scales tapping into the concepts of (a) job satisfaction, (b) commitment, (c) role ambiguity, and (d) role conflict. All four scales underwent reliability analysis and as can be seen in Table 4.2 each scale in its initial form exceeds the .70 minimum reliability level advised by Nunnally (1978). Indeed, job satisfaction scored .81, commitment .88, role ambiguity .89 and role conflict .75. After the initial reliability assessment all four scales were entered into one factor analysis. As is shown in the initial version of the factor analysis (see Appendix B) items one and two of the job satisfaction scale and item five of the role conflict scale were cross loading. To ensure unidimensionality of the scales they were subsequently dropped from the scale. The final factor solution for the work attitudes analysis is shown in Table 4.6 below. The refined job satisfaction and role conflict scales also exceeded Nunnally's (1978) recommended level with

the coefficient alpha on the two items job satisfaction scale scoring .73 and the four item role conflict scale scoring .78.

Table 4.6: Final Factor Solutions –Work Attitudes Scales

Variable	Factor 1	Factor 2	Factor 3	Factor 4
Commitment 1		.78361		
Commitment 2		.76775		
Commitment 3		.71064		
Job Satisfaction 3				.60966
Job Satisfaction 4				.79320
Role Ambiguity 1	.56109			
Role Ambiguity 2	.70263			
Role Ambiguity 3	.69479			
Role Ambiguity 4	.78625			
Role Ambiguity 5	.80309			
Role Conflict 1			.60643	
Role Conflict 2			.70919	
Role Conflict 3			.67061	
Role Conflict 4			.67664	
Eigenvalue	5.37486	1.58841	.90368	.63458
Percentage of Variance Explained	38.4	11.3	6.5	4.5
Cumulative Percentage of Variance Explained	38.4	49.7	56.2	60.7

The initial correlation matrix of the scales showed that the variables involved in measuring the ‘individual factors’ of a firm, despite loading onto four different factors, were found to have reasonably high Pearson’s correlation coefficients (between 0.557 and 0.630). To avoid any multicollinearity problems between these variables their factor scores were saved and used in the regression phase of the analysis. Thus, as is shown in the final correlation matrix in Appendix C, the final correlation between the work attitude variables was near zero.

vi) Systems

The three multi-item scales pertaining to export systems were export training, recruiting and reward scales. As explained in Chapter Three, these were each 7-point scales. The initial reliability analysis shows (see Table 4.2) that all three scales exceeded the Nunnally (1978) .70 threshold with a coefficient alpha of .83 for export training, .88 for export recruiting and .78 for the export reward scale.

The initial factor analysis (see Appendix B) with the items for all three scales showed that the first reward systems item and the third training systems item were cross-loading. These items were removed and the factor analysis was re-run yielding a three factor solution, with one factor clearly emerging for each scale (see Table 4.7 below). The final reliability analysis of the refined reward system and training system scales showed that the final version of the scales met Nunnally's (1978) .70 level. The coefficient alpha on the reward system scale was .79 and on the training system scales .84.

Table 4.7: Final Factor Solutions – Systems Scales

Variable	Factor 1	Factor 2	Factor 3
Recruiting 1			.761
Recruiting 2			.897
Recruiting 3			.694
Reward 2		.740	
Reward 3		.809	
Reward 4		.445	
Reward 5		.552	
Reward 6		.621	
Training 1	.471		
Training 2	.558		
Training 4	.622		
Training 5	.765		
Training 6	.753		
Training 7	.489		
Training 8	.469		
Eigenvalue	2.851	2.572	2.255
Percentage of Variance Explained	19.009	17.146	15.032
Cumulative Percentage of Variance Explained	19.009	36.155	51.187

vii) Export Market Orientation

Export market orientation (as described in Chapter Three) consists of the three activities of intelligence generation, dissemination and responsiveness (GDR), all of which are driven by the coordinating mechanism. The initial version of the coordinating mechanism scale returned a coefficient alpha of .93 which well exceeded Nunnally's (1978) recommended level. In order to ensure that the

coordinating mechanism scale was tapping a distinct and different dimension to the GDR items, all the coordinating mechanism and GDR items were entered into a factor analysis. The initial factor analysis showed that items eight and nine of the coordinating mechanism cross loaded (see Appendix B). Accordingly, these items were dropped from the coordinating mechanism scale and (as can be seen in the final factor solution in Table 4.8) the resulting final version of the coordinating mechanism scale loads consistently on to only one factor.

Table 4.8: Final Factor Solutions –Export Market Orientation Scales

Factor	1	2	3	4	5	6	7	8	9	10	11
CM 1	.517										
CM 2	.714										
CM 3	.752										
CM 4	.740										
CM 5	.800										
CM 6	.746										
CM 7	.686										
CM 10	.658										
G 1			.707								
G 2			.595								
G 3								.411			
G 4											
G 5								.574			
G 6			.444								
G 7										.506	
G 8			.744								
G 9											
G 10			.412					.494		.462	
G 11											
D 1											
D 2											
D 3											
D 4		.449									
D 5			.439								
D 6		.497									

Factor	1	2	3	4	5	6	7	8	9	10	11
D 7				.400							
D 8		.708									
D 9		.747									
D 10		.603									
D 11		.673									
D 12		.734									
D 13				.428							
D 14				.439							
D 15				.629							
D 16				.628							
D 17											
D 18				.464							
R 1											
R 2					.612						
R 3					.408						
R 4					.716						
R 5			.413								
R 6											
R 7			.416								
R 8							.511				
R 9							.498				
R 10											
R 11						.615					
R 12						.551					
R 13											
R 14											
R 15											
R 16					.638						
R 17											
E	5.74	4.32	4.15	3.05	2.82	1.29	1.25	1.22	1.20	1.08	1.00
PVE	10.62	5.00	7.68	5.65	5.22	2.39	2.31	2.27	2.23	2.00	1.86
CPEV	10.62	18.63	26.30	31.95	37.17	39.56	41.87	44.13	46.36	48.36	50.22

KEY

CM= Coordinating Mechanism

G= Export Intelligence Generation

D= Export Intelligence Dissemination

R= Export Intelligence Responsiveness

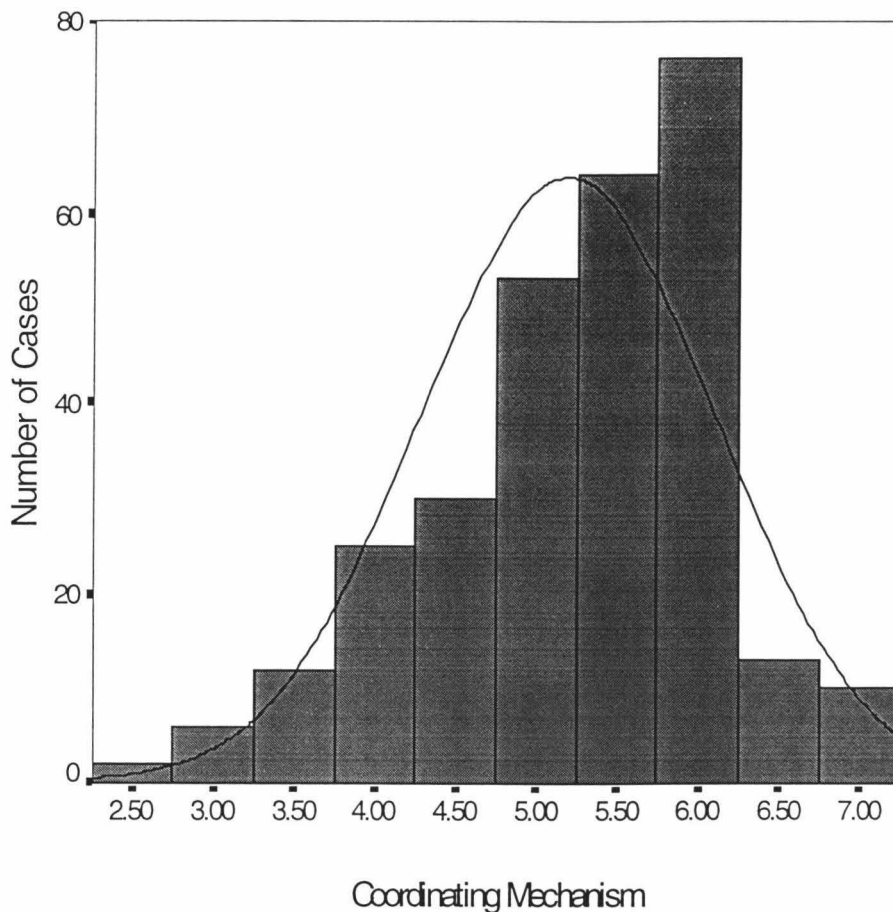
E = Eigenvalue

PVE= Percentage of Variance Explained

CPEV= Cumulative Percentage of Variance Explained

The final version of the coordinating mechanism scale had eight items and showed a coefficient alpha of .92 (which satisfies Nunnally's (1978) .70 minimum level). The scales mean value was 5.20 which was higher than the mid-scale point of four. The responses ranged between a minimum of 2.5 and a maximum 7.0. As can be seen in Figure 4.4 below the distribution of the variable appeared to show signs of both skewness and kurtosis with a high proportion of respondents reporting levels in the 4.5-6.0 range. Concerns that the distribution of the variable may depart slightly from normality were confirmed with a significant Kolmogorov-Smirnov test statistic. However, the variable still appears to exhibit considerable variation, and furthermore, regression is fairly robust to violations of the normality assumption (Cohen and Cohen, 1975).

Figure 4.4: Histogram of the Coordinating Mechanism

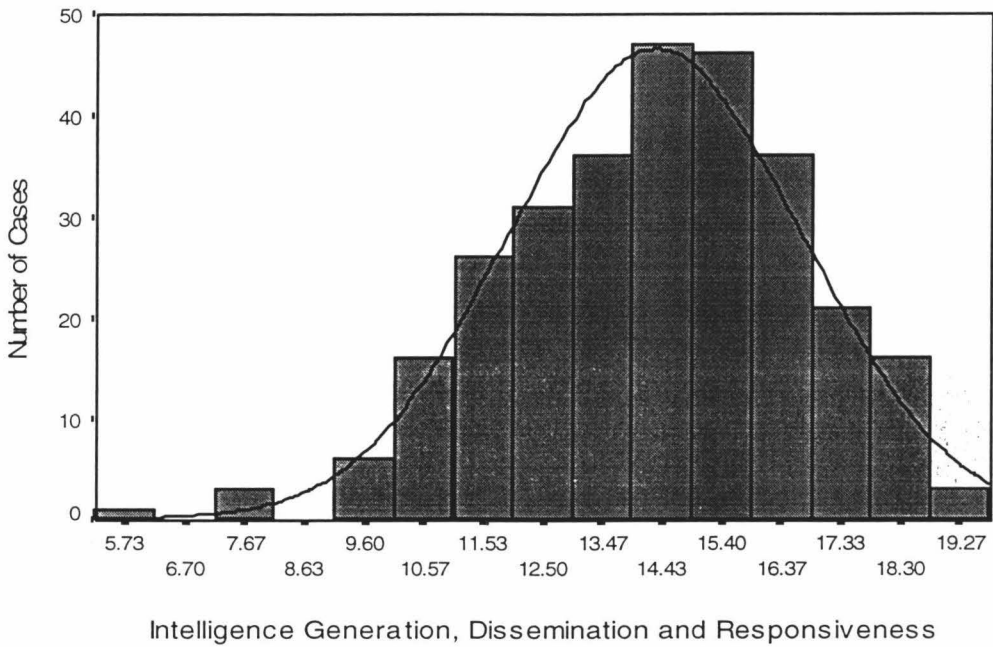


As described in Chapter Two, each of the export market intelligence generation, dissemination and responsiveness (GDR) activities is conceptually distinct but highly interrelated. In order to test the model, it was necessary to develop a consolidated measure of GDR. A reliability analysis of each of the three generic activities showed that they had coefficient alphas well above the Nunnally (1978) .70 level. The export intelligence generation scale had a coefficient alpha of .81, the export intelligence dissemination scale scored .91 and the export intelligence responsiveness scale scored .85.

A single measure of the export market intelligence generation, dissemination and responsiveness (GDR) activities was developed by calculating an average score for each respondent across the combined three scales. This was achieved by simply adding together the scores across each of the three scales and dividing these by the total number of scales (three). Correlations were used to determine the degree of convergence among the GDR sub-scales. The correlations were positive and high, ranging between 0.585 and 0.659. Furthermore, as Table 4.8 above demonstrates there is a high degree of cross loading amongst the items in each of the intelligence generation, dissemination and responsiveness scales, illustrating the strong interrelationship between the scales. Hair et al. (1992) suggests that when conducting a factor analysis a rule of thumb of variable to number of cases in order to have acceptable levels of power should be a ratio of 1:10. Given the extremely large number of variables involved in the export market orientation factor analysis (56 items in total), with just 292 cases, it was expected that lack of power in the analysis would cause some instability in the results. The important point however was that the coordinating mechanism items were clearly distinct from the export intelligence generation dissemination and responsiveness items. Nonetheless, given possible low levels of power in the export market orientation factor analysis, and that the activity-based scales were to be combined to form a final GDR measure the decision was taken not to delete any of the export market intelligence generation, dissemination and responsiveness items. This was despite the lack of some of the items ability to meet the 0.40 factor loading threshold previously specified and the high cross loading between the GDR variables.

As depicted in Figure 4.5 below, out of a possible minimum of 3 and maximum of 21 the final GDR scale showed values from the sample ranging between 5.27 and 19.65. The mean value (see Table 4.2) was 14.3173 with an associated standard deviation of 2.3875. Although the mean is higher than the “neutral” mean of 12.0 the distribution does not appear to deviate to any great extent from normality, furthermore a Kolmogorov-Smirnov test returned a non-significant test statistic.

Figure 4.5: Histogram of Generation, Dissemination and Responsiveness



A final issue about the export market orientation measure concerns the assumption that the coordinating mechanism is conceptually distinct from the GDR activities. In order to validate this assumption several correlation analyses were conducted. The correlation between the GDR scale and the generation, dissemination, responsiveness, and coordinating mechanism were .870, .867, .869, and .619 respectively. Furthermore, as discussed above, the factor analysis showed the coordinating mechanism items as being clearly distinct from the export market intelligence generation, dissemination and responsiveness items.

viii) Performance

As was discussed in Chapter Three, it was an assumption of this study that export market orientation would have a positive relationship with aspects of export performance. Below is (a) a description of each performance measure and how it was calculated and, (b) an indication of the level of correlation that was found between each performance measure and the export market intelligence generation, dissemination and responsiveness measure. These correlations provide empirical evidence to suggest that export market-oriented activities are positively associated with aspects of export performance. Thus the study findings concur with the literature that suggests that market orientation will positively influence firm performance, adding further weight to the notion that this will also apply in the exporting context.

- **Satisfaction Relative to Performance Objectives**

Respondents were first asked to distribute 100 points across the four performance objectives (export sales volume, export market share, export profitability and market entry) to illustrate the weight of importance which they attached to achieving each. They were also asked to rate on a 10 point scale the extent to which they had been, over the past 3 years, satisfied with the firms achievement of those objectives.

Next a score was developed for each respondent which reflected the respondent's degree of satisfaction with performance relative to the firm's objectives. This was calculated by the following equation:

$$\text{Relative satisfaction score} = \frac{[\sum (\text{Satisfaction}_i * \text{Importance}_i)]}{9} - 100$$

9

Where:

Satisfaction_i = satisfaction with objective *i*

Importance_i = importance of objective *i*

As can be seen by the summary statistics in Table 4.9 the distribution of the resulting scale was in close proximity to normal, with values ranging between 8.33 and 100 with an average score of 54.4. The correlation between export market intelligence generation, dissemination and responsiveness and the firms' relative satisfaction was positively significant with a Pearson's correlation coefficient of 0.298.

Table 4.9: Export Performance Summary Statistics

Variable	N	Mean	Median	Standard Deviation	Min.	Max.	∞ with GDR
Relative Satisfaction	281	54.43	55.56	18.77	8.33	100	0.298**
Absolute Growth	285	3.91	5.00	4.34	-8	10	0.300**
Relative Growth	281	6.04	6.00	1.73	1	10	0.413**
Overall Performance	287	5.96	6.00	1.70	1	10	0.558**
Profitability 1997	286	6.00	6.00	1.83	1	10	0.234**
Profitability 1996	284	5.88	6.00	1.63	1	10	0.130*
Profitability 1995	285	5.96	6.00	1.91	1	10	0.076
Export Sales Per Employee (NZ\$ thousand)	252	20,000	6,673	71,000	4.7	860,000	0.130*

**= Correlation is significant at 0.01 level (1-tailed)

* = Correlation is significant at 0.05 level (1-tailed)

- Growth

Both an absolute and a relative to industry measure of performance growth/decline was taken. The average annual export sales growth/decline during the past 3 years was found to range between -8% and 10%. However, as can be determined by Table 4.9 the sample was somewhat negatively skewed. The measure of export sales growth/decline relative to the industry was leptokurtic, with a disproportionate number of firms reporting their relative growth at around 5-6 (out of a potential range of 1 to 10). Both growth measures were found to be significantly and positively correlated to the export market intelligence generation, dissemination and responsiveness measure.

- Overall performance measure

The item which asked respondents to indicate the level of overall export performance during the past three years was found to be the performance measure which was most strongly correlated to export intelligence generation, dissemination and responsiveness (with a coefficient alpha of 0.588). The distribution of this performance measure was also leptokurtic, with many of the respondents reporting values on the 10-point scale in the 5-8 range.

- Export Profitability

The respondents were asked to indicate, on a 10 point scale, how profitable exporting had been for the firm in each of the past three years. As Table 4.9 shows, while both the 1997 and 1996 profitability levels were significantly correlated with export market intelligence generation, dissemination and responsiveness measure, the 1995 figure was not significant. However, it is perhaps not surprising that the *current* level of GDR does not correlate significantly with the level of profitability of the firm from *three years ago*.

- Export Sales per Employee

Each firm's export sales was determined by calculating the export sales turnover and then, in order to adjust for size influences, that figure was divided by the number of employees in the firm. As Table 4.9 suggests, this variable was highly positively skewed, with a large standard deviation and range. This result is not surprising given the several extreme outliers found in the turnover variable (see Chapter Four). With a reported Pearson's coefficient of 0.130 export sales per employee was found to be significantly positively correlated with the level of export market intelligence generation, dissemination and responsiveness in the firm.

4.3. SUMMARY

As described above, the descriptive analysis has revealed that a wide variety of firms have been included in the sample. All of the scales which make up the independent variables in the regression analysis were found to be internally reliable, with coefficient alpha's in excess of the 0.70 level recommended by Nunnally (1978). Furthermore, export market intelligence generation, dissemination and responsiveness activities were found to significantly and positively correlate to a number of measures of export performance, thus providing nomological validity to the study. The following chapter describes the multiple regression analysis, and the statistical outcome of the hypothesised relationships. Appendix C shows a final correlation matrix of the variables used in the multiple regression analysis.

In Chapter 2 it was proposed that several structural, system, individual, business-specific, environmental and leadership factors would act as antecedents to the coordinating mechanism and export market-oriented activity. Weisberg (1980) indicates that multiple regression involves using several independent variables (predictors) to model a single response variable. Therefore, for this study it was decided that multiple linear regression would be the most appropriate form of statistical analysis to conduct. Accordingly two multiple regression equations were constructed. The dependent variable for the first equation was the coordinating mechanism and for the second equation it was the intelligence generation, dissemination and responsiveness measure. The first section of this chapter describes the analysis that was conducted to check for violation of the multiple regression assumptions. The following section describes and discusses the hypothesis tests and findings of the regression analysis.

5.1. MULTIPLE REGRESSION ASSUMPTIONS

Following the guidelines in the literature (e.g., Cohen and Cohen, 1975; Younger, 1985; Norušis, 1988) the data was analysed to ensure that the assumptions underlying multiple linear regression were met.

i) Normality and Homoscedasticity

In order to identify any violations to the assumptions of normality and homoscedasticity, histograms and normal probability plots of the standardised residuals, and scatter plots of residuals against predicted values were computed. These plots are depicted in Appendix D. As can be seen neither scatterplot shows any sign of a specific pattern emerging, thus giving support to the assumption that the relationships in the regression equations are linear. Furthermore, the patterns in

the graphs indicate that there is no violation of the assumption of constant variance in the error terms.

The histogram of the standardised residuals shows that the standardised residuals closely approximate normal distribution and the normal P-P plot indicates that the standardised residuals have only small deviations from the line of normal distribution. In summary, it is concluded that assumptions of normality and homoscedasticity are fair.

ii) Independence of Predictor Variables

Collinearity refers to the situation in which there is a high correlation between the independent variables, making it difficult to separate out the effects of the individual variables in the regression equation (Norušis, 1988). As discussed in Chapter Four, the correlations between variables were examined and some changes were made in order to reduce the likelihood of a multicollinearity problem. For example, a purified measure of leader emphasis on export market orientation was created which eliminated the effect of the leader propensity to export on that variable, and the turnover and number of regions exported to variables were not included in the regression analysis. The final correlation matrix is shown in Appendix C. The reasonably low correlations between the variables gave the indication that there was no need for concern regarding multicollinearity at that stage.

After running the regression, several diagnostics tests were used to check for the presence of collinear data. Firstly, the tolerance values were examined. While several of the independent variables yielded low tolerance values, none were below the 0.1 cutoff level recommended by Hair et al. (1992). In addition, while in a few instances the condition index for a variable was over 30, no more than two variance proportions of 0.5 were present across those variables. Thus, it was concluded that multicollinearity was not a problem in this analysis.

5.2. REGRESSION RESULTS

An R^2 of 0.598 was achieved in the regression equation which had the coordinating mechanism as the dependent variable. Thus, the model's proposed antecedents are able to explain just under 60% of the variance in the coordinating mechanism.

Table 5.1a provides a summary finding for the antecedents to the coordinating mechanism.

In the main regression equation the Export Market Intelligence Generation, Dissemination and Responsiveness measure (GDR) was the dependent variable, and an R^2 of 0.764 was achieved. This indicates that the proposed model is capable of predicting over 75% of variance in firms' export market intelligence generation, dissemination and responsiveness activities. Table 5.1b provides the summary findings for the antecedents to GDR.

As explained in Chapter Two, in addition to the main effects hypothesised to be linked to GDR, two hypotheses were put forward regarding possible moderating effects of the environment on the relationship between formalisation, centralisation and GDR. Following the discussion of the results from the main regression equation, the results of the moderator regression analysis are discussed (see Section 5.2.8).

Table 5.1a: Regression Analysis - The Coordinating Mechanism

Dependent Variable	Multiple R	R²	Adj. R²	F (Sig. = .000)		
Coordinating Mechanism	0.773	0.598	0.546	11.450		
Independent Variable	B	Beta	t	Sig.	Tol.	Hypoth.
Competitor Environment	0.010	0.013	0.258	0.796	0.785	H1a
Customer Environment	0.038	0.044	0.833	0.406	0.709	
Regulatory Environment	0.048	0.057	1.146	0.253	0.807	
Technological Environment	0.013	0.019	0.374	0.709	0.773	
Number Departments	-0.031	-0.097	-1.987	0.048	0.841	H2a
Number Hierarchies	0.006	0.012	0.238	0.812	0.834	
Separate Export Department	-0.148	-0.078	-1.433	0.153	0.672	
Relative Functional Identification	-0.101	-0.115	-2.337	0.020	0.830	
Formalisation	0.020	0.003	0.054	0.957	0.765	H2c
Centralisation	-0.060	-0.070	-1.367	0.173	0.771	H2e
Reward Systems	-0.029	-0.036	-0.655	0.513	0.654	H3a
Recruiting Systems	0.075	0.101	1.748	0.082	0.596	H3c
Training Systems	0.245	0.291	4.251	0.000	0.430	H3e
Propensity Behaviour	-0.000	-0.009	-0.147	0.883	0.504	H4a
Propensity Attitudes	0.072	0.130	1.875	0.062	0.417	
Emphasis on EMO	-0.038	-0.028	-0.553	0.581	0.762	H4c
Emphasis on Intrapreneurship	0.081	0.134	1.848	0.066	0.379	H4e
Individual's Commitment	0.186	0.180	3.377	0.001	0.705	H5a
Individual's Job Satisfaction	0.267	0.233	4.649	0.000	0.797	
Individual's Role Ambiguity	-0.160	-0.156	-3.069	0.002	0.780	H5c
Individual's Role Conflict	-0.232	-0.215	-4.201	0.000	0.770	
Years Exporting	0.006	0.101	1.874	0.062	0.698	H6a
Number of Countries	-0.006	-0.151	-2.826	0.005	0.702	
Skills/knowledge	-0.139	-0.165	-2.487	0.014	0.458	
Number of Employees	-0.000	-0.003	-0.060	0.952	0.645	H6c
Number of Export Employees	0.000	0.027	0.515	0.607	0.747	

Table 5.1b: Regression Analysis - GDR

Dependent Variable	Multiple R	R²	Adj. R²	F (Sig. = .000)		
GDR	0.874	0.764	0.734	25.723		
Independent Variable	B	Beta	t	Sig.	Tol.	Hypoth.
Competitor Environment	0.053	0.026	0.671	0.503	0.793	H1b
Customer Environment	-0.122	-0.055	-1.343	0.181	0.701	
Regulatory Environment	0.130	0.060	1.562	0.120	0.803	
Technological Environment	0.217	0.128	3.295	0.001	0.785	
Number Departments	0.060	0.073	1.949	0.053	0.841	H2b
Number Hierarchies	-0.039	-0.031	-0.827	0.409	0.838	
Separate Export Department	0.158	0.033	0.774	0.440	0.662	
Relative Functional Identification	-0.106	-0.048	-1.243	0.215	0.811	
Reward Systems	0.072	0.036	0.838	0.403	0.659	H3b
Recruiting Systems	0.067	0.035	0.777	0.438	0.581	H3d
Training Systems	0.111	0.052	0.942	0.347	0.395	H3f
Propensity Behaviour	0.013	0.176	3.671	0.000	0.518	H4b
Propensity Attitudes	0.035	0.025	0.465	0.642	0.422	
Emphasis on EMO	0.308	0.091	2.340	0.020	0.784	H4d
Emphasis on Intrapreneurship	0.286	0.195	3.242	0.001	0.329	H4f
Individual's Commitment	-0.235	-0.089	-2.168	0.031	0.707	H5b
Individual's Job Satisfaction	0.059	0.020	0.492	0.623	0.721	
Individual's Role Ambiguity	-0.132	-0.050	-1.250	0.213	0.756	H5d
Individual's Role Conflict	-0.200	-0.072	-1.809	0.072	0.745	
Years Exporting	-0.010	-0.065	-1.559	0.121	0.687	H6b
Number of Countries	-0.006	-0.063	-1.504	0.134	0.676	
Skills/knowledge	0.613	0.283	5.356	0.000	0.424	
Number of Employees	-0.000	-0.054	-1.255	0.211	0.649	H6d
Number of Export Employees	0.000	0.025	0.634	0.527	0.741	
Coordinating Mechanism	0.770	0.300	5.486	0.00	0.396	H7

5.2.1. The Environment

It was argued in Chapter Two that, as a response to environmental turbulence (from the competitor, customer, regulatory and technological environmental sectors), the activities of the individuals in a firm may become increasingly specialised. It was then suggested that this specialisation may result in conflicting priorities and perspectives amongst the firm's members (Wierseman and Bantel, 1993). In line with this argument it was hypothesised that the export environment would have a negative relationship with the efficiency and effectiveness of the coordinating mechanism (H1a). However, on the basis of results obtained (see Table 5.2) this hypothesis was rejected. On closer examination it can be seen that the level of specialisation is, in fact, conceptually similar to the level of departmentalisation in a firm. Thus it can be argued that environmental turbulence is better conceptualised as having a negative *indirect* influence on the coordinating mechanism via firm structure. That is, that the environment may positively influence the degree of departmentalisation in the firm, which (as established under H2a) in turn negatively influences the efficiency and effectiveness of the coordinating mechanism.

Table 5.2: Environment Regression Results

Independent Variable	B	Beta	t	Sig.	Tol.	Dep. Var.	Hypoth.
Competitor Environment	0.010	0.013	0.258	0.796	0.785	CM	H1a
Customer Environment	0.038	0.044	0.833	0.406	0.709		
Regulatory Environment	0.048	0.057	1.146	0.253	0.807		
Technological Environment	0.013	0.019	0.374	0.709	0.773		
Competitor Environment	0.053	0.026	0.671	0.503	0.793	GDR	H1b
Customer Environment	-0.122	-0.055	-1.343	0.181	0.701		
Regulatory Environment	0.130	0.060	1.562	0.120	0.803		
Technological Environment	0.217	0.128	3.295	0.001	0.785		

It was also hypothesised (H1b) that the environment would have a direct impact on the export intelligence generation, dissemination and responsiveness activities (H1b). As can be seen in Table 5.2, this hypothesis was partially supported. The technological environment was found to have a significant ($\alpha = .001$ level), positive effect on GDR. Therefore, it seems that as the technological environment becomes more dynamic, firms increase their level of information processing in

order to better gain an understanding of what technological changes are taking place, and how they can best respond to such changes.

However, the customer, competitor and regulatory environmental influences on GDR were not found to be significant. It is possible that firms believe they have an intuitive understanding of these aspects of the environment, and therefore do not perceive there is a need, in the face of turbulence in these sectors, to carry out higher levels of export intelligence generation, dissemination and responsiveness to the environment. An alternative suggestion is that the customer, regulatory and competitor environment influences the GDR construct in more than one way. For example, it is possible that under conditions of high environmental turbulence more information is generated; however, the associated increased information load and complexity may mean that exporters experience difficulty in assimilating and responding to the information (Achrol and Stern, 1988).

5.2.2. Structure

Export departmentalisation was hypothesised (H2a) to have a negative influence on the firm's degree of coordination. As explained in Chapter Four, departmentalisation was operationalised with measures of physical departmentalisation (presence of a separate export department, number of departments, number of hierarchies) and also with a measure which captured the firm's level of 'psychological departmentalisation' (the relative functional identification of firm members). As is shown in Table 5.3 neither the number of hierarchies nor the handling of exports through a separate export department were found to have a significant effect on the coordinating mechanism. This result is surprising as Menon, Jaworski and Kohli (1997) found that hierarchical levels were negatively associated with conflict in the firm. Similarly, the literature also suggested that a separate export department may be associated with a lack of goal congruence and increased conflict within the firm (e.g., Diamantopoulos and Cadogan, 1996).

Table 5.3: Structure Regression Results

Independent Variable	B	Beta	t	Sig.	Tol.	Dep. Var.	Hypoth.
Number Departments	-0.031	-0.097	-1.987	0.048	0.841	CM	H2a
Number Hierarchies	0.006	0.012	0.238	0.812	0.834		
Separate Export Department	-0.148	-0.078	-1.433	0.153	0.672		
Relative Functional Identification	-0.101	-0.115	-2.337	0.020	0.830		
Formalisation	0.020	0.003	0.054	0.957	0.765		
Centralisation	-0.060	-0.070	-1.367	0.173	0.771		H2e
Number Departments	0.060	0.073	1.949	0.053	0.841	GDR	H2b
Number Hierarchies	-0.039	-0.031	-0.827	0.409	0.838		
Separate Export Department	0.158	0.033	0.774	0.440	0.662		
Relative Functional Identification	-0.106	-0.048	-1.243	0.215	0.811		

Both the number of departments and the relative functional identification of firm members were found to have a significant negative relationship with the coordinating mechanism. This result adds weight to the argument that departmentalisation may accentuate the level of ‘territorial viewpoints’ held by a firm’s members, causing conflict and a lack of the connectedness and superordinate focus among firm members which is so essential in coordinating the firm’s activities. This is particularly relevant in the export context, where it is apparent that division between exporting and non-exporting personnel must be minimised in order to ensure the effective and efficient functioning of the firm’s coordinating mechanism.

H2b hypothesised that departmentalisation would have a negative effect on GDR. No significant relationships were found between relative functional identification, the number of hierarchies, or the presence of a separate export department, and GDR. The number of departments within the firm was significantly associated with GDR; however, the sign associated with this coefficient was *positive*, the opposite direction to that hypothesised.

It is possible that these unexpected results are because different aspects of departmentalisation influence the different components of the GDR construct in different ways. While it was argued that increased departmentalisation would

impede intelligence dissemination, it is feasible that the specialisation of activities enables more and/or better information generating activities to occur. Some support for this notion is found in the literature, for example, Samiee and Walters, (1990) find that the presence of a separate export department may indicate increased commitment to exporting. This increased export commitment has in turn been associated with increased sophistication of research methods employed (Cavusgil, 1984).

Formalisation was not found to be significantly associated with the coordinating mechanism (H2c). An explanation for this non-significant finding is that formalisation may actually influence the coordinating mechanism but in different and opposing directions, thus cancelling out any statistically observable effects. As was established in Chapter Two, the literature has suggested that through facilitating the development of a shared value system and efficient communication channels, formalisation may positively influence the coordinating mechanism. However, on closer examination it can be seen that the literature provides some support for the suggestion that formalisation also has negative effects on the coordinating mechanism. For example, Barclay (1991) suggests that the imposition of rules robs people of their autonomy and reduces their highly valued self-control, leading to aggressive responses from individuals and intra-firm conflict. Furthermore, Fisher, Maltz and Jaworski (1997) find that frequent and bi-directional communication has an important positive effect on perceived relationship effectiveness. It is possible that formalisation, through its promotion of formal rather than informal (social) communication, acts to restrict the manner and frequency of communication between the firm's members, thus adversely impacting on relationship effectiveness in the firm. Furthermore, it has been suggested that if firms assert high degrees of formalisation over the individual's behaviour (i.e., through such things as the level of rules in the firm and close supervision) the individual may experience increasing levels of role conflict and decreasing levels of job satisfaction (Jaworski, Stathakopoulos and Krishnan, 1993). These indirect effects of formalisation through role conflict and job satisfaction will, as was found under H5a and H5c (discussed in Section 5.2.5), also act to negatively influence the coordinating mechanism.

The degree of centralisation in a firm was not found to be associated with the efficiency and effectiveness of the coordinating mechanism. A possible explanation for this is that there may be differing influences acting between centralisation and the coordinating mechanism. It was established in Chapter Two, that it is likely that there are some negative characteristics associated with centralised structure. However, it is also possible that there are some benefits to more centralised structures. For example, Menon and Varadarajan, (1992) suggest that the increase in policy associated with centralised planning may lead to increased communication between employees. Recent moves towards more central direction suggest that some level of centralisation may aid international decision-making (Martinex and Quelch, 1996; Theuerkauf, Ernst and Mahini, 1996).

It was hypothesised in this study that formalisation and centralisation would be related to the GDR activities of the firm and, that the relationships would be moderated by the environment (H2d and H2f). In order to test these hypotheses, moderator regression analysis was conducted. That analysis is discussed in full under Section 5.2.8.

5.2.3. Export Systems

Export market-based reward systems were not found to be significantly related to either the coordinating mechanism or the intelligence generation, dissemination and responsiveness of the firm (H3a and H3b). This result was perhaps the most surprising finding of the study. There are compelling arguments in the literature to

Table 5.4: Export System Regression Results

Independent Variable	B	Beta	t	Sig.	Tol.	Dep. Var.	Hypoth.
Reward Systems	-0.029	-0.036	-0.655	0.513	0.654	CM	H3a
Recruiting Systems	0.075	0.101	1.748	0.082	0.596		H3c
Training Systems	0.245	0.291	4.251	0.000	0.430		H3e
Reward Systems	0.072	0.036	0.838	0.403	0.659	GDR	H3b
Recruiting Systems	0.067	0.035	0.777	0.438	0.581		H3d
Training Systems	0.111	0.052	0.942	0.347	0.395		H3f

suggest that market-based reward systems, through their ability to create interdependence in goals, and align the firm's goals with those of individuals, will positively influence the coordinating mechanism. Furthermore, both Ruekert (1992), and Jaworski and Kohli (1993) found that the greater the reliance on market-based factors for evaluating and rewarding managers, the greater the level of market orientation in the firm. Indeed, Jaworski and Kohli (1993, p. 63) report that based on the results from their study "the design of reward systems has the strongest impact on market orientation".

It has been assumed in previous arguments linking rewards to employee behaviour that the rewards the firm offers will motivate an individual to behave in a way which will be beneficial to that firm (i.e., Barnards 1938 Inducement/Contribution theory). However, research by Inkson and Cammock (1987) found that while financial rewards may motivate a person to leave or take a job, they will not be effective at inducing individuals to behave in a desirable manner. They suggest that non-financial rewards are important to induce contribution to the firm goals. Furthermore, motivation is partly subjected to the individual's assessment of the effort required to receive a given reward (Vroom, 1964). Skinner (1953) suggests that the desired behaviour must be clearly specified and linked to that specific behaviour in order for the reward to be effective. The implication here therefore, is that it may be that the *type* of reward systems traditionally used in business are not effective in directly promoting an export market orientation rather than reward systems per se.

Interestingly however, there is some indication that traditional reward systems may have a more *indirect* effect on the firm's export market orientation. Hertzber (1959) finds that extrinsic factors such as pay and intrinsic factors such as recognition will influence the level of satisfaction or dissatisfaction that employees feel. It is also plausible that, in the form of political behaviour and conflict, there may be negative repercussions to having *export* market-based reward systems. This behaviour would be driven by individuals in the firm who do not support the exporting activity in the firm, and therefore resent their rewards being tied into achievements in export markets.

Strong support was found for the hypothesised positive relationship between both export market-oriented recruiting (H3c) and training (H3e) systems and the coordinating mechanism. However, no significant support was found for the relationship between these variables and export market intelligence generation, dissemination and responsiveness (H3d & H3f). Thus, it seems that human resource activities will be indirectly related to the firm's information processing, through the coordinating mechanism. The efficiency and effectiveness of the coordinating mechanism can be improved through recruiting individuals who exhibit good interpersonal skills and/or through conducting training with firm employees which aims to build trust, break down barriers and develop skills such as conflict resolution.

5.2.4. Leadership Factors

The coordinating mechanism was postulated to be influenced by the firm's leaders' propensity to export (H4a). It was found that propensity to export in terms of actual behaviour of leaders (export dependence) was not linked to the coordinating mechanism. However, the firm's leaders' propensity to export in terms of their attitudes was found to be significantly and positively related to the coordinating mechanism. This indicates that through exhibiting a high propensity to export, the firm's leaders may minimise political tensions within the firm and encourage a coordinated approach to the export market-oriented activity.

Table 5.5: Leadership Factor Regression Results

Independent Variable	B	Beta	t	Sig.	Tol.	Dep. Var.	Hypoth.
Propensity Behaviour	-0.000	-0.009	-0.147	0.883	0.504	CM	H4a
Propensity Attitudes	0.072	0.130	1.875	0.062	0.417		
Emphasis on EMO	-0.038	-0.028	-0.553	0.581	0.762		H4c
Emphasis on Intrapreneurship	0.081	0.134	1.848	0.066	0.379		H4e
Propensity Behaviour	0.013	0.176	3.671	0.000	0.518	GDR	H4b
Propensity Attitudes	0.035	0.025	0.465	0.642	0.422		
Emphasis on EMO	0.308	0.091	2.340	0.020	0.784		H4d
Emphasis on Intrapreneurship	0.286	0.195	3.242	0.001	0.329		H4f

The levels of emphasis placed on export market orientation (H4c) was also hypothesised as being related to the coordinating mechanism. However this hypothesis did not gain empirical support. This lack of empirical support was unexpected and runs contrary to a great deal of the literature, which suggests that the attitudes of top management may be instrumental in the shaping the beliefs, values and culture of a firm (e.g., Cavusgil, 1984; Webster, 1988; Diamantopoulos and Cadogan, 1996). Perhaps this suggests that managers cannot expect to develop a strong export market-oriented culture in their firm simply by telling their employees that being export market-oriented is important. Indeed as H3c suggests, a commitment to human resource development, such as training, seems to be a more effective way of developing an export market-oriented thrust in a firm.

Strong support was found for the hypothesis that the level of emphasis placed on intrapreneurship activity (H4e) would be positively related to the efficiency and effectiveness of the coordinating mechanism. Thus, through demonstrating to their employees the acceptance of the occasional failures and that risk taking, innovation and proactiveness is the way that they want to do business, managers may be able to diminish levels of political behaviour and promote communication and shared goals within their firm.

There was mixed support for the acceptance of H4b. While the behavioural measure of leader propensity to export (percentage of sales from exporting) was found to have a significant positive relationship with GDR, the attitudinal measure of leader propensity to export did not return a significant coefficient. It is important to note that although it was not found to have a direct effect on GDR, leader propensity to export (attitudinal) was strongly related to leader emphasis on export market orientation (the measure of emphasis on export market orientation is the “purified” measure). It seems that leaders’ propensity to export is a necessary, but not sufficient, requirement to achieve high levels of export market orientation. That is the results suggest that managers must have positive attitudes to exporting (a high attitudinal propensity to export) in order for them to be able to emphasise the importance of being export market-oriented. Then in turn they must emphasise the importance of being export market-oriented if they wish to achieve a high level of export market orientation in their firm. Furthermore, the communication by the

firms' leaders of a high export propensity through actual behaviour (export dependence), will actively lead to higher levels of export market-oriented activity in the organisation.

As expected, both leader emphasis on export market orientation (H4d) and leader emphasis on intrapreneurship (H4f) were found to be positively and significantly related to GDR. Thus, it appears that it is important for the firm's leaders to continually emphasise the need to understand and respond to their environment and their customers. Furthermore, through supporting innovation, risk taking and a proactive approach to business, leaders are able to positively influence the level of export market intelligence generation, dissemination and responsiveness.

5.2.5. Individual Factors

As is shown in Table 5.6, the results pertaining to the hypothesis about the relationship between the individual factors and the coordinating mechanism (H5a and H5c) gained full support. This empirical support adds weight to the argument that job satisfaction and commitment, through their influence on such things as good citizenship, buying into the firm's values and beliefs, and interpersonal sensitivity exhibited by employees, will positively influence the efficiency and effectiveness of the coordinating mechanism. Furthermore, high levels of role stress may act to severely hamper the coordinating effectiveness through its association with such things as emotional stress, dysfunctional conflict, and ineffective communication amongst a firm's members.

Table 5.6: Individual Factor Regression Results

Independent Variable	B	Beta	t	Sig.	Tol.	Dep. Var.	Hypoth.
Individual's Commitment	0.186	0.180	3.377	0.001	0.705	CM	H5a
Individual's Job Satisfaction	0.267	0.233	4.649	0.000	0.797		
Individual's Role Ambiguity	-0.160	-0.156	-3.069	0.002	0.780	GDR	H5c
Individual's Role Conflict	-0.232	-0.215	-4.201	0.000	0.770		
Individual's Commitment	-0.235	-0.089	-2.168	0.031	0.707	GDR	H5b
Individual's Job Satisfaction	0.059	0.020	0.492	0.623	0.721		
Individual's Role Ambiguity	-0.132	-0.050	-1.250	0.213	0.756	GDR	H5d
Individual's Role Conflict	-0.200	-0.072	-1.809	0.072	0.745		

Job satisfaction was not found to be significantly associated with the level of export market intelligence generation, dissemination and responsiveness. The lack of support for this hypothesis provided an indication that job satisfaction will not be explicitly linked to employee export market intelligence generation, dissemination and responsiveness behaviour, rather it is the impact that job satisfaction has on organisational culture that is the important issue here.

The results reported provide support for the hypothesis that the commitment level of the employees who are involved in exporting has a relationship with the level of export market intelligence generation, dissemination and responsiveness. However, the direction of the reported results runs *counter* to what was hypothesised. A possible explanation for the unexpected result is that employees can become literally ‘over committed’ (i.e., have too many demands placed on their time) and that this will adversely affect the performance of export market-oriented activities. Turning to the literature, some support is provided for this notion. For example, the information overload literature suggests that humans have a finite limit to the amount of information they can assimilate and process (e.g., Jacoby, Speller and Kohn, 1974; Sivaramakrishnan and Perkins, 1992). Indeed, it has been suggested that too much information may reduce predictive accuracy (Sivaramakrishnan and Perkins, 1992) and the speed and quality of export information dissemination and response (Cadogan and Diamantopoulos, 1995). It seems that if employees are extremely hard working and ambitious (i.e., extremely committed) then they may take on heavy work loads, attempting to generate, disseminate and respond to huge amounts of export information, leading to a condition of information overload. This inadvertently has a negative effect on the level of export market-oriented activity achieved by the firm. While it has been suggested that aspects of employee commitment may adversely effect export market intelligence generation, dissemination and responsiveness this result is extremely surprising. It is possible that the true nature of the relationship is more likely to be that of an ‘inverted U’ whereby certain levels of commitment will be beneficial to a point, beyond that point the effects on information processing may become adverse.³

³ Some post-hoc analysis was conducted in order to test for a quadratic influence by commitment. No significant influence was detected, however this could be due to a lack of power in the analysis. The unexpected nature of these findings highlights a need for more research in this area.

Role stress was hypothesised to have a direct negative effect on the GDR behaviour (H5d). While no support was found for the link between role ambiguity and GDR, a direct negative relationship was found between role conflict and GDR. This finding adds weight to the argument that in situations where employees experience role conflict (for example, conflicting demands between their employer and the export customer) the success at which they are able to carry out the export market-oriented activity will be limited.

5.2.6. Business Specific Factors

It was hypothesised that export experience would be negatively related to the coordinating mechanism (H6a). It can be seen that this hypothesis has found partial support. As expected, the intensity of experience (operationalised by measuring the number of countries exported to) and the knowledge/skills aspect to firm experience (the 'skills' construct) were both found to be significantly negatively associated with the coordinating mechanism. This result provides weight to the suggestion that increased experience levels in a firm may be associated with characteristics which will adversely influence the functioning of the coordinating mechanism of the firm. For example, increased political behaviour and conflict amongst firm members due to role specialisation. However, contrary to expectations, the intensity of experience (number of years exporting) was significantly *positively* related to the coordinating mechanism. A possible explanation for this is that over

Table 5.7: Business Specific Factor Regression Results

Independent Variable	B	Beta	t	Sig.	Tol.	Dep. Var.	Hypoth.
Years Exporting	0.006	0.101	1.874	0.062	0.698	CM	H6a
Number of Countries	-0.006	-0.151	-2.826	0.005	0.702		
Skills	-0.139	-0.165	-2.487	0.014	0.458		
Years Exporting	-0.010	-0.065	-1.559	0.121	0.687	GDR	H6b
Number of Countries	-0.006	-0.063	-1.504	0.134	0.676		
Skills	0.613	0.283	5.356	0.000	0.424		
Number of Employees	-0.000	-0.003	-0.060	0.952	0.645	CM	H6c
Number of Export Employees	0.000	0.027	0.515	0.607	0.747		
Number of Employees	-0.000	-0.054	-1.255	0.211	0.649	GDR	H6d
Number of Export Employees	0.000	0.025	0.634	0.527	0.741		

time a firm establishes routines, rules, and shared beliefs and cultures about 'the way we do things around here' (Aldrich and Auster, 1986; Levitt and March, 1988) and it is these particular aspects of experience that positively influence the efficient functioning of the coordinating mechanism.

H6c found partial support. As expected, it was found that as exporting firms acquire more skills and knowledge they are better able to generate, disseminate and respond to export market intelligence. This is because as firms become more experienced they are better able to identify sources of export information and understand their foreign customers and environments. This enables them to grasp the subtle market differences and become proactive in their responsiveness to export customer needs (Cavusgil, Zou and Naidu, 1993). The variables 'years exporting' and 'number of countries exported to' returned non-significant coefficients.

It is interesting to note here that it is possible to argue that the traditional operationalisation of experience as 'number of years exporting' and 'number of countries exported to' may actually tap into the domain of other concepts, such as the degree of formalisation or rigidity in the firm. Indeed it seems possible that 'number of years exporting' and 'number of countries exported to' may be better conceptualised as antecedents to experience, rather than experience itself. The literature provides some support to this notion, for example Katsikeas, Piercy and Ioannidis (1996) suggests that export experience will be gained through the number of years that a firm has been exporting (intensity of experience) and through the number of countries that the firm exports to (scope of experience). To expand on this point, it is arguable that 'number of years exporting' and 'number of countries exported to' may be just two of many antecedents to experience. For example, it has also been suggested that experience may be acquired by hiring individuals who already have export experience (Cadogan, Diamantopoulos and Siguaw, 1998). Furthermore, it has been argued that the firm's ability to interpret, transmit and pass on lessons (organisational learning ability) will also effect the firm's type and level of knowledge and skills (Sinkula, 1994). The crucial point is that it is possible that the unexpected findings in this study with respect to the relationship between

'number of years exporting' and 'number of countries exported to' may be because these measures of experience are less 'pure' than the skills/knowledge measure.

No statistical relationship was uncovered between either export resources and the coordinating mechanism (H6c), or export resources and export market intelligence generation, dissemination and responsiveness (H6d). Firstly, it is possible that it is not resources, as stock assets per se, that will impact upon the firm's ability to achieve an export market orientation. Rather the influencing factor may be whether or not the firm's management has the capability (skills/knowledge/wish) to deploy the assets in a way which will be conducive to the attainment of an export market orientation (c.f., Tuominen, Möller and Rajala, 1997).

It is also possible that the lack of significant findings is attributable to measurement issues. Using size as a proxy measure for resources is somewhat problematic in that size is not a 'pure' measure of resources. Indeed the size measure has been argued to tap into a variety of organisational concepts such as levels of formalisation (e.g., Liu, 1995), and organisational complexity (e.g., Aldrich and Auster, 1986). This multidimensional nature to the size measure makes it hard to isolate the resource effects on the coordinating mechanism from other interactions that could be occurring. Research conducted by Reid (1983) provides some support for this notion. In the research Reid (1983) finds support for the relationship between resources and export behaviour using an absolute measure of human resources operationalised by measuring the number of academic and technical employees in a firm. However they do not get significant support for the same relationship when using size as a general measure of firm resources operationalised by number of employees per se.

5.2.7. The Coordinating Mechanism

Finally, in corroboration of the findings of Siguaw et al. (1998), the coordinating mechanism in this study was found to be strongly and significantly associated with export market intelligence generation, dissemination and responsiveness behaviours (H7). These empirical findings substantiate the argument that it is imperative that firms develop a firm-wide shared culture which is comprised of employees who share the goals and vision associated with the firm's exporting activities, and whom exhibit good communication abilities, trust, and a lack of dysfunctional conflict. Through this coordinated approach the firm becomes armed with the ability to efficiently and effectively drive the export market intelligence generation, dissemination and responsiveness activities.

Table 5.12: Coordinating Mechanism Regression Results

Independent Variable	B	Beta	t	Sig.	Tol.	Dep. Var.	Hypoth.
Coordinating Mechanism	0.770	0.300	5.486	0.00	0.396	GDR	H7

5.2.8. Moderator Regression Analysis

H2d and H2f state that formalisation and centralisation will be associated with the GDR activities of the firm. However, it was hypothesised that the relationships will be moderated by the environment. In order to test these hypotheses, moderator analysis was conducted. The moderator analysis was based on the comprehensive guidelines of Sharma et al. (1981). Following is a brief description of the theory underpinning the analysis. For a more detailed explanation please refer to Sharma et al's. (1981) original paper.

If the environment acts as a moderator to either of the structural variables' (i.e. formalisation or centralisation) relationship with GDR then it must act to systematically modify either the strength and/or the form of the relationship. As can be seen in Figure 5.1 the true role of the environment could fall into one of four categories.

Figure 5.1: Category of Environment's Potential Role

	Environment related to Structural Variable or GDR or both	Environment not related to either Structural Variable or GDR
No significant interaction of Environment with Structural Variable	<i>Category 1</i> Antecedent, Intervening, Exogenous, Suppressor, Predictor	<i>Category 2</i> Homologizer Moderator
Significant interaction of Environment with Structural Variable	<i>Category 3</i> Quasi-Moderator	<i>Category 4</i> Pure- Moderator

The exact category that environment will fall into will depend upon whether or not the environment is statistically related to formalisation, and/or centralisation, and/or GDR. Following is a description of the different stages of the moderator analysis that was undertaken in this study.

Stage One of the Moderator Analysis involved determining which, if any, of the environmental variables (Technological, Competitor, Customer or Regulatory) were related to either formalisation and/or centralisation and/or GDR. It had already been established in the main regression analysis (Section 5.2.1 above) that the technological environment was an antecedent to GDR, and that the customer, competitor and regulatory environments were not directly related to GDR. Next, multiple regression analysis was conducted to determine if any of the environment variables was an antecedent to either of the structural dependent variables. As is shown in Tables 5.9 and 5.10, significant main effects were found for the

relationship between both the regulatory environment and formalisation, and the technological environment and centralisation.

As a result of stage one of the analysis it was determined that, as it was related to GDR, the technological environment could not be considered as a homologizer or a pure moderator. Furthermore, with respect to the formalisation to GDR relationship, the regulatory environment was ruled out as a homologizer or pure moderator because it was found to be an antecedent to formalisation.

Table 5.9: Formalisation as dependent variable

Independent Variable	B	Beta	t	Sig.
Competitor Environment	0.090	0.076	1.239	0.216
Customer Environment	0.053	0.042	0.657	0.512
Regulatory Environment	-0.133	-0.112	-1.836	0.067
Technological Environment	0.144	0.015	0.235	0.815

Table 5.10: Centralisation as dependent variable

Independent Variable	B	Beta	t	Sig.
Competitor Environment	0.060	0.064	1.042	0.401
Customer Environment	-0.060	-0.048	-0.753	0.298
Regulatory Environment	0.005	0.066	0.094	0.925
Technological Environment	-0.101	-0.128	-2.049	0.041

Stage Two: All variables involved in the moderator analysis were mean-centred in order to reduce the risk of multicollinearity between the interaction term and the predictor and moderator variables (Cronbach, 1987).

Stage Three: Three moderator regression equations were developed and run to test for the presence of quasi-moderators and pure-moderators, each of these equations was checked for any violations of regression assumptions. The formulae used for the three equations follows:

Step 1

$$GDR = a + b_0CM + b_1RFI + b_2NDEP + b_3NHIER + b_4EXPDEP + b_5LEMO + b_6LPRO + b_7LINTRA + b_8PEXP_TOT + b_9REWD + b_{10}TRAIN + b_{11}RECRTFI + b_{12}ICOMT + b_{13}JS + b_{14}RA + b_{15}RC + b_{16}SKILL + b_{17}YRSEXP + b_{18}NCOUNTRY + b_{19}NEMPLOY + b_{20}EXP_PERS + b_{21}CUST + b_{22}COMP + b_{23}TECH + b_{24}REG + e_1$$

Step 2

$$\text{GDR} = a + b_0\text{CM} + b_1\text{RFI} + b_2\text{NDEP} + b_3\text{NHIER} + b_4\text{EXPDEP} + b_5\text{LEMO} + b_6\text{LPRO} + b_7\text{LINTRA} + b_8\text{PEXP_TOT} + b_9\text{REWD} + b_{10}\text{TRAIN} + b_{11}\text{RECRTFI} + b_{12}\text{ICOMT} + b_{13}\text{JS} + b_{14}\text{RA} + b_{15}\text{RC} + b_{16}\text{SKILL} + b_{17}\text{YRSEXP} + b_{18}\text{NCOUNTRY} + b_{19}\text{NEMPLOY} + b_{20}\text{EXP_PERS} + b_{21}\text{CUST} + b_{22}\text{COMP} + b_{23}\text{TECH} + b_{24}\text{REG} + b_{25}\text{CENT} + b_{26}\text{FORM} + e_2$$

Step 3

$$\text{GDR} = a + b_0\text{CM} + b_1\text{RFI} + b_2\text{NDEP} + b_3\text{NHIER} + b_4\text{EXPDEP} + b_5\text{LEMO} + b_6\text{LPRO} + b_7\text{LINTRA} + b_8\text{PEXP_TOT} + b_9\text{REWD} + b_{10}\text{TRAIN} + b_{11}\text{RECRT} + b_{12}\text{COMT} + b_{13}\text{JS} + b_{14}\text{RA} + b_{15}\text{RC} + b_{16}\text{SKILL} + b_{17}\text{YRSEXP} + b_{18}\text{NCOUNTRY} + b_{19}\text{NEMPLOY} + b_{20}\text{EXP_PERS} + b_{21}\text{CUST} + b_{22}\text{COMP} + b_{23}\text{TECH} + b_{24}\text{REG} + b_{25}\text{CENT} + b_{26}\text{FORM} + b_{27}(\text{CUST} \times \text{FORM})^* + b_{28}(\text{COMP} \times \text{FORM}) + b_{29}(\text{TECH} \times \text{FORM}) + b_{30}(\text{REG} \times \text{FORM}) + b_{31}(\text{CUST} \times \text{CENT}) + b_{32}(\text{COMP} \times \text{CENT}) + b_{33}(\text{TECH} \times \text{CENT}) + b_{34}(\text{REG} \times \text{CENT}) + e_3$$

Where:

GDR = Export intelligence generation, dissemination and responsiveness

CM= Coordinating Mechanism

RFI = Relative Functional Identification

NDEP = Number of Export Departments

NHIER = Number of Hierarchies

EXP_DEP = Separate Export Department

COMT = Commitment

LPRO = Leader Propensity to Export

RC = Role Conflict

REWD = Export Market-Based Reward Systems

JS = Job Satisfaction

TRAIN = Export Market-Based Training Systems

RA = Role Ambiguity

SKILL = Skills/knowledge

CENT = Centralisation

YRSEXP = Years Exporting

NEMPLOY = Number of Employees

NCOUNTRY = Number of Countries Exporting to

CUST = Customer Environment

EXP_PERS – Number of Export Specific Employees

FORM = Formalisation

RECRT = Export Market – Based Recruiting Systems

COMP = Competitor Environment

LINTRA = Leader Emphasis on Intrapreneurship

TECH = Technological Environment

LEMO = Leader Emphasis on Export Market Orientation

REG = Regulatory Environment

PEXP_TOT = Percentage of Total Sales Derived From Exporting

e_i = Random Error Term (i = 1, 2,3)

brackets denote the terms which capture the structural/environmental interaction

The results from the moderator regression analysis are shown in Table 5.11, and indicate that there was no significant change in the R² between either Step One and Step Two, or Step Two and Step Three and thus the environment acts as neither a pure moderator nor a quasi-moderator in the structure to GDR relationships.

Table 5.11: Moderator Regression Analysis – Results

<i>Step 1</i>				
R² = 0.764 (Adj. R²)= 0.734 ▲R²= 0.764 (Sig. 0.000)				
<i>Step 2</i>				
Variable	B	Beta	Sig.	Tolerance
Centralisation	-0.127	-0.058	0.138	0.767
Formalisation	-0.004	-0.052	0.185	0.768
R² = 0.767 (Adj. R²)= 0.736 ▲R²= 0.004 (Sig. 0.208)				
<i>Step 3</i>				
Variable	B	Beta	Sig.	Tolerance
Cust/form Interaction	0.166	0.091	0.063	0.495
Comp/form Interaction	-0.176	-0.100	0.023	0.610
Tech/form Interaction	-0.001	-0.009	0.853	0.524
Reg/form Interaction	-0.009	-0.046	0.252	0.722
Cust/cent Interaction	-0.005	-0.036	0.398	0.650
Comp/cent Interaction	-0.002	-0.012	0.774	0.720
Tech/cent Interaction	-0.004	-0.035	0.396	0.675
Reg/cent Interaction	-0.001	-0.008	0.834	0.777
R² = 0.782 (Adj. R²)= 0.742 ▲R²= 0.015 (Sig. 0.135)				

Note: To see the summary statistics for all of the variables involved in Step One’s regression equation please see Table 5.1b. In Table 5.11 only the statistics for the new variables added in to the equation at Step Two and Step Three are given. At each Step in the analysis there were some minor changes to the statistics pertaining to the main effect variables (i.e., those independent variables shown in Table 5.1b), however these changes were extremely minor.

Stage Four : It was possible that if the environmental variables had not acted as pure-moderators or quasi-moderators, they may have acted as homologizer moderators. As was established above, the technological environment was an antecedent to GDR so could not be considered as a homologizer in either of the structural variable - GDR relationships. Furthermore, the regulatory environment was an antecedent to formalisation so homologizer effects could not be tested there either.

In order to test for the presence of homologizer moderators across the remaining variables, subgroup analysis was performed. Subgroup analysis, in addition to being advised by Sharma et al. (1981) as an appropriate form of analysis when testing for homologizers, has also been used in the market orientation context for similar purposes by Slater and Narver (1994).

Firstly, the main sample was split at the lower and upper quartile marks for the competitor environmental construct. Secondly, the partial correlation coefficient between centralisation and GDR across both the high and low competitor turbulence groups was computed (all the other independent variables in the equation were controlled for). Finally, the significance of the difference between the partial correlation coefficients of the subgroups was determined using Fisher's z-test (see Arnold, 1982).

This process was repeated in order to test for significant differences between subgroups under each of the other environmental variables that were included in the homologizer analysis. As can be seen in Table 5.12 below, no significant homologizer effects were detected.

Table 5.12: Testing for Homologizer Moderators

Moderator/predictor	N low	N high	r low	r high	z
Customer/formalisation	41	53	-0.4383	-0.3230	0.4624
Competitor/formalisation	56	54	-0.0158	-0.1048	-0.5482
Customer/centralisation	41	53	-0.1417	0.1415	-1.3466
Competitor/centralisation	56	54	-0.0764	0.1050	-0.9424
Regulatory/centralisation	47	54	-0.1218	-0.0853	-0.1811

Key:

N low = number of cases in the lower subgroup
N high = number of cases in the higher subgroup
r low = partial correlation in the low subgroup
r high = partial correlation in the high subgroup
z = Fisher's Z test coefficient

H2d and H2f, therefore, were not supported. Taking into account the environment as a potential moderator, no relationship was found between either formalisation or centralisation and GDR. Other authors have also failed to find, or found only weak support, for a relationship between formalisation and market orientation (e.g., Jaworski and Kohli, 1993; Pelham and Wilson, 1996). With respect to centralisation, a possible explanation for the lack of findings could be that centralisation has both positive and negative influences on GDR and therefore, the influences are not statistically detectable. For example, while Chapter Two

explained possible negative effects of centralisation on GDR it is also possible that greater centralisation may result in greater reporting and monitoring requirements. This in turn may lead to increased communication and increased credibility and use associated with planning (Menon and Varadarajan, 1992). Furthermore, it has been argued that decentralisation may lead to a policy vacuum, in turn leading to less information sharing between divisions and less knowledge utilisation and information searching activity (Corwin and Louis, 1982).

The general lack of support found for the hypothesised relationship between formalisation, centralisation and export market orientation provides some support for the suggestion by Narver and Slater (1991) that programmatic approaches to improving export market orientation may not be effective. Thus, it seems that formal rules in themselves cannot be used to facilitate aspects of export market orientation (i.e., intelligence generation) rather managers must look at less explicit mechanisms to gain co-operation from employees.

It is important to bear in mind that the structure to export market orientation results from this study may have been biased due to the under-representation of very large firms in the sample. Pelham and Wilson (1996) suggest that small and medium firms may be characterised by low levels of structural control, and therefore increases in control are beneficial, particularly in terms of the ability to affect marketing implementation and reinforce market-oriented behaviours without stifling innovation. It is possible that in a sample which had a less positively skewed size distribution, the statistical findings regarding the structure to export market orientation relationship may change. Another thing to bear in mind is that lack of power could also be a problem with the moderator regression analysis. Indeed, with 35 independent variables in the final moderator regression equation a sample size considerably larger than the 225 cases in this analysis would be optimal.

5.3. CHAPTER SUMMARY

This chapter outlines how, through conducting multiple regression analysis, the hypotheses about the antecedents to an export market orientation were tested. The results suggest that a number of antecedents will have a relationship with the level of export market orientation in the firm. Specifically, it was found that the number of departments, relative functional identification, role ambiguity, role conflict, number of countries exported to and the level of skills/knowledge in the firm were negatively related to the efficiency and effectiveness of the coordinating mechanism. Conversely, export market based recruiting and training systems, the level of commitment, job satisfaction, leader emphasis on intrapreneurship, leader propensity to export and the number of years exporting were found to be positively related to the coordinating mechanism.

Results for the export market-oriented intelligence generation, dissemination and responsiveness activities suggest the following. While role conflict and commitment may negatively influence the GDR activities, the turbulence in the technological environment, number of departments, leader propensity to export, leader emphasis on export market orientation and intrapreneurship, skills/knowledge and the coordinating mechanism were found to positively relate to GDR activity.

The following chapter outlines the key theoretical and methodological implications of this study. Some managerial implications of the findings are also outlined and the limitations to the study are highlighted. Finally some suggestions are made concerning opportunities for future research.

This study has sought to identify a set of key antecedents to export market orientation. In doing so an extensive and cross-disciplinary review of the literature was conducted, from which a theoretical framework was developed. In order to substantiate the framework, rigorous quantitative analysis was conducted. In the following chapter the main conclusions which were drawn from the study are summarised and the implications discussed. In the first section the theoretical and methodological implications of the study are highlighted. The second section delineates the implications for marketing practitioners, including management recommendations. Finally, the study's limitations are outlined and suggestions for future research directions are offered.

6.1. THEORETICAL AND METHODOLOGICAL IMPLICATIONS

This study has contributed to the existing literature by developing and quantitatively testing a conceptual framework of the key antecedents to export market orientation. In doing so this study contributes the most comprehensive set, to date, of identified antecedents to an export market orientation. Prior to this study, theory surrounding the antecedents to an export market orientation had not included antecedents such as in the area of the export function's work attitudes, exporting systems, leadership factors and organisational structure.

Previous research had also primarily been focused on the antecedents to market orientation as a whole, rather than recognising the coordinating mechanism component of market orientation as conceptually distinct, with necessarily different antecedents. As was established early in this study, export market orientation was reconceptualised by Cadogan, Diamantopoulos and de Mortanges (1997) as being a four component construct comprised of the intelligence generation, dissemination and responsiveness activities, and the coordinating mechanism which drives those activities. As well as providing additional cross-cultural evidence on the reliability of their export market orientation measure, the adoption of this more recent conceptualisation of market orientation enabled a rich insight to be gained into the antecedents to market orientation. This was particularly advantageous with respect to the coordinating component of export market orientation, where several new factors (e.g.,

training, role ambiguity and job satisfaction) were found to be related to the coordinating mechanism of market orientation, but *not* to the intelligence generation, dissemination and responsiveness behaviour. Furthermore, some antecedents, were found to have a different relationship with the coordinating mechanism components of export market orientation than that with the GDR component. For example, departmentalisation was found to be *negatively* related to the coordinating mechanism, but *positively* related to GDR. The recognition of the differences in the role and nature of the antecedents to the coordinating mechanism vis a vis GDR has provided some insight as to why previous studies may have failed to find significant effects with respect to some variables.

The adoption of such a broad approach to the identification of the antecedents to an export market orientation lead to the development of regression models that explained approximately 60% of the variance in the coordinating mechanism and 75% of the variance in export market intelligence generation, dissemination and responsiveness. In doing so it is hoped that this research has provided a base from which future research into the antecedents to market orientation in both the international *and domestic* context can develop.

Specifically, the study has provided quantitative weight to the arguments that aspects of firm structure, export experience, leadership emphasis, and the environment will influence the level of export market orientation in a firm. The research has also provided strong evidence to suggest that human resource policy will be particularly vital in facilitating the efficient and effective functioning of the coordinating mechanism. The results indicates that firms must aim to maximise job satisfaction and commitment, minimise role ambiguity and role conflict and focus their recruiting and training in an export market-oriented manner. Of particular interest, it has been found that leader emphasis on intrapreneurship is an extremely important prerequisite for achieving a high level of export market orientation.

Just as importantly, it has been found that rewards systems, centralisation and formalisation *do not* significantly influence the level of export market orientation. This provides some indication that firms must concentrate their efforts on more intrinsic approaches to achieving a market orientation, rather than trying to achieve 'forced compliance' from employees.

Export resources were also found not to effect the level of export market orientation in the firm. The implication here is that it is not the stock resource assets per se that will facilitate the export market orientation. Rather what is critical is that the management team has the capability to use the resources in a way that will be conducive to the achievement of an export market orientation. However, the traditional use of firm size to operationalisation this construct does warrant further attention (see the recommendations for future research directions in Section 6.3).

This study has also added further confirmation that the coordinating mechanism is strongly and positively related to the level of export market intelligence generation, dissemination and responsiveness. Indeed, the standardised beta reported for the coordinating mechanism indicates it was the most strongly linked antecedent to GDR. This, provides weight to the suggestion that in order to be able to be efficient and effective at it's export market-oriented behaviour, a firm must pay serious attention to how to facilitate communication, shared beliefs, values, goals and an export market-oriented culture amongst its employees.

Another import contribution has been made through the way in which many of the variables were operationalised. A large number of the constructs in this study were taken from the domestic literature and adapted to the exporting context. In doing so this study has provided reliable measures for use in future research in the area of export market research. Also of particular note is the way in which both experience and departmentalisation were operationalised in this study. In the past researchers have traditionally operationalised the experience construct through such measures as age or diversity of the firm's operations. The skills/knowledge construct adopted for this study attempted to capture 'pure' elements of experience, tapping into elements of organisational memory, learning and capabilities. For example, the firm's familiarity with available information sources, and knowledge of the 'ins and outs' of the export markets. Using this skills/knowledge measure of experience significant relationships have been detected between export experience and both the coordinating mechanism and GDR. With respect to the departmentalisation measure traditionally, researchers have used the 'number of departments' to operationalise departmentalisation. Through the adoption of the relative functional identification measure of departmentalisation it is thought that a richer, more psychological aspects to departmentalisation has been tapped into. These psychological elements of

departmentalisation were found to be significantly related to the coordinating mechanism component of export market orientation.

In summary, through synthesising the literature and quantitatively testing the conceptualisation, this study has contributed, what is hoped is, the most comprehensive view to date of the key antecedents to a firm's export market orientation.

6.2. IMPLICATIONS FOR MARKETING PRACTICE

This study's theoretical advancements towards identifying what the key antecedents to an export market orientation has resulted in numerous implications about what managers can do in practice to amplify the level of export market orientation in their firm. The following section will highlight those practical recommendations. Figure 6.1 below provides an overview of the relationships that were partially and fully supported in this study.

Perhaps the most apparent implication of the study is that there are in fact numerous matters that must be considered by managers if they wish to be successful in their pursuit of an export market orientation. Specifically, issues of the environment, structure, systems, leader emphasis, employee attitudes and export experience must be addressed. In addressing these aspects of the firm managers must simultaneously consider the effect that they are likely to have both on the coordinating mechanism and the export market intelligence generation, dissemination and responsiveness activities. Furthermore, (as will be discussed in the future research directions in Section 6.3 below), there is some indication that each area should not be considered in isolation – rather there has been a strong indication that the framework is best viewed as a dynamic systems model. It must be recognised that achieving an export market orientation is an ongoing process (c.f., Narver and Slater, 1991) whereby managers are committed to ensuring that all of the above mentioned areas of the firm are focused towards the continuous creation of superior value for their export customers.

To aid managers in the attainment of an export market orientation it is advised that they first measure their current levels of export market orientation, and the characteristics of their firm's leadership, individual attitudes, structure, systems, environment and business specific

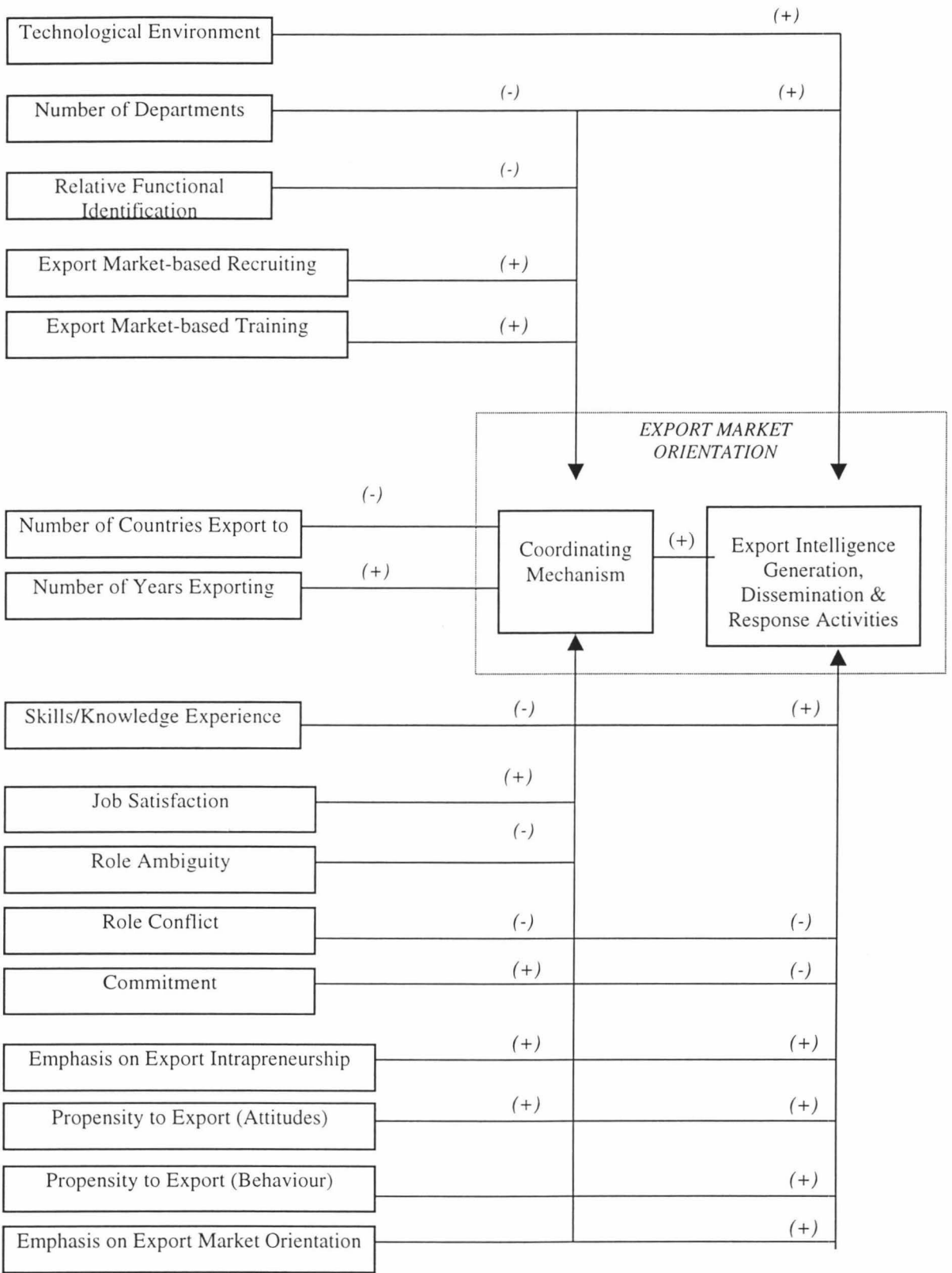


Figure 6.1: Antecedents to an Export Market Orientation

factors. For example by using a instrument such as the one employed in this study (see Appendix A7) managers would be able to determine what their firm's strengths and weaknesses are and where changes need to be made in order to improve the firm's level of export market orientation. The firm specific study could then be used as a benchmark to monitor future progress. Following are some practical recommendations about how managers may maximise strengths and overcome the factors that are currently inhibiting the attainment of higher levels of export market orientation.

6.2.1. Export Environment

In general it has been found that the environment is not a direct antecedent to the level of export market orientation in the firm. An important exception is that a dynamic technological environment was found to positively influence the level of export market intelligence generation, dissemination and responsiveness activity. Therefore, managers who are operating in technologically dynamic conditions are advised that a high level of information processing activity will be particularly essential for the welfare of their firm. The export intelligence generation, dissemination and responsiveness activity will enable them to understand and respond to customer demands for technological innovation and to pre-empt moves by competitors to do likewise.

6.2.2. Export Structure

High levels of departmentalisation appear to increase rivalries, conflict and feelings of alienation felt by employees. It is additionally thought that high levels of structural control will decrease the ability for employees to become goal-focused and build important intra-firm relationship networks. Clearly this will inhibit the effective functioning of the coordinating mechanism in the firm. However, the findings of this study suggest that the challenge for managers is to find a balance in levels of structural control. Not enough departmentalisation may lead to reductions in the quality of export market intelligence generation, dissemination and responsiveness due to lack of sufficient role specialisation. Managers should

attempt to counter the negative impacts associated with the necessary departmentalisation through internal marketing efforts which direct employees towards a consistent and common focus (Menon, Bharadwaj and Howell, 1996). Senior management can provide additional support through communicating the importance of a shared focus and through aiding constructive conflict resolution (Fisher, Maltz and Jaworski, 1997).

6.2.3. Exporting Systems

It is clear that in order to facilitate an efficient and effective coordinating mechanism managers must invest in export market-based training and recruiting systems. It is through these systems that managers can ensure that each and every employee understands the importance of continuously creating superior value for the export customers. The fostering of a coordinated approach must start with attention to recruiting practices. Firms need to avoid employing employees who exhibit characteristics that are not helpful to intra-firm communication and relationship building. For example, people who are not team players, have an ivory tower mentality, are stubborn, unadaptable, or who are too laid back, are unlikely to make a positive contribution to the firm culture. By contrast employees who are committed to being empathetic and developing a firm-wide responsiveness to customers will contribute to the export market-oriented beliefs and values in the firm.

Contrary to what was expected export market-based reward systems was not been found to directly influence the level of export market orientation in the firm. This finding is highly surprising and should be treated with caution until replication has validated them. Nonetheless, the message here is that attempts to gain 'buy in' from employees through more extrinsic factors may not work. Instead managers must look to cultivate and sustain an export market orientation through less overt human resource tactics (such as through export market-oriented training systems).

6.2.4. Leadership Factors

The findings indicate that leader propensity to export will play an important role in facilitating both the coordinating mechanism and export market intelligence generation, dissemination and responsiveness. However, in order to be most effective managers must, rather than merely playing 'lip service' to the importance of exporting, actively demonstrate their commitment. For example, through the investment of firm resources in exporting and the development of the firm's export markets. Both through the attitudinal propensity to export, and through their actual behaviour, leaders must continually and visibly demonstrate the meaning and importance of export operations to the firm. In order to facilitate export market intelligence generation, dissemination and responsiveness leader's must also emphasis the importance of an export market orientation. It is through the firm's leaders' continual reinforcement of the importance of gathering and sharing export market intelligence and being responsiveness to the export customer, that they will encourage their employees to carry out export market-oriented activity.

The results of this research strongly highlight that leader emphasis on intrapreneurship is vital to the attainment of an export market orientation. Firms must value creativity, innovativeness, determination, flexibility and championing behaviour (Narver and Slater, 1991) in all aspects of their business practices. Through developing the attitude in employees that there is no such thing as a 'dumb idea' managers will encourage the active exchange of ideas, and increase the opportunity for developing good internal relationships among employees. On the other hand, if management show a lack of tolerance to the occasional failure they may inadvertently develop in employees such undesirable attributes as political behaviour, 'blame shifting' and a failure to take ownership for projects. A conservative 'play it safe' style will hamper market reaction and initiative. Managers must be willing to take certain levels of calculated risks, as without this employees will be unwilling to respond with innovation for fear of retribution if they fail (Jaworski and Kohli, 1993).

6.2.5. Export Function's Work Attitudes

It has been clearly indicated in this study that firms, if they wish to successfully develop their export market orientation, must not overlook the importance of employee work attitudes. High levels of job satisfaction and commitment and low levels of role ambiguity and role conflict have a strong link to the facilitation of an efficient and effective coordinating mechanism. Additionally, it has been found that role conflict may hamper the employees ability to effectively carry out export market-oriented activity. A variety of practical recommendations were found in the literature about how managers may positively influence employee welfare. For example, it has been suggested that providing employees with challenging responsibilities and attractive remuneration packages may increase employee job satisfaction and commitment (Johnston et al., 1990) and goal alignment, training and socialisation of new employees may reduce role stress (Walker, Churchill and Ford, 1975).

A particularly striking finding of this study was that commitment was found to be *negatively* related to export market intelligence generation, dissemination and responsiveness activities. Recent reports have suggested that such changes in the workplace as flattening structures and increased competitive pressure are dramatically increasing the workload for executives. Not surprisingly this over commitment has been attributed to such adverse side effects as increased stress and illness for both management and their staff (Grant, 1997), ineffective planning (Carroll, 1989) and undesirable organisational behaviour (Straw, 1991). Applying that trend to this context it is recommended that practitioners ensure that employees are not so committed in terms of their workload, that their physical and mental ability to carry out the export market intelligence generation, dissemination and responsiveness activities is impaired.

6.2.6. Business Specific Factors

The results from this study clearly link export experience to export market orientation. However, as was discussed in Chapter 5, it was found that experience is a complex, multidimensional concept which has a significant and often opposing impact on the export market orientation construct. Export experience is primarily concerned with the degree of export knowledge and skills that the firm has acquired. However, one must bear in mind that factors associated with ageing firms, such as entrenched political views (Aldrich and Auster, 1986), may be closely tied in with the experience construct.

The challenge for managers lies in maximising the positives associated with experience whilst minimising the negatives. The longer a firm has been exporting, and the larger the number of countries exported to, the greater will have been the opportunity for the firm's employees to gain 'experiential learning'. This experience may mean a firm becomes more practised and thus more efficient at communicating in a diverse export environment. However, managers must ensure that as time progresses key stakeholders do not become entrenched in their views, creating barriers to positive change and hampering the effectiveness of the coordinating mechanism of the firm.

Firms can attempt to speed up the process of obtaining export experience through conducting employee training and strategic personnel selection. Additionally, managers must ensure that their employees systematically learn through their past behaviour, and that a collective knowledge and skill base (organisational memory and capability) is developed (Day and Glazer, 1994). This organisational learning will guide the future information generation, dissemination and responsiveness activities of the firm (Sinkula, 1994). Ways in which this can be achieved include conducting audits of unsuccessful programmes, and communicating throughout the firm the lessons learnt. Additionally, information bases should be developed with research findings and knowledge about customer channel partners, markets and competition being stored and made readily available to current and future employees. With respect to the firm's resources, no significant relationship was found in this study between export resources and export market orientation. As

explained in full in Chapter Five, it is advised that this result is treated with caution, however the implications here are that it is not the stock resources that are the advantage when a firm is trying to improve its level of export market orientation, rather it is the manner in which the firm's managers employ them. Therefore, it is advised that resources are distributed with careful thought as to how they can be best utilised to support the development of the level of export market orientation in the firm.

6.2.7. Coordinating Mechanism

The most important influence on the export market intelligence generation, dissemination and responsiveness behaviours in the firm is the coordinating mechanism. As has been explained earlier there are numerous factors which influence the efficiency and effectiveness of the coordinating mechanism. What is strikingly apparent is that if firms are to be good at carrying out export market-oriented activity the drive must come from within. Only through investing in their employees will firms be able to foster the shared values, beliefs, aligned goals, lack of dysfunctional conflict and good communication which is so vital to the firm's success.

6.3. LIMITATIONS AND AVENUES FOR FUTURE RESEARCH

The scope of this study was restricted due to a number of resource constraints. The following section notes several limitations to the study with a view to stimulating future research in this area.

This research has provided the groundwork for studying the antecedents to export market orientation. Great precautions were taken to avoid multicollinearity, and a large sample size was obtained in order to try and ensure sufficient power in the analysis. Nonetheless, in order to increase the certainty associated with the study's findings replication is needed. Notably, the sample was drawn from a population of New Zealand firms. It is possible that the antecedents to an export market

orientation may vary depending on the country of origin of the exporter. Therefore, replication of the study with samples drawn from other countries would provide cross-cultural validation of the findings and offer some indication as to whether the findings can be generalised. Furthermore, as discussed in Chapter Five, given the large number of variables involved in the moderator regression analysis, it is possible that lack of power may have been an issue. Thus, replication with a larger sample size may provide further insights into the interrelationship between structure, export market-oriented activity and the environment.

The adoption of a broad approach to the study has enabled the development of general guidelines to management irrespective of the type of firm in which managers operate. It would be most useful however to replicate this research for different 'groups' of firms, and to then conduct cross-group analysis. This would enable similarities and differences among groups to be identified and more specific management guidelines to be developed. For example, do the antecedents to a firm's export market orientation differ depending on the type of industry in which the firm operates? Is the emphasis different for different sized firms? Is the framework equally applicable to service as opposed to manufacturing firms?

Another limitation of the study which has interesting implications for future research directions concerns the issue of multiple respondents. The use of just one respondent from each firm opened up several avenues for cognitive bias to occur in research (Pelham and Wilson, 1996). For example, perception may vary across functional and hierarchical levels in the firm. Confidence in the validation of the framework would increase through replication with samples which minimised bias through employing the use of a multiple respondent approach. In addition more objective measures of export market orientation levels would also help minimise bias.

It would be most interesting to assess the applicability of the framework developed in the study to the *domestic* market orientation context. Furthermore, it would be insightful to assess the nature and role of the interrelationship between the antecedents to a firm's domestic vis a vis its' export market orientation. Although the relationships were not significant, reward systems, leader emphasis on export

market orientation and leader propensity to export all had negative beta signs in respect to their relationship with the coordinating mechanism. These signs are in the opposite direction from what theory would suggest. It is possible that these constructs are picking up tensions that may be associated with facilitating a market orientation in the export, as opposed to the domestic, functions of the firm. It is also possible that there are some synergies to be gained between the domestic and international market-oriented activity. Examples of potential research questions in this area include: Does the choice by management to invest resources in the areas identified as being antecedental to the firm's level of export market orientation create 'spin-off' effects for the firm's domestic market orientation? Does it create political friction among firm stakeholders? Does it create better firm-wide communication flows? Can firms achieve synergies through the creation of a firm-wide intrapreneurial emphasis?

Throughout this study it has been suggested that firm factors such as structure, systems and individual attitudes may influence or drive export market orientation. However, as with all cross-sectional studies, substantive conclusions about causal ordering cannot be made. A longitudinal study would be most useful in helping to establish the true nature of relationships. Indeed, there is theoretical support to indicate that this framework is most appropriately viewed as a systems model, whereby each construct, although conceptually distinct, may have important interactions with the other constructs in the model. For example, it has already been suggested that the export environment may act as an antecedent to levels of firm structure, and that rewards systems may have important influences on levels of job satisfaction. Waterman et al. (1980) 7 S's theory provides some support for this notion suggesting that changes to any one conceptual group such as structure will affect all the other areas of the firm (e.g. skills, systems). Jaworski and Kohli (1993) suggest it would be useful to study the change process to gain a better understanding of how the different factors involved in the creation of a market orientation interact. Furthermore, Narver and Slater (1991) stress the need for a continuous 'market-backed' approach to market orientation, whereby a firm is constantly changing their attitudes and behaviour in response to lessons learnt from market-oriented behaviour. A deeper investigation into the intra-dynamics of the framework developed in this study has the potential to be most fruitful.

One measurement issue which arose that is of particular note, pertains to the use of size as a proxy measure of resources. In addition to the level of resources in a firm, it seems likely that the firm size measure taps into other firm characteristics, such as the degree of firm control (Aldrich and Auster, 1986). It is possible that no significant relationship was found between firm resources and export market orientation because of the 'noise' created by the other conceptual domains that are represented in the measure. It is thus questionable as to whether the traditional use of size as a proxy for firm resources is optimal. This area warrants further research.

Two results that were particularly surprising in this study was that commitment was found to be *negatively* related to export intelligence generation, dissemination and responsiveness activity, and that departmentalisation was found to be *positively* related to those export market-oriented activities. Because these results run contrary to what much of the literature would suggest replication is needed before the findings can be accepted with any certainty. Very large companies were underrepresented in this study and there is some literature to suggest that size may influence the structure to market orientation relationship (e.g., Pelham and Wilson, 1996). Therefore, replication using a sample which is more representative of large and extra large companies is warranted. This is particularly true in the investigation of the relationship between structure and export market orientation, but also generally important in order to determine if the findings differ for other variables involved in the analysis.

This research conceptualised export market-oriented intelligence generation, dissemination and responsiveness under the same conceptual domain. However, there is literature to indicate that the three conceptually distinct behaviours of intelligence generation, intelligence dissemination and intelligence responsiveness may be best conceptualised as three different constructs (e.g., Jaworski and Kohli, 1993). Indeed, as Chapter Five suggests, it is possible that the various antecedents to an export market orientation are related to the three information processing activities in different, and even opposing, ways. It is strongly recommended that future research should examine the impact of each antecedent on each of the three export market-oriented activities separately.

Finally, in order to gain a holistic view of *what* the key determinants of an export market orientation are, a broad quantitative approach to this research was adopted. Through the existing literature some indication was gained as to *how* the various constructs in the conceptual domain interrelate. Nonetheless, in order to develop richer, more detailed insights, future primary qualitative research in this area could be most enlightening. For example, this study suggests that training and recruiting systems are important influences on export market orientation, but what *specific system* works best? *How* can leaders best develop intrapreneurship in their firm and place an emphasis on the importance of export market orientation? *What types* of firm knowledge/skills are most important and how best can a firm *attain* and then *retain* them? What is the best way that managers can attain the *optimal balance* of the degree of structure in their firm? How can firms best manage the technological turbulence in their environments? What can firms do to effectively manage the important influence of the attitudes of firm employees?

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**APPENDIX A:
SURVEY DOCUMENTS**

Appendix A1: Protocol Questionnaire

KEY DETERMINANTS OF EXPORT MARKET ORIENTATION

VICTORIA UNIVERSITY OF WELLINGTON
Te Whare Wananga o te Upoko o te Ika a Maui



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and

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VICTORIA UNIVERSITY OF WELLINGTON

SECTION 1: EXPORT INFORMATION COLLECTION AND COMMUNICATION

Please use the following scale to indicate the extent to which the statements below describe the situation in your company (place the appropriate number in the box provided).

Strongly Disagree
1

Disagree
2

Neither Agree nor Disagree
3

Agree
4

Strongly Agree
5

Information Generation

- In this company, we generate a lot of information concerning trends (e.g., regulation, technological developments, politics, economy) in our export markets.....
- We constantly monitor our level of commitment and orientation to serving export customer needs.....
- We are slow to detect fundamental shifts in our export environment (e.g., technology, regulatory, economy).....
- Individuals from the manufacturing department interact directly with export customers to learn how to serve them better.....
- We are slow to detect changes in our overseas customers' product preferences.....
- We periodically review the likely effect of changes in our export environment (e.g., technology, regulation).....
- We poll end users once a year to assess the quality of our products and services.....
- We generate a lot of information in order to understand the forces which influence our overseas customers' needs and preferences.....
- We do not generate enough reliable relevant information concerning our competitors' activities in our export markets.....
- We measure export customer satisfaction systematically and regularly.....
- Our top managers from every function regularly visit our current and prospective export customers.....

Information Sharing

- Marketing personnel in our company spend time discussing export customers' future needs with other functional areas (e.g., Manufacturing, Finance).....
- There is minimal communication between the export and manufacturing departments concerning foreign market developments (e.g., regulations, technology).....
- Our company periodically circulates documents (e.g., reports, newsletters) that provide information on export customers.....
- When one department finds out something important about foreign market competitors, it is slow to alert other departments.....
- We have 'interfunctional' meetings at least once a quarter to discuss trends and developments (e.g., regulatory, technology) in our export markets.....

Strongly Disagree

1

Disagree

2

Neither Agree nor Disagree

3

Agree

4

Strongly Agree

5

Too much information concerning our export competitors is discarded before it reaches decision makers.

All information concerning our export competition is shared within this company.....

Information which can influence the way we serve our export customers takes forever to reach export personnel.....

Important information about our export customers is often 'lost in the system'.....

In this company, export personnel rarely pass on information on customer preferences to other functions/units.....

Information about our export competitor's activities often reaches relevant personnel too late to be of any use.....

Important information concerning export market trends (regulatory, technology) is often discarded as it makes its way along the communication chain.....

Export personnel regularly share information within our business concerning export competitors' strategies.....

Important information concerning our major export customers is disseminated right down to the shop floor.....

Personnel directly involved in export operations frequently discuss export competitors' activities with non-export personnel.....

We freely communicate information about our successful and unsuccessful export customer experiences across all business functions.....

Top management regularly discuss export competitors' strengths and strategies.....

Export sales personnel rarely share their experiences of dealing with customers with others.....

SECTION 2: EXPORT ENVIRONMENT

1. Please circle the number which best indicates the degree of impact that each of the following regulatory features generally has on your export markets.

Government product standards..... none 1 2 3 4 5 6 7 extreme

Restrictions on seller concentration..... none 1 2 3 4 5 6 7 extreme

Transportation and handling regulations..... none 1 2 3 4 5 6 7 extreme

Government pricing regulations..... none 1 2 3 4 5 6 7 extreme

Environmental protection (pollution, noise, etc.) law..... none 1 2 3 4 5 6 7 extreme

Governmental regulation of advertising..... none 1 2 3 4 5 6 7 extreme

Regulations relating to product resale..... none 1 2 3 4 5 6 7 extreme

Trade association regulations of business practice..... none 1 2 3 4 5 6 7 extreme

2. Please use the scale below to indicate the extent to which you agree with each statement (place the appropriate number in the box provided).

Strongly Disagree
1

Disagree
2

Neither Agree nor Disagree
3

Agree
4

Strongly Agree
5

- Our export customers' product preferences change quite a bit over time.....
- New export customers tend to have product-related needs that are different from those of our existing export customers.....
- Our export customers tend to look for new products all the time.....
- Our export customers tend to have stable product preferences.....
- We are witnessing changes in the type of products and services demanded from us.....
- Our export customers are very price sensitive
- In our overseas markets, buyers face high costs if they want to switch to our competitors
- When it comes to price, our export customers are in a strong negotiating position
- Competition in our industry is cut-throat
- There are many "promotion wars" in our industry
- Anything that one competitor can offer, others can match readily
- Price competition is a hallmark of our industry
- One hears of a new competitive move almost every day
- Our competitors are relatively weak
- Aggressive selling is the norm in our industry.....
- The technology in our industry is changing rapidly
- Technological changes provide big opportunities in our industry
- A large number of new product ideas have been made possible through technological breakthroughs in our industry.....
- Technological developments in our industry are rather minor.....

SECTION 3: SERVICING EXPORT MARKETS

Please place the appropriate numbers in the boxes provided.

**Strongly
Disagree**

Disagree

**Neither Agree
nor Disagree**

Agree

**Strongly
Agree**

- For one reason or another we tend to ignore changes in our foreign customers' product or service needs..
- If a major competitor were to launch an intensive campaign targeted at our foreign customers, we would implement a response immediately.....
- We periodically review our product development efforts to ensure that they are in line with what foreign customers want.....
- We are quick to respond to significant changes in our competitors' price structures in foreign markets....
- Our strategy for standardising or adapting our export product offerings is based on detailed customer research.....
- The product lines we sell to foreign markets depend more on internal politics than real market needs.....
- We are quick to respond to important changes in our export business environment (e.g., regulatory, technology, economy).....
- Foreign customer complaints fall on deaf ears in our company.....
- We take forever to decide how to respond to our export market competitors' price changes.....
- When we find out that export customers are unhappy with the quality of our service, we take corrective action immediately.....
- Several 'departments' get together periodically to plan a response to changes taking place in our foreign business environment (e.g., regulation, technology, etc.)
- All 'departments' in our company are involved in implementing our export market strategies.....
- Our export business strategies are driven by our beliefs about how we can create greater value for export customers.....
- Our export strategy for competitive advantage is based on our understanding of export customer needs...
- Our export business objectives are driven primarily by customer satisfaction.....
- We rapidly respond to competitive actions that threaten us in our export markets.....
- We give close attention to after sales service in our export markets
- Our customers often praise our product quality.....
- The quality of our products and services is better than that of our major competitors
- Our customers are firmly convinced that we offer very good quality products.....

SECTION 4: ABOUT YOUR COMPANY'S STRUCTURE AND SYSTEMS

1. How many people in your company deal specifically with export matters? _____
2. How many separate departments are there in your company? _____
3. Does your company have a separate export department? (Please tick) Yes No
4. Please indicate the number of levels in your company's organisational chart: _____
5. Please place the appropriate numbers in the boxes provided.

Strongly Disagree
 1

Disagree
 2

Neither Agree nor Disagree
 3

Agree
 4

Strongly Agree
 5

About the departments in this company.....

- Rather than being aligned to any one department, I first and foremost think of myself as a company person.....
- If I had to make a choice between doing what was best for my function/department or doing what was best for the company, I would do what was best for the company.....
- Being a company person is "part of who I am".....
- It is important to me to be part of my functional area/department.....

In this company.....

- people are their own boss in most matters.....
- a person can make their own decisions without checking with anybody else.....
- how things are done is left up to the person doing the work.....
- people are allowed to do almost as they please.....
- most people here make their own rules on the job.....
- the employees are constantly being checked on for rule violations.....
- people here feel as though they are being watched to see that they obey the rules.....

When it comes to decision making in this company.....

- employees need their supervisor to approve a decision before they take action.....
- a person who wants to make their own decision would be quickly discouraged.....
- even small matters have to be referred to someone higher up for a final answer.....
- people have to ask their boss before they do almost anything.....
- employees need to have the boss' approval first.....

In this company.....

- no matter which department they are in, people get recognised for being sensitive to competitive moves in our export markets.....
- export customer satisfaction assessments influence senior managers' pay.....
- formal rewards (i.e., pay raise, promotion) are forthcoming to anyone who consistently provides good export market intelligence.....
- export salespeople's performance is measured by the strength of relationships they build with export customers
- we use customer polls for evaluating our export salespeople.....
- reward systems encourage employees to focus on increasing customer satisfaction.....
- employees are rewarded/recognised for being customer oriented.....
- we do a good job of rewarding people who contribute.....

In this company.....

- employees are trained in how to better utilise export market information.....
- our product line management views export marketing training as an important investment.....
- we do not devote enough resources to developing the marketing expertise of our export employees.....
- our management encourage training that will help employees become better export customer oriented....
- new employees are told that serving export customers is an extremely important priority.....
- new employees learn the importance of finding out what our export customers need.....
- we have marketing talent necessary to improve our export market position.....
- we are encouraged to learn about what happens in departments other than our own.....

In this company, when it comes to decision making.....

- we never have enough information about our export markets.....
- we experience difficulties because of the complexity of the export information.....
- we are overloaded with export information.....

When it comes to recruiting new export personnel, we are good at recruiting people who.....

- know how to use market information..... Strongly Disagree 1 2 3 4 5 Strongly Agree
- know how to develop market strategies..... Strongly Disagree 1 2 3 4 5 Strongly Agree
- have experience in marketing..... Strongly Disagree 1 2 3 4 5 Strongly Agree

SECTION 5: COORDINATING ACTIVITIES IN EXPORT MARKETS

Please use the scale below to indicate the extent to which these apply to your company.

Not at all	To a very slight extent	To a small extent	To a moderate extent	To a considerable extent	To a great extent	To an extreme extent
<input style="width: 30px; height: 15px; border: 1px solid black;" type="text" value="1"/>	<input style="width: 30px; height: 15px; border: 1px solid black;" type="text" value="2"/>	<input style="width: 30px; height: 15px; border: 1px solid black;" type="text" value="3"/>	<input style="width: 30px; height: 15px; border: 1px solid black;" type="text" value="4"/>	<input style="width: 30px; height: 15px; border: 1px solid black;" type="text" value="5"/>	<input style="width: 30px; height: 15px; border: 1px solid black;" type="text" value="6"/>	<input style="width: 30px; height: 15px; border: 1px solid black;" type="text" value="7"/>

- In this company, when conflicts between functional areas occur (e.g., between export personnel and manufacturing), we reach mutually satisfying agreements.....
- Employees in the export unit and those in other functional areas (e.g., R & D) help each other out.....
- In this company, there is a sense of teamwork going right down to the shop floor.....
- There is a strong collaborative working relationship between export and production personnel
- Functional areas in this company pull together in the same direction.....
- The activities of our business functions (e.g., marketing/sales, manufacturing, R&D, finance/accounting, etc.) are integrated in pursuing a common goal.....
- Our managers understand how everyone in our business can contribute to creating value for export customers.....
- We resolve issues and conflicts through communication and group problem-solving.....
- People from different functional areas in our company discuss their problems openly and constructively..
- In this company, our business functions (e.g., export, manufacturing) are integrated in serving the needs of our export markets

SECTION 6: ABOUT YOUR COMPANY'S PEOPLE

1. Please use the scale below to indicate the extent to which you agree with each statement

Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
<input style="width: 30px; height: 15px; border: 1px solid black;" type="text" value="1"/>	<input style="width: 30px; height: 15px; border: 1px solid black;" type="text" value="2"/>	<input style="width: 30px; height: 15px; border: 1px solid black;" type="text" value="3"/>	<input style="width: 30px; height: 15px; border: 1px solid black;" type="text" value="4"/>	<input style="width: 30px; height: 15px; border: 1px solid black;" type="text" value="5"/>

- Senior management in our company.....*
- expect international marketing activities to have a positive effect on company profits.....
 - expect international marketing activities to have a positive effect on company growth.....
 - consider international marketing activities a waste of company resources.....
 - consider our domestic activities to be more important than our international marketing activities.....
 - have no intention of increasing the company's international marketing activities.....
 - actively explore international market opportunities.....

Strongly Disagree
1

Disagree
2

Neither Agree nor Disagree
3

Agree
4

Strongly Agree
5

In this company our top management team emphasise that.....

it is vital to adapt to trends in the export market.....

employees must be sensitive to the activities of the export competitors

we must gear up now to meet export customers future needs.....

serving export customers is one of the most important things our company does.....

that communication between employees from different departments is important.....

People in this company.....

perform tasks that they think should be done differently.....

often do not have the resources needed to complete their assignments properly.....

often have to 'bend' a rule or policy in order to carry out an assignment.....

often receive incompatible requests from two or more people.....

are given clear explanations about what has to be done.....

In our company.....

it is easy to talk with virtually anyone you need to, regardless of rank or position.....

there is ample opportunity for informal "hall talk" among individuals from different departments.....

employees from different departments feel comfortable calling each other when the need arises.....

managers discourage employees from discussing work-related matters with those who are not their immediate superiors or subordinates.....

people are quite accessible to those from other departments.....

junior managers from one department can easily schedule meetings with junior managers in other departments.....

Most people in this company.....

are certain about how much authority they have.....Strongly Disagree 1 2 3 4 5 Strongly Agree

have clear, planned, goals and objectives for their job.....Strongly Disagree 1 2 3 4 5 Strongly Agree

understand the relative importance of their different tasks...Strongly Disagree 1 2 3 4 5 Strongly Agree

know what their job responsibilities are.....Strongly Disagree 1 2 3 4 5 Strongly Agree

are clear about what is expected of them in their jobs.....Strongly Disagree 1 2 3 4 5 Strongly Agree

Employees in our company are generally.....

highly motivated towards work.....Strongly Disagree 1 2 3 4 5 Strongly Agree
 a group of hard working individuals.....Strongly Disagree 1 2 3 4 5 Strongly Agree
 very ambitious about their work.....Strongly Disagree 1 2 3 4 5 Strongly Agree

At work.....

people have a sense of accomplishment.....Strongly Disagree 1 2 3 4 5 Strongly Agree
 employees are generally satisfied with their job.....Strongly Disagree 1 2 3 4 5 Strongly Agree
 there is a mood of discontentment among the employees.....Strongly Disagree 1 2 3 4 5 Strongly Agree
 people's job expectations remain unfulfilled.....Strongly Disagree 1 2 3 4 5 Strongly Agree

2. Please use the scale below to indicate the extent to which you agree with each statement
 (place the appropriate number in the box provided).

Very Strongly Disagree	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree	Very Strongly Agree
1	2	3	4	5	6	7

Senior management in this company.....

usually takes action in anticipation of future market conditions.....

tries to shape our business environment to enhance our presence in the market.....

continually seeks out new opportunities, because market conditions are changing.....

are known as innovators amongst our competitors

promotes new, innovative services.....

provides leadership in developing new services.....

sees taking gambles as part of our strategy for success.....

takes above average risks.....

sees taking chances as an element of our strategy.....

SECTION 7: ABOUT YOUR COMPANY

- For how many years has your company been operating? _____ years
- How long has your company been exporting? _____ years
- Approximately what percentage of your total sales turnover is derived from exports? _____%
- How many full time employees does your company currently have? _____
- To how many countries does your company export? _____ number of countries

6. Which of the following regions do you currently export to? (Please tick all the relevant boxes).

Australia and/or Pacific Islands	<input type="checkbox"/>	Eastern Europe	<input type="checkbox"/>
Asia	<input type="checkbox"/>	North America	<input type="checkbox"/>
United Kingdom	<input type="checkbox"/>	South/Central America	<input type="checkbox"/>
Western Europe (not including U.K)	<input type="checkbox"/>	Africa and Middle East	<input type="checkbox"/>

7. Please indicate the extent to which your company has developed the following skills

Do not have the skill	Skill poorly developed	Skill moderately developed	Skill well developed	Skill very well developed
<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5

In this company we have developed.....

capability in the official languages of the foreign markets we export to.....	<input type="checkbox"/>
an understanding of foreign business practices.....	<input type="checkbox"/>
the ability to identify sources of export market information.....	<input type="checkbox"/>
a base of specific information on export sales opportunities.....	<input type="checkbox"/>
a base of specific information on export distribution methods/practices.....	<input type="checkbox"/>
a base of specific information on overseas market legislation/regulations relative to our company's products/business	<input type="checkbox"/>
an understanding of how best to conduct market research in foreign markets	<input type="checkbox"/>
an ability to interpret the degree of quality of export market information.....	<input type="checkbox"/>

8. Compared to our largest competitor, we are:

Very Small 1 2 3 4 5 6 7 8 9 10 Very Large

9. Relative to our major competitor (s) our operating costs are probably:

Very Low 1 2 3 4 5 6 7 8 9 10 Very High

10. There are profits to be made by new players in our industry

Disagree 1 2 3 4 5 6 7 Agree

11. Over the past 3 years, what has been the **relative importance** of the following dimensions of export success in your company? (Please allocate a total of 100 points between the following four dimensions).

Export Sales Volume	_____
Export Market Share	_____
Export Profitability	_____
Rate of New Market Entry	_____
TOTAL	100

12. Overall, how **satisfied** are you with your performance over the past 3 years, along the following dimensions? (Please circle the appropriate number).

Export Sales Volume	very satisfied	1	2	3	4	5	6	7	8	9	10	very unsatisfied
Export Market Share	very satisfied	1	2	3	4	5	6	7	8	9	10	very unsatisfied
Export Profitability	very satisfied	1	2	3	4	5	6	7	8	9	10	very unsatisfied
Rate of New Market Entry	very satisfied	1	2	3	4	5	6	7	8	9	10	very unsatisfied

13. Over the past 3 years what has been your **average growth/decline rate of your export sales?**

_____ %

Growth	Decline
--------	---------

 (Please delete as appropriate)

14. How do you think your average annual **sales growth/decline** compares to the industry average? (Please circle the number of your choice on the scale provided).

Poor

1	2	3	4	5	6	7	8	9	10
---	---	---	---	---	---	---	---	---	----

 Outstanding

15. Overall how **profitable** has exporting been over the past 3 years? (Please circle the number of your choice on the scale provided).

1994-95	very unprofitable	1	2	3	4	5	6	7	8	9	10	very profitable
1995-96	very unprofitable	1	2	3	4	5	6	7	8	9	10	very profitable
1996-97	very unprofitable	1	2	3	4	5	6	7	8	9	10	very profitable

16. Overall, how would you rate your company's **export performance** over the past 3 years? (Please circle the number of your choice on the scale provided).

Poor

1	2	3	4	5	6	7	8	9	10
---	---	---	---	---	---	---	---	---	----

 Outstanding

17. Approximately what is your company's annual sales turnover? \$_____

18. Please state your position or title in your company:_____

Thank You For Your Time

If you would like to receive a summary report of the findings of this study, please provide your name and address below:

NAME.....

COMPANY ADDRESS.....

EMAIL.....

😊 Your Contribution to This Study is Greatly Appreciated ! 😊

Appendix A2: Cover Letters for the Pilot Study



Dear _____,

Thank you for agreeing to participate in my study. As I said on the telephone earlier, I am currently a post-graduate student completing my Masters degree in Commerce and Administration, in Marketing, at Victoria University of Wellington. As part of my degree I am undertaking a research project in the area of export marketing. The findings of the study will both help identify the key influences on the implementation of market orientation in overseas markets, and provide practical guidelines for managers who wish to improve their export market orientation, and thus performance.

My supervisor, Dr. John Cadogan (a marketing lecturer at Victoria University), and I are extremely grateful that you have agreed to find the time to fill out the attached questionnaire; your answers are critical for the accuracy of my research. I am aware that this represents a demand on your already busy schedule, but your participation really could make the difference between the success or failure of both this study and my Masters degree !

The information you provide will be used for the purposes of both my thesis and anticipated marketing publications. However, your answers will stay confidential and anonymous; at no time, will you or your firm be identified in the analysis. The questionnaire will take approximately 30 minutes for you to complete. I would be grateful if you could return it in the enclosed *freepost* envelope at your earliest convenience

Because of the wide scope of companies involved in this study (large and small, product and service marketing) some of the questions may at first seem not applicable to your organisation. However, rather than not answering that particular question, please adapt the interpretation of the question to suit your organisation. For example, if you are not a large enough company to have an export marketing 'department' answer the question in terms of the individual(s) whose function export marketing is, or, if you are a service organisation, translate 'manufacturing' into the terminology of your industry.

I would be more than happy to discuss any questions you may have about this project and can be contacted on telephone number 04 472 1000 ext: 8586. Alternatively, you could contact my supervisor Dr John Cadogan on ext: 8244. Thank you very much for your co-operation. Your support is greatly appreciated.

Yours sincerely,

Nicola Paul

MCA Candidate, BBS (Hons)



Dear _____,

I am currently a post-graduate student working towards my Masters degree in Commerce and Administration, in Marketing, at Victoria University of Wellington. My degree entails conducting a detailed marketing research project. The findings of the study will help identify key factors influencing firms' level of market orientation in overseas markets, and provide practical guidelines for managers who wish to improve their export market orientation.

My supervisor, Dr. John Cadogan (a marketing lecturer at Victoria University), and I would be extremely grateful if you could find the time to fill out the attached questionnaire; your answers are critical for the accuracy of my research. I am aware that this represents a demand on your already busy schedule, but your participation could really make the difference between the success or failure of both this study and my Masters degree!

Rest assured that your responses will remain confidential at all times. Furthermore, when analysing the data, anonymity will be maintained; at no time, will you or your firm be identified in the analysis. The questionnaire will take approximately 25 minutes for you to complete. I would be grateful if you could return it in the enclosed *freepost* envelope at your earliest convenience. If you feel that somebody else in your company may be in a better position to answer the questionnaire, I would appreciate it if you could pass it on to him/her.

Because of the wide scope of companies involved in this study (large and small, product and service marketing) some of the questions may at first seem not applicable to your organisation. However, rather than not answering that particular question, please adapt the interpretation of the question to suit your organisation. For example, if you are not a large enough company to have an export marketing 'department' answer the question in terms of the individual(s) whose function export marketing is, or, if you are a service organisation, translate 'manufacturing' into the terminology of your industry.

I would be more than happy to discuss any questions you may have about this project and can be contacted by telephone on 04 472 1000 ext: 8586. Alternatively, you could contact my supervisor Dr John Cadogan on ext: 8244. Thank you very much for your co-operation. Your support is greatly appreciated.

Yours sincerely,

Nicola Paul
MCA Candidate, BBS (Hons)

Appendix A3: Pilot Study Questionnaire

KEY DETERMINANTS OF EXPORT MARKET ORIENTATION

VICTORIA UNIVERSITY OF WELLINGTON
Te Whare Wananga o te Upoko o te Ika a Maui



Nicola J. Paul

Candidate for Masters of Commerce and Administration

and

Dr. John W. Cadogan

Lecturer in Marketing

*School of Business & Public Management
Victoria University of Wellington
PO Box 600
Wellington
New Zealand*

VICTORIA UNIVERSITY OF WELLINGTON

SECTION 1: EXPORT INFORMATION COLLECTION AND COMMUNICATION

1. Please use the following scale to indicate the extent to which the statements below describe the situation in your company (place the appropriate number in the box provided).

Strongly Disagree
1

Disagree
2

Neither Agree nor Disagree
3

Agree
4

Strongly Agree
5

Information Generation

- In this company, we generate a lot of information concerning trends (e.g., regulation, technological developments, political, economy) in our export markets.....
- We constantly monitor our level of commitment and orientation to serving export customer needs.....
- We are slow to detect fundamental shifts in our export environment (e.g., regulation, technology, economy).....
- Individuals who are responsible for the manufacturing and/or development of our products and services interact directly with export customers to learn how to serve them better.....
- We are slow to detect changes in our overseas customers' product preferences.....
- We periodically review the likely effect of changes in our export environment (e.g., regulation, technology).....
- We poll end users once a year to assess the quality of our products and services.....
- We generate a lot of information in order to understand the forces which influence our overseas customers' needs and preferences.....
- We do not generate enough reliable/relevant information concerning our competitors' activities in our export markets.....
- We measure export customer satisfaction systematically and regularly.....
- Our top managers from every function regularly visit our current and prospective export customers.....

Information Sharing

- Marketing personnel in our company spend time discussing export customers' future needs with other functional areas (e.g., manufacturing, finance).....
- There is minimal communication between the export and other departments concerning foreign market developments (e.g., regulation, technology).....
- Our company periodically circulates internal documents (e.g., reports, newsletters) that provide information on export customers.....
- When one department finds out something important about foreign market competitors, it is slow to alert other departments.....
- We have 'interfunctional' meetings at least once a quarter to discuss trends and developments (e.g., regulation, technology) in our export markets.....

Strongly
Disagree
1

Disagree
2

Neither Agree
nor Disagree
3

Agree
4

Strongly
Agree
5

Too much information concerning our export competitors is discarded before it reaches decision makers.

All information concerning our export competition is shared within this company.....

Information which can influence the way we serve our export customers takes forever to reach export personnel.....

Important information about our export customers is often 'lost in the system'

In this company, export personnel rarely pass on information on customer preferences to other functions/units.....

Information about our export competitors' activities often reaches relevant personnel too late to be of any use.....

Important information concerning export market trends (regulation, technology) is often discarded as it makes its way along the communication chain.....

Export personnel regularly share information within our business concerning export competitors' strategies.....

Important information concerning our major export customers is disseminated right down to the "shop floor".....

Personnel directly involved in export operations frequently discuss export competitors' activities with non-export personnel.....

We freely communicate information about our successful and unsuccessful export customer experiences across all business functions in our company.....

Top management regularly discuss export competitors' strengths and strategies.....

Export sales personnel rarely share their experiences of dealing with customers with others.....

SECTION 2: EXPORT ENVIRONMENT

1. Please circle the number which best indicates the degree of impact that each of the following **REGULATORY** features generally has across your export markets.

	LOW IMPACT					HIGH IMPACT	
Foreign government product standards.....	1	2	3	4	5	6	7
Foreign restrictions on seller concentration	1	2	3	4	5	6	7
Foreign transportation and handling regulations	1	2	3	4	5	6	7
Foreign government pricing regulations.....	1	2	3	4	5	6	7
Overseas environmental protection (pollution, noise, etc.) law	1	2	3	4	5	6	7
Foreign governmental regulation of advertising.....	1	2	3	4	5	6	7
Foreign regulations relating to product resale	1	2	3	4	5	6	7
Overseas trade association regulations of business practices.....	1	2	3	4	5	6	7

2. *Please use the scale below to indicate the extent to which you agree with each statement (place the appropriate number in the box provided).*

Strongly
Disagree

Disagree

Neither Agree
nor Disagree

Agree

Strongly
Agree

- Our export customers' product preferences change quite a bit over time.....
- New export customers tend to have product-related needs that are different from those of our existing export customers.....
- Our export customers tend to look for new products all the time.....
- Our export customers tend to have stable product preferences.....
- We are witnessing changes in the type of products/services demanded by our export customers.....
- Our export customers are very price sensitive
- In our overseas markets, buyers face high costs if they want to switch to our competitors
- When it comes to price, our export customers are in a strong negotiating position
- Industry competition in our export markets is cut-throat
- In our export markets, there are many "promotion wars"
- Anything that one export competitor can offer, others can match readily
- In our foreign markets, price competition is a hallmark of our industry
- One hears of a new competitive move in our export markets almost every day
- Our export competitors are relatively weak
- In our foreign markets, aggressive selling is the norm.....

Regarding the impact of technology on our EXPORT business.....

- The technology in our industry is changing rapidly
- Technological changes provide big opportunities in our industry.....
- A large number of new product ideas have been made possible through technological breakthroughs in our industry.....
- Technological developments in our industry are rather minor.....

SECTION 3: SERVICING EXPORT MARKETS

1. *Please use the following scale to indicate the extent to which the statements below describe the situation in your company (place the appropriate numbers in the boxes provided).*

**Strongly
Disagree**

Disagree

**Neither Agree
nor Disagree**

Agree

**Strongly
Agree**

For one reason or another we tend to ignore changes in our foreign customers' product or service needs..

If a major competitor were to launch an intensive campaign targeted at our foreign customers, we would implement a response immediately.....

We periodically review our product development efforts to ensure that they are in line with what foreign customers want.....

We are quick to respond to significant changes in our competitors' price structures in foreign markets....

Our strategy for standardising or adapting our export products is based on detailed research about our export customers.....

The product lines we sell to foreign markets depend more on internal politics than real market needs.....

We are quick to respond to important changes in our export business environment (e.g., regulation, technology, economy).....

Foreign customer complaints fall on deaf ears in our company.....

We take forever to decide how to respond to our export market competitors' price changes.....

When we find out that export customers are unhappy with the quality of our service, we take corrective action immediately.....

Several 'departments' get together periodically to plan a response to changes taking place in our foreign business environment (e.g., regulation, technology, etc.)

All 'departments' in our company are involved in implementing our export market strategies.....

Our export business strategies are driven by our beliefs about how we can create greater value for export customers.....

Our export strategy for competitive advantage is based on our understanding of export customer needs...

Our export business objectives are driven primarily by customer satisfaction.....

We rapidly respond to competitive actions that threaten us in our export markets.....

We give close attention to after-sales service in our export markets

Our export customers often praise our product quality.....

The quality of our export products and services is better than that of our major export competitors

Our export customers are firmly convinced that we offer very good quality products.....

SECTION 4: ABOUT YOUR COMPANY'S STRUCTURE AND SYSTEMS

1. Does your company have a separate formal export department? (Please tick) Yes No

If No, go to Q4. Otherwise.....

2. Does your export department have sub-departments? (Please tick) Yes No

If No, go to Q4. Otherwise.....

3. How many formal sub-departments are there **WITHIN** your export department?

4. How many formal departments are there throughout your company?

5. Please indicate the number of levels in your company's organisational chart:

6. Please use the following scale to indicate the extent to which the statements below describe the situation in your company (place the appropriate numbers in the boxes provided).

**Strongly
Disagree**

Disagree

**Neither Agree
nor Disagree**

Agree

**Strongly
Agree**

Export employees in this company.....

rather than being aligned to the export functional area/department, first and foremost think of themselves as a company person.....

if they had to make a choice between doing what was best for the export function or doing what was best for the company, would do what was best for the company.....

would say that being a company person is "part of who they are".....

feel that being part of the export function is important to them.....

Generally, in this company.....

export people are their own boss in most matters.....

export people can make their own decisions without checking with anybody else.....

how things are done is left up to the export employee doing the work.....

export people are allowed to do almost as they please.....

most export people make their own rules on the job.....

the export employees are constantly being checked on for rule violations.....

export people here feel as though they are being watched to see that they obey the rules.....

In this company when it comes to export decision making.....

we do not have enough information about our export markets.....

we experience severe difficulties because of the complexity of the export information.....

we are overloaded with export information.....

Strongly Disagree

1

Disagree

2

Neither Agree nor Disagree

3

Agree

4

Strongly Agree

5

In this company.....

no matter which department they are in, people get recognised for being sensitive to competitive moves in our export markets.....

export customer satisfaction assessments influence senior managers' pay.....

formal rewards (i.e., pay rises, promotions) are forthcoming to anyone who consistently provides good export market intelligence.....

export salespeople's performance is measured by the strength of relationships they build with export customers

we use export customer surveys for evaluating our export salespeople.....

reward systems encourage employees to focus on increasing export customer satisfaction.....

In this company.....

employees are trained in how to better utilise export market information.....

our management views export marketing training as an important investment.....

we do not devote enough resources to developing the marketing expertise of our export employees.....

our management encourage training that will help employees become better export customer-oriented....

new employees are told that serving export customers is an extremely important priority.....

new employees learn the importance of finding out what our export customers need.....

we have marketing talent necessary to improve our export market position.....

we are encouraged to learn about what happens in functions/units other than our own.....

Generally, when it comes to export decision making in this company.....

export employees need their supervisor to approve a decision before they take action.....

an export person who wants to make his/her own decision would be quickly discouraged.....

even small matters have to be referred to someone higher up for a final answer.....

export people have to ask their boss before they do almost anything.....

export employees need to have the boss' approval first.....

When it comes to recruiting new export personnel, we are good at recruiting people who.....

know how to use export market information..... Strongly Disagree 1 2 3 4 5 Strongly Agree

know how to develop export market strategies.. Strongly Disagree 1 2 3 4 5 Strongly Agree

have experience in export marketing..... Strongly Disagree 1 2 3 4 5 Strongly Agree

SECTION 5: COORDINATING ACTIVITIES IN EXPORT MARKETS

1. *With special emphasis on export employees, consider the interaction between and within functional areas/departments in your firm (please use the scale to indicate the extent to which the following apply).*

Not at all							To an extreme extent
1	2	3	4	5	6	7	
In this company, when conflicts between functional areas occur (e.g., between export personnel and manufacturing), we reach mutually satisfying agreements.....							<input type="checkbox"/>
Employees in the export unit and those in other functional areas (e.g., R & D) help each other out.....							<input type="checkbox"/>
In this company, there is a sense of teamwork going right down to the "shop floor".....							<input type="checkbox"/>
There is a strong collaborative working relationship between export and "production personnel".....							<input type="checkbox"/>
Functional areas in this company pull together in the same direction.....							<input type="checkbox"/>
The activities of our business functions (e.g., marketing/sales, manufacturing, R&D, finance/accounting, etc.) are integrated in pursuing a common goal.....							<input type="checkbox"/>
Our managers understand how everyone in our business can contribute to creating value for export customers.....							<input type="checkbox"/>
We resolve issues and conflicts through communication and group problem-solving.....							<input type="checkbox"/>
People from different functional areas in our company discuss their problems openly and constructively..							<input type="checkbox"/>
In this company, our business functions (e.g., export, manufacturing) are integrated in serving the needs of our export markets							<input type="checkbox"/>

SECTION 6: ABOUT YOUR COMPANY'S PEOPLE

1. *Please use the scale below to indicate the extent to which you agree with each statement*

Very Strongly Disagree							Very Strongly Agree
1	2	3	4	5	6	7	
<i>Senior management in our company.....</i>							
expect exporting to have a positive effect on company profits.....							<input type="checkbox"/>
expect exporting to have a positive effect on company growth.....							<input type="checkbox"/>
consider exporting a waste of company resources.....							<input type="checkbox"/>
consider our domestic activities to be more important than exporting.....							<input type="checkbox"/>
have no intention of increasing the company's exporting activities.....							<input type="checkbox"/>
actively explore international market opportunities.....							<input type="checkbox"/>

Very Strongly
Disagree

Very Strongly
Agree

1

2

3

4

5

6

7

In this company our export management team emphasises that.....

- it is vital to adapt to trends in the export markets.....
- employees must be sensitive to the activities of the export competitors
- we must gear up now to meet export customers' future needs.....
- serving export customers is one of the most important things our company does.....
- communication between employees from different functions (e.g., export and finance) is important.....

Employees who are involved with exporting in our company generally.....

- perform tasks that they think should be done differently.....
- often do not have the resources needed to complete their assignments properly.....
- often have to 'bend' a rule or policy in order to carry out an assignment.....
- often receive incompatible requests from two or more people.....
- are given clear explanations about what has to be done.....
- find that it is easy to talk with virtually anyone they need to, regardless of rank or position.....
- have ample opportunity for informal "hall talk" among individuals from different departments.....
- feel comfortable calling employees from different departments when the need arises.....
- find that managers discourage employees from discussing work-related matters with those who are not their immediate superiors or subordinates.....
- are quite accessible to those from other departments.....
- find that junior managers from one department can easily schedule meetings with junior managers in other departments.....

Employees who are involved with exporting in our company generally.....

- are certain about how much authority they have Strongly Disagree 1 2 3 4 5 Strongly Agree
- have clear, planned goals and objectives for their job..... Strongly Disagree 1 2 3 4 5 Strongly Agree
- understand the relative importance of their different tasks ... Strongly Disagree 1 2 3 4 5 Strongly Agree
- know what their job responsibilities are..... Strongly Disagree 1 2 3 4 5 Strongly Agree
- are clear about what is expected of them in their jobs..... Strongly Disagree 1 2 3 4 5 Strongly Agree

Employees who are involved with exporting in our company are generally.....

highly motivated towards work..... Strongly Disagree 1 2 3 4 5 Strongly Agree
 a group of hard working individuals..... Strongly Disagree 1 2 3 4 5 Strongly Agree
 very ambitious about their work..... Strongly Disagree 1 2 3 4 5 Strongly Agree

People who are involved with exporting in this company.....

have a sense of accomplishment Strongly Disagree 1 2 3 4 5 Strongly Agree
 are generally satisfied with their job Strongly Disagree 1 2 3 4 5 Strongly Agree
 feel discontent Strongly Disagree 1 2 3 4 5 Strongly Agree
 feel their job expectations remain unfulfilled Strongly Disagree 1 2 3 4 5 Strongly Agree

2. *Please use the scale below to indicate the extent to which you agree with each statement (place the appropriate number in the box provided).*

Very Strongly Disagree 1 2 3 4 5 6 7 Very Strongly Agree

Export managers in this company.....

usually take action in anticipation of future export market conditions.....

try to shape our business environment to enhance our presence in the export market.....

continually seek out new opportunities, because export market conditions are changing.....

are known as innovators amongst our export competitors

promote new, innovative export services.....

provide leadership in developing new export services.....

see taking gambles as part of our strategy for export success.....

take above average risks.....

see taking chances as an element of our export strategy.....

SECTION 7: ABOUT YOUR COMPANY

1. *How long has your company been in business? _____ years*
2. *How long has your company been exporting? _____ years*
3. *How many full-time employees does your company currently have? _____*
4. *How many people in your company are involved with export matters? _____*
5. *To how many countries does your company export? _____ number of countries*

6. Which of the following regions do you currently export to? (Please tick all the relevant boxes).

Australia and/or Pacific Islands	<input type="checkbox"/>	Eastern Europe	<input type="checkbox"/>
Asia	<input type="checkbox"/>	North America	<input type="checkbox"/>
United Kingdom	<input type="checkbox"/>	South/Central America	<input type="checkbox"/>
Western Europe (not including U.K)	<input type="checkbox"/>	Africa and Middle East	<input type="checkbox"/>

7. Please indicate the extent to which your company has developed the following skills

Do not have the skill	Skill poorly developed	Skill moderately developed	Skill well developed	Skill very well developed
<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5

In this company we have developed.....

capability in the official languages of the foreign markets we export to.....	<input type="checkbox"/>
an understanding of foreign business practices.....	<input type="checkbox"/>
the ability to identify sources of export market information.....	<input type="checkbox"/>
a base of specific information on export sales opportunities.....	<input type="checkbox"/>
a base of specific information on export distribution methods/practices.....	<input type="checkbox"/>
a base of specific information on overseas market legislation/regulations relative to our company's products/business	<input type="checkbox"/>
an understanding of how best to conduct market research in foreign markets	<input type="checkbox"/>
an ability to interpret the degree of quality of export market information.....	<input type="checkbox"/>

8. Compared to our largest export competitor, we are:

Very Small 1 2 3 4 5 6 7 Very Large

9. Relative to our major export competitor(s) our operating costs are probably:

Very Small 1 2 3 4 5 6 7 Very Large

10. In our export market(s) there are profits to be made by new players in our industry

StronglyDisagree 1 2 3 4 5 6 7 Strongly Agree

11. Over the last 3 years, how important has achieving the following objectives been to your company? (In order to capture the RELATIVE importance of each of the following four objectives please allocate a total of 100 points between them).

Export Sales Volume	_____
Export Market Share	_____
Export Profitability	_____
Market Entry	_____
TOTAL	100

(Continued Over.....)

12. Overall, how satisfied are you with your performance over the past 3 years, along the following dimensions? (Please circle the appropriate number).

Export Sales Volume very unsatisfied 1 2 3 4 5 6 7 8 9 10 very satisfied

Export Market Share very unsatisfied 1 2 3 4 5 6 7 8 9 10 very satisfied

Export Profitability very unsatisfied 1 2 3 4 5 6 7 8 9 10 very satisfied

Market Entry very unsatisfied 1 2 3 4 5 6 7 8 9 10 very satisfied

13. Over the past 3 years what has been the average annual growth/decline rate of your EXPORT SALES? _____%

Growth	Decline
--------	---------

(Please delete as appropriate)

14. How do you think your average annual EXPORT SALES growth/decline compares to the industry average? (Please circle the number of your choice on the scale provided).

Poor

1	2	3	4	5	6	7	8	9	10
---	---	---	---	---	---	---	---	---	----

 Outstanding

15. Overall how PROFITABLE has exporting been over the past 3 years? (Please circle the number of your choice on the scale provided).

1994-95 very unprofitable 1 2 3 4 5 6 7 8 9 10 very profitable

1995-96 very unprofitable 1 2 3 4 5 6 7 8 9 10 very profitable

1996-97 very unprofitable 1 2 3 4 5 6 7 8 9 10 very profitable

16. Overall, how would you rate your company's EXPORT PERFORMANCE over the past 3 years? (Please circle the number of your choice on the scale provided).

Poor

1	2	3	4	5	6	7	8	9	10
---	---	---	---	---	---	---	---	---	----

 Outstanding

17. What is your company's annual EXPORT sales turnover? \$ _____

18. Approximately what is your company's annual TOTAL sales turnover? \$ _____

19. Please state your position or title in your company: _____

Thank You For Your Time

If you would like to receive a summary report of the findings of this study, please enclose your business card along with this questionnaire in the reply envelope.

😊 Your contribution to this study is greatly appreciated ! 😊

Appendix A4: Reminder Cards for the Pilot Study



I recently asked you to help me by filling out my questionnaire on export market orientation - I hope that you received it last week. If you have already returned it to me, thank you once more. If you have not yet had the chance to complete the questionnaire (and I am well aware that this does place a strain on your busy schedule), I would like to take this opportunity to tell you that I still need your response, since your opinions will make an important contribution to the quality of both this study and my Masters degree. I confirm that all replies are strictly confidential. If you did not receive a copy of the questionnaire, or have any questions about this study, please do not hesitate to contact me or my supervisor (contact details below). Thank you, your support is greatly appreciated.

Yours sincerely

Nicola Paul

**School of Business & Public Management, Victoria University of Wellington, PO Box 600,
Wellington.**

Nicola Paul: 04 472 1000 ext: 8586. Supervisor: Dr J. Cadogan ext: 8244



Thank you for agreeing to fill out my questionnaire on export market orientation - I hope that you received it last week. If you have already returned it to me, thank you once more. If you have not yet had the chance to complete the questionnaire (and I am well aware that this does place a strain on your busy schedule), I would like to take this opportunity to tell you that I still need your response, since your opinions will make an important contribution to the quality of both this study and my Masters degree. I confirm that all replies are strictly confidential. If you did not receive a copy of the questionnaire, or have any questions about this study, please do not hesitate to contact me or my supervisor (contact details below). Thank you, your support is greatly appreciated.

Yours sincerely

Nicola Paul

**School of Business & Public Management, Victoria University of Wellington, PO Box 600,
Wellington.**

Nicola Paul: 04 472 1000 ext: 8586. Supervisor: Dr J. Cadogan ext: 8244

Appendix A5: Reminder Letters for the Pilot Study



Dear _____,

Recently, you agreed to help me by filling out my questionnaire on export market orientation. If you have already returned the questionnaire to me I would like to apologise for contacting you again and take this opportunity to thank you for your time and effort.

If you have not yet had the chance to complete the questionnaire I would like to take this opportunity to emphasise that your response is still important to me. Your opinions will really contribute to the quality of both this study and my Masters degree.

In case you have misplaced the original I have enclosed another copy of the questionnaire (which should take approximately 25 minutes to complete) I would be grateful if you could return it in the *freepost* envelope at the earliest convenience. Rest assured that your response will remain confidential at all times. Furthermore, when analysing the data, anonymity will be maintained; at no time, will you or your firm be identified in the analysis.

Because of the wide scope of companies involved in this study (large and small, product and service marketing) some of the questions may at first seem not applicable to your organisation. However, rather than not answering that particular question, please adapt the interpretation of the question to suit your organisation. For example, if you are not a large enough company to have an export marketing 'department' answer these questions in terms of the individual(s) whose function export marketing is, or, if you are a service organisation, translate 'manufacturing' into the terminology of your industry.

I would be more than happy to discuss any questions you may have about this project and can be contacted by telephone on 04 472 1000 ext: 8586. Alternatively, you could contact my supervisor Dr John Cadogan on ext: 8244. Once again, thank you very much for agreeing to help me with this project.

Yours sincerely,

Nicola Paul
MCA Candidate, BBS (Hons)



Dear _____,

Recently, I asked you to help me by filling out my questionnaire on export market orientation. If you have already returned the questionnaire to me, I apologise for contacting you again and thank you for your time and effort.

If you have not yet had the chance to complete the questionnaire I would like to take this opportunity to emphasise that your response is still important to me. Your opinions will really contribute to the quality of both this study and my Masters degree.

In case you have misplaced the original I have enclosed another copy of the questionnaire (which should take approximately 25 minutes to complete), and I would be grateful if you could return it in the *freepost* envelope at the earliest convenience. Rest assured that your response will remain confidential at all times. Furthermore, when analysing the data, anonymity will be maintained; at no time, will you or your firm be identified in the analysis.

Because of the wide scope of companies involved in this study (large and small, product and service marketing) some of the questions may at first seem not applicable to your organisation. However, rather than not answering those particular questions, please adapt them to suit your organisation. For example, if you do not have a formal export marketing 'department' answer those questions in terms of the individual(s) whose function export marketing is, or, if you are a service organisation, translate 'manufacturing' into the terminology of your industry.

I would be more than happy to answer any questions you may have and can be contacted by telephone on 04 472 1000 ext: 8586. Alternatively, you could contact my supervisor Dr John Cadogan on ext: 8244. Thank you very much for your co-operation. Your support is greatly appreciated.

Yours sincerely,

Nicola Paul
MCA Candidate, BBS (Hons)

Appendix A6: Cover Letter for the Main Survey



Dear _____,

Thank you for agreeing to participate in my study. As I said on the telephone earlier, I am currently a post-graduate student working towards my Masters degree in Commerce and Administration, in Marketing, at Victoria University of Wellington. As part of my degree I am undertaking a research project in the area of export marketing. The findings of the study will both help identify the key influences on the implementation of market orientation in overseas markets, and provide practical guidelines for managers who wish to improve their export market orientation, and thus performance.

My supervisor, Dr. John Cadogan (a marketing lecturer at Victoria University), and I are extremely grateful that you have agreed to find the time to fill out the attached questionnaire: your answers are critical for the accuracy of my research. I am aware that this represents a demand on your already busy schedule, but your participation really could make the difference between the success or failure of both this study and my Masters degree!

The information you provide will be used for the purposes of my thesis and anticipated marketing publications. However, your answers will stay confidential, and at no time will you or your firm be identified in the analysis. The questionnaire will take approximately 25 minutes for you to complete. I would be grateful if you could return it in the enclosed *freepost* envelope at your earliest convenience. As a good response rate is so important to us, we will be sending reminders to non-respondents.

Because of the wide scope of companies involved in this study (large and small, product and service marketing) some of the questions may at first seem not applicable to your organisation. However, rather than not answering those particular questions, please adapt their interpretation to suit your organisation. For example, if you are not a large enough company to have an export marketing 'department', answer those questions in terms of the individual(s) whose function export marketing is, or, if you are a service organisation, translate 'manufacturing' into the terminology of your industry.

I would be more than happy to discuss any questions you may have and can be contacted by telephone on 04 472 1000 ext: 8586. Alternatively, you could contact my supervisor Dr John Cadogan on ext: 8244. Once again, thank you very much for agreeing to help.

Yours sincerely,

Nicola Paul

Appendix A7: Main Survey Questionnaire

KEY DETERMINANTS OF EXPORT MARKET ORIENTATION

VICTORIA UNIVERSITY OF WELLINGTON

Te Whare Wananga o te Upoko o te Ika a Maui



Nicola J. Paul

Candidate for Masters of Commerce and Administration

and

Dr. John W. Cadogan

Lecturer in Marketing

School of Business & Public Management

Victoria University of Wellington

PO Box 600

Wellington

New Zealand

VICTORIA UNIVERSITY OF WELLINGTON

SECTION 1: EXPORT INFORMATION COLLECTION AND COMMUNICATION

1. Please use the following scale to indicate the extent to which the statements below describe the situation in your company (place the appropriate number in the box provided).

Very Strongly Disagree	Neither Agree nor Disagree	Very Strongly Agree
1	4	7

Information Generation

- In this company, we generate a lot of information concerning trends (e.g., regulation, technological developments, political, economy) in our export markets.....
- We constantly monitor our level of commitment and orientation to serving export customer needs.....
- We are slow to detect fundamental shifts in our export environment (e.g., regulation, technology, economy).....
- Individuals who are responsible for the manufacturing and/or development of our products and services interact directly with export customers to learn how to serve them better.....
- We are slow to detect changes in our overseas customers' product preferences.....
- We periodically review the likely effect of changes in our export environment (e.g., regulation, technology).....
- We poll end users once a year to assess the quality of our products and services.....
- We generate a lot of information in order to understand the forces which influence our overseas customers' needs and preferences.....
- We do not generate enough reliable/relevant information concerning our competitors' activities in our export markets.....
- We measure export customer satisfaction systematically and regularly.....
- Our top managers from every function regularly visit our current and prospective export customers.....

Information Sharing

- Marketing personnel in our company spend time discussing export customers' future needs with other functional areas (e.g., manufacturing, finance).....
- There is minimal communication between the export and other departments concerning foreign market developments (e.g., regulation, technology).....
- Our company periodically circulates internal documents (e.g., reports, newsletters) that provide information on export customers.....
- When one department finds out something important about foreign market competitors, it is slow to alert other departments.....
- We have 'interfunctional' meetings at least once a quarter to discuss trends and developments (e.g., regulation, technology) in our export markets.....

Very Strongly Disagree			Neither Agree nor Disagree			Very Strongly Agree
1	2	3	4	5	6	7

Too much information concerning our export competitors is discarded before it reaches decision makers.	<input type="checkbox"/>
All information concerning our export competition is shared within this company.....	<input type="checkbox"/>
Information which can influence the way we serve our export customers takes forever to reach export personnel.....	<input type="checkbox"/>
Important information about our export customers is often 'lost in the system'	<input type="checkbox"/>
In this company, export personnel rarely pass on information on customer preferences to other functions/units.....	<input type="checkbox"/>
Information about our export competitors' activities often reaches relevant personnel too late to be of any use.....	<input type="checkbox"/>
Important information concerning export market trends (regulation, technology) is often discarded as it makes its way along the communication chain.....	<input type="checkbox"/>
Export personnel regularly share information within our business concerning export competitors' strategies.....	<input type="checkbox"/>
Important information concerning our major export customers is disseminated right down to the 'shop floor'	<input type="checkbox"/>
Personnel directly involved in export operations frequently discuss export competitors' activities with non-export personnel.....	<input type="checkbox"/>
We freely communicate information about our successful and unsuccessful export customer experiences across all business functions in our company.....	<input type="checkbox"/>
Top management regularly discuss export competitors' strengths and strategies.....	<input type="checkbox"/>
Export sales personnel rarely share their experiences of dealing with customers with others.....	<input type="checkbox"/>

SECTION 2: EXPORT ENVIRONMENT

1. *Please circle the number which best indicates the degree of impact that each of the following REGULATORY features generally has across your export markets.*

		Very Low Impact						Very High Impact
Foreign government product standards.....	1	2	3	4	5	6	7	
Foreign restrictions on seller concentration	1	2	3	4	5	6	7	
Foreign transportation and handling regulations	1	2	3	4	5	6	7	
Foreign government pricing regulations.....	1	2	3	4	5	6	7	
Overseas environmental protection (pollution, noise, etc.) law	1	2	3	4	5	6	7	
Foreign governmental regulation of advertising.....	1	2	3	4	5	6	7	
Foreign regulations relating to product resale	1	2	3	4	5	6	7	
Overseas trade association regulations of business practices.....	1	2	3	4	5	6	7	

2. Please use the scale below to indicate the extent to which you agree with each statement (place the appropriate number in the box provided).

Not at all

To an extreme extent

1

2

3

4

5

6

7

- Our export customers' product preferences change quite a bit over time.....
- New export customers tend to have product-related needs that are different from those of our existing export customers.....
- Our export customers tend to look for new products all the time.....
- Our export customers tend to have stable product preferences.....
- We are witnessing changes in the type of products/services demanded by our export customers.....
- Our export customers are very price sensitive
- In our overseas markets, buyers face high costs if they want to switch to our competitors
- When it comes to price, our export customers are in a strong negotiating position
- Industry competition in our export markets is cut-throat.....
- In our export markets, there are many 'promotion wars'.....
- Anything that one export competitor can offer, others can match readily
- In our foreign markets, price competition is a hallmark of our industry
- One hears of a new competitive move in our export markets almost every day
- Our export competitors are relatively weak
- In our foreign markets, aggressive selling is the norm.....

Regarding the impact of technology on your EXPORT business:

- The technology in our industry is changing rapidly
- Technological changes provide big opportunities in our industry.....
- A large number of new product ideas have been made possible through technological breakthroughs in our industry.....
- Technological developments in our industry are rather minor.....

SECTION 3: SERVICING EXPORT MARKETS

1. Please use the following scale to indicate the extent to which the statements below describe the situation in your company (place the appropriate numbers in the boxes provided).

Very Strongly Disagree		Neither Agree nor Disagree		Very Strongly Agree
1	2	3	4	5
6	7			
For one reason or another, we tend to ignore changes in our foreign customers' product or service needs.. <input style="float: right;" type="text"/>				
If a major competitor were to launch an intensive campaign targeted at our foreign customers, we would implement a response immediately..... <input style="float: right;" type="text"/>				
We periodically review our product development efforts to ensure that they are in line with what foreign customers want..... <input style="float: right;" type="text"/>				
We are quick to respond to significant changes in our competitors' price structures in foreign markets.... <input style="float: right;" type="text"/>				
Our strategy for standardising or adapting our export products is based on detailed research about our export customers..... <input style="float: right;" type="text"/>				
The product lines we sell to foreign markets depend more on internal politics than real market needs..... <input style="float: right;" type="text"/>				
We are quick to respond to important changes in our export business environment (e.g., regulation, technology, economy)..... <input style="float: right;" type="text"/>				
Foreign customer complaints fall on deaf ears in our company..... <input style="float: right;" type="text"/>				
We take forever to decide how to respond to our export market competitors' price changes..... <input style="float: right;" type="text"/>				
When we find out that export customers are unhappy with the quality of our service, we take corrective action immediately..... <input style="float: right;" type="text"/>				
Several 'departments' get together periodically to plan a response to changes taking place in our foreign business environment (e.g., regulation, technology, etc.) <input style="float: right;" type="text"/>				
All 'departments' in our company are involved in implementing our export market strategies..... <input style="float: right;" type="text"/>				
Our export business strategies are driven by our beliefs about how we can create greater value for export customers..... <input style="float: right;" type="text"/>				
Our export strategy for competitive advantage is based on our understanding of export customer needs... <input style="float: right;" type="text"/>				
Our export business objectives are driven primarily by customer satisfaction..... <input style="float: right;" type="text"/>				
We rapidly respond to competitive actions that threaten us in our export markets..... <input style="float: right;" type="text"/>				
We give close attention to after-sales service in our export markets <input style="float: right;" type="text"/>				
Our export customers often praise our product quality..... <input style="float: right;" type="text"/>				
The quality of our export products and services is better than that of our major export competitors <input style="float: right;" type="text"/>				
Our export customers are firmly convinced that we offer very good quality products..... <input style="float: right;" type="text"/>				

SECTION 4: ABOUT YOUR COMPANY'S STRUCTURE AND SYSTEMS

1. Does your company have a separate formal export department? (Please tick) Yes No

If No, go to Q3. Otherwise.....

2. Is your export department split into sub-departments? (Please tick) Yes No

If Yes, how many sub-departments are there?

3. How many formal departments are there throughout your company?

4. Please indicate the number of levels in your company's organisational chart:

5. Please use the following scale to indicate the extent to which the statements below describe the situation in your company (place the appropriate numbers in the boxes provided).

Very Strongly Disagree			Neither Agree nor Disagree			Very Strongly Agree
<input type="text" value="1"/>	<input type="text" value="2"/>	<input type="text" value="3"/>	<input type="text" value="4"/>	<input type="text" value="5"/>	<input type="text" value="6"/>	<input type="text" value="7"/>

Export employees in this company.....

first and foremost think of themselves as a company person, rather than being aligned to the export functional area/department.....

faced with a choice between doing what was best for the export function or doing what was best for the company, would do what was best for the company.....

would say that being a company person is 'part of who they are'

feel that being part of the export function is important to them.....

Generally, in this company.....

export people are their own boss in most matters.....

export people can make their own decisions without checking with anybody else.....

how things are done is left up to the export employee doing the work.....

export people are allowed to do almost as they please.....

most export people make their own rules on the job.....

the export employees are constantly being checked on for rule violations.....

export people feel as though they are being watched to see that they obey the rules.....

In this company when it comes to export decision making.....

we do not have enough information about our export markets.....

we experience severe difficulties because of the complexity of the export information.....

we are overloaded with export information.....

Very Strongly
Disagree

1

2

3

Neither Agree
nor Disagree

4

5

6

Very Strongly
Agree

7

In this company.....

no matter which department they are in, people get recognised for being sensitive to competitive moves in our export markets.....

export customer satisfaction assessments influence senior managers' pay.....

formal rewards (i.e., pay rises, promotions) are forthcoming to anyone who consistently provides good export market intelligence.....

export salespeople's performance is measured by the strength of relationships they build with export customers

we use export customer surveys for evaluating our export salespeople.....

reward systems encourage employees to focus on increasing export customer satisfaction.....

In this company.....

employees are trained in how to better utilise export market information.....

our management view export marketing training as an important investment.....

we do not devote enough resources to developing the marketing expertise of our export employees.....

our management encourage training that will help employees become better export customer-oriented....

new employees are told that serving export customers is an extremely important priority.....

new employees learn the importance of finding out what our export customers need.....

we have marketing talent necessary to improve our export market position.....

we are encouraged to learn about what happens in functions/units other than our own.....

Generally, when it comes to export decision making in this company.....

export employees need their supervisor to approve a decision before they take action.....

an export person who wants to make his/her own decision would be quickly discouraged.....

even small matters have to be referred to someone higher up for a final answer.....

export people have to ask their boss before they do almost anything.....

export employees need to have the boss' approval first.....

When it comes to recruiting new export personnel, we are good at recruiting people who.....

know how to use export market information.....

know how to develop export market strategies.....

have experience in export marketing.....

.....

Very Strongly
Disagree

Very Strongly
Agree

know how to use export market information.....	1	2	3	4	5	6	7
know how to develop export market strategies..	1	2	3	4	5	6	7
have experience in export marketing.....	1	2	3	4	5	6	7

SECTION 5: COORDINATING ACTIVITIES IN EXPORT MARKETS

1. *With special emphasis on export employees, consider the interaction between and within functional areas/departments in your firm*

Not at all								To an extreme extent
1	2	3	4	5	6	7	7	
In this company, when conflicts between functional areas occur (e.g., between export personnel and manufacturing), we reach mutually satisfying agreements.....								<input type="checkbox"/>
Employees in the export unit and those in other functional areas (e.g., R & D) help each other out.....								<input type="checkbox"/>
In this company, there is a sense of teamwork going right down to the 'shop floor'.....								<input type="checkbox"/>
There is a strong collaborative working relationship between export and 'production'.....								<input type="checkbox"/>
Functional areas in this company pull together in the same direction.....								<input type="checkbox"/>
The activities of our business functions (e.g., marketing/sales, manufacturing, R&D, finance/accounting, etc.) are integrated in pursuing a common goal.....								<input type="checkbox"/>
Our managers understand how everyone in our business can contribute to creating value for export customers.....								<input type="checkbox"/>
We resolve issues and conflicts through communication and group problem-solving.....								<input type="checkbox"/>
People from different functional areas in our company discuss their problems openly and constructively..								<input type="checkbox"/>
In this company, our business functions (e.g., export, manufacturing) are integrated in serving the needs of our export markets								<input type="checkbox"/>

SECTION 6: ABOUT YOUR COMPANY'S PEOPLE

1. *Please use the scale below to indicate the extent to which you agree with each statement.*

Very Strongly Disagree								Very Strongly Agree
1	2	3	4	5	6	7	7	

Employees who are involved with exporting in our company generally.....

perform tasks that they think should be done differently.....	<input type="checkbox"/>
often do not have the resources needed to complete their assignments properly.....	<input type="checkbox"/>
often have to 'bend' a rule or policy in order to carry out an assignment.....	<input type="checkbox"/>
often receive incompatible requests from two or more people.....	<input type="checkbox"/>
are given clear explanations about what has to be done.....	<input type="checkbox"/>
find that it is easy to talk with virtually anyone they need to, regardless of rank or position.....	<input type="checkbox"/>

Very Strongly Disagree <input style="width: 30px; height: 20px; border: 1px solid black;" type="text" value="1"/>	<input style="width: 30px; height: 20px; border: 1px solid black;" type="text" value="2"/>	<input style="width: 30px; height: 20px; border: 1px solid black;" type="text" value="3"/>	Neither Agree nor Disagree <input style="width: 30px; height: 20px; border: 1px solid black;" type="text" value="4"/>	<input style="width: 30px; height: 20px; border: 1px solid black;" type="text" value="5"/>	<input style="width: 30px; height: 20px; border: 1px solid black;" type="text" value="6"/>	Very Strongly Agree <input style="width: 30px; height: 20px; border: 1px solid black;" type="text" value="7"/>
---	--	--	---	--	--	--

have ample opportunity for informal 'hall talk' among individuals from different departments.....

feel comfortable calling employees from different departments when the need arises.....

find that managers discourage employees from discussing work-related matters with those who are not their immediate superiors or subordinates.....

are quite accessible to those from other departments.....

find that junior managers from one department can easily schedule meetings with junior managers in other departments.....

Employees who are involved with exporting in our company generally.....

	Very Strongly Disagree					Very Strongly Agree	
are certain about how much authority they have	1	2	3	4	5	6	7
have clear, planned, goals and objectives for their job.....	1	2	3	4	5	6	7
understand the relative importance of their different tasks	1	2	3	4	5	6	7
know what their job responsibilities are.....	1	2	3	4	5	6	7
are clear about what is expected of them in their jobs.....	1	2	3	4	5	6	7
are highly motivated towards work.....	1	2	3	4	5	6	7
are a group of hard working individuals.....	1	2	3	4	5	6	7
are very ambitious about their work.....	1	2	3	4	5	6	7
have a sense of accomplishment	1	2	3	4	5	6	7
are satisfied with their job	1	2	3	4	5	6	7
feel discontent	1	2	3	4	5	6	7
feel their job expectations remain unfulfilled	1	2	3	4	5	6	7

2. *Please use the scale below to indicate the extent to which you agree with each statement (place the appropriate number in the box provided).*

Disagree <input style="width: 30px; height: 20px; border: 1px solid black;" type="text" value="1"/>	<input style="width: 30px; height: 20px; border: 1px solid black;" type="text" value="2"/>	Neither Agree nor Disagree <input style="width: 30px; height: 20px; border: 1px solid black;" type="text" value="3"/>	<input style="width: 30px; height: 20px; border: 1px solid black;" type="text" value="4"/>	Agree <input style="width: 30px; height: 20px; border: 1px solid black;" type="text" value="5"/>	<input style="width: 30px; height: 20px; border: 1px solid black;" type="text" value="6"/>	Strongly Agree <input style="width: 30px; height: 20px; border: 1px solid black;" type="text" value="7"/>	<input style="width: 30px; height: 20px; border: 1px solid black;" type="text" value="8"/>	Very Strongly Agree <input style="width: 30px; height: 20px; border: 1px solid black;" type="text" value="9"/>
---	--	---	--	--	--	---	--	--

Export managers in this company.....

usually take action in anticipation of future export market conditions.....

try to shape our business environment to enhance our presence in the export market.....

continually seek out new opportunities, because export market conditions are changing.....

are known as innovators amongst our export competitors

Disagree Neither Agree nor Disagree Agree Strongly Agree Very Strongly Agree

1 2 3 4 5 6 7 8 9

- promote new, innovative export services.....
- provide leadership in developing new export services.....
- see taking gambles as part of our strategy for export success.....
- take above average risks.....
- see taking chances as an element of our export strategy.....
- Senior management in our company.....*
- expect exporting to have a positive effect on company profits.....
- expect exporting to have a positive effect on company growth.....
- consider exporting to be a valuable investment of resources.....
- consider our exporting activities to be important.....
- intend to increase the company's exporting activities.....
- actively explore international market opportunities.....
- In this company our export management team emphasises that.....*
- it is vital to adapt to trends in the export markets.....
- employees must be sensitive to the activities of the export competitors
- we must gear up now to meet export customers' future needs.....
- serving export customers is one of the most important things our company does.....
- communication between employees from different functions (e.g., export and finance) is important.....

SECTION 7: ABOUT YOUR COMPANY

1. *How long has your company been in business?* _____ years
2. *How long has your company been exporting?* _____ years
- 3a. *How many full-time employees does your company currently have? (only consider those on your New Zealand payroll)* _____
- 3b. *Of these employees, how many are DIRECTLY involved with export matters?* _____
4. *Approximately what percentage of total sales turnover is derived from exports?* _____

5. To how many countries does your company export? _____ number of countries.
6. Which of the following regions do you currently export to? (Please tick all the relevant boxes).
- | | | | |
|------------------------------------|--------------------------|------------------------|--------------------------|
| Australia and/or Pacific Islands | <input type="checkbox"/> | Eastern Europe | <input type="checkbox"/> |
| Asia | <input type="checkbox"/> | North America | <input type="checkbox"/> |
| United Kingdom | <input type="checkbox"/> | South/Central America | <input type="checkbox"/> |
| Western Europe (not including U.K) | <input type="checkbox"/> | Africa and Middle East | <input type="checkbox"/> |
7. Please indicate the extent to which your company has developed the following skills.

Skill Poorly Developed			Skill moderately developed			Skill very well developed
<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5	<input type="checkbox"/> 6	<input type="checkbox"/> 7

In this company we have developed.....

- | | |
|---|--------------------------|
| capability in the official languages of the foreign markets we export to..... | <input type="checkbox"/> |
| an understanding of foreign business practices..... | <input type="checkbox"/> |
| the ability to identify sources of export market information..... | <input type="checkbox"/> |
| a base of specific information on export sales opportunities..... | <input type="checkbox"/> |
| a base of specific information on export distribution methods/practices..... | <input type="checkbox"/> |
| a base of specific information on overseas market legislation/regulations relative to our company's products/business | <input type="checkbox"/> |
| an understanding of how best to conduct market research in foreign markets | <input type="checkbox"/> |
| the ability to interpret the degree of quality of export market information..... | <input type="checkbox"/> |

8. Compared to our largest competitor(s) in our export markets, we are probably:

Very Small 1 2 3 4 5 6 7 Very Large

9. Relative to our major competitor(s) in our export markets, our operating costs are probably:

Very Small 1 2 3 4 5 6 7 Very Large

10. In our export market(s) there are profits to be made by new players in our industry

Strongly Disagree 1 2 3 4 5 6 7 Strongly Agree

11. Over the last 3 years, how important has achieving the following objectives been to your company? (In order to capture the RELATIVE importance of each of the following four objectives please allocate a total of 100 points between them).

Export Sales Volume	_____
Export Market Share	_____
Export Profitability	_____
Market Entry	_____
TOTAL	100

(Continued Over.....)

12. Overall, how satisfied are you with your performance over the past 3 years, along the following dimensions? (Please circle the appropriate number).

Export Sales Volume	very dissatisfied	1	2	3	4	5	6	7	8	9	10	very satisfied
Export Market Share	very dissatisfied	1	2	3	4	5	6	7	8	9	10	very satisfied
Export Profitability	very dissatisfied	1	2	3	4	5	6	7	8	9	10	very satisfied
Market Entry	very dissatisfied	1	2	3	4	5	6	7	8	9	10	very satisfied

13. Over the past 3 years, what has been the average annual growth/decline rate of your EXPORT SALES? _____%

Growth	Decline
--------	---------

(Please delete as appropriate)

14. How do you think your average annual EXPORT SALES growth/decline compares to the industry average? (Please circle the number of your choice on the scale provided).

Poor

1	2	3	4	5	6	7	8	9	10
---	---	---	---	---	---	---	---	---	----

 Outstanding

15. Overall, how PROFITABLE has exporting been over the past 3 years? (Please circle the number of your choice on the scale provided).

1994-95	very unprofitable	1	2	3	4	5	6	7	8	9	10	very profitable
1995-96	very unprofitable	1	2	3	4	5	6	7	8	9	10	very profitable
1996-97	very unprofitable	1	2	3	4	5	6	7	8	9	10	very profitable

16. Overall, how would you rate your company's EXPORT PERFORMANCE over the past 3 years? (Please circle the number of your choice on the scale provided).

Poor

1	2	3	4	5	6	7	8	9	10
---	---	---	---	---	---	---	---	---	----

 Outstanding

17. Approximately, what is your company's annual TOTAL sales turnover? \$_____

18. Please state your position or title in your company: _____

Thank You For Your Time

If you would like to receive a summary report of the findings of this study, please enclose your business card along with this questionnaire in the reply envelope.

😊 Your contribution to this study is greatly appreciated ! 😊

Appendix A8: Main Survey Reminder Card



Thank you for agreeing to fill out my questionnaire on export market orientation - I hope that you received it last week. If you have already returned it to me, thank you once more. If you have not yet had the chance to complete the questionnaire (and I am well aware that this does place a strain on your busy schedule), I would like to take this opportunity to tell you that I still need your response, since your opinions will make an important contribution to the quality of both this study and my Masters degree. I confirm that all replies are strictly confidential. If you did not receive a copy of the questionnaire, or have any questions about this study, please do not hesitate to contact me or my supervisor (contact details below). Thank you, your support is greatly appreciated.

Yours sincerely

Nicola Paul

**School of Business & Public Management, Victoria University of Wellington, PO Box 600,
Wellington.**

Nicola Paul: 04 472 1000 ext: 8586. Supervisor: Dr J. Cadogan ext: 8244

Appendix A9: Main Survey Reminder Letter



Dear _____,

Recently, you agreed to help me by filling out my questionnaire on export market orientation. If you have already returned the questionnaire to me, I apologise for contacting you again and thank you for your time and effort.

If you have not yet had the chance to complete the questionnaire I would like to take this opportunity to emphasise that your response is still important to me. Your opinions will really contribute to the quality of both this study and my Masters degree.

In case you have misplaced the original I have enclosed another copy of the questionnaire (which should take approximately 25 minutes to complete), and I would be grateful if you could return it in the *freepost* envelope at your earliest convenience. Rest assured that your response will remain confidential at all times. Furthermore, when analysing the data, anonymity will be maintained; at no time, will you or your firm be identified in the analysis.

Because of the wide scope of companies involved in this study (large and small, product and service marketing) some of the questions may at first seem not applicable to your organisation. However, rather than not answering those particular questions, please adapt them to suit your organisation. For example, if you do not have a formal export marketing 'department', answer those questions in terms of the individual(s) whose function export marketing is, or, if you are a service organisation, translate 'manufacturing' into the terminology of your industry.

I would be more than happy to discuss any questions you may have and can be contacted by telephone on 04 472 1000 ext: 8586. Alternatively, you could contact my supervisor Dr John Cadogan on ext: 8244. Once again, thank you very much for agreeing to help.

Yours sincerely,

Nicola Paul
MCA Candidate, BBS (Hons)

APPENDIX B:
FACTOR ANALYSIS OF SCALES

Following in Tables B.1 to B.6 are the summary statistics of the initial factor solutions from the factor analyses. The principal axis analysis was conducted, with varimax rotation. In order to maximise the rigor of the test for unidimensionality each scale was assessed in a factor analysis with other scales which were conceptually similar. After each initial factor analysis items which had factor loading scores which were less than 0.4 or which were strongly cross loading were eliminated and the factor analysis was re-run. Below each factor the items involved in the analysis are shown. Those items that were deleted from the scales as a consequence of this analysis are denoted by an asterix (e.g, *). Only factor loadings which were greater than 0.4 are depicted in the tables. The final versions of each factor analysis are shown in the main body of the text in Chapter Four.

Table B.1: Structural Factors

Variable	Factor 1	Factor 2	Factor 3	Factor 4	Factor 5
Centralisation 1		.473			
Centralisation 2		.624			
Centralisation 3		.813			
Centralisation 4		.822			
Centralisation 5		.767			
Formalisation 1	.694				
Formalisation 2	.777				
Formalisation 3	.845				
Formalisation 4	.850				
Formalisation 5	.837				
Formalisation 6				.753	
Formalisation 7				.831	
Departmentalisation 1			.708		
Departmentalisation 2			.706		
Departmentalisation 3			.748		
Departmentalisation 4					
Eigenvalue	3.36	2.79	1.61	1.41	0.54
Percentage of Variance Explained	21.04	17.43	10.07	8.84	3.34
Cumulative Percentage of Variance Explained	21.04	38.47	48.54	57.38	60.72

Departmentalisation

1. Export employees in this company first and foremost think of themselves as a company person, rather than being aligned to the export functional area/department
2. Export employees in this company faced with a choice between doing what was best for the export function or doing what was best for the company, would do what was best for the company
3. Export employees in this company would say that being a company person is 'part of who they are'
4. Export employees in this company feel that being part of the export function is important to them*

Formalisation

1. Generally, in this company export people are their own boss in most matters
2. Generally, in this company export people can make their own decisions without checking with anybody else
3. Generally, in this company how things are done is left up to the export employee doing the work
4. Generally, in this company export people are allowed to do almost as they please
5. Generally, in this company most export people make their own rules on the job
6. the export employees are constantly being checked on for rule violations*
7. Generally, in this company export people feel as though they are being watched to see that they obey the rules*

Centralisation

1. Generally, when it comes to export decision making in this company export employees need their supervisor to approve a decision before they take action
2. Generally, when it comes to export decision making in this company an export person who wants to make his/her own decision would be quickly discouraged
3. Generally, when it comes to export decision making in this company even small matters have to be referred to someone higher up for a final answer
4. Generally, when it comes to export decision making in this company export people have to ask their boss before they do almost anything
5. Generally, when it comes to export decision making in this company export employees need to have the boss' approval first

Table B.2: Environmental Factors

Variable	Factor 1	Factor 2	Factor 3	Factor 4	Factor 5
Competitor Environment 1		.723			
Competitor Environment 2		.555			
Competitor Environment 3		.545			
Competitor Environment 4		.770			
Competitor Environment 5		.667			
Competitor Environment 6					
Competitor Environment 7		.686			
Customer Environment 1				.701	
Customer Environment 2				.575	
Customer Environment 3				.718	
Customer Environment 4				.475	
Customer Environment 5				.664	
Regulatory Environment 1			.527		
Regulatory Environment 2			.684		
Regulatory Environment 3			.634		
Regulatory Environment 4			.650		
Regulatory Environment 5			.489		
Regulatory Environment 6			.434		.571
Regulatory Environment 7			.521		.432
Regulatory Environment 8			.604		.445
Technological Environment 1	.779				
Technological Environment 2	.840				
Technological Environment 3	.854				
Technological Environment 4	.787				
Eigenvalue	2.88	2.88	2.80	2.32	.88
Percentage of Variance Explained	12.01	12.01	11.63	9.65	3.67
Cumulative Percentage of Variance Explained	12.01	24.02	35.65	45.30	48.97

Competitor Environment

1. Industry competition in our export markets is cut-throat
2. In our export markets, there are many 'promotion wars'
3. Anything that one export competitor can offer, others can match readily
4. In our foreign markets, price competition is a hallmark of our industry
5. One hears of a new competitive move in our export markets almost every day
6. Our export competitors are relatively weak*
7. In our foreign markets, aggressive selling is the norm

Customer Environment

1. Our export customers' product preferences change quite a bit over time
2. New export customers tend to have product-related needs that are different from those of our existing export customers
3. Our export customers tend to look for new products all the time
4. Our export customers tend to have stable product preferences
5. We are witnessing changes in the type of products/services demanded by our export customers

Regulatory Environment

1. Foreign government product standards
2. Foreign restrictions on seller concentration
3. Foreign transportation and handling regulations
4. Foreign government pricing regulations
5. Overseas environmental protection (pollution, noise, etc.) law
6. Foreign governmental regulation of advertising
7. Foreign regulations relating to product resale
8. Overseas trade association regulations of business practices

Technological Environment

1. The technology in our industry is changing rapidly
2. Technological changes provide big opportunities in our industry
3. A large number of new product ideas have been made possible through technological breakthroughs in our industry
4. Technological developments in our industry are rather minor

As described earlier, as a consequence of the results of the following factor analysis, and the high Pearson's correlation coefficient between Leader Emphasis on Export Market Orientation and Managements Propensity toe Export, a purified measure of Leader Emphasis on Export Market Orientation was calculated. Please refer back to Chapter 4 for a more detailed explanation.

Table B.3: Leadership Factors

Variable	Factor 1	Factor 2	Factor 3
Emphasis on Export Market Orientation 1	.61068	.52855	
Emphasis on Export Market Orientation 2	.54316	.47394	
Emphasis on Export Market Orientation 3	.64155	.46754	
Emphasis on Export Market Orientation 4	.70427		
Emphasis on Export Market Orientation 5	.63768		
Emphasis on Intrapreneurship 1		.61705	
Emphasis on Intrapreneurship 2		.71768	
Emphasis on Intrapreneurship 3		.75642	
Emphasis on Intrapreneurship 4		.69229	
Emphasis on Intrapreneurship 5		.73951	
Emphasis on Intrapreneurship 6		.78150	
Emphasis on Intrapreneurship 7			.79945
Emphasis on Intrapreneurship 8			.83701
Emphasis on Intrapreneurship 9			.84065
Propensity to export 1	.75019		
Propensity to export 2	.87205		
Propensity to export 3	.85762		
Propensity to export 4	.88864		
Propensity to export 5	.80810		
Propensity to export 6	.73087	.41139	
Eigenvalue	10.84485	2.28964	.93043
Percentage of Variance Explained	54.2	11.4	4.7
Cumulative Percentage of Variance Explained	54.2	65.7	70.3

Emphasis on Export Market Orientation

1. In this company our export management team emphasises that it is vital to adapt to trends in the export markets
2. In this company our export management team emphasises that employees must be sensitive to the activities of the export competitors
3. In this company our export management team emphasises that we must gear up now to meet export customers' future needs
4. In this company our export management team emphasises that serving export customers is one of the most important things our company does
5. In this company our export management team emphasises that communication between employees from different functions (e.g., export and finance) is important

Leader Emphasis on Intrapreneurship

1. Export managers in this company usually take action in anticipation of future export market conditions
2. Export managers in this company try to shape our business environment to enhance our presence in the export market
3. Export managers in this company continually seek out new opportunities, because export market conditions are changing
4. Export managers in this company are known as innovators amongst our export competitors
5. Export managers in this company promote new, innovative export services
6. Export managers in this company provide leadership in developing new export services
7. Export managers in this company see taking gambles as part of our strategy for export success*
8. Export managers in this company take above average risks*
9. Export managers in this company see taking chances as an element of our export strategy*

Leader Propensity to Export

1. Senior management in our company expect exporting to have a positive effect on company profits
2. Senior management in our company expect exporting to have a positive effect on company growth
3. Senior management in our company consider exporting to be a valuable investment of resources
4. Senior management in our company consider our exporting activities to be important
5. Senior management in our company intend to increase the company's exporting activities
6. Senior management in our company actively explore international market opportunities*

Table B.4: Individual Factors

Variable	Factor 1	Factor 2	Factor 3	Factor 4
Commitment 1		.763		
Commitment 2		.754		
Commitment 3		.747		
Job Satisfaction 1	-.415	.601		
Job Satisfaction 2		.478		.535
Job Satisfaction 3				.675
Job Satisfaction 4				.711
Role Ambiguity 1	.553			
Role Ambiguity 2	.707			
Role Ambiguity 3	.690			
Role Ambiguity 4	.769			
Role Ambiguity 5	.799			
Role Conflict 1			.602	
Role Conflict 2			.705	
Role Conflict 3			.673	
Role Conflict 4			.677	
Role Conflict 5	.416			
Eigenvalue	3.40	2.81	2.04	1.71
Percentage of Variance Explained	20.01	16.53	12.00	10.08
Cumulative Percentage of Variance Explained	20.01	36.53	48.53	58.60

Commitment

1. Employees who are involved with exporting in our company generally are highly motivated towards work
2. Employees who are involved with exporting in our company generally are a group of hard working individuals are
3. Employees who are involved with exporting in our company generally very ambitious about their work

Job Satisfaction

1. Employees who are involved with exporting in our company generally have a sense of accomplishment*
2. Employees who are involved with exporting in our company generally are satisfied with their job*
3. Employees who are involved with exporting in our company generally feel discontent
4. Employees who are involved with exporting in our company generally feel their job expectations remain unfulfilled

Role Conflict

1. Employees who are involved with exporting in our company often perform tasks that they think should be done differently
2. Employees who are involved with exporting in our company often do not have the resources needed to complete their assignments properly
3. Employees who are involved with exporting in our company often have to 'bend' a rule or policy in order to carry out an assignment
4. Employees who are involved with exporting in our company often receive incompatible requests from two or more people

5. Employees who are involved with exporting in our company generally are given clear explanations about what has to be done*

Role Ambiguity

1. Employees who are involved with exporting in our company generally are certain about how much authority they have
2. Employees who are involved with exporting in our company generally have clear, planned, goals and objectives for their job
3. Employees who are involved with exporting in our company generally understand the relative importance of their different tasks
4. Employees who are involved with exporting in our company generally know what their job responsibilities are
5. Employees who are involved with exporting in our company generally are clear about what is expected of them in their jobs

Table B.5: Systems Factors

Variable	Factor 1	Factor 2	Factor 3	Factor 4	Factor 5
Recruiting 1		.766			
Recruiting 2		.901			
Recruiting 3		.696			
Reward 1					.588
Reward 2	.767				
Reward 3	.806				
Reward 4	.435				
Reward 5	.551				
Reward 6	.583				
Training 1				.638	
Training 2				.624	
Training 3					
Training 4			.452	.484	
Training 5			.786		
Training 6			.766		
Training 7			.448		
Training 8			.450		
Eigenvalue	2.42	2.28	2.24	1.48	0.84
Percentage of Variance Explained	14.23	13.44	13.20	8.70	5.00
Cumulative Percentage of Variance Explained	14.23	27.67	40.87	49.56	54.50

Recruiting Systems

1. When it comes to recruiting new export personnel, we are good at recruiting people who know how to use export market information
2. When it comes to recruiting new export personnel, we are good at recruiting people who know how to develop export market strategies
3. When it comes to recruiting new export personnel, we are good at recruiting people who have experience in export marketing

Reward Systems

1. In this company no matter which department they are in, people get recognised for being sensitive to competitive moves in our export markets*
2. In this company export customer satisfaction assessments influence senior managers' pay
3. In this company formal rewards (i.e., pay rises, promotions) are forthcoming to anyone who consistently provides good export market intelligence
4. In this company export salespeople's performance is measured by the strength of relationships they build with export customers
5. In this company we use export customer surveys for evaluating our export salespeople
6. In this company reward systems encourage employees to focus on increasing export customer satisfaction

Training Systems

1. In this company employees are trained in how to better utilise export market information
2. In this company our management view export marketing training as an important investment

3. In this company we do not devote enough resources to developing the marketing expertise of our export employees*
4. In this company our management encourage training that will help employees become better export customer-oriented
5. In this company new employees are told that serving export customers is an extremely important priority
6. In this company new employees learn the importance of finding out what our export customers need
7. In this company we have marketing talent necessary to improve our export market position
8. In this company we are encouraged to learn about what happens in functions/units other than our own

Table B.6: Export Market Orientation Factors

Factor	1	2	3	4	5	6	7	8	9	10	11	12
CM 1	.524											
CM 2	.708											
CM 3	.745											
CM 4	.747											
CM 5	.797											
CM 6	.750											
CM 7	.690											
CM 8	.600											.451
CM 9	.634											.401
CM 10	.660											
G 1			.719									
G 2			.602									
G 3												
G 4												
G 5									.540			
G 6			.449									
G 7										.507		
G 8			.730									
G 9									.548			
G 10			.410							.478		
G 11												
D 1												
D 2		.403										
D 3												
D 4		.472										
D 5			.439									
D 6		.510										
D 7												
D 8		.711										
D 9		.748										
D 10		.611										
D 11		.670										
D 12		.735										
D 13				.432								
D 14				.445								

Factor	1	2	3	4	5	6	7	8	9	10	11	12
D 15				.634								
D 16				.604								
D 17												
D 18				.470								
R 1					.619							
R 2					.411							
R 3					.714							
R 4			.418									
R 5												
R 6			.420									
R 7							.511					
R 8							.480					
R 9						.609						
R 10						.554						
R 11												
R 12												
R 13												
R 14												
R 15												
R 16					.646							
R 17												

Factor	1	2	3	4	5	6	7	8	9	10	11	12
E	6.51	4.43	4.24	3.04	2.90	1.33	1.26	1.21	1.78	1.09	0.96	0.73
PVE	11.62	7.91	7.57	5.42	5.18	2.34	2.25	2.16	2.11	1.95	1.72	1.30
CPEV	11.62	19.53	27.10	32.52	37.71	40.09	42.34	44.49	46.60	48.55	50.27	51.57

KEY

CM= Coordinating Mechanism

G= Export Intelligence Generation

D= Export Intelligence Dissemination

R= Export Intelligence Responsiveness

E = Eigenvalue

PVE= Percentage of Variance Explained

CPEV= Cumulative Percentage of Variance Explained

Coordinating Mechanism

1. In this company, when conflicts between functional areas occur (e.g., between export personnel and manufacturing), we reach mutually satisfying agreements
2. Employees in the export unit and those in other functional areas (e.g., R & D) help each other out
3. In this company, there is a sense of teamwork going right down to the 'shop floor'
4. There is a strong collaborative working relationship between export and 'production'
5. Functional areas in this company pull together in the same direction
6. The activities of our business functions (e.g., marketing/sales, manufacturing, R&D, finance/accounting, etc.) are integrated in pursuing a common goal
7. Our managers understand how everyone in our business can contribute to creating value for export customers
8. We resolve issues and conflicts through communication and group problem-solving
9. People from different functional areas in our company discuss their problems openly and constructively
10. In this company, our business functions (e.g., export, manufacturing) are integrated in serving the needs of our export markets

Information Generation

1. In this company, we generate a lot of information concerning trends (e.g., regulation, technological developments, political, economy) in our export markets
2. We constantly monitor our level of commitment and orientation to serving export customer needs
3. We are slow to detect fundamental shifts in our export environment (e.g., regulation, technology, economy)
4. Individuals who are responsible for the manufacturing and/or development of our products and services interact directly with export customers to learn how to serve them better
5. We are slow to detect changes in our overseas customers' product preferences
6. We periodically review the likely effect of changes in our export environment (e.g., regulation, technology)
7. We poll end users once a year to assess the quality of our products and services
8. We generate a lot of information in order to understand the forces which influence our overseas customers' needs and preferences
9. We do not generate enough reliable/relevant information concerning our competitors' activities in our export markets
10. We measure export customer satisfaction systematically and regularly
11. Our top managers from every function regularly visit our current and prospective export customers

Information Sharing

1. Marketing personnel in our company spend time discussing export customers' future needs with other functional areas (e.g., manufacturing, finance)
2. There is minimal communication between the export and other departments concerning foreign market developments (e.g., regulation, technology)
3. Our company periodically circulates internal documents (e.g., reports, newsletters) that provide information on export customers

4. When one department finds out something important about foreign market competitors, it is slow to alert other departments
5. We have 'interfunctional' meetings at least once a quarter to discuss trends and developments (e.g., regulation, technology) in our export markets
6. Too much information concerning our export competitors is discarded before it reaches decision makers.
7. All information concerning our export competition is shared within this company
8. Information which can influence the way we serve our export customers takes forever to reach export personnel
9. Important information about our export customers is often 'lost in the system'
10. In this company, export personnel rarely pass on information on customer preferences to other functions/units
11. Information about our export competitors' activities often reaches relevant personnel too late to be of any use
12. Important information concerning export market trends (regulation, technology) is often discarded as it makes its way along the communication chain
13. Export personnel regularly share information within our business concerning export competitors' strategies
14. Important information concerning our major export customers is disseminated right down to the 'shop floor'
15. Personnel directly involved in export operations frequently discuss export competitors' activities with non-export personnel
16. We freely communicate information about our successful and unsuccessful export customer experiences across all business functions in our company
17. Top management regularly discuss export competitors' strengths and strategies
18. Export sales personnel rarely share their experiences of dealing with customers with others

Responsiveness

1. For one reason or another, we tend to ignore changes in our foreign customers' product or service needs
2. If a major competitor were to launch an intensive campaign targeted at our foreign customers, we would implement a response immediately
3. We periodically review our product development efforts to ensure that they are in line with what foreign customers want
4. We are quick to respond to significant changes in our competitors' price structures in foreign markets
5. Our strategy for standardising or adapting our export products is based on detailed research about our export customers
6. The product lines we sell to foreign markets depend more on internal politics than real market needs
7. We are quick to respond to important changes in our export business environment (e.g., regulation, technology, economy)
8. Foreign customer complaints fall on deaf ears in our company
9. We take forever to decide how to respond to our export market competitors' price changes
10. When we find out that export customers are unhappy with the quality of our service, we take corrective action immediately
11. Several 'departments' get together periodically to plan a response to changes taking place in our foreign business environment (e.g., regulation, technology, etc.)
12. All 'departments' in our company are involved in implementing our export market strategies

13. Our export business strategies are driven by our beliefs about how we can create greater value for export customers
14. Our export strategy for competitive advantage is based on our understanding of export customer needs
15. Our export business objectives are driven primarily by customer satisfaction
16. We rapidly respond to competitive actions that threaten us in our export markets
17. We give close attention to after-sales service in our export markets

APPENDIX C:
CORRELATION MATRIX

Variable No.	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
1	1.00																
2	-.611	1.00															
3	.017	-.061	1.00														
4	.162	-.053	.276	1.00													
5	.656	.313	.163	.294	1.00												
6	.021	-.110	.541	.232	.128	1.00											
7	.146	.050	.224	.272	.154	.235	1.00										
8	.074	-.080	.080	.117	.069	.210	.071	1.00									
9	-.032	-.056	.149	.126	.044	.194	.155	.189	1.00								
10	.192	-.053	.138	.284	.282	.123	.081	.126	.123	1.00							
11	-.197	-.274	.062	.089	-.098	.112	.032	.030	.049	.119	1.00						
12	.097	.049	-.018	-.014	.066	.034	.018	-.013	-.009	-.040	.056	1.00					
13	-.206	-.184	-.034	-.099	-.108	-.028	-.007	-.080	-.071	-.110	-.039	.289	1.00				
14	.137	.060	-.009	-.001	.131	.104	-.055	.079	-.049	.074	.033	.062	.046	1.00			
15	.189	.170	-.096	.077	.091	.049	.112	.142	-.068	.018	.028	.057	-.072	.226	1.00		
16	.111	-.035	.032	.110	.102	.045	.055	-.040	.056	.235	.118	-.096	-.008	.195	.105	1.00	
17	.260	.094	.049	.171	.143	.111	.032	.203	.107	.045	.032	.019	-.143	.054	.334	.134	1.00

Note:

1. A list of the variable names is over page

Variable

No.	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
18	.373	.210	.040	.142	.310	-.012	.186	.051	-.065	.107	.012	-.076	-.068	.145	.165	.233	.147
19	.662	.510	.028	.234	.559	.049	.175	.059	.031	.229	-.078	.027	-.156	.113	.221	.130	.193
20	.505	.358	-.017	.078	.489	-.005	.109	.063	.032	.179	-.086	.001	-.183	.135	.111	.124	.103
21	.315	.118	.035	.109	.289	.060	.046	-.034	-.022	.097	-.061	-.023	-.105	.148	.088	.031	.049
22	.636	.476	-.059	.194	.551	-.056	.082	.023	-.076	.216	-.161	-.073	-.230	.160	.273	.097	.182
23	.504	.377	-.003	.223	.407	.049	.105	.009	-.022	.196	-.086	.110	-.106	.117	.270	.047	.159
24	.420	.181	.189	.390	.302	.029	.247	.063	-.048	.262	.025	.138	-.048	.000	.110	-.002	.048
25	.262	.330	-.073	.110	.280	-.085	-.088	-.007	-.096	.046	-.154	-.198	-.188	.029	.057	.025	.066
26	.243	.372	-.173	-.028	.096	-.140	.010	.045	-.027	-.074	.000	.099	-.127	-.088	.109	-.034	.035
27	-.365	-.362	-.029	-.045	-.335	-.050	-.064	.057	-.003	-.118	.159	-.047	.046	-.114	.036	.042	.009
28	-.222	-.285	.022	.014	-.179	.118	-.013	-.002	-.009	.065	.047	-.183	.096	.127	.105	.135	.021
29	-.084	.002	.029	-.026	-.024	-.065	.020	-.034	.024	-.054	-.020	.000	.043	-.206	-.022	-.082	.046
30	-.038	-.043	.079	-.026	-.033	-.006	.122	-.035	.088	.020	-.029	-.054	-.053	-.022	-.078	-.055	-.014
31	-.094	-.007	.078	-.026	-.046	.025	.048	-.079	.000	-.056	-.097	-.025	-.001	-.083	-.058	-.213	-.027
32	-.074	-.048	.008	-.039	-.076	-.099	.001	.029	-.007	-.028	-.031	-.010	-.181	.045	-.015	-.027	-.104
33	-.022	.042	-.016	-.018	-.005	-.041	-.053	-.039	.058	.042	.000	-.034	.003	.025	.011	.001	.115
34	-.042	.015	-.047	-.056	.012	-.011	-.031	-.035	.083	.029	-.084	-.046	-.052	.010	-.026	-.090	-.004
35	-.065	.037	-.053	.009	-.065	-.084	.037	-.100	-.086	-.046	-.076	-.024	-.030	.001	-.094	-.050	-.054
36	.030	.093	.047	-.035	.042	-.018	.031	-.020	-.041	-.060	.022	-.026	-.010	.118	-.004	-.055	.086

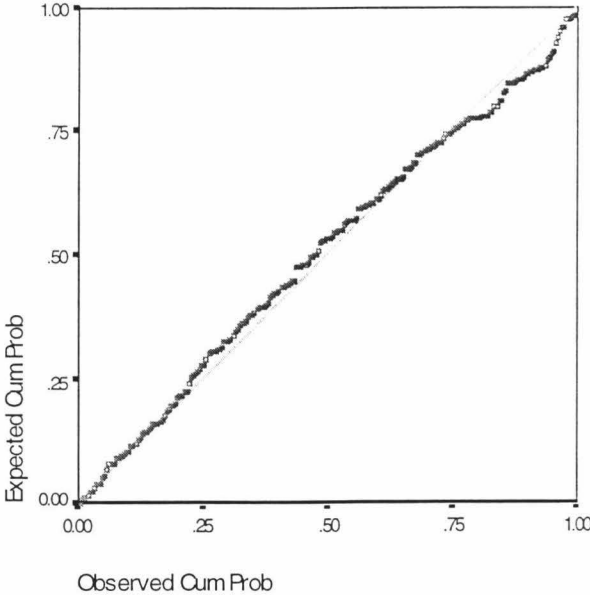
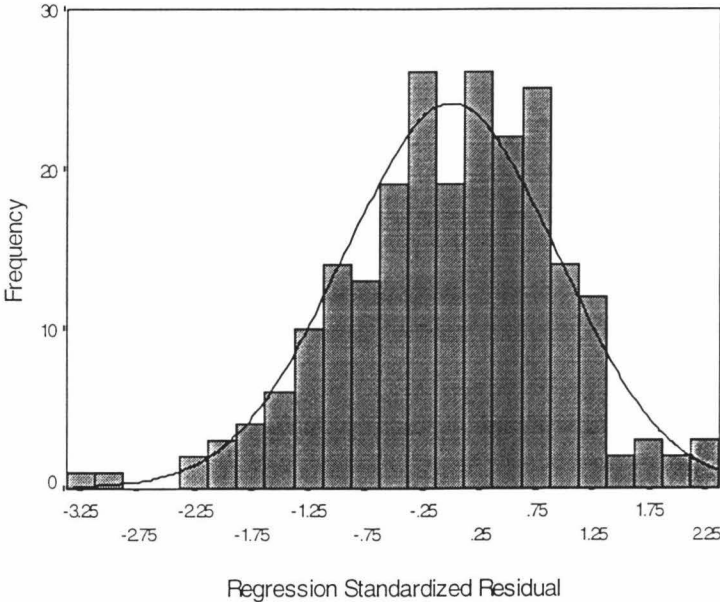
Variable

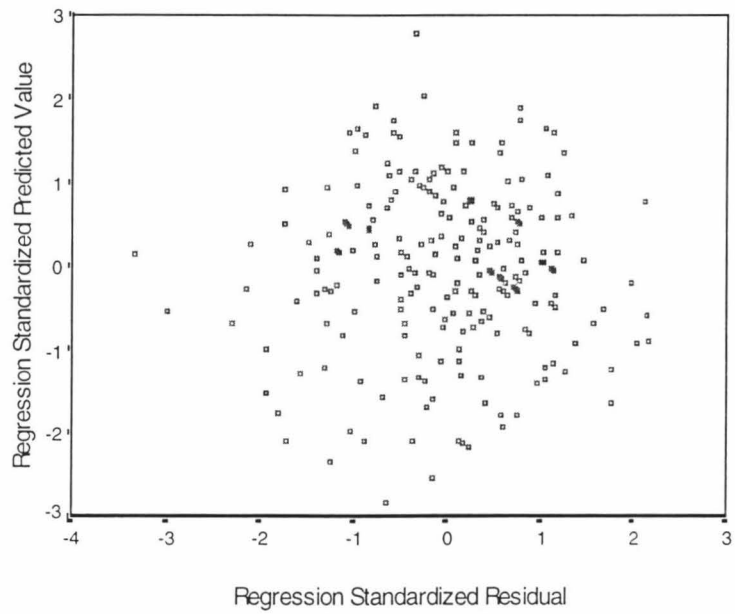
No.	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36
18	1.00																		
19	.463	1.00																	
20	.312	.527	1.00																
21	.082	.235	.107	1.00															
22	.354	.536	.430	.303	1.00														
23	.257	.441	.343	.000	.533	1.00													
24	.199	.378	.174	.127	.226	.500	1.00												
25	.124	.257	.245	.088	.331	.286	.116	1.00											
26	.184	.194	.127	.067	.190	.138	.051	.083	1.00										
27	-.106	-.305	-.191	-.155	-.319	-.222	-.101	-.110	-.042	1.00									
28	.049	-.144	-.098	-.021	.006	.020	-.126	.021	-.070	.074	1.00								
29	-.074	-.052	.012	-.129	-.108	.037	.020	-.161	-.057	.031	-.093	1.00							
30	-.068	-.127	-.071	.003	-.199	-.004	.025	-.177	-.104	.058	-.097	.398	1.00						
31	.000	-.019	-.076	-.104	-.068	-.074	.034	-.034	-.045	.108	-.003	.167	.133	1.00					
32	-.033	-.110	-.016	-.059	-.084	-.067	.069	-.133	.063	.178	-.058	.259	.465	.212	1.00				
33	-.043	.016	.058	-.050	.035	.031	-.073	-.019	.026	.065	.031	.350	.147	-.022	.012	1.00			
34	-.039	-.024	.066	.043	-.056	-.002	-.005	-.012	-.085	-.039	-.058	.144	.418	-.047	.208	.128	1.00		
35	-.030	.010	-.030	.021	.019	-.032	.004	.003	.010	.085	.053	-.019	-.052	.305	.039	.184	.033	1.00	
36	.037	.033	.051	.044	.069	-.017	.012	.048	.044	.047	.055	.003	.205	.054	.294	.072	.341	.113	1.00

1. Export Intelligence Generation, Dissemination and Responsiveness
2. Coordinating Mechanism
3. Number of Years Exporting
4. Number of Countries
5. Skills/knowledge
6. Number of Employees
7. Number of Export Employees
8. Number of Departments
9. Number of Hierarchies
10. Export Departmentalisation
11. Relative Functional Identification
12. Formalisation
13. Centralisation
14. Competitor Environment
15. Customer Environment
16. Regulatory Environment
17. Technological Environment
18. Export Reward Systems
19. Export Training Systems
20. Export Recruiting Systems
21. Leader Emphasis on Export Market Orientation
22. Leader Emphasis on Intrapreneurship
23. Leader Propensity to Exporting
24. Export Dependence
25. Individual Commitment
26. Individual Job Satisfaction
27. Individual Role Ambiguity
28. Individual Role Conflict
29. Competitor Environment/ Centralisation Interaction
30. Customer Environment/ Centralisation Interaction
31. Regulatory Environment/ Centralisation Interaction
32. Technological Environment/ Formalisation Interaction
33. Competitor Environment/ Formalisation Interaction
34. Customer Environment/ Formalisation Interaction
35. Regulatory Environment/ Formalisation Interaction
36. Technological Environment/ Formalisation Interaction

APPENDIX D:
REGRESSION RESIDUAL PLOTS

Dependent Variable: Coordinating Mechanism





Dependent Variable: Export Market Intelligence Generation, Dissemination, Responsiveness

