Examining the Impact of Knowledge on Export Performance: The Case Study on Malaysian SMEs

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Doctor for Philosophy

by

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IN THE NAME OF ALLAH, THE COMPASSIONATE, THE MERCIFUL

Dedication

I dedicate this effort to my family for their love and encouragement.

Acknowledgment

ABSTRACT

This study emphasises that knowledge as a primary resource of the export performance and becomes organisation's basis capabilities. Drawing from resource-based view and knowledge-based view, the knowledge as an asset valuably found in organisation is vital to achieving the superior performance in export undertaking. This study also emphasised the export knowledge and experiences that held by managers and staff becoming a primary factor that associated with export performance via export marketing strategy, and managers' knowledge on business environment.

A survey was commenced to collect essential information from registered SMEs actively pursuing exporting activities with a focus on the manufacturing sector in Malaysia. 211 SMEs responded to the survey by sharing their organisational data, including the background of the organisation, manager knowledge of the business environment, export marketing strategy for managing export operation. In a nutshell, this study is a quantitative research in nature by employing multiple regression in order to comprehend the relationship between the independent variable and dependent variables in the model.

The present study has established both managers' knowledge of the business environment and export marketing strategy are associated with export performance, managers' knowledge of the business environment and export performance is moderated with years of exporting experience, and export marketing strategy and export performance is moderated by number of staff

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are associated export performance of Malaysian SMEs. However, export knowledge and experience of staff, export knowledge and experience of staff and export performance is moderated by number of employees, managers' knowledge of the business environment and export performance is moderated by number of employees and export marketing strategy and export performance is moderated by years of exporting experience are not associated with export performance of Malaysian SMEs.

This study finding is useful for existing and potential SMEs' exporters that are embarking on export initiative in the manufacturing sectors and related industries. This study is also of fundamental importance for decision-makers on policy related to empowering SMEs in Malaysian and developing countries. Decisively, this study emphasises the perpetuation of knowledge inside organisation is crucial to enhance organisation performance in a globalised business environment.

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Abbreviation

AEC	Asean Economic Community
AFTA	Asean Free Trade Area
APEC	Asia Pacific Economic Cooperation
ASEAN	Association of Southeast Asian Nations
DC	Dynamics Capabilities
EKA	Export Knowledge and Experience of Staff
EMS	Export Marketing Strategy
ETP	Economic Transformational Plan
EU	European Union
EP	Export Performance
EPU	Economic Planning Unit, Malaysia
GDP	Gross Domestic Product
GTPs	Government Transformational Programs
IT	Information Technology
KBV	Knowledge Based-View
NSDC	National SME Development Council
NEM	New Economic Model, Malaysia
OECD	The Organisation for Economic Co-operation and Development
RBV	Resource Based-View
SEAP	SME Expert Advisory Panel
SMB	Small and Medium Business
SMEs	Small and Medium Enterprises
SMIDEC	Small and Medium Industries Development Corporation
SPM	Malaysian Examination Certificate
TPPA	Trans-Pacific Partnership Agreement
VRINs	Valuable, Rarity, Inimitable, Non-substitutes

Chapter One:

INTRODUCTION

1 Introduction

1.1 Research Background

In strategic management, the export performance is one of the most widely researched and voluminous empirical research has been conducted by scholars (Krammer et al., 2018; Chen et al., 2016; Wang et al., 2010). The aggregate of the export performance of SMEs in developing and developed countries is an apparatus for economic growth and economic development, and governments around the globe are concerned about their performance (Ayyagari et al., 2011; Awuah and Amal, 2011). Thus, a solid performance of SMEs is vital by exploiting a unique approach that usefully found within the organisation that leads to achieving organisational performance (Chen et al., 2016).

Export performance research has identified the leading antecedents of export performance, which are managerial, organisational, environmental antecedent (Chung and Kuo, 2018; Chen et al., 2016; Sousa et al., 2008; Zou and Stan, 1998). Knowledge has been identified as one managerial antecedent that keeps an organisation thriving in the export business (Heisig et al., 2016; Wang et al., 2010; Chen et al., 2016). The shaping of knowledge within organisation helps them become an effective organisation in the industry (Nonaka, 2008). Sanchez (2005) stated that organisations emerge into successful organisations when the constitution of knowledge permits organisation to achieve competitive advantage and producing added-value to their clients.

As in the knowledge based-view (KBV), managerial knowledge is organised as a set of practices that begins with individual knowledge and turning into organisational knowledge (Sanchez, 2005). This organisational knowledge which is a valuable resource to any organisation that venturing into export business has become a unique resource for the organisation (Barney and Mackey, 2016). This organisational knowledge is rudimentary for the firm to become "knowledge-creating organisation" that takes place continuously at the nucleus of an organisation that creating the solid performance in the market (Nonaka, 2008). The exploitation of export knowledge rests on the heads of staff and managers to turn it into a unique bundle of resource for the export business working in tandem with the RBV and KBV theory. This resource knowledge further improved the functioning of the organisation in the marketplace (Barney and Mackey, 2016; Barney, 1991).

In knowledge management, knowledge can be categorised into two; explicit knowledge and tacit knowledge (Nonaka, 2008; Nonaka & Takeuchi, 1995; Polanyi, 1966). Explicit knowledge signifies knowledge that can be expressed and codified in the form of formulas, numbers, and models (Nonaka, 2008). Furthermore, explicit knowledge is formal and rational in nature and can be conveyed from one individual to another (Nonaka & Takeuchi, 1995). Conversely, tacit knowledge signifies knowledge that is personal and can be built upon both in terms of experience and repetition within the organisation (Sanchez, 2005).

Nonaka (2008) stated that tacit knowledge is difficult to be communicated and formalised and it can simply be transferred to another by sharing mutual experience and active engagement in the face-to-face interaction within the organisation. A managerial knowledge which is shaped as tacit knowledge means that the organizational information that is developed by staff and managers can be easily understood rather than their ability to articulate it (Nonaka & Takeuchi, 1995). Tacit knowledge that exists in the heads of individuals can foster the organizational performance (Sanchez, 2005). The use of tacit knowledge as information is accomplished by sharing the communal experience between staff or managers as "knowledge carriers" within the organization (Nonaka, 2008; Sanchez, 2005). This character of knowledge being shared among staff becomes a routine process by stressing a learning and doing process (Nonaka, 2008; Polanyi, 1966).

Nonaka (2008) stated that there are two facets of tacit knowledge that is cognitive and technical. The cognitive facet consists of models, outlines and inventions that shape an individual's understanding and perception of the universe. The technical facet includes all concrete operational tendencies and skills in the form of experience and repetitive action (Kogut and Zander, 1992). Most importantly, tacit knowledge remains subconscious even to the individuals themselves, and it is impossible to explain and articulate how the routine of knowing happens that is useful for organisational performance (Sanchez, 2005). Besides, knowledge is formed as a skilled action in the form of experience and it is impossible to disconnect it from the activities that have been established (Nonaka, 2008).

From the lens of an export business, an organization required to emphasize on the specialised knowledge that is centrally positioned in the organisation as heterogeneous resources (Barney and Mackey, 2016). The managerial knowledge is an important asset of organisations and is crucial for the success in business operations (Barney and Mackey, 2016; Heisig et al., 2016; Wang et al., 2010; Nonaka, 2008).

1.2 Motivation of Research

Export performance studies have been widely researched and voluminous empirical research has been carried out by scholars (Krammer et al., 2018; Chen et al., 2016; Wang et al., 2010). Thus, managerial knowledge in the formed of export knowledge is seen as one of the influential antecedents in export performance studies (Wang et al., 2010; Halawi et al., 2006). The primary aim of this study is to investigate the impact of knowledge on export performance. This study will investigate three research questions:

1. Does export knowledge and experience of staff influence the export performance of Malaysian SMEs?

2. Does the export marketing strategy influence the export performance of Malaysian SMEs?

3. Does managers' knowledge of the business environment affect the export performance of SMEs?

1.3 Research Problem

Researchers in strategic management have long recognised that export knowledge is a strategic asset to provide competitive advantage (Heisig et al., 2016; Oyemomi et al., 2016; Kim et al., 2015). Scholars suggested that export

knowledge is acquired, shared, and applied within the organisation when the firm is venturing into the foreign market and it gives a competitive advantage to the organisation in the marketplace (Oyemomi et al., 2016). Export knowledge is valuable, rare and non-substitutable when capable of reducing the uncertainty in the export business (Barney and Mackey, 2016; Seidler and Hertmann, 2008). Nonaka (2008). In an economy where the only certainty is uncertainty, the foundation of lasting competitive advantage is knowledge that exists in the organisation (Nonaka, 2008). The manifestation of export knowledge as a set of practice begins with an individual's understanding and is transformed into organisational knowledge in export activity (Oyemomi et al., 2016). This is the basic resource to the organisation, and it has the potential to reduce transaction cost and increase the firm's performance (Halawi et al., 2006). Wang and Olsen (2002) stated that an organisation not concentrating on the formation of a knowledge base such as export knowledge is incapable of competing in a business environment. An organisation needs to emphasise on the formation of knowledge via tacit knowledge to facilitate the organisation's operation by responding to management and clients' needs (Cadogan et al., 2004). Tacit knowledge as formed skilled actions and experience is impossible to disconnect from activities that are being established (Nonaka, 2008). According to Sidler and Hertmann (2008), the development of tacit knowledge in the form of managerial knowledge and experience that exist within the organisation that delivered added value for clients' needs. Additionally, this knowledge-based organisation enables them to generate profit and achieve competitive advantage in the marketplace (Omerzel et al., 2011).

1.4 Aim and Objectives of the Research

The study aims to investigate how export knowledge which is shaped in the export business influences the export performance of Malaysian SMEs. This study will, therefore, address the following five objectives;

1. To evaluate the effect of export knowledge and experience of the staff on the export performance of SMEs in Malaysia.

2. To evaluate the impact of export marketing strategy on the export performance of SMEs in Malaysia.

3. To investigate how managers' knowledge of the business environment affects the export performance.

4. To develop an integrated model for investigating the export performance of SMEs in the manufacturing sector in Malaysia.

5. To highlight the practical and theoretical implications in export performance studies.

1.5 Significance of Research

This present research contributes to export performance studies by emphasising on the significance of knowledge in the context of Malaysia and developing countries. The export performance of SMEs is beyond question yet, to date, SMEs have been largely one of mechanism to support the part of every economy via economic development and economic growth (Awuah and Amal, 2011). Furthermore, SMEs are the backbone of economies within every country both in advanced and developing economies. SMEs are the largest employers in all sectors in the Asian trading block (APEC, 2013). SMEs are responsible for the single largest proportion of export income, gross domestic product and

innovation. In addition, in every member country in the Asia-Pacific Economic Co-operation, SMEs account for over a halve of all enterprises and the majority are in the manufacturing sector and related industries (APEC, 2013). From Malaysia perspective, the aggregate of SMEs has been recognised as the spine of the Malaysian economy since its formative day in 1957. In addition, Malaysian SMEs now represent 97.3% of the establishments in Malaysia with a total of 693, 670 establishments and employ 6.6 million of the national workforces (SMECorp Malaysia, 2017). Also, for the country to become fully developed nation by 2025, the competitive SMEs are a commanding component for the economic development and growth in the Malaysian economy.

As the business landscape is evolving rapidly, the establishment of knowledge within organisation become the foundation of any organisation to flourish in a business setting (Heisig et al., 2016). Also, the effective of knowledge within organisation transfigures organisation become an operative organisation in the business setting (Nonaka, 2008). Thus, export performance antecedents have been examined in several settings; thus, in that respect, this research is limited into examining the role of knowledge in the form of manager and staff's knowledge and experiences in export performance studies (Heisig et al., 2016; Chen et al., 2016; Wang et al., 2010). Thus, the construct of this study incorporates export knowledge and experience of the staff, export marketing strategy, and managers' knowledge of the business environment influence and associated with export performance as well as the connection of number of employees and years of exporting as a moderating variable in the model. To

the best of the researcher's knowledge, this is an inaugural attempt to investigate the element of knowledge bearing on the export performance of SMEs.

1.6 Research Methodology

Given the nature of the research, a positivist approach has been adopted to examine the construct of this study. A deductive approach has also been used to validate the hypotheses of this work. Additionally, this study has chosen a quantitative approach. Hence, the analysis was borne out of statistically significant data to draw inferences on the topic (Creswell, 2009). For the data collection process, the survey method was considered as the most suitable approach because of its cost-effectiveness (Dillman, 2011). During the data collection process, both electronic and non-electronic methods were used to distribute the questionnaires, as this allowed the researcher to gather enough responses. Multiple linear regression was adopted to test the relationship between the independent and dependent variables to validate the hypotheses and conceptual model. Before carrying out multiple regression analysis, the researcher employed factor analysis using principal component analysis as the data reduction procedure, to test the suitability of the collected data for the study.

Chapter Two:

LITERATURE REVIEW

2 Literature Review

2.1 Introduction

There has been consistent research focusing on export performance studies, and the subject is still drawing much attention among academics (Madsen and Moen, 2018; Chen et al., 2016; Leonidou et al., 2002). In a vibrant business environment, knowledge is recognised as an imperative asset possessed by the firm in providing organizational performance (Wang et al., 2010; Halawi et al., 2005). Nonaka (2008) considered knowledge as a valuable source of know-how that creates the competitive advantage. Halawi et al. (2006) stated that knowledge is an informant of the organization on how to resourcefully perform the business operation and create both products and services and significantly affect the organisation's overall performance. Essentially, the existence of knowledge in an organisation is to help the organization enhance its effectiveness and performance. According to Bertels and Savage (1999), knowledge allows firms to hold up with the market needs and improve competitiveness in the industry. Table 2.1 shows related works discussing the role of knowledge and its link to organizational performance.

Table 2.1: Knowledge and Organisational Performance link

Author (s)	Description
Porter, 1985	Knowledge is a basic tool for source of competitive advantage.
Klein and Prusak, 1994	Knowledge is formed as an intellectual capital that can be converted into a form that is essential for organizational performance.
Bertels and Savage, 1999	Knowledge allows firms to keep up with the market needs and improve their competitiveness.
Beijerse, 1999	Organizational capability via managerial knowledge to interpret data and information, aiming for results towards organizational performance.

Bollinger and Smith, 2001	Personal asset (human capital) that embodies the expertise and efforts of networks.
Nonaka et al., 2008	Knowledge both explicit and tacit knowledge that determines the organizational performance.
Cadogan et al., 2004	Knowledge facilitates the organization to achieve higher performance and respond to customers' needs.
Wang and Olsen, 2002	Knowledge influences the export performance via firm-specific knowledge.
Katsikeas et al., 2004	Knowledge as a central tool in determining the value-adding advantages for organizational performance.
Li, 2004	Knowledge as a key resource to create sustainable competitive advantages.
Yeh, 2006	Knowledge refers to the ideas possessed by an organization to achieve the entity's goals.
Laihonen, 2006	Knowledge as an interpretation of a knower that determines the organizational performance.
Halawi et al., 2006	Knowledge assets as organizational knowledge within the firm that creates new products and services enabling the business to maintain solid performance.
Seidler and Hartmann, 2008	Knowledge is an important resource to the firm consisting of valuable, rare, inimitable and non-substitutable elements.
Faucher et al., 2008	Knowledge is information that has been processed in some meaningful ways.
Omerzel et al., 2011	Knowledge may enable firms to generate profit from a resource advantage.
Quintana-García and Benavides-Velasco, 2011	Knowledge allows organizations to enhance their performance and achieve competitive advantage.

2.1.2 The definition of Knowledge

Knowledge is defined as a justified belief that increases an entity's capacity for effective action (Nonaka, 2008). Knowledge can be viewed from several viewpoints; a state of mind, an object, a process, and a capability (Hislop et al., 2018). Knowledge is as a state of mind when it concentrates on enabling people to extend their knowledge and use it to the organisation's needs (Nonaka, 2008). Then, knowledge can be viewed as an object when posited as a thing to be stored and manipulated in the organization (Hislop et al., 2018). Knowledge is considered as a process in which the personal, group or organizational knowledge is practised to the organization's needs in production. And so, as a capability is the manifestation of knowledge in the system as a potential

resource that influences organisation future action (Hislop et al., 2018). Nonaka (2008) builds upon the capability view by suggesting the capacity to use the information; learning and experience, resulting in an ability to interpret data and to ascertain what information is necessary for decision making. From the KBV and RBV theories, knowledge is usually difficult to imitate and is socially complex that these knowledge assets may produce long-term sustainable competitive advantage (Barney and Mackey, 2016).

2.2 Knowledge and Organisational Performance

Business processes carried out by the organization require managerial knowledge and skills, an added value for the organization to keep it fitting in the business environment (Schultze & Stabell, 2004). This knowledge acts as an operant resource within the firm and industry that stimulates an organizational performance due to specialised knowledge possessed by the workers and managers which is difficult to imitate, and forms foundations of competitive advantage (Barney and Mackey, 2016). The knowledge that is difficult to imitate turned into a unique bundle of resources or firm-specific-knowledge that shapes from existing function within an organisation which relates to methods, products, and service activities (Wang and Olsen, 2002).

The firm-specific knowledge then becomes a source of competitive advantage when traditional resources seemed to become less effective that build upon a firm's established knowledge base (Schultze & Stabell, 2004). If a firm pursues new knowledge close to its existing knowledge base and with a specific application to its business setting, the firm is likely to develop a firm-specific

knowledge, which is more useful to the firm and has less function across firm boundaries (Helfat, 2003). According to the RBV theory, the firm-specific knowledge proves valuable in the business operation; however, the rarity and inimitability associated with firm-specific resources enable resource to play a more specific role such as knowledge in the operation process. Due to the idiosyncrasies in the market resources, rival firms are seeking to appropriate value through imitating another firm's firm-specific knowledge (Barney and Mackey, 2016). The rival firms must gain access not only to knowledge itself, but also to the organizational routines and complementary resources supporting its deployment (Wang and Olsen, 2002).

The firm-specific knowledge enables firm to control and maintain customised equipment and familiarity with specialised practices for producing unique products (Døving & Nordhaug, 2002). Schultze & Stabell (2004) emphasised firm-specific knowledge as key inputs to the unique of bundles of resources that are difficult for other firms to imitate. According to Nonaka (2008), tacit knowledge is ever-present in the context of organizational knowledge that can influence the organizational performance. As for tacit knowledge, it is difficult to disembody and codify, and is personal due to knowledge rooted in the minds of individuals and is impractical to extract (Nonaka et al., 2008).

Moreover, tacit knowledge is difficult to communicate, articulate, and share with other people and can only be acquired through practical experience in the organization via 'learning-by-doing' (Nonaka, 2008; Polanyi, 1966). Similarly, knowledge has a social dimension that can be exploited to achieve the

organizational goal in production (Nonaka et al., 2008). According to Sanchez (2005), to manage knowledge rooted in the minds of an individual that is tacit, the organization is required to distinguish the sort of knowledge possessed by the individuals in the organization and then arrange suitable interaction between them to improve organizational performance. From an organizational perspective, knowledge forms an important ingredient that holds an organization together and to achieve solid performance (Nonaka et al., 2008).

2.3 Determinants of Export Performance

Determinants of export performance are based upon diverse theoretical foundations and they consist of internal and external variables, which are controllable or uncontrollable (Chen et al., 2016). In most recent studies, internal variables of export performance are directed by RBV and KBV theories. Both theories dictate that a firm's performance is dependent on its internal resources such as managerial characteristics, capabilities, knowledge and processes that are organized by the firm to enable it to implement strategies to improve productivity and efficiency (Barney and Mackey, 2016).

2.3.1 Internal-controllable factors

Internal and controllable factors can be categorised into two types: export marketing strategy and both management perceptions and attitudes towards export venture (Chen et al., 2016; Leonidou et al., 2002). Export marketing strategy is one of the leading factors being researched by scholars in export performance studies via product quality, promotion, price (strategy), competitive pricing, channel relationships, and type of channels (Tan and Sousa, 2015;

Zeriti et al., 2014). Export marketing strategy is associated with export performance in terms of the monetary outcome via export sales, export growth, and export profit (Hultman et al., 2009).

In addition, management perception and attitudes towards export venture are leading factors on internal-controllable factors of export performance. It consists of a high degree of commitment and an internationally positioned firm in the export market (Leonidou et al., 2002; Leonidou et al., 1998). Both of a high degree of commitment inside management to discover new market and internationally positioned of firm factors strengthen the presence of the exporters in the   export operation (Leonidou et al., 2002). Previous findings show that both an internationally positioned firm and a high degree of commitment within management influence the export performance (Leonidou et al., 2002; Leonidou et al., 1998).

2.3.2 Internal-uncontrollable factors

Internal uncontrollable factors can be categorised into firm competencies and firm characteristics (Chen et al, 2016; Julian and Ramangalahy, 2003). Firm competencies factors include the international experience of managers and information technology (Sousa and Bradley, 2008; Sousa et al., 2010). Zou and Stan (1998) found that firm competency is associated and influencing export performance of SMEs. Conversely. Kaynak et al., (1993) reported that a firm competency was not associated with export performance of SMEs.

The international experience of managers is one of the leading indicators that associated with export performance of SMEs (Sousa et al., 2010; Brouthers and Nakos, 2005; Aaby and Slater, 1989). The international experience of managers and directors are associated with export performance due to managerial capability to grasp and interpret the global market situation that helps the business operation to thrive in the export undertakings (Sousa et al., 2010; Sousa and Bradley, 2008). From the information technology perspective, scholars found that the progress and development of information technology are associated with export performance (Stoian et al. (2011).

Firm size and firm age have mixed effects and relationship with export performance (Chen et al., 2016; Adu-Gyamfi and Korneliussen, 2013). Some scholars have been reported there are association between a firm size and export performance when a firm size is regressed with the export sales (Adu-Gyamfi and Korneliussen, 2013). Conversely, a few scholars have reported there is no association between firm's size and export performance when it is regressed with the number of employees (Kaynak et al., 1993). Furthermore, a few scholars also found that firm characteristics via firm age is negatively affecting the export performance (Love et al., 2016).

2.3.3 External-uncontrollable factors

External uncontrollable variables have received little attention in export performance studies (Gnizy et al., 2016; Sousa et al., 2010). These uncontrollable variables comprise industry characteristics and export market characteristics in the export market. Industry characteristics via industry

instability are associated with export performance when it was regressed with export sales (Leonidou et al. (2002). Scholars have also reported there is association between industry characteristics and export performance via industry technology (Stoian, 2011). On export market characteristics, Leonidou et al. (2002) found that export market characteristics are associated with export performance of SMEs. Nevertheless, other findings have disclosed by a few scholars confirmed that market characteristics are not associated with export performance when it is regressed with export sales (Lim et al., 1996).

2.4 Theory of Export Performance

There have been several theories espoused by scholars researching into export performance studies, including RBV theory, KBV theory, and Dynamic Capabilities theory. These theories explain and link the determinants of export performance within the scope of internal and external factors.

2.4.1 The Resource-Based View (RBV)

The RBV is rooted in Penrose's definition of a firm as a collection of physical and human resources, emphasising heterogeneity of resources and which are not perfectly mobile (Barney and Mackey, 2016). It also involves combinations of resources including staff motivation and skills, a firm's financial, physical, cultural, marketing, knowledge and organizational resources (Barney, 1991). The RBV is a foundational theory for maintaining the competitive advantage of a firm by emphasising the use of a bundle of valuable, tangible or intangible resources at the firm's disposal (Wernerfelt, 1984; Penrose, 1959).

The resource-based view provides essential insight on how the internal resources like knowledge within the organisation is critical and will continue to exist (Barney and Mackey, 2016; Brown and Duguid, 1998; Barney, 1991). Therefore, the conventional thread in RBV strategic thinking is that if there are production factors that meet the VRIN criteria, they can be regarded as the "capabilities" or "competencies" of the firm (Barney and Mackey, 2016). The RBV is divided into two; a static resource-based view and a dynamic resource-based view. In the static view, a resource should fulfil four criteria: the resource should be a valuable resource; that is, the resource should be used to maintain a competitive strategy (Barney and Mackey, 2016).

The resource should be rare, that is, it should not be common that every firm can access it; the resource is inimitable; that is, it should not be easy to create by utilizing the same available resources, and that the resource should be non-substitutable; that is, there should be no alternative resources available with this competitive strategy. If the resource fulfils these criteria, the firm holds a competitive advantage (Barney and Mackey, 2016). It implies that the resource market is naturally imperfect and enables the firm to perform typical activities that create "core competencies". Furthermore, the strategy that the firm pursues should exploit this resource to create a performance (Krammer et al., 2018). This is illustrated in Figure 2.1. Therefore, there is difficulty as soon as the information regarding the resources market becomes available, making the condition of the factor market more perfect and eroding competitive advantage (Ackermann and Eden, 2011). Then, the resources that fulfil the VRIN criteria become untenable (Barney and Mackey, 2016).
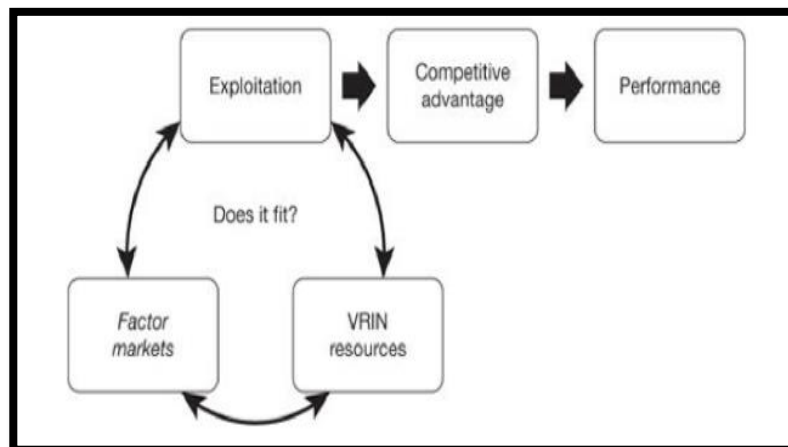
Figure 2.1: A static resource-based view
Derived from Sminia (2014)

Conversely, the dynamic view is based on the extension of the heterogeneity of resources in the static resource-based view (Ackermann and Eden, 2011). Scholars stated firms differ because of the unique bundle of resources accumulation ensuing within the boundaries of the firm (Dierickx and Cool, 1989). The argument is that the firm develops resources within the firm's boundaries from scratch that is not tradeable as they are acting as a core of the firm to outperform competitors (Dierickx and Cool, 1989). Likewise, a firm in the resource or the factor market can outperform their competitors because they enjoy unique routines that they have developed over time and it is impossible to transfer that bundle of capabilities to other settings (Ackermann and Eden, 2011). In such an instance, a resource is untradeable and thus unique to a peculiar firm as it is famously known as casual ambiguity (Reed and DeFillippi, 1990).

The dynamic view perceives that the firm always engages in the swift one-upmanship to outwit each other and it has more of a continuous presence in an

ever-changing business environment (Ackermann and Eden, 2011). The environmental survival process is characterised as dealing with volatility or environmental volatility that led to building up new routines and routine combinations that strengthens a succession of competitive advantage (Reed and DeFillippi, 1990). This implies that any competitive advantage is just temporal, and a firm should re-invent itself over time and this routine is new combinations of resources that allow the new economic activity to prosper (Teece, 2014).

The dynamic view urges the firm to constantly search for new opportunities and acquire new business (Ackermann and Eden, 2011). As a firm combines exploration with exploitation, the firm is considered "ambidextrous" leading to future competitive advantage and above-average performance. This procedure is depicted in Figure 2.2.
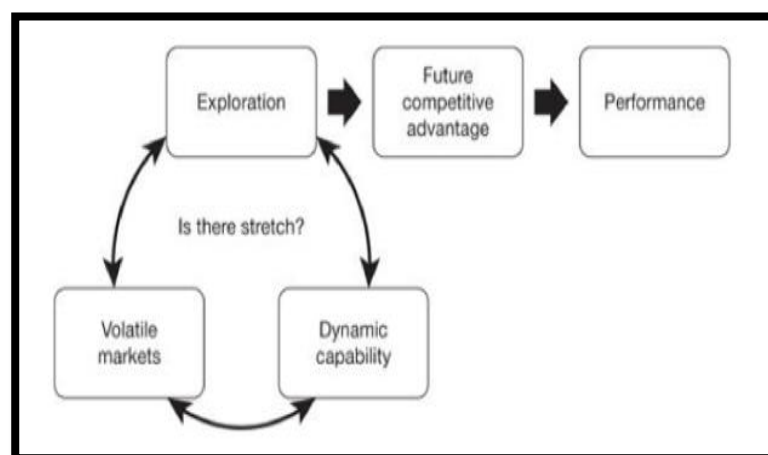
Figure 2.2: A dynamic resource-based view
Derived from Sminia (2014)

Both the static and dynamic resource views face critiques on how the firm reacts to a rapid change in environmental volatility (Teece, 2014; Helfat et al., 2007). Zhou and Li (2010) state that the firms which had focused on core resources may create core inflexibilities. Core inflexibilities are resources which used to be valuable but have become obsolete because they have not been relevantly adapted and upgraded to respond to a changing environment. Scholars have shown that internal resource developments are relatively stickier than their environment (Priem and Butler, 2001). This implies that the adaptations of resources may frequently be moving slower and not responding to business environment (Zhou and Li, 2010). Priem and Butler (2001) critiqued that the RBV is particularly challenging to measure. It is unobservable, complicated and unresponsive to dramatic changes across factor markets.

2.4.2 The Knowledge-Based View (KBV)

The knowledge-based view of the firm is an extension of the RBV of the firm, promoted by Penrose (1959) in her seminal work "The theory of the growth of the firm". KBV emphasised the importance of individual resource that is reserved by the organization in achieving competitive advantage (Curado and Bontis, 2006; Prahalad and Hamel, 2006). Furthermore, an organization benefits from advanced and new knowledge to achieve solid performance from the learning process (Roos, 2005). KBV found that the creation and acquisition of knowledge, commanding the organization to reach a superior performance, is socially complex and difficult to imitate (Curado and Bontis, 2006). A knowledge-based organization allows formulating mechanisms for integrating individual's knowledge in ensuring organisational performance (Eisenhardt and

Santos, 2002). To integrate knowledge within the organization, individual workers learn pertinent knowledge, grasp it and then relate to it (Curado and Bontis, 2006).

Organizational knowledge within an organization is managed through a procedure of routines, systems, employees, policies, and organizational culture. In KBV, exploration of capabilities has incorporated human, social and organizational resources and technical resources (Roos, 2005). Additionally, KBV holds that an organization's knowledge is a heterogeneous entity, sustained by the shaping of fresh knowledge and superior knowledge within the organization that is to create, shift and transform the formed knowledge into their competitive advantage (Hoskisson et al., 2012; Kogut and Zander, 1992). Firms that hold stocks of organizational knowledge associated with a value that could be described as uncommon or idiosyncratic, could be generating sustainable high returns (Roos, 2005).

Zack (2007) found that knowledge workers at the core of organizations who can preserve its organizational capabilities develop from an organizational culture which is shared by members within the firm. Organizational culture is the stock of knowledge integrated into patterns and procedures of action to be taken before certain situations (Curado and Bontis, 2006). Organizational routines, then, are often created from tacit knowledge that the organization builds up through repetition, creating a competitive advantage (Zack, 2007).

2.4.3 Dynamics Capability

Scholars have defined DC as a firm's capability to create, modify, and extend its resources or asset base in the dynamic business environment (Helfat et al., 2003; Makadok, 2001). Teece et al. (1997) defined dynamic capabilities as the firm's ability to build, adapt, integrate and reconfigure both its internal and external resources, skills, and operational competencies due to continuous changes in the business setting.

Reconfiguring process refers to the combination and transformation of the assets or resources in the firm (Helfat et al., 2003; Teece et al., 1997). Leveraging process refers to the duplication of the system that is implemented by the firm in the case of the firm attempting to venture into new niches (Teece et al., 1997). Learning process refers to the repercussion of trailing in deploying a firm's resources or assets allowing the firm to measure its performance based on merit and demerit of the experimentation (Helfat et al., 2003; Teece et al., 1997). The integrating process refers to the capacity of the firm to coordinate and integrate its resources or assets after installing the innovation of the new resources in the firm (Helfat et al., 2003; Makadok, 2001).

Dynamic Capability is the extension of RBV's value that has been ignoring the dynamic business environment; as is primarily in a static view (Priem and Butler, 2001). Scholars have also found that the resources in dynamic capabilities are formed internally rather externally in the marketplace (Makadok, 2001). The assets and resources that has been enjoyed by a firm could be formed over the

years after the transformation processes. Then this situation permits the firm, enduring rent-generating potential.

According to Makadok (2001), in a steady business setting, changes are largely predictable and incremental in contradiction to the situation faced by firms in a volatile business environment. In a volatile business environment, the advantageous resources posed by the firm are prone to be quickly eroded when encountering the unpredictable outcomes in active environments. In the dynamic business environment, the firm's capacity to reconfigure, create, and adapt resources is vital to fix the resource stock to achieve a relative advantage.

Dynamic capabilities involve a firm's view of its internal and external environments in the business environment (Makadok, 2001). Thus, these views could be triggering the firm on how to organise its resource base in line with the change in resource base requirement. In dynamic environments, failure to apply applicable DC ensues if a firm has misjudged the demand for change made by managers (Helfat et al., 2003). Otherwise, managers can initiate transformation, which is activated by internal pressures to improve the firm's performance. A perceived dynamic environment is an environment where the firm and its managers identify the demand for fast change and even unpredictable changes (Makadok, 2001).

Dynamic Capability faces critiques because it has unclear value-added relative to the RBV theory (Arend and Bromiley, 2009). Scholars have stated that DC should focus on the firm's performance by considering organizational

adaptation rather than the dynamics of the market itself (Makadok, 2001). Furthermore, Alvarez and Merino (2003) state that the firm's stability to adapt to environmental changes and align internal resources is relatively fundamental for the firm's performance.

2.4.3 The Underpinning Theories

The RBV and KBV are leading approaches in emphasising the vital resources to determining the organizational performance and helping it to achieve a competitive advantage within the industry (Cieślik et al., 2015; Stoian et al., 2011; Dhanaraj et al., 2003; Barney, 1991; Conner and Prahalad, 1996; Robertson and Chetty, 2000). The RBV and KBV theory suggest that resources embedded within an organization determine the organizational performance in the export industry (Cieślik et al., 2015; Stoian et al., 2011; Dhanaraj et al., 2003; Robertson and Chetty, 2000; Conner and Prahalad, 1996). Then, solid performance of the firm is a consequence of exploiting the unique resources that are possessed by the firm (Fahy, 2002). Although the RBV and KGB face critiques on its adaptability in the context of a changing business environment (Zhou and Li, 2010), it can be adopted considering that this research proposes exploiting the preserved knowledge and experienced staff and managers who can respond to the changes and deploying them to achieve organizational performance (Alvarez and Merino, 2003).

2.5 Measures of Export Performance

Export performance is the strategic objective of any exporting company (Papadopoulos et al., 2010). Defining the process of export performance

measurement always invites dispute among scholars (Papadopoulos et al., 2010; Julien and Ramangalahy, 2003). Export performance measures are split into a quantitative approach and a qualitative approach (Table 2.2).

Academics have suggested various measures such that the results are conclusive within the context of the study (Papadopoulos et al., 2010; Masakure et al., 2009; Lages and Montgomery, 2004; Julien and Ramangalahy, 2003). However, several indicators have been applied, and in that respect, several measurements seemed to be more frequently used than others (Julien and Ramangalahy, 2003). There are a few measures in the quantitative approach: export sales, export sales growth, the intensity of exports, export profitability, the export volume, return on investment, and export growth (Sousa, 2004). Using a qualitative approach, export performance can be measured by a firm 's reputation, export satisfaction, goal achievement (presence in the foreign market), perceived success, perceptions of export profitability (Papadopoulos et al., 2010; Lages and Montgomery, 2004; Henson, 2009).

Table 2.2: Measures of Export Performance

Measurement	Reference
Quantitative Method	
- Export intensity - Export sales volume - Export sales growth - Propensity to export - Export profitability - Export volume - Export profit - Export market share - Export market share to rivals - Growth rate of export ratio	Cooper and Kleinschmidt (1985); Aaby and Slater (1985); Madsen (1987); Leonidou et al. (2002); Dhanaraj and Beamish (2003); Julien and Ramangalahy (2003); Morgan et al. (2004); Wheeler et al. (2008); Singh (2009); Brouthers et al. (2009); Hultman et al. (2009); Papadopoulos et al. (2010); Stoian et al. (2011); Ratnaike (2012); Yang and Malick (2014)

• Export venture performance • Return on investment (ROI) • Export profit growth • New customers generated • No. of exporting countries • Export market position • New market entry	
Measurement **Qualitative Method**	**Reference**
• Export share of the market (country) • Firm reputation • Dynamics of firm (satisfaction) • Export performance (Satisfaction) • Goal achievement (presence in the exporting activities) • Perceived success (product or company) • Perceptions of export profitability	Cooper and Kleinschmidt (1985); Lages and Montgomery (2004); Masakure et al. (2009); Sousa et al. (2008); Brouthers et al. (2009); Hultman et al. (2009); Papadopoulos et al. (2010)

In brief, the various measures that have been adopted and proposed by scholars and researchers in measuring export performance reflect the complexity of the subject and the contentiousness of the concept of export performance (Papadopoulos et al., 2010; Julien and Ramangalahy, 2003).

2.6 SMEs in the global perspective

SMEs are playing an effective role and form one of the mechanisms in the worldwide economy (Ayyagari et al., 2011). Additionally, SMEs are the backbone of economies within every country (Ramayah et al., 2016; Acs, Z. et al, 1997). According to the Asia-Pacific Economic Co-operation (2013), SMEs are the largest employers in all industry sectors in the Asian trading block. SMEs

are responsible for the single largest proportion of export income, gross domestic product and innovation (Ayyagari et al., 2011; Acs, Z. et al, 1997). In addition, in every member country in the Asia-Pacific Economic Co-operation (APEC), SMEs account for over 50% of all enterprises and the majority are in the manufacturing sector and related industries (According to Asia-Pacific Economic Co-operation; 2013).

In the USA, Japanese and Canadian economies, SMEs represent most businesses and account for almost one-half of GDP (refer to Table 2.3). Several scholars have argued that SMEs have come into existence by offering a variety of goods and services to gratify trade demand, transforming the investment in the firm into cash as quickly as possible (Edwards et al., 2005). Secondly, SMEs adopt and are responsible for crafting innovations (Acs, Z. et al., 1997; Edwards et al., 2005).

The term "Small and Medium Business" (SMB) is practised in many countries (APEC, 2013). The categorization of businesses is decided via quantitative indicators such as the sum of employees, sales volume or asset value. Although there is no accord on the definition of SME, the concept generally focuses on firm's sales, assets, and number of employees. In the USA, any business with fewer than 500 employees are classified as an SME. In the EU and the UK, companies must have less than 250 employees or the annual revenue of less than £50 million to qualify as a small or medium-sized business (Ayyagari et al., 2011).

Table 2.3: SMEs to employment and GDP - Selected Countries

Country	Contribution of SMEs Employment (%)	Contribution of SMEs on GDP (%)
Brunei	58%	22%
Canada	90%	39%
China	75%	59%
Indonesia	92%	59%
Japan	66%	51%
Korea	87%	54%
Malaysia	57%	33%
Mexico	67%	39%
Philippines	61%	36%
Thailand	84%	37%
USA	56%	>51 %
Vietnam	77%	>40%

(Source: APEC, 2013)

Table 2.4: Contribution of SMEs to total export value - selected countries

Country	SMEs in Total Export Value (%)
Brunei	76.0%
Canada	31.0%
China	22.6%
Indonesia	23.7%
Japan	16.2%
Korea	50.0%
Malaysia	79.6%
Mexico	32.7%
Philippines	29.1%
Thailand	75.0%
USA	13.0%
United Kingdom	28.2%
Vietnam	86.4%

(Source: APEC, 2013)

2.7 SMEs in Malaysia

Since the early 1970s up to today, the Malaysian economy has relied on the progress of SMEs to climb up the ladder of economic growth and economic development (Ramayah et al., 2016; Saleh & Ndubisi, 2006). SMEs in Malaysia have been recognised as the mainstay of the Malaysian economy since Independence Day in 1957 (Saleh & Ndubisi, 2006). According to SMECorp

Malaysia (2017), Malaysian SMEs now represent 97.3% of the establishments in Malaysia with a total of 693, 670 establishments (see Table 2.5). Furthermore, SMEs employ over 57% or 6.6 million of the national workforce. Yet, there are only 16, 382 establishments involved in exporting activities and these have generated over 35.9% of the GDP and 79.6% of the nation's total export value (SMEs Corp Malaysia, 2016) (Please refer Table 2.4 and Graph 2.1).

Table 2.5: Number of Malaysian SME Establishments by Sector

Sector	No. of SME Establishments				% Share of SMEs
	Micro	Small	Medium	Total SMEs	
Services	649,186	148,078	11,862	809,126	89.2
Manufacturing	22,083	23,096	2,519	47,698	5.3
Construction	17,321	17,008	4,829	39,158	4.3
Agriculture	4,863	4,143	1,212	10,218	1.1
Mining & Quarrying	217	458	190	865	0.1
Total	693,670	192,783	20,612	907,065	100.0

Source: SME Corp Malaysia (2017)

Table 2.6: No. of Malaysian SMEs involved in exporting activities

Sector	No. SME Exporting	Share %
Services	15,092	92.1
Manufacturing	1, 175	7.2
Agriculture	115	0.7
Total	16, 382	100

Source: SME Corp Malaysia (2017)

Graph 2.1 : No of Malaysian SMEs in Exporting Activities
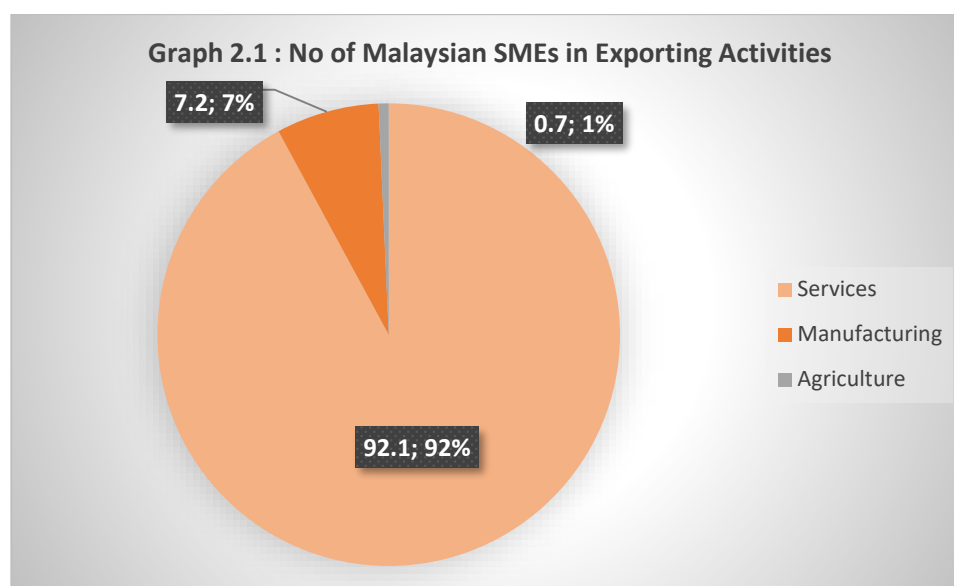
Source: SME Corp Malaysia (2017)

In Malaysia, SMEs are classified by two strict criteria: the number of employees and annual sales. Small enterprises in manufacturing and the Manufacturing Related Service (MRS) are sorted out as firms with between 5 and 50 employees and yearly revenues of between RM250, 000 and RM10 million. An enterprise qualifies as an SME in the manufacturing sector if it has no more than 150 full-time employees or it receives yearly sales under RM25 million (Table 2.5).

Table 2.7: Classification of SMEs in Malaysia

Size	No. of employer	Annual Sales (RM)
Micro	<5	< RM250, 000
Small	5-50	RM250, 000 to RM10 Million
Medium	51-150	RM10 million to RM25 Million

Source: SME Corp Malaysia (2017)

In 2017, SMEs' contributions to Malaysia's economy grew at 6.8% and remained resilient to external challenges of the business environment (Ramayah et al., 2016). And so, based on the projection in 2017, in line with

official gross domestic product projections, Malaysian SMEs contribution to the overall economy expanded at the rate of 5.0%. Additionally, in the context of Malaysia, SMEs have an enormous economic potential, and has been proven as an engine of economic growth of the country for decades (Saleh & Ndubisi, 2006).

The convincing performance of the SMEs is critical for the accomplishment of Malaysia's Vision 2020 initiative, which aims for the country to become fully developed and industrialised by 2020 (Lee and Hutchinson, 2017). Competitive SMEs are a commanding component for the economic development and growth in the Malaysian economy, and sound strategies must be designed to capitalise on their advantages. Furthermore, the future progress of Malaysia is highly dependent on the development of SMEs in the wake of internal and external obstacles faced because of an increasingly globalised business environment (Ramayah et al., 2016).

2.7.1 SME Corporation of Malaysia

The Malaysian government formed the SME Corp. Malaysia as a leading agency that responds to monitoring the SMEs development in Malaysia. It was made to offer various services and aid to the Malaysian SMEs in the form of funding, advisory services, market approach, capability building (SMEs Corp, 2017). Also, the SME Corp. Malaysia is a central coordinating agency under the Ministry of International Trade and Industry Malaysia (MITI) that develops policies and strategies for the SMEs and coordinates the implementation of

SME development programmes across all concerned ministries and agencies (SME Corp Malaysia, 2017).

The beginning of SME Corp. Malaysia dates to May 2nd, 1996 when a specialised unit was set up under the Ministry of International Trade and Industry (MITI) to promote the growth of SMEs by providing advisory services, financial help, infrastructure facilities, market approach and other programmes. This new unit was known as the Small and Medium Industries Development Corporation (SMIDEC) which aims to develop resilient Malaysian SMEs in the global market (SME Corp Malaysia, 2017).

In 2004, the National SME Development Council (NSDC) was founded, and it was the opening of another episode in SME growth in Malaysia. As the highest policy-forming body, its purpose was to develop strategies for SME development across all economic sectors; coordinate SME programmes implemented by related Ministries and Agencies; encourage partnership with the private sector and ensure effective implementation of the overall SME development programmes in this nation. Initiatives under the NSDC include enhancing access to financing; financial restructuring; advisory services, information, training and marketing coordination; and a comprehensive SME database to monitor the progress of SMEs across all economic sectors (SME Corp Malaysia, 2017).

In 2007, the NSDC had appointed a single dedicated agency to formulate overall policies and strategies for SMEs and to coordinate programmes across

all concerned ministries and authorities. SMIDEC was tasked to simulate the roles and was officially rebranded to Small and Medium Enterprise Corporation Malaysia (SME Corporation Malaysia) on 2 October 2009. SME Corp. Malaysia is now the central point of reference for information and advisory services for all SMEs in Malaysia (SME Corp Malaysia, 2017).

Currently, SME Corp. Malaysia is the nation's premier organization for the development of progressive SMEs to enhance wealth creation and social well-being of the country. In carrying out its mission of advancing the growth of advanced, resilient and globally competitive SMEs through effective coordination and planning of business support, SME Corp. Malaysia endeavours to empower the critical mass of SMEs with efficient operations, robust business models, access to financial resources, smart partnerships, market-entry schemes and sustainable growth solutions through various platforms and programmes for SME development (SME Corp Malaysia, 2017).

Table 2.8: Program of SMEs Development in Malaysia

Program/ Initiative	Description
BUSINESS ACCELERATOR PROGRAMME (BAP 2.0)	• BAP 2.0 is an integrated assistance programme to enhance the capabilities of SMEs through business advisory and financial support. • The Programme supports a wide range of capability building initiatives to assist SMEs to make their business locally and abroad.

TUNAS USAHAWAN BELIA BUMIPUTERA (TUBE)	- TUBE is a program to help the new start-ups among youths in Malaysia. In that respect there are three main objectives; to sustain the spirit of entrepreneurship among the youth; to change the youth's mentality from employee to business owner; and to establish a resilient entrepreneur. - This program is aimed for youth aged between 18 to 40 years. - All participants need to complete two programs namely, Phase 1 and Phase 2 of TUBE Program and they will be given as much as RM15, 000 grant for them to start and run their approved business plan.
BUMIPUTERA ENTERPRISE ENHANCEMENT PROGRAMME (BEEP)	- Bumiputera Enterprise Enhancement Programme (BEEP) is a unique program which aims to produce and develop competitive, resilient and dynamic entrepreneurs among Bumiputera SMEs through an inclusive, integrated assistance. - Among an integrated assistance including reinforcing their core business, enhancing capability, improving productivity and expediting access to funding through matching endowment for purchase of machinery and equipment, packaging and

	labelling, training, certification, product development, quality management system, advertising, branding, promotion, and innovation.
GALAKAN EKSPORT BUMIPUTERA (GEB)	• Galakan Eksport Bumiputera **(**GEB) is a new program introduced by the agency in collaboration with Majlis Amanah Rakyat (MARA), MATRADE and Exim Bank. • The program aims to develop the ability of pre-export and to increase the involvement of Bumiputera entrepreneurs in the global market. • The program also aims to bring on business linkages among Bumiputera entrepreneurs in SMEs activities and to seize the opportunities of the market to offer via the ASEAN Economic Community (AEC). • The program has provided support in the form of grants, including components such as packaging and labelling, certification and quality management systems, product innovation and development as well as soft loans to enhance SMEs' capacity.

SME COMPETITIVENESS RATING FOR ENHANCEMENT (SCORE)	• SME Competitiveness Rating for Enhancement is a unique program that aims to enhancing the SMEs' competitiveness of SMEs. • To enhance the SMEs' competitiveness, there are 7 parameters being assessed by the agency based on SMEs' capacities and operation. • This program has been acknowledged by MNCs as a valuable apparatus to enhance the competitiveness among SMEs in Malaysia. • This plan has been established to enhance the SMEs' productivity and efficiency.
SME EXPERT ADVISORY PANEL (SEAP)	• This SME Expert Advisory Panel is responsible to provide advice in the fields of technology, productivity and process improvement, as well as conformance with international standards and ICT. • Likewise, these groups of experts are ready to extend value-added services to the SMEs by sharing their valuable experience and knowledge in the industry with the business owners.

SME@UNIVERSITY	• The program is to develop capable human capital that will lead creativity improvement and management innovation among new and existing entrepreneurs. • This hands-on approach was developed based on SME University of Japan by focusing on the knowledge and business tools. This program is crucial to enhance entrepreneurs' skill and knowledge in Malaysia.
SME-UNIVERSITY INTERNSHIP	• This is a collaborative effort between SMEs Corp. Malaysia and the Ministry of Higher Education (MOE) to enhance the entrepreneurship development in public and private universities in Malaysia. • This effort aims to boost the co-operation between the university and industry to enhance SMEs' capability and capacity. Besides, this program will assist graduates to improve their entrepreneurial skills either for managing their own business or working in a small business upon leaving university. • This program is crucial to provide real-life business environment among graduates in the university.

SMIDEX	• SMIDEX is a program showcasing the progress and development of SMEs in Malaysia. • This is a unique program where the SMEs can seal deals, enhance their networking and strengthen business relationships. • It is a dynamic opportunity for Malaysia's SMEs to exhibit their capabilities by matching their services and products and technologies in the vibrant business environment.

(SME Corp Malaysia, 2017)

2.7.2 SME Masterplan (2012-2020)

SME Corp. Malaysia is the agency that responds to monitor the performance of the SME Masterplan (2012-2020). It aims to speed up the growth of SMEs via productivity-led and innovation-driven strategies for Malaysia to achieve a high-income nation status in the year 2020. The SME Masterplan (2012-2020) strives to hasten the growth of SMEs in Malaysia. Besides, this master plan is established based on the New Economic Model (NEM), especially the Economic Transformational Plan (ETP) and 10th Malaysia Plan.

The SME Masterplan 2012-2020 supplements other national development plans in the country including Bumiputra Transformation Programme (BTP), Rural Transformation Programme (RTP) as well as the existing corridor development programmes (SME Corporation Malaysia, 2012). The SME Masterplan 2012-2020 is designed to enhance the SMEs' competitiveness and

contribution to GDP, employment and export value (SME Corporation Malaysia, 2012). The SME Masterplan 2012-2020 incorporates the social objective of the government to increase the welfare of the lower income communities in line with the New Economic Model (SME Corporation Malaysia, 2012).

The SME Masterplan 2012-2020 is more purposeful, effective and efficient in the investment of SMEs development (SME Corporation Malaysia, 2012). The development of this master plan has incorporated monitoring system, flexibility, needs of SMEs, strong support from private sectors and best practices of the successful models (SME Corporation Malaysia, 2012).

The SME Masterplan 2012-2020 addresses four main characteristics, and six general challenges faced by the SMEs in Malaysia. The four attributes are low productivity, low business formation, the small number of competitive SMEs, and excessive informal SMEs while the six challenges (Figure 2.3) cover issues of adoption of innovation and technology, financing, legal and regulatory, quality of human capital, market and infrastructure (SME Corporation Malaysia, 2012).

The realisation of the SME Master Plan rests on 32 identified initiatives. The actions are summarised broadly into the four thematic measures, six high impact programmes, and other supportive measures (SME Corporation Malaysia, 2012). This activity program is presented in Figure 2.4. The sixth high impact programmes support the growth of SMEs by focusing on topics like licensing, innovation, financing, exporting, and social objectives (SME Corporation Malaysia, 2012).
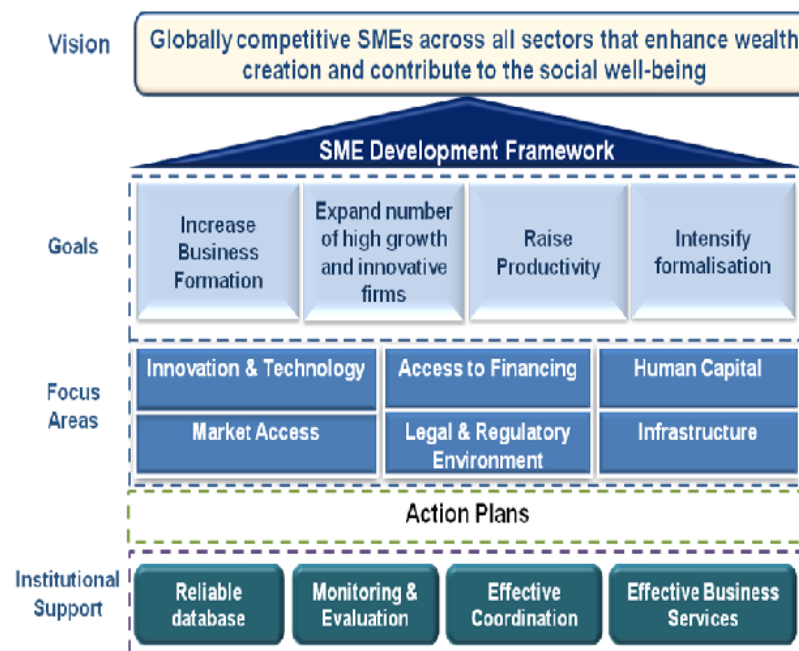
Figure 2.3: SMEs Masterplan 2012-2020
Extracted from SME Corporation Malaysia, 2012

The first high-impact programme (Integration of Business Registration and Licensing) aims to incorporate the business registration and licensing process. The objective is attained by easing the registration and licensing issues. The second high-impact programme (Technology Commercialisation Platform) is to encourage innovation among SMEs by instilling a scheme to nurture innovative ideas of the SMEs via the commercialisation activity. By establishing this program, it creates the competitive SMEs, and they can become global players through the commercialization of innovative services and products (SME Corporation Malaysia, 2012).

The third high-impact programme (SME Investment Program) concentrates on funding and financial support to enhance the development and survival of SMEs and to emerge as competitive SMEs in the global market. This agenda can be

accomplished by creating investment companies using both public and individual funds (SME Corporation Malaysia, 2012). Next, the fourth high-impact programme (Going Export – GoEx) is to help the SMEs to be global players through exporting activity. The plan offers technical and informational support to SMEs in export business (SME Corporation Malaysia, 2012). Indirectly, encouraging the SMEs to export could enhance their productivity and competitiveness in the long run (SME Corporation Malaysia, 2012).

The fifth impact programme (Catalyst Program) provides a platform for home-grown SMEs to fast-track their development through a wide-ranging provision. This program's goal is to produce successful SMEs and become game changers to transform and diversify the Malaysian economy. The sixth impact programme (Inclusive Innovation) focuses on the needs of the B40 community to participate in SMEs training and development program. This program is to ensure this B40 community, have access to SMEs development program by emphasising the proven successful program such as microenterprises and entrepreneurship (SME Corporation Malaysia, 2012).

The SME Masterplan 2012-2020 also includes 14 enterprises that are grouped into four initiatives;

(i)   Promote resource pooling and shared services:
(ii)   Create demand for SME products and services:
(iii)   Reduce information asymmetry:
(iv)   Build capacity and knowledge (SME Corporation Malaysia, 2012).
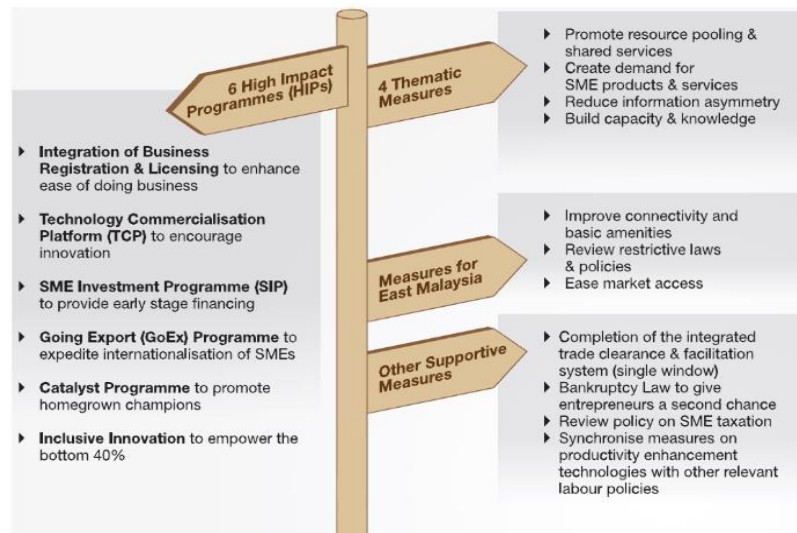
Figure 2.4: Initiatives under SMEs Masterplan 2012-2020
Extracted from SME Corporation Malaysia, 2012

The first theme is to promote resource pooling and shared services among the SMEs in Malaysia. This initiative indirectly enhances the capability of SMEs in the market through aggregation of purchase and shared resources. In addition to that, this theme also creates logistic facilities to leverage the logistic needs of SMEs. The second theme emphasises on promoting the products and services of SMEs through purchase from the government, government-linked corporation, multinational corporations and successful SMEs. Besides, there is special provision (financial support and grant) to assist SMEs in enhancing their capabilities to comply with the market standards. The third theme is to reduce the asymmetry information of SMEs credit rating to the potential financier and establishing a panel of experts in helping banks to evaluate the commercial value of SMEs' projects. The fourth theme is to focus on the capability and knowledge of SMEs by improving their tone of human capital (SME Corporation Malaysia, 2012).

On the SMEs in East Malaysia, the measures focused on the development of infrastructure to empower the SMEs in East Malaysia (SME Corporation Malaysia, 2012). The existing restrictive laws and policies which are hindering the progress of SMEs are to be re-examined so that SMEs in East Malaysia will be able to operate effectively (SME Corporation Malaysia, 2012). Other supporting measures are also emphasised on how to empower the Malaysian SMEs. These supporting measures focused at the macro level, such as taxation and labour policy and bankruptcy law (SME Corporation Malaysia, 2012). Additionally, the steps cover issues of efficiency and effectiveness of SMEs, building more wide-ranging funding network to address the needs of SMEs at the different platforms and offer support to SMEs venturing for export business through overseas trade offices like MATRADE and MITI (SME Corporation Malaysia, 2012). In brief, SME Corp. Malaysia is an agency that has been established to help the development of Malaysian SMEs to enhance wealth creation and social well-being of the nation. It also endeavours to empower the critical mass of SMEs with efficient processes, robust business models, access to financial resources, smart partnerships, market-entry strategies and sustainable growth solutions through various platforms and programmes for SME development (SMEs Corp, 2017).

2.7.3 An Overview of Malaysia

2.7.3.1 Economy

In recent times, Malaysia's economic growth has continued robustly and successfully to weather the global turbulence (Jomo, 2016). Since the 1970s, the Malaysian economy has continued with average growth of

6.0% annually (Zin, 2017). In the last three decades, Malaysia's economy has become domestic driven, with the manufacturing sector and services sector representing 80% of GDP. To support the economy, the Malaysian government has developed and implemented various monetary and fiscal policies that can maintain the economy in its trajectory (Koen et al., 2017).

Thence, the Malaysian economy has passed through an exceptional shift from relying on commodity and agriculture exports to more diversified economic activities that have a substantial link to the worldwide economy (Jomo, 2016). The effect of this remarkable economic growth was going into the economic system, and the income disparity among society that was relatively high has declined by emphasising equitable growth, with improved involvement of the Malays and indigenous groups in the economy (Zin, 2017). The shift towards equitable economic development and societal involvement by optimising the resource allocation and to curtail the economic distortions with more reinforcement for the bottom 40% of households by group of income.

The 11th Malaysia Plan has provided a reform blueprint to promote productivity and foster inclusive growth in the economy. Furthermore, Malaysia sets itself the target of achieving high-income status by 2020 by accelerating the increase of labour productivity with an average 3.7% per year between 2016 and 2020 (Lee and Hutchinson, 2017). Thus, this

growth of labour productivity is profited from regional integration via trade and investment and improving economic productivity (Koen et al., 2017).

Geographically, Malaysia is blessed and has benefited from its strategic placement at a crossing of trade and regional integration such as ASEAN trading blocks, China, India, Japan and Europe via an open economy that promotes export-oriented strategy (Jomo, 2016). Also, the practical economic reforms have encouraged the progress of the manufacturing and services sector and enhancing the national's productivity by continuing access to worldwide markets, knowledge, capital, and information technology.

2.8 Summary

This chapter has reviewed the literature on the theme of knowledge, knowledge management and export performance studies. The link between knowledge and organization also been discussed. This study has adopted two predominant theories of export performance studies, that is, the RBV theory and KBV theory. Both theories emphasised on the significance of knowledge that rests on individual and organisation as an informant, that is seeing the superior functioning of the organization in the export venture. Additionally, the background of SMEs in the global and Malaysian contexts and the backdrop of the Malaysian economy have also been discussed.

Chapter Three:
CONCEPTUAL MODEL & HYPOTHESES

3 Conceptual and Model Developments

3.1 Introduction

The conceptual model has been constructed and discussed to answer the research questions of this study. The independent variables are export knowledge and experience of the staff, export marketing strategy, and managers' knowledge of the business environment as well as two moderating variables, years of exporting experience and number of employees. After discussing each of the independent variables, this chapter continues with the development of the research hypotheses.

3.2 Theoretical Background of the Study

This study has chosen both a resource-based view and a knowledge-based view as underpinning theories in investigating the topic. Both the RBV and KBV stressed on the importance of knowledge as operant resource to provide a competitive advantage (Roos, 2005). In the RBV theory, knowledge is considered an irreplaceable resource as it fulfils and provides the organisation with a valuable, non-substitutable and inimitable resource within the competing industry (Barney and Mackey, 2016). In addition, knowledge is becoming a resource for the organisation after employing it in the business process and operation (Lin and Wu, 2014). Based on the KBV, a firm's capability to integrate and combine the resources in the form of new knowledge to handle a specific task is the most effective way to provide an advantage in the market (Makadok, 2001; Fahy, 2002). Thus, a firm's capability that emerges from export knowledge is indispensable for gaining a competitive advantage (Barney and Mackey 2016).

In an export business, specialised knowledge and experience are at the heart of achieving competitive advantage (Dhanaraj et al., 2003). From the SME perspective, tacit knowledge is turned into managerial knowledge in the form of skills, and experience facilitates the business operation such as output, distribution, delivery, and procedure (Barney and Mackey 2016). Then, the logistic capabilities of SMEs, incorporating and exploiting knowledge as operant resources, can prevent other firms entering the marketplace and provide competitive advantage (Barney and Mackey, 2016; Fahy, 2002; Makadok, 2001).

3.2.1 The Resource-based View (RBV)

The resource-based view (RBV) gives emphasis to the importance of resources with the potential to offer that given relative advantage to an organisation. With this view, a unique bundle of resources can be deployed by the organisation to achieve competitive advantage in the competing industry (Barney, 1991). The RBV theory proposes that firms are varied because they possess heterogeneous resources, meaning firms can have different strategies because they have different resource combinations. Barney and Mackey (2016) stated that the heterogeneous asset within the organisation becomes superior competitive advantages due to the capacities and competencies possessed by the organization.

Scholars proposed that the RBV theory emerges from economic theory that offers a competitive advantage to the organization if the heterogeneous resources being retained by the organisation are inimitable and rare

throughout the industry. Considering the RBV is established within various fields such as political economy, management, general, business, and marketing, it turns the RBV theory as an interdisciplinary one. From the RBV perspective, internal resources are retained by the organisation as a means of gaining a competitive advantage by organising it in the process of production. Barney and Mackey (2016) stated that the internal resources within the organization becomes a source of competitive advantage, it should be valuable, rare, imitable and non-substitutable and, ultimately, it will permit the organisation to outperform its rivals within the industry. In view of the heterogeneous resources, the organisation is required to organise the resources for the advantage of the organisation to create a competitive advantage. From the RBV perspective, the firm's resources are emerging within organisations via knowledge, financial, human, organisational, and informational resources, as well as legal.

3.2.2 The Knowledge-based View (KBV)

The knowledge-based theory of the firm considers knowledge as the most strategically important resource of a firm or organisation. The KBV advocates claimed that given knowledge-based resources are usually hard to imitate and socially complex, heterogeneous knowledge bases and capabilities among firms are the main determinants of superior corporate performance (Barney and Mackey, 2016; Barney 1991).

This knowledge, as a function of a resource of the firm is embedded and carried through multiple entities, including organisational culture and

identity, policies, procedures, documents, organisations, and employees. Arising from the strategic management literature, this perspective builds upon and extends the resource-based view of the firm (RBV) initially promoted by Penrose (1959) and subsequently expanded by Wernerfelt (1984), Barney (1991), and Conner (1991). Admitting the resource-based aspect, the firm recognises the critical use of knowledge in firms to achieve a competitive advantage, advocates of the KBV argue that the resource-based perspective does not comprehensively explain the importance of knowledge as a resource to enhance the organisational performance.

3.3 Conceptual Model and Hypotheses

This section focuses on the conceptual model and hypotheses of the study to examine how knowledge in the form of export knowledge and experience of the staff, export marketing strategy, and managers' knowledge of the business environment influence the export performance of the Malaysian SMEs. The researcher adopts RBV and KBV as the underlying theories. Given the knowledge and experience as one of the crucial elements forming the basis of a bundle of resources of the exporting firms, the empirical research investigating the effects of knowledge on export performance is worth inquiring. The model of this study is presented in Figure 3.1. The model of this study consists of three main constructs: export knowledge and experienced staff (international experience, export commitment, proactive attitude, positive perception, staff ability, skilful personnel, accurate information, understanding of consumers and distributors, and market information); export marketing strategy of SMEs (price, promotion, quality product, customer relationship, customer services,

distribution channels, relationship with suppliers, and market research); and managers' knowledge on business environment. There are two moderating variables: number of employees and years of exporting experience.
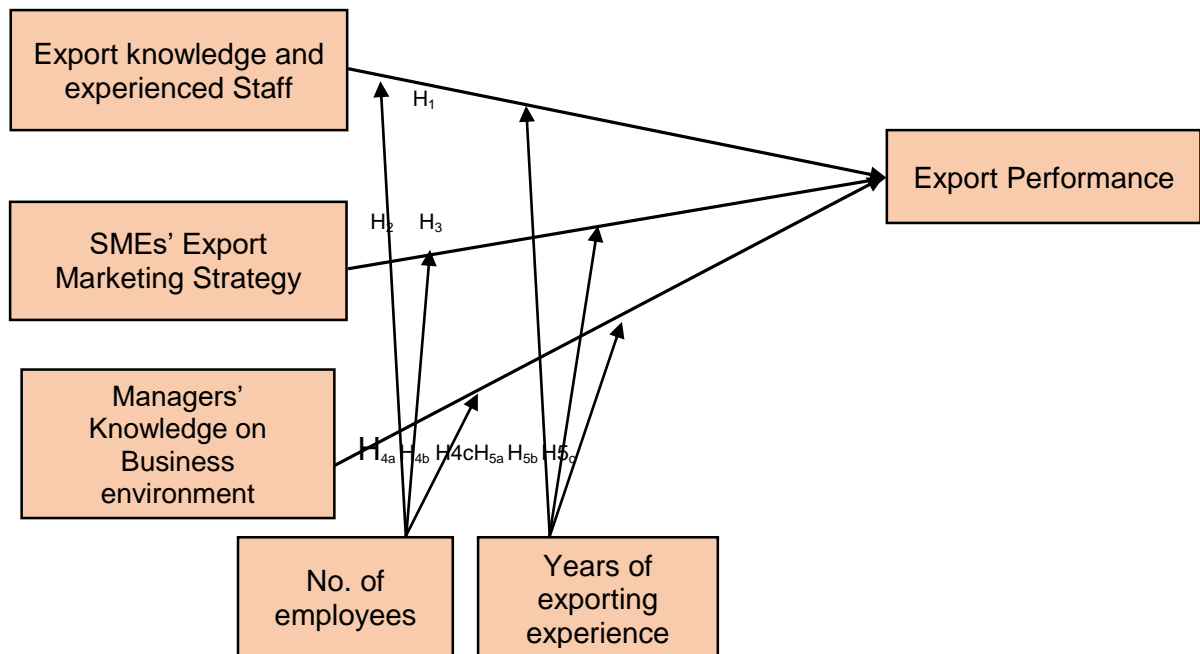
Figure 3.1: The Model for Investigating the Impact of Knowledge on Export Performance

3.3.1 The relationship of SMEs' export knowledge and experienced staff and export performance

Managerial abilities are an integral factor that influences an organisational performance in the export market (Chung and Kuo, 2018; Sousa et al., 2008). According to Papadopoulos (2010), knowledge and experienced staff is taken through their active association in the export line. Thus, export knowledge and experienced staff is essential to secure the firm's smooth running in tandem

with the business objectives that have been underlined (Kim and Hemmert, 2016). On the RBV theory, export performance depends on the firms' unique bundle of resources like human skill, knowledge and experience in achieving a strong performance in the competitive market (Kim and Hemmert, 2016; Sousa et al., 2008). Additionally, the reasons firms engage in export business include to exploit the unique knowledge they possess to potentially cut costs by leveraging its resources. From organisation learning theory, export knowledge and experience is the result of learning, as the organisation takes previous experiences, either positive or negative, and turn them into actionable behaviour (Sousa et al., 2008). Barney (1991) has indicated the personal or individual as an asset for the firm when they are capable of keeping up the competitive advantage within the industry. Kim and Hemmert (2016) suggest that managerial abilities can be assumed due to a combination of educational achievement and international job experience. Scholars have also found an organisational performance to be contingent on the individual skill in helping their organisation to progress (Sousa, Martínez-López, and Coelho, 2008). Morgan, Kaleka, and Katsikeas (2004) considered managerial attributes of the firm through staff competencies as determinants of export performance. If a firm possesses experienced and knowledgeable individuals, it can handle the peculiarities of the export market (Chung and Kuo, 2018; Sousa et al., 2008; Sousa, Martínez- López, and Coelho 2008). From the above statement, the hypothesis is:

> *Hypothesis 1: Export knowledge and experienced staff are associated with export performance of SMEs*

3.3.2 The relationship of SMEs' export marketing strategy and export performance

The export marketing strategy draws attention among scholars when researching into export performance studies (Zeriti et al., 2014; Hultman et al., 2009. The marketing strategy literature recommends that the effective implementation of export marketing strategy is a key driver of a firm's performance (Hultman et al., 2009). The export marketing strategy focuses on the components of marketing plan preferred by the exporter to strengthen its place in the export market via effective export marketing strategy: the quality of product, packaging, pricing strategy, channel relationships, and types of channels (Marandu, 2015; Tan and Sousa, 2015). Thus, export marketing strategy is associated with export performance via export sales, export growth, and export profit (Zeriti et al., 2014). Therefore, some findings found that there is a negative relationship between export marketing strategy and export performance when it is regressed with export profit (Hultman et al., 2009). Then, export marketing strategy should be linked with a firm's ability to choose actions and deploy resources (staff experience and knowledge) in ways that are easily aligned with envisioning export marketing strategy resolutions. Any export marketing strategy that takes a specialized marketing strategy for its execution is likely to become difficult for rivals to imitate the strategy since it only accrued in the firm per se (Zeriti et al., 2014). From the RBV perspective, the firm's deployment of resources like knowledgeable and experienced staff is a valuable and inimitable resource for the firm when it simplifies the planned exporting marketing strategy and delivers the intended result from the firm's export performance. Thus, the export marketing strategy is critical to achieving a

strong export performance in the export marketplace. Thus, the hypothesis leads us to propose:

> *Hypothesis 2: Export marketing strategy is associated with export performance of SMEs*

3.3.3 The relationship of SMEs' managers' knowledge of business environment and export performance

Manager's capability to engage and better capture the benefits and threats of a vibrant business environment becomes a valuable knowledge and is vital to enhance a firm's performance (Mudambi and Navarra, 2015). Chung and Kuo (2018) stated that the business environment influences organisational performance and managers' understanding of business operation in the export marketplace. The changing business environment offers opportunities and pressures to exporters (Katsikeas, Morgan and Leonidou, 2016). Scholars found that there are four types of business environments in the export market; dynamism, diversity, munificence, and hostility (Chung and Kuo, 2018; Balabanis and Katsikeas, 2003; Katsikeas, Morgan and Leonidou, 2016). From the dynamism perspective, it has been established that market conditions are subjected to the unpredictability of opponents, consumer behaviours, and uncertainty in market conditions as well as disruption of innovation (Balabanis and Katsikeas, 2003). As for diversity, it reflects an export business environment which is complex. Scholars indicated that in this business environment the managers encounter a complex business environment compared to their peers in a business-friendly environment (Katsikeas, Morgan and Leonidou, 2016; Chung and Kuo, 2018). A hostile environment occurs when the market is unfavourable for business operation due to industry swings, uncertain regulatory system or serious competition (Lages and Montgomery,

2004; Zahra and Garvis, 2000). From the munificence perspective, this occurs when the business environment is supportive for exporting firms to grow and expand their business (Chung and Kuo, 2018; Katsikeas, Morgan and Leonidou, 2016). Several scholars agree that in this munificence market setting it allows firms to use its resources and become a profitable organisation (Balabanis and Katsikeas, 2003). Thus, the business environment can be observed as a factor that cannot be regulated by a firm but can be mitigated by managers' knowledge of the business system. Thus, the hypothesis is:

> *Hypothesis 3: Managers' knowledge of business environment is associated with export performance of SMEs*

3.3.4 The moderating effects of number of employees on *the export knowledge and experience, export marketing strategy, and the managers' knowledge of business environment* and export performance

Scholars suggest that the number of employees is an imperative basis of export performance and it signifies the available stock of the organisation, but scholars have found that there are mixed results of the relationship between the number of employees and export performance (Sousa, Martínez-López, and Coelho 2008). In the developed countries like USA and Canada, it shows there were association between the number of employees and export performance (Kim and Hemmert, 2016; Balabanis and Katsikeas, 2003). The rationale is that firm size is the catalyst for increased involvement of the exporting firm in exporting activities (Love et al., 2016; Adu-Gyamfi and Korneliussen, 2013). With knowledgeable and experienced staff to handle the business procedure, this might improve the productivity of the firm to meet the clients' request (Adu-Gyamfi and Korneliussen, 2013). Thus, firm performance is enhanced by skilled personnel and proactive staff who can handle tasks and are responsive

to suppliers and understand the consumers' needs (Adu-Gyamfi and Korneliussen, 2013). As a firm is bestowed with experienced employees, it can handle any peculiarities of the foreign markets and execute the firm's planning efficiently (Sousa, Martínez- López, and Coelho 2008). This argument leads to the following hypotheses:

> *Hypothesis 4a: Export Knowledge and experienced staff and SMEs export performance will be moderated by number of employees.*

In a challenging business environment, a sufficient workforce is needed to enforce the export marketing strategy and to accomplish the organisation's objectives and sales. A sufficient workforce allows the organisation to trade and sell its produce in the targeted market (Kim and Hemmert, 2016; Sousa and Tan, 2015). Hence the export marketing strategy that is dedicated by the exporting firm to promote its products should be reaching its targeted customers and strategic alliances in the industry. In the export marketing strategy, the most adopted approaches are promotion, pricing strategy, product differentiation, design, distribution, adaptation, and standardisation (Katsikeas et al., 2016; Hultman et al., 2009; Katsikeas et al., 2006). The presence of a sufficient workforce and effective export marketing strategy would help the firm enhance its performance in the export market. The argument, then, leads to the following hypothesis;

> *Hypothesis 4b: Export marketing strategy and export performance of SMEs will be moderated by number of employees.*

The changes in a business environment profoundly influence the organisational performance and their existing place in the industry (Chung and Kuo, 2018). When the nature of business environment changes, this may result in success

or failure of organisations. The business environment can be divided into international and domestic markets. A change in business environment may involve delicate business procedures such as repatriation, financing, and reinvestment. An unfriendly business setting would indirectly influence a firm's capability in doing business due to a drastic change in the business model around the new regime of the business setting (Katsikeas, Morgan and Leonidou, 2016). Accordingly, having sufficient personnel who are experienced and knowledgeable help support and inform the manager regarding the latest information on the vagaries of business environment when it comes to decision-making. This argument leads us to the following hypothesis:

> *Hypothesis 4c: Managers' knowledge of business environment and export performance of SMEs will be moderated by number of employees.*

3.3.5 The moderating effects of years of exporting experience on *export knowledge and experienced staff, export marketing strategy, and managers' knowledge of business environment* and export performance

Export experience of SMEs in the foreign market influences their export performance and strategic goals (Marandu, 2015). Therefore, the organisation's presence in the export undertakings somewhat possesses advantages compared to that of a new start-up in the process (Baldauf et al., 2000). The presence of the SMEs in the exporting undertakings should be given a special attention on experience and skill via acquired knowledge and experience from their involvement in the export dealings. According to Marandu (2015), managerial experiences of the managers or directors are associated with export performance. In a nutshell, years of experience have also given the staff valuable knowledge and skill that drive the export performance of SMEs in the long term. Having said that, this leads to the next hypothesis;

Hypothesis 5a: Export knowledge and experienced staff and export performance of SMEs will be moderated by years of exporting experience.

As discussed earlier, export marketing strategy is essential for accomplishing the above standard performance (Zeriti et al., 2014). Also, an effective export marketing strategy is capable of advancing the firm's operation and delivering a value proposition to the customers in the export undertakings (Tan and Sousa, 2015; He et al, 2018). Scholars found that the most adopted export marketing strategy is product differentiation, promotion, pricing, design, distribution, adaptation, and standardisation (Katsikeas et al., 2016; Hultman et al., 2009; Katsikeas et al., 2006). Scholars have also found that years of exporting experience together with export marketing strategy enables the exporters enjoying a solid performance (Marandu, 2015). Having said that, this led us to the next hypothesis, that is;

Hypothesis 5b: Export marketing strategy and export performance of SMEs will be moderated by years of exporting experience.

In a competitive market, export performance is also conditional upon its business setting (Katsikeas, Morgan and Leonidou, 2016). As we have discussed earlier, vagaries in a business environment via dynamism market, diversity market, munificence market, and hostility market influence the export performance of SMEs (Chung and Kuo, 2018; Balabanis and Katsikeas, 2003). Also, the continuous change in a globalised market has challenged manager's proficiency and ability on how to preserve the organisational performance in the export market (Balabanis and Katsikeas, 2003). Also, managers who are competent and understood about a business environment, it helps an exporter to achieve its strategic goals in the long term (Baldauf et al., 2000). Scholars

found that a long-term involvement of the exporter in the export undertaking and granted with competent manager enables the organisation producing the resilient export performance (Chung and Kuo, 2018; Katsikeas, Morgan and Leonidou, 2016; Balabanis and Katsikeas, 2003). Thus, this argument leads us to the following hypothesis, that is;

> *Hypothesis 5c: Managers' knowledge of the business environment and export performance will be moderated by years of exporting experience.*

3.5 Summary of Hypotheses

All hypotheses of the study discussed in this study are presented in table 3.1

below.

Table 3.1: Summary of Hypotheses

Hypothesis	Hypothesis path
H_1	Export knowledge and experienced staff are associated with export performance of SMEs
H_2	Export marketing strategy is associated with export performance of SMEs
H_3	Managers' knowledge of business environment is associated with export performance of SMEs
H_{4a}	Export Knowledge and experienced staff and SMEs export performance will be moderated by number of employees
H_{4b}	Export marketing strategy and export performance of SMEs will be moderated by number of employees
H_{4c}	Managers' knowledge of business environment and export performance of SMEs will be moderated by number of employees
H_{5a}	Export knowledge and experienced staff and export performance of SMEs will be moderated by years of exporting experience
H_{5b}	Export marketing strategy and export performance of SMEs will be moderated by years of exporting experience
H_{5c}	Managers' knowledge of the business environment and export performance will be moderated by years of exporting experience

Chapter Four:

RESEARCH METHODOLOGY

4 Research Methodology

4.1 Introduction

While the previous chapter discusses the conceptual model and theories used in the study, this chapter concentrates on the empirical approach and elucidates the methods employed in examining the conceptual model the impact of export knowledge on export performance of Malaysian SMEs described in Figure 3.1. Also, this section analyses the essential elements required for carrying out this research - philosophical foundation, epistemological foundation, research approach (quantitative and qualitative), research design, operationalisation and measurement of variables, survey methodology, and methodology of data analysis.

4.2   Philosophical Foundations

Churchill (2007) describes a methodology as a set of conceptual and philosophical assumptions that confirms the use of a method to formulate the research question, collect and analyse the data. Collis and Hussey (2013) identified that the methodology leads the researcher to determine an appropriate strategy to carry out the entire research study. Saunders et al. (2011) said that a clear research philosophy, approach, choice, technique, and time horizon enables researchers to distinguish the essential research process before initiating any investigation.

The research strategy is either a general plan or general orientation of how the researcher will go about answering the research questions (Saunders et al., 2011; Bryman, 2015). According to Saunders et al. (2011), the appropriate

research design must reflect the research questions and objectives, the philosophical underpinnings of the researcher, the amount of time to be allocated, resources available, and the scope of existing knowledge on the subject area. Saunders et al. (2011) acknowledge that as different research designs are adopted, significant attention must be given to the selection of the most appropriate strategy for a particular research study. In business and management studies, the leading approaches adopted by the researchers are surveys, case studies, cross-sectional studies, and participative enquiries (Collis and Hussey, 2013). This study utilises the survey approach, considering the background and nature of the subject.

4.3 Epistemological Foundation

Audi (1999) states that the philosophical view of the investigator guides the research design in testing any hypothesis. At a primal level, the researcher's epistemological standpoint is either positivist or relativist. A positivist believes that "facts and values are distinct, and that scientific knowledge consists almost exclusively of observable facts" (Audi, 1999, p. 514). Thus, the positivist perspective presumes that the world is as it is and that a group of people can look at a particular thing or phenomenon and bear witness to the same thing.

On the contrary, a relativist believes that "facts and values are inseparable and that both are implied in scientific knowledge" (Audi, 1999). Also, relativism maintains that all reflections are rooted in the perceptual, linguistic, and cultural facets of the observer's personality. A consequence of this view is that there is no such thing as 'absolute truth', so one can never assume that other people

can observe a phenomenon and consistently arrive at the same conclusion. Eisenhardt (1989) holds that the development of positivism was a turning point in the process of generalising the findings across settings via the development of testable theories and hypotheses. Indeed, that is exactly what this investigation intends to perform. The hypotheses are tested by gathering data from firms. Designs and ideas are then distilled from this evidence. The underlying notion of this process is the central belief that some level of unified 'truth' can be inferred from data gathered through multiple sources. According to Swink and Way (1995), significant generalisable research results are an elusive goal in management skills.

Instead of the relative rigidity of epistemological positivism, this investigation is rooted in post-positivism - a variant of positivism that fairly reflects on the naturally arising limitations of operations, research or management. Post-positivism is grounded in the idea that reality exists but cannot be thoroughly clarified and understood (Fischer, 1998). Hence, considering the inherent difficulties of management research, the post-positivist epistemological approach is chosen as a foundation for this investigation.

4.4 Research Approach

The epistemological foundations of the research guide the research approach. In a nutshell, there are two types of research, the qualitative and quantitative approach. In deciding the suitability of a research approach, it is associated with the objectivity and subjectivity of the purpose of the study. This study adopted the quantitative research approach as it is guided by deductive reasoning.

There are ninth (9) hypotheses to ascertain whether they are accepted or otherwise. Furthermore, the epistemological view of this study is positivist, that is, it quantitatively investigates the proposed model to examine the impact of knowledge on export performance of SMEs in the manufacturing sector in Malaysia.

4.4.1 Quantitative Approach

A quantitative approach is an appropriate approach to test the relationship between the dependent and independent variables in the theory or the constructed model (Creswell, 2009). It involves the statistical analysis of the gathered data from the surveys, like structured interview and questionnaire (Bryman, 2015; Collis and Hussey, 2013). According to Saunders et al. (2011), the structured interviews and questionnaires are a leading approach in the survey for data collection. In the quantitative approach, the research design is guided by the deductive approach (Collis and Hussey, 2013). In a deductive approach, it starts from universal facts to premises (facts) like understanding the theory, developing the hypothesis, gathering and analysing the data, and concluding the results (Bryman, 2015). In a nutshell, a quantitative approach is connected to positivism that the goal of the research is to directly observe and measure the experience and phenomenon (Saunders et al., 2011).

4.4.2 Qualitative Approach

For understanding social or human research, the leading approach to be embraced by the researcher when conducting the study is a qualitative approach (Creswell, 2009). In a qualitative approach, data is analysed from

sought-after opinion or views of participants (Bryman, 2015). Thus, scholars state that the leading study to practise this approach is ethnography, grounded theory and case study (Saunders et al., 2011). In a nutshell, the qualitative approach is associated with an inductive approach, that is, the established theory is an effect of findings concluded by the investigator (Collis and Hussey, 2013). According to Bryman (2015), investigators conclude the findings from the study to build a theory. In qualitative research, the researcher delves the topic within the context of the study and the adopted research design emerges during the progression of the research.

4.5 Research Design

In empirical studies, a research design can be considered as the overall strategy that guides data collection and analysis. It is one of the central aspects of the research methodology (Churchill, 1991). The choice of a research design influences the research activities, and it has been suggested that it should perform the role of master in the technique, while statistical analyses of the data must take the position of servant techniques (Kornhauser and Lazarsfeld, 1955). The research design is the overall map for connecting conceptual research problems to relevant and practical empirical research (Ghauri et al., 2004).

Bryman (2015) explains that choice of a research design must be coherent with other elements of the research like research question, prior fieldwork, and contribution to literature. The choice of a research design must also be steered

by the aim of answering the research question in the best possible way and within the researcher's constraints (time, budget and skills) (Ghauri et al., 2004). Ghauri et al. (2004) identify that, in social science, two main types of research designs are used by researchers, namely explanatory and descriptive research. Explanatory research tends to be suited to a situation where initial ideas and insights are yet to be developed. In addition, explanatory research is often required for clarifying concepts that are poorly understood or are still developing. In most cases, the explanatory research process might involve a literature search or focus group interviews in aiding the researcher's need for better understanding. This may test the feasibility for a more extensive study or determine the best methods to be used in the subsequent study (Aaker et al., 2008).

The descriptive research aims to provide an accurate description of observations of a phenomenon (Bryman, 2015). A descriptive study is one where information is collected without changing the environment. Sometimes, these are referred to as "correlational" or "observational" studies (Parasuraman et al., 2006). Most studies in the export marketing field are descriptive, and the research problem is structured and well understood. Also, descriptive studies can involve a one-time interaction with groups of people (cross-section study) or follow individuals over time (longitudinal study). When the researcher needs to interact with the participants it may involve surveys or interviews to collect information. In this study, the researcher personally interacted with the participants to gather essential data.

4.6 Questionnaire Development Process: Operationalisation and measurement of variables

In marketing research, a mail questionnaire is the main data generation instrument adopted by most researchers (Churchill, 1991). For this study, it is critical that the development process is undertaken, and the format of the final questionnaire is designed appropriately for the research activities. Churchill (1991) has provided step-by-step guidelines for developing a coherent questionnaire (see Figure 4.1). The sequence of Churchill's steps is clear and concise, encouraging discipline and rigour in the design of the questionnaire instrument. Churchill's sequence is considered the most appropriate process for questionnaire development for this study.

4.6.1 Designing the questionnaire

Designing a questionnaire involves several stages that are essential for accumulating information for the research. Churchill (1991, p. 360) stated that the process of designing a questionnaire is classified under several steps: specifying the information sought, determining the question and method of administration, determining the contents and wording of each question and the expected response for it, determining the sequence of the questions, emphasising the physical characteristics of each question, and finally testing the acceptability of questions via a pilot study. All these steps are shown in Figure 4.1 below.

Figure 4.1: Questionnaire Development Process
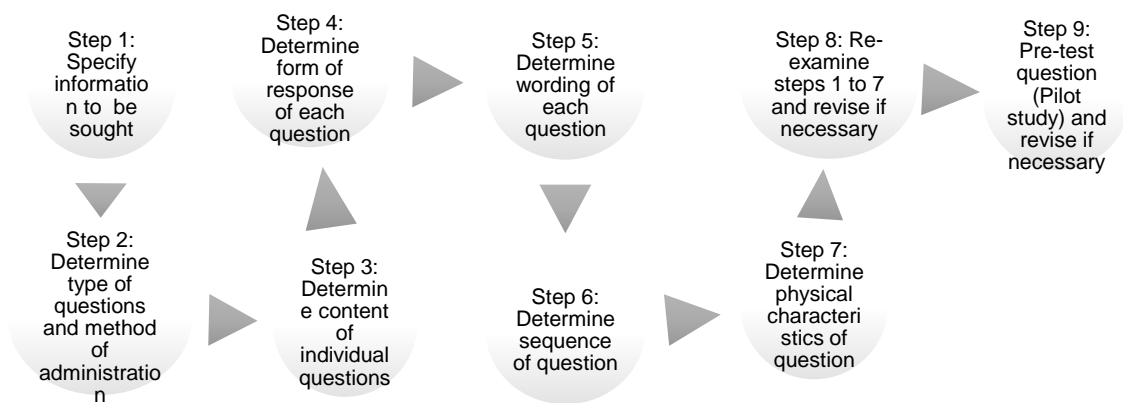
Source: Churchill (1991), p. 360

4.6.1.1 Measurement scale

As this study aims to measure the export performance of small and medium-sized enterprises (SMEs) in Malaysia, multiple-item scales are deemed appropriate. This is because they are frequently used in marketing research to measure the export performance of the firms. The use of a multi-item scale ensures that the overall score, which is a composite of several observed scores, consistently reflects the underlying true scores (Hayes, 1998). Three types of measurement scales are used in this research - nominal, ordinal and interval. Nominal scales are used for identification purposes because they have no numeric value (Bryman, 2015). These scales are then assumed to be interval scales, as commonly practised in social science research (Hayes, 1998). Interval scales are used to measure the subjective characteristics of the respondents. This is used due to its strength in arranging objects in a specified order and because of its ability to measure the differences in response ratings (Burns & Bush, 2000).

4.6.1.2 Question content and wording

The questionnaire for this study is written in two versions - English and Malay, so respondents can easily understand it. As regards to the questionnaire content and wording, questions are designed to be short, simple and comprehensible; avoiding ambiguous, vague, estimated, generalised, leading, double-barrelled and presumptuous questions (Churchill, 1991).

4.6.1.3 Sequence of questions

The questionnaire begins with less complex and less sensitive questions and progresses to more opinion seeking queries. This process is treated with caution, especially with the knowledge that response-order effect could affect survey accuracy (Burns & Bush, 2000). The rule-of-thumb principles adopted here suggest beginning with broad introductory questions, funnelling the scope of subsequent questions and asking difficult or sensitive questions later (Churchill, 1991).

4.6.1.4 Response format

To get information about respondents' demographics and SMEs activities, a closed-ended question format is used. This makes responses easy to record and code for statistical analysis (Burns & Bush, 2000). A closed-ended question format is appropriate for marketing research as it allows the respondent to respond to questions in varying degrees that describes the dimensions studied (Aaker et al., 2008). For this research, labelled Likert scales are appropriate to measure the responses. This scale is adopted because:

- It yields higher reliability coefficients with fewer items than the scales developed using other methods (Hayes, 1998)

- This scale is widely used in market research and has been extensively tested in both marketing and social sciences (Aaker et al., 2008)

- It offers a high likelihood of responses that accurately reflect the respondents' opinion under study (Aaker et al., 2008)

- It helps to increase the spread of variance of responses, which in turn provides stronger measures of association (Aaker et al., 2008).

4.6.2 Operationalisation

Next, the issue of operationalisation of variables is considered before designing the data collection instrument (Bryman, 2015). The operational definition refers to how to measure the meaning of a construct in a specific question (Hair et al., 2010). Since constructs that are relevant to this study – export knowledge and experienced staff, export marketing strategy, and managers' knowledge of business environment; operationalisation is used to measure them indirectly. Operationalisation of variables is as discussed in table 4.1 below:

Table 4.1: Operationalisation of Variables

Variables/ Items	Adopted from	Measurement
Dependent Variable (DV)		
Export performance ▪ ES1 Export Sales ▪ ES2 Export Sales Growth ▪ ES3 Export Sales Volume ▪ ES4 Export Sales Return on Investment	Brouthers et al. (2009) Leonidou et al. (2002)	Likert Scale: 1-Very negative 2-Negative 3-Neutral 4-Positive 5-Very positive
Independent Variables (IVs)		
Export knowledge and experienced ▪ EKE1 Experience ▪ EKE2 Commitment ▪ EKE3 Proactive Attitude ▪ EKE4 Positive Perception ▪ EKE5 Ability Processing ▪ EKE6 High Skill Personal ▪ EKE7 International Experience ▪ EKE8 Accurate information ▪ EKE9 Knowledge on consumer ▪ EKE10 Knowledge about Distributor ▪ EKE11 Market Information	Papadopoulos et a.l (2010) Brouthers et al. (2009) Sousa and Bradley (2008) Leonidou et al. (2002)	Likert Scale: 1-Strongly Disagree 2-Disagree 3-Agree 4-Slightly Agree 5-Strongly Agree
Export marketing strategy ▪ EMS1 Customer Relationship ▪ EMS2 Distribution ▪ EMS3 Consumer Services ▪ EMS4 Pricing Strategy ▪ EMS5 Supplier Relationship ▪ EMS6 Product Quality ▪ EMS7 Promotion EMS8 Market Research	He et al., (2018) Tan and Sousa (2015) Brouthers et al. (2009) Leonidou et al. (2002)	Likert Scale: 1-Strongly Disagree 2-Disagree 3-Agree 4-Slightly Agree 5-Strongly Agree
Manager's knowledge of business environment ▪ GKM1 Potential ▪ GKM2 Opportunities ▪ GKM3 Facilitating ▪ GKM4 New Competitors ▪ GKM5 Intensity ▪ GKM6 Difficulty ▪ GKM7 Complexity ▪ GKM8 Uncertainty	Zou & Cavusgil (2002) Zou & Stan (1998) Cavusgil and Zou (1994)	Likert Scale: 1-Strongly Disagree 2-Disagree 3-Agree 4-Slightly Agree 5-Strongly Agree
Moderating Variables (MVs)		
• No. of employees of SMEs • SMEs years of exporting experience	Love et al. (2016) Lu and Beamish (2001)	Numerical

4.7 Pilot Study

Scholars conclude that pre-testing and refinement of survey instruments are necessary for executing empirical research well (McBurney et al., 2009). There are two important reasons for pre-testing - content validity and face validity. According to McBurney et al. (2009), "content validity" refers to whether items on the scales satisfactorily reflect the theoretical domain in the form of questions. Content validity is not only important to construct operationalisation that reflects the extensive review of evidence in the literature, but also enables the survey to generate a holistic set of potential validities for the final outcome of the study. The researcher may be able to determine the content validity after soliciting the target group for suggestions (Dillman, 2011). Furthermore, discussions and correspondence with scholars and the business community enables the researcher to cover several issues in finalising the content validity of the questionnaire (McBurney et al., 2009)

According to Cronbach (1970), "face validity" relates to whether the scales used by the researcher appear acceptable and relevant to respondents. In conducting face validity tests, the understanding, comprehension, and interpretation of the questions by respondents is evaluated, in conjunction with their willingness and ability to answer the questionnaire as a decision maker of the company. At the early stage, while developing the questionnaire for the survey, the views of academics' knowledgeable in questionnaire design and research methodology are sought. Then, discussions are piloted with business communities, in the exporting and non-exporting activities, to improve the content and format of the survey instruments. At the same time, views and

comments about the content and formats of the survey are sought from firms and authorities to avoid potential validity problems later in the study. To avoid ineffective replies, the length of the questionnaire is determined based on the requirement of the survey. This is because scholars argue that the length of the questionnaire could stop the respondents from responding (Dillman, 2011).

After receiving ethics approval from the Brunel Business School Ethics Committee, the researcher randomly selected twenty-five (25) SMEs for this stage, by asking their representatives to answer the questionnaire via an off-line survey. Within a pre-determined timeframe, 13 questionnaires were answered and were considered useful for data analysis. Out of the total 25 selected SMEs for pilot study, 12 did not respond for certain reasons - unsuitability of time, rescheduling the survey, and seeking permission from their communication department. On the inspection of pilot questionnaire outcomes, no particular bias was found, and it was considered that a better response rate could be achieved by modifying the survey method.

4.8 Survey Approach

4.8.1 Introduction

In this section, the researcher discusses the survey approach adopted for this research. The survey approach is vital for collecting information that is necessary for the research process. All the processes are discussed in depth and are divided into three parts - sampling strategy, administration of the survey, and survey response.

4.8.2 Sampling Strategy

4.8.2.1 Population

The sample of the population was determined by applying four main criteria. Firstly, the SMEs should be active exporters from Malaysia and are registered in the country (no minimum annual sales figures are targeted so that the gathered sample is of varying sizes and of diverse levels of export participation). Secondly, the SME is an active exporter for the last three years or longer (three years' export operation is reckoned satisfactory to measure the SMEs export performance). Third, the SMEs must be homegrown (i.e. Malaysian-owned SMEs). Finally, the firms should be involved in manufacturing activities across a broad range of industries. The process of determining the sample population is critical considering that there is no available database of SMEs exporters in Malaysia unless the SMEs are registered with the SMEs Corporation Malaysia. After careful consideration, this study had relied on the records of the data in SMEs Corporation Malaysia's list directory. This list directory was selected as it was the only list directory that listed all the SMEs in the manufacturing sector in Malaysia.

4.8.2.2 Sampling frame

A sampling frame identifies an appropriate source material from which the sample is drawn from the study (Dillman, 2011). Several essential elements are considered. Each firm drawn from the population should only be involved once and no firm should be excluded. The information gathered in the frame's sampling must be accurate, up to date, represent the whole population, and fit for the research process.

For the purpose of this study, the researcher examined the prospective sampling frames to identify which sampling frame would be suitable for this study. Given the lack of data published by authorities dealing with SME exporting activities in Malaysia, the researcher has chosen SMEs Corporation of Malaysia's directory list comprising all the manufacturing company dealing with exporting activities to be determined as population criteria and was, therefore, the best sampling frame.

For this study, the sample was drawn from the directory list of SMEs Corporation Malaysia published in 2016. Based on this directory, the SMEs that are involved in exporting activities have been selected as the sample for this study. Furthermore, those listed SMEs involved in exporting are those centrally located in Selangor and Kuala Lumpur.

The survey was conducted via two stages, spanning a two-month period. Additionally, the target of respondents was the decision makers of the SMEs. In the first phase, the researcher manually collected the survey by distributing the questionnaires by visiting the selected SMEs premises. Then, in the second phase, the researcher attended the exhibition that was organised by the SMEs Corporation Malaysia. At the event, the researcher approached and distributed the survey questionnaires to SMEs that have been identified in the SMEs Corporation' Directory List.

Table 4.2: Number of SMEs Establishment of State in Malaysia (Manufacturing Sector)

State	Total SMEs	%
Selangor	233	19.8
Kuala Lumpur	177	15.1
Johor	127	10.8
Perak	97	8.3
Pulau Pinang	87	7.4
Sarawak	79	6.7
Sabah	72	6.2
Kedah	63	5.4
Kelantan	59	5.1
Pahang	48	4.1
Negeri Sembilan	42	3.6
Melaka	41	3.5
Terengganu	38	3.2
Perlis	94	8.0
Total	1175	100

Source: SMEs Corporation of Malaysia's Directory List (2016)

Graph 4.1: Number of SMEs Establsihed by State in Malaysia (Manufacturing Sector)
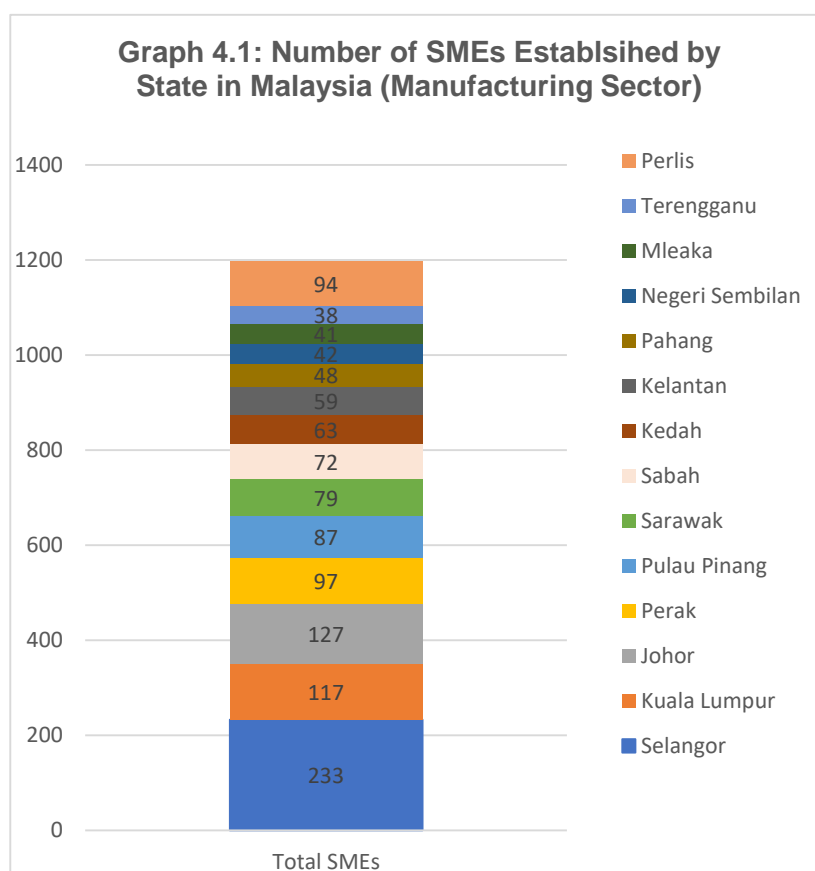
4.8.2.3 Sampling procedure

Krejcie and Morgan (1970) suggested the number of a sample can be determined by applying the sample size determination adopted by the National Education Association. The formula is given below:

$$s = x2\ NP\ (1-P) + d2\ (N-1) + x2\ P\ (1-P)$$

Where

s =	Required sample size
x2 =	The table value of chi-square for 1 degree of freedom at the desired confidence level (1.96 × 1.96 = 3.84)
N =	Population size
P =	Population proportion (assumed to be .50 since this would provide the maximum sample size
d =	Degree of accuracy expressed as a proportion (i.e. .05)

Furthermore, Krejcie and Morgan (1970) explained that there is no complicated calculation pocess determining the use of the sample size for the research activities (Table 4.3). By applying Krejcie and Morgan (1970), it is suggested that 275 surveys are required to be collected considering the number of exporting SMEs in the manufacturing sector is 1,000 establishments. The researcher had collected 230 surveys questionnaires, of which, only 211 were used for this study after the date screening process.

Table 4.3: Table for Determining Sample Size from a Given Population

N	*S*	*N*	*S*	*N*	*S*
10	10	220	140	1200	291
15	14	230	144	1300	297
20	19	240	148	1400	302
25	24	250	152	1500	306
30	28	260	155	1600	310
35	32	270	159	1700	313
40	36	280	162	1800	317
45	40	290	165	1900	320
50	44	300	169	2000	322
55	48	320	175	2200	327
60	52	340	181	2400	331
65	56	360	186	2600	335
70	59	380	191	2800	338
75	63	400	196	3000	341
80	66	420	201	3500	346
85	70	440	205	4000	351
90	73	460	210	4500	354
95	76	480	214	5000	357
100	80	500	217	6000	361
110	86	550	226	7000	364
120	92	600	234	8000	367
130	97	650	242	9000	368
140	103	700	248	10000	370
150	108	750	254	15000	375
160	113	800	260	20000	377
170	118	850	265	30000	379
180	123	900	269	40000	380
190	127	950	274	50000	381
200	132	1000	278	75000	382
210	136	1100	285	1000000	384

Note.—*N* is population size.
S is sample size.

Extracted from: Krejcie and Morgan (1970)

4.8.2.4 Sampling unit informant

While designing the survey questionnaire, special attention was given to selecting and identifying the most appropriate individual (informant) in each sampling unit to provide the requisite information. As the SMEs sample is associated with the firm operation, it was found that the most relevant personnel identified dealing with the firm's exporting operation is an executive, senior executive or manager in a top management position. Table 4.4 and Graph 4.2 show the breakdown of the informants of the sample for this survey.

Table 4.4: Informants' Position

Position Respondent	No. sample	Percentage
Executive	65	30.8
Senior Executive	107	50.7
Manager	26	12.3
Export Manager	5	2.4
Sales Manager	8	3.8
Total	211	100.00

Graph 4.2: Informants Position in Organisation
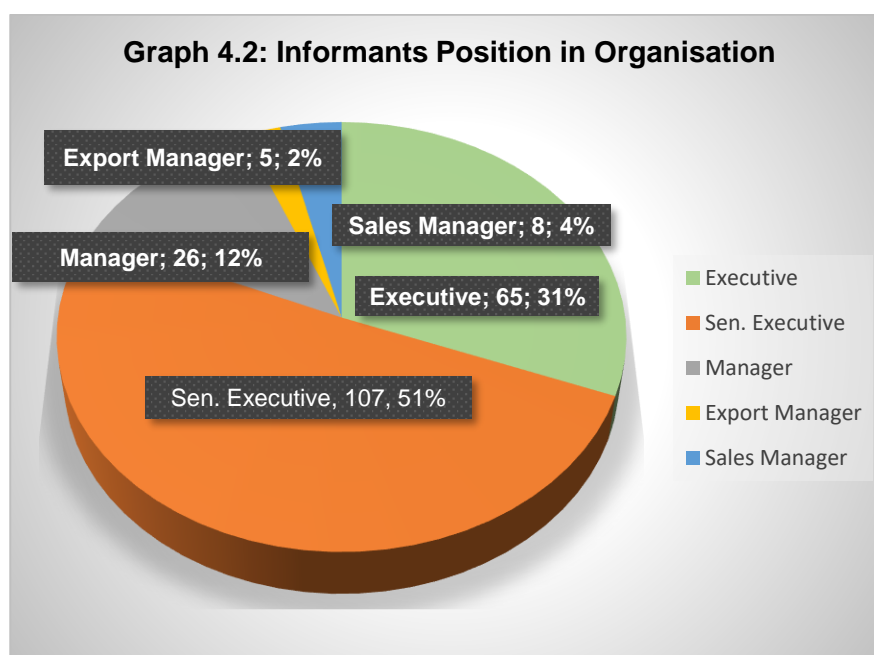
4.9 Administration of 'the Survey Questionnaire

The data generation exercise depends on the effective administration of the survey questionnaire to acquire the satisfactory response from the sample (Bryman, 2015). Walker et al. (1987) have proposed how to administer a survey questionnaire and the most cited work in conducting the survey was pioneered by Dillman (1978) in his book 'Total Design Method of Survey Administration'.

Dillman (2011) suggested the process is designed to improve the usefulness, validity and cost-effectiveness of mail and telephone surveys. His method has two stages:

- The process identifies each aspect of the survey process that superficially affects the quality and quantity of the response, and seeks to improve it to achieve the optimal result; and

- The method aims at organising survey activities to implement the design attention successfully.

4.9.1 Survey Response

Wiseman and Billington (1984) stressed that generally, management studies encounter a problem when reporting the response rate that they received from their respective research. Malhorta et al. (2007) defined the response rate as the percentage of the total survey to be answered by the respondents. The response rate can be calculated using the below formula:

$$\text{Response rate:} \quad \frac{Number\ of\ completed\ survey}{Number\ of\ eligible\ unit\ in\ the\ sample}$$

Based on the survey outcome, the number of the eligible exporting SMEs in manufacturing is 1000 extracted from SMECorp Directory List 2016. The number of completed survey was 211 surveys. Based on the formula, the response rate for this study is at 21.1%. Additionally, the high non-response rate during the survey process is always affecting the rate in the marketing and management field (Malhotra, 2007).

4.10 Methodology of Data Analysis

4.10.1 Introduction

After data collection, the researcher must prepare the data for coding and storage. For the data coding process and storage, the researcher has used SPSS version 21 Mac statistical package. For coding purposes, each question in the survey sheets was quantitatively coded based on the data category - categorical, nominal or scale. It is crucial to categorise the data in this way for useful data analysis.

4.10.2 Classification of the statistical analysis

In regression analysis, there are three techniques for data analysis - univariate, bivariate, and multivariate (Bryman, 2015). The univariate technique uses a single measure of a sample parameter. If there are several measures, each variable is analysed in isolation. The main statistical analysis is the central tendency (mode, median, and mean) and dispersion (standard deviation). This can be complemented with tests such as t-test, z-test, and chi-square.

The bivariate technique measures the correlation analysis - Mann-Whitney U-test and Kolmogorov-Smirnov test. Furthermore, this technique allows researchers to analyse the interaction between two measures from a sample of parameters, simultaneously. From the perspective of data analysis, it is different from the univariate technique which only allows the use of a single measure for analysis.

Multivariate technique is used in the more advanced data analysis, where more than two parameters of objects in the sample needed to be analysed simultaneously. There are two methods of doing this analysis. Firstly, the dependent variable which describes the situation where one or more variables are specified as being related to the independent variables. The statistical techniques used for this kind of analysis include multiple linear regression analysis, multivariate analysis, multiple discriminants, and automatic interaction detection. A multivariate technique is independent in type, implying that no specific variable is selected as each variable is independently defined. This process allows all the variables to be analysed equally. The statistical techniques used in the multivariate analysis are principal components analysis, cluster analysis and correspondence analysis.

4.10.3 Descriptive Statistics

The descriptive statistics are shown in the results section of this thesis. Descriptive statistics use the percentage frequency, central tendency (mean, mode, median), and dispersion scores (standard deviation and relative frequencies). The researcher also reports the mean and standard deviation of the analysed data.

4.10.4 Factor Analysis

In the multivariate statistical method, factor analysis is a procedure to be used for data reduction (Cavana et al., 2001). The most frequently used in social science disciplines is the principal components analysis of factor modelling (Bryman, 2015). Principal components analysis was performed on the

measures of export performance and the following selected variables – export knowledge and experienced staff, export marketing strategy and managers' knowledge of the business environment. The main purpose of factor analysis is to reduce gathered data into smaller sets based upon the correlation structure. Factor analysis detects and searches for the underlying core variables that can be retained in the analysis. That is why factor analysis is attractive to researchers in the field of management studies (Cavana et al., 2001).

Churchill (1991) proposes that while analysing factor components, the researcher must determine the factors to be retained in the factor solution. There are two rules of thumb - interpretability and eigenvalue output from the analysed data. The interpretability was judged based on there being enough conceptual clarity of the interpretation exhibited by the smaller retained factors (Hair et al., 2010). For eigenvalues or Kaiser's criterion, it recommends that factors are retained only if they possess an eigenvalue of one or greater (Hair et al., 2010).

4.10.5 Reliability and Validation

The Cronbach alpha coefficient is the leading analysis to measure reliability test used by the researcher (Cronbach, 1970). The central objective of the reliability test is to measure the amount of the variation attributable to random error. The Cronbach Alpha coefficient is considered the most appropriate means of assessing reliability in marketing research (Cronbach, 1970) and the acceptable level of the alpha coefficient is 0.5 or higher (Hair, 2010). Item-total correlation analysis is used for the validation of each scale. In addition, only the correlations

that were substantially higher in the expected path were accepted and considered as significant (Hair et al., 2010).

4.10.6 Moderating Variable

A moderator variable is a third variable that affects the relationship between an independent variable and dependent variable. In a causal relationship, if x is the predictor variable and y is an outcome variable, then z is the moderator variable that affects the causal relationship of x and y (Hair et al, 2015). Most of the moderator variables measure causal relationship using regression coefficient. The moderator variable, if found to be significant, can cause an amplifying or weakening effect between x and y (Hair et al, 2015). In ANOVA, the moderating variable effect is exemplified by the infraction effect between the independent variable and the dependent variables in the model.

4.10.7 Multiple Regression Analysis

4.10.7.1 Regression Modelling

The common way of determining the correlation between a dependent variable and several independent variables (explanatory) is multiple linear regression. It identifies the linear combination of independent variables that best relate to the dependent variable (criterion) in the proposed model. The multiple linear regressions can then be used to determine the overall explanation of the model by weighing and denoting their relative contribution to the model (Hair, 2010). An estimated multiple linear regression is expressed in the following form:

$$Y = \alpha + \beta_1 X_1 + b\ \beta_2 X_2 + b\ \beta_3 X_3 \ldots \beta_n X_n + \xi$$

Where:

Y = estimated value of the dependent variable;

α = Value of the constant or intercept derived from the data analysis;
β = estimated regression coefficients associated with independent variables;
X = the independent variables that influence the dependent variable; and
ξ = error term.

4.10.7.2 Interpretation of Regression Statistics

The algebraic value of the β_n represents the regression coefficient associated with the independent variable (X_n). It means that, any change in β_n denotes a change in the estimated value of dependent variable Y corresponding to a unit change in X_n. In multiple linear regression, these regression coefficients are known as partial, considering any change between Y and X_1. It is also determined by a change between the independent variables both of X_1 and X_2 and other variables (X_n). According to Hair et al. (2010), the coefficient of regression of the independent variable is represented by the symbol β. In a nutshell, the stronger the relationship between the independent and dependent variables in the model, the larger the β coefficient of the independent variable (Churchill, 1991). The significant level of the β is similarly significant in the interpretation of the regression estimations when expressed in the t-test.

The critical procedure of any multivariate statistical technique is the focus on its goodness-of-fit. The most common measure of goodness-of-fit is the coefficient of multiple determination, known as R^2 of the model. The R^2 measures the relationship of the variance of the dependent variable that can be interpreted by the independent variables in the model. Then, the R^2 is always between 0 to 1,

with a higher value representing greater explanatory power of the relationship between dependent variable and independent variables (Hair et al., 2010).

According to Hair et al. (2010), the value of R^2 never decreases when additional independent variables are included in the existing model or equation. As mentioned earlier, t-test and R^2 are the most used coefficients of testing the statistical significance of the regression coefficient. The other procedure that can be used is known as an F - test. The regression equation is statistically sound when *F-statistics* is greater than the critical value of *F-Statistics*.

4.11 Ethical Considerations

This study considered all ethical concerns before commencing data collection. This study followed Brunel Business School ethics procedures. Ethical concerns are a requirement for the ethical practice in conducting research (McBurney and White, 2009). Ethical considerations are particularly relevant to this study, given the confidentiality and anonymity of participants (McBurney and White, 2009). Participants were assured that their responses are protected. All participants were informed of the main purpose of this study, that their participation was voluntary and that they could withdraw from the research without any obligation. This study was approved by Brunel Business School.

4.12 Summary

This chapter summarises the study's research methodology. Research philosophies were discussed, and the researcher decided that the positivist approach was the most relevant method for guiding this study. The positivists argue that reality is independent, and the researcher interacts with what is researched (Collis and Hussey, 2013). Two main research approaches are quantitative and qualitative. This study uses the former approach. The quantitative approach is suitable for testing hypotheses and examining the relationship among variables in the model. This study has chosen the survey method as it was cost-effective, and data was accessible to be collected in this way. This chapter also discussed the questionnaire development process, pilot study, administration of the survey, and the methodology of data analysis. Concerning the operationalisation of variables in the model, the reliability and validation issues have been discussed. The multiple regression analysis was selected as the way to examine the relationship between the dependent and independent variables in the model of this study.

Chapter Five:
RESULTS

5 Results

5.1 Introduction

This chapter reports the results of the survey whose design was described in the methodology section. This chapter is divided into two parts: the statistical findings and interpretation of the findings. The statistical findings include demographic analysis (Section 5.2), descriptive statistics (Section 5.3), reliability assessment (Section 5.4), KMO and Bartlett's test (Section 5.5), principal components analysis – loading factor, commonalities, total variance explained, rotated factor matrix (Varimax), and scree plot (Section 5.6), multiple linear regression (Section 5.7), model evaluation (section 5.8), and multicollinearity test (section 5.9).

The interpretation of the findings includes an explanation of the hypothesis testing of the model (Section 5.10), and the linear relationship between dependent variables (DV) and Independent variable (IV) in the model. The latest version of SPSS 21 for Mac was used to analyse the survey data. As explained in Chapter 4, acceptable statistical procedures can be used to analyse the data to validate the hypotheses of the study (t-statistics), goodness of fit (R^2), and F-statistics of the model in explaining the relationship between dependent variable and independent variables.

5.2 Demographic Profile

The data collected for this study were acquired from registered SMEs in Malaysia involved in the manufacturing sector in the period February 2016 to May 2016. As mentioned in the methodology section, this study used the survey

mode to collect the required information from respondents. A total of 230 questionnaires were collected. After cleaning the data, only 211 questionnaires were included in the data analysis. According to Kelley et al. (2003), there is no definitive answer to how big a sample size should be. Large samples with rigorous selection are more powerful as they yield more accurate results, but data collection and analysis will be proportionately more time consuming and expensive.

The categorisation of survey with a sample size range is as follows. 1000 is excellent, 500 is very good, 300 is good, 200 is fair, and100 is somewhat poor (Tabachnick et al., 2007). The sample size for a survey depends on three main factors: i) the resources available; ii) the aim of the study; iii) and the statistical quality needed for the survey (Kelley et al., 2003; Tabachnick et al., 2007). The sample size of this study can be considered acceptable and fair as it consisted of 211 surveys. All demographic profiles in this study are shown and explained below.

Respondent age is shown in Table 5.1. The majority (52.6%) were 31-40 years old, followed by those aged 41-50 years old (44.0%). The least frequent age groups were those under 30 and above 50 years old, each at 1.4% of the total sample.

Table 5.1: Age of Respondents

Age	Frequency	Percent
< 30	3	1.4
31-40 years	111	52.6
41-50 years	94	44.5
51 and Over	3	1.4
Total	211	100.00

Graph 5.1: Age of Respondents
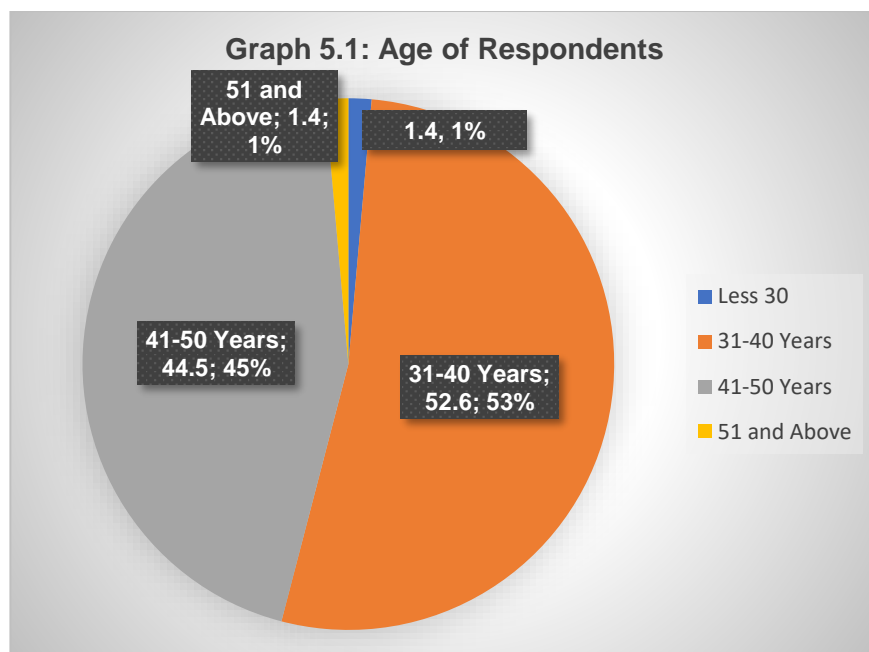
The gender breakdown of respondents is shown in Table 5.2 and Graph 5.2. Male respondents were 91.0% of the sample, with females only 9.0%. Furthermore, the education attainment of respondents is presented in Table 5.3. and Graph 5.3. Then, most (73.0%) respondents' educational attainment was the degree level, followed by 19% with a Masters/MBA degree, 7.6% Diploma level, and 0.5% SPM level.

Table 5.2: Gender Breakdown of Respondents

Gender	Frequency	Percent
Male	192	91.0
Female	19	9.0
Total	211	100.00

Graph 5.2: Gender of Respondents
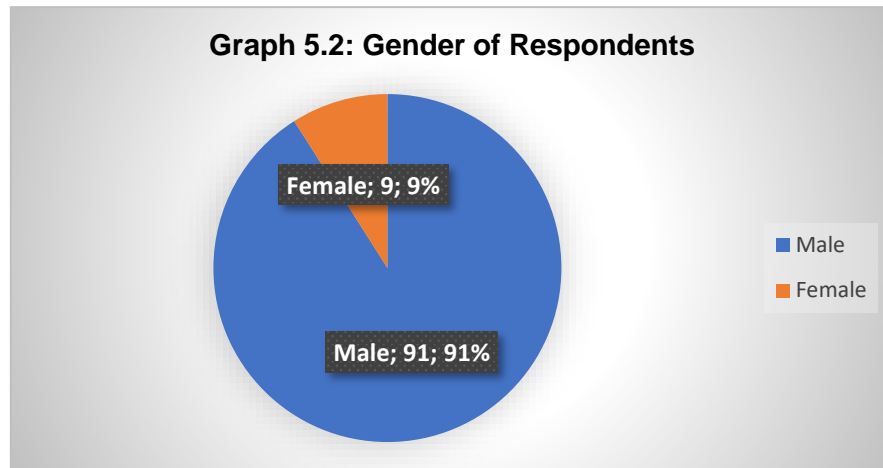
Table 5.3: Educational Attainment of the Respondents

Age	Frequency	Percent
SPM	1	0.5
Diploma	16	7.6
Degree	154	73.0
Master/MBA	40	19.0
Total	211	100.00

Graph 5.3: Education Attainment of Respondents
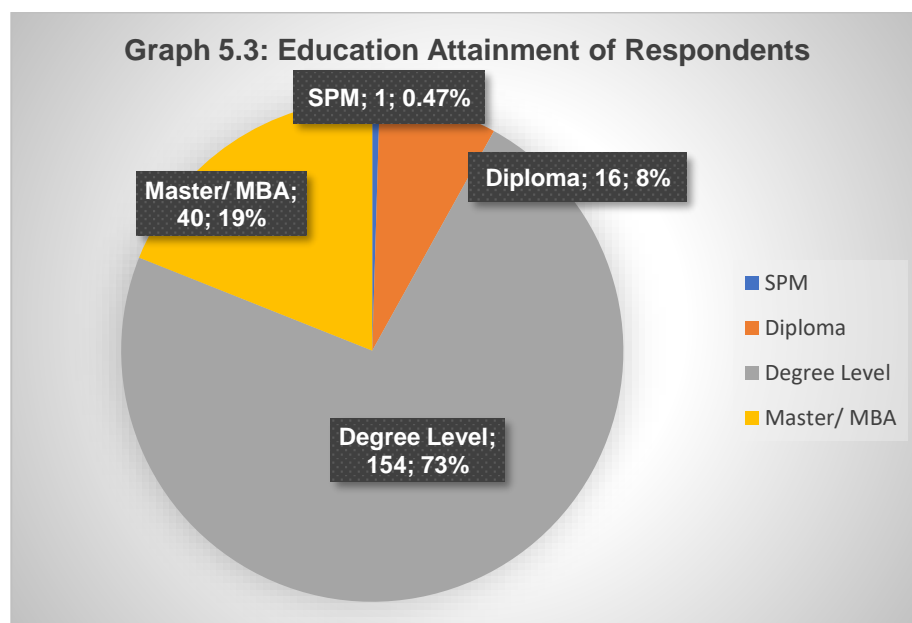
The exporting regions for the SMEs in Malaysia is presented in the Table 5.4 and Graph 5.4 below. Most reported a main destination in the Asia-Pacific region at 49.8%, followed by North America at 29.4%, and Europe at 20.4%.

Table 5.4: Exporting Region of the SMEs

Region	Frequency	Percent
Europe	43	20.4
North America	63	29.9
Asia-Pacific	105	49.8
Total	211	100.00

Graph 5.4: Exporting Region of Malaysian SMEs (Manufacturing Sector)
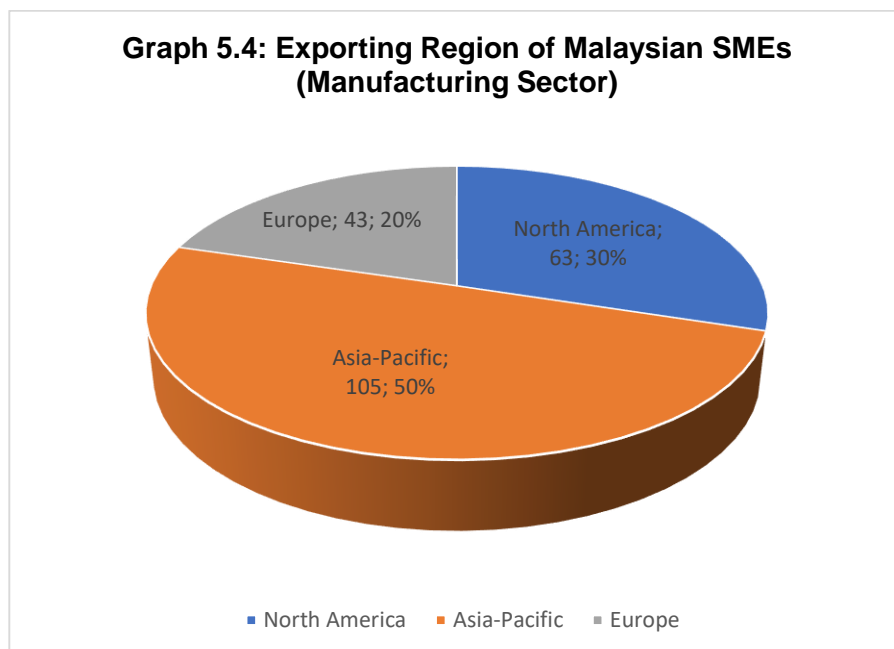
5.3 Descriptive Statistics

This section presents descriptive statistics of the constructs used in the study (Table 5.5). All items were ranked on a five-point Likert scale, with 5 indicating strongly agree; 4 indicating slightly agree; 3 indicating agree; 2 indicating slightly disagree; and 1 indicating strongly disagree. All means and standard deviations are shown below.

Table 5.5 Mean by items and Domain

	Mean	Std. Deviation
Export knowledge and experienced staff (EKE)		
EKE1 Experience	3.66	0.80
EKE2 Commitment	3.57	0.79
EKE3 Proactive Attitude	3.58	0.72
EKE4 Positive Perception	3.48	0.60
EKE5 Ability Processing	3.52	0.64
EKE6 High Skill Personal	3.52	0.60
EKE7 International Experience	3.71	0.74
EKE8 Accurate information	3.75	0.79
EKE9 Knowledge on consumer	3.77	0.77
EKE10 Knowledge about Distributor	3.62	0.83
EKE11 Market Information	3.61	0.75
Export marketing strategy (EMS)		
EMS1 Customer Relationship	3.80	0.87
EMS2 Distribution	3.61	0.81
EMS3 Consumer Services	3.70	0.78
EMS4 Pricing Strategy	3.71	0.80
EMS5 Supplier Relationship	3.64	0.81
EMS6 Product Quality	3.51	0.78
EMS7 Promotion	3.63	0.87
EMS8 Market Research	3.60	0.79
Managers' knowledge of business environment (GKM)		
GKM1 Potential	3.33	0.88
GKM2 Opportunities	3.35	0.85
GKM3 Facilitating	3.34	0.84
GKM4 New Competitors	3.37	0.90
GKM5 Intensity	3.33	0.85
GKM6 Difficulty	3.30	0.90
GKM7 Complexity	3.34	0.82
GKM8 Uncertainty	3.37	0.90
Years of Exporting Experience (EE)		
EE Years of Exporting Experience	3.94	0.90
Number of Employees (NE)		
NE No. of Employees	38	0.70
Export Performance (EP)		
EP Export Performance	3.42	0.50

The group means of constructs are as follows: export knowledge and experienced staff are 3.48 to 3.77, standard deviation 0.60 to 0.83; export marketing strategy of the firm 3.51 to 3.80, standard deviation 0.79 to 0.87; managers' knowledge on business environment is 3.30 to 3.37 with a standard deviation of 0.82 to 0.90; years of exporting experience is 3.94 and standard deviation is 0.90; number of employees is 38 and standard deviation is 0.70; and export performance is 3.42 and standard deviation is 0.50. Then, it can be inferred that respondents on average agreed with the items as all answers averaged higher than 3.

5.4 Reliability Assessment

Reliability assessment identifies consistency of the items based on the concept or idea the scale intends to measure (Bryman, 2015). The measurement of reliability covers stability, internal reliability, and inter-observer consistency. Stability assesses whether the measures used in the instrument are stable over time. Inter-observer consistency (or inter-rater reliability measure) measures whether two or more independent observers watching the same events produce the same result based on their observations. The most reliable technique to gauge internal reliability is known as Cronbach's alpha. As a rule of thumb, a value of reliability of 0.90 is excellent, 0.70-0.90 is high, 0.50-0.69 is moderate, and less than 0.49 is low (Hair et al., 2010). Table 5.6 shows the value of Cronbach's alpha for the four main constructs of this study. This shows that the export knowledge and experienced staff, export marketing strategy, and managers' knowledge of business environment constructs for this study have high reliability, while the export performance construct has moderate reliability.

Table 5.6: Reliability Test

Construct	Cronbach's Alpha	No. of Items	Type
Export Performance	0.65	4	Moderate reliability
Export knowledge and experienced staff	0.70	11	High reliability
Export marketing strategy	0.78	8	High reliability
Manager's knowledge of business environment	0.80	8	High reliability

5.5 KMO (Kaiser Meyer-Olkin) and Bartlett's Test

According to Hair et al. (2010), KMO value and Bartlett's Test is the essential test to confirm the relationship between variables in the construct for the factor analysis. As a rule of thumb, the KMO value should be higher than .60, and Bartlett's test p-value is less than 0.05. As shown in Table 5.7, the KMO value of export knowledge and experienced staff is 0.73, export marketing strategy is 0.85, and managers' knowledge of business environment is 0.80, while Bartlett's test for all constructs is p<0.05. The results show that all KMO values are confirmed to be greater than 0.6 and Bartlett's test (p < 0.05) shows the appropriateness of carrying out factor analysis.

Table 5.7: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy		Bartlett's Test of Sphericity		
		Approx. Chi-Square	df	p
Export knowledge and experienced staff	0.73	125.79	10	0.00
Export marketing strategy	0.85	437.26	36	0.00
Managers' knowledge of business environment	0.80	462.15	28	0.00

5.6 Principal Components Analysis

Principal components analysis has been selected as an appropriate statistical tool for data reduction so that there is no unique or error variance on the analysed data for the construct. Kaiser (1958) normalisation criterion states that the components with eigenvalues higher than one determine the cut-off point of factor extraction and this method is employed in this study.

5.6.1 Loading Factors

Comrey and Lee (1992) suggest a cut-off value for the loading factor of 0.4, irrespective of sample size. Additionally, Comrey and Lee (1992) recommend using stricter cut-offs going from 0.32 (poor), 0.45 (fair), 0.55 (good), 0.63 (very good) or 0.71 (excellent). Data for loading factors for all items in the constructs can be considered acceptable as they range from 0.45 to 0.85 in value. Table 5.8 shows the analysis of loading factors of export knowledge and experienced staff, export marketing strategy, and managers' knowledge of the business environment.

Table 5.8: Loading factors with Export knowledge and experienced staff, Export marketing strategy, managers' knowledge of business environment

Export knowledge and experienced staff (EKE)	
	Loading Factor
EKE1 Experience	0.673
EKE2 Commitment	0.753
EKE3 Proactive Attitude	0.577
EKE4 Positive Perception	0.452
EKE5 Ability Processing	0.745
EKE6 High Skill Personal	0.652
EKE7 International Experience	0.815
EKE8 Accurate information	0.511
EKE9 Knowledge on consumer	0.749
EKE10 Knowledge about Distributor	0.786
EKE11Market Information	0.701
Eigenvalue	*3.156*
% of Variance	*28.687*

Export marketing strategy (EMS)	
	Loading Factor
EMS1 Customer Relationship	0.604
EMS2 Distribution	0.515
EMS3 Consumer Services	0.585
EMS4 Pricing Strategy	0.621
EMS5 Supplier Relationship	0.705
EMS6 Product Quality	0.719
EMS7 Promotion	0.812
EMS8 Market Research	0.763
Eigenvalue	*3.422*
% of Variance	*42.776*
Managers' knowledge of business environment	
	Loading Factor
GKM1 Potential	0.796
GKM2 Opportunities	0.843
GKM3 Facilitating	0.719
GKM4 New Competitors	0.642
GKM5 Intensity	0.686
GKM6 Difficulty	0.703
GKM7 Complexity	0.734
GKM8 Uncertainty	0.788
Eigenvalue	*3.309*
% of Variance	*41.357*

5.6.2 Communalities

Extraction communalities are estimates of the variance in each variable accounted for by factors or components in the factor solution (Hair et al., 2010). An asterisk indicates that the variable that does not fit well with the factor solution and should possibly be dropped. Table 5.9 shows that all extracted components account for all variables.

Table 5.9: Communalities

	Initial	Extraction
Export Knowledge and Experienced Staff		
MKE1 Experience	1.000	.415
MKE2 Commitment	1.000	.590
MKE3 Proactive Attitude	1.000	.429*
MKE4 Positive Perception	1.000	.385*
MKE5 Ability Processing	1.000	.580
MKE6 High Skill Personal	1.000	.600
MKE7 International Experience	1.000	.381*
MKE8 Accurate information	1.000	.464
MKE9 Knowledge on consumer	1.000	.602
MKE10 Knowledge about Distributor	1.000	.646
MKE11Market Information	1.000	.505
Export Marketing Strategy		
EMS1 Customer Relationship	1.000	.438
EMS2 Distribution	1.000	.383*
EMS3 Consumer Services	1.000	.800
EMS4 Pricing Strategy	1.000	.525
EMS5 Supplier Relationship	1.000	.555
EMS6 Product Quality	1.000	.515
EMS7 Promotion	1.000	.651
EMS8 Market Research	1.000	.567
EMS1 Customer Relationship	1.000	.438
Managers' Knowledge on business environment		
GKM1 Potential	1.00	0.69
GKM2 Opportunities	1.00	0.65
GKM3 Facilitating	1.00	0.46*
GKM4 New Competitors	1.00	0.55
GKM5 Intensity	1.00	0.65
GKM6 Difficulty	1.00	0.55
GKM7 Complexity	1.00	0.58
GKM8 Uncertainty	1.00	0.67

Extraction Method: Principal Component Analysis.

5.6.3 Total variance explained and eigenvalues (Factor analysis)

Total variance explained, and eigenvalues are a commonly used procedure in
determining factor analysis test. In the natural sciences, factor analysis should
be stopped when at least 95% of the variance is explained, while in the social
sciences, explained variance is often as low as 50 to 60 percent (Hair et al.,

2010). From eigenvalues or Kaiser's criterion assessment, the factors or components are retained when the eigenvalues greater exceeded 1. This study only included components or factors that having appropriate total variance and eigenvalues exceed 1.

Table 5.11a shows total variance of export knowledge and experienced staff in terms of eigenvalues. It is shown by first three components from columns 1 of Table 5.10a. Eigenvalues greater than one with component 1 is 3.156, component 2 is 1.331, and component 3 with eigenvalue is 1.112 and cumulative total is 28.687%, 40.784% and 50.891% respectively. Following table 5.10a, three components of export knowledge and experienced staff items will be extracted for factor analysis.

Table 5.10a: Total Variance Explained (Export knowledge and Experienced Staff

Total Variance Explained					
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings	
	Total	% of Variance	Cumulative %	Total	% of Variance
1	3.156	28.687	28.687	3.156	28.687
2	1.331	12.097	40.784	1.331	12.097
3	1.112	10.107	50.891	1.112	10.107
4	.970	8.816	59.707		
5	.888	8.071	67.778		
6	.737	6.703	74.481		
7	.670	6.090	80.571		
8	.614	5.586	86.157		
9	.591	5.369	91.525		
10	.478	4.346	95.871		
11	.454	4.129	100.000		

Table 5.10b shows the total variance and eigenvalues of export marketing strategy components. It shows that there are two components of export

marketing strategy can be extracted for the factor analysis due to its eigenvalues is higher than one. Component 1 (3.422) and component 2 (1.012) have cumulative totals of 55.427% and 42.776%, respectively.

Table 5.10b: Total Variance Explained (Export Marketing Strategy)

Total Variance Explained					
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings	
	Total	% of Variance	Cumulative %	Total	% of Variance
1	3.422	42.776	42.776	3.422	42.776
2	1.012	12.651	55.427	1.012	12.651
3	.884	11.045	66.472		
4	.625	7.808	74.279		
5	.593	7.417	81.697		
6	.533	6.664	88.361		
7	.530	6.619	94.980		
8	.402	5.020	100.000		

Table 5.10c: Total variance explained (Managers' knowledge of business environment)

Total Variance Explained					
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings	
	Total	% of Variance	Cumulative %	Total	% of Variance
1	3.309	41.357	41.357	3.309	41.357
2	1.319	16.493	57.851	1.319	16.493
3	.841	10.508	68.359		
4	.679	8.490	76.849		
5	.615	7.685	84.534		
6	.453	5.660	90.194		
7	.404	5.046	95.240		
8	.381	4.760	100.000		

Managers' knowledge of business environment of variance and eigenvalues are exhibited in Table 5.10c. It shows that there are two components can be extracted to be included in the factor analyses due to its eigenvalues being

greater than one. Component 1 (3.309) and component 2 (1.319) cumulative totals are 41.357% and 16.493%, respectively.

5.6.4 Rotated Factor Matrix (Varimax Rotation)

The rotated factor loadings or factor pattern matrix that represents how the variables are weighted for each factor. Varimax orthogonal rotation was adopted due to greater clarity with the outcome of the factor loading that tends to be either greater than or approaching zero in value. Based on the variables which load most highly with a factor, it can be defined as the group of variables under it.

The components of rotation are grouped based upon the factors having large loadings (correlation) for the same factors so that it can be represented a specific cluster of variables. For this study, variables with factor loadings smaller than 0.5 are considered not significant and dropped from the next analysis.

Table 5.11a exhibits the export knowledge and experienced rotated factor matrix. The researcher decided that for this study, the items to be included in this group are MKE2 (Commitment), MKE5 (Processing ability), MKE3 (Proactive attitude), and MKE1 (Experience). Thus, these are considered suitable items representing the clustered appeared in component 1.

Table 5.11a: Rotated Factor Matrix (Export knowledge and Experience)

Rotated Component Matrix[a]			
	Component		
	1	2	3
MKE2 Commitment	.756		
MKE5 Ability Processing	.739		
MKE3 Proactive Attitude	.632		
MKE1 Experience	.532		
MKE9 Knowledge on consumer		.775	
MKE10 Knowledge about Distributor		.755	
MKE8 Accurate information		.620	
MKE11 Market Information		.530	
MKE6 High Skill Personal			.774
MKE4 Positive Perception			.591
MKE7 International Experience			.569

The following Table 5.11b exhibits the export marketing strategy rotated factor matrix. The items to be included in this group are EMS7 (Promotion), EMS8 (Market research), EMS5 (Supplier relationship), EMS6 (Product quality), EMS1 (Customer relationship), and EMS4 (Pricing). All these items are represented in component 1 of rotated factor matrix analysis of export marketing strategy.

Table 5.11b Rotated Factor Matrix (Export Marketing Strategy)

Rotated Component Matrix[a]		
	Component	
	1	2
EMS7 Promotion	.801	
EMS8 Market Research	.748	
EMS5 Supplier Relationship	.722	
EMS6 Product Quality	.675	
EMS1 Customer Relationship	.648	
EMS4 Pricing Strategy	.552	
EMS3 Consumer Services		.894
EMS2 Distribution		.549

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization

Table 5.11c shows managers' knowledge of business environment rotated factor matrix. The items to be included in this component for the further analysis

are GKM8 (Uncertainty), GKM7 (Complexity), GKM6 (Difficulty), GKM5 (intensity), GKM4 (New Competitors). All these items are represented in component 1 of the rotated factor matrix analysis.

Table 5.11c Rotated Factor Matrix (Managers' Knowledge of business environment)

Rotated Component Matrix[a]		
	Component	
	1	2
GKM8 Uncertainty	.788	
GKM7 Complexity	.734	
GKM6 Difficulty	.703	
GKM5 intensity	.686	
GKM4 New Competitors	.642	
GKM2 Opportunities		.843
GKM1 Potential		.796
GKM3 Facilitating		.719

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization

Table 5.11d shows the selected variables of rotated factor matrix in the construct of investigating the impact of knowledge on the export performance of SMEs in the manufacturing sector in Malaysia. As mentioned earlier, the export knowledge and experienced staff component in factor 1 is represented by four items with an eigenvalue of 3.156 and variance of 28.867%. The export marketing strategy factor is represented by six items with eigenvalue of 3.442 and explained variance of 42.776%. Furthermore, factor 3, managers' knowledge of business environment or factor 3, is represented by five items with an eigenvalue of 3.039 and explained variance of 41.357%.

Table: 5.11d: Overall Variables of Rotated Factor Matrix (Varimax Rotation)

Coding and Variable	FACTOR 1 Export knowledge and Experience	FACTOR 2 Export Marketing Strategy	FACTOR 3 Managers Knowledge of business environment	Communality of each variable
MKE2 Commitment	.756			.590
MKE5 Ability Processing	.739			.580
MKE3 Proactive Attitude	.632			.429
MKE1 Experience	.532			.415
EMS7 Promotion		.801		.651
EMS8 Market Research		.748		.567
EMS5 Supplier Relationship		.722		.555
EMS6 Product Quality		.675		.515
EMS1 Customer Relationship		.648		.428
EMS4 Pricing Strategy		.552		.525
GKM8 Uncertainty			.788	.659
GKM7 Complexity			.734	.557
GKM6 Difficulty			.703	.497
GKM5 Intensity			.686	.499
GKM4 New Competitors			.642	.470
Eigenvalue	3.156	3.422	3.309	
% of Variance	28.687	42.776	41.357	
Cumulative %	28.687	42.776	41.357	

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization

5.6.5 Scree Plot

Graph 5.5 shows the Scree plot for this study. The appropriate number of components of this study can be determined by the "elbow" sign in the Scree plot. The figures show that the first seven components are appropriate for the analysis for this study due to having eigenvalues over 1. Therefore, from the component of 4th to 28th the plot line of the Scree plot is almost flat, meaning that each successive factor accounts for decreasing amounts of the total variance.

The point of friction between the 3rd and 4th component is the 'elbow' when the line in the scree plot turns sharply right. A rule of thumb is when the eigenvalue of the component exceeds 1. Another indicator can be spotted when plotting all

eigenvalues in decreasing order. The plot looks like the side of a mountain, and "scree" refers to debris from a mountain at its base. The Scree test suggests that analysis is stopped where the mountain ends and debris (error) begins.

Graph 5.5: Scree Plot
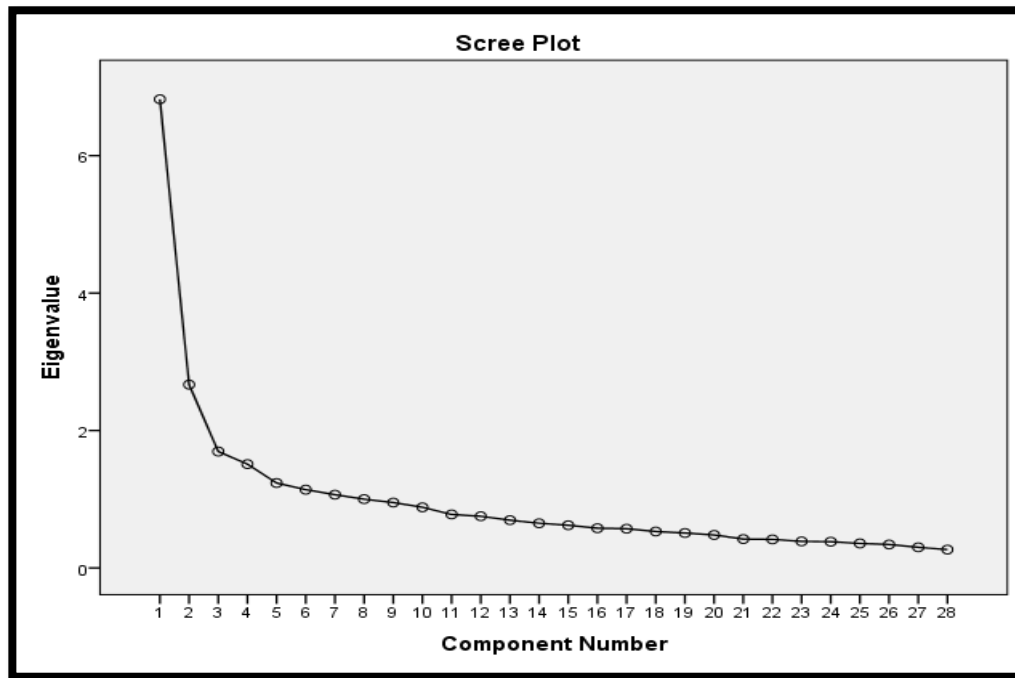
5.7 Multiple Linear Regression

The most suitable statistical technique to diagnose the relationship between export performance and its independent variable determinants such as export knowledge and experienced staff, export marketing strategy, and managers' knowledge of business environment is multiple linear regression. As stated in Chapter 4, multivariate analysis produces a linear combination between independent variables that can be linked to the dependent variables. To test the relationship between export performance and its determinants, SPSS statistical package Version 21 was used to run the regressions depicted in Figure 5.1.

<table>
<tr><td colspan="2">Figure 5.1: Proposed Functional Relationship of Variables Associated with Export Performance</td></tr>
<tr><td colspan="2">EP = ƒ (MKE, EMS, GKM, MKE*No staff, EMS*No staff, GKM*No staff, MKE*years exporting, EMS*years exporting, GKM*years exporting)</td></tr>
<tr><td>Where:</td><td>Variable</td></tr>
<tr><td>EP</td><td>Export Performance</td></tr>
<tr><td>EKE</td><td>Export knowledge and experienced staff</td></tr>
<tr><td>EMS</td><td>Export marketing strategy</td></tr>
<tr><td>GKM</td><td>Managers' knowledge of business environment</td></tr>
<tr><td>EKE*no staff</td><td>Export knowledge and experienced staff*no staff</td></tr>
<tr><td>EMS*no staff</td><td>Export marketing strategy*no staff</td></tr>
<tr><td>GKM*no staff</td><td>Managers' knowledge of business environment *no staff</td></tr>
<tr><td>EKE*years exporting</td><td>Export knowledge and experienced staff*years exporting</td></tr>
<tr><td>EMS*years exporting</td><td>Export marketing strategy*years exporting</td></tr>
<tr><td>GKM*years exporting</td><td>Managers' knowledge of business environment *years exporting</td></tr>
</table>

The model examines the influence of knowledge on the export performance of Malaysian SMEs in the manufacturing sector presented in Figure 3.1 was specified as a linear regression equation and estimation for this study. The results of the output regression are depicted in Figure 5.2. The regression estimation used the SPSS statistical package Version 21 for Mac (SPSS Inc., 2016). All independent variables were grouped based on their components and regressed on the dependent variable using ordinary least squares regression.

<table>
<tr><td colspan="5">Figure 5.2: Regression Estimation (Unstandardized) of Export Performance Relationship with its Determinants</td></tr>
<tr><td colspan="5">EP = ƒ (0.6349 (Intercept) - 0.0390 (MKE) + 0.2445 (EMS) + 0.5265 (GKM) - 0.0519 (MKE*no staff) + 0.0727 (EMS*no staff) - 0.018 (GKM*no staff) + 0.0003 (MKE*years exporting) + 0.0404 (EMS*years exporting) – 0.0748 (GKM*years exporting)</td></tr>
<tr><td colspan="5">Table 5.12: Regression Estimates of the Export Performance Relationship</td></tr>
<tr><td>Parameter</td><td>Unstandardized Coefficients (Beta)</td><td>Standard Error</td><td>t-statistics</td><td>p-value</td></tr>
<tr><td>Constant</td><td>0.634</td><td>.196</td><td>2.769</td><td></td></tr>
<tr><td>MKE</td><td>0.039</td><td>.064</td><td>0.549</td><td>0.583</td></tr>
<tr><td>EMS</td><td>0.244</td><td>.049</td><td>4.292</td><td>0.000***</td></tr>
<tr><td>GKM</td><td>0.526</td><td>.049</td><td>10.62</td><td>0.000***</td></tr>
<tr><td>MKE*no Staff</td><td>-0.051</td><td>.029</td><td>-1.791</td><td>0.075*</td></tr>
<tr><td>EMS*no Staff</td><td>0.072</td><td>.032</td><td>2.248</td><td>0.025**</td></tr>
</table>

GKM*no Staff	-0.018	.028	-0.662	0.508
MKE * years exporting	0.0003	.030	0.012	0.989
EMS * years exporting	0.0404	.030	1.330	0.185
GKM * years exporting	-0.0748	.027	-2.175	0.007***

Table 5.12 shows the results for regression estimates of the model investigating the impact of knowledge on export performance using multiple regression analysis. In interpreting the separate impact of each variable in the model on export performance in Table 5.12, the results show that export marketing strategy is the variable that best predicts export performance of SMEs (Beta=. 2445, p=0.00<. 05), followed by managers' knowledge of the business environment (Beta=. 0.5265, p=0.00<. 05), export marketing strategy*no staff (Beta=. 0.0727, p=0.025<. 05) and manager's knowledge of business environment*year exporting (Beta=-. 0748, p=0.007<. 05).

Table 5.13: Model Summary					
Model	R	R Square	Adjusted R Square	Standard Error	Durbin-Watson
1	.763	.581	.563	.336	1.916

a. Predictors: (Constant), MKE, EMS, GKM, MKE*no Staff, EMS*no Staff, GKM*no Staff, MKE*years exporting, EMS*years exporting, GKM*years exporting

The goodness-of-fit of the regression equation of this study can be determined by its coefficient of determination, R2, which was statistically high at 0.581 while its Adjusted R^2 was 0.563. This model summary of regression analysis is shown in Table 5.13. The explanatory power of the overall model was measured using the F-statistics. The F-Statistics is 31.076 considered as highly significant (F-stat 0.00). This explanatory power for the overall model is specified in the Table 5.14. Overall, it can be concluded that the model was found to be statistically

significant in terms of explanatory power and a number of specified significant variables.

Table 5.14: ANOVA					
Model 1	Sum of Square	df	Mean Square	F-Stat	Sig.
Regression	31.701	9	3.522	31.076	. 000[b]
Residual	22.782	201	.113		
Total	54.483	210			

a. *Dependent Variable: Export Performance*
b. *Predictors: (Constant), MKE, EMS, GKM, MKE*no Staff, EMS*no Staff, GKM*no Staff, MKE*years exporting, EMS* years exporting, GKM* years exporting*

5.8 Multiple Linear Regression: Model Evaluation

For this study, linearity tests were used to determine the suitability of the model (Gujarati, 2009). These tests were performed to ensure that the regression equation being proposed for the study satisfied the conditions for validity. These diagnostic tests are discussed in the following section.

5.8.1 Linearity

The linearity of the relationship between independent variables and dependent variable can be graphically observed from partial residual plots (Hair et al., 2010). However, these cannot be used as a precise measure to determine linearity. The current regression model shows the adjusted R^2 of our model is 0.563 with the $R^2 = 0.581$, which means that the linear regression explains 58.1% of the variance in the data. The Durbin-Watson statistic d = 1.916, which is between the two critical values of 1.5 < d < 2.5, so there is no first-order linear auto-correlation in the data.

5.8.2 Multicollinearity Test

Before carrying out regression analysis, it is a suitable practice to conduct a multicollinearity test. This practice can be achieved in two ways. First, Pearson's correlations were first estimated between the constructs to ensure there was no multicollinearity (Brayman, 2015). Table 5.15 shows all correlation coefficients. No correlations were above .70, so there is no evidence or concern for multicollinearity (Hair et al., 2010). The correlation coefficient is a measure that determines the degree to which two variables' movements are associated. The range of values for the correlation coefficient is - 1.0 to 1.0. If a calculated correlation is greater than 1.0 or less than -1.0, then a mistake has been made. A correlation of -1.0 indicates a perfect negative correlation, while a correlation of 1.0 indicates a perfect positive correlation.

Table 5.15: Pearson's Correlation

Variables	X1	X2	X3	X4	X5	X6	X7	X8	X9
MKE	1.000								
EMS	.511**	1.000							
GKM	.375**	.519**	1.000						
MKE*no Staff	.250**	.115	.155*	1.000					
EMS*no Staff	.145*	.161*	.154*	.435**	1.000				
GKM*no Staff	.207**	.193**	.150*	.559**	.366**	1.000			
MKE * years exporting	.028	.054	.011	.069	.050	.069	1.000		
EMS * years exporting	.023	.074	.003	.032	.027	.044	.524**	1.000	
GKM * years exporting	.074	.017	.104	.071	.050	.012	.497**	.492**	1.000

**Correlation is significant at the 0.01 level (2-tailed).
*Correlation is significant at the 0.05 level (2-tailed).

Table 5.16: Variance Inflation Factor (VIF)

Variable	Tolerance	VIF
Export knowledge and experience	0.679	1.473
Export marketing Strategy	0.600	1.667
Managers' knowledge of Business environment	0.711	1.407
Export knowledge and experience* Years of exporting	0.571	1.752
Export marketing Strategy* Years of exporting	0.693	1.443
Managers' knowledge of Business environment* Years of exporting	0.682	1.467
Export knowledge and experience*No. staff	0.650	1.538
Export marketing Strategy*No. staff	0.669	1.494
Managers' knowledge of Business environment*No. staff	0.636	1.570

Second, to quantify the severity of multicollinearity, collinearity statistics for the complete regression model were also produced, as shown in Table 5.16. Scores for VIF (variance inflation factor) and tolerance were considered. For VIF, Hair et al. (2010) recommended that it should not exceed the cut-off of 4. In this regression analysis, VIF scores ranged between 1.01 and 1.57, indicating no sign of multicollinearity. With regards to tolerance, Tabachnick et. al (2007) suggested that tolerance scores should not fall below 0.25. The minimum tolerance score for this regression was 0.65, showing no evidence of multicollinearity.

5.9 Hypotheses Testing

After analysing the data, the research hypotheses are confirmed by examining the significance in explaining the relationship between dependent variable and independent variables in the model. The output of the estimated standardised estimation coefficients and p-value are used to examine hypotheses for this study. As a rule of thumb, a relationship is significant when the t-value is above 1.96 and the p-value is 0.05. Table 5.17 presents the result of hypotheses testing of this study.

Table 5.17: Hypotheses Testing Finding

Hypothesis	Variables	Estimate	S.E	t-stats	p-value	Finding
H_1	Export knowledge and experienced staff ↔ Export Performance	0.0390	.064	0.549	0.583	Not Supported
H_2	Export marketing strategy ↔ Export Performance	0.2445	.049	4.292	0.000***	Supported
H_3	Manager's knowledge of business environment ↔ Export Performance	0.5265	.049	10.62	0.000***	Supported
H_{4a}	Export knowledge and experienced staff* no. of employees ↔ Export performance	-0.0519	.029	-1.791	0.075*	Not Supported
H_{4b}	Export marketing strategy* no. of employees ↔ Export performance	0.0727	.032	2.248	0.025**	Supported
H_{4c}	Managers' knowledge of business environment * no. of employees ↔ Export performance	-0.018	.028	-0.662	0.508	Not Supported
H_{5a}	Export knowledge and experienced staff*years of exporting experience ↔ Export performance	0.0003	.030	0.012	0.989	Not Supported
H_{5b}	Export marketing strategy* years of exporting experience ↔ Export performance	0.0404	.030	1.330	0.185	Not Supported
H_{5c}	Managers' knowledge of business environment * years of exporting experience ↔ Export performance	-0.0748	.027	-2.175	0.007***	Supported

5.10 Summary

This chapter has presented the data processing for this study. From 230 questionnaire surveys, 211 questionnaire surveys were available for data analysis following data cleaning. Using the completed surveys, this study used SPSS Version 21 for Mac to analyse the data to present the demographic profile of respondents, descriptive statistics, reliability assessment, KMO and Bartlett's' Test, Principal Component Analysis, Multiple Linear Regression, Multicollinearity test, and Hypothesis testing. The results show that the four hypotheses are associated with export performance in the proposed model of this study.

Chapter Six:
DISCUSSION

6 Discussions

6.1 Introduction

This study has investigated the influence of knowledge on the export performance of Malaysian SMEs in the manufacturing sector. After a review of the literature on the issue, it was learned that earlier research was too concentrated on the internal elements and ignoring the impact of knowledge on export performance.

This study demonstrates the research should focus on the impact of knowledge as it dramatically affects the export performance of SMEs. This study examines manager knowledge of the business environment, export knowledge and experienced staff, export marketing strategy, and moderated by years of exporting experience and a number of employees against export performance.

This study develops a model based on the resource-based view (RBV) and knowledge based-view (KBV). Both theories focus on the internal resources like human resources and knowledge as a core of the organisation that strengthening and stimuli the organisational capability within the competing industry. To validate the data, this study uses the reliability test (Alpha Cronbach). This study also includes the instrument validation and hypothesis testing.

6.2 Instrument validation

The measurement of reliability involves three major elements - stability, internal-reliability, and inter-observer consistency. Stability assesses whether the items being developed for evaluating the instrument are stable over time. Inter-observer consistency or inter-rater reliability measures the degree to which two or more independent observers were watching the same events, concluding with the same result.

To test the internal validity of the instruments, this study uses Cronbach's alpha. As a rule of thumb, the value of reliability of 0.90 is considered excellent reliability, 0.70-0.90 is a high reliability, 0.50-0.70 is moderate reliability, and less than 0.50 is considered low reliability (Hair et al., 2010). The value of Cronbach's alpha of the construct items for this subject is considered extremely reliable, ranging from 0.70 to 0.80.

6.3 Hypotheses Testing

The research hypotheses and findings of this study are assessed and discussed in relation to previous literature. This study focuses on three major factors, namely export knowledge and experienced staff, export marketing strategy, managers' knowledge of the business environment, and two moderating variables of the years of exporting experience and a number of employees which can affect SME export performance in the Malaysian manufacturing sector. The results are summarized in Table 6.1 below.

Table 6.1: Result of Hypothesis Testing of Investigating the Export Performance of SMEs

Hypothesis	Hypothesis path	Expected result
H_1	Export knowledge and experienced staff are associated with export performance of SMEs	Not Supported
H2	Export marketing strategy is associated with export performance of SMEs	Supported
H_3	Managers' knowledge of business environment is associated with export performance of SMEs	Supported
H_{4a}	Export Knowledge and experienced staff and SMEs export performance will be moderated by number of employees	Not Supported
H_{4b}	Export marketing strategy and export performance of SMEs will be moderated by number of employees	Supported
H_{4c}	Managers' knowledge of business environment and export performance of SMEs will be moderated by number of employees	Not Supported
H_{5a}	Export knowledge and experienced staff and export performance of SMEs will be moderated by years of exporting experience	Not Supported
H_{5b}	Export marketing strategy and export performance of SMEs will be moderated by years of exporting experience	Not Supported
H_{5c}	Managers' knowledge of the business environment and export performance will be moderated by years of exporting experience	Supported

6.3.1 Export knowledge and experienced staff are associated with export performance of SMEs

A firm engaged in the export market should pay special attention to its supporting line-up, who manages export products and operations. Experienced and well-informed staffs are crucial in achieving superior performance. Scholars found that readiness of personnel in handling business operation enables the firm to enjoy a positional advantage in the markets (Morgan et al., 2004). The rationale is that the experienced and knowledgeable staffs can carefully execute the task at hand (Sousa, Martínez- López, and Coelho 2008). Moreover, if a firm has an experienced and knowledgeable staff, they can carry out prerequisite tasks and overcome the peculiarities of foreign markets (Sousa,

Martínez- López, and Coelho 2008). Likewise, an experienced and knowledgeable staff is a vital element enabling a firm to learn more about overseas markets and enforcing the export marketing strategy, as they are more capable of recognising the opportunities in the market. This study has been hypothesised that export knowledge and experienced staff are associated with SME export performance. However, the results produced a t-statistic of 0.5491 and p-value of 0.5836. This result did not support the H1, which implies that export knowledge and experienced staff are associated with export performance of SMEs.

Hypothesis	Estimate	S.E	t-stats	p-value	Finding
H$_1$	0.0390	.064	0.549	0.583	Not Supported

6.3.2 Export marketing strategy is associated with export performance of SMEs

An export marketing strategy is one of the important factors in export performance studies, and this has received much attention among researchers (He at al., 2018; Tan and Sousa, 2015; Hultman et al., 2009). It is linked up to three dimensions within the firm: culture, strategy and tactics (Webster, 1992). The culture deals with values and beliefs guiding the organisation in supplying products to customers. The strategy is how the organisation targets and positions itself in the competing industry. Tactics show on how the organisation itself can manage the marketing tools at its disposal (Webster, 1992). The frequently cited export marketing strategy are product quality, pricing strategy, promotion, channel relationships, and channels of distribution (He at al., 2018; Wheeler et al., 2008; Madsen, 1987; Katsikeas et al., 1996; Amine and

Cavusgil, 2007). Leonidou et al. (2002) and Tan and Sousa (2015) state that an export marketing strategy is essential for enhancing export performance by allocating scarce resources to meet firm export objectives. This study hypothesised that the export marketing strategy is associated with the export performance of SMEs. The result indicates that the path estimates of the t - statistic is 4.292 and with a *p-value* of less than 0.05, this supports our H2. It is suggested that export marketing strategy is associated with export performance of SMEs in Malaysia.

Hypothesis	Estimate	S.E	t-stats	p-value	Finding
H_2	0.2445	.049	4.292	0.000***	Supported

6.3.3 Managers' knowledge of business environment is associated with export performance of SMEs

Porter (1985) argues that organisational performance is relying on the business environment and influencing the firm's dimensions to survive in the business. A business-friendly environment allows firms to utilise idle resources to achieve an above average performance and finally expand the companies (Katsikeas, Morgan and Leonidou, 2016). Additionally, the manager's ability to understand the business environment is crucial to the firm's accomplishment (Hoskisson et al., 2012). In most cases, firms need managers who are intelligent and competent to comprehend the business operation that is complex and delicate. A manager who is well-informed, self-confident, and has sufficient knowledge to comprehend the intricacy and ambiguity in the industry capable of attaining superior performance (O'Cass and Julian, 2003). This study suggests that managers' knowledge of business environment is associated with export

performance of SMEs. The regression results show that the path estimates of the t - statistic is 10.62 and the p-value is less than 0.05, indicating managers' knowledge of business environment is associated with export performance.

Hypothesis	Estimate	S.E	t-stats	p-value	Finding
H₃	0.5265	.049	10.62	0.000***	Supported

6.3.4 Export Knowledge and experienced staff and SMEs export performance will be moderated by number of employees

Well-informed staff who are capable of managing the task would improve a firm's productivity and lead to export profitability (Lin and Wu, 2014). Additionally, informed and experienced personnel are a unique bundle of resources that could deliver the superior performance to their organisation. Sousa, Martínez- López, and Coelho (2008) stated that a group of competent staff who are gifted to handle any idiosyncrasies of export markets signifies the available stock of the organisation. Love et al. (2016) found that there is a relationship between firm size (number of employees) and export performance. The regression results show that the path estimates of the t - statistic is 1.791 and the p-value is 0.0748. This result did not support the H3 hypothesis that export Knowledge and experienced staff and SMEs export performance will be moderated by number of employees.

Hypothesis	Estimate	S.E	t-stats	p-value	Finding
H₄ₐ	-0.0519	.029	-1.791	0.075*	Not Supported

6.3.5 Export marketing strategy and export performance of SMEs will be moderated by number of employees

In an export market, sufficient personnel are potentially important to handle export marketing strategy (Sousa and Tan, 2015). A firm's capability to react to the customers' demand must be backed up by sufficient numbers of staff and is so decisive in the exporting activities (Kim and Hemmert, 2016). The various export marketing strategies to be executed by the firm to reach its customers require sufficient numbers of employees for completing tasks specifically for promotion, designing, and distribution activities (Sousa and Tan, 2015; Hultman et al., 2009; Katsikeas et al., 2006). The regression results show that the path estimates of the t - statistic is 2.248 and has p-value of less than 0.05. Thus, this result supports hypothesis H4 that export marketing strategy and export performance of SMEs will be moderated by number of employees.

Hypothesis	Estimate	S.E	t-stats	p-value	Finding
H_{4b}	0.0727	.032	2.248	0.025**	Supported

6.3.6 Managers' knowledge of business environment and export performance of SMEs will be moderated by number of employees

The nature of the business environment determines the organisational performance of SMEs (Baldauf et al., 2000). A complicated business landscape challenged the managers' expertise on how to fully utilize the firm's resources to attain superior performance (Cavusgil and Zou, 1994). With the presence of a manager who has the ability to grasp the nature of the business environment, adequate employees facilitate the process of export undertakings in foreign markets (Baldauf et al., 2000). The regression results show that the path

estimates of the t - statistic is -0.662 and p-value is 0.508. The statistical results did not support H6 hypothesis, affirming that managers' knowledge of business environment and export performance of SMEs will be moderated by number of employees.

Hypothesis	Estimate	S.E	t-stats	p-value	Finding
H$_{4c}$	-0.018	.028	-0.662	0.508	Not Supported

6.3.7 Export knowledge and experienced staff and export performance of SMEs will be moderated by years of exporting experience

The performance of exporters is definitely strengthened by active participation in the export market (Brouthers et al., 2015). Scholars have suggested that years of engagements in the export market possess several advantages due to a good reputation and brand positioning in the market (Hultman et al., 2011). Additionally, years of export experience could help individuals and groups in specific departments to enhance their communal experience through learning by doing and sharing actions, ultimately ensuring the organizational performance. The regression results show that path estimates of the t - statistic is 0.0126 and the p-value is 0.989. Thus, these findings did not support H7 hypothesis that export knowledge and experienced staff and export performance of SMEs will be moderated by years of exporting experience.

Hypothesis	Estimate	S.E	t-stats	p-value	Finding
H$_{5a}$	0.0003	.030	0.0126	0.989	Not Supported

6.3.8 Export marketing strategy and export performance of SMEs will be moderated by years of exporting experience

Leonidou et al. (2002) stated that the export marketing strategy is obligatory for enhancing export performance, by allocating rarity that is a unique bundle of resources to meet export goals and adjusting accordingly. Also, years of export experience can be valuable for planning and executing purpose in the export market. This study hypothesised that there are association between export marketing strategy and export performance are more substantial due to years of exporting experience. The results show the path estimates of the t - statistic is 1.330 and the p-value is 0.1849. This finding did not support H8 hypothesis, which suggests that export marketing strategy and export performance of SMEs will be moderated by years of exporting experience.

Hypothesis	Estimate	S.E	t-stats	p-value	Finding
H$_{5b}$	0.0404	.030	1.330	0.185	Not Supported

6.3.9 Managers' knowledge of the business environment and export performance will be moderated by years of exporting experience

In a competitive market, superior performance is relying on the presence of a unique bundle of resources within retained in an exporting firm to outperform the other players (Barney and Mackey, 2016). For instance, a manager who has sufficient knowledge about exporting markets will frequently be able to facilitate export dealing and enhance organisational performance. Similarly, scholars stated that the establishment that had become a successful organization in the industry typically being commanded by good managers who understand the complexity and delicacy of the business environment.

Undisputedly, the combination of well-informed and competent managers and the long-term involvement of the firm in an export operation could produce resilient performance. The results show the path estimates of t-statistic as -2.715 and p-value is 0.0072. This study supports H9 hypothesis suggesting that managers' knowledge of the business environment and export performance will be moderated by years of exporting experience.

Hypothesis	Estimate	S.E	t-stats	p-value	Finding
H_{5c}	-0.0748	.027	-2.175	0.007***	Supported

6.4 Summary

This section examines the hypotheses and discussed the findings of the study. The study found that export marketing strategy and managers' knowledge of business environment are associated with the export performance of SMEs in the model of investigating the impact of knowledge on export performance with the path significance of t-statistics of >1.96 and p-value <0.05. This study uses a reliability test (Alpha Cronbach) and loading factors to validate the proposed model of the model of investigating the impact of knowledge on export performance.

Chapter Seven:

CONCLUSION

7 Conclusion

7.1 Introduction

This section concludes the thesis by revisiting each chapter. It revisits the aims, objectives, and research question of the study. It further discusses the theoretical and practical contributions of this research concerning export performance studies. The limitations of the study are outlined and recommendations for future research are proposed.

7.2 Revisiting Aims and Objectives of the study

The fundamental aims of this study were given in Chapter 1, explaining the impact of knowledge on the export performance of SMEs in the manufacturing sector of Malaysia. All research objectives of this work were incorporated into chapters, as summarised in Table 7.1.

Table 7.1: Revisit the Research Objectives of the Thesis

OBJECTIVES	CHAPTERS
Objective 1	Chapter 2
Objective 2,3, and 4	Chapter 3
Objective 5	Chapter 7

7.2.1 Objective 1: Investigate whether managers' knowledge of business environment is associated with export performance of SMEs operating in the competing industry.

Bowen et al. (2015) suggested that the business environment influences firm performance due to cheaper products and services offered globally to consumers. Continuous change in the business environment has shaped the managerial perspectives of exporting firms (Baldauf et al., 2000). From the RBV perspective, a manager's knowledge of the business environment develops a unique bundle of resources when it fulfils the elements of being valuable, rare, inimitable, and non-substitutabile (Barney and Mackey, 2016). The manager's ability becomes a valuable's resource if his knowledge is capable of delivering a value proposition in the market (Barney and Mackey, 2016). In cases of rarity, a manager has a unique skill or personality ensures organisational performance in export activities. So, if there are few companies within the industry with a calibre of managers, this erodes the competitive advantage of existing firm for a resource market (Masso et al., 2015). A manager who understands the complexity of the business environment allows his organisation by delivering solid performance for his organisation and clients (Barney and Mackey, 2016). Based on the survey performed by the researcher, the regression results reveal that the path significance of the t-statistic of managers' knowledge of business environment is 10.62 with a p-value of less than 0.05, indicating a significant managers' knowledge of business environment is associated with export performance of SMEs.

7.2.2 Objective 2: Evaluate the effect of export knowledge and experienced staff are associated with export performance of SMEs.

Export knowledge and experienced staff are vital determinants that enable a firm to achieve competitive advantage within an industry (Barney and Mackey, 2016). In RBV, a well-informed and experienced staff is decisive to carrying out export undertakings. Also, this knowledgeable and experienced staff enable the firm to achieve a positional advantage (Sousa and Tan, 2015). There are two important elements to be accomplished by the SMEs to achieve a positional advantage: being inimitable and non-substituted. Here, inimitability refers to the ability of the competitors to replicate a unique bundle of resources enjoyed by the dominated firm, reducing its competitive advantage within the industry. Non-substitutability refers to the capability of the rivals to replicate a positional advantage of the firm via the arrangement of the substitute set of resources that delivering the competitive advantage in the market resources (Morgan et al., 2006). Scholars have found that this managerial knowledge determines the exporting success (Chung and Kuo, 2018; Sousa et al., 2008). Therefore, in the context of Malaysia, the results show the export knowledge and experienced staff did not support the hypothesis and the path significance of the t-statistic is .549 and p-value is 0.583. This study finding is associated with previous finding shows that there is no association between managerial knowledge via experience and export performance (Brouthers and Nakos, 2005).

7.2.3 Objective 3: Evaluate the effect of export marketing strategy is associated with export performance of SMEs.

Kim and Hemmert (2016) indicated that export marketing strategy is an indispensable factor to be a successful participant in the exporting activities. An export marketing strategy is capable of offering a value proposition to customers with informative advertising, and it helps the firm to retain its presence in the export market (Katsikeas et al., 2006). As for RBV, an export marketing strategy includes getting a unique package of resources if it is capable of delivering competitive advantage for the firm (Barney and Mackey, 2016). Then, an export marketing strategy is considered as valuable for the firm if it can retain the existing consumers and recruiting future consumers to buy their products and services. Concerning inimitability, an export marketing strategy should be capable of delivering a value proposition to consumers and hindering its rivals from replicating its strategy, allowing the firm to enjoy a competitive advantage. This study shows that the path significance of the t - statistic is 4.292 and p-value is less than 0.000, indicating that the export performance of SMEs and export marketing strategy is associated with the export performance of the model.

7.2.4 Objective 4: Develop an integrated model for investigating the export performance of SMEs in the context of Malaysia.

This study has developed an integrated model of the impact of knowledge on the export performance of Malaysian SMEs. The model of this study is based upon the RBV and KBV theories, holding that SMEs involved in exporting undertakings should pay particular attention to the strength of internal resources

like export knowledge and managers as core competencies to achieve a competitive advantage in the industry. The rationality of RBV and KBV as a central theory due to export knowledge is vital to achieving solid performance (Lin and Wu, 2014). The internal resources of a firm are transformed into comparative advantage from RBV, and these must satisfy four conditions: valuable, rare, inimitability, and non-substitutability (Barney and Mackey, 2016). Resources like export knowledge and experienced staff and managers are considered valuable if they are unique to the factor market and capable of supporting their organisations to grow and offer a value proposition to customers (Masso et al., 2015). Due to rarity, resources like export knowledge and experienced staff, export marketing strategy and manager's knowledge of the business environment can only be a unique bundle of resources if the firm is hindering the other rivals from replicating this unique bundle of resources and delivering a value proposition to customers (Barney and Mackey, 2016). While inimitability concerns the competitors' ability to replicate the resource use by the firm that reducing the firm's comparative advantage within the industry. As for non-substitutability, this can be retained when the firm is capable of maintaining its positional advantage over the resources (Morgan et al., 2006).

Then, SMEs must be capable of exploiting the elements of knowledge as uniquely bundled resources to achieve a sustained competitive advantage within the industry (Barney and Mackey, 2016). In this study, there are three constructs: export knowledge and experience of staff; export marketing strategy; and a manager's knowledge of the business environment that contingent upon knowledge as uniquely bundled resources that ensuring

organisational performance. Thus, the integrated model of this study is built on critically reviewed literature on export performance studies, while all hypotheses constructed in the model have been validated and discussed.

7.2.5 Objective 5: Highlight the practical and academic implication in export performance studies.

This study offers practical and academic implications to guide export performance research in the lens firm resource competence, capability and business environment. The study highlights several recommendations relevant to policy makers and researchers for future research on the subject. Additionally, this survey is useful guidance for those who are researching into both of developing and emerging economies that are the same subject. Furthermore, this study also highlights some limitations encountered by the researcher when conducting this study, as explained in the research limitations section below.

7.3 Research Findings

The findings from this study included the outcome of the model of investigating the Impact of knowledge on export performance from the Malaysian perspective (developed in chapter 3 of this study). This model has been developed in line with the reviewed literature on export performance (as discussed in chapter 2). The proposed model has been validated through a survey of 211 SMEs in Malaysia conducted from 1 February 2016 on 1 May 2016. This study has sought to answer research questions embedded in the constructed model in chapter 3. The primary research findings of the study are as follows:

- **Will managers' knowledge of business environment associate with export performance of SMEs in Malaysia?**

A manager's knowledge of business environment shares a solid connection with export performance in the context of Malaysia. This study found that continuously changing in a business environment shapes the manager's perspective on how such situations may be affecting export performance. Likewise, the whole understanding of managers of the vibrant business environments is essential to strategies the present and the future of his organization to remain intact and competitive. Thus, the right knowledge of competitors' stratagems will always influence a firm's capabilities in a competing industry. Also, the managers could engage with the change in the business environment to provide the right strategy to strengthen the firm by deploying the internal resources of the firm, like supporting staff and export marketing department, so that his company can deliver a value proposition to consumers and clients (Love et al., 2016). Also, managers should be capable of ingraining the "global-mindset" into organisational and staff mindsets to make them capable of providing the value-creating potential in a rapidly changing global economy. A manager who is well-prepared and has self-confidence and vast knowledge of the business landscape more easily comprehends the complexity and uncertainty in the industry and always achieves an above-average return (Masso et al., 2015). The regression results show that a manager's knowledge of business environment affected the export performance of SMEs and resulted in the path significance of the t-statistic of 10.62 and a p-value of less than 0.05, indicating managers' knowledge of business environment is associated with export performance of SMEs in the context of Malaysia.

Do export knowledge and experience of staff and an export marketing strategy associate with export performance of SMEs?

In the context of Malaysia, the result demonstrated that export knowledge and experienced staff are not associated with export performance of SMEs with path significance with a t- statistic of .5491 and p-value of 0.5836. This result is not consistent with finding that export knowledge and experienced staff are associated with export performance of SMEs. Therefore, the outcome of this study is thought-provoking, and SMEs in Malaysia should recalibrate their staffs' roles and capability to make sense of the export knowledge and experience ingrained in the company. The failure of SMEs to exploit the staff's ability could contribute to the failure of Malaysian SMEs in the export market. For export knowledge and experienced staff transform to become a sustained competitive advantage and creating a value proposition for the SMEs in Malaysia, the focus must be on how to acquire the right knowledge that can be transformed into heterogeneous resources for SMEs. Also, a staff that performs the exporting dealings must be highly motivated and capable of delivering above-average performance. Finally, management can act as facilitators to improve the performance of staff to create a solid performance in the market.

In export marketing strategy, this study reports that the firm's capability to strategize the right export marketing strategy influences the SMEs export performance (He at al., 2018). The export marketing strategies adopted by SMEs in Malaysia have played a critical part in their exporting success and reflected in the regression analysis. Thus, this study's findings are consistent with a preceding outcome that elements of export marketing strategy like

promotion, pricing, product quality, distribution, and relationship with consumers or suppliers are pivotal strategies to determine export performance success (Marandu, 2015; Hultman et al., 2009; Leonidou et al., 2002). This study shows that the path significance of the t - statistic is 4.292 and p-value of less than 0.05, concluding that export marketing strategy is associated with export performance of SMEs in the proposed model. This study thus suggests that Malaysian SMEs actively involved in the manufacturing sector should pay particular attention to export marketing strategies for ensuring the solid organisational performance in the future.

7.4 Theoretical Contribution

The export performance theme has benefited from this present study. This study has developed a model examining the impact of knowledge on the export performance by taking into account the aspects of knowledge that possessed by staff and managers within the organisation. Then, staff and managers' knowledge become the determining element in sustaining the competitive advantage within the industry, as reported in this study. The vagaries in a business environment, it challenges the progress of the firm, thus, experienced and knowledgeable staff and managers in the organisation facilitating the path of success (Masso et al., 2015). Furthermore, a firm's success in the business atmosphere depends on its resource capability to maintain a sustained competitive advantage (Barney and Mackey, 2016; Lin and Wu, 2014).

This study supplements existing theories of export performance via RBV and KBV by emphasising the importance knowledge as a leading factor which influences the export performance via export marketing strategy, and managers' knowledge of the business environment (Masso et al., 2015; Lin and Wu, 2014). In this context, knowledgeable and experienced staff and managers are imperative and differentiating the organisational performance. This study shows that the knowledge of staff and managers' capabilities play significant roles in achieving sustained competitive advantage, which is then translated into superior export performance (Barney and Mackey, 2016; Lin and Wu, 2014).

Scholars have agreed that previous research on export performance was wide-ranging but has ignored knowledge's influence on export performance studies. This study is pioneering this effort by investigating the significance of knowledge on the export performance. This study significantly contributes to the understanding of managers' knowledge on business environment and export marketing strategy and export marketing strategy in determining the success of export venture among Malaysian SMEs. This study has ascertained that managers' knowledge of business environment, export marketing strategy, managers' knowledge of business environment is moderated by years of exporting experience, and export marketing strategy is moderated by number of employees is influencing export performance of SMEs.

In a nutshell, this study contributes to the developing countries context, and especially the Malaysian viewpoint. From the Malaysian perspective, this study has unambiguously acknowledged that as SMEs commencing their export venture, Malaysian SMEs need a specific export knowledge and experiences before venturing into a foreign market.

7.5 Practical Contribution

From the practical business viewpoint, this study indicates that a manager's knowledge of the business environment is vital in determining export performance of SMEs. A manager's awareness on how the continuous change in the business landscape is crucial to help the organisation in achieving solid performance. This study suggests that constant changes in the business environment due to the continuous changing in a business environment shaping the manager's perspective on how to manage ambiguity and opportunities. Furthermore, a manager's knowledge of the business environment is indispensable to strategize the present-day and the future of his organisation and to be a top performer in the industry. In a highly competitive industry, managers must comprehend their competitors' strategies that could threaten their supremacy in the industry. Thus, the right knowledge of business landscape is set to influence firm capability and survival in the competing industry. Therefore, managers should engage with the continuous change in the business environment to strategize the perfect strategy to fortify their organisation's position in the industry. For instance, managers must be capable of deploying their well-informed and experienced staff and export marketing department for delivering a value proposition to its existing and future customers.

This study also suggested that export marketing strategy adopted by Malaysian SMEs has always played a critical part in their export success path and it has reflected in the regression analysis. Furthermore, this study emphasizes that export marketing strategy like promotion, pricing, product quality, distribution,

and relationship with consumers or suppliers are pivotal marketing approaches to determine export performance success (Marandu, 2015; Hultman et al., 2009). For instance, all exporters in the abroad market should capable of employing a unique marketing strategy so that they are capable of delivering a value proposition to customers. Likewise, this work suggests that Malaysian SMEs which are actively involved in the manufacturing sector should pay special attention to their export marketing strategies in ensuring the solid organisational performance. Also, managers of SMEs should be capable of ingraining a "global-mindset" when strategizing marketing strategy to all staff and export division so that capable of differentiating a customer need in a changing global economy. This is important in ensuring that SMEs can reap benefit from their export interests. Additionally, this study has offered managers and business owners' routes for carrying out strategies in export undertakings.

From the perspective of policymakers, this study presents practical insights on how policies or program can be formulated that is useful in helping Malaysian SMEs to materialise their organisational goal from export dealings. This study suggests that policymakers should nurture and improve the human capital development in this sector. This initiative must go beyond the coaching and training routines to exporters at various levels. For instance, SMECorp are urged to enrich its export assistance initiatives to the new exporters to get started in export dealings as well as enhancing exporters know-how via *Business Accelerator Program* (BAP), *Tunas Usahawan Belia Bumiputera* (TUBE), and *Bumiputera Enterprise Enhancement Program* (BEEP). This program is rudimentary for all exporters so that they are capable of offering in

the export market. Without proper coaching, training and advice (market research) in managing export undertakings it may debilitate the potential of the existing and new exporters to deliver a value proposition to their existing and prospective customers. Likewise, SMECorp as a leading organisation to support the growth of Malaysian SMEs, it may extend its help to exporters by giving a suitable mentoring and training so as to point up the export knowledge and accomplishments that required by industries. As a way to nurture the proper understanding of export knowledge and know-how in tertiary institutions in Malaysia, SMECorp should collaborate with public and private universities to mould and design a unique courses or programs that relevant to exporters dealings through rolling initiatives have been implemented such as *SME@University* and *SME-University Internship*. This initiative is so decisively to ensure that the programs or courses are being delivered and offered by universities and colleges are still relevant to industries or *industry-driven program* and entrenched the industrial revolution 4.0 (IR4.0) tenets especially among students or apprentices who are concentrating in international business studies.

This study also urges policymakers stresses the nexus between new exporters and reputable exporters from same industries to run together to take on export dealings so that new exporters are able to get advice from and imitate unique approaches have been ventured by reputable exporters. This strategy is so vital so that new exporters which are venturing into the abroad market are capable of avoiding unnecessary processes in an export operation. For instance, *Ministry of International Trade and Industry* (MITI) and SMECorp

which are responsible to oversee the Malaysian SMEs' development and progress, they should initiate an audacious idea that inspires reputable exporters that have been exhibited a high-class performance in their industries to be *an industry mentor* of new exporters. Additionally, this *an industry mentor* should be capable of helping new exporters to get access to the business community in its targeting market through business networking, agents, joint-venture, and relevant agencies. This business matching initiative and linkages can be arranged during annual event of *The Small Medium Enterprise Annual Showcase* (SMIDEX). Furthermore, this study has also stressed that SMEs that initiate their operation in export dealings, they are required to creating a better understanding about the specific business knowledge such as export marketing strategy, knowledge of the business environment, strategic alliance (an industry mentor) of attaining the organisational performance. In a nutshell, this study has been presented the significant approaches for Malaysian SMEs and exporters from developing countries to be an effective exporter.

7.6 Research Limitations

Several limitations were encountered while conducting this study, which can be addressed in future research.

- The study adopted a quantitative approach in measuring the proposed conceptual model that is the impact of knowledge on the export performance of Malaysian SMEs. During the study progress, the researcher encountered limitations in accessing the comprehensive views of SME decision-makers. The reason is that the questions have been formatted as closed-ended rather than open-ended. After considering the above-

mentioned issue, future research may adopt both qualitative and quantitative approaches simultaneously to acquire the wide-ranging views on how to formulate the perfect model for the export performance.

- Given the scope, time and cost constraints, the study has adopted non-probability (convenience) sampling to acquire sufficient information for fulfilling the commitment of this study, of course, it could be compromising on validity and generalizability of results.

- The study faced problems in accessing a larger SME sample, due to SMEs' unwillingness to respond during the surveying course. This was due to the implementation of the latest taxation regime (Goods and Services Tax) for all businesses and premises (including SMEs) by Malaysian Inland Revenue (Taxation House).

7.7 Future Research

Future research may resolve the above limitations and should focus on the following:

- Validating the proposed model by investigating the impact of knowledge on the export performance using a qualitative approach. This is essential to enable researchers to gain access to the comprehensive views of the focus group on export performance. Additionally, applying the qualitative approach will allow researchers to identify some attributes that may be vital for framing the latest model in export performance studies.

- Employing the probability, a random sampling technique for data collection will allow every single unit of the population to have a similar probability of being chosen in the sample for the study. Taking a precise sample of the population is essential, considering that SMEs need a clear focal point on how the business environment has affected industries as institutions.

- Considering the provisions and roles offered by authorities or agencies as one of the determinants in the conceptual model will allow investigating the impact of knowledge on the export performance of Malaysian SMEs.

- Applying the proposed model for other developing countries with similar political, economic and societal background and systems will further confirm the findings from this study. The study was conducted from the perspective of Malaysia and can be replicated in other countries.

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9 APPENDICES

Brunel Business School

Research Ethics

Participant Information Sheet

Dear Participant,

My name is Mohd Hanafia Huridi and I am currently pursuing PhD program in Management and Research Studies at Brunel University, London. As a part of my study prerequisite, I am conducting a survey to investigating the export performance of SMEs that focusing on the manufacturing sector in Malaysia. Having said that, you are kindly invited to contribute in this study by completing the attached questionnaire survey.

All form of responses from this survey is an anonymous and all responses will remain confidential and analysed at the aggregate, not individual level. The gathered data from this survey will be used for academic purposes only and it has been approved by the Brunel Business School Ethics Committee.

The approximate time to complete this questionnaire is not more 15 minutes. Your generous participation in the survey is voluntary, and you may withdraw from the survey at any time with no obligations and penalty. Therefore, your participation on this survey is highly appreciated. If you have any queries or further detail about this study, please do not hesitate to contact me.

I would like to express my advance thanks for your kind cooperation.

Yours sincerely,

Mohd Hanafia Huridi
Ph.D. candidate in Management and Research Studies
Brunel Business School
Brunel University, London
Tel: +44 (0) 7739662136
Email: cbpgmhh@brunel.ac.uk or hanafia_haz@yahoo.com

PART A: FIRM BACKGROUND

1. How many years have your firm been established?
   _____ Year (s)

2. Which type of ownership your organisation by selecting one of the choices?
   - Sole Proprietorship
   - Partnership
   - Corporation
   - Cooperative
   - Other (Please specify)

3. How many years has your firm been exporting in overseas market?
   ……………………………….

4. No. of full-time staff of your firm is…………….

5. How many people in your company are currently working full-time on exporting activities?
   ……………………………….

6. What were your firm's annual sales last year?
   - Less than RM10 million
   - 11 million – 19 million
   - 20 million – 29 million
   - 30 million – 39 million
   - 40 million – 49 million
   - 50 million and over

7. Where are your main export markets by the region?
   - Europe
   - North America
   - Asia-Pacific
   - Others

8. Which of following categories best describes the business of your firm?

   Manufacture of food products

   - Processing and preserving of meat
   - Processing and preserving of fish, crustaceans and molluscs
   - Processing and preserving of fruit and vegetables
   - Manufacture of vegetable and animal oils and fats
   - Manufacture of dairy products
   - Manufacture of grain mill products, starches and starch products
   - Manufacture of other food products
   - Manufacture of prepared animal feeds

   Manufacture of beverages

   - Manufacture of beverages

   Manufacture of tobacco products

- Manufacture of tobacco products

Manufacture of textiles

- Spinning, weaving and finishing of textiles
- Manufacture of other textiles

Manufacture of wearing apparel

- Manufacture of wearing apparel, except fur apparel
- Manufacture of articles of fur
- Manufacture of knitted and crocheted apparel

Manufacture of leather and related products

- Tanning and dressing of leather; manufacture of luggage, handbags, saddlery and harness; dressing and dyeing of fur
- Manufacture of footwear

Manufacture of wood and products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials

- Sawmilling and planing of wood
- Manufacture of products of wood, cork, straw and plaiting materials

Manufacture of paper and paper products

- Manufacture of paper and paper products

Printing and reproduction of recorded media

- Printing and service activities related to printing
- Reproduction of recorded media

Manufacture of coke and refined petroleum products

- Manufacture of coke oven products
- Manufacture of refined petroleum products

Manufacture of chemicals and chemical products

- Manufacture of basic chemicals, fertilizers and nitrogen compounds, plastics and synthetic rubber in primary forms
- Manufacture of other chemical products
- Manufacture of man-made fibres

Manufacture of basic pharmaceutical products and pharmaceutical preparations

- Manufacture of pharmaceuticals, medicinal chemical and botanical products

Manufacture of rubber and plastics products

- Manufacture of rubber products
- Manufacture of plastics products

Manufacture of other non-metallic mineral products

- Manufacture of glass and glass products
- Manufacture of non-metallic mineral products n.e.c.

Manufacture of basic metals

- Manufacture of basic iron and steel
- Manufacture of basic precious and other non-ferrous metals
- Casting of metals

Manufacture of fabricated metal products, except machinery and equipment

- Manufacture of structural metal products, tanks, reservoirs and steam generators
- Manufacture of weapons and ammunition
- Manufacture of other fabricated metal products; metalworking service activities

Manufacture of computer, electronic and optical products

- Manufacture of electronic components and boards
- Manufacture of computers and peripheral equipment
- Manufacture of communication equipment
- Manufacture of consumer electronics
- Manufacture of measuring, testing, navigating and control equipment; watches and clocks
- Manufacture of irradiation, electromedical and electrotherapeutic equipment
- Manufacture of optical instruments and photographic equipment
- Manufacture of magnetic and optical media

Manufacture of electrical equipment

- Manufacture of electric motors, generators, transformers and electricity distribution and control apparatus
- Manufacture of batteries and accumulators
- Manufacture of wiring and wiring devices
- Manufacture of electric lighting equipment
- Manufacture of domestic appliances
- Manufacture of other electrical equipment

Manufacture of machinery and equipment n.e.c.

- Manufacture of general-purpose machinery
- Manufacture of special-purpose machinery

Manufacture of motor vehicles, trailers and semitrailers

- Manufacture of motor vehicles
- Manufacture of bodies (coachwork) for motor vehicles; manufacture of trailers and semi-trailers
- Manufacture of parts and accessories for motor vehicles

Manufacture of other transport equipment

- Building of ships and boats
- Manufacture of railway locomotives and rolling stock
- Manufacture of air and spacecraft and related machinery
- Manufacture of military fighting vehicles
- Manufacture of transport equipment n.e.c.

Manufacture of furniture

- Manufacture of furniture

Other manufacturing

- Manufacture of jewellery, bijouterie and related articles
- Manufacture of musical instruments
- Manufacture of sports goods
- Manufacture of games and toys
- Manufacture of medical and dental instruments and supplies
- Other manufacturing n.e.c.

9. Which of following products does your firm exporting?
   - Industrial product
   - Consumer durables
   - Consumer non-durables

PART B: MANAGERIAL CHARACTERISTICS

1. What level of educations do managers in your company hold, on average?
   - Diploma
   - Bachelor Degree
   - Master Degree or higher

2.

Please indicate the degree to which you agree with each of the following statements describe your knowledge and experience about the export dealing. (Likert Scale): 1-Strongly disagree, 2-Disagree, 3-Agree, 4-Slighly Agree, and 5-Strongly Agree) Our company has;					
1	A sufficient experience in exporting activities	1	2	3	4	5
2	A strong commitment to exporting activities	1	2	3	4	5
3	A Proactive attitude towards exporting activities	1	2	3	4	5

4	A positive perception of exporting advantages	1	2	3	4	5
5	An ability to handle export barriers and challenges	1	2	3	4	5
6	High-skilled export personnel deals with international operation	1	2	3	4	5
7	Significant international experience	1	2	3	4	5
8	Export market-related information	1	2	3	4	5
9	Knowledge about the consumers in the exporting market	1	2	3	4	5
10	Knowledge about the distributors in the exporting market	1	2	3	4	5
11	Information regarding the process of doing business in the export market	1	2	3	4	5

PART C: EXPORT MARKETING STRATEGY

1. What kind of international exporting strategy does your firm have in your main export markets?
   - Indirect Exporting (Foreign-based intermediary's firms)
   - Direct Exporting (via firm owned channels)
   - Contract (Licensing and Franchising)
   - Wholly owned subsidary
   - Joint Venture

.2

Please indicate the degree to which you agree with each of the following statements describe your knowledge regarding export marketing strategy. (Likert Scale): 1-Strongly disagree, 2-Disagree, 3-Agree, 4-Slighly Agree, and 5-Strongly Agree) Our company has;						
1	Customer relationship	1	2	3	4	5
2	Distributional channel relationship	1	2	3	4	5
3	Quality of consumer services	1	2	3	4	5
4	Pricing strategy	1	2	3	4	5
5	Relationship with suppliers	1	2	3	4	5
7	Quality of products	1	2	3	4	5
8	Promotion	1	2	3	4	5
9	Export market research	1	2	3	4	5

PART D: BUSINESS ENVIRONMENT

1

Please indicate the degree to which you agree with each of following statements describe the importance of manager's knowledge on business environment. (Likert Scale): 1-Strongly disagree, 2-Disagree, 3-Agree, 4-Slighly Agree, and 5-Strongly Agree)

1	It increases our market potential in the industry	1	2	3	4	5
2	It increases firm's opportunities and expand our products in the industry	1	2	3	4	5
3	It facilitates our organisation to participate the international market	1	2	3	4	5
4	It increases the number of competitors in the industry	1	2	3	4	5
5	It intensifies the competition in the business activity	1	2	3	4	5
6	It makes it difficult our organisation to compete (competitors) in the industry	1	2	3	4	5
7	It adds complexity in the business operations	1	2	3	4	5
8	It has changed markets become increasingly uncertain	1	2	3	4	5

PART E: FIRM PERFORMANCE

1. How much was your firm earned from exporting activities last year?
   ……………. Export Sales in Malaysia Ringgit (Million).
2. How much was your firm expenditure for exporting activities last year?
   ……………. Expenditure in Malaysia Ringgit (Million)

3.

Please indicate the export performance of your company in export business. (Likert Scale): 1-Very negative, 2-Negative, 3-Nuetral, 4-Positive, and, 5-Very positive.						
1	Export sales	1	2	3	4	5
2	Export sales growth	1	2	3	4	5
3	Export sales volume	1	2	3	4	5
4	Export sales return on investment	1	2	3	4	5

4. What are non-financial indicators does your firm use to measure export performance?
   - Market Share
   - Strategic position in exporting market
   - Rate of new market entry
   - Degree of commitment in the exporting market
   - Other (Please specify)

PART F: RESPONDENT BACKGROUND

1. What is your gender?
   - Male
   - Female

2. In which age group years are you?
   - < 30 years
   - 31-40 years
   - 41-50 years
   - 51 and Over

3. What is your highest level of education attainment?
   - SPM
   - STPM
   - Diploma
   - Degree Level
   - Master Level/ MBA
   - PhD

4. What is your position in the company?
   - Executive
   - Senior Executive
   - Manager
   - Export Manager
   - Sales Manager
   - Chief Executive Officer (CEO)
   - Chief Financial Officer (CFO)

5. How many years of working experience do you have? (Years)
   _____ (Years)

END OF THE QUESTIONNAIRE
THANK YOU!!!

THE MALAY VERSION OF THE QUESTIONNAIRE

Brunel Business School

Etika Penyelidikan

Maklumat Maklumbalas Responden

Dato/ Datuk/ Prof. Dr/ Dr./ Tuan-tuan dan Puan-puan,

Saya Mohd Hanafia bin Huridi ialah penuntut ijazah sarjana kedoktoran dalam bidang pengurusan dan kajian penyelidikan di Brunel University di United Kingdom. Untuk memenuhi keperluan program, saya sedang menjalankan soal selidik sejauhmanakah *Pencapaian Eksport IKS di Malaysia khususnya di Sektor Pembuatan dan Perkilangan*. Sehubungan itu, jasa baik Dato/ Datuk/ Prof. Dr/ Dr./ tuan- tuan dan puan-puan untuk melengkapkan soal selidik ini amatlah dialu-alukan.

Untuk makluman pihak Dato/ Datuk/ Prof. Dr/ Dr./ tuan-tuan dan puan-puan, keseluruhan maklum balas dari dapatan soal selidik ini adalah sulit dan identiti responden adalah dirahsiakan. Tambahan lagi, keputusan dari soal selidik ini akan digunakan untuk tujuan akademik dan kajian ini sahaja.

Cadangan untuk melengkapkan soal selidik ini adalah selama 15 minit. Tambahan lagi, penyertaan pihak Dato/ Datuk/ Prof. Dr/ Dr./ tuan-tuan dan puan-puan adalah secara sukarela dan dibenarkan menarik diri secara serta-merta tanpa notis. Walau bagaimanapun, penyertaan pihak Dato/ Datuk/ Prof. Dr/ Dr./ tuan-tuan dan puan-puan bagi tujuan Soal selidik ini amatlah dihargai.

Yang Ikhlas,

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Bahagian A: Latar belakang syarikat

1. Usia tahun syarikat anda ditubuhkan?
   _____ (Tahun)

2. Nyatakan jenis status syarikat anda?
   - Pemilikan tunggal
   - Perkongsian
   - Korporat
   - Kerjasama
   - Lain-lain (Sila nyatakan)

3. Bilangan tahun syarikat anda terlibat di dalam aktiviti ekspot…………

4. Nyatakan jumlah perkerja sepenuh-masa syarikat anda....................

5. Nyatakan nilai jualan tahunan syarikat anda tahun lepas?
   ……………………..

6. Ekspot syarikat anda mengikut wilayah ekonomi?
   - Eropah
   - Amerika Utara
   - Asia Pasifik
   - Amerika Selatan

7. Nyatakan kategori perniangaan anda mengikut kategori dibawah?
   Pembuatan produk makanan
   - Memproses dan memelihara daging
   - Memproses dan memelihara ikan, krustasia dan moluska
   - Memproses dan memelihara buah-buahan dan sayur-sayuran
   - Pembuatan minyak sayuran dan binatang dan lemak
   - Pembuatan produk tenusu
   - Pembuatan produk bijian, kanji dan produk kanji
   - Pembuatan produk makanan lain
   - Pembuatan makanan haiwan bersedia
   Pembuatan minuman
   - Pembuatan minuman

   Pembuatan produk tembakau
   - Pembuatan produk tembakau

   Pembuatan tekstil
   - Putaran, tenunan dan penyiapan tekstil
   - Pembuatan tekstil lain
   - Pembuatan pakaian
   - Pembuatan pakaian kecuali pakaian bulu
   - Barang-barang bulu
   - Pembuatan kasut

Pembuatan kayu dan produk kayu dan gabus, kecuali perabot; pembuatan bagi artikel jerami dan bahan jalinan
- Mengilang papan dan mengetam kayu
- Pembuatan produk daripada kayu, gabus, jerami dan bahan jalinan

Pembuatan kertas dan produk kertas
- Pembuatan kertas dan produk kertas

Percetakan dan mengeluarkan rakaman media
- Percetakan dan aktiviti perkhidmatan berkaitan dengan percetakan
- Menghasil semula media rakaman

Pembuatan kok dan produk petroleum bertapis
- Pembuatan produk ketuhar kok
- Pembuatan produk petroleum bertapis

Pembuatan kimia dan produk kimia
- Pembuatan kimia asas, baja dan sebatian nitrogen, plastik dan getah sintetik dalam bentuk utama
- Pembuatan produk kimia lain
- Pembuatan serat buatan manusia

Pembuatan produk farmaseutikal asas dan persediaan farmaseutikal
- Pembuatan farmaseutikal, kimia perubatan dan produk botani

Pembuatan produk getah dan plastik
- Pembuatan produk getah
- Pembuatan produk plastik

Pembuatan produk mineral bukan logam
- Pembuatan kaca dan produk kaca
- Pembuatan bukan logam Produk galian

Pembuatan logam asas
- Pembuatan besi asas dan keluli
- Pembuatan logam berharga dan lain-lain bukan ferus asas
- lakonan logam

Pembuatan produk logam yang direka, kecuali jentera dan peralatan
- Pembuatan produk logam struktur, tangki, takungan dan penjana wap
- Pembuatan senjata dan peluru
- Pembuatan produk logam; aktiviti perkhidmatan kerja logam

Pembuatan komputer, elektronik dan optik produk
- Pembuatan komponen dan papan elektronik
- Pembuatan komputer dan kelengkapan persisian
- Pembuatan peralatan komunikasi

- Pembuatan elektronik pengguna
- Pembuatan mengukur, menguji, memandu arah dan kelengkapan kawalan; jam tangan dan jam
- Pembuatan peralatan penyinaran, peralatan elektro dan elektroterapeutik
- Pembuatan instrumen optik dan kelengkapan fotografi
- Pembuatan media magnet dan optik

Pembuatan kelengkapan elektrik
- Pembuatan motor elektrik, penjana, pengubah dan pengagihan dan pengawalan elektrik
- Pembuatan bateri dan akumulator
- Pembuatan pendawaian dan alatan pendawaian
- Pembuatan kelengkapan pencahayaan elektrik
- Pembuatan peralatan domestik
- Pembuatan kelengkapan elektrik lain

Pembuatan jentera dan peralatan
- Pembuatan jentera kegunaan umum
- Pembuatan jentera tujuan khas

Pembuatan kenderaan bermotor, treler dan separa treler
- Pembuatan kenderaan bermotor
- Pembuatan badan untuk kenderaan bermotor;

Pembuatan treler dan separa treler
- Pembuatan alat ganti dan aksesori untuk kenderaan bermotor

Pembuatan kelengkapan pengangkutan lain
- Membina kapal dan bot
- Pembuatan lokomotif kereta api dan roda bergolek
- Pembuatan udara dan kapal angkasa dan jentera berkaitan
- Pembuatan kenderaan tempur tentera
- Pembuatan kelengkapan pengangkutan n.e.c.

Pembuatan perabot
- Pembuatan perabot

Pembuatan-pembuatan lain
- Pembuatan barang kemas, Bijouterie dan barang yang berkaitan
- Pembuatan alat muzik
- Pembuatan barangan sukan
- Pembuatan permainan dan mainan
- Pembuatan alat-alat perubatan dan pergigian dan bekalan

8. Produk ekspot utama syarikat anda adalah?
   - Produk industri
   - Bahan pengguna tahan lama
   - Bahan pengguna tidak tahan lama

Bahagian C: Ciri-ciri Pengurusan Perniagaan

1. Majoriti pengurus di syarikat anda memiliki kelulusan?

   - Diploma
   - Sarjana Muda
   - Sarjana/ Sarjana Pengurusan Perniagaan (MBA)

2.

Nyatakan penerimaan anda terhadap kenyataan-kenyataan berikut menerangkan posisi syarikat anda. Syarikat kami; (Skala Likert): 1-Sangat setuju, 2-Tidak setuju, 3-Setuju, 4-Agak setuju, dan 5-Sangat bersetuju.					
1	Mempunyai pengalaman mencukupi menjalankan aktiviti ekspot	1	2	3	4	5
2	Mempunyai komitmen ke atas aktiviti ekspot	1	2	3	4	5
3	Mempunyai sikap yang pro-aktif terhadap aktiviti ekspot	1	2	3	4	5
4	Mempunyai persepsi positif tentang kelebihan aktiviti ekspot	1	2	3	4	5
5	Mempunyai kemampuan mengendalikan halangan dan cabaran ekspot	1	2	3	4	5
6	Personel yang berpengalaman dan profesional dalam mengendalikan operasi antarabangsa	1	2	3	4	5
7	Pengalaman yang mencukupi dalam perniagaan antarabangsa	1	2	3	4	5
8	Mempunyai akses maklumat yang mencukupi tentang pasaran ekspot	1	2	3	4	5
9	Memililki maklumat tentang pengguna di pasaran ekspot	1	2	3	4	5
10	Memiliki maklumat tentang pengagihan di pasaran ekspot	1	2	3	4	5
11	Memiliki maklumat tentang pengendalian perniagaan di pasaran ekspot	1	2	3	4	5

Bahagian D: Strategi Ekspot

1. Apakah strategi pengagihan syarikat anda di pasaran ekspot utama?

   - Ekspot secara tidak langsung (syarikat asing sebagai pengantara)
   - Ekspot secara langsung (melalui jaringan syarikat di luar negara)
   - Kontrak (Perlesenan dan Francais)
   - Subsidiari sepenuhnya
   - Kerjasama

2.

Nyatakan penerimaan anda terhadap kenyataan-kenyataan berikut mampu menerangkan posisi syarikat anda. (Skala Likert): 1-Sangat setuju, 2-Tidak setuju, 3-Setuju, 4-Agak setuju, dan 5-Sangat bersetuju. Syarikat kami;						
1	Mempunyai perhubungan yang baik dengan pengguna produk kami	1	2	3	4	5
2	Mempunyai perhubungan yang baik dengan jaringan pengagihan produk kami	1	2	3	4	5
3	Mempunyai perkhidmatan pengguna yang berkualiti	1	2	3	4	5
4	Mempunyai strategi harga	1	2	3	4	5
5	Mempunyai hubungan yang baik dengan pembekal	1	2	3	4	5
6	Mempunyai reputasi syarikat yang baik	1	2	3	4	5
7	Mempunyai produk berkualiti	1	2	3	4	5
8	Mempunyai kaedah promosi yang baik	1	2	3	4	5
9	Menjalankan penyelidikan tentang pasaran ekspot	1	2	3	4	5

Bahagian D: Cabaran Globalisasi ke atas Aktiviti Ekspot

1.

Nyatakan penerimaan anda terhadap kenyataan-kenyataan berikut ekoran implikasi globalisasi ke atas posisi syarikat anda di pasaran ekspot (Skala Likert): 1-Sangat setuju, 2-Tidak setuju, 3-Setuju, 4-Agak setuju, dan 5-Sangat bersetuju. Globalisasi telah;						
1	Meningkatkan potensi syarikat kami	1	2	3	4	5
2	Meningkatkan peluang syarikat kami memasarkan produk dan mengembangkan pasaran	1	2	3	4	5

3	Menambah bilangan pesaing syarikat kami di peringkat industri	1	2	3	4	5
4	Memudahkan pengembangan operasi syarikat kami di peringkat pasaran antarabangsa.	1	2	3	4	5
5	Meningkatkan tahap tekanan persaingan syarikat kami di peringkat industri	1	2	3	4	5
6	Menyukarkan syarikat kami bersaing dengan pesaing-pesaing syarikat lain	1	2	3	4	5
7	Meningkatkan kesulitan pengendalian syarikat kami	1	2	3	4	5
8	Mengakibatkan pasaran menjadi tidak konsisten dan sukar untuk merancang halatuju syarikat	1	2	3	4	5

Bahagian E: Prestasi syarikat

1. Sila nyatakan pendapatan jualan ekspot tahun lepas?
   _____ (RM)

2. Sila nyatakan kos perbelanjaan pengendalian aktiviti ekspot tahun lepas?
   _____(RM)

3. Apakah perancangan pasaran ekspot syarikat anda di masa akan datang?

   - Mengekalkan tahap ekspot
   - Meningkatkan tahap ekspot
   - Menerokai pasaran baru ekspot
   - Menubuhkan syarikat subsidiari di luar negara
   - Menjalin kerjasama dengan syarikat asing di pasaran luar negara

4.

Nyatakan prestasi ekspot organisasi anda berdasarkan indicator-indikator ekspot berikut. Syarikat kami mempunyai; (Skala Likert): 1-Sangat lemah, 2-Sedikit lemah, 3-Baik, 4-Agak baik, 5-Sangat baik.						
1	Jualan ekspot	1	2	3	4	5
2	Pertumbuhan jualan ekspot	1	2	3	4	5
3	Kuantiti jualan ekspot	1	2	3	4	5
4	Pulangan pelaburan jualan ekspot.	1	2	3	4	5

Bahagian F: Latarbelakang syarikat

1. Jantina anda?
   - lelaki
   - Perempuan

2. Nyatakan umur tahun anda?
   - < 30 tahun
   - 31-40 tahun
   - 41-50 tahun
   - 51 dan tahun

3. Maklumkan tahap pendidikan anda?
   - SPM
   - STPM
   - Diploma
   - Sarjana Muda
   - Sarjana/ MBA
   - PhD
   - Lain-lain

4. Jawatan anda di dalam syarikat?
   - Eksekutif
   - Eksekutif Kanan
   - Pengurus
   - Pengurus Ekspot
   - Pengurus Jualan
   - Ketua Pegawai Eksekutif (CEO)
   - Ketua Eksekutif Kewangan (CFO)

5. Bilangan tahun pengalaman anda berkerja (Tahun) _____
   (Tahun)

- **SOAL SELIDIK TAMAT & TERIMA KASIH -**