

The Effect of The Business Manager's Attributes on Export Performance

Ismail Atabay

Vocational School of Havran, Balikesir University, Turkey

Abstract: In the past years, there have been a lot of studies about determinants of export performance. While some of these studies have achieved findings supporting each other, some of them have achieved different findings. In this study, effect of objective manager features on export performance in the olive and olive oil industry in Turkey's Aegean region has researched.

Key words: Olive-oil companies, export performance, objective manager features, Turkey

INTRODUCTION

In its general term, the meaning of performance is a concept which defines the result of a purposeful and planned activity in either a quantitative or a qualitative way (Akal, 2000). The meaning of export performance is no different from this definition. Export performance should be perceived as the degree of realization of the export venture's purpose. A company usually makes an export venture with economic and/or strategic intents. (Çavuşgil and Shaoming, 1994). Economic purposes include making a profit, making sales and achieving growth. Strategic purposes include market expansion, reaction to competition, a place in overseas markets and positioning the company or the product overseas.

In relevant literature, many different variables have been used to measure export performance. This has also been a cause of conceptual confusion in export performance literature. Despite the difference and confusion in the literature, we can group the scales used in measuring export performance into three categories. These are Zou and Simona (1998), financial scales, non-financial scales and mixed scales.

Financial scales are made up of, sales measurements, profitability measurements and growth measurements (Zou and Simona, 1998). Sales measurements include the measurements of export sales or export intensity. The amount of the company's export sales and its share within total sales is determined by sales measurements. Profitability measurements, consist of the measure of export profitability and the share of export profitability within the firm's total profitability share. The profitability measurements in export performance literature have been made through the comparison of a business' export profitability and the profitability of nationwide sales as well as the comparison of the net income of nationwide sales over 2 years and the total net income from export

sales. Growth measurements, consist of measuring changes in export sales and profitability over certain time periods. When making growth measurements in export performance literature, there has been no unity regarding the number of years it should be based on therefore studies have been based on varying periods of three, four and five years. Financial measurements are objective and based on the company's financial records. The use of sales measurements and profitability measurements are preferred to financial measurements in literatures.

Non-financial scales, comprises of perceived success rates, satisfaction rates and goal success (Zou and Stan, 1998). Perceived success measurements, these include the measurement of the manager's belief in the successful contribution of economic and/or strategic goals in a company's export venture. Administrators, recognising export's contribution to the measurement of performance as perceived through economic goals of export ventures such as profit-making, sales and growth and/or strategic goals such as market expansion, placement in overseas markets and positioning the company or the product overseas. Satisfaction measurements, consists of the measurement of managers' satisfaction regarding the company's export performance. Success of goal, the comparison and evaluation of the goals set out by the manager and the actual performance. Non-financial measurements have non-objective attributes when compared with financial scales. It is particularly difficult to measure whether strategic goals at the beginning of an export venture have been reached or not.

Mixed scales represent the combined use of financial and non-financial scales in performance measurement. However, even though it is very difficult to combine the use of objective financial scales with non-objective non-financial scales, it is still the most effective scale in defining how much economic and/or strategic goals have been successful in a company's attempt to begin an export venture.

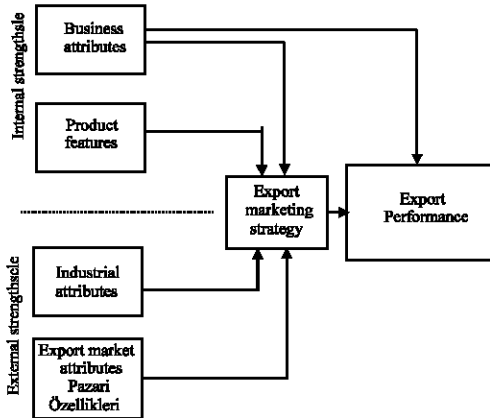


Fig. 1: Export performances determinants (Çavuşgil and Shoaming, 1994)

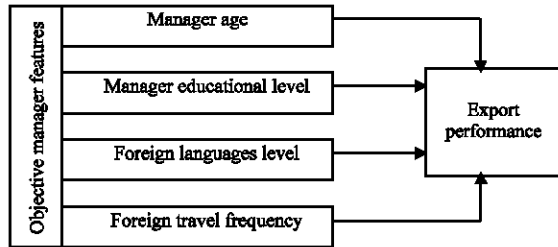


Fig. 2: The model of this study

Many studies have been conducted about export performance determinants. One study which stands out in literature is the study carried out by Aaby and Stanley (1989). Aaby and Slater listed the factors which affect export performance as, company characteristics, company abilities, strategy and environmental.

Another significant study on export performance determinants is the one carried out by Holzmüller and Kasper (1991). In this study Holzmüller and Kasper asserted that export performance is not only affected by objective manager and business characteristics but also very critically to a certain extent by organisational culture.

One other important study regarding export performance is that carried out by Çavuşgil and Shoaming (1994). This study is based on the assertion that there are two fundamental categories which affect export performance, one being factors outside of the business and the other being factors from within the business structure. According to their model, export performance determinants are shown in Fig. 1.

In this model, just as the business attributes affect the export marketing strategy, they also have a direct

affect on export performance. Business attributes, consist of objective business features, network culture and the business owner’s (manager) objective and subjective attributes. We will be concentrating on the business attributes’ and business owner/manager’s objective attributes’ direct effect on export performance. The model of this study is shown in Fig. 2.

The objective features of the business owner/ manager include, age, education, foreign languages level, annual earnings. In a study by Dichtl *et al.* (1983), significant findings were recorded regarding the affect of objective manager attributes on export performance. Variables in this research, age, education, foreign languages level and annual earning. Another research undertaken, managers who are younger, speak more languages, have better education and professional experience tend to be more successful in export (Miesenböck, 1988). The study has shown that objective manager attributes directly affect export performance as well as subjective manager attributes (Miesenböck, 1988; Aaby and Atanley, 1989).

MATERIALS AND METHODS

This study reflects the results of surveys conducted on businesses in the olive and olive oil industry in Turkey’s Aegean Region. The surveys were intended to be conducted face to face with company owners/ managers and therefore visits to the companies were planned. However, due to their heavy work schedules most owners/managers were either unavailable on the first visits or unable to complete the questionnaires right away. They requested that the survey questionnaires were left with them and they would return by post or be picked up in person. For this reason the attempt to complete questionnaires face to face was unsuccessful and the questionnaire was left to them together with a return envelope. There are 399 active companies who are members of the Exporters’ Societies and Aegean Olive-Olive Oil Exporters’ Society and operate within the research area. From amongst these firms, 133 were randomly chosen and many owners/managers of these randomly chosen firms were present at the General Committee of the Aegean Olive-Olive Oil Exporters’ Society where they were presented with a survey questionnaire and return envelope, along with a detailed explanation about the survey. Owners/managers who were not reached in person or were unavailable were called on the telephone and informed about the survey, then mailed a survey questionnaire with a return envelope. The aim of

introductions both face to face and by telephone has been to increase the number of surveys returned and to obtain reliable answers to the survey. As a result, from 133 surveys distributed by mail and by hand 83 have been returned thus giving a survey participation result of 62%. The dependent variable of the research is the export performance while the independent variable is the business owners/managers objective attributes. Regarding the objective attributes of the business owner/manager which are independent variables, age, education, overseas travel frequency and foreign languages level of the owner/manager have been the focus of the survey questions. The dependent variable of the survey to measure export performance used financial scales as perceived by the managers and to this end 5 questions were asked and five-point Likert scale was used.

RESULTS AND DISCUSSION

In the measure of export performance as a dependent variable, financial scales accepted by business wner/managers were used and 5 questions were asked in this regard. The factor analysis resulted in a single factor as expected and the factor analysis results and total variant is shown in Table 1. Regarding the objective attributes of the manager, the direct relationship of age, education, overseas travel frequency and foreign languages level with export performance is shown in the correlation Table 2.

In this study, Table 3 shows the regression analysis results aimed at determining the effect of objective manager attributes as a total of variables on export performance. The $F = 9,762$, in the table is $p = 0.000$ and the model is quite significant. Determinant coefficient R^2 value has been found to be 0.334.

From the independent variables given in the model, a positive relationship has been found between education level ($p = 0.000$) and export performance. From the independent variables, a positive relationship has been found between manager age ($p = 0.029$) and export performance at a level of $p < 0.05$. No relationship has been found between the other independent variables and export performance. Therefore, when objective manager attributes are considered together, the more dominant factors in determining export performance is the age and education level of the manager.

With regard to objective manager attributes correlations were found between the business owner/manager and export performance such as foreign languages level $p < 0.01$ level and a correlation of 390, overseas travel frequency $p < 0.01$ level and a correlation of 340, education $p < 0.01$ level with a correlation of 527. No correlation was found between age and export performance. As a result of analysis of objective manager attributes as a whole and their affect on export performance, a positive relationship has been found between education and export performance at a level of $p < 0.01$. A positive relationship has been found between manager age and export performance at a level of $p < 0.05$. No relationship has been found between spoken foreign languages and overseas travel frequency. Therefore, when objective manager attributes are considered together, the more dominant factors in determining export performance is the age and education level of the manager. Level of education is not seen as an important factor amongst export businesses affecting performance. This result can mean that a high education level of the manager will provide a new vision, point of view and new qualities in the managerial area regarding analysis of competitors and markets, with consideration for the general economic situation.

Table 1: Factors related to export performance (total explained variant: 60.413)

Export performance questions	
Our overseas sales profitability has a major place within the company's total profitability	0.921
The share of overseas sales in our total sales is significantly large	0.852
Our overseas sales profitability has increased over the years	0.792
Our overseas sales have continually increased over the last 5 years	0.752
A comparison between our overseas sales and our domestic sales profitability would show that our overseas sales are more profitable.	0.503

Extraction Method: Basic Components Analysis. No rotation

Table 2: Correlation coefficients of all variables aimed at determining the effect of business attributes on export performance

	S.D	1	2	3	4	5
Manager's age (1)	7.1157	1.000				
Education status (2)	0.9919	-0.057	1.000			
Foreign languages level(3)	0.9347	-0.023	0.718**	1.000		
No. of overseas trips (4)	1.0123	0.023	0.459**	0.600**	1.000	
Export performance (5)	0.7523	0.181	0.527**	0.390**	0.340**	1.000

**Correlation on a 0.01 level (double way); Av. = Average; Std.Dev.= Standard Deviation

Table 3: Regression analysis results regarding the effects of objective manager attributes on export performance

Independent variables	Standard beta coefficient (β)	Significance (p)
Manager age	0.206*	0.029
Foreign languages level	-0.056	0.708
Overseas travel frequency	0.130	0.265
Education level	0.519**	0.000

*0.05 level significance (one way); **0.01 level significance (one way)
R²= 0.334; F= 9.762 p=0.000

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