

An Analysis of Competencies and Moderating Influence of Demographic Profiles - Evidence from Exporting Organizations

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Abstract

The increasing numbers of organizations involved in exporting intensifies the competition level. Therefore, to manage the competition effectively, organizations need the necessary competencies. The objective of the study is to determine the relationship between competencies and export performance. The competencies tested are in the area of personal traits, management, production and marketing. The results showed that except for personal traits, all the competencies have an influence on export performance. Demographic characteristics (key decision makers' demographics and organizational demographics) are also tested to identify whether they have moderating effects on the relationship between competencies and export performance. These include key decision makers' demographics (age, education, overseas exposure and employment experience) and organizational demographics (age, size of organization and export experience). The result showed age and education (key decision maker's demographics) have an effect in the relationship between competencies and export performance. However, all the organizational demographics tested have a moderating effect.

Introduction

Globalization and liberalization of market contributes to the accelerating number of exporting firms in the world. The value of international trade has increased over the years, \$1.9 trillion in 1980, \$5.5 trillion in 2000 to \$7.6 trillion [73]. Firms get involved in international trade to enjoy the economic benefits, through expanding of market, sales, profit and spreading of risks [4]. Supporting role by governments too encourages internationalization of the domestic firms. This is done through having various trade agreements and policies which provide an easier route for internationalization of firms and it is likely to continue in the future years.

Exporting is the most common and basic form of getting involved in international trade. Leonidou et

al. [51] informs exporting has been a very popular approach as it needs less commitment of resources; the effect on the ordinary operations of the firm is minimal and furthermore, only involves low investment and financial risks. Thus, it is understandable why most firms in developing countries have used this method to internationalize their business.

Background of the Study and Purpose

Malaysia total trade in 2007 was at RM1.1097 trillion compared to RM1.069 trillion in 2006, an increase of 3.7%. Export grew at 2.7% in 2007 compared to 2006. The growth of trade has increased steadily over the years. Export level has also been increasing due to the constant efforts by the government and favourable policies. Table 1 shows the statistics of external trade for the past ten years from 1997 – 2007.

Table 1 - Statistics of External Trade (Malaysia) 1997 – 2007 (RM millions)

Year	Export	Import	Balance of Trade
1997	220,890	220,935	-45.0
1998	286,563	228,124	58,439
1999	321,560	248,477	73,083
2000	373,270	311,459	61,811
2001	334,284	280,229	54,055
2002	357,430	303,091	54,340
2003	397,884	316,538	81,347
2004	481,253	399,632	81,621
2005	533,788	434,010	99,778
2006	588,966	480,773	108,193
2007	605,099	504,568	100,531

Source: [http:// www.epu.jpm.my](http://www.epu.jpm.my)

Malaysia has set a vision to become an industrialised nation by 2020 following the success of its fellow Asian countries such as Taiwan and Japan. The internationalisation of business in Malaysia is closely linked with the industrialization efforts. Ministry of International Trade and Industry (MITI) is the premier government agency that looks into the management of international trade in Malaysia. Malaysia External

Trade Development Corporation (MATRADE) is the national trade promotion agency under MITI. It provides Market Development Grants (MDGs) for SMEs which is in the process of developing export markets. The scheme covers various areas of export promotion activities such as participation in international trade missions, specialized selling missions, international trade fairs, exhibition of exports in the Malaysian trade centre overseas, preparation of promotional items, promotion of brand names overseas, designing and improving packaging of products and participation in overseas international tender [75]. Table 2 shows the total export trend in Malaysia from the year 2000 to 2007. The two digit growth shows that export plays a critical role in as a form of international trade in Malaysia.

Table 2 – Statistics of Export and the Annual Growth of Export 2000 - 2007

Year	Export	Annual Growth
2000	373,270	16.1%
2001	334,284	-10.4%
2002	357,430	7.0%
2003	397,884	11.5%
2004	481,253	21.0%
2005	533,788	10.9%
2006	588,966	10.3%
2007	605,099	2.74%

Source: [http:// www.epu.jpm.my](http://www.epu.jpm.my)

This study focuses on the rubber industry in Malaysia. Rubber seeds were first brought to Malaysia in 1877. Although in the beginning the industry was concentrated in selling rubber in its raw form, however, due to the fluctuating price, the focus was tuned towards the downstream area. Currently, Malaysia is the third largest producer of rubber and the largest product of rubber glove. Other types of rubber products in this industry are tyres, inner tubes, catheters, footwear and others. In 2006, Malaysia exported 4.8 million worth of rubber products.

The research in international trade especially in exporting has had a continuous interest among researchers. Among the areas of research are export stimuli, export barriers, export promotion programmes, foreign market selection, entry and expansion; export marketing strategy; export development models and export performance [50]. When increasing number of organizations get involved in exporting it intensifies the competition level. Haar and Ortiz-Buonafina's [37] study mentions that exporters operate in an environment characterized by higher levels of uncertainty, due to

increased business risks. How can organizations be successful in this kind of environment? The answer to this is the necessity of appropriate competencies to weather the competition. Nevertheless, there is yet for research to give a complete view of competencies needed and this is the objective of this research paper.

The objectives of this research are:

- to determine the relationship between competencies and export performance.
- to determine the moderation role of demographic characteristics on the relationship between competencies and export performance.

Literature Review

New [60] links core competency to the knowledge, expertise and capabilities, which have been collectively learned by a firm and this enable it to distinguish its performance from that of its competitors. Sanchez, Heene, and Thomas [65] define competence as the ability to create, gain access to and co-ordinate tangible and non-tangible assets. According to various researchers, businesses involved in the global area need to have certain competencies, capabilities and skills that are important [20, 32]. These competencies can be the fundamental building blocks of competitive advantage [38, 55]. This study looks into competencies from various areas needed such as personal traits of key decision maker, management, production and marketing.

Personal Traits

The importance of personal traits and their influence towards the organizational performance was studied by Storey [69]. Bandura [5] regards personal values as ideals that are maintained at all circumstances. Another definition on personal values is mentioned by Feather's [34-35] studies, where personal values are said to be the core of personality and influence other characteristics such as attitudes, evaluations, judgments, decisions and commitments. Bird's [9] study mentions risk taking behaviour is essential towards successful performance of the organization while Ho and Koh [39] suggest that self-confidence is a necessary entrepreneurial characteristic. Haar and Ortiz-Buonafina's [37] study mentions risk-taking and commitment need to be demonstrated by export managers in the international activities of the firm. In a business venture it is common for the entrepreneur to face situations that need important decision-making. It is crucial for the entrepreneur to possess self-confidence when they are faced with such situations. Yusuf's [77] study supports perseverance as critical in small business success. Murphy's [59] study indicates

that the success of business is attributed by hard work and dedication.

Management

Some of the competencies identified in previous researches are formal market planning or export exploration procedures. This is found for firms with higher propensity for export [14, 28-29, 53]. Organization for Economic Cooperation and Development (OECD) [61] findings report that larger SMEs find strategic planning to be important to their success. Having formal control system is mentioned by Kirpalani and MacIntosh [48] and Burton and Schlegelmilch [14]. They found that successful exporters seem to place a great deal of reliance on formal control systems for monitoring performance in exports markets. The requirement of skilful human resource was found in the studies by Cavusgil [16]. He mentions that firms with greater international involvement have staffs that are multilingual and educated. Another study related to staff skills are by Cunningham and Spigel [23] who found that one of the key determinants of export success is the foreign language proficiency of the export staff. Dunlop [31] and McGrath et al. [55] study found that due to the difficulty in international marketing it is essential to attract and retain the best people and motivate them. This can produce lasting competitive advantage. Higher propensity of export is found with firms with larger export staff [14, 28-29, 53].

Production

Product uniqueness is found to be related to performance in export [14, 19, 52, 56]. Julian [44] also mentions on the product uniqueness to achieve success in the marketing performance of the export venture. Daniels and Robles [26] concluded product quality to be a key competency in their study of Peruvian exporters. Furthermore, capability to develop new products is also found to be strength [12, 45]. Burton and Schlegelmilch's [14] study found that product design and quality to be of equal importance. Another production activity that is required in determining success is quality control implementation [14, 21]. Having technology or production method is found to be an important source of competitive advantage [17, 22]. Technology intensiveness is found to be related to propensity to export [19, 22]. Moen's [57] study found that small exporting firms had stronger competitive advantage in terms of products and technology than larger exporting firms.

Marketing

Market knowledge has been mentioned to be critical for organizations involve in international business.

For example, Aharoni [2] notes market knowledge plays a part in foreign investment decision. Johanson and Vahlne's [42] study found that knowledge gained from experience from business operations in specific overseas markets generates business opportunities. In addition, organizations that establish foreign contacts have a better chance of tapping the market opportunities [38]. Supporting study is by Rosson and Ford [64] who found that having contact and resource intensity with a distributor has a positive and significant association with export performance. Burt [13] suggests that networking in the sense of "better connected" firms will outperform others. It is important to create a good customer relationship because it can contribute towards gaining competitive advantage [27] while Cavusgil [15] identifies it as a critical performance variable. Competencies in distribution, pricing and promotion are also needed to perform better internationally. Bello and Williamson [6], Yaprak [76], Bilkey [8], Gronhaug and Lorenzen [36] found there is positive relationship between distribution strategy and export performance. Kirpalani and MacIntosh [48] found there is a positive relationship between price and performance; Julian's [44] study supports that level of competition through price competition has direct influence towards firm's marketing performance. Competitive advantage related to promotional activities is reported by Burton and Schlegelmilch [14] and Keng and Juan [46].

Export Performance

Two measures of internationalization most commonly used are export sales [15, 71] and export intensity [10, 54]. According to Kirpalani and Balcome [47] export intensity measures the contribution made to a firm's total business by export. Even if there has been criticism on the ratio of export sales to total sales as an expression of firms' export performance or success, nevertheless it is a frequently used measure in export literature [1, 50]. The reason given was higher export intensity indicates a greater degree of internationalization. Therefore, it does measure effectiveness [72].

Key decision makers' demographics

Age has been mentioned by several researchers such as Jaffe et al. [40] and Moon and Lee [58] to be a predictor of export behaviour. They mentioned that younger managers tend to be more internationally minded and cosmopolitan than older ones. Exposure to the foreign culture does influence the level of ease to consider foreign markets. Langston and Teas [49] found that management with foreign experience, have lived abroad or had studied foreign languages at school correlated with foreign market attitudes of top

management. According to Welch and Luostarinen, [70] past experiences of decision makers determine the international decisions shape. Linkage between knowledge of foreign language and export success is indicated in research done by Cavusgil and Naor [18]. Leonidou et.al. [50] reveal that foreign language proficiency is positively associated with export development. This is because language skill may help to establish social and business contacts abroad. Another significant profile is the level of education. Simpson and Kujawa's [68] study identifies education to be a significant variable affecting and differentiating the responses of exporters and non exporters to unsolicited orders from foreign customers. Another research, Cavusgil and Naor [18] have also linked education with export success. Schlegelmilch's [66] study points out that those with better education possess more managerial knowledge and capabilities which could enhance export performance. Travelling to areas considered for exporting and creating contacts by the decision maker influences exporting decision [30, 67]. Similar observations were reported by Cunningham and Spigel [23] who relates it to success in exporting.

Organizational demographics

Size of firms has been one of the variables frequently related to export development process Reid [63]. Various researches have different methods of measuring size of firms such as sales volume [24], the number of employees [7] and export experience [25]. Pedersen and Petersen's [62] study mentions size as a proxy for the organizational resource availability. This is more so because internationalization process involves the need of an increasing amount of resources [16, 41, 43]. According to Cavusgil and Naor [18] firm size is often regarded by export researches as a critical variable in explaining export behaviour and success. Bonaccorsi [11] found that larger firms possess more managerial and financial resources have greater production capacity, attain higher levels of economies of scale and faces lower levels of perceived risks in exporting operations. Erramilli and Rao [33] mentions larger firms have a greater ability to expand resources and absorb risks than smaller ones, thus may have a higher bargaining power. Therefore, larger firm is said more likely to become international. Reid [63] concludes that absolute size affects export entry into new foreign markets. However, Cooper and Kleinschmidt's [22] study establishes a negative relationship between size and intensity of export. Similar findings was reported by Bonaccorsi [11] and Alonso and Donoso [3], while McGuinness and Little [56], Czinkota and Johnston

[24] and Diamantopoulos and Inglis [29] found no relationship.

Methodology

Data was collected by the use of survey method. The questionnaire was developed and pre-tested through the pilot survey. Modifications were made based on the comments and responses before the actual survey was carried out. The respondents of this study were chosen from the Malaysian External Trade Development Corporation's (MATRADE) list, Malaysian Rubber Product Manufacturer Association's (MRPMA) list and Malaysian Rubber Exporter Promotion Council's (MREPC) list totaling to 492 organizations. These respondents consist of exporting companies in the rubber industry. Questionnaires were mailed to organizations and answered by the top management. A total of 203 questionnaires were collected and 194 were found to be usable. Correlation analysis and multiple regression analysis were conducted to determine the relationship between the competencies and export performance. Analysis of covariance or ANCOVA was used to test the moderating effects of the demographic profile of the key decisions makers and also the organization itself.

Results and Discussions

The demographic profile of the respondents is presented in Table 3. The respondents' age ranged from 31 to above 50. Majority of the respondents are in the age group of 41 to 50 years (51.5%), followed by 31 to 40 years (26.3%) and 22.2% of the respondents surveyed are above 50. The highest percentage is found for respondents with education at degree level (39.7%), followed by those with diploma (37.1%) and postgraduate/MBA (13.4%). Those with overseas exposure consist of 77.3% compared to 22.7% without. In terms of employment experience 75.3% of the respondents have employment experience dealing with overseas business.

Around 32.5% of the organizations are more than 15 years old, followed by organizations' aging between 12 to 15 years (25.8%), 24.2% of the organizations are more than 9 years to 12 years while 12.4% are more than 6 years to 9 years of age. Only 5.2% of the organizations studied are 3 to 6 years old. This distribution shows that around 80% of the organizations have been operating for nearly 10 years. The results show that the size of the organizations in terms of employees is mostly around 51 to 100 that are around 35.6%. Those having 101 to 150 employees are 27.3%, this is followed by 24.2% having less than 50 employees. Around 8.2% organizations are from the 151 to 200 employees' category. However,

organizations having 251 to 500 employees are only 3.6% followed by 1% having more than 500 employees. This indicates that the distribution of size of organizations for this study is mainly small to medium sized in terms of employees. Organizations that have exporting experience of more than 6 years to 9 years are 24.7%, more than 9 years to 12 years are 23.2%, while more than 12 years to 15 years are

20.6%. However, there are also organizations with more than 15 years of experience which is about 20.1%. 11.4% are those with 6 years and less of exporting experience. Most of the organization are marketing their products for the both the international and domestic market. This accounted for 74.2%. Only 24.7% is concentrating solely on international market.

Table 3 Demographic Characteristics

	N	%			
<u>Age</u>				<u>Business Age</u>	
31-40	51	26.3		3-6 years	10 5.2
41-50	100	51.5		> 6 years to 9 years	24 12.4
Above 50	43	22.2		> 9 years to 12 years	47 24.2
Total	194	100		> 12 years to 15 years	50 25.8
				> 15 years	63 32.5
				Total	194 100
<u>Education</u>				<u>No. of Employees</u>	
Secondary	19	9.8		< than 50	47 24.2
Diploma	72	37.1		51-100	69 35.6
Degree	77	39.7		101-150	53 27.3
Postgraduate/MBA	26	13.4		151-200	16 8.2
Total	194	100		251-500	7 3.6
				> than 500	2 1.0
				Total	194 100
<u>Overseas Exposure</u>				<u>Years of Exporting</u>	
Yes				< 3 years	10 5.2
No	150	77.3		3-6 years	12 6.2
Total	44	22.7		> 6 years to 9 years	48 24.7
	194	100		> 9 years to 12 years	45 23.2
				> 12 years to 15 years	40 20.6
				> 15 years	39 20.1
				Total	194 100
<u>Employment Experience</u>				<u>Product Market</u>	
Yes	146	75.3		Both International and Domestic	144 74.2
No	48	24.7		Only International	48 24.7
Total	194	100		Total	192 98.9

The correlation results in Table 4 identified the relationship between each of the competencies tested and export performance. These competencies are identified to be critical to achieve successful export performance. In terms of personal traits, integrity, discipline, passionate, being goal oriented and also having commitment will assist in ensuring the organization to have successful performance. The results supports Haar and Ortiz-Buonafina's [37]

finding where commitment has been identified necessary for export managers in the international activities of the firm. Competencies in the area of management that are required are monitoring activities such as on the government actions and policies and also the competitor. This method of knowledge acquiring will provide the organization with the correct input in order to plan the necessary strategy for managing the organization successfully. Furthermore,

the knowledge can assist the organization to adapt to the changing environment. In addition, exploration on feasibility of exporting is also found to be of critical requirement for successful export performance. This is probably to make the risk of exporting to a new environment more manageable. This result is in line with studies by Burton and Schegelmilch, [14], Denis and Depelteau [28] and Malezadeh and Nahavandi [53]. Other interesting competencies found are on the knowledge acquiring through government resources such as trade missions and trade fairs. Having skillful staff especially in terms of language, international experiences are other management competencies that are related to successful performance. Resources to acquire and retain skillful staff are also competencies needed. This result is supported by previous literature such as Dunlop [31] and McGrath et al.'s [55] study which point out that it is essential to attract and retain the best people and motivate them due to the difficult in international marketing.

Production competencies related to successful export performance are product quality, innovation process, quality control system, technological competitiveness, efficiency in production and also investment in research and development. This is probably due to the need to maintain the competitive position of the organizations through producing product that meets

the different customer requirement internationally. Previous literature supports the findings of this study such as product uniqueness [14, 44], product quality [26], develop new products [12], quality control implementation [14, 21] and technology/production [22].

Marketing competencies identified critical in this study are on marketing inputs through research and monitoring. These findings are in line with previous research such as Johanson and Vahlne's [42] study which identified knowledge gained from experience from business operations in specific overseas markets generates business opportunities. Another similar finding is regarding networking which is mentioned by Hamel and Prahalad [38] and Burt [13]. The result in this study also identified having customer focus and good business dealing to be competencies influencing export performance. Supporting this is study by Dess and Davis [27]. Other competencies identified are market selection strategy, distribution strategy, pricing strategy, promotion strategy and also customized marketing practice that would suit different customer requirement. Supporting literature are by Bello and Williamson [6] and Yaprak [76] for distribution strategy, Kirpalani and MacIntosh [48] and Julian study [44] for price and Burton and Schlegelmilch [14] and Keng and Juan [46] for promotion.

Table 4 – Correlation Results (Competencies and Export Performance)

Competencies	Value	Significance
Personal Traits		
<i>Integrity</i>	0.206	0.002**
<i>Discipline</i>	0.182	0.006*
<i>Passionate</i>	0.199	0.003*
<i>Goal Oriented</i>	0.201	0.002**
<i>Commitment</i>	0.147	0.021**
Management		
<i>Monitoring government actions and policies</i>	0.240	0.000**
<i>Monitoring competitors activity</i>	0.309	0.000**
<i>Exploration on feasibility of exporting</i>	0.167	0.010**
<i>Participate in trade missions</i>	0.168	0.009**
<i>Participate in trade fairs</i>	0.212	0.002**
<i>Employ staff with multilingual skills</i>	0.184	0.005**
<i>Employ staff with international</i>	0.344	0.000**

<i>experience</i>		
<i>Have resources to acquire staffs that are reliable.</i>	0.185	0.005**
<i>Have resources to retain capable staff</i>	0.282	0.000**
Production		
<i>Product quality focus</i>	0.243	0.000**
<i>Quality control focus</i>	0.213	0.001**
<i>Innovation</i>	0.178	0.006**
<i>Technology competitiveness in production</i>	0.154	0.016**
<i>Production efficiency</i>	0.224	0.001**
<i>Invest in product technology</i>	0.246	0.000**
Marketing		
<i>Marketing monitoring</i>	0.175	0.007**
<i>Marketing research</i>	0.267	0.000**
<i>Middleman for networking</i>	0.129	0.036*
<i>Good relationship with customers</i>	0.175	0.007**
<i>Understand foreign customers requirement</i>	0.181	0.006**
<i>Create good business dealing</i>	0.196	0.003**
<i>Proper market selection</i>	0.280	0.000**
<i>Proper distribution strategy</i>	0.270	0.000**
<i>Proper pricing strategy</i>	0.242	0.000**
<i>Proper promotion strategy</i>	0.142	0.024*
<i>Customized marketing</i>	0.119	0.049*

** significant at 0.000, * significant at 0.005

Next, multiple regression analysis was conducted to see the overall effect of the competencies on export performance. The results (Table 5) showed that the management, production and marketing competencies are influencing export performance.

However, personal traits was not included as part of the competencies. Functional competencies seemed to be of more important than personal competencies when they are considered together.

Table 5 – Multiple Regression Results

Predictors	Unstd Coeff		Std Coeff	T	Sig	R ²
	β	Std Error	Beta			
(Constant)	8.716	0.937		9.303	0.000	0.151
Management	0.694	0.193	0.283	3.595	0.000	

Production	0.471	0.167	0.205	2.826	0.005	
Marketing	0.593	0.191	0.191	2.454	0.015	

Dependent Variable: Export Performance

Analysis of covariance was used to test the influence of the moderating variable. Among the variables considered are age, education, overseas experience and employment experience for key decision maker. The variable for organization demographics are age, size and exporting experience. The results in Table 6 indicated age of key decision maker and education influences the competencies in achieving successful export performance. The influence was on personal traits, management and marketing competencies. This is quite understandable since experience grows with age and this is critical in making decision effectively. Through education, one may learn skills necessary for international business and be able to have success in managing an organization. This will lead to better performance. Supporting this result are studies by Jaffe et al. [40] and Moon and Lee [58] for age and Cavusgil and Naor [18] for education.

All the organization demographics have an influence on the competencies which shows that age

of the organization, size of the organization and exporting experience affects the competencies required for successful performance. The result in this study is in line with previous literature. Cavusgil and Naor's [18] study found firm size is often regarded by export researchers as a critical variable in explaining export behaviour and success. Organizations that have been in business longer perform better. This again could be due to the experience the management in the organization has in making decision, assessing risks and taking advantage of the opportunities. Furthermore, larger organizations have been identified to perform better where the availability of resources, financial and non-financial are higher. These provide to be advantageous since human capital could be retained which is critical for successful performance. Similarly, longer export experience has been acknowledged to create a favorable environment to have a successful export performance.

Table 6 – Analysis of Covariance Results

Competencies	F	Sig	R^2	Observed Power	Moderating Effect
<i>PT</i>	9.271	0.003	0.154	0.475	Control
<i>MGT</i>	7.736	0.006			
<i>PROD</i>	1.827	0.178			
<i>MKT</i>	3.634	0.050			
<i>PT</i>	16.471	0.000	0.231	0.978	Yes, R^2 and observed power are higher.
<i>MGT</i>	5.883	0.016			
<i>PROD</i>	2.053	0.154			
<i>MKT</i>	4.941	0.027			
<i>Age</i>	9.404	0.000			
<i>PT</i>	12.063	0.001	0.18	0.502	Yes, R^2 and observed power are higher.
<i>MGT</i>	8.734	0.004			
<i>PROD</i>	2.758	0.058			
<i>MKT</i>	3.690	0.050			
<i>Education</i>	1.968	0.120			
<i>PT</i>	8.787	0.003	0.155	0.063	No.
<i>MGT</i>	7.420	0.007			
<i>PROD</i>	1.763	0.186			
<i>MKT</i>	3.593	0.060			
<i>Oversea Exposure</i>	0.118	0.731			
<i>PT</i>	9.004	0.003	0.155	0.060	No.
<i>MGT</i>	7.557	0.007			

<i>PROD</i>	1.723	0.191			
<i>MKT</i>	3.708	0.005			
<i>Employment experience</i>	0.091	0.763			
<i>PT</i>	10.234	0.002	0.271	0.996	Yes, <i>R² and observed power are higher.</i>
<i>MGT</i>	6.403	0.012			
<i>PROD</i>	0.775	0.380			
<i>MKT</i>	3.905	0.005			
<i>Business age</i>	7.436	0.000			
<i>PT</i>	16.419	0.000	0.263	0.986	Yes, <i>R² and observed power are higher.</i>
<i>MGT</i>	9.228	0.003			
<i>PROD</i>	4.672	0.032			
<i>MKT</i>	0.859	0.355			
<i>Business Size</i>	5.440	0.000			
<i>PT</i>	0.018	0.894	0.420	0.996	Yes, <i>R² and observed power are higher.</i>
<i>MGT</i>	3.560	0.061			
<i>PROD</i>	0.318	0.574			
<i>MKT</i>	3.799	0.053			
<i>Exporting Experience</i>	16.822	0.000			

Dependent Variable: Export Performance

PT - Personal Traits, *PROD* - Production *MGT* – Management, *MKT* – Marketing

Conclusion

The study had managed to determine the relationship of competencies and export performance. Management, production and marketing are competencies that are very important to achieve success in exporting. Thus, in order to perform well there is a need to have competencies in these areas. Although personal traits were not identified in multiple regression results, however the correlation analysis results showed certain traits could assist in having better exporting performance. The demographic characteristics that serve as the moderator in the relationship between competencies and export performance are key decision maker's age, level of education organization's age, size and exporting experience.

This study provides useful implications. Organizations that intend to be involved in exporting need to have suitable competencies in order to survive the competition in the international level. The management of the organization must be equipped with suitable traits, competencies and also employ capable staff that is required to make the organization successful. Since education and experience also play a role in determining the success rate of the organization, there must be suitable channel to acquire them. The government can encourage international business through information dissemination and providing the platform for organizations to move from domestic business to international level. This can be in terms of export promotion programs or providing export assistance. Appropriate training especially

associated with international business or exporting must be made available to enhance the competencies level.

However, there are several limitations that can be addressed through future studies. Firstly, the research had concentrated on the rubber industry only. Results might be different if various industries had been studied. Thus, future study should consider studying on several industries to get a better generalization. Secondly, this study focused on competencies alone, which are internal in nature. This limitation can be avoided by considering external factors.

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