

THE INTERNATIONAL JOURNAL OF BUSINESS & MANAGEMENT

Investigating the Effect of Entrepreneurial Orientation and the International Marketing Perspective on the Export Performance of Small and Medium Enterprises in Iran

Hajar Moavery Frad

Lecturer, Department of Education Science (Management and Accounting),
Islamic Azad University, Rodehen Branch, Iran

Seyed Mehdi Jalali

Assistant Professor, Department of Humanities,
Islamic Azad University, Firoozkooh Branch, Iran

Samad Karimzadeh

Associate Professor, Department of Education Science (Management and Accounting),
Islamic Azad University, Rodehen Branch, Iran

Abstract:

Small and medium enterprises have a large contribution in the industrial activities of different countries. The most important factor in the survival and strong presence of these companies in the domestic and international economic field is their further development and an entrepreneurial approach to the issue and the existence of a coherent and organized plan in this regard. With regards to the importance of this issue, the purpose of this study was to investigate the effect of entrepreneurial orientation on the export performance of small and medium enterprises. To test the conceptual model, two quantitative and qualitative methodological approaches were used. As in the qualitative approach, the Delphi method was used by the expert group with several experts from the Commerce and Business Studies center and in a quantitative approach, a researcher-made questionnaire was used. The statistical population of the survey is all selected provincial exporters chosen by the Iranian Trade Development Organization in the form of 3 groups of agriculture, industry and mining, Hi Tech products and services. A sample of 200 individuals was selected randomly from the export managers of the aforementioned companies and they were questioned. Relations between variables by the use of Structural Equation Modeling, Smart PLS software was analyzed. The results indicate that the international marketing perspective strengthens entrepreneurship behaviors of managers (activism and risk taking). As a result, SMEs are able to increase exports, despite the benefit of managers with entrepreneurial characteristics.

Keywords: *International market perspective, entrepreneurial orientation, small and medium enterprises, export performance*

1. Introduction

Today, considering the importance of exports to companies, especially small and medium-sized enterprises, to enter the foreign markets, export decision making is an important step for managers. Also, to start exporting, managers need a high level of effort with sufficient motivation and a positive attitude towards this matter (Tan and et al. 2007). Many studies have shown that many companies do not export with sufficient resources and requirements, even when excited by domestic and foreign stimuli. though there are many companies that are starting to export without enough experience and having the necessary requirements, these are companies that are well-placed in terms of management skills such as motivation (Wood et al, 2015).

Perception the processes and behaviors of managers as the factors influencing export performance are very complicated. In many cases, it has been observed that similar sources have led to different choices in the same environments, was this a role of risk that has had different results? Probably the perception of individuals is a factor in the recognition and definition of opportunities.

Understanding why some people more than others realize important issues and thus benefit from opportunities is also one of the important questions of the researchers. It is still unclear why international literatures have not found elements that influence the discourse on decisions and the process of internationalization? (Acedo and Jones, 2007).

Most scientific research and government efforts are also focused on reducing barriers to exports. These efforts include increasing familiarity with regulations, promoting innovation in various products, and negotiating trade barriers and many of the issues that have been addressed in the thesis. And all of them do the same efforts to reduce the related

barriers. In the opinion of the researcher, while removing obstacles, we should consider creating plans and schemes to increase the participation of companies in exports. And we can propose plans that eliminating barriers as well as rising export. One of these topics is to focus on the behavioral issues of managers. There are very few researches that examine the behavioral issues of managers in exports and show that managers who have a positive attitude are more likely to export than other managers. Also, there are few studies that focus on how personality features affect international behavior. In our research, this question arises whether the managerial behavioral issues for exports are the same as the necessary force to start new export activities or not. In this research, the question arises whether the managerial behavioral issues for exports are the same as the necessary force to start new export activities. Or can we define the managerial behavioral issues as an initial factor for successful exports? Considering the importance of exports in today's competitive economy, and to reach the export boundary of 105 trillion Rials in the 1404 vision document (Iran's Trade Development Report, 1395), In this study, using the data obtained from small and medium enterprises, the entrepreneurship variables of export managers were examined to address the behavioral issues of export managers.

2. Theoretical Background

The field of international entrepreneurship has been highly regarded in recent years, especially in the area of specific characteristics of entrepreneurship and its impact on the export performance of companies. Researchers assume that the international behavior of managers may derive from their entrepreneurial characteristics (McDougall & Oviatt, 2000). The definition of international entrepreneurship is 'the discovery, approval, evaluation and exploitation of opportunities beyond the national boundaries for the creation of goods and services for the future.' At the moment, researchers' viewpoints are in search of conditions, which triggers. At the moment, the researchers' perspective has been focused on finding conditions that will create more opportunities for managers at the international level. Acedo and Jones (2007) raised the question in their research why some people better than others identify the opportunities and so they can take advantages of these opportunities in favor of the company. Therefore, entrepreneurship specification has become a factor in accelerating international activities which actually makes export managers who have higher entrepreneurial features can identify international opportunities better than others and benefit them in their organization. Therefore, international entrepreneurship orientation is known as one of the most influential variables in international processes. The important features used in international literature are proactive (Krante, 1996), tolerance of ambiguity (Westberg, Singh and Huckner, 1997), and risk perception (Kausgile and Light, 1987).

Zahara et al. (2004) have worked on entrepreneurship and mental models. And they suggested that the cognitive system of individuals affects entrepreneurial decision-making rules and risk preferences. And it may also affect the entrepreneurial behavior of international companies. And argued that 'people's mental systems' are likely to be 'decision-making, horizontal decisions, and risk-taking'. And thus, this mental system may affect the entrepreneurial behaviors of international companies. Oita, Sherador and McDougall (2004) define entrepreneurship as internationalization factors and defined them as intermediary variables in relation to internationalization and export performance. Zahra and George (2002) also paid great attention to entrepreneurs in their model and they consider them effective in initiating processes and introduce environmental and strategic factors as intermediary and intervening variables. Harveston et al. (2000) conducted a study on 224 companies with a view to differentiating between globally established companies and gradually globalized companies with a behavioral approach. Their results showed that managers who are globally established, have a global mindset, have more international experience, and have higher levels of risk tolerance than managers of companies that are gradually globalized. Nadella et al. (2004) found that global thinking is relevant to internationalization. However, these are not the only known variables as factors affecting the speed of internationalization. Simon, Houhteghton and Aquino (2000) believed that understanding the processes and behaviors of managers as factors influencing on export performance are complex. Some mental processes always exist in decision making, while others are not and it is because of the risk appetite of managers. They say that risks with similar resources compete in the same environments for different choices and they introduced the perceptions of individuals as a factor in the recognition and definition of opportunities. Robertson and Chathy (2000) conducted a broad study of the role of individuals who identified perception as a key factor in international processes and decisions. In this research, an assessment of the perception of individuals has been used to assess the export performance. Forgesinger (2002) examines the factors affecting international processes and decisions: (Recognition style, psychological behaviors, individual approach ...), on the other hand, pointed out that managerial knowledge (empirical, market, and technology) plays a very important role in explaining the internationalization of companies that many researchers has been studied. One of the researches conducted in Iran is Zarei et al. (1394), with the aim of studying the effect of entrepreneurial behavior on export performance through the role of mediator of gaining competitive advantage among exporters of food products. In another study on Entrepreneurship, Elhamami and Sadeghi (1395) examined the effect of entrepreneurial orientation on the export performance of small and medium enterprises in commercial companies in North Khorasan province. And they came to the conclusion that entrepreneurship and its dimensions include innovation, leadership and risk taking have a significant effect on the export performance of small and medium enterprises. Mohammadian et al. (1392) conducted a research on the impact of export marketability and competitive advantage on export performance. The results of this study indicate that export marketability has an impact on export performance and competitive advantage. Also, competitive advantage that is also presented in the research of mediating variable of export market orientation and export performance, has a positive effect on export performance. Akbari et al. (1394), in his research on effect of entrepreneurial orientation and innovation ambidexterity on the export performance of new products, with moderate intensity of product innovation in the automotive industry, concluded that the entrepreneurial orientation to the innovation ambidexterity capability and export performance of new products

affected Meaningful. Farahani et al. (1393) also investigated the impact of entrepreneurship orientation and marketing information on the performance of small and medium-sized firms in Markazi province. They found that the orientation toward entrepreneurship has a significant effect on obtaining marketing information, utilizing market information and firm performance. Also, gaining marketing information also effects the company's performance, but the exploitation of market information on the company's performance in this research was not supported.

Given the issues raised, in this research, two behavioral approaches of managers are considered together and it seems that each of these components far from each other are not able to have enough impact on exports. Instead, managers' behaviors and beliefs about exports as a general strategy, regardless of the current problems and issues that our country now faces with the outside world, can be quite effective in their export performance. Of course, a realistic assessment of available resources and the knowledge and willingness of managers to export can have a direct impact on the organization's orientation to internationalization.

3. Theoretical Framework

Companies whose managers have a positive attitude towards the international management perspective are more likely to start exporting, but this positive view is not enough for a company that wants to export. Other conditions are needed to internationalization. In addition, we do not suggest that only the positive attitude of managers towards exports is a prerequisite for international activities. We only suggest that there is a relationship between managers' positive attitudes and export performance, and we will test them. We will also evaluate managers' behavior from two aspects of the international market perspective and entrepreneurial behavioral orientation of managers. And it is assumed that even the positive attitude of managers will affect their entrepreneurial behavior, which ultimately leads to exports.

3.1. International Market Outlook

Recent studies in the field of export start-ups have identified management issues as one of the effective factors in promoting exports, and have been investigating them. Acedo and Jones (2007) suggested that personality orientation of manager to export is one of the effective factors in the speed of internationalization. Wood and colleagues (2015), in addition to the managerial personal tendency, added to their research two other sources: internationalization and access to resources. With this framework, we can partially explain the managerial decision to select the export as the organization's goal.

Researchers suggest that an increase in the orientation towards international management can increase export activity (Dichtl and et al. 1990). Although past studies did not provide any support for direct connection between international management and export practices, there are several interpretations for these conflicting results (Leonidou and et.al 1988). Previous research predicted that positive attitudes towards internationalization might be just a subset of entrepreneurial attitudes about any new effort (Reid 1983). Others suggest that these results may simply be an artificial effect of methodology (Eshghi 1992). In this research, it is suggested that the orientation toward international management will affect managers' entrepreneurial behaviors.

- H₁: Given the internationalization of companies, managers who have an international market perspective display higher levels of proactive.
- H₂: Given the internationalization of companies, managers who have an international market perspective have a more positive perception of the profitability of export performance.
- H₃: Due to the internationalization of companies, managers who have an international market perspective have greater ambiguity in international decisions.

3.2. Entrepreneurship Attitude of Managers

The entrepreneurial orientation reflects the decision-making aspects, practices, and workout of a company to determine the strategic direction and how to manage the company significantly. Previous studies have shown that entrepreneurs have specific characteristics. Which provides them with a stimulant and distinguishes them from others. There is evidence of researchers' efforts to identify common characteristics that entrepreneurs have. Several studies have analyzed special personality features as entrepreneurial characteristics. Among these features used in international literature, proactive (Krante, 1996), Tolerance of ambiguity (Westberg, Singh, and Huckner, 1997), risk perception (Kausgile and Light, 1987) are mentioned. These features were taken into consideration in this research.

One weakness in the international literature is how to apply and measure the variables of entrepreneurship in the field of exports. Since it is assumed that the managers and owners of companies have a fundamental role in establishing and implementing the strategies of the company, understanding how the entrepreneurial characteristics influence the decision making of managers can be one of the main goals of the new research.

There are also very limited studies on international entrepreneurship on managerial behavior issues. In this research, the impact of entrepreneurship issues is considered as intermediary variables that affect export performance.

3.2.1. Tolerance of Ambiguity

Uncertainty is a situation that cannot be structured due to lack of information. Tolerance of ambiguity is the ability to respond positively to vague and unstructured situations. Managers with entrepreneurial characteristics more than conservative managers have the power to tolerate ambiguity. Entrepreneurs are able to effectively deal with obscure, incomplete, uncertain, unorganized, and non-transparent information and conditions without feeling threatened or disturbed (Youca&Nuray 2006). Removing the ambiguities will change them in their favor. In fact, the ambiguity causes them to be motivated.

This feature is associated with other features of the entrepreneur. For example, tolerance for ambiguity is related to creativity and the ability to generate more ideas through the liberation of mind. That is, the ability to design and innovate requires the ability to tolerate ambiguity. Accordingly, the results of the researches show that those who tolerate ambiguity under the same conditions accept a higher risk. The ambiguous position that companies face in international markets is also determined by their perception of risk. This entrepreneurial feature of managers is introduced to the extent that managers decide on risky and uncertain environments (Entrialgo & Vazquez 2000).

- H₄: Considering the internationalization of companies, managers who tolerate higher ambiguity are more positive about the profitability of the export performance.

3.2.2. Proactive

Taking the initiative of pursuing business opportunities, as well as the takeover of new markets, is often called 'proactive' (Walter 2006). Proactive is a modern view that companies are actively looking for opportunities to develop and introduce new products to gain the benefits of pioneering and directing the market (Hughes and Morgan 2006). Proactive is usually related to the main stimulus, and it is a great effort to support market share. It is possible to predict future demand with proactive (Hong 2010). Proactive represents the prediction of future needs and initiative, or it is necessary for business failure.

Proactive is clearly related to innovation and ambition, but the essence of proactive is its relation to dynamic creative actions for breaking business, such as the search for information and opportunities, the provision of financial resources for investment, the commitment to training staff and Start long-term planning. Proactive shows (Fontela & et al. 2006) that the firm is looking for market opportunities through perseverance and innovation, and by emphasizing innovations, products, services, technologies, and technology management in the industry, it has a strong emphasis on shaping the environment (Hong 2010). In the structures related to behavioral issues regarding the internationalization of the topic of action, its relationship has been seen positively. This connection has been seen not only in isolation, but also as a stimulus that provokes export behavior (Crant & Bateman 2000).

- H₅: Considering the internationalization of companies, managers with higher proactive are more positive about the profitability of the export performance.
- H₆: Considering the internationalization of companies, managers with higher proactive have also more tolerant ambiguity in exports.

3.2.3. Risk Perception

Risk is a feature that a person affirms the readiness for doing something or accepting a liability that is likely to fail. Risking may not depend on individual awareness of the subject, and even the individual is unaware of the outcomes and possible consequences (Acedo and Jones 2007). Risk taking is seen as an integral part of entrepreneurship, which leads to success. The risk involves financial risk (including a liability to a large amount of assets and debts) and the individual who makes such decisions (Memili et al 2010). Organizations with an entrepreneurial approach tend to do more risk taking, focus, and try to pursue new opportunities. Therefore, the risk factor can be defined as the degree of willingness to participate in activities and projects with uncertain and unknown results (Perez et al 2010). Risk taking is not inherent in nature, but the environment plays an important role in its development. Risk taking on the one hand depends on the personality features of individuals such as proactive, tolerance of ambiguity, self-esteem and so on, and on the other hand, it depends on the opportunities that the environment provides to people, including the support and persuades of parents, coaches and government (Deakins and Freel 2009). Most research has assumed that risk perception in export activities is more than internal operations. This is evident when comparing domestic and international companies. Risk reduction perception is considered as one of the benefits of companies in the internationalization process (Cavusgil & Naor 1988). Therefore, knowledge and, in particular, empirical knowledge, are different in perceptions of risk in the internationalization process. As knowledge grows, risk perception is likely to decrease. However, aimless knowledge may not have any effect anywhere. Jafi and Pasternak in 1994, conducted a research in which in addition to considering knowledge, in particular experimental knowledge and purpose, they consider the two features of action and tolerance of ambiguity in effective risk perception.

- H₇: Given the internationalization of companies, managers who evaluate the outcome are profitable, they have better export performance.

3.3. Management Biases

Recent research on behavioral decision makers in organizations has pointed out that in organizations, many decisions are not logical, but managers' decisions are based on their biases and are fundamentally irrational (Ariely 2015). In addition to the fact that human rationality is limited, mistakes, biases and prejudices occur in decisions that awareness of them is beneficial to managers. These biases, which are in fact from beliefs or mental contexts, are due to the man's tendency to shortcut and overemphasis on experience, baseless feelings, illusions, and calculations that are unfounded, and in general, it is far from reality. (Das & Teng 1999). While the study on marketing behavioral biases used to understand customer behaviors, there is little research on marketing in the field of psychology and bias that affect decision makers (Lovallo & Sibony 2010). In particular, in export decisions, in this research, the effect of managers' mental prejudices as an intermediary variable on risk perception of export managers will be measured.

- H₈: Given the internationalization of companies, managers' bias in their risk perception affects exports.

3.4. Export Performance

Export performance is considered the basis of decision making in international trade, but when it comes to determining the export performance, there is no proper definition of this structure. Subjective information can be used to measure export performance. Objective criteria focus on true performance. Subjective issues take into account managerial perceptions of performance and provide tools for evaluating managerial perceptions of performance relative to their expectations.

The reasons for using mental data are:

- Small companies try to cover their disabilities, so they are reluctant to provide financial data.
- Objective financial data is not generally available to all sample companies, so it will be impossible to check the accuracy of the reported financial performance data.
- Assuming that all financial data is accurate, the interpretation of such data will often be difficult (Robertson & Chetty 2000).

So, in order to obtain more complete information on the export performance of small and medium enterprises in Iran, the use of mental dimensions will be more appropriate.

In recent research, some researchers have considered a four-dimensional framework for evaluating export performance (. Navarro & et al 2010). These indicators are: export intensity (sales of exports as a percentage of total sales), export growth, export profitability, diversification of markets. In this research, these four indicators are used to determine the export performance.

4. Theoretical Framework and Conceptual Model

Barrer et al. (1992) suggested that behavioral models predict strategic decisions better than scientific or experimental models. Putting the psychological factors within management models may help to improve the perception of issues. This research presents a model that, in addition to the variables of entrepreneurship psychology, also examines the cognitive variables of the international orientation and examines their relationship to increase export performance (Allinson & Hayes 2000). Currant (2000) showed that the nature of proactive has been seen in the behaviors of entrepreneurs. Entrepreneurs explore the environment to find opportunities, take initiatives, and change their environment. In 2007, Acedo and Jones examined three characteristics of proactive, tolerance of ambiguity and risk taking as entrepreneurial characteristics and their impact on internationalization rates. And in their research, they showed that having these three features in the export managers would allow companies to start their international operations more quickly.

Although there are many criticisms about the use of demographic variables along with psychological scales, many studies have been conducted on the importance of the trend of international management (1998). Wood and his colleagues measured the impact of the orientation of international management, the valuation of export resources, and the personal desire of managers to internationalize in managers' motivations.

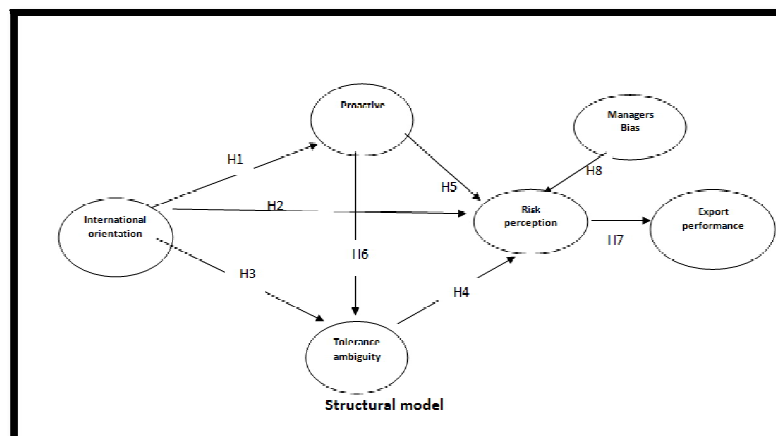


Figure 1: Structural Model

5. Methodology

The research method used in this research is quantitative and qualitative method. Delphi method was used in qualitative method and a researcher-made questionnaire was used in quantitative method. The Delphi method consists of two parts. In the first section, with open questions, participants are allowed to put their opinions on the topic under discussion, or add the required information to the questionnaire. In the second part, with the closed questions, the importance of the factors and variables of the behavioral approach of international management and entrepreneurship was measured. The results were finally formed as a questionnaire and offered to the statistical sample.

5.1. Statistical Population, Sample Size and Sampling Method

The statistical population for the Delphi method is the experts of the Center of Commerce and Research, and unavailable method is the method of reaching the selected sample. The statistical population for the questionnaire method is all provincial elected exporters, which includes 394 companies that were introduced by the Organization for Trade

Development of Iran in 1995. These companies are divided into 3 groups of agriculture, industry and mining, and Hi-Tech services and products that export managers of these companies are considered in this research. From the results of the Cochran formula, 194 individuals were selected as the sample of the study, and the sample size was upgraded to 200 people. A random stratified method was used to select the samples.

5.2. Reliability and Validity of Measurement

In this study, Delphi method and formal validity (content) were used to determine the validity or reliability of the measurement tool, so that in the first stage, consultation and interview with academic experts as well as experts of the Center for Commerce and Research was used. After receiving the comments of the questionnaire, the questionnaire was completed and in the second stage, the questionnaire was evaluated, and in the final stage, with the aim of final approval, the questionnaire was returned to the target group.

Cronbach's alpha coefficient has been used to determine the degree of functionality and reliability, and in other words, the internal coherence of the units for measuring the concept and the combined variable. After validating the questionnaire, 15 members of the statistical community were randomly assigned to the questionnaire. After collecting, using the SPSS software, the Cronbach's alpha test was calculated. The results of the test (with 88% alpha) indicated that in addition to the reliability or validity of the questionnaire, the alpha of all variables was also acceptable. The Cronbach's alpha coefficient for the research variables for 38 questions related to the questionnaire for 200 completed questionnaires was presented in the following table.

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Proactive	0/823	0/807	0/056	14/658	0/000
Tolerance Ambiguity	0/879	0/867	0/064	13/635	0/000
Risk Perception	0/861	0/855	0/044	19/374	0/000
Export Performance	0/819	0/855	0/033	12/003	0/000
International Orientation	0/808	0/845	0/054	9/635	0/000
Managers Bias	0/834	0/820	0/069	8/399	0/000
Proactive	0/870	0/811	0/036	7/612	0/000

Table 1: Cronbach's Alpha

5.3. Factor Credit

Factor analysis was used to evaluate the exploratory factor analysis in SPSS software. In the present study, Bartlett's test was examined to see whether the sample size is sufficient for performing factor analysis or not. The KMO (Kaiser-Meyer-Olkin Bartlett) test was carried out for the research structures and presented in the following table. According to the KMO number (greater than 0.7) and the Bartlett test ((greater than 0.7), and the Bartlett test (Sig less than 0.5), the data is suitable for performing factor analysis.

Sig	DF	Chi-Square	KMO	
.000	6	1052.258	.706	International orientation
.000	6	297.446	.692	Risk Perception
.000	28	2.236	.935	Proactivity
.000	6	1.107	.827	Tolerance ambiguity
.000	21	534.529	.664	Manager Bias
.000	254	4199.964	.897	Export performance

Table 2: The Results of Analysis of Credit for Research Variables

5.4. Factor Analysis of Research Measurement Models

At this stage, the factor loads value related to each component of measurement were investigated. Factor loads are computed by calculating the correlation between the indices of a component with that component. By studying the values of factor loads, the measurement models are corrected if it is necessary, which means that if the value of the factor loads is equal to or greater than 0.4 (Holland, 1999), the component under consideration, which is in the questionnaire, remains in the measurement model. But if the coefficient of factor load is less than 0.4, the corresponding question is removed from the measurement model. In the next step, all factor loads are more than 0.4.

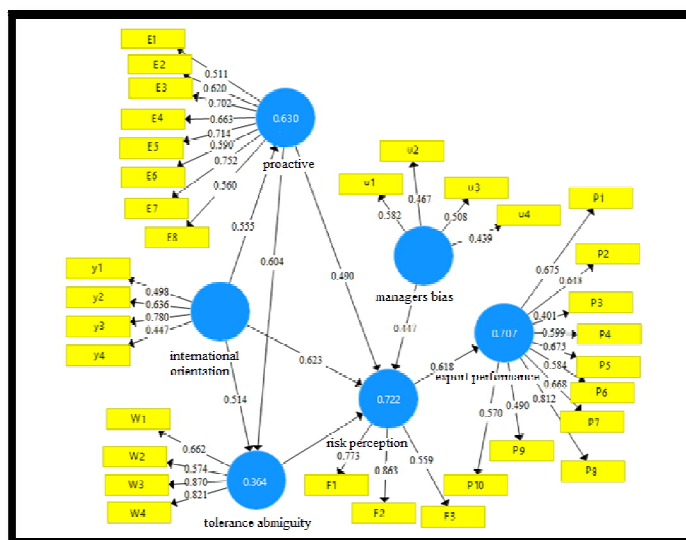


Figure 2: The Form of Factor Load Values for Each of the Research Measurement Models
The Values of T (T-Values)

One of the most important criteria for measuring the relationship between components in a structural model is t values. If these numbers are up to 1.96, they indicate the correctness of the relationship between the structures. The t values for the structural model paths are shown in the table below. By attention in the obtained numbers, it is found out that all of these numbers are greater than 1.96, so in this regard, the fitting of the structural model is confirmed.

Test Result	T Meaningful Numbers	Paths between Hidden Variables
Accept the hypothesis	4.67	Hypothesis 1: Given the internationalization of companies, managers who have an international market perspective display higher levels of proactive.
Accept the hypothesis	5.55	Hypothesis 2: Given the internationalization of companies, managers who have an international market perspective have a more positive perception of the profitability of export performance.
Accept the hypothesis	6.07	Hypothesis 3: Due to the internationalization of companies, managers who have an international market perspective have greater ambiguity in international decisions.
Accept the hypothesis	3.22	Hypothesis 4: Considering the internationalization of companies, managers who tolerate higher ambiguity are more positive about the profitability of the export performance.
Accept the hypothesis	6.99	Hypothesis 5: Considering the internationalization of companies, managers with higher proactive are more positive about the profitability of the export performance.
Accept the hypothesis	8.01	Hypothesis 6: Considering the internationalization of companies, managers with higher proactive are also more ambivalent in exports. export performance.
Accept the hypothesis	7.40	Hypothesis 7: Given the internationalization of companies, managers who evaluate the outcome are profitable, they have better export performance.
Accept the hypothesis	5.90	Hypothesis 8: Given the internationalization of companies, managers' bias in their risk perception affects exports.

Table 3: T Meaningful Tables for Research Structural Model Paths

5.5. R2 Benchmark

The second criterion for examining the fit of a structural model in a research is the value of R2 for the hidden intrinsic variables (dependent) in the model. The value of R2 is a criterion that indicates the effect of exogenous variables on an endogenous variable, and three values of 0.19, 0.33 and 0.67 are considered as the criterion value for weak, moderate and strong R2 values. In the table below, the values of R2 are reported for the first-order hidden variables.

	R Square	R Square Adjusted
Proactive	0/630	0/628

Tolerance of ambiguity	0/364	0/347
Risk perception	0/722	0/706
Export performance	0/707	0/696

Table 4: R2 Values for First-Order Hidden Variables

5.6. General Fitting

The research model consists of both parts of the measurement and structural model, and with its fitting confirmation, fit assessment is complete in a model. To examine the general model fitness in the PLS, only one criterion, GOF, is used. The formula for calculating this indicator was presented in Chapter 3. This chapter will only cover the calculation of this indicator. To calculate the total-model fitness index, it is necessary to use the values of communality and R2 of the first-order hidden variables. These values are shown in the table below.

As explained in Chapter 3, three values of 0.01, 0.25 and 0.36 are considered as weak, moderate and strong values for GOF. According to the GOF amount, which is computed in Table (4-43), it is clear that the general fitting of the research model was 568/0, indicating a very strong fit of the research model. Therefore, subsequent calculations and testing of research hypotheses can be followed by the assurance that the general model of research is appropriate.

		R ²	communality	Hidden variable
		0/630	0/5987	proactive
		0/364	0/5886	Ambiguity tolerance
		0/722	0/5117	Risk perception
		0/707	0/5702	Export performance
GOF=	0/586	0/605	0/5673	Average of column

Table 5: Computations of the Research Model General Fitting Table

5.7. Calculation of Divergent Validity for Modified Structures

5.7.1. Convergent Validity

Whenever one or more attributes are measured in two or more ways, the correlation between these measurements provides two important credentials. If the correlation between the scores of tests that measure a single attribute is high, the questionnaire is convergent. This correlation is necessary to ensure that the test of what is to be measured is necessary. For convergent validity, the following relationships should be considered:

CR>0.7

CR>AVE

AVE>0.5

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Proactive	0/883	0/874	0/060	14/845	0/000
Tolerance of ambiguity	0/943	0/915	0/115	8/153	0/000
Risk perception	0/915	0/884	0/126	7/258	0/000
Export performance	0/811	0/855	0/134	4/890	0/000
International market view	0/902	0/931	0/122	9/199	0/000
The biases of managers	0/922	0/833	0/140	10/211	0/000

Table 6: Composite Reliability

6. Conclusion

On the international context, exports play a key role for small and medium-sized businesses, as this strategy allows them to benefit from scale-saving advantages. Also, there is little reliance on resources compared to other entry strategies. This research has shown that entrepreneurial orientation plays an important mediator role. The trend of international marketing management strengthens the entrepreneurial approach, which in turn improves the export performance.

These findings have an important role in expanding the export-oriented research flow by focusing on the orientation of international marketing in small and medium-sized businesses, with an emphasis on intermediate communication, entrepreneurial orientation (Acedo and Jones, 2007). This research provides a more complete picture, showing that entrepreneurial orientation has been strengthened by the impact of international marketing tendencies, and as a result, export performance is increasing. Also, the role of research in the export literature is that the relationship between entrepreneurial orientation and export performance in small and medium-sized businesses can not only be considered a direct relation, but dependent on the orientation of international marketing. Finally, entrepreneurial

orientation is a managerial attitude that should be considered by the government and managers to plan for the start of exports and can have a positive effect on the export performance of small and medium businesses. In addition, other contributions to the literature on exports, the importance of the role of managers and attitudes, and their stance in the effective implementation of export performance showed.

The research also showed that having an entrepreneurial orientation may not be enough to increase the export performance of small and medium-sized businesses, but in the same situation, having an international marketing approach and with the personal desire of executives to export and export resources, export performance can be increased.

Also, researchers in the field of marketing and entrepreneurship emphasize the role of entrepreneurial approach on business guaranteeing success (e.g., Kersa& Halt, 2009; Robertson &Chanti, 2000). Therefore, small and medium-sized enterprises exporting in international markets can better identify opportunities and benefits them, try more to respond to new export markets and help to improve their export performance.

The analysis of research data revealed that entrepreneurial orientation has a significant effect on the export performance of new products, which is a consequence of studies by Basu et al. (2012a, Basu et al. (2012b), Brands & Associates (2014), Shengbin Howe et al. (2014) and Chen et al. (2015).

7. Suggestions

Companies should develop a high level of entrepreneurial behavior in order to explore and exploit export market opportunities. Export-induced entrepreneurial behavior provides an opportunity for the organization to improve the performance of its new products in export markets. The results of this study highlight the importance of exporting strategy, including the implementation of entrepreneurial behavior activities. The results show that by looking for a more complementary effect between the entrepreneurial approach and the international management approach in the export markets, companies will benefit more and more. Entrepreneurial behavior helps companies explore new capabilities, while the international management approach enables companies to initiate international activities especially for export. By combining these approaches, exporters are able to simultaneously meet the needs and demands of existing export customers as well as explore new and future export market opportunities.

It is suggested that managers are selected as export managers who have an international market perspective as well as entrepreneurial characteristics, because these managers, in the same environment, will better recognize the opportunities and better outcomes than others. And in total, they will help in terms of exports.

8. References

- i. Acedo J, Francisco & Jones V, Marian (2007); 'Speed of internationalization and entrepreneurial cognition: Insights and a comparison between international new ventures, exporters and domestic firms', *Journal of World Business*, 32, 236-252.
- ii. Ariely, D. (2015). 'The end of rational economics'. *Harvard Business Review*, 1-7 (June to December)
- iii. Allinson, C.W., Chell, E., & Hayes, J. (2000). 'Intuition and entrepreneurial behavior'. *European Journal of work and organization Psychology*, 9(1): 31-43
- iv. Axinn, C.N., Savitt, R., Sinkula, J, M., & Thach, Sharon V. (1994). 'Export Intention, beliefs, and behaviors of smaller industrial firms'. *Journal of Business Research*, 32(1), 49-55.
- v. Boso, N., Cadogan, J. W., & Story, V. M., (2012a). 'Complementary effect of entrepreneurial and market orientations on export new product success under differing levels of competitive intensity and financial capital', *International Business Review*, 21(4), 667-681.
- vi. Boso, N., Cadogan, J. W., & Story, V. M., (2012). 'Entrepreneurial orientation and market orientation as drivers of product innovation success: A study of exporters from a developing economy'. *International Small Business Journal*, 31(1), pp. 57-81.
- vii. Berends, H., Jelinek, M., Reymen, I. and Stultiëns, R., (2014). 'Product Innovation Processes in Small Firms: Combining Entrepreneurial Effectuation and Managerial Causation'. *Journal of Product Innovation Management*, 31, pp. 616-635.
- viii. Cavusgil, S. T., & Zou, shaoming (1994). 'Marketing strategy-performance relationship: An investigation of the empirical link in export ventures'. *Journal of Marketing*, 58(1): 1-21.
- ix. Coviello, N.E., & JONES, M.V. (2004). 'Methodological issues in international entrepreneurship research'. *Journal of Business Venturing*, 19(4): 485-508.
- x. Crant, J. M., & Bateman, T. S. (2000). 'Charismatic leadership viewed from above: the impact of proactive personality'. *Journal of organizational behavior* , 21(1):63-75
- xi. Chen, Y., Wang, Y., Nevo, S., Benitez-Amado, J., & Kou, G., (2015). 'IT capabilities and product innovation performance: The roles of corporate entrepreneurship and competitive intensity', *Information & Management*, 52(6), pp. 643-657.
- xii. Das, T.K., & Teng, B.S. (1999). 'COGNITIVE BIASES AND STRATEGIC DECISION PROCESSES: AN INTEGRATIVE PERSPECTIVE'. *Journal of Management Studies*, 36, 757-778.
- xiii. Dichtl, E., Koeglmayr, H. G., & Mueller, S. (1990), 'International Orientation as a Precondition for Export Success', *Journal of International Business Studies*, Vol. 21 No. 1, pp. 23-40.
- xiv. Deakins, David and Freel, Mark . *Entrepreneurship and small firms*, 3d edition, London: McGraw - hill, 2009.

- xv. Entrialgo, M., Fernandez, E., & Vazquez, C. J. (2000). 'Psychological characteristics and process: The role of entrepreneurship and growth among US semiconductor firms'. *Administrative Science Quarterly*, 35(3): 504-529
- xvi. Eshghi, Abdolreza (1992). 'Attitude-behaviour inconsistency in exporting. *International Marketing Review*, 9(3), 40-61.
- xvii. Harveston, P. D., Kedia, B. L., & Davis, P. S. (2000). 'Internationalization of born global and gradual globalizing firms: The impact of the manager'. *Advances in Competitiveness Research*, 8(1): 92-99.
- xviii. Hong G.X.(2010),' An Empirical Study on entrepreneurs' traits in Jiangxi based on factor analysis', *International Conference of Information Science and management Engineering*, pp. 398- 401.
- xix. Hughes M & Morgan R.E. (2007),' Deconstructing the relationship between entrepreneurial orientation and business performance at the embryonic stage of firm growth', *Industrial Marketing management*, Vol. 36, pp. 651-661.
- xx. Leonidou, L. C., Katsikeas, C. S., & Piercy, N. F. (1998). 'Identifying managerial influences on exporting: Past research and future directions'. *Journal of International Marketing*, 6(2): 74-102.
- xxi. Loane, S., & Bell, J. (2006). 'Rapid internationalisation among entrepreneurial firms in Australia, Canada, Ireland and New Zealand. An extension to the network approach'. *International Marketing Review*, 23 (5) : 467-485
- xxii. Lovallo, D., & Sibony, O. (2010). 'the case for behavioral strategy'. *McKinsey Quarterly*, 1-14 (march)
- xxiii. Lumpkin, G.T, & Dess, G.G (2005). 'The role of entrepreneurship orientation in stimulating effective corporate entrepreneurship'. *Academy of Management executive*. 19(5):147-156.
- xxiv. Foresgren, M. (2002). 'The concept of learning I the Uppsala internationalization process model: A Critical Review'. *International Business Review*, 11(3):257-277.
- xxv. Freeman, S & Cavusgil, S.T (2007). 'Toward a Typology of Commitment States among Managers of Born-Global Firms: A Study of Accelerated Internationalization'. *Journal of International Marketing*, 15(4) , 1-40.
- xxvi. Matviuk, S.G. (2010). 'A Study of Peruvian Entrepreneurs Leadership Expectations', *Journal of American Academy of Business*, 16(1), 65-70.
- xxvii. McDougall, P. P., & Oviatt, B. M. (2000). 'International entrepreneurship: The intersection of two research paths'. *Academy of Management Journal*, 43(5): 902-906.
- xxviii. Memili, E., Eddleston, A. K., Kellermanns, W. F., Zellweger, M. T & Barnett, T .(2010).' The critical path to family firm success through entrepreneurial risk taking and image'. *Journal of Family Business Strategy* 1 , 200-209
- xxix. Nummela, N., Saarenketo, S., & Puumalainen, K. (2004). 'A globalmindset: A pre-requisite for successful internationalization?' *Canadian Journal of Administrative Sciences*, 21(1): 51-64.
- xxx. Navarro, A., Fernando L., Emilio R., and Jose 'A.Di' ez. (2010). 'Implications of perceived commitment on export performance'. *Journal of world Business*, 49-58
- xxxi. Oviatt, B. M., & McDougall, P.P. (2005). 'Retrospective: The internationalization of entrepreneurship'. *Journal of International Business Studies*, 36(1): 2-8.
- xxxii. Perez, L. A., Wiklund, J., & Cabrera, V. R., (2010).' The dual nature of innovative activity: How entrepreneurial orientation influences innovation generation and adoption'. *Journal of Business Venturing*, Vol. 26, Issue. 5, pp. 555-571.
- xxxiii. Reid, S.D. (1983), 'Managerial and Firm Influences on Export Behavior", *Journal of the Academy of Marketing Science*, Vol. II No. 3, pp. 323-32.
- xxxiv. Robertson, C., & Chetty, S. K. (2000). 'a contingency based approach to understanding export performance'. *International Business Review*, 9(2): 211-235.
- xxxv. Ruzzier, M., Antoncic, B., Hirsch, R. D., & Konecnik, M., (2007).'Human capital and SME internationalization: A structural equation model study'. *Canadian Journal of Administrative Science*, 24(1), 15-29.
- xxxvi. Shengbin Hao, B. Y., Ahlstrom, D., and Dapeng Liang, S. S., (2014). 'Entrepreneurial firms' network competence, technological capability, and new product development performance', *Asia Pacific Journal of Management*, 31(3), pp. 687-704.
- xxxvii. Simon, M., Houghton, S. M., & Aquino, K. (2000). 'Cognitive biases, risk perception, and venture formation: How individuals decide to start companies'. *Journal of Business Venturing*, 15(2): 113-134.
- xxxviii. Sousa, Carlos M.P.(2004) ' Export performance measurement: An Evaluation of the empirical research in the literature.' *Academy of marketing science review*, n.09(2004):1-22
- xxxix. Tan, A, Brewer, P & Liesch, P, W. (2007). 'Before the first export decision: Internationalisation readiness in the pre-export phase'. *International Business Review*, 16(3).294-309.
- xl. Walter, A. (2006),' The impact of network capabilities and entrepreneurial orientation on university spin-off performance', *Journal of business venturing*, Vol.21.541-567.
- xli. Wood, A., Logar M, C & Rilry, J, B, W. (2015);' Initiating exporting: The role of managerial motivation in small to medium enterprise.' *Journal of Business Research*, 68. 2358-2365
- xlii. Zahra, S., & George, G. (2002). 'International entrepreneurship: The current status of the field and future research agenda'. In M. A. 49- Hitt, R. D., Ireland, D. S & M. Camp (Eds.), *Strategic entrepreneurship: Creating an integrated mindset*. Malden, MA: Blackwell Publishers.
- xliii. Zahra, S., Korri, J. S., & Yu, J. (2004). A cognitive approach to international entrepreneurship. *International Business Review*, 14(2): 129-146.