Exploring the Role of the Ecosystem of Industrial Goods Export in Private Sector Businesses

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Abstract

Objective

The imposed policies in countries, irrespective of the present dynamic domestic environment and global markets and the main players of the export environments in the field of production and export of industrial goods has caused reduction of the export performance of companies and questioned their effectiveness. Moreover, the inability to identify the main factors affecting the export performance of countries among the small and medium enterprises, lack of enough attention to the local characteristics of countries and the lack of proper management of the interaction environment lead to the impairment and weakness of export performance. Shortage of abstract maps or conceptual models to explore the most important influencing factors on exports, and the structural and dynamic communication between them is observed in governmental and academic export institutions. And it will have a negative impact on corporate export performance. Therefore, from a theoretical point of view, lack of a structure for management of the export ecosystem in the form of a macro system can have a negative impact on the export performance of countries and companies. Accordingly, the main focus of the present research is on the theoretical and practical gaps in the field of export performance and low focus on the management of dynamic interactions between the influential players in export performance. Therefore, it is necessary to examine and analyze the interactive relationship between these players in order to create a suitable platform for effective management of the export performance in companies. Hence, the aim of this study is to investigate the factors, at the company level, that affect the export of industrial goods in small and medium companies (regardless of the destination country and type of export market) as well as to analyze the relationship between these factors.

Methodology

This study uses mixed-method (a combination of qualitative and quantitative data) and it is developmental in terms of purpose. In the first stage of the mixed-method research, the influential factors on the companies' industrial performance which were extracted from the empirical background were clustered based on the qualitative approach and through Causal Cognitive Mapping method using Ucinet software. Accordingly, through judgmental sampling, in-depth interviews were conducted with 11 experts in the Iranian Chamber of Commerce and the Ministry of Industry, Mines and Trade.

Findings

In this study, 4 clusters were identified regarding the industrial export ecosystem at the company level. These four clusters include knowledge hegemonic, production culture, market diplomacy and enterprise' human structure. Cognitive hegemony cluster contains a) analysis of foreign competitors, b) analysis of political and economic stability in the destination country, c) commitment to implementation of marketing strategies, and d) raising awareness about the foreign market culture. Production culture cluster encompasses a) commitment to quality, b) learning-centeredness, c) commitment to apply up-to-date technology, and d) flexibility of production process. Market diplomacy cluster includes a) international image of enterprise managers, b) familiarity with the laws of the destination country, c) strategic alliance with the competitors, and d) appropriate communication with foreign distributors. And finally enterprise's human structure cluster includes a) managers' professional skills, b) employee's knowledge and experience, and c) recruiting youngsters at management levels.

Conclusion

Two main and fundamental findings were obtained in this study. The first finding refers to the clustering of the effective factors on the export performance of companies based on their homogeneity and correlation (as well as confirming the effectiveness of these clusters on the export performance of companies based on statistical analysis), and the second finding refers to examining the relationship between these clusters and sensitivity analysis of causal relationship. Regarding the first finding, it is believed that the industrial export ecosystem at the company level encompasses four clusters of knowledge hegemony, production culture, production diplomacy and enterprise' human structure. Each factor affects the enterprise' environment from a unique perspective and if the relations are properly regulated, one can witness the growth of industrial performance among enterprises.