

Evaluating the impact of decision-makers and managers' characteristics on the export development of SMEs by grounded theory and structural equations approaches

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Abstract

Paying attention to small and medium-sized enterprises (SMEs) is among the main measures adopted by developing countries in order to improve economic development and growth. Considering Iran's reliance on an oil-based economy, this measure is of key significance in different domains. This study investigates the impact of decision-makers' and managers' characteristics on the export development of SMEs. The purpose of this study is based on applied research while its research design is based on exploratory-descriptive methodology. The population of the study in the first phase consisted of decision-makers and managers while the second phase included marketing experts. The research data were collected using questionnaires and interviews in two phases. The collected data were then analyzed using the grand theory method in the first phase and structural equation modeling in the second. Decision-makers and managers' characteristics play a key role in the development of many countries by creating a platform based on which SMEs can notch up their export development. The results of the study show that competent management, management experience, management commitment, management expertise, and goal-oriented measures taken by managers are among the key factors influencing the export development of SMEs.

Keywords: managers' characteristics, export, export development, small and medium-sized enterprises
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1 Introduction

Decision-makers play a key role in any business's success. Considering the fact that any country has to strive to expand and develop enterprises as well as brand and global-competing products, the performance of decision-makers in light of existing criteria has not been convincing [46]. Decision-makers play a prominent role in today's organizations. In fact, the mere success, failure, survival, or breakdown of the whole organization depends on them. Elon Musk, Angela Jean Ahrendts, Steve Jobs, Jeff Bezos, and Larry Page are among the influential decision-makers one can point to. These decision-makers started from small and medium-sized businesses where they could eventually create export markets using a global approach to produce global-competing products [13]. Managers' characteristics are a special paradigm in the domain of staff management in any organization. Paradigms and approaches in human resources can

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be theorized based on three paradigms of human forces, human resources, and human capital. These three paradigms perform under variant capabilities [52]. Research shows that SMEs have always acted as a short-yielding policy that has been on top of the agendas of governments. By supporting SMEs, various industries are formed, paving the way for the creation of bigger world-class companies and organizations which are capable to export and create revenue [9].

Unlike other countries, research shows that SMEs have a small share of foreign trade and export in Iran. According to data published by Iranian Customs and Organization for Trade Expansion, out of a total of \$41 billion dollars earned through non-oil exports, gas condensates made up 11%, petrochemicals 32%, raw minerals 3.5%, agricultural products 8.5%, and industry sector 45%. Considering the fact that the export of petrochemical and mineral products along with their derivatives as well as a large portion of industrial exports, including metals, belong to large companies, SMEs have a small portion of these numbers. Therefore, it is concluded that SMEs don't have a major role in Iran's non-oil exports and are mainly focused on meeting the needs of the domestic markets. A closer look at the data concerning the value of non-oil export also reaffirms this conclusion. Currently, the average value of non-oil exports in Iran is \$280-300 per ton while the value for imported products is \$1050 per ton. This means that SMEs don't play a major role in the chain of value and that major industries and companies involved in extraction and other sectors, with low-valued-added products, control most of the non-oil exports in the country. Therefore, it is not possible to achieve a dynamic economy without first developing markets, particularly export markets, for manufacturing companies [5].

Research shows that the issue of managers' characteristics can serve as a platform for changes and developments in various industries and organizations. The statements above show that SMEs play a key role in a country's economy. This study aims to investigate decision-makers' and managers' characteristics that could influence the development of SMEs. It also addresses the key question of what are the managers' characteristics impacting SMEs' export development.

2 Literature review

Looking at a manager's activities, one could clearly see that the essential part of all these activities is decision-making. Decision-making is an indispensable part of management whose impact is reflected in any task delegated to a manager. Decision-making is the central part of management when it comes to an organization's main policy, the devising of its targets, its design, choices, evaluation, and all of its activities. Managers are always faced with conditions where they have to make a decision to perform their duties. This goes to show the significant role of decision-making in all of the duties delegated to decision-makers and processes in an organization [?]. Decision-making means choosing one option from among many options available. According to Herbert Simon, management and decision-making are two synonymous and interchangeable terms. To achieve a goal, one has to make a decision and the decision-maker has to choose and execute one strategy from among the strategies available [20]. Managers and decision-makers usually consider decision-making as their main duty, because they are always in a position where they have to choose an option to do something or to delegate jobs to others. They need to know what to do, who to choose, and when and how to do these things. Decision-makers are always faced with conditions arising from their duties when they need to make a decision. This is why the duty of decision-making is one of the key duties in organizational processes. It is worth mentioning that different decision-makers have different ways when it comes to making a decision [25].

Organizational decisions come in different forms depending on different conditions and determining factors. Such decisions, depending on the managerial level, can be divided into three groups strategic, managerial, and operational [43]. Strategic decisions are made based on long-term visions and need a comprehensive approach. Managerial decisions, on the other hand, are made based on solving a solution, a short-term vision, and a concern in just one section. Operational decisions are made on a day-to-day basis and concern technical and operational affairs [3]. A company's decision-makers constantly make decisions concerning technical standards. Based on such decisions, companies constantly face a spectrum of quantity and quality feedback received from markets, customers, staff, and other people involved. If these feedbacks endorse the decisions taken, they are called supportive feedback [28]. The decision-maker's characteristics are regarded as one of the key factors affecting decisions. Decision-making and how to make related decisions are connected to a person's personality. In fact, the type of decisions made is related to the managers' personalities.

2.1 Decision-makers' characteristics and personality traits

Characteristics and personality traits are particular qualities like sex, age, education, university major, specialty, personal skills, and work experience that directly affect personality and decisions made by decision-makers. Recording and organizational documentation drawn from decision-makers' decisions need to consider the qualities mentioned

above of influential and key persons in the decision-making process [27]. Influential decision-makers characteristics are therefore as follows: motivated and capable to make decisions, motivated to make progress, capable to come up with solutions, having self-confidence, capable to consult those working for you, having strong spirit, having goals and vision, courage, having high emotional intelligence, and being capable to inspire others [19].

Considering what was stated with respect to the characteristics of decision-makers and managers, it becomes clear that these people play a role in decisions and strategies related to export in particular in SMEs. Research findings show that the reason why most of these companies don't get involved in export dealings is that their managers have not been encouraged to do so [53]. University studies have determined different aspects influencing export strategy. Most of these studies have focused on the internal and external influences impacting the process of decision-making on export [7].

2.1.1 Internal influences

Internal influences on export strategy are determined by variables that are controlled by the company. Many studies have investigated the impact of internal influences on the export behavior of companies. They have studied structures like organizational commitment to export, the company's motivation for export, managerial capabilities, export cognition, company size, and product advantages [10].

2.1.2 External influences

External Influences are variables that a company has no control over or has just quantitative control over them. These influences include market circumstances and the level, kind, and degree of government support as well as cooperation for export dealings. The perception that export development plans can actually have an impact which could further drive such plans. In fact, many companies seek to gain something from the export development plans and it remains to be seen whether such plans can actually help the process of market expansion. Many companies, in particular SMEs, have surprisingly a very low level of knowledge regarding the services provided by the government for export development [47]. From an empirical point of view, foundational activities, in particular holding events like trade exhibitions and sending promotional delegations would lead to a surge of performance level. This is because such activities allow managers to quickly obtain information on export markets and export processes [14]. Alvarez found that there is a positive correlation between managerial commitments for export and satisfactory results obtained from export after receiving governmental services offered for export development organizations [2]. In a study investigating 162 companies, researchers found out that plans to push up state-sponsored export play a role in the success of an export plan. However, the scope affected by these plans depends on the level of export performance that has been studied. Researchers realized that EPO services didn't play a role in oil companies' sales but increased their competitive status. Committed exporters have understood they could reap the benefits of export development organizations [1]. Companies that routinely take part in exhibitions during a year or host such exhibitions are in a better position to gain such benefits. Trade exhibitions that are evaluated in a positive light by managers could lead to a significant sales rise and create more employment opportunities. All of these are definitely related to state-sponsored export [51].

Small and medium-sized enterprises come in different types in different regions of the world. In fact, the economic and industrial conditions of a country are a reflection of its SMEs. Some of the criteria that are usually cited in the definition of SMEs include the number of staff, capital value, assets volume, total sales volume, and production capacity. However, the most common criterion cited for the definition of SMEs is the number of staff [42]. Due to their job-creating feature, SMEs take on more people and create opportunities for low-income families and women, ultimately playing a key role in reducing poverty. SMEs also contribute to a more equitable income. In developing countries, these businesses help allocate resources more efficiently [39]. There have been proposed a number of different qualities and standards for SMEs in order to become international companies. How soon these businesses can switch to become international generally depends on the company's total sales. The boundaries of this internationalization depend on the number of countries and regions where the company could penetrate, the international experience of its managers, its foreign offices, and its approach to entering a foreign market [41].

In a study, Farshchi et al investigated the effectiveness of managers and decision-makers in private organizations. Their findings show that having inspirational managers with strong spirits and motivation leads to an economic and financial boost for companies and private organizations [35]. In a study titled *New Approaches in Organizing SMEs*, Rahmanseresht explores successful approaches in such companies. The findings show that employing creative decision-makers, qualified human resources, social capital, and teamwork can boost the company's competitive level among bigger companies [40].

A study that examined the effect of having an entrepreneurial approach on the export capacity in SMEs with

a mediating of organizational learning capability and innovation performance found that entrepreneurial approach, innovation performance, and organizational learning capability positively affect the export capacity of SMEs. This goes to show how significant it is to nourish a managerial philosophy and culture inside a company in order to boost the entrepreneurial approach and create a network linked with other organizations. As a result, it is imperative for companies to boost leadership, risk-taking, and innovation skills and encourage managers and professionals to seek new trade opportunities while considering their risks reasonably [23].

In a study, Bruneel, d'Este and Salter examine the performance of SMEs in light of industries. The findings of their research revealed that managers' capability in their realm of activity, plan achievement, government support, and staff creativity play key roles in such companies. Where these factors have materialized, these companies have been able to do a horizontal merger and become big economic companies [8]. Dooley and Kirk's research demonstrates the structure of investment by SMEs in the export domain in Eastern Europe. The findings of the research demonstrated that these companies using financial aid and expansion of relative advantages in special industries could exploit target markets [18]. Diyamantopolos et al.'s research concluded that many elements like managers' characteristics, organizational factors, environmental forces, market export strategy, division and variables related to marketing, dynamic organizational culture, chief manager's priority in international trade, export commitment, risk-taking propensity, understanding the potential export-relied growth, profit-making opportunities, marketing capabilities, export planning, and research and development all affect export performance [17]. Slater's research shows that the manager's commitment to export affairs has a considerable impact on the success and export behavior of manufacturers. To sustain export levels and maintain orderly export affairs, it is essential to understand the foreign purchasers' viewpoint and carry out advanced marketing activities. To do so, a manager needs to be committed to export. A manager's commitment is reflected in activities like an independent export organization, research on export marketing, and routine inspections of export markets [48, 49]. Marando explored a model identifying the qualities of an organization and managers' characteristics influencing the export development of big companies. The findings demonstrated that international experience, export, and technological coverage, a manager's education, decision-makers' expertise on export, and having an inward-looking approach by the decision-makers are among the main factors influencing the model. The following figure shows the model used in the research [34]. In another model concerning export development in the private sector, Shams al-Dohe demonstrates that managers' perception of export market circumstances, managers' commitment to export, planning skills, export knowledge, and export strategies are among the managerial dimensions influencing a company's export performance [22]. The following table shows the summary of studies conducted regarding the role of managers' characteristics on a company's export development.

Table 1: The summary of studies conducted regarding the role of managers' characteristics on a company's export development

Row	Researcher/Year	Results
1	[35]	Inspiring managers with a strong spirit and highly motivated.
2	[29]	Key factors in international empowerment include encouragement and motivation for export, facilitating export development, having a roadmap for export development, and having a strategy for entering international markets.
3	[4]	Product innovation and government financial support from such companies come first in the degree of significance, then lies other supports like managerial, marketing, and technical.
4	[21]	Product innovation, market intelligence, market pricing, and marketing communication have an impact on the export performance of SMEs.
5	[22]	The general capabilities of entrepreneurship and international capabilities of entrepreneurship have an impact on export performance.
6	[44]	Organizational factors, managerial factors, government, knowledge of international marketing, knowledge of international management, global knowledge of international markets, knowledge of international law, knowledge of international information technology, and foreign language skills influence the export development of SMEs.
7	[32]	Social media sources through commitment and trust have an impact on the export performance of a company.
8	[27]	Company size, export experience, export motivators, export difficulties, competitive advantages, export commitment, the strategy of price compliance, having direct export channels, and foreign promotion expenses.
9	[26]	The situation, kind of production, level of stocks, minimizing inter-company hauling, and having information systems as the main motivation for boosting competition of export in SMEs.
10	[23]	Entrepreneurial orientation, innovation performance, and capability for organizational learning can positively enhance the export capacity of SMEs.
11	[40]	The role of "industry size" is a competitive advantage of the Iranian manufacturing sector that tops the other factors. This is while human resources and capabilities thereof play an insignificant role in competitive advantage and export performance. Government, too, is one of the main influencing factors in competitive advantage and export in the Iranian manufacturing sector.

12	[37]	Financial resources, information sources, communication sources, and entrepreneurial orientation all enhance export performance.
13	[36]	Tangible and intangible assets play a role in the export performance of a company. The entrepreneurial potential and a company's well-established capabilities have an impact on export performance.
14	[31]	The social capital of a company influences its export performance.
15	[17]	Managerial characteristics, organizational factors, environmental forces, the strategy of selecting markets for export, divisions, and variables in the marketing mix, dynamic organizational culture, senior managers with priorities in international trade, commitment to export, willingness to take risks, having a perception of potential growth based on export, profit-making opportunities, export planning, and research and development all impact export performance.
16	[38]	Government motivational policies impact the export of SMEs.
17	[15]	Export knowledge, export strategy, and export commitment impact the export performance of SMEs.
18	[15]	Having an export orientation in all departments of a company.
19	[6]	Product innovation, technology innovation, and marketing innovation impact product performance.
20	[24]	Paying attention to competitive advantage in expenses, products, and services in overseas markets.
21	[45]	Company size, competition advantage, and technology
22	[11]	Company size in export development
23	[30]	Government positive policy as well as having satisfactory international interactions
24	[16]	Setting a vision and trying to implement it

3 Research methodology

This research has been conducted based on applied research and seeks to answer a question in the country regarding export development capacity in SMEs. The first phase of this research, based on design, was conducted using exploratory-descriptive methodology. In this phase, we first studied theoretical principles using library research and then conducted an interview to explore and illicit information concerning decision-makers' and managers' characteristics. An implementation model was later devised. An interview was used in this stage for collecting the necessary information. Then, factors were optimized by experts in order to find out the final dimensions. Next were the conclusion and qualified analysis. To gather data in the first phase, we used a targeted sampling method.

In this section, the three basic stages of the foundation data method include; Open coding, axial coding and selective coding were used. Strauss and Corbin [50] recommend that coding be done through micro analysis. In this type of analysis, the data is analyzed word by word and the meanings found in words or open groups of words are coded. This method has two drawbacks; The first is that it takes time and the second is that it sometimes leads to ambiguity and confusion. In addition, sometimes dividing the data into words leads to the loss of the analytical ego and there is a kind of doubt about what should be searched in the text [12]. The binary repetition code of length n or BRC(n) is defined by the encoding function E:

$$0 \rightarrow z, \quad z \rightarrow o \quad (3.1)$$

For a given BRC(n), $P_d = 1$ and $P_c = \frac{1}{2}$ (for odd n). The minimum distance d of a linear code L equals the minimum among with weights of non-zero code words. Let L be a linear code of length n over F . Let $k \leq n$ be the dimension of L over F and choose a basis:

$$X^1, X^2, \dots, X^k \quad (3.2)$$

of L over F . Then any element in L is of the form:

$$a_1X^1 + a_2X^2 + \dots + a_kX^k \quad (3.3)$$

that is, a linear combination of the basis elements. A message vector:

$$a = (a_1a_2\dots a_k) \quad (3.4)$$

is thus encoded. $A[n, k, d]$ linear code has length n , dimension k , and minimum distance d . Examine the linear code L of length over B with basis:

$$B = \left\{ \begin{pmatrix} 1 \\ 1 \\ 0 \\ 0 \end{pmatrix}, \begin{pmatrix} 0 \\ 1 \\ 1 \\ 1 \end{pmatrix}, \begin{pmatrix} 1 \\ 0 \\ 1 \\ 0 \end{pmatrix} \right\} \quad (3.5)$$

then the encoding function maps the message words using linear combinations of elements of B as follows:

$$000 \rightarrow 0000; \quad 001 \rightarrow 1010; \quad 010 \rightarrow 0111; \quad 100 \rightarrow 1100; \quad 110 \rightarrow 1011; \quad 101 \rightarrow 0110; \quad 011 \rightarrow 1101; \quad 111 \rightarrow 0001 \quad (3.6)$$

notice that the set of code words is thus generated by B . Note the minimum distance is 1 since $wt(0001) = 1$. Thus L is a $(4, 8, 1)$ -code and a $[4, 3, 1]$ linear code:

$$P_d = P_c = 0 \quad (3.7)$$

If we denote the number of members of the sample space (here the total number of codes) by $n(S)$, the number of members of event A (here the number of agreements between two steps of coding) by $n(A)$, and the number of members of event B (here the number of lack of agreement between two stages of coding) with $n(B)$, then the probability of A (here the retest reliability) means $P(A)$ is as follows:

$$P(A) = \frac{n(A')}{n(A') + n(B)} \quad (3.8)$$

$$P(A) = \frac{2n(A)}{2n(A') + n(B)} \quad (3.9)$$

$$P(A) = \frac{2n(A)}{n(S)} \quad (3.10)$$

$n(A')$ represents the number of codes related to the agreements, considering that the agreements are specified by referring to two codes and the lack of agreements by referring to one code, to consider this effect, the number of agreements should be set in the number 2 hit:

$$n(A') = 2n(A) \quad (3.11)$$

$$n = \frac{Z^2 pq}{d^2} \quad (3.12)$$

in this Z formula, the confidence level of the statistical population is based on the assumption of normality of the distribution, which in this research, the confidence level is 95% ($Z = 1.96$); d is also the allowed error value (error value) which is set at 0.05 in this research ($d = 0.05$); p and q are also considered equal to 0.5 ($p = q = 0.5$).

$$n = \frac{1.69^2 0.5 \times 0.5}{0.05^2} = 20 \quad (3.13)$$

Finally, by using saturation theory, we conducted interviews with 20 persons chosen from managers and decision-makers of SMEs in Saveh Industrial Town.

4 Research findings

The following table shows the qualitative results as well as interview results. Based on the data 57 codes concerning managerial and organizational factors were enumerated. Out of these, 31 codes were factors influencing the export development of SMEs.

Considering the results taken from the qualitative part of the research, the structure and questions of the questionnaire were designed for a test model. After distribution among the population sample, in the second phase (managers and market experts), the following table was devised, which shows descriptive statistics and qualities for questions.

Modeling of structural equations is a method in statistics that deals with the relations between several variables in one model. In the second phase, we use the smstpls statistical software to conduct this method. The modeling of structural equations consists of two sections: measuring and structural modeling. The model's variables are divided into two latent and clear, with latent variables being used at different levels.

The structural model consists of all structures in the main research model. The correlation between structures and their relations is discussed in this section [33]. The following model shows the output taken from mortals software in operational load mode.

5 Discussion and conclusion

In recent decades, economic and industrial developments have led to an urge for finding new markets and a significant increase in international competition, creating a complicated environment for presence in such markets. Research shows that in recent years making legislation as well as taking strategies to boost export in the fourth and fifth economic development plans has created a conducive environment in the country. It is imperative to seek

Table 2: Results of Research Interviews

Row	Causal Conditions	Code	Interviewees who answered related questions
1	Manager Entrepreneurial Capability	A1	Interviewee No. 20-4-12-3-1
2	Management Style	A2	Interviewee No. 1-2-14-13-15-16
3	Manger's innovation capability	A3	Interviewee No. 2-9-12-7-8-9
4	Manager's work experience on the international level	A4	Interviewee No. 2-4-12-3-4-6-7
5	Manager's commitment to export	A5	Interviewee No. 1-11-4-5-6-16-17-18
6	Decision-makers education	A6	Interviewee No. 9-11-3-4-6-7-15-16
7	Company size	A7	Interviewee No. 2-3-4-5-6-7-8-11
8	Company staff number	A8	Interviewee No. 5-6-7-11-17-12-13
9	Company financial resources	A9	Interviewee No. 2-5-6-11-17-12-13
10	Company experience on an international level	A10	Interviewee No. 2-4-5-12-14-17-9
11	Company export scope	A11	Interviewee No. 2-3-4-15-16-17-20
12	Company export volume	A12	Interviewee No. 1-4-5-11-20
13	Company life	A13	Interviewee No. 2-4-5-11-10-13-14
14	Company technology	A14	Interviewee No.1-4-5-6-16-17-18
15	Using research conducted by a manager	A15	Interviewee No.2-3-4-5-8-9-10-11
16	Company's number of studies in the export field	A16	Interviewee No.1-2-3-5-8-9-10
17	Possibility to participate in international markets	A17	Interviewee No. 8-9-11-5
18	Manager's authority to sign contracts	A18	Interviewee No.6-7-8-1
19	Manager's experience in a competitive market	A19	Interviewee No.16-3-14-7
20	Manager's age	A20	Interviewee No.2-3-9
21	Manager's education	A21	Interviewee No.8-9
22	Manager's university major	A22	Interviewee No.3-4-9-12-20
23	Manager's language skills	A23	Interviewee No.2-3-17-19-1-4
24	Presence of officials on the company's board	A24	Interviewee No. 2-3-5
25	Manager's emotional intelligence	A25	Interviewee No.2-4-11
26	Manager's financial intelligence	A26	Interviewee No.1-14-15
27	Manager's cultural intelligence	A27	Interviewee No.11-18-19
28	Decision-makers future vision	A28	Interviewee No.2-3-4-5-8-9-19-20
29	Manager's one-of-a-kind actions	A29	Interviewee No.1-2-3-5-4
30	Company unique product	A30	Interviewee No.8-9
31	Company's use of unique technology	A31	Interviewee No.6-7-8-19-20
32	Decision-makers risk-taking actions	A32	Interviewee No.16-3
33	Willing to take risks	A33	Interviewee No.2-3-7-19
34	Commitment to export	A34	Interviewee No.8-9-3-4
35	Market innovation	A35	Interviewee No.3-4-9-18-20
36	Marketing innovation	A36	Interviewee No.2-3-17-15-19
37	Capability to make quick decisions	A37	Interviewee No.2-18-20
38	Company's export planning	A38	Interviewee No.2-3-4-5-20-9
39	Company's Sustainability at crisis time	A39	Interviewee No.2-3-4-5
40	Company's international investing performance	A40	Interviewee No.1-2-3-9-10
41	Company brand	A41	Interviewee No.8-9-11-10
42	Manager's accepting in case of costs incurred	A42	Interviewee No.6-7-8-1-10
43	Manager's willingness to take risks	A43	Interviewee No.16-3-14-7-4-18
44	Company's export experience	A44	Interviewee No.2-3-9-19-20
45	Company strategic planning	A45	Interviewee No.8-9-7-10
46	Organizations in line with the export plan	A46	Interviewee No.3-4-9-12-13
47	Company's experience in a competitive environment	A47	Interviewee No.2-3-17-19-20-1
48	Company communication capability	A48	Interviewee No.2-18-10-11-12
49	Manager's communication capability	A49	Interviewee No.2-3-10
50	Using studies conducted	A50	Interviewee No.1-2-3-19-20
51	Manager's perception of export benefits	A51	Interviewee No.8-9-18-20
52	Manager's perception of export difficulties	A52	Interviewee No. 6-3
53	Manager's motivations to export	A53	Interviewee No.1-5-6-9-12-13-17
54	Varied production line	A54	Interviewee No.11- 17
55	Company's staff number	A55	Interviewee No.5-8-14
56	Company's staff's education level	A56	Interviewee No. 9-3
57	Company's staff commitment	A57	Interviewee No. 2-5-7-11-12

to further expand economic growth and power. Undoubtedly, this can be done by putting aside one-product and oil-reliant economy in the country. This study explores the organizational and decision-makers characteristics of the banking and export activities of SMEs. The previous models and past studies were examined in detail. In the next step, research questions were set and data in two phases qualitative and quantitative were collected. In the qualitative phase, 20 managers from SMEs were interviewed and the results were then analyzed using grand theory. The research

Table 3: Main categories

Causal Conditions	Code	Main Topic
Manager Entrepreneurial Capability	A1	Management Capability
Management Style	A2	Management Capability
Manager's innovation capability	A3	Management Capability
Manager's work experience on the international level	A4	Management experience
Manager's commitment to export	A5	Manager's commitment
Decision-makers education	A6	Management Capability
Company size	A7	Company size
Company staff number	A8	Company size
Company financial resources	A9	Financial capacity of the company
Company experience on an international level	A10	Company experience
Company export scope	A11	Company experience
Company export volume	A12	Company experience
Company life	A13	Company experience
Company technology	A14	The company's technology capacity
Using research conducted by a manager	A15	Manager's commitment
Company's number of studies in the export field	A16	Knowledge capacity of the company
Possibility to participate in international markets	A17	Knowledge capacity of the company
Manager's authority to sign contracts	A18	Management Capability
Manager's experience in a competitive market	A19	Management experience
Manager's age	A20	Management experience
Manager's education	A21	Scientific capacity of management
Manager's university major	A22	Scientific capacity of management
Manager's language skills	A23	Scientific capacity of management
Presence of officials on the company's board	A24	Management Capability
Manager's emotional intelligence	A25	Management Capability
Manager's financial intelligence	A26	Management Capability
Manager's cultural intelligence	A27	Management Capability
Decision-makers future vision	A28	Management Capability
Manager's one-of-a-kind actions	A29	Management Capability
Company unique product	A30	The company's technology capacity
Company's use of unique technology	A31	The company's technology capacity
Decision-makers risk-taking actions	A32	Management Capability
Willing to take risks	A33	Management Capability
Commitment to export	A34	Purposefulness of management actions
Market innovation	A35	The company's innovation capacity
Marketing innovation	A36	The company's innovation capacity
Capability to make quick decisions	A37	Management Capability
Company's export planning	A38	Purposefulness of management actions
Company's sustainability at crisis time	A39	Financial capacity of the company
Company's international investing performance	A40	Financial capacity of the company
Company brand	A41	The company's innovation capacity
Manager's accepting in case of costs incurred	A42	Manager's commitment
Manager's willingness to take risks	A43	Management Capability
Company's export experience	A44	The company's innovation capacity
Company strategic planning	A45	Purposefulness of management actions
Organizations in line with the export plan	A46	Purposefulness of management actions
Company's experience in a competitive environment	A47	Company experience
Company communication capability	A48	Company experience
Manager's communication capability	A49	Management Capability
Using studies conducted	A50	The company's innovation capacity
Manager's perception of export benefits	A51	Purposefulness of management actions
Manager's perception of export difficulties	A52	Purposefulness of management actions
Manager's motivations to export	A53	Manager's commitment
Varied production line	A54	The company's technology capacity
Company's staff number	A55	Company size
Company's staff's education level	A56	Human resource capacity
Company's staff commitment	A57	Human resource capacity

questionnaire was drawn based on the results taken from this phase. To test the research model, in the second phase the population sample was expanded to include 40 managers and marketing experts. The data collected were analyzed using pls software, structural equations, and exploratory-descriptive methodology. Research shows that SMEs can affect the global economy in four ways: entrepreneurship, innovation and technology improvement, and dynamic industry. In addition, intense global competition, a surge in mistrust, and a rising demand for more diverse products have led to SMEs being more and more popular. Although big industries are still significantly considered by economic

Table 4: Statistics Qualities of Questionnaire's Questions

	No.	Missing	Mean	Median	Min	Max	Standard Deviation	Excess Kurtosis	Skewness
f1	1.000	0.000	1.775	1.000	1.000	5.000	1.084	1.506	1.485
f2	2.000	0.000	1.663	2.000	1.000	4.000	0.651	0.811	0.757
f3	3.000	0.000	1.275	1.000	1.000	2.000	0.447	-0.970	1.027
f4	4.000	0.000	2.913	3.000	1.000	4.000	0.778	0.100	-0.494
f5	5.000	0.000	1.400	1.000	1.000	4.000	0.604	3.218	1.608
f6	6.000	0.000	2.413	3.000	1.000	4.000	0.832	-0.891	-0.778
f7	7.000	0.000	3.425	4.000	1.000	5.000	1.181	-0.848	-0.514
f8	8.000	0.000	3.300	4.000	1.000	5.000	1.134	-0.605	-0.566
f9	9.000	0.000	3.300	3.000	1.000	5.000	1.198	-0.921	-0.248
f10	10.000	0.000	3.362	4.000	1.000	5.000	0.978	-0.330	-0.545
f11	11.000	0.000	3.388	4.000	1.000	5.000	1.043	-0.846	-0.368
c1	12.000	0.000	2.962	3.000	1.000	5.000	1.156	-0.980	0.025
c2	13.000	0.000	3.013	3.000	1.000	5.000	1.112	-1.014	0.197
c3	14.000	0.000	3.038	3.000	1.000	5.000	0.955	-0.788	-0.076
c4	15.000	0.000	3.225	3.000	1.000	5.000	1.024	-0.874	-0.042
c5	16.000	0.000	2.987	3.000	1.000	5.000	1.167	-0.865	0.169
c6	17.000	0.000	2.962	3.000	1.000	5.000	1.030	-0.863	-0.133
c7	18.000	0.000	2.812	3.000	1.000	5.000	1.062	-0.989	0.130
c8	19.000	0.000	3.212	3.000	1.000	5.000	1.191	-1.115	-0.106
c9	20.000	0.000	3.487	4.000	1.000	5.000	1.012	-0.211	-0.665
c10	21.000	0.000	3.225	4.000	1.000	5.000	1.072	-0.749	-0.403
c11	22.000	0.000	2.825	3.000	1.000	5.000	1.170	-1.003	0.159
c12	23.000	0.000	3.312	4.000	1.000	5.000	0.995	-0.740	-0.280
c13	24.000	0.000	3.175	3.000	1.000	5.000	1.081	-0.945	-0.177
c14	25.000	0.000	3.163	3.000	1.000	5.000	1.042	-0.963	-0.132
c15	26.000	0.000	3.075	3.000	1.000	5.000	1.170	-1.129	-0.149
s1	27.000	0.000	3.175	3.000	1.000	5.000	1.034	-0.714	-0.430
s2	28.000	0.000	3.225	4.000	1.000	5.000	1.294	-1.140	-0.361
s3	29.000	0.000	3.513	4.000	1.000	5.000	1.025	0.073	-0.745
s4	30.000	0.000	3.500	4.000	1.000	5.000	0.935	-0.021	-0.514
s5	31.000	0.000	3.513	4.000	1.000	5.000	0.975	0.127	-0.779
s6	32.000	0.000	2.663	2.000	1.000	5.000	1.313	-1.150	0.314
s7	33.000	0.000	2.850	3.000	1.000	5.000	1.333	-1.109	0.249
m1	34.000	0.000	2.913	3.000	1.000	5.000	1.306	-1.229	-0.110
m2	35.000	0.000	2.675	2.000	1.000	5.000	1.263	-0.962	0.336
m3	36.000	0.000	3.825	4.000	2.000	5.000	0.863	-0.094	-0.601
m4	37.000	0.000	3.375	4.000	1.000	5.000	0.979	-0.578	-0.414
m5	38.000	0.000	3.263	3.000	1.000	5.000	1.170	-0.729	-0.292
m6	39.000	0.000	3.288	4.000	1.000	5.000	1.098	-0.373	-0.540
m7	40.000	0.000	2.962	3.000	1.000	5.000	1.123	-1.000	-0.195
m8	41.000	0.000	2.975	3.000	1.000	5.000	1.000	-0.769	0.051
r1	42.000	0.000	3.025	3.000	1.000	5.000	1.162	-0.930	0.048
r2	43.000	0.000	3.362	3.000	1.000	5.000	1.087	-0.961	-0.115
r3	44.000	0.000	3.188	4.000	1.000	5.000	1.174	-0.890	-0.374
r4	45.000	0.000	3.175	3.000	1.000	5.000	1.093	-0.565	-0.181
l1	46.000	0.000	3.500	4.000	1.000	5.000	1.118	-0.347	-0.602
l2	47.000	0.000	3.312	4.000	1.000	5.000	1.158	-0.745	-0.344

policy-makers due to benefits like mass production, production scope, experience, and organizational effect, SMEs' advantages like transportation, market size, and having an effective choice, and control systems have rendered such industries as the first option for manufacturing of many items. This study explores managerial and organizational factors impacting the banking and export activities of SMEs. Research findings suggest that international managers seek to gain the latest export knowledge using reliable, updated, and related sources. Managers should constantly seek to increase their knowledge regarding customs affairs, goods clearance, trade chambers regulations, customers' needs, and competitors' strategies. Given the importance of leading a business and its related data, it is recommended that managers studied in this research constantly increase their knowledge and examine themselves. They should participate in valid training courses and business management conferences so that they could increase their management knowledge regarding leading a business in export markets. In addition, given the importance of staff capabilities to meet customers' demands, cooperation with skilled experts is highly recommended. Experienced personnel should be taken on in the field of production export and company services. Given the importance of innovation in the production process, it is recommended that SME managers direct their focus on a strategy to create a strong market based on

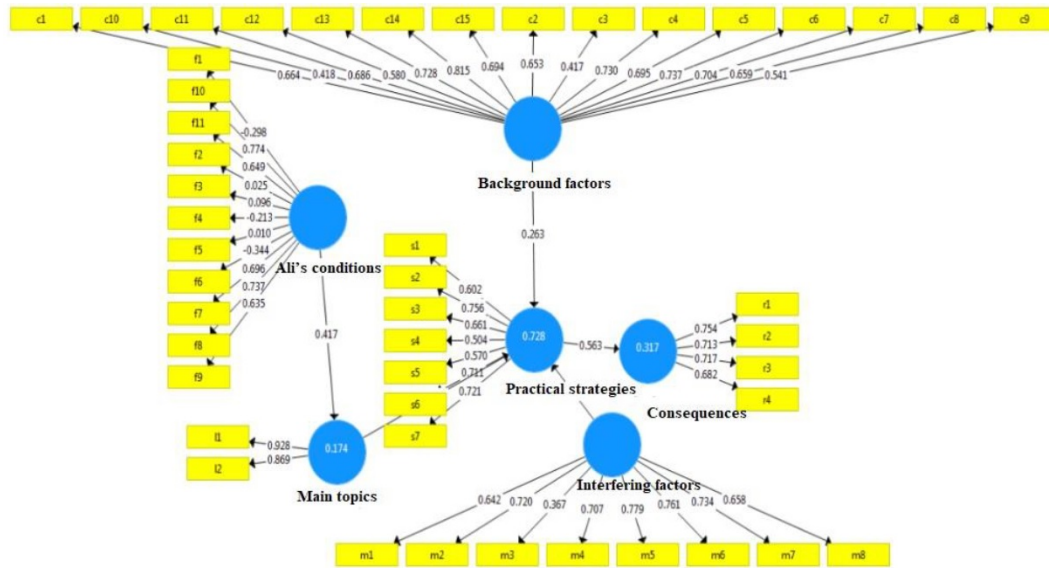


Figure 1: Output from smsrtpis software in operational load mode

training to have more innovative products. The issue of innovation in the management domain is the next important topic. Managers should redefine problems in an unequivocal and clear way so that such problems can be solved through participation in decision-making. They should seek other staff and deputies' opinions and ideas so that they can come up with more solutions and innovative ways to solve these problems. They should also seek to clear up obstacles preventing them from having a clear perception of the state of affairs. This way they can come up with new ideas in their decision-making process. To reduce operational costs, they should prepare for new inspections of the activities and seek feedback from each process and output thereof. Activities that have no added value should be detected and then removed. Managers should thoroughly review the export process and see how each step along this process can affect reaching goals. They should then remove activities that have no added value and merge steps that have little added value in order to reduce operational costs. Managers should also introduce policies that would improve the performance of SMEs, putting such companies in a position where they can obtain loans with low-interest rates. They should devise a plan that would facilitate obtaining LC for SMEs. The issue of maintaining customer satisfaction is also of utmost importance, particularly to improve management style. Managers of the companies studied should review customer services and ways to improve customer satisfaction in their policies. All the activities should be brought in line with such policies to satisfy customers. Staff, too, should be trained on how to contact customers and to place satisfactory customer services as the ultimate goal of their activities. In addition, given the intense competition between SMEs, such companies would be faced with unpredictable demands and needs on the part of customers. Managers, while focusing on the markets' needs, should also pay attention to their competitor's strategies. Managers should first find out the key competitors that have a bigger share of the market. Then, staff should be notified to collect and update all available data of such companies and hand them over to managers for further managerial decision-making.

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