



**T.C
YEDİTEPE UNIVERSITY
GRADUATE INSTITUTE OF SOCIAL SCIENCES**

**INFLUENCES OF INDIVIDUAL AND FIRM LEVEL CHARACTERISTICS' ON
INTERNATIONALIZATION OF TURKISH SMALL MEDIUM ENTERPRISES:
FROM AN ENTREPRENEURIAL PERSPECTIVE**

By

Esra BAL

**Submitted to the Graduate Institute of Social Sciences
In partial fulfilment of the requirements for the degree of
Master of
Business Administration**

ISTANBUL, 2014



**T.C
YEDİTEPE UNIVERSITY
GRADUATE INSTITUTE OF SOCIAL SCIENCES**

**INFLUENCES OF INDIVIDUAL AND COMPANY LEVEL CHARACTERISTICS'
ON INTERNATIONALIZATION OF TURKISH SMALL MEDIUM
ENTERPRISES: FROM AN ENTREPRENEURIAL PERSPECTIVE**

By

Esra BAL

Supervisor

Asst Prof. Dr. Ozlem KUNDAY

**Submitted to the Graduate Institute of Social Sciences
In partial fulfilment of the requirements for the degree of
Master of
Business Administration
ISTANBUL, 2014**

T.C.
YEDİTEPE UNIVERSITY
INSTITUTE OF SOCIAL SCIENCES

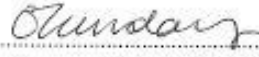
INFLUENCES OF INDIVIDUAL and FIRM LEVEL
CHARACTERISTICS ON INTERNATIONALIZATION OF
TURKISH SMALL MEDIUM ENTERPRISES

by

Esra BAL

Approved by:

Yrd.Doç.Dr. Özlem KUNDAY
(Supervisor)



Yrd.Doç.Dr. Begüm ÖTKEN



Doç.Dr. Esra KARADENİZ



Date of Approval by the Administrative Council of the Institute 07/05/2014

Dedication

I dedicate this thesis to my father

TABLE OF CONTENTS

TABLE OF CONTENTS.....	5
LIST OF TABLES.....	7
LIST OF FIGURES.....	8
ÖZET.....	9
ABSTRACT.....	10
ACKNOWLEDGEMENT.....	11
CURRICULUM VITAE	12
1. INTRODUCTION.....	13
1.1 Purpose of the study.....	14
1.2 Importance of the study	15
2. LITERATURE REVIEW.....	16
2.1 Defining Small Medium Enterprises.....	16
2.2 SME Role for the Economy.....	17
2.3 SME Role in International Business	19
2.4 Exporting is as an Internationalization tool for SMEs.....	22
2.5 Internationalization Theories for SME.....	26
2.5.1 Stage Theory.....	26
2.5.2 Network Theory	28
2.5.3 Resource-Based Theory.....	30
2.5.4 Born Global.....	31
2.5.5 International Entrepreneurship Theory.....	32
2.5.6 Strategic Choice Theory.....	33
2.5.7 Learning-Knowledge Theory.....	33
2.6 Factors Effecting the Internationalization of SMEs.....	34
2.6.1 Company-Level Characteristics	34
2.6.1.1 Company Profile.....	35
2.6.1.1.1 Company Size.....	36
2.6.1.1.2 Company Age	38
2.6.1.2 Employee Profile	39
2.6.1.2.1 Education	39

2.6.1.2.2 Language	41
2.6.1.2.3 International Experience	42
2.6.1.2.4 Employee Age	47
2.6.2 Individual Level Characteristics	48
2.6.2.1 General Overview of Entrepreneur, Entrepreneurship and International Entrepreneurship.....	49
2.6.2.2 Individual International Posture (IIP)	50
2.6.2.2.1 Proactive Behaviour	50
2.6.2.2.2 Tolerance for Ambiguity.....	54
2.6.2.3 Risk Perception.....	54
3. RESEARCH DESIGN AND METHODOLOGY.....	58
3.1 Model of Study.....	58
3.2 Methodology	59
3.2.1 The Structure of Measurement Instruments.....	60
3.2.2 Sampling	61
3.2.3 Data Collection Method.....	61
3.2.4 Data Analysis	61
3.2.4.1.1 Descriptive Statistics of the Study.....	61
3.2.4.1.2 Inferential Statistics of the Study.....	61
4. RESEARCH FINDINGS	64
4.1 Respondents Profile	64
4.2 Reliability and Measurement Instruments.....	65
4.3 Factor Analysis	65
4.4 Results of the Hypothesis Tests.....	69
4.5 Regression Analysis	73
4.6 Research Question Findings	75
5. DISCUSSION	78
5.1 Limitations and Future Research Directions.....	83
6. CONCLUSION	85
7. REFERENCES.....	87
8. APPENDICES.....	99

LIST OF TABLES

Table 1 Various Definitions for SMEs.....	17
Table 2 KOSGEB Definitions for SMEs.....	18
Table 3 Challenged faced by small economies.....	36
Table 4 Educational Level of Companies and Export	40
Table 5 Foreign Language Knowledge and Export.....	44
Table 6 International Experience and Export	49
Table 7 Definitions of Entrepreneurship and Entrepreneur.....	64
Table 8 Frequencies of the Demographic Variables.....	62
Table 9 Composition of the items of Individual Level Characteristics.....	66
Table 10 Factor Analysis.....	68
Table 11 Chi-Square Result of Company Size and Internationalization Degree.....	69
Table 12 Chi-Square Result of Education and Internationalization Degree	70
Table 13 Correlation Results of the variables and Internationalization Degree.....	72
Table 14 Anova Result of Tolarance for Ambiguity and Internationalization Degree.....	73
Table 15 Anova Result of Tolarance for Ambiguity and Internationalization Degree	74
Table 16 Anova Result of Proactivity Ambiguity and Internationalization Degree.....	74
Table 17 Anova Result of Risk Taking and Internationalization Degree.....	75
Table 18 Reason of the Company * İnternationalization degree Crosstabulation.....	75
Table 19 Chi-Square Result of born global approach and Internationalization Degree.....	76
Table 20 Results of the Hypothesis	77

LIST OF FIGURES

Figure 1 Percentage of Number of Enterprises, Employment and Value Added at Factor Cost by Size Class, 2011.....	21
Figure 2 Proportions of the SMEs in Foreign Trade Statistics, 2010-2012	22
Figure 3 Uppsala model.....	28
Figure 4 Relationship between traditional “strengths-weaknesses-opportunities-threats” analysis, the resource based model and models of industry attractiveness.....	30
Figure 5 Relationship with company size and constraints.....	35
Figure 6 Proposed Research Model.....	59
Figure 7 Relationship between educational level and degree of interest to foreign markets.....	69

ÖZET

Bu çalışmanın amacı, Türkiye’de ki KOBİ’lerin şirketsel ve bireysel özellikleri ile uluslararasılaşma dereceleri arasındaki ilişkiyi incelemektir. Çalışmada belirtilen bu faktörler ile, uluslararasılaşma derecesi arasındaki bir çok ilişki ampirik düzeyde incelenmiştir. Bu faktörler ikiye ayrılmıştır: 1) Firma düzeyinde özellikler, şirketin büyüklüğü, yaşı ve çalışan profili; eğitim, yabancı dil, uluslararası tecrübe ve yaş. 2) Bireysel düzeyde ki özellikler (girişimci özellikleri); karar mekanizmasında ki yönetici ya da iş sahibinin proaktif davranışı, belirsizliğe toleransı ve risk alma eğilimi. Analizler, uluslararası fuarlara katılmış 159 KOBİ’lerden anket uygulaması sonucunda elde edilen veriler baz alınarak yapılmıştır. Literatür taraması sonucunda derlenen bilgilerin ışığında, hipotezler belirlenmiş ve Faktor, Regresyon, Chi-square, Anova, Spearman analizi ve Pearson korrelasyonu analizleri yapılmıştır. Ayrıca betimleyici analiz uygulanmış ve analiz sonuçları detaylandırılarak yorumlanmıştır. Son kısmın da ise bulgular yorumlanmış, dış ticaret yapan şirketlerin bu konuda daha başarılı olması ve uluslararası pazarlara nüfuz ederken riskleri ortadan kaldırabilmeleri için politika yapıcılar, iş insanları ve araştırmacılar için öneriler sunulmuştur.

ABSTRACT

This study examines the relationship of firm-level and individual level characteristics with the internationalization degree of Small Medium Enterprises (SME) in Turkey. With this purpose, the study consists of different factors that are investigated in two parts; 1) Firm level characteristics such as size, age of the company and the employees profile such as education, international experience, age and foreign languages 2) Individual level characteristics (entrepreneurial traits) of the manager or owner of the SME such as proactivity, tolerance for ambiguity and risk perception. The analysis is carried on 159 SMEs that attended international fairs in Turkey, Istanbul. In the light of literature review, hypotheses were formulated. Various types of analysis such as factor, regression, chi-square, Anova, Spearman analysis, Pearson correlations as well as descriptive analysis were applied. The results are given and discussed in detail. Finally, the potential implications of the findings are presented for policy makers, practitioners and researchers in order for SMEs to be more successful in their internationalization process and eliminate risk while penetrating international markets.

Acknowledgement

First of all, I would like to express my gratefulness to my wonderful supervisor Asst. Prof. Özlem Kunday for her support, endurance, friendship and encouragement that I always felt at every level of my research. She guided me and taught me numerous lessons and showed me the main points on the writing of academic research. I am also grateful to my research director Asst. Prof. Ayşe Begüm Ötken for the support and advice in the methodological part. Her valuable comments led me to be more effective in evaluating and writing the results. I am also indebted to all staff members in our Institute of Social Science for their supports during my study.

In addition, I want to acknowledge with much appreciation the export directors and owners of the companies which helped me to finish my thesis by joining our surveys during the international fairs which were held in 2013 in Istanbul (EVTEKS 2013, AYMOD 2013, AUTOMECHANICA 2013, TURKEY BUILD 2013).

Furthermore, I would like to thank my lovely family, especially my father my mother and sisters; Sakine, Türkan, Songül, Sultan, Nuray, Gülten, Nejla, Piraye and nephews Ahmet, Mete and for their endless love, hope and support during my research. Finally, my special thanks to my best friends; Sabire, Elif, Christina, Cisse, Ahmet, Ferhat, Laurent and my dearest Ferhat Kulahi for his endless support.

Dad! I know you are always proud of me as a person, as a student and as your little daughter. So that, I just want you to know that this thesis is only dedicated to you! I will never ever forget you. Just stay with me with your soul and with your lovely smile!

CURRICULUM VITAE

ESRA BAL

Education		
2010-2014	Yeditepe University Master of Business Administration	Istanbul, Turkey
2004-2009	Yeditepe University International Trade and Business	Istanbul, Turkey
2004-2009	Maltepe High School Ranked first in the graduation department	Istanbul, Turkey
Work Experience		
2010-2012 Export Director	SULTANS TEXTILE	Istanbul, Turkey
2012-2013 Foreign Trade Specialist	VANGURAD SHIPPING	Istanbul, Turkey
2013-2014 Export Area Manager	YAPITEKNIK CONSTRUCTION	Kocaeli, Turkey

1. INTRODUCTION

Small Medium Enterprises (SME) internationalization has grown during the last decades around the world. In Turkey due to global economic and political facts the situation is not much different. Internationalization has become a very much preferred business strategy for Small-Medium-sized enterprises (SME) in Turkey during the last decades. The increase of SME's is a big contribution for economic issues of Turkey since internationalization performance of the SME in Turkey is mostly measured by their export rate. For internationalization of SME there should be a suitable function/department for managing and controlling exporting operations. SME's need to establish an internal export department and this department needs to be structured with capable management team who are educated, experienced, and dynamics (Brian and, Walters 1993). Without doubt, SME's management teams' first objectives are growth of the company and profitability to assure this, management skills, capacities of the management team are as well as company level characteristics should be sufficient for internationalization. When examining the SME's, it is observed that some of them are seeking for opportunities to expand internationally while others do not. Therefore, starting from this point, this study emerged as an expolatory and needed topic for business research point.

The factors that have influence on decisions for internationalization and its results have taken serious attention in international business literature. According to traditional process theory of internationalization; company level characteristics, company resources and companies professional experience in its domestic market provide an opportunity for SME's to take actions to enter into foreign markets. However in the studies, individual psycho-cognitive characteristics of managers were not taken into consideration at significant level. As a result, many studies emerged on this field in ordfer to understand how characteristics of the managers will affect the internationalization process and performance of Small Medium Enterprises and also concentrate on the demographic features of the managers (**Jos'e Acedo** and Florin 2006).

However, as many other scholar have stated; the studies carried out are at firm level. There is the need to go individual level research in internationalization of SMEs. Human factors and entrepreneurial perspectives should be included in the research scope.

1.1 Purpose of the Study

The main purpose of this study is to analyse how individual characteristics and firm level characteristics are related with internationalization of Turkish Small and Medium Enterprises. Turkish Small Medium Enterprises are quite vital for our domestic economy due to their importance in employment creation and exporting. Although there is a drastic increase in the export performance of Turkish Small Medium Enterprises, it is still limited. However, Turkey's EU membership process and membership of G-20 is quite vital because Turkey is a fast growing economy in the world. Therefore, Small Medium Enterprises internationalization is significant subject in business literature. There are a lot of studies that have been done on this subject and related subject; Aaby and Slater, (1989); Amal et al.2010) ;Bonaccorsi ,(1992); Cavusgil,(1984);Cavusgil, and Naor, ,(1987); Johanson and Vahlne, (1977); Acedo and Florin, (2006); Katsikeas and Morgan, (1994); Magagula,(2002) Fernández-Ortiz and Lombardo,(2009); Zahra and Garvis, (2000); and so on. In Turkish business literature , there are many studies on SME's internalization, export barriers and factors effecting export activities such as Özkanlı Ö, Benek S, Akdeve E(2006), E. Karadeniz E, Göçer K, (2007). The studies mentioned above have been investigated for problems of Small Medium Enterprises have been encountering while penetrating international markets. These factors might come from firm capacity(size, age, scope, financial, level of technology used) and managerial capabilities(language, international experience, age, education and so on).This study includes firm features such as size and age of the company as well as managerial features such as education, international experience, age and foreign language but additionally on different factors are examined like individual level characteristics ; proactivity, tolerance for ambiguity and risk perception that is why the study will add to the existing Turkish business literature a different and new perspective which will be quite valuable for the future research. Finally, this study will reveal the rate of Small Medium Enterprises' tendency to be born

global or not. This study will meet the deficit via empirical research by analysing variables with degree of internationalization the Turkish Small Medium Enterprises.

1.2 Importance of the Study

In this study, the internationalization of Turkish SME's is evaluated in terms of their internationalization because during recent decades internationalization of SME played significant role in Turkish economy. Thus we believe capabilities and characteristics of management have influence on internationalization of SME in Turkey with the variables of entrepreneurship, risk taking and company profile so this research will illuminate the internationalization of Turkish SME.

This study will not only be important as an academic research but also, provide valuable information to SME owners. The result of this study will be road map for SME to adjust their mistakes, understand their weaknesses, performances and evaluate their strategies more objectively. Finally, policy makers can use the results for government policies that support SME's and especially the internationalization of those.

2. LITARATURE REVIEW

By the end of 20th century, the business environment has changed dramatically. With the increased global action, countries focused on more intense international trade among each other. On the other hand, the shift to a buyer's market in the developed countries resulted in markets that are saturated and produce more than they consumed. These excess goods and services are exported to countries where there is need for them and this is done largely by small business.

2.1 Definitions of Small Medium Enterprises (SMEs)

There are many definitions of SME in the literature and these definitions vary among countries and institutions. There are three parameters usually applied by most countries;

- ✧ Investment of capital on a plant or machinery
- ✧ Employee number
- ✧ Production capacity and turnover on business (Belisle ,1997)

The various definitions of SME is stated in the table below (Magagula, 2002)

Table 1 Various Definitions for SMEs

<u>Bolton Committee Definitions of SMEs</u>	
Manufacturing Sector ----->	Employees '≤' 200
Construction, Mining Quarrying Sector ----->	Employees' '≤' 25
Retailing Miscellaneous Services ----->	Sales Turnover '≤' £ 50.000
Motor Trades ----->	Sales Turnover '≤' £100.000
Wholesale Trades ----->	Sales Turnover '≤' £200.000
Road Transport ----->	Five vehicles or less
Catering ----->	All excluding multiples and brewery –managed houses
<u>European Comission SME's Definitions</u>	
SMEs are Non-Subsidiary companies with < 250 employees ' <' EUR 40 million turnover ;and/or turnover < EUR 27 balanced sheet valuated.	
<u>Further Subdivision</u>	
Micro Companies less than 10 employees	
Small Companies less than 50 employees, a turnover less than EUR 7 million and a balance sheet valuation of EUR 5 million.	
<u>World Bank Definition of SMEs</u>	
Micro Enterprises -----> '≤' 10 employees , total assets up to \$100.000 and annual sales \$100.000	
Small Enterprises -----> up to 50 employees total assets up to \$3 million and annual sales \$5 million	
Medium Enterprises -----> up to 300 employees total assets up to \$15 million and annual sales \$15 million	
<u>USAID Classification used in Southern and Eastern Africa in 1990s</u>	
Very Small Enterprises ----->less than 5 employees	
Small Enterprises ----->5 to 50 employees	
<u>Kenya Definition of SMEs</u>	
Micro Enterprises -----> less than 10 employees	
Small Enterprises -----> 10 to 50 employees	
Medium Enterprises -----> 51 to 100 employees	
<u>Chinese MIIT 2011 (</u>	
Small Enterprises -----> less than 300 employees	
Medium Enterprises -----> 300 to 1000 employees	
China+SME+Final+Report+2.pdf?MOD=AJPERES	
Source: IFC, (2013)	

In Turkey, there are also different definitions such as KOSGEB (Small and Medium Industry Development and Support Agency) definition is which mostly accepted. This definition which is almost same with European Commission Recommendation but it differs in terms of balance sheet total.

According to KOSGEB SME is an economic unit that employs less than 250 people and its net sales or fiscal balance are lower than 40 million YTL (Resmi Gazate, 2012). So from

this Comparison of definitions of SME it could be said that the classification of SME alters through the country economies of scale.

Table 2. KOSGEB Definitions for SMEs

Category	Number of Employees	Annual Revenue	or	Annual Balance of Payments
Micro	1-9	≤ 1 million TL (\$ 600.000)		≤ 1 million TL (\$ 600.000)
Small	10-49	≤ 8 million TL (\$ 4.8 million)		≤ 8 million TL (\$ 4.8 million)
Medium	50-249	≤ 40 million TL (\$ 24 million)		≤ 40 million TL (\$ 24 milyon)

Source: KOSGEB (2012)

In this research, SME is defined according to KOSGEB which considers a business, as a SME if it's employees are less than 250 and has turnover less than 40 million TL.

2.2 SMEs Roles for the Economy

SMEs are playing an integral role for economies. SME represent a large share of business sector, generate most of business turnover and increase employment volume in the world. Yücel (2000) has summarized the roles of SME;

- SMEs have the key role by bringing new-born products or services to market and provide easy entrance to the market.
- SMEs has less sensitivity for economic depressions than big enterprises that is why they can eliminate and limit the effects and they can supply momentary demands that market needs at these depression times of the economy and prevents inflation.
- SME can supply for special demands that market needs in a short time and they can easily adapt the market conditions and needs.

- SMEs are able to buy second hand capital goods and present them to the market so that they secure effectiveness in use of resources. The appliances of this minimize the risks for all companies and long term cost of the markets become lower.
- SMEs provide all companies inputs and intermediate goods.
- The flexibility of SMEs determines many cases in domestic market like flexibility in work hours, production, demands.
- In terms of macro-economic conditions SMEs create chance to balance regional development in the country and help to reduce economic difference between regions that is why SMEs are important in developing and developed countries.
- SME s has more possibility and flexibility to meet market demands.
- SMEs have fewer problems in financial decisions.
- SME s has great role to prevent monopoly in the market.

For instance, European economy has over 20 million SMEs and these SME's employees' approximately 86.8 million people. This amount represents 66.5% of all European jobs and Micro-enterprises provide just under a third of that total employment (EC, 2012).

2.3 SME Role in International Business

Small and Medium Enterprises (SMEs) are taking more global place in the current agendum of both advanced and developing economies of the world. The awareness of the important contribution to national economy and social development by exporting; is increasing and as a result of this in other words, SME's are becoming more international (Lu and Beamish, 2006).

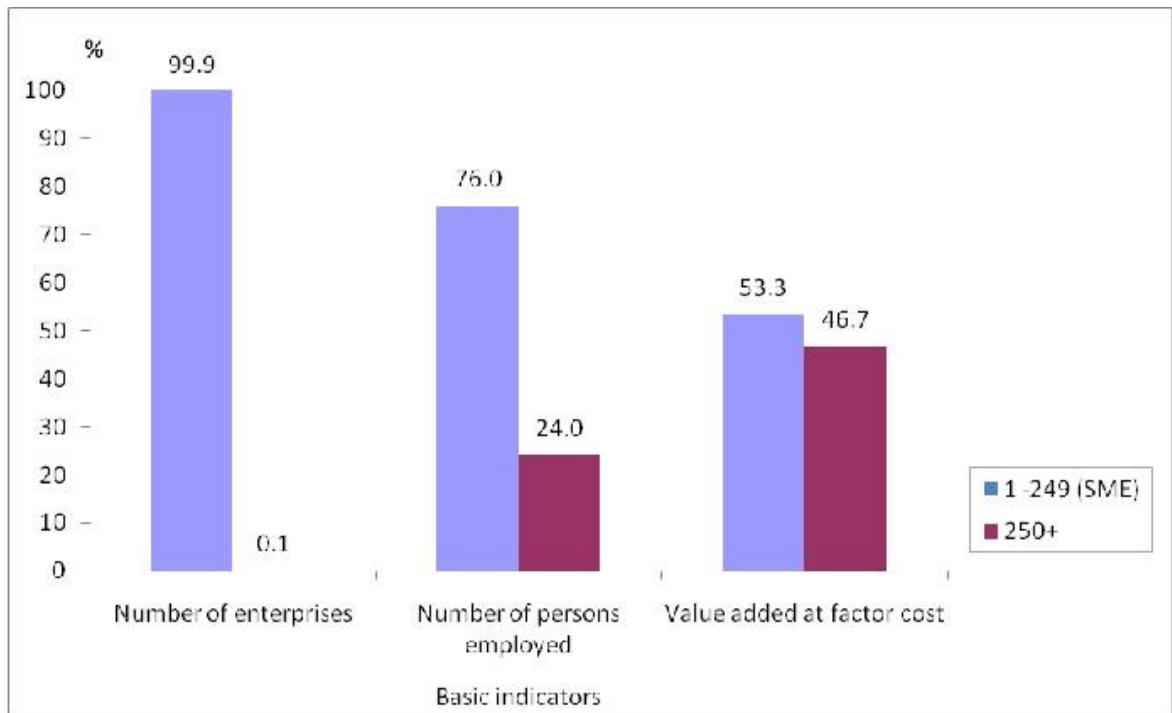
Internationalization of SME is as a process where the nationally oriented SME takes a role in global export market. Internationalization is an option to expand the business for SME which is the main dynamic of the each country' economies so SME targeted to be in international markets by making direct export, indirect export, exporting of licensing or franchising or FDI. Internationalization is leading dimension for companies 'development for the long term (Peng and Delios, 2006).

SME's have high capability of adaption to the world free market economy because they are flexible, dynamic and in need of low capital investment. SMEs roles in international businesses have been increased after 1973 petrol crisis and countries started to expand their businesses by marketing and exporting their product and services in international area. In contrast to large global companies' attitudes, SMEs endeavor to enhance their operations in the international markets through alliances or different partnerships with other firms or group of firms, even though this cooperation is able to result decreasing in profit of their transactions (Amal et al, 2010). For example, approximately one-third of all European SME reported that there is an increasing number of international business making connections, with 30% of micro enterprises and 50% of medium-sized enterprises concerned (European Commission, 2001). Another example for internationalization of SME can be South Korea SME account for roughly 60% of manufacturing exports with number of 557 billion dollar (Wikipedia, 2013).

Especially after 1980's there has been transition from the planned to liberal economy in Turkey. A package of economic stability called "January 24 Decisions" was taken in order to fix economic problems and to integrate world economy by acting in international business. These economic implications of the state provide foreign investments, support programs for export, Increase cooperation between universities and industry. In addition, by these decisions, Turkey gave up "import substitution" policy and an industrialization strategy based on exports was adopted. Also, the liberal changes in the Turkey's regulatory environment caused that the economy has been become more outward-based for thirty years. In 1980 the export was 2, 9 billion dollars till 2011(DMKA, 2010) and it was not increased at a significant level, in 2002 it has increased 36 billion dollars and in 2013 it has increased till 151 billion dollars (TUIK, 2013) .

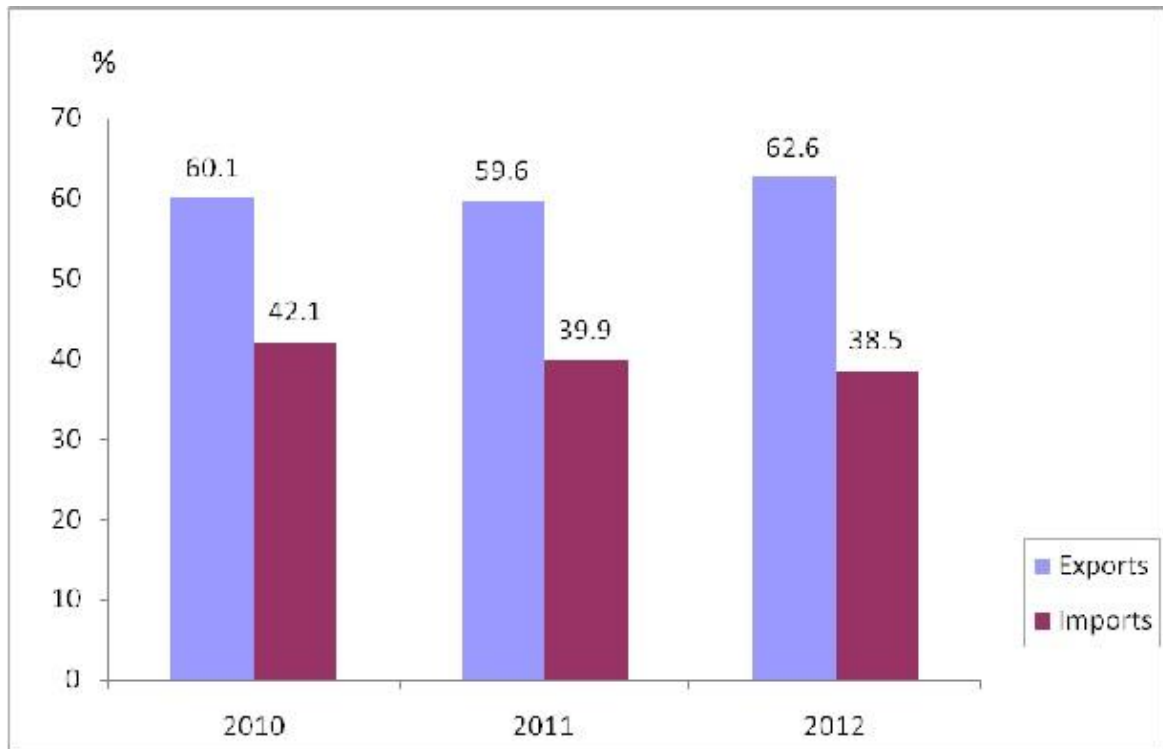
In Turkey, SME constitute 99.99 percents of the total number of firms , 81 percent of total employment, 38 percents of investment capital , %59 of value -added, roughly %56 of exports and %62 total investments (KOSGEB,2013). Turkish SMEs export performance' was almost stable during the last three years.

Figure 1 Percentage of Number of Enterprises, Employment and Value Added at Factor Cost by Size Class, 2011



Source: TURKSTAT,2012

Figure 2 Proportions of the SMEs in Foreign Trade Statistics, 2010-2012



Source: TURKSTAT,(2012)

2.4 Exporting as an Internationalization tool for SMEs

The classic SMEs sector perceived as the base of industrialized divisions, nowadays it comprises the high level dynamic environment in the countries. There are two main characteristic of this sector, one is the ambiguity in planning case and the other one is growing tension of the competition in international area (Schulz, 2006; Kinkel et al., 2007). It is inevitable for SME entrepreneurs to face challenges of the emerging uncertainties and to adjust the elastic market demands. Many entrepreneurs change their previous common export approaches and adapt reformed approaches to the internationalization which contains several risks. These risks emerge for entrepreneurs due to their lack of financial and human resource and management activities in global area. These limited capabilities prevent strong internationalization. These barriers for internationalization might be accomplished by SME entrepreneurs through their entrepreneurial network and capabilities. For several classic Small Medium Enterprises,

internationalization by doing export is still very new and undiscovered phase of business so SME entrepreneurs should enhance innovative business strategies to enlarge their economic performance in international markets. There are some driving forces that motivated by the following factors; cost reducing, entering to international markets, watching out the client's pressure, and broadening of the personal knowledge and experience. The SME management selects the most effective ways for internationalization to have cost benefits, a secured market size, client favour and committing. The strong position in the SME might be entrepreneur or manager (Schulz. and Kraus, 2009). These people have authorized to make internationalization decision and have actively played in internationalization process.

“Empirical evidence provided by Schulte (Schulte, 2002) shows that the idea and its translation into worldwide business activity are normally united in one person – “internationalization made by the boss”.

International markets require more responsibilities from SME' entrepreneurs in their usual business, so this these requirements lead; limited time, experience and international knowledge of the management. The entrepreneurs generally are not sensitive for the needs to add or enhance new competences and approaches however they try to manage international business activities by “doing business as usual” (Schulz, 2007)

The previous experience acquirements and domestic market knowingness is transmitted randomly to the international conditions without knowing of special demands of the international markets. Therefore, it brings two positions for entrepreneurs. The first position is, the internationalization stage might be understood as a increasing pressure and will sometimes be terminated by experts. The second one, entrepreneurs of SME start to “muddle through” (Schulz and Kraus, 2009). The internationalization and location process of traditional SME is influences by:

- Accord (usually personalised as a new-born experience with a foreign businessman or with a new foreign employee with international contacts)

- The common client
- Supplier connections (the locality is leaded by common suppliers who is already existing in international markets) and
- Stating the major markets for the future (Schulz and Kraus, 2009).

Internationalization by exporting is a stage to which a company is entailed in international business. In many countries of the world attitudes of SME have realized that they should be part of the world market by exporting their products and existing at cross-borders. Especially increasing competition in the world market lowered trade barriers and created establishment institutions NAFTA, CU, FTA and etc. to ease internationalization of companies so that growth by international diversification is a significant way to for SMEs. Export strategy has been prevalently engaged by companies as an internationalization action. Exporting is an easy and fast way to enter foreign markets because it involves comparatively low levels of commitment and risk (Lu and Beamish, 2006). Because it requires limited risk, expense and knowledge of international markets and transactions, most of the company select exporting as prior foreign market entry strategy. Companies that include SMEs keep their production in their home market but carry out marketing, distribution and customer service activities in the export market. By export operations massive inflows and outflows which make global trade are occurring in the world market so that it brings about substantial foreign exchange earnings for countries. China might be given as an example that generates enormous revenues to China economy. The vast majority of exporting companies more than %90 percent in most countries are SMEs that is why exporting is a popular strategy due to success it brings in terms of internationalization (Cavusgil et al., 2008).

The main reason for exporting, in most companies, is to make profit; however, other factors are also significant.

1. **Market Diversification:** By exporting, companies are not totally depending on domestic market conditions. In addition, export gives chances to companies to have new profit areas.
2. **The Competitive Factor:** It is a crucial action to compete overseas markets.

3. **Other General Benefits:** Companies can develop their product lines and learn new methods and technologies used overseas to update operations.
4. **Personal Factors:** The export team benefits and challenge are also important. Exporting creates opportunities for world travel and for cultural and personal exchanges (Gerald et al. 1998).

The following are the typical benefits that a company will gain from exporting:

- Large markets and increased sales;
- Lowered production costs and increase in productivity due, in general, to economies of scale and better use of resources made possible by greater volume;
- Minimizing dependence on domestic clients or even to economic fluctuations on the domestic market;
- Increased useful life for products and services through the possibilities afforded by new markets, while demand is relatively satisfied on the domestic market;
- Company expertise and experience in international market, which will prove a valuable asset even on the domestic market, where it will often allow the company to assert its dominant position over its competitors.
- SMEs exporting activities reduce risks and increase the flexibility compared to other entry strategies for example: if the conditions are not well, the company can withdraw from export market.
- It provides to enter foreign markets with lower cost because the company does not have to invest or show its physical occurrence so that the company can test the market with exporting strategy.
- By exporting companies can use the capabilities and skills of international business partners and distributors.

All these benefits of exporting are the driving motivations for SME s to act towards this with target (Cavusgil et al., 2008).

2.5 Internationalization Theories for SME

Studies about internationalization have concentrated in the process of participating in foreign markets. Two main theories were emerged which are traditional internationalization theories and international entrepreneurship theory. Traditional theories like Stage theory, have concentrated on factors influencing internationalization while international entrepreneurship theories focuses on the case of exploring and using opportunities in foreign markets.

2.5.1 Stage Theory

The stage theory which is also called Uppsala model stage theory was established by Johanson and Vahlne (1977) and according to Ruzzier(2006), it was the first stage models of the internationalization. This model based on the process of internationalization of a company through model focuses on the internationalization process of a company through *"gradual acquisition, integration and use of knowledge about foreign markets and operations, and on the incrementally increasing commitments to foreign markets"*(Johanson and Vahlne, 1977,p.23); this means that, internationalization process of a companies is as a result of different kinds of knowledge acquisition (Forsgren, 2002). Uppsala model is based on an empirical research by Johanson and Vahlne (1977) on Swedish companies that carried on internationally. Researchers' observations declared that the companies consequently established new market accesses by a domestic agent in a new market. While sales increased, they changed the domestic agent with their company's sales subordinates, and while expansion went on, the companies launched producing in the home market to manage the then-present post-World War II trade barriers. This continuous process was classified an *establishment chain* (Johanson and Vahlne, 1977; Johanson and Vahlne, 2009).

The Uppsala model is built on four main concepts: the knowingness or the market, commitment of the market, commitment decisions and present activities. This model separate these concepts into two aspects state aspects and change aspects. State aspects are the knowingness of the market and commitment of the market because they affect

reflecting the resource commitment to foreign markets. The model divides these concepts into state aspects and change aspects. Knowingness or the market and market commitment are considered the state aspects, reflecting the resource commitment to foreign markets. The performance of the company business activities and arbitrations to execute resources are included in change entry aspects. Researchers offered that market knowledge and market commitment at a certain time has influence on commitment decisions and the present activities of a business (Johanson and Vahlne, 1977). Respectively, this will then affect market commitment and market knowledge at later phases (Forsgren, 2002).

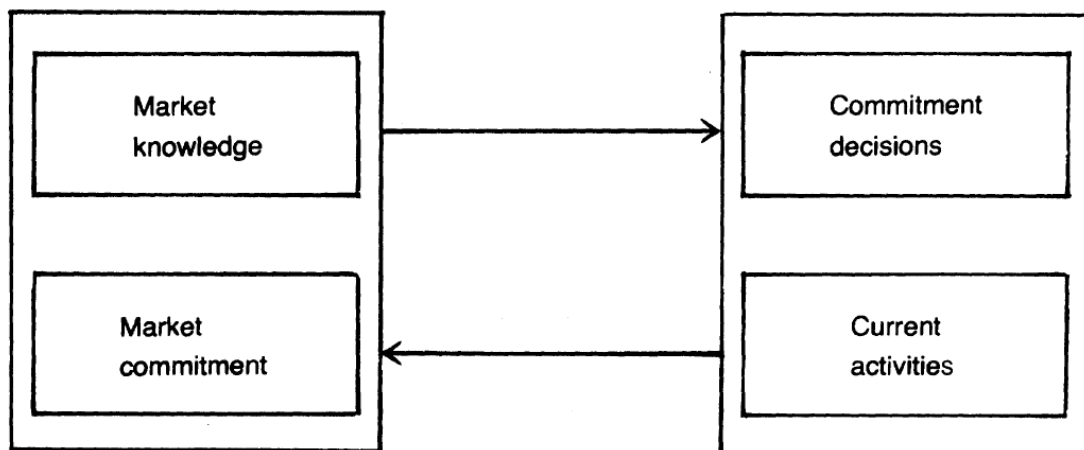
Johanson and Vahlne (2009) think of the concept of market commitment comprised of two components: the amount of resources committed and the level of commitment. The amount of resources committed means that the capacity of investments into the market, like marketing employees and organizations. The level of commitment is considered greater when the resource is more settled in the given market and while it is hard to change it to another market. Market knowledge is total information about market situations, opportunities and challenges of the market for example competition of that market, payment conditions, distribution system of the market etc. Especially, experiential knowledge is highlight when the practices are less described and structural. Experiential knowledge which acquires individual or company level experience, gives chance to perceive opportunities and develop them for current and future activities "*Commitment decisions are decisions to commit resources to international operations*" (Johanson and Vahlne, 1977).

The companies decisions are considered as a response to an opportunity and challenge in the market so there occur operations for the challenges or opportunities by whom has experiential knowledge on this specific markets. Additional commitments are differentiated between an economic effect and an uncertainty effect. An economic effect is mainly related with increases in the scale of market operations. The uncertainty effect charges the uncertainty of the market by decision maker's for instance inefficient predictions of present or future market. There is a way to reduce this uncertainty by applying market environment steps like giving importance to customer communication, participating new services (Johanson and Vahlne, 1977).

Finally, the model implies that rather than making investments in many countries at the

same time, companies should implement little, rising steps and go in for within one or a few of their border countries (Ruzzier, 2006), they should have information from people operating at the companies and then access new international markets with successively bigger psychological distance.

Figure 3 The Uppsala model



Source: Johanson and Vahlne (1977)

2.5.2 Network Approach

Basic concept of the theory explains that “*business networks are a mode of handling activity interdependences between several business actors (other modes = markets and hierarchies)*” (Hollendsen; 1998).

The main presume of the network model says that an individual company is tied on resources determined by different companies and these companies have a chance to access these external resources through their network positions. To join a network from outside a company needs to be engaged in interaction by other business actors. Business network may expand and access international markets and the relationships in a network which is increasing the possibilities of reaching other countries for business targets (Taylor B, 2010).

Johansen and Vahlne (2009) state that an enterprise’s success is based on being active and

it is settled on one or more networks. When the company is active with its networks it is called “insider” to be insider supports companies in learning and developing trusts and commitments which is needed for successful business improvement. However when a company does not run a similar networks it is called “outsider” particularly when this company is a stranger in the market. In order to be successful in international market a company needs to develop and maintain a networks. Because it will lead increase in competitiveness of the companies (Best, 1990).

The associations and relations through firms are considered as networks so it might be discussed that companies go internationalization due to other companies are active in their networks. (Ruzzier, 2006). Therefore, the significant affects of networks relationships are choosing international market and the type of entry (Johanson and Vahlne, 1977).

Network theory tries to describe how network resources of ,group of companies, individual or company influence the internationalization process of SMEs at all levels.

“Knowledge embedded in long-term relationships is often concentrated in one person in the company, who will have a substantial impact on internationalization through close social relationships with other individuals. Such social relationships are extremely important for entrepreneurs and their business. (Davidsson and Honig, 2003; Hoang and Antoncic, 2003) This social network is a sub-network within the business network, effecting and being affected by the gained resources and the chosen operational mode. ‘(Holmlund and Kock, 1998; Ruzzier, 2006).

There are two type of networks: open and closed. Open network operates in transforming the gained information by network. Closed network is making concentrated effort in social change, reliance and sharing norms (Walker et al., 1997).

“The strength of the network model of internationalization lies in explaining the process rather than the existence of multinational or international companies. What seems to be neglected in most process-oriented research

and especially within networks approach is the strategic position and influence of individuals, especially entrepreneurs, in the Small Medium Enterprises' internationalization.” (Ruzzier, 2006).

2.5.3 Resource-based approach

According to Peng (2001) Resource based perspective is one of the most important approach when the emerging economies are considered. This perspective gives a critical management tool that points particular and sustained costly-to-copy aspects of the companies (Peng, 2001). For instance, significant critical resource is able to give companies competitive advantage. According to Barney (1991) companies get long-term competitive advantages in the market by applying strategies that benefit from their internal strenghts to give response occuring opportunities in their own environment. While doing this ,a company defense itsself against external threats and able to take actions to its internal weaknesses. The figure 4 stated below declares relation between the traditional “strengths weaknesses-opportunities-threats” analysis, the resource-based and models of industry attractiveness.

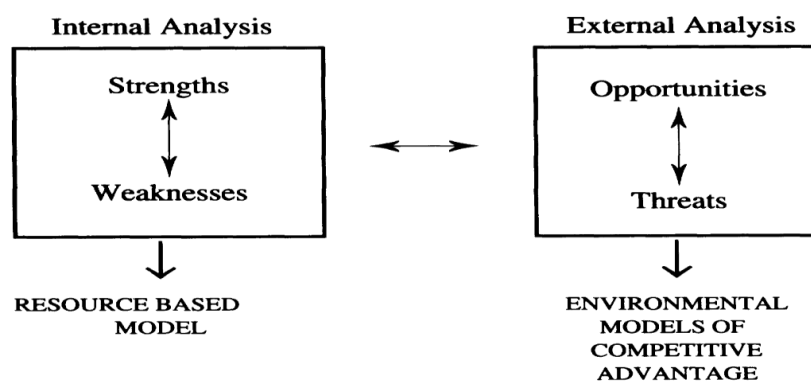


Figure 4 The resource based model and models of industry attractiveness (Barney, 1991).

This model is constructed on two presumptions; the heterogeneous structure of the company critical resources and these resources are not able to be mobilized across the companies that is why there occurs creating long-lasting heterogeneity (Barney, 1991). Simply the model means that the level of importance given to internal resources of the company and process of improving or acquiring from the factor markets (Collis, 1991)

2.5.4 Born Global Theory

The concept of Born Global companies appeared on the first time in the business literature twenty one years ago. McKinsey & Co. (1993) were the first researchers who discovered them within an Australian manufacturer that started export after two years of their establishment. These producers did not become strong in their home market and they were producing high value added products. This is reported by McKinsey & Co in Madsen,(2002)

“These companies view the world as their marketplace from the outset and see the domestic market as a support for their international business.”

Therefore, the phenomenon Born Global has become an interesting area for business researchers (Persinger et al., 2007).

A general definition of a Born global (BG) is a company that has \$100 million revenue in sales and that exports 25% of its production within two years.

“A Born Global company within this context will likely have annual sales of less than \$50 million, less than 500 employees and achieve a 25% export rate no earlier than three or four years after the inception of the company. The ability to raise capital, develop networks and understand targeted niche markets will take longer.”(Persinger et al)

The existing of this new venture creates new problems to traditional theories of internationalization. Researchers have given many different names to BGs , as summarized by Rasmussen (2001): *Born Globals* (Rennie, 1993; Knight and Cavusgil, 1996; Madsen

and Servais, 1997), *Global Start-ups* (Oviatt and McDougall, 1994), *High Technology Start-ups* (Jolly, Alahuta and Jeannet, 1992), *Infant Multinationals* (Lindqvist, 1991), *Instant Internationals* (Preece, Miles and Baetz, 1999) and *International New Ventures* (McDougall, Shane and Oviatt, 1994).

There occurred many questions why BG companies do not go after stage model and according to Moen and Servais (2002) the possible reason for that is rise knowledge in the marketing which is able to reduce uncertainty. Moen (2002) discovered that on several Norwegian companies did not follow classical stage model in their internationalization process. According to Moen (2002) the born global decision makers always have global sense and the situations of the global markets are quite important for them. That is why the company decision about “*stay local*” or “*born global*” are given in the early establishment of the company.

Oviatt and McDougall (1994) identified BGs for international new ventures and define them as follows:

“We define an international new venture as a business organization that, from inception, seeks to derive significant competitive advantage from the use of resources and the sale of outputs in multiple countries. The distinguishing feature of these start-ups is that their origins are international, as demonstrated by observable and significant commitments of resources (e.g., material, people, financing, time) in more than one nation.” (Oviatt and McDougall, 1994).

2.5.5 International Entrepreneurship

Oviatt and McDougall (2005) define international entrepreneurship as: “(...) the discovery, enactment, evaluation, and exploitation of opportunities— across national borders—to create future goods and services” (Oviatt and McDougall, 2005, p. 540).

The subject of international entrepreneurship are quite significant for entrepreneurship and entrepreneurs and it is also a variable key for SME internationalization studies. (Ruzzier, 2006) The growth in internationalization occurred due to generation of the managers or entrepreneurs high skills and capabilities with international experiences. In

today's education, there are more opportunities for international experience due to exchange programs for studying abroad. Those programmes help these students to become future managers or entrepreneurs with the skills and experiences to operate in global markets earlier (Oyson and Whittaker, 2010).

“The characteristic of the companies decision makers as knowledge, attitudes and motivation play a key role in the internationalization decision.” (Chetty and Campbell-Hunt, 2003).

The managers' commitments and expectations to the internationalization (Cavusgil and Nevin, 1981), and their thoughts about companies' competitive advantage are other features of these entrepreneurs (Jaffe and Pasternak, 1994).

2.5.6 Strategic Choice Theory

The basic elements of this theory follow in this order; Internationalization tied to motivation and relationship with the customers is significant and it requires redirect scarce expert resources. It means complex strategic choices affected by the capability perceiving repetition of the business activities and assessment of experience. Also past experiences have effects on forms of servicing in particular international markets. So the motivation of the company as a driving force is able to influence the selection of entry mode. They consider home market demands and supplies might be applied on international markets. The theory based on company decisions rather than an entrepreneur and according to this theory; motivation of the company is primary driving force for internationalization actions (O'Farrellet al., 1998).

2.5.7 Learning /Knowledge Theory

Knowledge accumulation from experiential foreign market operations and learning are able to develop internationalization process of the companies. Increase in the learning creates more chances to be successful in international markets. When companies select the entry

mode , they launch strongly learning process to control more and eliminate risks in order to not

fail in foreign markets. Usually these types of companies do not have large share in domestic market that is why they build networks with large organizations and companies in order to have more knowledge for their future plans of internationalization. Most of them are high technology companies (McDougall and Oviatt, 2000; McDougall and Oviatt, 2005; Zahra and George, 2002; Zahra, 2005).

2.6 Factors Effecting the Internationalization Of SMEs

2.6.1 Company-Level Characteristics

‘‘A number of the empirical studies of exporting behaviour have sought to delineate a set of company characteristics that seemed to facilitate a company's involvement and subsequent performance in exporting {e.g. Cavusgil, Bilkey and Tesar, 1979; Cooper, Hartley and Harvey, 1970; Simmonds and Smith, 1968; Tookey, 1964}. These characteristics are, by no means, sufficient for exporting to take place. They may, however, serve as initial motivations for companies that are experimenting with exporting’’ (Cavusgil, 1984).

In this study, we will examine the company level characteristics in terms of age, size, and employee profile.

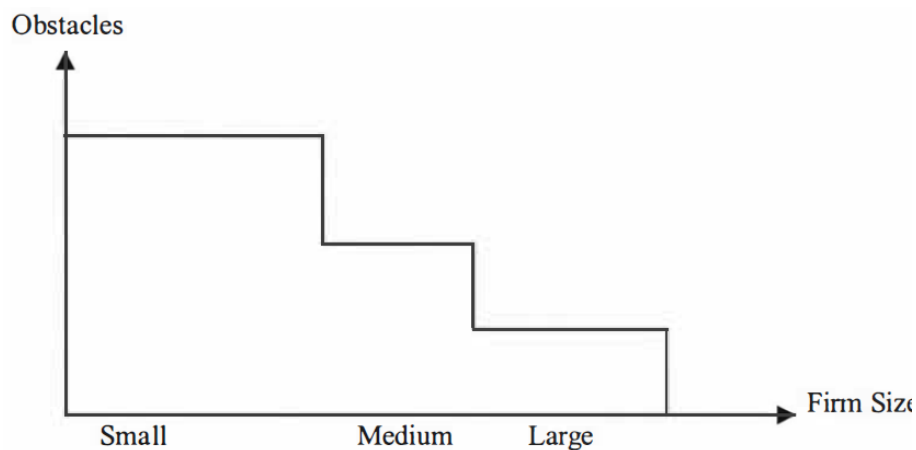
2.6.1.1 Company Profile

2.6.1.1.1 Company Size

It is a general assumption that SME have tendency to have more obstacles and they are more vulnerable because of their limited resources, lack of bargaining power and low possibility to acquire information. In the figure, the essence of the association between

constraints to a business and the size of the company is demonstrated. Schieffer and Weder (2001) hypothesized that there is a decreasing relationship between company size and obstacles. This hypothesis was tested 10.000 companies from Asia and Pacific, Latin America, and Africa, thus approving the statement that smaller companies have more problems than larger companies.

Figure 5 Relationship with company size and constraints



SOURCE: Schiffer, M., Weder, B., (2001)

The SMEs of developing countries are able to encounter more challenges because of the constraints imposed by a 'small country size'. In the next figure, the main challenges were illustrated (Maggaluga, 2002).

Table 3 Challenged faced by small economies

Disadvantages of smallness: • Limited domestic market; • Limited possibilities for economies of scale especially those related to manufacturing; • High per unit cost of infrastructure; • Limited domestic competition; • Limited natural resources; • Inability to develop indigenous technology; • High degree of openness; • High product and market concentration; • Problems with public administration; • Problems with human resources; • Limited independence in creating macroeconomic and monetary policies; • Problems with international competitiveness; • Difficulty in formulating an appropriate industrial strategy; and • Vulnerability to external shocks and natural disasters. Source: List compiled from Srinivisan (1986); Streeten (1993); Bri ublio (1995, 1998); DeVries (1984).

The studies about export marketing have shown that there is clear relationship between company size and exporting propensity because company size is considered to be functional and manageable approximation of company resources which might influence export behaviour of the company. In addition, company size might give benchmarks for segmenting companies in to categories proving that same export behaviours and same problems should be solved in one main perspective by public support programmes (Bonaccorsi, 1992).

In the processes of internationalization the company size had been directly related to its success. Despite of the advantage of being smaller company in making faster decision, they encounter clear restrictions and lack of several resources so that when the company size is larger, they have the possibility to imply international strategies more easily (Amal et al. 2010). In other words, bigger companies have more managerial and economic resources with their higher manufacturing capacity and their economies of scale is also higher. This is why they have the low-risks in export operations and the companies with

larger size has the possibility of having higher quality of management, producing slack or bigger groundwork and development budget. These elements are directly associated to export performance. According to resource-based proposition bigger companies may operate more successful due to multiple critical resources that size represents (Kahya et al., 2010). Due to these factors, larger enterprises could have a competitive export position comparing with smaller organizations (Katsikeas, 1994).

When the size of the company is larger, the resources they have are also larger. That is why they actively engage in search of both market and suitable entry mode. The supporters of the “*management of territory hypotheses*” are claiming that a large company might figure the relationships with small companies to “*manage its territory*”. Also, the increasing control of these small companies in this territory are done by these large companies. This situation might limit the exporting ability of small companies and the decision taking process might be lower due to the company size. As company size increases, the access to knowledge and information gets wider so that the entry mode for internationalization will be more active. In other words, when the company size is larger, generally these companies benefit from superior communications and information infrastructures with denser networks and they have more resources to accumulate and process information to choose more proactive export entry modes (Westhead et al. 2001).

Company size is the one of the main element of export performance and due to its association with export performance. Company size has been one of the most widely searched in the export marketing literature (Sousa, Martínez and Coelho, 2008). Previous research underlined that relationship between export performance and company size variable (e.g., Czinkota and Johnston 1985; Bonaccorsi 1992). Some studies also modelled company size effects on their export performance (e.g., Cavusgil 1984). Company size mostly measured according to employee number and annual total turnover. In fact, some studies claim that size of the company is a sign of resource available to the company (Katsikeas and Morgan 1994; Katsikeas, Deng and Wortzel 1997). For instance, Katsikeas, Deng and Wortzel (1997, p. 56) argue that “larger companies possess more financial and human resources as well as production capacity, attain higher levels of economies of scale, and tend to perceive lower levels of risk about overseas markets and operations”.

With that reason, Bonaccorsi (1992) and other researchers (e.g. Cavusgil 1984; Katsikeas and Morgan 1994) discussed that company-size connected approaches are the enzyme for improving export activities and in the end company success comes. In addition, Balabanis and Katsikeas (2003) studies found out the strong positive relation between company size and export performance. Nonetheless, there are also some researches claimed that there is not any relation between company size variable and export intensity (Contractor, Hsu and Kundu 2005). This disagreement was explained by using different measures of company size; and differences in country occurring due to the size (Sousa, Martínez-López and Coelho 2008).

The companies which had high levels of exporting practices usually had large number of employees in export function and their export departments are well structured, in contrast with those companies which carry out low level of export business. In many studies, it was found out that companies who make high-level of export activities improves competitive advantage in the market comparing with companies at low level export activities . (Katsikeas, 1994) However, other researchers such as (Kaynak and Kuan, 1993; Hsu and Kundu 2005, Sousa et al., 2008) claim that there is no association between the size of the company and their export success that is why further research should be done in order to determine this relationship results.

2.6.1.1.2 Company Age

One of the company-level determinants is the age of the company which has a relation with company level of experience and stage of internationalization. The age of the company is a significant fact in many studies and according to these studies more mature companies would find internationalization more attractive because such companies are able to manage their production activities and experiences influences on superior financial positions. In addition, those companies are keener to involve in economies of scale and would be in a good position to expand their sources (Maggagula, 2002).

Actually, many studies find different assumptions about the relation between company age and internationalization. According to the studies of (Kirpalani and Macintosh, 1980; Ursic and Czinkota, 1981; Kaynak and Kothari, 1984; Hansen, Gillespie and Gencturk, 1994; Majocchi et al. 2005; Karadeniz and Gocer ,2007) there is a significant relation between age of the company and export propensity and the studies claims that company age contributes export propensity and performance. These studies claim that younger companies exhibit more concern in foreign markets than older or more well-established companies. However, some studies assume that older companies are more likely to export than younger companies (Leeand Yang, 1998; Welch and WiedersheimPaul,1978). However, the study of Badauf et al, (2000) he has found the negative relationship between age of the company and internatioanal performance.

2.6.1.2 Employee Profile

Employee profile consists of education, international experience, language and age.

2.6.1.2.1 Education

Education is the one of the indicators of a person' skill and knowledge base and in business environment educated people are taken more seriously while taking decisions within the company. Although, educational background of the management team has been a serious concern for academic area, the resources are not enough to define relation between performance of a company and the educational background of management team. The consistent findings of level of education of the management team' relationship with receptivity and innovation has found positive (Becker, 1970).

It has been stated that in the some researches; formal professional education has influence on corporate growth on the other hand the contrast ideas are also claimed. According to some researchers professional education in management also strongly affects the moderation. For example, MBA educated employees are not naturally innovative or risk prone but the education that they get increase their tendencies to develop their skills while taking decisions in risky situations or for innovative ideas. For those reason, the executives

who have professional education are capable to avoid mistake and losses. In summary, formal education influences management in a positive way and gives the foundation of become a manager however this may not be the only cause for successful management. We say it is a foundation because in formal education we theoretically learn what management is all about and its function so that we can present the second proposition as follows;

“Companies whose managers have had little formal management education will show greater variation from industry performance averages than will companies whose managers are highly educated in management.”

(Hambrick and Mason,1984).

The managers ‘qualifications provide them learning and adapting foreign markets and its culture easily that is why high level of education with advanced socio-cognitive capabilities allow a firm management to take staretgic decisions on strategic business issues. Therefore, educated teams will find very attractive to be in international markets and take a global position with company and this increases the company’s confidence while making decisions with a range of views (Obben and Magagula 2003).

According to Uner’ study (1991) which has been done to understand obstacles for SMEs, education was determined as an important factor for internationalization of SME. 221 surveys have been done but only 210 surveys concluded in evaluation. The results are stated below;

Table 4 Educational Level of Companies and Export

	Enterprises that never consider export	Enterprises that consider export	Enterprises that never trying to export	Total
Primary school	4	6	6	16
Secondary School	4	4	2	10
High School	7	16	4	27
Total	45	87	24	156

Source: Uner (1991)

2.6.1.2.2 Language

Exporting activities are mainly based on oral and written communication with the people whose language is generally different from that of exporter. High degree of foreign language knowledge and skills are the keys for being successful in business environment by facilitating initial contact and consequent social communication in international area. In addition, foreign language knowledge provides better understanding of international business culture and experiences which gives more opportunities in selling process and agreeing with partners or management of all operations. Knowledge of foreign language is one of the main requirements for more successful exporting policies of the enterprises (Clarke, 1997).

Language knowledge is tremendous benefit for on the internationalization of SME because language is a valuable asset for making international business.(Clarke, 1997).Michal H. Armacost, who, is the U.S ambassador, underlines the importance of language knowledge by these sentences

“ Sustaining our global leadership and preserving the health of our economy will require more Americans who are knowledgeable about internal conditions, more skilled in foreign languages more familiar with foreign markets and business practices... In my work in Tokyo, I observe trade barriers but linguistic barrier is,in many respects, the most formidable obstacle to a smoother economic relationships. ” (Philadelphia Inquirer, 1991).

According to Uner’ study (1991) which has been done to understand obstacles for SMEs, foreign language knowledge was determined as an important factor for internationalization of SME.

Table 5 Foreign Language Knowledge and Export

	Enterprises that never consider export	Enterprises that consider export	Enterprises that never trying to export	Total
At least one foreign language spoken enterprises	37	76	21	134
None of foreign language spoken	23	38	15	76
Total	60	114	36	210

Source: Uner (1991)

In addition to Uner, Knowles et al. 2006 explain that the managers of the exporter companies who are in the decision make process have foreign language knowledge and these capabilities are usually higher than less successful exporters.

2.6.1.2.3 International Experience

Professional experiences of the managers are vital for making decisions and taking actions within the company. Every manager brings to his or her knowledge and know how acquired from previous works. The logical outcomes of these studies reached that managers brought in from outside are more able to make more changes in the company structure Kaynak. There are some behavioural reasons to wish bringing changes because they want to redesign the administration structure. Managers, who only work in one organization during their career, have a limited perspective that is why they can prevent growth of the companies.

The managers' career experiences provide them to see strategic opportunities and solve problems (Hambrick and Mason, 1984).

For most companies export is the initial step in internationalization and it is claimed that many SME's improve their export business gradually.

“ Stages that have been identified include a pre-export phase and experimental active and committed exporting stages” (Cavusgil, 1984).

That is why experimental knowledge plays an important role in internationalization process. Export transactions and operations are quite diverse and most of the time, require special skills and competencies. The company might want to start or adapt goods in international area and export countries have different marketing infrastructure, finance and customer purchases. Due to these factors, managers need management teams' are in need to acquire new, internationally oriented capabilities in many areas such as product development, distribution, logistics, finance, currency management ,export operations so that the managers are available to carry internationalization strategies by using their professional experiences and they assist SMEs (Cavusgil et al.,2008). Management of SME should know how to be effective while managing internationalization process .The team' s management ability comes from professional experience and this is an important factor to be successful in international market.

Professional experience also brings the advantages of being capable and being flexible with new conditions. Professional experience eases to integrate with other people and other cultures as management team is with professional experience are able to solve problems with different perspectives (Phatak and Arvind V., 1997).

Export is something that can be learned and this learning situation is impacted by information availability and feedback. For this reason, a professional orientation of management has significant impact on company export development (Brian and Walters, 1993). Executives with export operations experience such as working in foreign business operations and/or living by working cross- borders for some time would create closer understanding of the international markets and export activities.

According to Uner study (1991) which have been done to understand obstacles for SMEs, international business experience was determined as an important factor for internationalization of SME.

Table 6 International Experience and Export

	Enterprises that never consider export	Enterprises that consider export	Enterprises that never trying to export	Total
Have been abroad at least one time for some reasons	18	55	21	94
Never been abroad	72	59	15	116
Total	60	114	36	210

Source: Uner (1991)

Many researchers emphasised that knowledge attained through working experience from in international markets creates several business opportunities and increase the motivation for the internationalization of the company. If there is less experience of international market and business activities, the uncertainty rises in the international markets and influence companies' competitive position in that market. Conversely, companies with more experienced in international markets eliminates the risk of uncertainty so that they become more successful in export performances (Katsikeas, 1994).

According to the Oviatt and McDougall(1994) entrepreneurs are more sensitive to see profitable resources combination while the others not. In their studies, it has been proven that noticing new business oppotunities are influenced by previous experience because entrepreneurs' experience gives a chance of processing information. Also, Oviatt and McDougall, 1994 claims that the founders of INVs are more active to combine potential resources fom different national markets due to their experience from earlier activities. These entrepreneurs have developed capabilities based on professional international experience and network experience. Storey (1994) has claimed that an entrepreneur's resource profile might influence the company's performance. Company level-characteristics analysis fails to see important aspects that influence internationalization process and the performance of internationalizing SMEs.

The features of entrepreneurs like experience, resources, knowledge creates opportunities to discover and exploit foreign markets.

“The entrepreneur’s expertise and cognitive processes may be highly influential in international opportunity identification and evaluation.” (Jones and Coviello 2005).

The model of entrepreneurial internationalization concludes three base which are philosophical, a social and a human capital view. Entrepreneurs who have practiced in international markets are following more easily an international orientation and as a result these entrepreneurs are more ready for the internationalization activities (Manolova et al., 2002). The owners of companies might have experienced international activities in their previous companies. It is more likely that for there more recent companies they will adopt And improve the international activities policy regarding to the experience gained in these previous companies. In addition, experience might not be connected to the company success. Still, entrepreneurial experience contributes to individuals ‘specific human capital by providing valuable episodic knowledge. This experience may bring opportunities to learn and test their skills in the entrepreneurial domain (Minniti and Bygrave, 2001). Episodic knowledge gained through business ownership experience like administrative experience, developed reputation, entrance to finance association, and attaining larger social and business networks (Wright et al.,1997; Shane and Khuruna, 2003) might be used to analyze and take advantage of global business opportunities (Wright et al.,2007).

Hambrick and Mason (1984) claimed that previous job experiences beside functional track might be assumed to effects organizational results. Directors or managers are under the influence of their backgrounds and they enhance the mind-sets, the approaches, the values, the objectives and the behaviours depend on their life experiences. Managers behave according to their conjecture while explaining their business environments. In contrast to other demographic variables such as occupation, education, age and functional background, all directors may not have international experience both occupation and education abroad.

International experience presents three different but parallel issues. First of all, international experience is an alternate for diminishing level of uncertainty. Second, it is a

proxy for aggregate cultural knowledge. The last one claims that international experience act as forcing factor for the top management teams in terms of pushing them to global market economy and competition. These three processes support and lead organizational learning and construct source of expertise determining an international mentality. The accumulation and increase of international experience is considered in the main logic or first logic of the company top management team which also creates international diversifications (Prahalad and Bettis, 1986).

International assignments of a company provide global competitiveness which is key factor for company success. They explain that international assignments have three critical functions:

“(1) Succession planning and management development ;(2) coordination and control of international operations; (3) information flow and exchange between parent and affiliates and among affiliates.” (Black et al, 1992).

International experienced managers' skills are significant for accomplishments of any international strategies. The basic international competences necessary are cross-cultural interaction, international perspective, alliances with foreign companies, and local acknowledgements. There is only one way to gain these qualities in the management team which is international assignment. In other words, an international experience is a proxy for international mindset which requires several skills (Adler and Barthol, 1992).

While managers formulate an applying their international strategies, they benefit their international experience (Tung and Miller, 1990).

The different costs occur, at low level, internationalization and development of competencies while operating in international markets. Companies may get several benefits from initial operations with geographic expansion that includes economies of scope, higher sales revenues and high bargaining power (Peng M. and Delios, A, 2006).

"The process of internationalization was motivated primarily by customers of the company, which means the more they increase their activities in foreign markets they can give services of international level." (Amal et al.2010).

2.6.1.2.4 Employee Age

The relation between the age of executives and organizational characteristics was not the topic of many researches. However, there is some research for this subject and it was found that managerial youth have more tendencies to increase companies' growth and these studies have shown that the volatility of company sales and revenues are related with managerial youth. Youth managerial teams seem to be original, non traditional and more incline to take risks. The older managerial teams appear to be more conservative because they may have less physical and mental stamina or they are less able to perceive news notions and improve new forms. Management teams age have been negatively related with the capacity to unite information when making decision confidently, but they are keen to get more information to make decisions that is why making decisions takes more time. Also, older management teams feel more responsibility to the organizational status quo that is why they have greater psychological commitment. In addition, older managerial teams do not want to loose their financial security, career and retirement for the future that is why they usually avoid taking risky decisions for their companies (Hambrick and Mason, 1984).

Researchers have started focus on the entrepreneurs' age in order to set light to Small Medium Enterprises' export behaviours. However, the consequents gained by the researches give contrary information. Many researchers detected that younger managers appear to be more export- oriented than their older counterparts' Oviatt (1993). Oviatt (1993) discusses that younger managers have more tendency to expand their firm's activities in foreign markets. Younger management teams are usually more internationally minded and global than their older management teams. However, other researchers demonstrate that older ages of the owner /founder is also associated to internationalization (Welch et al 1980) in contrast to these findings; Karami, Analoui, and Kakabadse (2006)

reported that there is no empirical proof of relation between age of the manager and company growth process.

2.6.2 Individual Level Characteristics

Although the company profile is directly related with degree of internationalization of SMEs however there are some other factors that make some SMEs more successful than others in their internationalization expansion due to entrepreneurial behaviours occurrence in the company.

2.6.2.1 General Overview of Entrepreneur, Entrepreneurship and International Entrepreneurship

In basic form it means that "*one who undertakes innovations, finance and business acumen in an effort to transform innovations into economic goods*" (Wikipedia, 2012). With respect to this study's topic, the focus will be on international entrepreneurs and the risk taking of management teams in international operations so that in internationalization strategies of the individual decision making is quite important due to their driving forces. In this context, the internationalization process is not able to be understood without decision maker's talents because they see chances and threats. However, entrepreneurial is completely a complex notion because it is affected by many variables at distinct level: the individual level (the motives, skills, and cognitive processes of individual entrepreneurs), the interpersonal level (relationships between entrepreneurs and other persons), and the societal level (e.g., government politics, economic and market conditions, etc.) (Baron, 2004b).

The notion of entrepreneurship was firstly discovered in the 1700s and is still evolving. It simply means starting a own business, however it is more than that. To some economists, an entrepreneur is the person who takes the risk of establishing a new venture for making profit but the studies make a clear difference between an entrepreneurs and entrepreneurship. There is no definitive profile for successful entrepreneurs due to age, gender, race and other demographic factors but some searches declare that successful

entrepreneurs share certain behaviours including creativity, dedication, determination, flexibility, leadership, passion, self-confidence, risk-taking, proactivity and etc. (AIT, 2013). In the table below:

Table 7 Definitions of Entrepreneurship and Entrepreneur

Definition of Entrepreneurship	
Author	Definition
Cole 1968	Entrepreneurship is purposeful activity to initiate, maintain and develop a profit oriented business.
Drucker 1985	Entrepreneurship is an act of innovation that involves endowing existing resources with new wealth producing capacity.
Stevanson et al. 1989	The entrepreneurship is the pursuit of an opportunity irrespective of existing resources.
Kaish and Gilad (1991)	Entrepreneurship is the process of first discovering and second acting a disequilibrium opportunity.
Definitions of Entrepreneur	
Author	Definition
Schumpeter (1934)	An entrepreneur is a person who carries out new combinations, causing discontinuity. The carrying out of new combinations can include a new good or quality of a good, a new method of production, opening new market, conquest of a new source of raw materials or reorganisation of any industry.
Hoselitz 1960	The entrepreneur is one who buys at price that is certain and sells at a price that is uncertain.
Kirzner 1985	An entrepreneur is one who perceived profit opportunities and initiated action to fill currently unsatisfied needs.
Bygrave and Hofer 1991	An entrepreneur is one who perceives an opportunity and creates organization to pursue it.

Source: SagebPub (2009)

From the table, it seems that entrepreneurship is related to notions such as innovation, opportunity recognition, profit, economic growth, venture creation and change. Also, entrepreneurship has been mentioned as a characteristic, a attitude, an activity and a social role, each reflecting the content-domain of a specific discipline. For instance, the characteristics of entrepreneurs are interest field for psychologists at the same time their behaviour preoccupies economists. In conclusion, it occurs confusion if entrepreneurship

includes single or multiple actors or if it is an organisational-level phenomenon (Misra and Kumare, 2000).

2.6.2.2 Individual International Posture (IIP)

First goal of an organization is to support entrepreneurial activities which have to establish circumstances where the employee see the prospect of seeking new opportunities (and the ambiguity related with it) itself as advantage, not as a risk. In this study, the concept will be proposed an individual level construct; individual international posture (IIP) that includes the cognitive elements of entrepreneurs may identify and use opportunities. Furthermore, it is claimed that there are three cognitive characteristics to conform the IIP construct for international expansion strategies; they are *proactive disposition*, and high *tolerance for ambiguity* (Jos'e Acedo and Florin, 2006).

2.6.2.2.1 Proactive Behaviour

Proactive behaviours at work environment simply means making things happen. It basically aims to change the situation or oneself with self-initiated, anticipatory action or movements. For instance, work for developing new methods, creating ideal proactive solutions, and making proactive feedback seeking (Crant, 1999).

Proactive behaviour at work has been a serious concern for academic area over last decades but there have not existed an exact definition for proactive behaviour in the organizational behaviour literature and there have been many theories for describing the precedents and results of the term. In addition, some studies have explored that natural concept of proactive behavior across a large set of organizational behaviours like leadership, career outcomes, team effectiveness and job performance. However, some researchers claim that proactive behaviours emerge in a circumstantial context for instance researches on proactive socialization has specialized on newcomers 'initiative in accumulating information during their first six months on the new job (e.g., Miller & Jablin, 1991; Morrison, 1993a, 1993b).

From a general concept and specific –context categorization of the following framework constructed below explain proactive behaviours shaped in several ways with types of variables. Two broad categories of precedents are shaped in the model: personal differences and contextual elements. Personal differences is made for to understand one's disposition toward or possible to act proactively, such as proactive personality, role breadth, self-efficacy and other variables are connected to specific proactive behaviours like admiration for feedback and job engagement. Uncertainty and the norms of the organization are considered as contextual factors of proactive behaviour. The proactive behaviours are classified in two parts; general actions and context specific behaviours. In conclusion, the final outcome is the result of proactivity such as having developed job performance and job success (Crant, 2000).

In other words, proactive behaviour is defined as taking actions in an organization by self-directed and future focused behaviours which possibly bring change and conclude changing the conditions (e.g presenting new methods in work, impressing organizational plans and actions) and /or innovation within one self (e.g getting new capabilities to deal with future requirements). This definition emphasizes both a change of focus on taking control and a future focus on (anticipation). Thus, the Oxford English Dictionary (2008) describe being proactive as “creating or controlling a situation by taking the initiative and anticipating events or problems, rather than just reacting to them after they have occurred; (hence, more generally) innovative, tending to make things happen ” (Bindl and Parker, 2011).

Proactive behaviours are composed of many elements,

Proactive Personality: People have the ability to change current forced situations from their external environment. Proactive people see emerging opportunities and take action towards them and make effort till change occurs while the people who are not proactive behave in the opposite ways. In other words, less proactive people have tendency to adapt to current situations instead of changing them (Crant, 1996).

Individual Job Performance: it was assumed that proactive behaviour increases job performance through its influences on choosing and changing the sales environment like the enterprises specialising on high-end market ,keeping current customers and adding new ones (Crant,1996).

Career outcomes: Proactive personality is associated with career –related outcomes which have been studied and explored. Proactive personality described additional variance in both objective and subjective career success (Crant, 1996).

Leadership: leadership effectiveness and views of leadership are strongly tied to proactive personality. For example the study about American presidents proactive behaviours have supported their leadership success (Crant, 1996).

Organizational innovation: Proactive personality is also strongly related with the use of communication briefings to explain significant information of the organization, voluntary membership of the departments and beliefs that one holds an enlarged and enriched job. The studies suggest that there is a correlation between organizational practices and proactive personality so that managerial interventions might have more positive influences for proactive people (Crant, 1993).

Entrepreneurship; Crant (2000) defines proactive behaviour as a making the first action in improving conditions or creating new ones; it compasses challenging the status quo rather than passively adapting the present conditions. Researchers found out that there is relation between proactive personality and entrepreneurship. For example, Becherer (1999) has examined 215 small company presidents' proactive disposition and his/her entrepreneurial behaviours in the companies. In the study, it was reported that the level of proactivity was related to their entrepreneurial behaviour. Proactivity was directly and significantly associated with company entrepreneurial posture and with changing sales in the company (Becherer and Maurer, 1999).

Export proactiveness express the inclination of export based organization or companies to realize market opportunities and launch related business activities to take advantage of

these opportunities. Therefore, these companies might have more possibilities to compete in the market with a leading position. Proactive exporters benefit from an important advantage of first export market entry before their competitors by assuming prospect market requirements and initiate to exploit them before competitors. Also, behaving proactive about export clients' demands might provide an exporter to get more benefits from export sales returns through strong market dominance and premium pricing due to clients mostly associate high level quality to goods given by leaders of the market. Although, the researches for export shows that the clients might not ask for new products (Balabanis and Katsikeas 2003). There is some evidence that export clients have tendency to purchase these new products so that company might increase its export sales and compete in the markets (Henard and Szymanski 2001). In fact, Morgan and Strong (2003, p. 167) have debated that proactive behaviour based on an action orientation is "related with competitive superiority because of the "step ahead" strategic given and market leadership traits presented by companies with this strategic behaviors". Many export researches prove that proactive behaviours is positively connected to export success (Boso, 2010).

Proactive behaviour might be more active when the environment is in a state of flux: the chances afforded by the dynamic environment accommodate the necessary settings for the company to in the beginning; benefits new market niches and new geographic markets ahead of competitors. When business environment is completely stable and predictable, there do not exist opportunities for companies to be proactive (Boso, 2010). The companies which make export activities might get competitive advantage by positioning the company to be open to market signals according to changing demand and tastes. Several studies found that proactive behaviours might preserve companies' performance development. For instance, proactive companies are able to adapt more to changes and diversities in the market place and they satisfy the customers more than non-proactive companies (Atuahene-Gima et al. 2005; Narver et al. 2005).

2.6.2.2.2 Tolerance for ambiguity

Tolerance for ambiguity is the second component of IIP construct which is the enclosure that makes people feels threatened by ambiguous situations, so that has influence on the decision process. Entrepreneurs are the people who have the biggest tolerance for ambiguity because entrepreneurs are aware of the new opportunities occur by chance. In addition, entrepreneurs are braver for change due to their past experiences. Entrepreneurs has the ability to position theirself by collaborations, business activities, associated learning and accumulating market intelligence. They are also keen to change and watch out for the emerging opportunities and demand for which they are uniquely sourced to guide a solution Thus, in an occurrence of an ambiguity related with decisions for the internationalization, entrepreneurs who have more tolerance for ambiguity are more inclined to take an advantage of opportunities in international markets than those entrepreneurs with low tolerance (Westerberg et al., 1997).

2.6.2.3 Risk Taking

One of the dimensions of an entrepreneurially oriented company is risk taking that refers to eagerness of the management to execute important resources and opportunities in uncertain condition (Junehed and Davidsson 1998). Risk taking and risk propensity are directly connected to the risk taking when there is a risky decisions that means the risk taking is low and risk propensity is high. The companies who have internatioanal vision and encouraging perception towards export and internatioanalization usually are willing to take risks and achieve (Abby and Slater; 1989).

Export activities contain risk for failure because allocation of company resources for export operations involves a high degree of uncertainty about its outcomes. Exporting activities are naturally risky and there might be important losses for the companies however it might bring considerable profits too (Samiee et al, 1993). Due to these reasons export oriented companies tend to take more risks to be more successful in foreign markets (Samiee et al, 1993).

The companies that take high risk for exporting (e.g promoting new product innovations; investing in foreign countries regions; integrating international market competition) considering to make more export sales profits than looking for safety (e.g. staying in the local competition; exporting to or border countries) (Werner,Brouthers,1996). Therefore, there might be correlation between export risk taking and increase in the export performance. Even though, some researcher discussed that approved and accurate export strategies might have powerful and positive consequences on export performance, however it is discussed that taking risks might create new products or services or even lead to new export processes which could be beneficial for the company in the long term (Mc Dermott and O'Connor, 2002).

When there are changes in the environment and if these changes exist in consumer demands and preferences which provide opportunities; taking risks at that time might be most beneficial for companies before their competitors and in the end big profits might be gained by risk taking behaviours. But when the environment is completely certain and stable, there is not so much market opportunities to use and that is why the profits available from taking risks do not seem as an attractive strategy (Boso,2010). Hughes and Morgan (2007) admit that risk taking-orientation reduces company's laziness and inaction. Even though, risk taking might need cost and raise the danger of losing for exporters.

This research will try to explain entrepreneurs' are taking risk and what role it has on internationalization's behaviour. The term of risk at the individual level of analysis was searched on two focuses which are risk preference and risk taking. According to this comment, behaviours are not changing due to change in risk preference; the change is due to change in risk taking. According to the Brochhaus study (1982), the factor that characterizes entrepreneurs from other managers is not taking bigger preference for risks. For an outside observer who agrees more rational risks, it may seem that entrepreneurs have tendency to join risky ventures but when differences in risk taking are factored out, entrepreneurs have proved that they prefer risks that only one moderate.

Based on the literature review provided above, the following hypothesis was formulated:

Hypothesis 1(H1): There is a significant relationship between degree of internationalization and company's profile (its age, size).

Hypothesis 1A (H1A): There is a significant relationship between degrees of internationalization and company size.

Hypothesis 1B (H1B): There is a significant relationship between degrees of internationalization and company age.

Hypothesis 2 (H2): There is a significant relationship between degree of internationalization and employee's profile (education, language, professional experience, age).

Hypothesis 2A (H2A): There is a significant relationship between degrees of internationalization and high level of professional qualifications of the management team's.

Hypothesis 2B (H2B): There is a significant relationship between degree of internationalization and language knowledge of the management teams.

Hypothesis 2C (H2C): There is a significant relationship between degrees of internationalization and international experience of SME management team.

Hypothesis 2D (H2D): There is a significant relationship between degrees of internationalization and age of management teams.

Hypothesis 3 (H3): There is a significant relationship between degrees of internationalization and tolerance for ambiguity the manager

Hypothesis 4 (H4): There is a significant relationship between degrees of internationalization and proactivity of the manager

Hypothesis 5 (H5): There is a significant relationship between degrees of internationalization and risk taking behaviour of the manager.

Research Questions to be addressed: The initial aim of this thesis is to assess the factors that influence the internationalization degree of Turkish Small Medium Enterprises. We have asked that “ Are SMEs with the born-global approach have more internationalized than SMEs that internationalize stage by stage?”

3. RESEARCH DESIGN AND METHODOLOGY

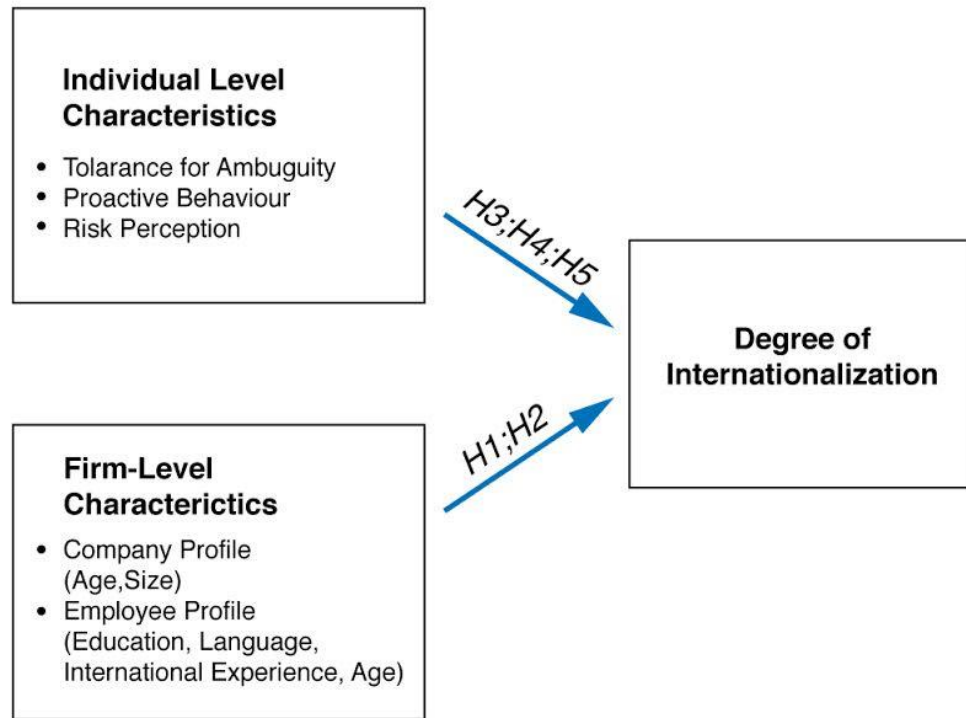
3.1 Model of Study

The main objective of this study is to investigate about the role of company and individual level characteristics of human capital on the internationalization of Turkish SMEs. The internationalization process will be measured by the companies export activities. The research model was adapted from the study of F.J Acedo (2006). In our model, company profile includes age, size variables and employee profile includes educational, language knowledge, international experience, age variables while individual level characteristics consist of individual international posture and risk taking propensity. All these variables are directly influencing SME internationalization. The study contains five main hypotheses and 6 sub-hypothesis which are formulated based on supportive literature. The figure represents the model studied.

The dependent variable: Internationalization degree.

The independent variables: are company level characteristics such as size, age and employee profile that covers age, education level, professional experiences and foreign language knowledge of employees. The second independent variable is individual international posture (proactivity and tolerance for ambiguity) and the last one is risk of taking propensity.

Figure 6 Proposed Research Model



3.2 Methodology

A quantitative research method was used for our study. An explanatory (hypothesis testing) type of research design was chosen due to the problem addressed by this study concerns with understanding the relationships between internationalization degree of SME and individual level and firm level characteristics (including company profile, employee profile, proactive behaviour, tolerance for ambiguity, risk taking propensity) , born global approach.

3.2.1 The Structure of the Measurement Instruments

In our study, the questionnaire is composed of five sections. This new questionnaire was carefully designed to acquire quantitative and qualitative data about SMEs, consisting of:

the company-specific and managerial characteristics; the entrepreneurial aspects and the companies export related activities. The questionnaire was adapted from previously developed scales of for the other studies. Company level characteristics were adapted from the study of Fernandez and Lambordob (2009) based on 7 questions requesting demographic information age and size of the company, age, educational level, international experience, foreign languages of the owner or employees. Individual level characteristics composed of three parts: proactive behaviour, tolerance for ambiguity and risk taking propensity. The proactivity factor questionnaire was adapted from Crant and Bateman (2000) which consisted of 17 scored items with a scale of 1-7 however 10 items of used in the study questionnaire with the six -point lickert scale which has been widely used in other studies.

The tolerance for ambiguity factor questionnaire was proposed by Lorsch and Morse (1974) and it consisted of 4 items with six -point lickert scale in order to measure the degree of internationalization, we selected one variable which is international commitment adapted by Brouthers, (2001) and Johanson et al., (1977). The last individual levels of characteristics are risk taking and risk taking propensity will be measured using the questions of Hisrich and Peters (2002).

3.2.2 Sampling

In the study, cluster sampling method used which is a technique where the main population is divided into clusters and the random samples of these clusters are chosen. This method usually used when the scholar is not able to get a complete list of the members of the population. It also creates more economical and practical way for scholar (SG, 2013). The samples of study was selected through international fairs were held during 2013 in Istanbul (Evteks2013, Aymod 2013, Automechanica 2013, Turkey Build 2013). These clusters are SME directors and owners who participated in four international fairs in Turkey, Istanbul. A theoretical descriptive framework was constructed for the studied phenomenons. The primary data were composed to understand entrepreneurial managerial characteristics of SME and company characteristics. We have chosen three developing

sectors in Turkey which are textile (home textile, fabrics and clothing), shoes (men, women, kids), automotive and construction.

3.2.3 Data Collection Method

The data were collected by means of face to face administered interview with the top manager or owner of each company. The data collection period started in May 2013 and ended December 2013. At the end, 170 companies were contacted in total and only paper based surveys have been used. However, 11 out of 170 questionnaires have missing data and thus needed to be left out. In total, 159 questionnaires were obtained which all responses completed. To analyse the data collected; Statistical Package for Social Scientists (SPSS for Windows) version 1.0.16 was used. This computer package was selected because it is simple, useful and able to sort the data, to use various statistical techniques to understand the behaviour of individual variables, and to explore relationships among the variables in the model.

3.2.4 Data Analysis

In this section, methods used for analysing the data introduced.

3.2.4.1 Descriptive Statistics of the Study

In order to understand man characteristics of the data, descriptive statistics is used. Mean values of all interval and ordinal scaled variables are calculated in order to understand company profile and employee profile such as age, size of the company, foreign language, years of experience and etc.

3.2.4.2 Inferential Statistics of the Study

Inferential statistics help researchers understand the relationships between variables. The methods used according to each hypothesis are stated below:

Chi-Square is used for the following hypothesis;

Hypothesis 1A (H1A): There is a significant relationship between degrees of internationalization and company size.

Hypothesis 2A (H2A): There is a significant relationship between degrees of internationalization and high level of professional qualifications of the management team's.

Spearman Correlation is used for the following hypothesis;

Hypothesis 1B (H1B): There is a significant relationship between degrees of internationalization and company age.

Hypothesis 2C (H2C): There is a significant relationship between degrees of internationalization and lack of international experience of SME management team.

Pearson Correlation is used for the following hypothesis;

Hypothesis 2B (H2B): There is a significant relationship between degree of internationalization and language knowledge of the management teams.

Hypothesis 2D (H2D): There is a significant relationship between degrees of internationalization and age of management teams.

Regression Analysis is used for the following hypothesis;

Hypothesis 3 (H3): There is a significant relationship between degrees of internationalization and tolerance for ambiguity the manager

Hypothesis 3 (H4): There is a significant relationship between degrees of internationalization and proactivity of the manager

Hypothesis 5 (H5): There is a significant relationship between degrees of internationalization and risk taking behaviour of the manager.

4. RESEARCH FINDINGS

4.1 Respondents Profile

The first analysis with the data was done to figure out the general profile of the respondents. Table 8 represents the result.

Table 8 Frequencies of the Demographic Variables (n=159)

Variables	Frequency	Percentage	Variable	Frequency	Percentage
COMPANY OWNERSHIP			COMPANY SIZE		
Owner	53	33,3	1-9 employee	37	23,3
Manager	106	66,7	10-49 employee	76	47,8
			50-249 employee	45	28,3
COMPANY AGE					
< 40 YEARS	159	100			
AGE			INTERNATIOANAL EXPERIENCE		
< 35	70	44,02	Yes	115	72,3
35-61	89	59,98	No	44	27,7
EDUCATIONAL LEVEL			FOREIGN LANGUAGE		
Primary School	14	8,8	Any	38	23,9
High School	38	23,9	1	73	45,9
University	87	54,7	2	44	27,7
Master Degree	20	12,6	3	3	1,9
Phd	0		4	1	,6

As can be seen on the table, information about the respondents come like this; we have made 159 valid surveys and 53 respondents were owner of the company (%33,3) while 106 respondents were employee of the company (%66,7). Secondly, %23,3 of companies employ between 1-9, %47,8 of them employs between 10- 49 and %28,3 of them employ between 50-249 people. The respondents ' age changes between 21 and 61 years old and company age changes between 1 and 40 years. In addition, according to data, %23,9 does not know any language, %45,9 of them speaks only one foreign language, %27,7 speaks two foreign language %1,9 knows three foreign language and %0,6 knows four foreign language. Secondly, %8,8 respondents are graduated from primary school,%23,9 high school, %54,7 university and %12,6 master degree.

4.2 Reliability and Measurement Instruments

Findings reveal the relationships between individual and firm level characteristics and internationalization degree obtained from 159 questionnaires and the results of hypothesis tests.

There are twenty one questions in our survey which were called item in the model. The study conducts these items to factor analysis in order to reduce the complexity in a set data. First of all, the reliability analysis was applied in order to measure whether the test is reliable or not. In reliability test Cronbach's alpha which is in Table 1 is greater than 0.843 and that shows that the test is reliable for analysis. In other words individual item reliability is considered adequate when Cronbach's alpha is greater than 0.7

4.3 Factor Analysis

When factor analysis was carried out to find the Total Variance Explained , five items were extracted. Thus these five items explained %57 of the total variance. In other words, the model of the study explained the relationship between the dependent and independent variables at % 57 and in research literature, this is considered as an adequate level of explanation for a model.

Rotated component matrix showed that questions of 1,2,3,4,5,6,7 questions are belonged to first component ;8,9,10,11,12 questions are belonged second component however we have a problem in question thirteenth which starts “ At any situation...” and contributes % 47 of second component and %45 of third component . 14, 15, 16 questions are belonged to third component. The question which starts with “I love it...” has also problem because it contributes equally second and third component %34 and %36. The last two questions are belonged to the fifth component and two other questions are belonged to fourth component.

The questions that start “ I love it.. .” and “ At any situation...” and also in the sixth question which belongs to first component have equal contribution to components. In order to adjust the problems omitting was done to the questions of 6, 10, 17 from our analysis because we need to clear that those questions are in which component? Question 20 and 21 are also ommited from the analysis.

Table 9 Composition of the items of Individual Level Characteristics

Factor 1 Proactivity	Factor 2 Risk Taking	Factor 3 Tolerance I	Factor 4 Tolerance II
q5, q7, q8, q9, q11, q12, q13, q14	q15, q16, q18, q19	q1, q2	q3, q4

In total the number of omitted the questions are five so that there are 16 items left in the analysis. Thus, the reliability analysis was done again after reducing items to 16 in order to measure whether the test is reliable or not. In reliability test Cronbach's alpha which is in is greater than 0.757 and that shows that the test is reliable for analysis and KMO which is the second important indicator to understand that whether the sample is suitable or adequate to make factor analysis and indicator of population. 0.782 gave us a good result that sample population is adequate. Bartlett's Test of Sphericity at which measures data are available for factor analysis gave a good result and showing that $\text{sig} .000 < 0.05$.

Table 10 Factor Analysis

NAME OF THE FACTORS	QUESTIONS	FACTOR LOADINGS	VARIANCE	RELIABILITY
TOLARANCE FOR AMBIGUITY I	I enjoy working in uncertain situations	,833	22.084	0,745
	I enjoy the challenges of uncertain situations	,786		
TOLARANCE FOR AMBIGUITY II	I often get irritated when unexpected events ruin my plans	,756	15.138	0,712
	The uncertainty surrounding my firm prevents me from doing my best	,823		
PROACTIVITY	I am always at the lookout for things that will improve my life	,615	9.391	0,813
	Nothing is more exciting than seeing my ideas turn into reality	,699		
	If I see something I don't like, I fix it	,601		
	No matter the odds, if I believe in something I will make it happen	,741		
	I am very good at identifying opportunities	,656		
	I always look for better ways of doing things	,673		
	If I believe in an idea, no obstacle will prevent me from implementing it	,610		
	I can see opportunities way before others do	,595		
RISK TAKING	I take risks in investment and money	,830	8.922	0,760
	I can drive the roads that idont know when i am travelling	,654		
	I took serious risks in my life	,758		
	I took serious risks in last six months	,735		

TOTAL	55,534
Kaiser-Meyer-Olkin Measure of Sampling Adequacy	0,782
Bartlett's Test of Sphericity	Approx. Chi-Square
	df
	Sig
	637,584
	120
	0.000

These four items explained %55,34 of the total variance which is decreased % 2 from the first analysis so that our model explained relationship between variables at % 55 rates and in literature this rate takes place as adequate level. The significant point of in this case our factors decreased from five items to four items and survey contains 4 components in the end. Rotated component matrix factor analysis by varia-max method was done in order to eliminate this uncertainty in these questions and in other questions we repeated and we tried to make components perpendicular to each other and the results are significant. It is observed that each questions are contributed each components. As it is stated in 13, 1, 2,3,4,5,6,7,8 questions are belonged to first component, 9,10,11,12 are belonged to second component, 13, 14 questions are belonged third component and 15, 16 questions are belonged the fourth component.

4.4 Results of the Hypothesis Tests

Hypothesis 1A (H1A): There is a significant relationship between degrees of internationalization and company size.

Chi-Square test was applied in order to find relation between internationalization degree at the level of 0.05 significance, sig., 210 and the size of the company is not found significant as a factor for the internationalization process of companies in the sample. Thus, Hypothesis 1A is not supported

Table 11 Chi-Square Result of Company Size and Internationalization Degree

	Value	df	Asymp. Sig. (2-sided)
	15,614 ^a		
Pearson Chi-Square		12	,210
Likelihood Ratio	12,796	12	,384
Linear-by-Linear Association	,133	1	,715
N of Valid Cases	159		

*p< .05

Hypothesis 1B (H1B): There is a significant relationship between degrees of internationalization and company age.

The significant Spearman correlation coefficient value of 0.158 confirms that there is weak and positive relationship between the age of company and internationalization degree. This relation is statistically significant. Thus, Hypothesis 1B is supported. ($p=.047, r=.158$).

Hypothesis 2A (H2A): There is a significant relationship between degrees of internationalization and high level of professional qualifications of the management team's.

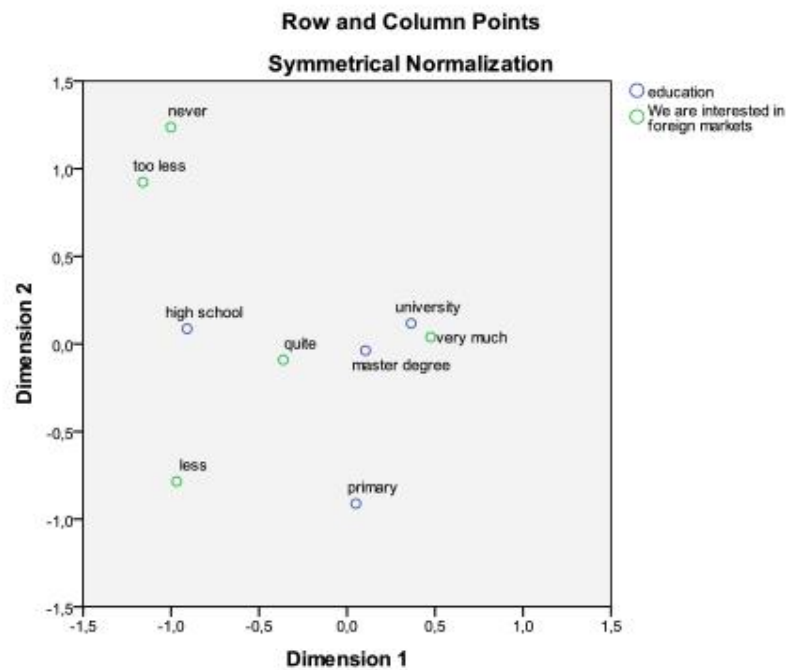
Chi-Square test was applied in order to find relation between internationalization degrees. At the level of 0.05 level of significance, sig., 224. The education level of the employee was not found significant in the analysis so that it is not a determinant factor of Small Medium Enterprises internationalization process. Thus, Hypothesis 2A is not supported.

Table 12 Chi-Square Result of Education and Internationalization Degree

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	19,909 ^a	16	0,224
Likelihood Ratio	18,886	16	0,275
Linear-by-Linear Association	5,827	1	0,016
N of Valid Cases	159		

Although no support found between educational level and internationalization, the study also tested that whether the companies who are interested in foreign markets have high educational level or not and correspondence analysis have made. The sum of corresponded are 159 people; 81 of them are "very much" interested; 63 of them are quite interested; 7 of them less: 6 of them too less and 2 of them are never interested. As we see, "less" is close to "primary school", "quite" close to "master degree", "very much" is close to "university degree" and etc.

Figure 8 Relationship between educational level and degree of interest to foreign markets



Hypothesis 2B (H2B): There is a significant relationship between degree of internationalization and language knowledge of the management teams.

There is a positive and weak correlation between foreign language knowledge of the owner or manager and internationalization degree ($p=.004$, $r=.228$). This relation is statistically significant. Thus, Hypothesis 2B is supported.

Hypothesis 2C (H2C): There is a significant relationship between degrees of internationalization and international experience of SME management team

A Pearson correlation was run to determine the relationship between 159 companies' managers' or owners' international experience and internationalization degree. There is a negative and strong correlation between international experience of the manager or owner and internationalization degree ($r = -.0238$, $p=.003$). This relation is statistically significant. Thus, Hypothesis 2C is supported.

Table 18 Relationship between international experience of the employee and internationalization degree

Hypothesis 2D (H2D): There is a significant relationship between degrees of internationalization and age of management teams.

The relationship between the age employee (owner or manager in export decision process) and internationalization degree of the company was statistically significant. There is a positive and weak correlation between age of the owner or manager and internationalization degree ($r = .211$, $p = .008$). Thus, Hypothesis 2D is supported.

Table 13 Correlation Results of the variables and Internationalization Degree

Variables	1	2	3	4
Company Age	,158*			
Foreign Language		,228**		
Internatioanal Experience			(-),238**	
Employee Age				,211**

* $p < .05$, ** $p < .01$

4.5 Regression Analysis

Through the surveys applied 159 firms who attended international fairs, the export managers or owners (who are charge of export decision-making process) were asked questions to measure their *proactivity, tolerance for ambiguity and risk perception*. Although, the survey includes three factors but the differences of people characteristics structures and different environment bring different responses for the survey in a qualitative way that is why there occurred four factors in the analysis.

Hypothesis 3 (H3): There is a significant relationship between degrees of internationalization and tolerance for ambiguity the manager

Anova has shown that managers' personal tolerance for ambiguity was not statistically significant and sig, 831 and sig., 967 >0.05 which means the model does not has the meaning. In other words, there is no causality between factor 3 and factor 4 and internationalization degree. Therefore, the hypothesis no was not accepted.

Table 20 Relationship between tolerance for ambiguity of the manager and internationalization degree

Table 14 Anova Result of Tolarance for Ambiguity and Internationalization Degree

	N	Mean	F	Sig.
Tolarance for Ambiguity I	159	44,567	0,046	,831^a

***p< .05**

Table 15 Anova Result of Tolarance for Ambiguity and Internationalization Degree

	N	Mean	F	Sig.
Tolarance for Ambiguity I	159	1,676	,002	,967 ^a

*p< .05

H4: There is a significant relationship between degrees of internationalization and proactivity of the manager

At the individual level of analysis, test revealed that proactivity associated with internationalization performance of the Small Medium Enterprises. Thus, Hypothesis 4 is supported.

Table 16 Anova Result of Proactivity and Internationalization Degree

	N	Mean	F	Sig.
Proactivity	159	5090,789	5,417	,021 ^a

*p< .05

Hypothesis 5 (H5): There is a significant relationship between degrees of internationalization and risk taking behaviour of the manager

Anova has shown that managers' personal proactivity was not statistically significant and sig., 560 sig >0.05 which means the model does not has the meaning. In other words, there is no causality between factor 4 and internationalization degree.

Table 17 Anova Result of Risk Taking and Internationalization Degree

	N	Mean	F	Sig.
Risk Taking	159	330,823	,341	,560 ^a

*p< .05

4.6 Research Question Findings

The research question of the study wants to find out whether they were founded to be Born Global or not. The companies with export-founded are 59 and 100 companies were not founded for exporting. This means companies who wish to start with export in early year of their establishment and aims that has a global approach while others not. (McKinsey & Co. 1993) Furthermore, the Chi-Square Test is used to investigate the relationship between reason of establishment of the company and its internationalization degree. at the level of 0.05 level of significance, sig . ,000 thus there is a relation between reason for establishment and internationalization degree.

Table 18 Reason of the Company Establishment * Internationalization degree
Crosstabulation

		Degree of Internationalization					Total
		0	25	50	75	100	
Reason of the company	yes	2	7	13	16	21	59
	no	18	25	23	26	8	100
Total		20	32	36	42	29	159

Table 19 Chi-Square Result of born global approach and Internationalization Degree

	Value	df	Asymp. Sig. (2-sided)
	25,001 ^a		
Pearson Chi-Square		4	,000
Likelihood Ratio	26,030	4	,000
Linear-by-Linear Association	21,530	1	,000
N of Valid Cases	159		

*p< .05

Table 20 Results of the Hypotheses

VARIABLES	HYPOTHESIS	RESULT
Company Profile	There is a significant relationship between degree of internationalization and company's profile (its age, size).	
Company Size	Hypothesis 1a: There is a significant relationship between degrees of internationalization and company size.	<i>Hypothesis is NOT supported.</i>
Company Age	Hypothesis 1b: There is a significant relationship between degrees of internationalization and company age.	<i>Hypothesis is supported.</i>
Employee Profile	H2: There is a significant relationship between degree of internationalization and employee's profile (education, language, professional experience, age).	
Education	Hypothesis 2a: There is a significant relationship between degrees of internationalization and high level of professional qualifications of the management teams.	<i>Hypothesis is NOT supported.</i>
Language	Hypothesis 2b: There is a significant relationship between degree of internationalization and language knowledge of the management teams.	<i>Hypothesis is supported.</i>
International Experience	Hypothesis 2c: There is a significant relationship between degrees of internationalization and international experience of SME management team.	<i>Hypothesis is supported.</i>
Age	Hypothesis 2d: There is a significant relationship between degrees of internationalization and age of management teams.	<i>Hypothesis is supported.</i>
Tolerance for Ambiguity	H3; There is a significant relationship between degrees of internationalization and tolerance for ambiguity of the manager	<i>Hypothesis is NOT supported.</i>
Proactivity	H4: There is a significant relationship between degrees of internationalization and proactivity of the manager	<i>Hypothesis is supported.</i>
Risk Taking	H5: There is a significant relationship between degrees of internationalization and risk taking behaviour of the manager.	<i>Hypothesis is NOT supported.</i>
Research Question	RH: There is significant relationship between reason for establishment of the company and its internationalization degree.	<i>Hypothesis is supported</i>

5. DISCUSSION

This study endeavoured to increase our knowledge about Small Medium Enterprises' internationalization degree of interaction with the variables of individual level (proactive behaviour, tolerance for ambiguity, risk perception) and firm level (age, size and employee profile). Also, the study has sought to know whether there is relation between internationalization of the Small Medium Enterprises and its objective of establishment of the company which is "Born Global". The general theoretical literature on this subject and specifically in the context of Turkish Small Medium Enterprises was inconclusive for the variables of proactive behaviour, tolerance for ambiguity and risk perception while there was a satisfactory business literature for the variables of company age, company size, employee age, educational level, foreign language and international experience.

First of all, the study assumed that company size is a determining factor for internationalization because according to Schieffer and Weder (2001), when the company size is smaller they encounter more obstacles and challenges for future development due to some reasons like limited resources, lack of bargaining power and low possibility to acquire information and etc. However, the positive side of being a small company brings fast decision making in critical times and the positive side of being larger is to imply foreign market strategies in a easy way (Amal et al. 2010), taking advantage of the best communication, acquiring information, choosing proactive entry modes (Westhead et al .2001), having more competitive position in export performance (Katsikeas, 1994). The study assumed that there is a relationship between company size and internationalization degree however no relationship was found between them. At the level of ,.05 significance, sig, 210 >.05 the result of hypothesis supports findings of the study conducted by Hsu and Kundu 2005, Sousa, Martínez-López and Coelho 2008.

Our research supports the stage theory of internationalization, growing larger firms will be able to commit greater resources to international activities and gradually increase their share of sales derived from the international markets. Larger firms could, therefore, have more resources available for developing firms' international activities.

Secondly, the relationship between the age of company and internationalization degree was found significant. At the level of 0.05 level of significance, $\text{sig } .047 < 0.05$ thus there is a relation between company age and internationalization degree. This finding supports the stage theory of internationalization because when the company age is getting older due to experience they have by time will contribute export performance. The result of hypothesis supports findings of the study conducted by Kirpalani and MacIntosh, 1980; Ursic and Czinkota, 1981; Kaynak and Kothari, 1984; Hansen, Gillespie and Gencturk, 1994. These studies showed that there is positive relation between age of the company and export propensity and claims that company age contributes export propensity and performance. In addition, Majocchi et al. (2005) and Karadeniz and Gocer (2007) have explained that there is positively strong relationship between company' age and international sales which brings increase in level of internationalization. However, the study of Badauf et al, 2000 has found negative relationship between age of the company and export performance.

The employee profile of the company was tested and the education level of the employee (PhD, master degree, university, high school) was not found significant $\text{sig.}, 210 > .05$ in the analysis so that it is not a determinant factor of Small Medium Enterprises internationalization process. This result is contrary to the finding of previous researches which reports that more qualified employee affects the SME performance and international diversification (Obben and Magagula 2003). In addition Uner (1991) also explored that low education level is an obstacle for export decision of the company. However, this result should be taken into consideration due to a specific sample of companies taken in the study so that this relationship should be examined in future researches. After this result, the study also tested that whether the companies who are interested in foreign markets have high educational level or not, the results revealed that high level of educational background brings more tendencies to participate in foreign markets. In other words, better qualified management teams have the opportunity to achieve high export performance and lead the SME in international markets.

The foreign language knowledge is also considered as one of the factors that influences on internationalization degree of Turkish Small Medium Enterprises so the results have showed that the relationship between the foreign language knowledge of an employee (owner or manager in export decision process) and internationalization degree of the company was found significant with the result of $\text{sig}.004 < 0.01$ at level. This finding supports the stage theory of internationalization. Clarke, 1997 stated that the knowledge of foreign language is one of the main requirements for successful exporting of the enterprises. Foreign language knowledge is inevitable for managers or owners to adopt in international markets because in order to enhance international business relations require qualified managers with foreign language knowledge. The result of hypothesis supports findings of the study conducted by M.Uner in 1991 Fernández-Ortiz, R., & Lombardo, G. F. 2009: Knowles et al. 2006).

International experience of the manager was assumed as a factor that might increase the level of internationalization of the SME and was measured by the years of international business involvement. Based on the literature review, the study predicted to find a positive relation between two variables but however relationship was found in negatively. While international experience increases the level of internationalization decreases. This finding has not been reported in the business literature and it might be occurred due to sample and respondents profile such as cultural and social. In contrast to this finding, Brian and Walters, 1993 reported that managers who have export experience in the management processes of international business have high level of perception in foreign markets and export activities. In addition Katsikeas, (1994) found that managers with more experienced in international markets eliminates the risk of uncertainty so that these companies show high level of export performance.

Age of the manager or owner were considered as a predictor for export behavior because older managers are not considered internationally minded than younger managers because they are more motivated in making business in international markets. Related to employee profile characteristics; employee age and internationalization degree of SME were tested in order to find relation; the relationship was found significant $\text{sig} .008 < .05$. Based on the

literature review, the study predicted to find positive relation between two variables. This finding supports the stage theory of internationalization when the employee age is older; this employee acquires more experience and knowledge about foreign markets which is a key factor for export success of the firm. The study assumed that young managers are more export –oriented due to their entrepreneurial behaviours while implying international strategies however older people gave this result. This result was also supports findings of the study conducted by Oviatt (1993).

The second main determinant factor was examined as individual level characteristics and in the study' analysis individual level factors were formed as four factors, even though three hypotheses were presented in the study. These factors are proactivity, tolerance for ambiguity I and tolerance for ambiguity II and risk taking.

Individual International Posture consisted of two parts; tolerance for ambiguity and proactivity .The results have shown that managers' personal tolerance for the ambiguity was not significant and sig, 831 and sig., 967 >0.05. Thus, the study did not found any relationship between tolerance ambiguity of the manager or owner and degree of internationalization although the study of Jos'e Acedo and Florin (2006) has reported uncertain conditions might influence internationalization decisions and managers who has high tolerance have more tendency for benefiting opportunities ,in international markets than those who has low tolerance because they become destroyed by this uncertainty. Therefore we consider tolerance for ambiguity should be examined in future research line.

Proactive behaviour was the second construct for Individual International Posture based on the literature review, the study predicted to find positive relationship between two variables. The proactive behaviour based on an action orientation which is associated with competitive superiority as a strategy and this strategy might give them leadership in the international markets (Morgan and Strong 2003, p. 167). Proactivity of the manager was assumed as a factor that might increase the level of internationalization of the SME and the internationalization degree of the company was found significant with the result of sig, 021<.05. In other words, at the individual level of analysis, test revealed that proactivity associated with internationalization performance of the Small Medium Enterprises. This

result is supported by findings of previous studies made by Florin (2006) which founded strong relationship between international expansion and proactive behaviour of the entrepreneur, also Boso (2010) stated that export success is related to proactive behaviour of the employee who is in the decision process. This finding is also supported born-global theory of internationalization which is based on founders' entrepreneurial behaviours and vision about export.

The risk taking of the manager or owner of the Small Medium Enterprises was assumed as a determinant factor that influences drastically the level of internationalization of the company. Analysis showed that the relationship between the risk taking behaviour of the manager and the internationalization degree was not found significant sig., 560 >0.05. The result of hypothesis supports the results of the study conducted by Mirna Leko-Šimic and Jasna Horvat (2006), they reported that Croatians do not have very high risk propensity while they do business internationally that is they might be unsuccessful. However, the study of Abby and Slater, 1989 reported that the companies who have international vision and encouraging perception towards export and internationalization usually are willing to take risks and achieve the export success. Also, Mc Dermott and O'Connor (2002) argued about risk taking behaviours are able to create new products or services or lead new export processes which can be beneficial for the company in the long term.

An interesting finding of the study is that the research question which gave us the positive result and it was firstly investigated in Turkey. In the research question, we investigated whether the companies founded with the idea of export in other words, born global or they decided to export after the establishment. Fifty nine companies founded for export in the sample and one hundred companies reported that they were not found for export from this data; we wanted investigate whether the companies with the export oriented establishment are more internationalize than who are not. The analysis gave us ,at the level of 0.05 sig., 000 <.05 which means the result was significant. Born global companies have high level of internationalization than others and this is also a contribution to the business literature in this field which will shed light on future research lines.

For this study, our purpose was to determine firm level characteristic and individual level characteristic which is psychological characteristics influencing international behaviours of the firm and their internationalization degree. Notwithstanding, we cannot forget the company age, employee age, foreign language, proactivity, international experience are highly influenced by the kind of market that is targeted and approach by the company to international market is also significant for success in export.

5.1 Limitations and Future Research Directions

In this study, we investigated how company level characteristics individual level characteristics influence degree of internationalization of SME in Turkey. However, the data collection is limited because the surveys were made only with SME who attended international fairs in Istanbul that is why there might be some limitations. Because there is big part of SME within Turkey within several different conditions and motives.

Although the internationalization of SME has been argued in many context and aspects, this study gives a fresh view of the variable what might influence the internationalization of Turkish SME. Both theoretical and empirical insights are explained during the research such as internationalization theories, defining SME and its tools; individual and company level characteristics of the SME and so on. We have applied a conceptual model from a empirical study so that samples are different which consist of Small –Medium enterprises within Turkey and it is important to note that Turkey is a developing economy. There could be refinement and replication by applying this study for the samples of advanced economies (Germany other western countries) and undeveloped economies (Ghana or other African countries)

In addition, future studies are encouraged to search how the degree of internationalization changes regionally for instance in the south-east or the Black-sea Region or when SME one located developed in industrial regions such Tuzla Industrial Region or Gebze Industrial Region. Samples that are taken these groups might give us different results and there might be change according to the sectors also. There are some significant issues for future research agenda that we have discovered during the study. For example, there might

be a study to define and understand the type of internationalization of SME within Turkey and which theories might be associated with them. And finally, it can be investigated. Are the born-global enterprises growing or is network approach is higher in internationalization of SME?

6. CONCLUSION

The power of Small and Medium Enterprises (SMEs) represents the industrial development degree of any country in the world because they give significant socio-economic contributions such as providing high growth employment, output, exporting and encouraging entrepreneurs .In addition, Small Medium Enterprises have several advantages such as quick adjudication, intense labour and production, low cost management; that is why in the current conjuncture, is one of the most significant performance indicator of a country economy. Turkey is a member country of the European Union; one of the G-20 economies and the economic conditions of Turkey are growing rapidly to compete in the international markets. Therefore, Turkish Small Medium Enterprises performance might strengthen mutual economic relations with other countries.

First and foremost, this study aims to fill in the blanks due to lack of studies that have examined relationships between individual, firm-level characteristic and internationalization degree .The scarcity of studies on this topic led us to concentrate on these characteristics because SME are the one who encounter challenges while implementing internationalization strategies. Secondly, this study analyses whether SMEs' internationalization is designed according to these characteristics or not.

In the study, the hypotheses were presented are not supported except for five of them. Supports are found for the relationship between company age, employee age, international experience, foreign language knowledge and proactivity of the employee and internationalization degree. Besides, the statistical analyses indicate that there is relationship between education status of the employee and tendency to participate in foreign markets by exporting. The findings of the study enable us to define “age of the company, age of the employee, foreign knowledge of employee and proactivity “as indicators affecting internationalization degree of Small Medium Enterprises. The study also investigate the research questions according the theory of Born Global (Mc. Kinsey, 1993) and the companies that aimed to export from the establishment have high degree of

internationalization. The result of research questions also was found significant and the relationship was detected.

This study contributes in business literature and declares firm level and individual level factors effects on export performance of the Turkish Small Medium Enterprises. It investigates how small firms' managers might successfully manage their export problems. These findings are interesting for both managers of the companies and the entrepreneurs. Furthermore, the study is beneficial for government organizations, for international trade and business institutions. It is clear that companies with different characteristics at the individual level and firm level are in the need of different types of trainings and support during the management of international expansion and operations. From the perspective of education and practioners, these results propose several postures that might be enhanced in individuals who are carrying out international expansion strategies and might rise the chances of success in exporting regarding of the study.

Turkish Small Medium Enterprises internationalization process and its interaction with various factors are considered extensive and multifaceted argument at local and international level. Therefore, there is need for more researches to generate achievable strategies in order to increase export level of Turkish Small Medium Enterprises.

REFERENCE

- Aaby, N. E., & Slater, S. F. (1989). Management influences on export performance: a review of the empirical literature 1978-1988. *International marketing review*, 6(4).
- Acedo, F. J., & Florin, J. (2006). An entrepreneurial cognition perspective on the Internationalization of SMEs. *Journal of International Entrepreneurship*, 4(1), 49-67.
- Adler, N. J., & Bartholomew, S. (1992). Managing globally competent people. *The Executive*, 6(3), 52-65.
- Albaum, G., & Duerr, E. (2008). *International marketing and export management*. Pearson Education.pg.310
- Albaum, G., & Tse, D. K. (1997). Transference of marketing activities and strategies to foreign markets.
- Amal, M., & Freitag Filho, A. R. (2010). Internationalization of small-and medium-sized enterprises: a multi case study.*European Business Review*,22(6), 608-623.
- Atuahene-Gima, K., Slater, S. F., & Olson, E. M. (2005). The Contingent Value of Responsive and Proactive Market Orientations for New Product Program Performance*. *Journal of product innovation management*, 22(6), 464-482.
- Badauf, A., Cravens, D.W. and Wagner, U. (2000). Examining Determinants of Export Performance in Small Open Economies, *Journal of World Business*, 35/1, 61-79.
- Balabanis, G. I., & Katsikeas, E. S. (2003). Being an entrepreneurial exporter: does it pay? *International Business Review*, 12(2), 233-252.
- Barney, J. (1991). Firm resources and sustained competitive advantage. *Journal of management*, 17(1), 99-120.

- Baron, R. A. (2004). Potential benefits of the cognitive perspective: expanding entrepreneurship's array of conceptual tools. *Journal of Business Venturing*, 19(2), 169-172.
- Becherer, R.C., & Maurer, J.G. 1999. The proactive personality disposition and entrepreneurial behavior among small company presidents. *Journal of Small Business Management* , 37: 28-36.
- Becker, M. H. (1970). Sociometric location and innovativeness: Reformulation and extension of the diffusion model. *American Sociological Review*, 267-282.
- Belisle J.(1997) The SME and The Global Market Place Switzerland , ITC
- Belle Taylor (2010), International Marketing- Assignment One
- Best, M. H. (1990). *The new competition: institutions of industrial restructuring*. Harvard University Press
- .
- Bindl, U., & Parker, S. K. (2010). *Proactive work behavior: Forward-thinking and change-oriented action in organizations* (Vol. 2, pp. 567-598)..
- Black, S., H. B. Gregersen and M. E. Mendenhall (1992). *Global Assignments: Successfully Expatriating and Repatriating International Managers*. Jossey Bass Publishers, San Francisco, CA.
- Bonaccorsi, A. (1992). On the relationship between firm size and export intensity. *Journal of International Business Studies*, 605-635.
- Cavusgil, S. T., Knight, G. A., & Riesenberger, J. R. (2008). *International business: Strategy, management, and the new realities*. Upper Saddle River: Pearson Prentice Hall. 380-392
- Cavusgil, S. T. (1984). Differences among exporting firms based on their degree of Internationalization. *Journal of Business Research*, 12(2), 195-208.

Cavusgil, S. T. (1984). Organizational characteristics associated with export activity. *Journal of Management Studies*, 21(1), 3-22.

Cavusgil, S. T., & Naor, J. (1987). Firm and management characteristics as discriminators of export marketing activity. *Journal of Business Research*, 15(3), 221-235.

Cavusgil, S. T., & Nevin, J. R. (1981). Internal determinants of export marketing behavior: an empirical investigation. *Journal of Marketing Research*, 114-119.

Cavusgil, S. T., Bilkey, W. J., & Tesar, G. (1979). A note on the export behavior of firms: exporter profiles. *Journal of International Business Studies*, 10(1), 91-104.

Clarke, W. M. (2000). The use of foreign languages by Irish exporters. *European Journal of Marketing*, 34(1/2), 80-90.

Collis, D. J. (1991). A resource-based analysis of global competition: The case of the bearings industry. *Strategic management journal*, 12(S1), 49-68.

Contractor, F. J., Hsu, C. C., & Kundu, S. K. (2005). Explaining export performance: a comparative study of international new ventures in Indian and Taiwanese software industry. *MIR: Management International Review*, 83-110.

Cooper, R. A., Hartley, K., & Harvey, C. R. M. (1970). *Export performance and the pressure of demand: A study of firms*. Allen & Unwin.

Crant, J. M. (2000). Proactive behavior in organizations. *Journal of management*, 26(3), 435-462

Crant JM (1996) The proactive personality scale as a predictor of entrepreneurial intentions. *J Small Bus Man* 34:42-49

Fernández-Ortiz, R., & Lombardo, G. F. (2009). Influence of the capacities of top management on the Internationalization of SMEs. *Entrepreneurship and Regional Development*, 21(2), 131-154

- Forsgren, M. (2002). The concept of learning in the Uppsala internationalization process model: a critical review. *International business review*, 11(3), 257-277.
- Hambrick, D. C. (2007). Upper echelons theory: An update. *Academy of management review*, 32(2), 334-343
- Henard, D. H., & Szymanski, D. M. (2001). Why some new products are more successful than others. *Journal of marketing Research*, 38(3), 362-375
- Hoang, H., & Antoncic, B. (2003). Network-based research in entrepreneurship: A critical review. *Journal of business venturing*, 18(2), 165-187.
- Holmlund, M., & Kock, S. (1998). Relationships and the internationalisation of Finnish small and medium-sized companies. *International Small Business Journal*, 16(4), 46-63.
- 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*, 36(5), 651-661.
- Jaffe, E. D., & Pasternak, H. (1994). An attitudinal model to determine the export intention of non-exporting, small manufacturers. *International Marketing Review*, 11(3), 17-32.
- Johanson, J., & Vahlne, J. E. (1977). The internationalization process of the firm—a model of knowledge development and increasing foreign market commitments. *Journal of international business studies*, 8(1), 23-32.
- Johanson, J., & Vahlne, J. E. (2009). The Uppsala internationalization process model revisited: From liability of foreignness to liability of outsidership. *Journal of international business studies*, 40(9), 1411-1431. .

- Johanson, J., & Vahlne, J. E. (1990). The mechanism of internationalisation. *International marketing review*, 7(4)
- Johnston, W. J., & Czinkota, M. R. (1985). Export attitudes of industrial manufacturers. *Industrial Marketing Management*, 14(2), 123-132
- Jones, M. V., & Coviello, N. E. (2005). Internationalisation: conceptualising an entrepreneurial process of behaviour in time. *Journal of International Business Studies*, 36(3), 284-303.
- Junehed, J., & Davidsson, P. (1998, June). Small firms and export success: Development and empirical test of an integrated model. In *10th Nordic Conference on Small Business Research* (pp. 14-16)
- Jolly, V. K., Alahuhta, M., & Jeannet, J. P. (1992). Challenging the incumbents: How high technologystart-ups compete globally. *Strategic Change*, 1(2), 71-82.
- Kahiya, E. T., Dean, D. L., & Heyl, J. (2010). Firm-level factors associated with export performance.
- Karami, A., F. Analoui, and N.K. Kakabadse. 2006. The CEOs' characteristics and their strategy Development in the UK SME sector: An empirical study. *The Journal of Management Development* 25: 316–24.
- Karadeniz, E. E., & Göçer, K. (2007). Internationalization of small firms: A case study of Turkish small-and medium-sized enterprises. *European Business Review*, 19(5), 387-403.
- Katsikeas, C., S., Robert E. Morgan, 1994. Differences in Perceptions of Exporting Problems Based on Company Size and Export Market Experience, *European Journal of Marketing*, 28 (5):17 – 35
- Katsikeas, C. S. (1994). Export competitive advantages: the relevance of firm characteristics. *InternationalMarketing Review*, 11(3), 33-53.

- Katsikeas, C. S., Deng, S. L., & Wortzel, L. H. (1997). Perceived export success factors of small and medium-sized Canadian firms. *Journal of International Marketing*, 53-72.
- Kaynak, E., & Kuan, W. K. Y. (1993). Environment, strategy, structure, and performance in the context of export activity: an empirical study of Taiwanese manufacturing firms. *Journal of Business Research*, 27(1), 33-49.
- Knowles, D., Mughan, T. and Lloyd-Reason, L. (2006). Foreign Language Use among Decision-Makers of Successfully Internationalised SMEs, *Journal of Small Business and Enterprise Development*, 13/4, 620-641.
- Lu, J. W., & Beamish, P. W. (2006). SME internationalization and performance: Growth vs. profitability. *Journal of International Entrepreneurship*, 4(1), 27-48.
- MADSEN, E. S. R. T. K. 2002. The Born Global concept. Paper for the EIBA conference.
- Magagula, P. L. (2002). The promotion and development of small and medium enterprises: an investigation of the effectiveness of assistance programmes and the participation of SMEs in the export sector in Swaziland: a thesis submitted in fulfilment of the requirements for the degree of Doctor of Philosophy in Development Studies at Massey University, Palmerston North, New Zealand
- Majocchi, A., Bacchiocchi, E., & Mayrhofer, U. (2005). Firm size, business experience and export intensity in SMEs: A longitudinal approach to complex relationships. *International Business Review*, 14(6), 719-738.
- Manolova, T. S., Brush, C. G., Edelman, L. F., & Greene, P. G. (2002). Internationalization of Small Firms Personal Factors Revisited. *International Small Business Journal*, 20(1), 9-31.
- McDermott, C. M., & O'Connor, G. C. (2002). Managing radical innovation: an overview of emergent strategy issues. *Journal of product innovation management*, 19(6), 424-438.

McDougall, P. P., & Oviatt, B. M. (2000). International entrepreneurship: the intersection of two research paths. *Academy of management Journal*, 43(5), 902-906.

McKinsey & Co.(1993) Emerging Exporters. Australia's High Value-Added Manufacturing Exporters, Melbourne: McKinsey & Company and the Australian Manufacturing Council

Minniti, M., & Bygrave, W. (2001). A dynamic model of entrepreneurial learning. *Entrepreneurship Theory and Practice*, 25(3), 5-16.

Misra, S., & Kumar, E. S. (2000). Resourcefulness: A proximal conceptualisation of entrepreneurial behaviour. *Journal of Entrepreneurship*, 9(2), 135-154.

Moen, Ø., & Servais, P. (2002). Born global or gradual global? Examining the export behavior of small and medium-sized enterprises. *Journal of International Marketing*, 10(3), 49-72.

Moen, Ø. (2002). The born globals: a new generation of small European exporters. *International Marketing Review*, 19(2), 156-175. .

Morgan, R. E., & Strong, C. A. (2003). Business performance and dimensions of strategic orientation. *Journal of Business Research*, 56(3), 163-176.

Narver, J. C., Slater, S. F., & MacLachlan, D. L. (2004). Responsive and Proactive Market Orientation and New-Product Success*. *Journal of Product Innovation Management*, 21(5), 334-347.

Obben, J., and P. Magagula. 2003. Firm and managerial determinants of the export propensity of small and medium-sized enterprises in Swaziland. *International Small Business Journal* 21: 73–91

OECD (2002) , High Growth SME and Employment

- O'Farrell, P. N., Wood, P. A., & Zheng, J. (1998). Regional influences on foreign market Development by business service companies: elements of a strategic context explanation. *Regional studies*, 32(1), 31-48.
- Özkanlı, Ö., Benek, S., & Akdeve, E. (2006). Export barriers of small firms in Turkey: A study of Ankara-Ivedik Industrial District. *Problems and Perspectives in Management*, 4(3), 78-90.
- Oviatt, B. M., & McDougall, P. P. (2005). Toward a theory of international new ventures. *Journal of International Business Studies*, 36(1), 29-41.
- Oviatt, B.M., McDougall, P.P. & Dinterman, T. (1993): “Global Start-Ups: Forces Driving their Growth and Patterns of Success”, paper presented to the Babson Entrepreneurship Research Conference, 25-27 March.
- Oyson , M., Whittaker, H (2010) ,An Opportunity –Based Approach to International Entrepreneurship:Pursuing Opportunities Internationally Through Prospection High-Technology Small-Company Conference, *University of Twente, the Netherlands (25-28 May)*, 15.
- Peng, M. W. (2001). The resource-based view and international business.*Journal of Management*, 27(6), 803-829.
- Peng, M. W., & Delios, A. (2006). What determines the scope of the firm over time and around the world? An Asia Pacific perspective. *Asia Pacific Journal of Management*, 23(4), 385-405.
- Phatak, A. V., Bhagat, R. S., & Kashlak, R. J. (2005). *International management*. McGraw-Hill/Irwin
- Persinger, E. S., Civi, E., & Vostina, S. W. (2011). The born global entrepreneur in emerging economies. *International Business & Economics Research Journal (IBER)*, 6(3).
- Philadelphia Inquirer (1991) ,May 20,p11A

Prahalad, C. K., & Bettis, R. A. (1986). The dominant logic: A new linkage between diversity and performance. *Strategic Management Journal*, 7(6), 485-501.

Preece, S. B., Miles, G., & Baetz, M. C. (1999). Explaining the international intensity and global diversity of early-stage technology-based firms. *Journal of Business venturing*, 14(3), 259-281.

Rasmussen, E. S., Madsen, T. K., & Evangelista, F. (2001). The founding of the born global company in Denmark and Australia: sensemaking and networking. *Asia Pacific Journal of Marketing and Logistics*, 13(3), 75-107.

Rennie, M. W. (1993). Born global. *McKinsey Quarterly*, 45-45.

Resmi Gazate;2012 pg.1

Ruzzier, M., Hisrich, R. D., & Antoncic, B. (2006). SME internationalization research: past, present, and future. *Journal of small business and enterprise development*, 13(4), 476-497.

Sambharya, R. B. (1996). Foreign experience of top management teams and international diversification strategies of US multinational corporations. *Strategic Management Journal*, 17(9), 739-746.

Schulte, A. (2002). *Das Phänomen der Rückverlagerung* (pp. 97-114). Gabler Verlag.

Schulz, A., Borghoff, T., & Kraus, S. (2009). INTERNATIONAL ENTREPRENEURSHIP: TOWARDS A THEORY OF SME INTERNATIONALIZATION. *Journal of International Business & Economics*, 9(1).

Sousa, C. M., Martínez-López, F. J., & Coelho, F. (2008). The determinants of export performance: A review of the research in the literature between 1998 and 2005. *International Journal of Management Reviews*, 10(4), 343-374.

Toyne, B., & Walters, P. G. P. (1989). *Global marketing management: A strategic perspective*. Boston: Allyn and Bacon.

Tookey, D. A. (1964). Factors associated with success in exporting. *Journal of management Studies*, 1(1), 48-66.

Tung, R. L., & Miller, E. L. (1990). Managing in the twenty-first century: The need for global orientation. *MIR: Management International Review*, 5-18

ÜNER, Nurel, Türkiye’de Küçük ve Orta Ölçekli İşletmelerin Genel Sorunları ve Çözüm Yolları D.E.İİ.B.F. Dergisi , Cilt:6 S.2.1991.

Walker, G., Kogut, B., & Shan, W. (1997). Social capital, structural holes and the formation of an industry network. *Organization science*, 8(2), 109-125.

Welch, L. S., & Wiedersheim-Paul, F. (1980). Initial exports—a marketing failure? *Journal of Management Studies*, 17(3), 333-344.

Werner, S., Brouthers, L. E., & Brouthers, K. D. (1996). International risk and perceived environmental uncertainty: the dimensionality and internal consistency of Miller's measure. *Journal of International Business Studies*, 27(3), 571-587.

Westerberg M, Singh J, Hackner E (1997) Does the CEO matter? An empirical study of small Swedish firms operating in turbulent environments. *Scandinavian J Man* 13(3):251–270.

Wright, M., Westhead, P., & Ucbasaran, D. (2007). Internationalization of small and medium-sized enterprises (SMEs) and international entrepreneurship: a critique and policy implications. *Regional Studies*, 41(7), 1013-1030.

Yücel, H.; (2000) “Uluslararası Pazarlara Açılmada Küçük ve Orta Büyüklükteki İşletmelerin Rolü”; İGEME yayınları, Ankara.

Zahra, S. A. (2005). A theory of international new ventures: a decade of research. *Journal of International Business Studies*, 36(1), 20-28.

Zahra, S. A., & Garvis, D. M. (2000). International corporate entrepreneurship and firm performance: The moderating effect of international environmental hostility. *Journal of Business Venturing*, 15(5), 469-492.

Zahra, S. A., & George, G. (2002). International entrepreneurship: the current status of the field and future research agenda. *Strategic entrepreneurship: Creating a new mindset*, 255-288.

INTERNET RESOURCES

Development of export of Turkey

<http://www.dtm.gov.tr/dtmweb/index.cfm?action=detayrk&yayinID=313&icerikID=411&dil=EN>

OECD, 2004, Small And Medium-Sized Enterprises In Turkey: Issues and Policies”

www.oecd.org/dataoecd/5/11/31932173.pdf

Why should an SME export?, <http://india.smetoolkit.org/india/en/content/en/42537/Why-should-an-SME-export->

Small and medium-sized enterprises ; http://ec.europa.eu/enterprise/policies/sme/facts-figures-analysis/sme-definition/index_en.htm

www.zargan.com

www.wikipedia.com

Entrepreneurship, <http://en.wikipedia.org/wiki/Entrepreneurship> 26.03.2012

Characteristics of an Entrepreneur; <http://knol.google.com/k/characteristics-of-an-entrepreneur#>

Entrepreneurship. <http://www.ait.org.tw/infousa/zhtw/DOCS/enterp.pdf>

<http://joe.sagepub.com> at SAGE Publications on April 29, 2009

Oxford English Dictionary, (2008); Retrieved September 24, 2008, from <http://www.oed.com/>.

<http://www.turkstat.gov.tr/PreHaberBultenleri.do?id=15881>

http://www.marka.org.tr/Uploads/Files/ihracatta_Devlet_Yardimlari.pdf

www.kosgeb.gov.tr

http://ec.europa.eu/enterprise/policies/sme/facts-figures-analysis/performance-review/files/supporting-documents/2013/annual-report-smes-2013_en.pdf

<http://www.ait.org.tw/infousa/zhtw/DOCS/enterp.pdf>, entrepreneurship

APPENDICES

Appendix 1: The Survey Questionnaire (In Turkish)

Sayın Katılımcı,

Bu araştırma iş yaşamınızdaki uygulamalara ilişkin bir çalışmadır. Bu amaçla hazırlanmış olan bu anket formunda ,sizden istediğimiz soruları kendi fikirlerinizi ve yaklaşımlarınızı dikkate alarak doldurmanızdır.

Bize vereceğiniz cevaplar sadece ilgili bilimsel araştırma da kullanılacak ve kimliğiniz kesinlikle gizli tutulacaktır. Cevaplarınızın gizli tutulacağına dair bize olan güveninizi sağlamak için sizden isminizi veya kimliğinizi açığa çıkartacak herhangi bir işareti anket formu üzerine yazmamanızı önemle hatırlatırız.

Bu araştırmaya vereceğiniz katkı için şimdiden teşekkür ederiz.

Yrd. Doç. Dr. Özlem Kunday ve Yüksek Lisans Tez Öğrencisi; Esra BAL

Yeditepe Üniversitesi, Sosyal Bilimler Enstitüsü, İngilizce İşletme Bölümü

Firma ‘nın : Çalışanıym () Kurucusuyum ()

Demografik Özellikler

✧ Yaşınız : _____

✧ En son *mezun olduğunuz* eğitim kurumu:

İlköğretim ()

Lise ()

Üniversite ()

Yüksek Lisans ()

Doktora ()

✧ Kaç yabancı dil konuşuyorsunuz? 0 () 1 () 2 () 3 () 4 ve daha fazla ()

✧ Yurtdışı iş tecrübeniz var mı? Evet () Hayır () Evet ise kaç yıl

✧ Şirketinizde tam zamanlı kaç kişi çalışmaktadır?

1-9 () 10-49 () 50 – 249 ()

✧ Şirketinizin kuruluş yılı _____

I. BÖLÜM

<i>Aşağıda insanların genel hallerini yansıtabilecek bazı ifadeler yer almaktadır. Lütfen her bir ifadeyi okuyarak cevaplarınızı genel halinize göre, çoğunlukla nasıl olduğunuzu düşünerek veriniz. Olmak istediğinize göre değil, şu an kendinizi nasıl görüyorsanız ona göre cevaplayınız.</i> <i>Aşağıdaki ifadelerin, sizi ne kadar tanımladığını “Hiç Tanımlamıyor”dan “Tamamen Tanımlıyor”a doğru uzanan değerlendirme aralığında <u>cevap seçeneklerinden birine X işareti koyarak belirtiniz.</u></i>	Hiç Tanımlamıyor	Çok Az Tanımlıyor	Az Tanımlıyor	Oldukça Tanımlıyor	Çok Tanımlıyor	Tamamen Tanımlıyor
BELIRSIZLIĞE TOLERANS						
1. Belirsiz koşullarda çalışmaktan hoşlanırım.						
2. Şirkette oluşan belirsizlikler şirket için en iyisini yapmama engel oluyor.						
3. Beklenmeyen durumlar planlarımı bozunca rahatsız oluyorum.						
4. Belirsiz durumların zorlukları hoşuma gider.						
PROAKTIVITE						
5. Her zaman yaşamımı ilerletecek şeyler aramaya ihtiyaç duyarım						
6. Her durumda, her zaman yapıcı bir değişim için önemli bir faktör olmuşumdur.						
7. Hiçbir şey fikirlerimin gerçeğe dönüşmüş olmasını görmekten daha heyecan verici olmaz						
8. Hoşlanmadığım bir şey görürsem, onu düzeltirim.						
9. Ne kadar ihtimal olursa olsun, bir şeye inanırsam onu gerçekleştiririm.						
10. Farklı görüşler karşısında fikirlerimin kazanması hoşuma gider						
11. Fırsatların belirlenmesinde oldukça iyiyimdir.						
12. Her zaman bir şeyleri yapmanın daha iyi yollarını ararım.						
13. Eğer bir fikre inanıyorsam, o fikri uygulamada bana hiçbirşey engel olamaz.						
14. Başkalarından önce fırsatların yönlerini görürüm						
RISK ALGISI						
15. “Para ve yatırım konusunda risk alırım ” ifadesine katılır mısınız?						
16. “ Seyahat ederken hiç bilmediğim bir yola kolaylıkla sapabilirim ” ifadesine katılır mısınız?						
17. “Yeni yemekler, yeni yerler ve yeni deneyimler edinmeyi severim ” ifadesine katılır mısınız?						
18. “Hayat ımda önemli riskler aldığımı düşünüyorum ifadesine katılıyor musunuz ? “						
19. “Son 6 ayda önemli riskler aldım.” ifadesine katılıyor musunuz?						
20. “Korktuğum şeylerin üzerine giderim ” ifadesine katılır mısınız?						
21. “Hiç tanımadığım biriyle sohbet ederim” ifadesine katılır mısınız?						

II. BÖLÜM

Lütfen aşağıdaki soruları ÇALIŞTIĞINIZ Kurumu dikkate alarak (olmasını istediğiniz gibi değil var olan durumu düşünerek) cevaplandırınız.

ULUSLARARASI OLMA SEVİYESİ/YESİ

_ Yurtdışı pazarlarıyla ilgiliyiz

Hiç () Çok Az () Az () Oldukça () Çok ()

_ İlgiliyiz fakat ihracatımız yok

Evet () Hayır ()

_ İhracat yapıyorduk fakat artık hiç yapmıyoruz.

Evet () Hayır ()

_ Arada sırada ihracat yapıyoruz.

Evet () Hayır ()

_ Evetse, hangi ülkelere ; _____

_ Düzenli olarak ihracat yapıyoruz.

Evet () Hayır ()

_ Evetse, hangi ülkelere;

_ Yurtdışında distribütörlük anlaşmalarımız var.

Evet () Hayır ()

_ Yurtdışı pazarlarına doğrudan yatırımımız var.

Evet () Hayır ()

_ Şuanda ihracatınız var mı?

Evet () Hayır ()

_ Toplam satışınızın yurtdışı satışına oranı nedir?

Örnek: toplam satış =500 TL; Yurtdışı satış = 100 tl => $100 \div 500 = 0,2$ VEYA % 20

_ Şirketinizin kuruluş sebebi; dış ticaret yapmak için mi kuruldunuz?

Evet () Hayır ()