African Journal of Business Management Vol.5 (22), pp.9116-9124,30 September 2011
Available online at http://www.academicjournals.org/AJBM
DOI: 10.5897/AJBM10.1641
ISSN 1993-8233 ©2011 Academic Journals

Full Length Research Paper

Perceived benefits and barriers to export involvement: Insights from non-exporters

Mercy Mpinganjira

Department of Marketing Management, University of Johannesburg, South Africa. E-mail: mmpinganjira@uj.ac.za. Tel: +27 11 559 1421. Fax: +27 11 559 1477.

Accepted 1 March, 2011

Many governments have in place measures aimed at stimulating many of their firms to get involved in exporting. This paper aimed at investigating perceived benefits of and barriers to exporting among small and medium sized non-exporting firms in Malawi. An investigation was also made into the extent to which managers regarded the achievement of some common business goals as important to their firms. Data was collected from 100 owner-managers of non-exporting small and medium sized firms in Malawi using a structured questionnaire. The findings of the study showed that managers regard steady growth of their firms, increased sales and profitability as well as development of new markets as very important. The managers agreed to the fact that exporting can significantly help their firms achieve their business goals. They however perceived many barriers to export involvement. The most important barrier was related to personnel problems, in that they felt that they lacked sufficient knowledge about export opportunities and personnel knowledgeable in exporting. Significant differences were found in the extent to which firms in the three industries studied, regarded different barriers as important. The findings of the study have wider implications on promotion of exports and these have been highlighted in the paper.

Key words: Export involvement, non-exporters, export barriers, Malawi.

INTRODUCTION

Early efforts of many developing countries to stimulate economic development focused on policies aimed at substituting imports with locally produced goods (Krueger, 2008). Import substitution policies involve putting in place measures, often high tariff and non-tariff barriers, to protect domestic producers from imports. These policies are often undertaken when a country adopts an inward oriented approach to development. Zhou (2008) observed that by the early 1980s' it was becoming increasingly clear that import substitution policies had failed to stimulate significant economic growth in most developing countries.

On the contrary, the few developing countries that had earlier on adopted outward oriented approach to development, notably countries of East Asia such as Malaysia, Thailand, South Korea and Singapore had achieved significant economic growth. This resulted in policy shifts in most developing countries towards outward oriented approach to development. In outward-oriented approach to development, primary attention is given to the benefits of foreign trade in general and exporting in particular. It advocates taking measures aimed at trade liberalisation.

Christie (2008) observed that since the mid 1980s' there had been growing consensus that policies that make an economy open to trade and investment with the rest of the world help ensure sustained economic growth. Miankel et al. (2009) noted that besides foreign direct investment, exporting is one of the most important channels through which developing countries can link themselves with the world economy to their great benefit. At the macro-economic level, exporting helps national economies enrich their foreign exchange reserves; help in creating backward and forward business linkages in an economy; stimulates development of new technologies; helps in generating jobs and leads to higher standards of living (Leonidou et al., 2007). It is not surprising then that governments in most countries around the world have in place measures aimed at stimulating more of their firms to get involved in exporting.

Table 1. Firm size in Malawi.

Category	Employment parameter	Annual Turnover (MK)
Micro	1 to 4	Up to 1, 000, 000
Small	5 to 20	Above 1,000,000 up to 10,000,000
Medium	21 to 100	Above 10,000,000 up to 50,000,000
Large	Above 100	Above 50,000,000

Source: Malawi Government 2007.

Some of the measures undertaken by the government of Malawi to try and stimulate exports include the establishment of the Malawi Export Promotion Council (MEPC) and the appointment of trade attachés in offices of diplomatic missions located in the country's major export markets. MEPC was established specifically to work with the business community in the country providing them with such services as training, assisting in organising exhibitions at international trade fairs as well as providing information on export opportunities and other export related issues. MEPC also works closely with government in recommending policy measures and ensuring that the concerns of the business community are given appropriate attention. It makes use of trade attachés to help in gathering foreign market intelligence needed for formulation of appropriate marketing programs.

The government has also put in place a number of export incentives; established export processing zones as well as various bilateral and multilateral trade agreements aimed at securing preferential access of Malawi's exports into trade partner countries. Some of the export incentives currently in place include reduced or no custom duties on imports of capital equipment used mainly in the manufacture of exports; retention of some of the foreign exchange obtained through export sales and export tax allowance on export revenues from non-traditional exports (that is exports other than tea, coffee, tobacco and sugar).

Problem statement and research objectives

Despite undertaking several measures aimed at stimulating exports, Malawi's economy has experienced persistent deficits in its balance of trade over the most part of the past two decades (Kwalingana and Nkuna, 2009). Trade liberalisation measures undertaken by the country have resulted in opening up of the domestic market to foreign competitors without significant increase in exports. Many firms continue to ignore exporting as a viable business strategy.

Given the great importance of exports to the economy, there is need for increased efforts aimed at stimulating more businesses to take up exporting. The formulation of effective export promotion programs can however not take place without a good understanding of factors that stimulate or deter firms from going for international markets. This paper aims at contributing to this understanding by investigating perceived benefits and barriers to export involvement among non-exporting small and medium sized firms in Malawi. Specific objectives include (1) to investigate the extent to which managers regard the achievement of some common business goals as important to their firms, (2) to examine managers' perceptions regarding the potential of exports contributing to their business goals, (3) to identify factors perceived as important barriers to export involvement, and (4) highlight the implications of the findings on the development of effective export promotion programs.

Literature review

SME's constitute over 95% of all businesses in Malawi. The government through Ministry of Industry, Trade and Private Sector Development in Malawi officially categorises firms into micro, small, medium and large size based on number of full time employees and annual turnover as shown in Table 1. In cases where an enterprise falls under different employment and annual turnover categories, the later is used to determine firm size.

Due to their large numbers, the small and medium sized business sector plays a very important role in the development of the country. They significantly contribute to employment creation thereby helping in reducing unemployment levels, a common problem in many developing countries. SME's have helped many Malawians achieve a higher standard of living than would otherwise be possible.

They help in promoting competition in the market, thereby providing customers with more product and service choices. SME's also serve as a source of income for the national government through taxes paid. Tax is in most world economies a major source of state revenue for national development. Ogbor (2009) however observed that in sub-Saharan Africa, the contribution of tax to total revenue is still lower than desired. He further noted that promotion of formal entrepreneurship through formal small and medium sized firms can help reduce the growth of informal sector and help improve tax revenues. According to Bird (2008) a large informal sector in developing countries significantly contributes to losses in tax revenues to the state due to the fact that informal sectors are often unregulated.

In Malawi, SME's have also been recognised as having an important role in the development and growth of the country's non-traditional exports. This is in line with evidence from other developing countries notably Kenya, Brazil and India that shows large numbers of successful SME's contributing significantly to their country's exports. Camisón and Villar-López (2010) as well as Ali and Swierez (1991) noted that nations which achieve highly competitive positions in international markets tend to have small and medium sized firms actively involved in international trade.

The government of Malawi through agencies such as Malawi Export Promotion Council and the Malawi Chamber of Commerce is actively looking at ways to provide support for small and medium sized enterprises seeking or targeting international markets. They also aim at identifying and encouraging SME's with export potential but not yet interested in pursuing international markets to consider doing so. Ahmed et al. (2006) observed that finding ways to increase exports is a common objective in most countries today. They noted that this can be achieved either by countries encouraging exporting firms to export more or by inducing non-exporters to begin exporting. Persistent trade deficits in Malawi make it imperative that export promotion efforts be targeted at both exporters and non-exporters.

Much as government export promotion programs are driven by the benefits that accrue to the nation as a whole, expansion of a nation's exports has positive effects not only on the growth of the economy as a whole, but also at the individual firm level. Lamb et al. (2008) observed that most firms regardless of size pursue a number of major goals in their business activities including increased sales, firm growth, increased profitability and development of new markets. Okpara (2009) and Leonidou et al. (2007) noted that exporting is often associated with increased sales, achievement of economies of scale, higher levels of profitability and business growth. Exporting can thus help firms achieve commonly pursued goals. Exporting can also help in reducing risk associated with overdependence on a single (domestic) market. Ahmed et al. (2006) observed that export markets provide firms with a hedge against a downturn in the domestic economy. A review of literature shows that among SME's, it is mainly management expectations of benefits to be derived by their businesses through export involvement that acts as an important motivator in their export decision making.

Although exporting may be perceived to have some major benefits, a host of other factors internal and external to firms may act as barriers to export involvement. Unlike internal factors, external factors cannot be easily or directly controlled by individual firms. They are associated with both the domestic and the international market environment. The Donor Committee for Enterprise Development (2008) noted that domestic environmental factors are of more concern in developing economies because their business environments are often not conducive to the achievement of international competitiveness. They further noted that areas of concern in most developing countries are to do with problems relating to political stability and rule of law; skills and human resource development; economic predictability; equitable and efficient labour markets, open financial markets as well as infrastructure. Conditions in international market environment including high levels of competition, high tariff rates, foreign rules and regulations, different customer habits can all act as significant barriers to export involvement (Altintas et al., 2007; Singh et al., 2010).

There is no doubt that the external environment, domestic and foreign can be a significant barrier to export involvement. External factors are however limited in that they cannot adequately explain why some firms decide to export while others may be reluctant to get involved in exporting despite facing the same external conditions. Factors internal to the firms may better explain export behaviour among firms operating in the same domestic environment. Pinho and Martins (2010), Khorana et al. (2010), as well as Morgan (1999) argued that it is the managers' perceptions of environmental influences, and the appropriateness of strategies to exploit these, which are more likely to be the major determinants of market entry mode choice, level of company internationalisation and/or performance. A review of literature on internal barriers to export involvement shows that the commonly cited ones include lack of personnel with export skills, knowledge about export opportunities, production capacity, adequate finance; product quality problems; language and communication difficulties (Altintas et al., 2007; Neupert et al., 2006).

METHODOLOGY

Data used in this analysis was collected from a sample of non-exporting small and medium sized firms in Malawi. The study targeted firms from three industries namely agribusiness, garment manufacturers and crafts. The main reason for targeting these industries is that most small and medium sized firms involved in exporting in Malawi fall under these three industries. The firms were identified using listings of businesses obtained from three main sources namely the Malawi Export Promotion Council, the Garment and Textiles Manufacturers Association of Malawi and the Malawi Confederation of Chambers of Commerce. Multiple sources were used in order to come up with the most comprehensive sampling frame possible as there was no readily available comprehensive single listing of small and medium sized firms' from the targeted industries. The study targeted only firms which had been in operation for at least two years or more. Any duplication in the listings used was noted and deleted in order to avoid double counting. The final sampling frame developed consisted of a total of 190 non-exporting firms. A structured questionnaire was the main instrument used to collect data. The first draft of the questionnaire was developed after a review of export related literature and conducting interviews with three officials from the Malawi Export

Table 2. Importance of Business Goals – Means and significance testing.

Business goal	Agribusiness	Garments	Crafts	All firms	F	p (sig.)
Ensuring steady growth of the firm	3.91	3.80	3.72	3.80	1.418	0.247
Ensuring increased profitability of the firm	4.35	4.20	4.26	4.28	0.724	0.488
Ensuring increased sales	3.88	3.70	3.78	3.80	1.228	0.297
Developing new markets	3.76	3.70	3.54	3.65	2.083	0.130
Overall importance of business goals	3.98	3.86	3.83	3.89	3.105	0.051

Promotion Council. The interviews were aimed at making sure that issues considered by the export promotion body as of real concern in the development and promotion of exports among small and medium sized firms were adequately addressed in the questionnaire. The questionnaire was then pre-tested on a total of 12 non-exporting firms before coming up with the final version. The pretesting was aimed at ensuring that all the questions were readily understood by the respondents and to also solicit the respondents' views on any issues they felt needed to be covered in the questionnaire. The sample used during the pretesting stage was selected using convenience sampling method. Deliberate measures were however taken to ensure that respondents from all the three targeted industries were used. All observations made and comments received during the pre-testing stage were taken into account when developing the final questionnaire. The questionnaire covered a number of issues relating to exporting. The focus of this paper is on perceived benefits and barriers to export involvement.

A simple random sample of 150 non exporting firms was selected from the sampling frame. The owner managers of these firms were personally contacted by the researcher and formally asked to fill the questionnaire. Firms used in the pre-testing stage were not included for final data collection. Initially a drop and pick technique was planned to be used to administer the questionnaire. However, due to some logistical problems and the need for probing in order to better understand the reasoning behind the answers to the questionnaire, personal physical presence was deemed important. Physical presence of the researcher also helped to improve on the response rate, an important concern during primary data collection.

By the end of the data collection period a total of 100 usable responses were obtained. This represented an effective response rate of 67%. Thirty four of the respondents were from agribusiness, 20 were garment manufacturers while 46 were involved in crafts. In terms of business ownership structure 43 of the firms were owned under sole proprietorship, 50 were partnerships while 7 were registered as private limited corporations. Forty two of the firms were less than 5 years old, 40 were between 5 and 10 years old while 18 were older than 10 years.

The collected data was analysed using version 18 of Statistical Package for Social Science (SPSS). Means, factors analysis and analysis of variance (ANOVA) were the main statistical tools used in the analysis. Factor analysis was conducted on perceived barriers to export involvement in order to identify underlying dimensions in the items investigated. Analysis of variance was used to test for the existence of statistically significant differences between firms in the three industries investigated. The testing focussed on level of importance attached to business goals, potential of export contribution to business goals and perceived barriers to export involvement

RESULTS AND DISCUSSION

Table 2 presents findings on the extent to which management regarded the achievement of some business goals as important to their firms. A five point scale with 1 = not important at all; 2 = somewhat important; 3 = important; 4 = very important and 5 = extremely important was used to measure this. Overall importance of business goals was measured as a summated average of the four individual goals. The results presented in Table 2 include mean values of each industry, mean values of all firms irrespective of industry and results on significance testing of differences in mean values between firms in the three industries. The results at industry level show that there were no major differences between firms in the three industries in their rating of the importance of business goals. The mean values were all to the nearest of 4 which means that firms in all the three industries regard the achievement of each of the four common goals as very important to their firms. Ensuring increased profitability of the firm had the highest mean value in all the three industries meaning that firms regard increased profits as their most important business goal. Developing new markets had the lowest mean amongst firms in agribusiness and crafts and was one of the two goals with the lowest value amongst firms in the garments industry. Similar findings, as those observed at industry level, can also be observed from the mean values of all firms irrespective of industry. Ensuring increased profitability had the highest mean value of all the individual goals while developing new markets had a lower mean of the four goals. Ensuring steady growth of the firm as well as ensuring increased sales had however the same mean value meaning that the two goals were in aggregate terms regarded as of equal importance.

Analysis of variance (ANOVA) was conducted in order to investigate if the differences in mean values between firms in the three industries at individual goal level as well as at overall level were statistically significant. The results according to Table 2 show that there were no statistically significant differences in the extent to which firms in the three industries regarded each of the business goals as important to their firms ($p < 0.05$). No statistically significant differences were also found between firms in the three industries in the extent to which they regarded the overall achievement of business goals ($F = 3.105$; $p = 0.051$). These findings are in line with observations by Lamb et al (2008) who noted that most businesses regardless of size and industry pursue a number of major goals including increased sales, firm growth, increased profitability and development of new

Table 3. Potential of export contribution to business goals – Means and significance testing.

Business goal	Agribusiness	Garments	Crafts	All firms	*F*	*p (sig.)*
Ensuring steady growth of the firm	4.12	4.05	4.24	4.16	1.375	0.253
Ensuring increased profitability of the firm	4.18	4.45	4.11	4.20	3.586	0.031*
Ensuring increased sales	4.44	4.60	4.39	4.45	1.228	0.297
Developing new markets	4.21	4.05	4.09	4.12	1.905	0.154
Overall potential of export contribution to business goals	4.24	4.29	4.21	4.23	0.630	0.535

markets. After investigating the level of importance attached to the achievement of some business goals, the managers were asked to indicate the extent to which they felt that exporting would contribute to the achievement of the goals. This was measured using a 5 point Likert scale with 1 = strongly disagree; 2 = disagree; 3 = neutral; 4 = agree and 5 = strongly agree. Overall potential of export contribution to business goals was measured as a summated average of the four statements.

The results at industry level show that firms in all the three industries agreed with the fact that overall, exports can make a significant contributions to their firms' ability to achieve their business goals (mean values for overall potential ranged from 4.21 to 4.29). On a goal to goal and industry to industry basis, firms in the agribusiness and craft industries agreed with the fact that exporting can significantly contribute to their firms ability to item to ensure steady growth of their firms, increased profitability and sales as well as in developing new markets (mean values to the nearest of 4). Firms in the garments manufacturing industry strongly agreed with the fact that exporting can contribute to increased profitability of their firm and increased sales (mean values to the nearest of 5). The findings both at individual industry level and at aggregate level show that non-exporting firms regard exporting as an activity that can significantly help them achieve their business goals. These results are in line with findings and observations made by Okpara (2009:1281) and Leonidou et al. (2007:736) that exporting is associated with increased sales, achievement of economies of scale, higher levels of profitability and business growth.

Analysis of variance (ANOVA) was run in order to investigate if the differences in mean values on perceived potential of export contribution to business goals between firms in the three industries were statistically significant. The results according to Table 3 shows that there were no significant differences between firms in the three industries in their assessment of the overall potential of export contribution to business goals (F =0.630; p = 0.535). Analysis of variance results at an individual business goal-by-goal basis show that there were no statistically significant differences in managers' perceptions about the potential of export contribution to steady growth of their firm, increased sales as well as developing new markets ($p < 0.05$). Statistically significant differences were however found in managers' perceptions about export contribution to increased profitability of the firm (F = 3.586; p = 0.031). A post-hoc analysis using Scheffe's test was run in order to find out which ones of the three groups were statistically significant. The results shows that firms in the garments industry had a statistically higher mean value (4.45) than those in crafts (mean value = 4.11). No statistically significant difference was found between firms in the garments industry and that in agribusiness as well as between those in agribusiness and crafts.

After investigating issues relating to business goals the study explored the factors that managers considered to be important barriers to export involvement. The investigation mainly sought to find answers to three questions. The first was to find out the extent to which non-exporting firms in general regarded the various factors as important barriers to export involvement. The second was to find out if there were any differences in factors which managers of the three industries regarded as important impediments to exporting. The last one was to find out if there were any statistically significant differences in the level of perceived barriers to exporting between firms in the three industries.

Managers were asked to indicate on a five-point Likert scale the extent to which they regarded the various factors to be serious barriers to export involvement. The scale ranged from 1 = strongly disagree; 2 = disagree; 3 = neutral; 4 = agree and 5 = strongly agree. Due a large number of variables included in the investigation (18 in total), an exploratory factor analysis was first undertaken in order to reduce the data into a few underlying dimensions. The dimensions were thereafter subjected to further analysis.

The results of the factor analysis showed that the 18 original variables could be reduced to six underlying dimensions with Eigen values of at least 1. Together the six dimensions accounted for 80.37% of the variance. Items loading at least 0.5 were used to come up with the components of each dimension. According to Hair et al. (2010), factor loadings of 0.3 or greater are considered to meet the minimal level for inclusion in coming up with dimensions but it is loadings of 0.5 and greater that are considered practically significant. One variable (existence of language differences), however, did not load on any of the six factors. After the factor analysis new composite variables were computed using the summated average of the items loading on each dimension. The dimensions

Table 4. Perceived barriers to export involvement – Means and significance testing.

Barriers	Dimension					
	1	2	3	4	5	6
Shortage of working capital	0.762					
High cost of finance	0.851					
High transportation cost	0.869					
Inability to offer competitive prices	0.779					
Difficulties/slowness in collecting payments from abroad		0.893				
Insufficient production capacity				0.822		
Difficulties in getting enough raw materials/supplies				0.764		
Product quality not good enough for export				0.827		
Excessive documentation requirements for exporting		0.805				
Increase in management complexity		0.837				
Lack of personnel knowledgeable in exporting					0.895	
Restrictions imposed by government rules and regulations						0.940
Confusing quality requirements of foreign markets			0.831			
Strong international competition	0.798					
Insufficient knowledge about export opportunities					0.915	
Difficulties in getting timely communications with foreign buyers			0.886			
Limited information to analyse foreign markets			0.867			
Existence of language differences						
Eigen values	3.51	2.68	2.57	2.56	1.96	1.19
Percentage variance explained	19.52	14.87	14.30	14.21	10.87	6.60
Cumulative percentage	19.52	34.39	48.69	62.90	73.77	80.37

Extraction Method: Principal Component Analysis; Rotation Method: Varimax with Kaiser Normalization; A rotation converged in 6 iterations.

were named based on items loading on each. According to Table 4, the first dimension was made up of 5 items including shortage of working capital to finance exports, high costs of finance (interest rates), high transportation/shipping costs, inability to offer competitive prices abroad, and strong international competition. The dimension was accordingly named finance and competition related barriers and accounted for a total of 19.52% of the variance explained. The second factor had three items loading highly on it. The items included difficulties/slowness in collecting payments from abroad, excessive documentation requirements from exporting, and increase in management complexity. The dimension was named logistical related barriers and accounted for a total of 14.87% of total variance. The third factor had three items loading on it. They included confusing quality requirements of foreign markets, difficulties in getting timely communication with foreign buyers and limited information to analyse foreign markets. All the three factors are more related to problems associated with information. The factor was thus named information related barriers and accounted for 14.30% of the total variance. The fourth factor had also three items loading on it. The items included insufficient production/handling capacity, difficulties in getting enough raw material/supplies, and product quality not good enough for export. These items are all more related to production issues. The factor has therefore named production related barriers and accounted for 14.21% of the total variance. The fifth factor had two items loading on it. These included lack of personnel knowledgeable in exporting, and insufficient knowledge about export opportunities. This factor was named personnel related impediments because it concerns the lack of proper personnel that is knowledgeable in exporting and the belief that export knowledgeable personnel can help a firm scan for export opportunities. This factor accounted for 10.87% of the total variance. The last factor, the sixth, had only one item loading on it, namely, restrictions imposed by foreign government rules and regulations. Since it was just one item loading on the factor, the factor was named in a similar way as the item, that is, foreign governments' rules/regulations related barriers and accounted for 6.60% of the total variance.

Table 5 presents mean values of each of the dimensions in perceived barriers to export involvement at industry level as well as aggregate level. Also presented in the Table 5 are mean values on overall perceived barriers and results of analysis of variance. An overall perceived barrier to export involvement was calculated as a summated average of the six underlying dimensions. The results according to Table 5 show that managers of

Table 5. Barriers to export involvement – Means and significance testing.

Perceived Barriers - Dimensions	Agribusiness	Garments	Crafts	All firms	F	p (sig.)
Finance and competition related barriers	4.09	3.77	3.65	3.82	6.94	0.002*
Logistical related barriers	3.82	3.22	3.33	3.47	8.42	0.000*
Information related barriers	4.12	4.23	3.55	3.86	6.11	0.003*
Production related barriers	4.33	3.67	3.52	3.83	17.70	0.000*
Personnel related barriers	4.22	4.15	3.80	4.02	6.34	0.003*
Foreign government rules/regulations related barriers	3.79	3.25	3.00	3.32	34.89	0.000*
Overall perceived barriers	4.06	3.70	3.48	3.72	55.03	0.000*

non-exporting firms perceive many barriers to export involvement. None of the mean values in the all firms column was less than 3 (the neutral point).This shows that the managers did not disagree in overall terms to any of the factors being important barriers to exporting. The two highest barriers were related to the fact that firms felt hat they lacked sufficient knowledge about export opportunities and also personnel knowledgeable in exporting.

Bearing in mind that 60% of the firms indicated having investigated the idea of exporting it is very likely that the managers' perceptions in these firms were due to not only preconceived ideas about exporting but also due to negative experiences they may have had as they explored the possibility of exporting. Any problems that they may have met in their actions, if any taken, to try and take advantage of exporting are likely to have left a mark on them as how difficult it is for one to successfully start exporting. On the other hand, for the managers who indicated not to have investigated exporting as well as those who never bothered to take any actions beyond mere talk, their level of perceived impediments is more likely to be based on mere preconceived ideas. Whatever the cause of the managers' perceptions on the impediments to exporting, it is important to note that managers who see exporting as a very difficult task with so many factors that are likely to act as barriers to their involvement in exporting are likely not to take up exporting.

Industry level investigations on a factor by factor basis shows that firms in the agribusiness sector had their highest mean on production related impediments (mean value = 4.33) followed by personnel related problems. Firms in garments industry had their highest mean in information related barriers (mean value = 4.23) while those in crafts had their highest mean in personnel related barriers (mean value = 3.80). The most important impediment for non-exporter in general irrespective of industry classification was found to be personnel related barriers followed by information related barriers. All the impediments at aggregate level except one namely foreign government rules/regulations related barriers had mean values of approximately 3.5 or greater. Firms were rather neutral about foreign government rules/regulations being important barriers to their export involvement. This is likely to be due to lack of knowledge on specific foreign government rules/regulations associated with exporting of their industry products and the difficulties related with meeting those requirements.

Results of the analysis of variance showed that there were statistically significant differences in overall perceived barriers to export involvement amongst firms in the three industries ($F = 55.03$; $p = 0.000$). Post hoc analysis using Scheffes test was run in order to find out the specific pairs whose mean values were statistically significant. The results showed statistically significant differences in all the three pairs namely agribusiness and garments; agribusiness and crafts; garments and crafts ($p < 0.05$). The results also showed statistically significant differences in the extent to which firms in the three industries regarded each of the six factors as important barriers to export involvement ($p > 0.05$). Post hoc analysis using scheffes test revealed that for finance and competition related barriers as well as for personnel related barriers statistically significant differences were between firms in agribusiness and craft industries. For logistical related barriers, production related barriers and foreign government rules/regulations related barriers, the statistically significant differences were between firms in agribusiness and garments as well as between those in agribusiness and crafts. For information related barriers, the statistically significant differences were between firms in agribusiness and crafts as well as between firms from garments and crafts industries. In general, the results show that there are statistically significant differences in the way firms in the three industries regarded different barriers as important. The findings agree with observations made by Khorana et al. (2010) as well as Neupert et al. (2006) that firms from different industries may perceive possible barriers to export involvement differently.

CONCLUSION AND IMPLICATIONS

This paper was primary aimed at investigating perceived benefits of and barriers to exporting among non-exporting small and medium sized firms in Malawi. Before investigating these it was deemed necessary to first examine the extent to which managers of non-exporting firms regarded the achievement of some common business goals as important to their firms. The study targeted SME's from three industries, namely agribusiness, garment manufacturers and crafts. From the results of this study, it can be concluded that managers of non-exporting firms in general regard steady growth of their firms, increased sales and profitability as well as development of new markets as very important. The managers in general agree to the fact that exporting can significantly help their firms achieve the important goals of their firms. No statistically significant differences were found in the extent to which managers from the three industries regarded the achievement of the four common goals as well as the overall importance of business goals. No major statistically significant differences in perceived benefits were also found between firms in the three industries. The only exception was that there was a statistically significant difference between firms in garments and those in crafts industry on perceived potential of export contribution to increased profits.

From the results on perceived impediments to exporting, it can be concluded that managers of non-exporting firms perceive many barriers to export involvement. Some of the impediments are external to their firms while others are internal. The most important barrier was internal namely personnel related barriers. Under this barrier, the firms felt hat they lacked sufficient knowledge about export opportunities and also personnel knowledgeable in exporting. From the results on perceived impediments at industry level, it can be concluded that that there are statistically significant differences in the way firms in the three industries regarded different barriers as important.

The findings of this study have wider managerial and policy implications on export promotion. Firstly the study shows that there is wide interest in the export business among non exporters as evidenced by the fact that 60% of them reported that they have discussed or investigated the possibility of exporting their firms' products. The managers were also convinced of the many benefits that can accrue to their firms through export involvement. Managers however perceived many barriers to export involvement. Managers interested in taking advantage of export marketing need to realise that their firms' involvement in exporting largely depends on them. Of critical importance is the need to take deliberate steps that can enable their firm become more knowledgeable of the available export opportunities and how they can take advantage of them. Some of these activities would include training staff (including self) in export-related tasks and active involvement in export information search. Management need to realise that activities initiated from firms' internal conviction of the need to get involved in exporting is likely to result in successful export involvement rather than relying on outside influence such as export promotion bodies only. Furthermore they have to carry out the various export-related activities required for successful export involvement.

The findings have also wider implications for export promotion agencies. Firstly it is important for these agencies that there is a lot of untapped export promotion potential among small and medium sized firms in Malawi. This does not mean that all SME's in the studied industries should and can get involved in exporting. Even with the most efficient export promotion campaigns there will still be other firms that will not go for export markets because of other reasons including general lack of interest on the part of management to exporting as well as the existence of certain difficult export barriers. Having said that, the results of the study show that there are many non-exporting firms who believe that there are many benefits to be derived from exporting, and a significant number of the non-exporting firms have already started investigating the possibility of exporting. Thus export promotion efforts need to target both the non-exporting as well as the exporting firms. Export promotion bodies need to also give more attention to perceived barriers of export involvement and find ways of helping firms deal with these problems. Export promotion officials need to realise that not all firms are affected by the same impediment in the same way. There is therefore need to understand the firms, both at individual level as well as at group level, in order to effectively deal with the factors impeding their involvement in exporting. Apart from trade officials dealing directly with the business community, the government at large needs to also pay more attention to the general business environment as factors such as poor macro-economic conditions as well as poor physical infrastructure cannot be easily addressed at the firm level.

REFERENCES

Altintas M, Tokol T, Harcar T (2007). The effects of export barriers on perceived export performance: An empirical research on SME's in Turkey. EuroMed J. Bus., 2(1): 36-56.

Ahmed Z, Julian C, Baalbaki I, Hadidian T (2006). Firm internationalisation and export incentives from a Middle Eastern perspective. J. Small Bus. Enterp. Dev., 13(4): 660-669.

Ali B, Swiercz P (1991). Firm size and export behaviour: Lessons from the Midwest. J. Small Bus. Manag., 29(2): 71-78.

Bird R (2008). Tax challenges facing developing countries. Inst. Int. Bus. Work. Pap. Ser., IIB pap. Number 12.

Camisón C, Villar-López A (2010). Effect of SMEs' international experience on foreign intensity and economic performance: The mediating role of internationally exploitable assets and competitive strategy. J. Small Bus. Manag., 48(2): 116-151.

Christie R (2008). Development and implications for development in the Pacific. Economic Roundup, 3: 31-43. Commonw. Aust.: Canberra. Available on http://www.treasury.gov.au/documents/1421/PDF/Economic_Roundup_Issue 3_2008.pdf#page=35; Accessed on 11th November 2010.

Khorana S, Verousis T, Perdikis N (2010). Perceptions of export problems in EU-India Trade: Evidence from small and medium firms. Available on http://www.etsg.org/ETSG2010/papers/Khorana.pdf;

Accessed 20th October 2010.
Krueger A (2008). Trade liberalisation and growth in developing countries. Am. Econ. Assoc. Ann. Meet. Pap. Available on http://www.aeaweb.org/annual_mtg_papers/2008/2008_263.pdf; Accessed 11th November 2010.
Kwalingana S, Nkuna, O (2009). The determinants of current account imbalances in Malawi. Available on http://mpra.ub.uni-muenchen.de/14694/1/MPRA_paper_14694.pdf; Accessed on 5th November 2010.
Lamb C, Hair J, McDaniel C, Boshoff C, Terblanche N (2008). Marketing: Third South African Edition. Oxford University Press Southern Africa: South Africa.
Leonidou L, Katsikeas C, Palihawadana D, Spyropoulou S (2007). An analytical review of the factors stimulating smaller firms to export: Implications for policy-makers. Int. Mark. Rev., 24(6): 735-770.
Malawi Government (2007). Revised Malawi Micro, Small and Medium Enterprise policy. Minist. Ind. Trade Private Sect. Dev., Malawi.
Miankhel A, Thangavelu S, Kalirajan K (2009). Foreign direct investiment, exports, and economic growth in selected emerging countries: Multivariate VARanalysis. MPRA Pap. 22763, Univ. Library Munich, Ger. Available on http://mpra.ub.uni-muenchen.de/22763/1/MPRA_paper_22763.pdf; Accessed 5th November 2010.
Morgan E (1999). Environmental determinants of export decision-making: Conceptual issues regarding the domestic market. Eur. Bus. Rev., 99(5): 323-331.
Neupert K, Baughn C, Dao T (2006). SME exporting challenges in transitional and developed economies. J. Small Bus. Enterp. Dev., 13(4): 535-545.
Ogbor J (2009). Entrepreneurship in Sub-Saharan Africa: A strategic management perspective. Author House, Bloomington, Indiana USA.
Okpara J (2009). Strategic choices, export orientation and export performance of SMEs in Nigeria. Manag. Decis., 47(8): 1281-1299.
Okpara J. Wynn P (2008). Human resource management practices in a transition economy: challenges and prospects. Manag. Res. News, 31(1): 57-76.
Pinho J, Martins L (2010). Exporting barriers: Insights from Portuguese small and medium sized exporters and non-exporters. J. Int. Enterp. 8(3): 254-272.
Reserve Bank of Malawi (2010). Monthly Economic Review – October 2010. RBM Publ., 2010: 6 Available on http://www.rbm.mw/economic_reviews.aspx; Accessed on 1st December 2010.
Singh G, Pathak R, Naz R (2010). Issues faced by SMEs in the Internationalisation process: results from Fiji and Samoa. Int. J. Emerg. Mark., 5(2): 153-182.
Suárez-Ortega S, Àlamo-Vera F (2005). SMES' internationalisation: firms and managerial factors. Int. J. Entrep. Behav. Res., 11(4): 258-279.
Tambunan T (2009). Export-oriented small and medium clusters in Indonesia. J. Enterp. Communities: People Places Global Econ. 3(1): 25-58.
Tesfom G, Lutz C (2008). Evaluating the effectiveness of export support services in developing countries. Int. J. Emerg. Mark., 3(4): 364-377.
The Donor Committee for Enterprise Development (2008). Supporting business environment reforms, practical guidance for development agencies. World Bank publ. Available on http://rru.worldbank.org/documents/DonorGuidance.pdf; Accessed 12th November 2010.
Zhou T, Lin G, Li Y (2010). Determinants of interest in the acquisition of export skills for Chinese exporters. J. Technol. Manag. China, 5(3): 196-212.