

**STRUCTURAL AND COMPETITIVE DETERMINANTS OF GLOBALLY-
ORIENTED SMALL AND MEDIUM-SIZED ENTERPRISES: AN EMPIRICAL
ANALYSIS AND CHALLENGES FOR SUCCESS**

by

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Abstract

Building on previous studies, this paper examines the factors influencing the globalization of a particular group of SMEs - Canadian agricultural equipment manufacturers. From a population of 240 firms identified, we received 81 useable responses to our questionnaire. Data from the responses were analyzed using the PLS-graph program.

Two sets of data were considered – the entire sample, and a sub sample consisting of globally oriented firms. Findings indicate a strong direct impact of internal factors such as manager's international experience (30%, 20%, respectively on the samples above), firm's size (70%, 42%), and distinctiveness (0%, 37%) on the total variation explained in globalization. In addition to their direct influences, size and manager's experience have also an indirect and significant influence through distinctiveness.

The direct influence of external factors on SME globalization are moderate for standardization and uncertainty. Competitive pressures have also a moderate indirect influence (through standardization and learning).

The influence of strategic actions is less than moderate. Only scanning has an indirect and significant influence through distinctiveness and a moderate influence through learning. We think that the moderate influence of strategic actions could be related more to methodological problems than to the constructs themselves.

Globalization has a significant influence on the variance explained in profitability (30%, 36%). However, the model explained only around 10% of profit variation. The paper calls for further research on constructs of the model using adapted indicators with more relevance for SMEs.