

Realizing the Significance of High-skill orientation so as to Win in a Global Market: The Mediating Role of training in International Marketing



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ABSTRACT

This study examines the pivot role of ambidextrous skill orientation in the strategy-performance thesis of International firms. Building on the resource based view of the firm, empirically the relationships among competitive strategy, innovation, positional advantage has been examined. Moreover it is necessary to observe the skills needed to be effective in International Marketing, the level of importance of each of these skills are present in employees of International firms, describe the gap between the skills these employees have and the skills they need. The study findings have important implications for research on International Marketing, high-skill orientation, new venture decision making.

Keywords: skill-orientation, decision making, positional advantage, International market.

International marketing has intensified and is evident in nearly all aspects of daily life. Local regions or national boundaries no longer restrict competitive forces. To be successful in today's global economy, companies must be simultaneously responsive to local and global market conditions. Hence International marketing skills are an important ingredient for every company, whether or not it is currently involved in exporting activities. The importance of all these activities is so common as to from where is that where are all these things local or regions or national boundaries restrict competitive forces has been intensified Local regions or national boundaries no longer restrict competitive forces. Globalization has indeed changed the world into a smaller place. It has brought diminishing national borders and the fusing of individual national markets. The fall of protectionist barriers has stimulated free movement of capital and paved the way for companies to set up several bases around the world. International marketing has intensified and is evident in nearly all aspects of daily life. While appreciating the challenges of the new global market place, James Srodes (2000) opined that success in international market depends on being globally literate – objectivity, tolerance of cultural differences, knowledge of culture, history, world market potential, and global economic, social, and political trends.

The marketing mix elements of product, price, place, and promotion, as postulated by Neil Borden (1964), were emphasized as the basis for marketing activities for several decades, yet a study completed by Berry (1990) which ranked the importance of marketing mix activities, offered a distinct difference of opinion. The Berry (1990) study identified customer sensitivity as the most important marketing mix activity. This reflects a major shift in emphasis regarding the importance of various types of skills—from certain skills being needed primarily by employees within the marketing function, to certain skills now being needed by all employees whose work affects customers, which "involves almost everyone in the business" (Hiam and Schewe 1992, 19).

The need exists not only to identify the skills necessary for effective international marketing and determine the importance of each of these skills, but also to pragmatically identify the degree to which employees have these skills. A need exists to identify the extent to which employees perceive that they have the identified skills. These skills encompass more than just the technical

aspects of international marketing. A means of identifying the gap between the skills these employees have and the skills they need, and an understanding of this gap is required before appropriate training programs can be developed.

There is no longer a doubt that we live in a world of transformations, affecting almost every aspect of what we do. For better or worse, we have been propelled into a global order that no one fully understands, but which is making its effects felt upon all of us. Thomas Friedman (2000) opined that globalization, is "the inexorable integration of markets, nation-states and technologies to a degree never witnessed before - in a way that is enabling individuals, corporations and nation-states to reach around the world faster, deeper and cheaper than ever before" (7). It is made possible, of course, by its "defining technologies," the Internet above all. Today, the global marketplace, is much more developed than even two or three decades ago, and is indifferent to national borders (Giddens 1999). Neither the old-line international specialist nor the more recent global generalist can cope with the complexities of cross-border strategies. Indeed the dynamism of today's marketplace calls for managers with diverse skills (Bartlett and Ghoshal 1992, p.131).

Internationalization has become a corporate necessity because today businesses "are beginning to realize that the firm that isn't thinking in terms of international trade should start thinking about going out of business" (Zodl 1995, 3). From a marketing context, the challenge has been one of "restructuring domestic marketing operations to compete internationally in larger, more disparate markets" (Denison and McDonald 1995, 58). Appropriate training programs are required to meet the skill needs within a globally competitive environment; many organizations have prioritized employee-training efforts and have "placed skill and labour needs alongside product and service development" (Gibbs, Glendenning, and McCarthy 1995, 4). Any company involved in cross-border trade needs to keep its staff continually updated, both in terms of the skills needed to do their jobs and to further their careers (Nemes 2005). Caution must be taken to ensure that training remains appropriate, because "training for training's sake" offers little potential, and in order for training "to be effective, it must be focused " (Denton 1995, 2). The purpose of this study is to: (1) identify the skills needed to be effective in international marketing; (2) identify the level of importance of each of these skills; (3) identify the degree to which these

skills are present in employees of exporting companies; and (4) describe the gap between the skills these employees have and the skills they need.

THEORY AND HYPOTHESES

Identification of International Marketing Skills

An extensive review of the literature was completed relative to determining which skills are needed for effective international marketing. The literature provided several organizational frameworks which focused on general elements of international marketing: five decision areas for international marketing presented by Jeannet and Hennessey (1995); four dimensions of global marketing according to Quelch and Hoff (1986); twenty-six elements are drawn by Albaum et al. (1994); while fourteen similarly fashioned elements of international marketing are illustrated by Cateora (1993).

The literature, however, did not seem to provide any framework focused particularly on skills. This study used the traditional four Ps of marketing, and added planning, as skill categories: (1) planning and operational skills; (2) pricing skills; (3) product skills; (4) distribution skills (place), and (5) promotion skills.

Consensual validation is used as a tool to develop a list of skills needed for effective international marketing. This process involved identifying independent variables based upon the regularity with which they appeared in the scholarly literatures. The result of the consensual validation was a list of twenty-four skills, which were validated across thirty-five authors. Each of the skills was extracted from the available scholarly literature and was validated across multiple sources

Required Skills

The first research question of this study related to the identification of the skills required to be effective in international marketing. An extensive review of the literature produced an initial list of twenty-four skills. These skills were placed into one of five skill categories: (1) planning and operational skills; (2) pricing skills; (3) product skills; (4) distribution skills; (5) promotion

skills. The first round of the participants sample Delphi survey was designed to clarify each of the skills on the original list, as well as obtain additions to the skill list.

The survey resulted in a total of sixty skills having been identified as necessary for effective international marketing. Planning and operational skills were expanded in number from the original fourteen to eighteen, while the list of pricing skills was expanded from three skills to ten. The number of product skills increased from two to nine, distribution skills went from three to eleven, and promotion skills went from two to twelve.

Importance of Skills

The second research question of this study related to the identification of the level of importance of each of the skills. A participant sample, through three rounds of Delphi surveys, attached importance ratings for each of the skills

Possession of Skills

Active international marketing practitioners were surveyed regarding the degree that employees possessed the identified skills. Degree of possession ratings were collected across an eight-point Likert scale, where 1 = "do not possess" and 8 = "strongly possess."

Ratings were collected across an eight-point Likert scale, where 1 = "do not possess," and 8 = "strongly possess," regarding the degree to which companies perceived that employees possessed each of the sixty skills. Of these ratings two skills or 3 percent were rated seven; twelve skills or 20 percent were rated six; twenty-eight skills or 47 percent were rated five; seventeen skills or 28 percent were rated four; and one skill or 2 percent was rated three.

Training Gap

The last research question dealt with the identification of the extent of gap between the skills employees in exporting companies have and the skills identified by a panel of experts as necessary

to be effective in international marketing. Data collected from the participant sample, which attached levels of importance to each skill, were compared across data collected from practitioners, which assessed the degree to which employees possessed these skills.

RESEARCH METHODOLOGY

Kind of Design

This study used the descriptive design, as it was not intended to develop or defend any particular hypothesis. Descriptive research involves describing "systematically the facts and characteristics of . . . [an] area of interest, factually and accurately" (Isaac and Michael 1995). To accomplish this purpose, assessments of expert and practitioner opinions and perceptions were utilized to describe systematically: (1) what skills are needed to be effective in international marketing; (2) what level of importance is attached to these skills; (3) the degree to which these skills are present in employees of exporting companies; and (4) the gap between the skills these employees have and the skills they need.

The conventional Delphi process was utilized as the method for data collection to answer research questions one and two. Delphi may be defined as a method for structuring a group communication process so that the process is effective in allowing a group of individuals, as a whole, to deal with a complex problem. To accomplish this "structured communication" there is provided: some feedback of individual contributions of information and knowledge; some assessment of the group judgment or' view; some opportunity for individuals to revise views; and some degree of anonymity for the individual responses (Linstone and Turoff, 2002).

Population and Sample

Two samples were selected for this study. The first was a sample of academics in the faculty of business administration and management at Ryerson University, where the writer of this

thesis studied International Business, York University and Humber College in the Greater Toronto Area in Canada which completed the tasks of: (1) identifying what skills are needed to be effective in international marketing; and (2) attaching a level of importance to each of these skills.

The second sample was international marketing and trade practitioners in the Greater Toronto Areas business district who completed the task of identifying the degree to which these skills were present in employees of exporting companies.

Instrumentation

This study required the use of Delphi Instruments, through three rounds. The first was designed to identify what skills were required to be effective in international marketing (appendix A). The writer of this study began content validity for this instrument through the use of an extensive review of the literature. The literature review produced a list of twenty-four skills needed to be effective in international marketing. The round one Delphi Instrument contained this list.

Delphi sample participants were encouraged to add their own skills to the original twenty-four as presented on the Delphi Instrument. The potential for significant study bias was low, because the participants received clarification about any unclear terms and were encouraged to recommend new skills for inclusion.

Data Collection Procedures

The sample participants completed three rounds of Delphi Instruments. The Delphi procedure focused on the tasks of: (1) identifying what skills are needed to be effective in international marketing, and (2) attaching a level of importance to each of these skills. An extensive review of the literature produced an initial list of skills needed to be effective in international marketing. These skills were organized into five categories, which constituted skill clusters, to simplify the task of Delphi response. The first Delphi round was designed to obtain participants additions to the skill list. The second Delphi round survey asked participants to attach

a rating of importance to each skills. The third Delphi round gave participants feedback on other participants' ratings, and was designed to give them the opportunity to modify their ratings.

Statistical Analysis

Data were gathered from sample participants to identify which skills are needed for effective international marketing. The initial list of skills, developed through a review of the literature, was appended with skills recommended by the participants; therefore, no statistical analysis was required. The refined list of skills answered research question number one.

Additional data were collected from the sample participants, during Delphi round two, regarding the level of importance attached to each of the skills. Ratings were collected across an eight-point Likert scale. During Delphi round three, feedback was provided to participants regarding mean ratings and the inner quartile range for each skill; participants then had the opportunity to modify their original ratings. A description of these data answered research question number two.

Data were collected from international marketing practitioners regarding the degree that employees possessed the identified skills. Ratings were collected across an eight-point Likert scale and answered research question number three.

DISCUSSION AND CONCLUSIONS

This study identified the necessary skills for effective international marketing, attached degrees of importance to each of these skills, determined the degrees to which employees of small and medium-sized actively exporting companies possessed these skills, and prioritized international marketing training needs based on the findings. There are three major managerial implications based on the findings. The first two conclusions are presented for academicians and corporate training personnel to consider as they develop international marketing training programs. The third conclusion is presented for corporate managers to utilize as an assessment tool when gauging readiness to conduct international marketing activities.

1. Since small and medium-sized actively exporting companies indicated that their employees had medium or higher degrees of possession across 99 percent of the skills, there may be some reluctance to engage in training programs, unless the payoff is obvious.

These companies will probably not attach urgency toward participation in international marketing training programs, because they perceive that they already possess a high enough degree of skill in most of the international marketing areas. The results probably would have been much different had a population of companies with little or no export experience, or companies, which tried to export unsuccessfully, been surveyed.

The results are most meaningful when applied to marketing training programs to companies who are actively engaged in exporting. These companies will probably be hesitant to participate in training programs related to areas where they perceive they already possess what they consider to be "adequate" skills. This means that emphasis should be placed on why "adequate" levels of skills in international marketing are no longer acceptable, especially in a competitive global economy. The advertising emphasis when marketing these types of training programs to small and medium-sized actively exporting companies should be placed on the importance of updating international marketing skills; that what is considered to be "adequate" today, may not be considered to be "adequate" tomorrow.

2. Skills falling into the international promotional skill category should be the topic most emphasized when offering international marketing training programs to small and medium-sized-actively exporting companies.

Small and medium-sized actively exporting companies perceived the promotional skill category to be their most deficient. Five out of the ten skills "possessed the least," and none of the ten skills "possessed the most," fell into the promotional skill category. Respondents from exporting companies perceived none of the promotional skills among their strongest. However, half of their weakest skills overall were promotional skills.

International promotional skills have clearly dominated as the top international marketing training category. The results of this study indicated that three promotional skills were placed within the top four training priorities overall: (1) explore other promotional alternatives that may be characteristic of a given country (priority one); (2) identify and abide by legal issues relative to foreign promotion (priority two); and (3) evaluate and select appropriate promotional mix (priority four).

It thus becomes evident that the international promotional skill category should be the topic most emphasized when offering international marketing training programs to small and medium-sized actively-exporting companies as we consider the following facts: (1) respondents of actively-exporting companies stated that promotional skills were their weakest area; (2) participant sample members agree that one promotional skill ranks among the ten most important international marketing skills, even though they disagree somewhat about whether any of the promotional skills should be among the ten least important; and (3) three of the top four overall training priorities fell into the international promotional skill category.

Implications for Managers

These findings suggest that managers who wish to target International Market need to understand the importance of designing a new tool for assessing the extent of international marketing skills within companies.

This study produced a comprehensive list of skills and identified which of those skills were considered to be most important by a sample of international marketing experts, against which a company can conduct an international marketing skills assessment. These skills cut across the general skill categories of planning and operational skills, pricing skills, product skills, distribution skills, and promotional skills. Of the sixty skills identified by members of a participant sample as being needed for effective international marketing, the sample agreed that twenty-one were highly important.

Further Research and Limitations

The results of this study provided a foundation that could be used to initiate several additional studies: (a) using the skills identified for effective international marketing as the foundation for designing skill standards for effective international marketing practice; (b) using the general international marketing training priorities to establish industry-specific international marketing training modules; (c) validate the international marketing skill assessment instrument and develop additional international marketing audit tools, methods and instruments; and (d) using the skills identified for effective international marketing as the foundation for addressing the merits of outsourcing options.

For that reason, the recommendations made for further research focus on additional studies that might refine the results of this study.

1. A study should be conducted to determine which tasks are required to effectively perform the top training priorities as concluded from this study. Tasks should be delineated in the form of skill standards, with simplified checklists to determine training content, and level of competency.
2. A study should be conducted to determine the content for specific international marketing training modules as they relate to specific standard industrial classification (SIC) codes. Study results should produce training modules with additional refinements and specific skills relative to the specific training needs for each industry sector.
3. A study should be conducted to determine the degree to which actively exporting companies have the ability to correctly assess the extent their employees possess various international marketing skills, using the proposed assessment instrument. Emphasis should be placed upon the extension of the proposed assessment instrument and its validation as an accurate, yet practical, assessment tool and method that could easily be self-administered by most firms.
4. A study should be conducted to determine the extent that outsourcing options exist relative to each of the skills identified for effective international marketing. Outsourcing options extend the international marketing skill base of the company, by way of retaining, hiring, or partnering with other entities to perform the tasks associated with those skills. Emphasis should be

placed on the identification of the most common sources for outsourcing, and on the description of how to utilize these sources for effective implementation of specific tasks associated with these skills.

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