

Faculdade de Economia, Universidade do Porto
Master in International Economics and Management

**Organizational characteristics and Performance of
Export Promotion Agencies (EPAs). A comparative
analysis of Portuguese and Irish EPAs**

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Abstract

Export Promotion Agencies (EPAs) exist in developed countries since the beginning of the 20th century to improve firms' competitiveness by increasing the knowledge and competence applied to export market development. Several studies assessed the real efficacy of the EPAs, mostly from the point of view of firms. There are also some quantitative studies on the influence of organizational characteristics in EPAs' performance, but, to the best of our knowledge, no case studies exist that analyse, detail and explain which organizational characteristics of EPAs are associated to their distinct success. Therefore, our research aims to fulfil this gap by assessing whether and which internal traits of EPAs are associated to distinct performance. To accomplish this task we perform a case study analysis comparing a laggard (Portuguese) and a highly efficient (Irish) EPA in terms of export promotion. In methodological terms, this involved the implementation of a detailed survey to the collaborators of the two EPAs that deal directly with enterprises in exports promotion, which encompasses several dimensions of organizational performance: strategy, innovation strategy, knowledge management, structure, human resources, processes, procedures, and systems. Using the non parametric test of Kruskal Wallis, we find that differences between agencies are evident for all the dimensions, except for Structure and Procedures. This divergence can be associated to the existent different performances, answering to our research question "whether and which internal traits of EPAs are associated to distinct performance". Further, through a factor analysis we observe that the hidden factors found for each agency are different, revealing a stronger importance given to strategic decisions in EI and to internal issues as communication and knowledge management in AICEP. This reveals that in AICEP we do not find any evident component of intentionality, being an organization more concerned with internal questions and not with actions directed to the market. In parallel, in EI the philosophy goes towards acting to the market and taking in consideration the clients' needs.

Keywords: Export Promotion Agencies; Organizational Performance; Organizational Dimensions; Portugal; Ireland

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Introduction

Export Promotion Agencies (EPAs) exist in developed countries since the beginning of the 20th century (Seringhaus and Botschen, 1991). Some literature, however, has questioned their efficiency (e.g., Keesing and Singer, 1991), and, mostly after the 1990s, some analyses of their performance and impact for exports and trade were made (e.g., Cavusgil and Yeoh, 1994, Wilkinson and Brouthers, 2000, Calderón et al., 2005).

Most of the extant studies in the area are focused on the efficacy of EPAs from the point of view of firms (e.g., Calderón et al., 2005), although there are also some generic studies about the influence of the organization's characteristics in their performance (Lederman et al., 2010). Nevertheless, and according to Lederman et al. (2010), there are not case studies that analyse, detail and explain how certain characteristics of EPAs influence or explain their distinct success (in terms of export performance). Therefore, there is a gap in the literature which is important to fulfil. As such, we propose to make a qualitative study by comparing two European EPAs: the Portuguese and the Irish. The first case is justified by two orders of reasons: its relative (low) performance in terms of export efficiency (Lederman et al., 2010) and the fact that the internationalization issue has gained in the later years the statute of national imperative, being considered by the current Portuguese government (the 18th government) of vital importance as a means to escape to the crisis that affects the country (Portugal - Government, 2009). Indeed, in the Ministers' Council Resolution No. 3/2010 (Portugal - Government, 2010) it is mentioned that the internationalization of the Portuguese economy is a fundamental strategy to the sustained economic improvement, capable of stimulating the economic growth in the middle term, promoting the renewal of the productive basis and reducing the external deficit. AICEP, the Portuguese EPA, is the public entity responsible for developing and executing support policies for the internationalization of the Portuguese economy. The second case contrasts the Portuguese one in what concerns the export efficiency dimension. The Irish EPA is one of the three EPAs (besides The Netherlands and Hong Kong) that emerges in Lederman et al.'s (2010) study as one of the most export promotion efficient (being even most efficient than the one from The Netherlands), evidencing a larger volume of export per budget available. Being, as Portugal, a member of the EU and facing similar challenges and budget constraints (The

Economist, 2010), Ireland's EPA, Enterprise Ireland, constitutes an adequate benchmark as it is also publicly managed like AICEP (the Portuguese EPA).

In such a context, our research question is 'To what extent organizational characteristics and dimensions are associated to distinct EPAs' performance?'

To answer our research question we opt for a case study analysis of the two mentioned EPAs which include the implementation of a detailed survey in both organizations, to all the collaborators that deal directly with enterprises promoting their exports. This survey aims at covering these organizations' internal characteristics, namely at the organizational, strategic and institutional levels, that might potentially explain the eventual differences found in export's performance.

The present research is structured as follows. The first chapter reviews the literature with regard to the export promotion agencies in general. Specifically, we focus on the emergence of EPAs and the economic justification for their existence (Section 1.2), then in Section 1.3, we cover the literature regarding their impact on firms' exports, and finally, in Section 1.4, we approach the relevant organizational characteristics for organizations in general and for EPAs in particular. The methodology used in our research is exposed in Chapter 2, namely the justification for the EPAs' object of analysis (Section 2.2), the construction of the questionnaire (Section 2.3), and the target population and data gathering procedures (Section 2.4). In Chapter 3, we provide the analysis of the data. Sections 3.2 and 3.3 contain the comparisons of the data made through descriptive statistics and the Kruskal-Wallis non parametric test; Section 3.4 presents the results of the factor analysis which aims at uncovering whether the resulting potential hidden organizational factors differ between the two selected EPAs. The factor analysis is done in three ways for each agency and then the results are compared. First, we look at the 8 organizational dimensions for each agency (Section 3.4.1.); second, we consider all the questions as a whole for each agency (Section 3.4.2.); and last, we regard the questions that constitute each dimension (Section 3.4.3.). We, finally, put forward some conclusions, limitations and path for future research.

Chapter 1. The role, evolution, and organizational characteristics of Export Promotion Agencies (EPA). A review of the literature

1.1. Initial considerations

This chapter is entitled to make a review on the relevant literature that has been written, mostly by academics, about export promotion in general and EPAs in particular. This revision is very important to support and frame our research, and to give surety that the present work is pertinent.

Therefore, we start by exposing the emergence of EPAs and the several reasons that are usually presented for justifying their existence. Secondly, we synthesise the impact of EPAs on firms' and countries' exports, taking into consideration the several studies that have been done. Finally, we describe the internal and external organizational characteristics that are relevant to dictate the performance of an EPA.

1.2. The emergence of the Export Promotion Agencies

Historically, governments have long been involved in setting and policing the framework for international trade and investment, as well as facilitating or encouraging exports (Alexander and Warwick, 2007). Export promotion support to the business community has been available in industrialized countries since the turn of the century (Seringhaus and Botschen, 1991).

The first Export Promotion Agency (EPA), still existing, was created in 1919 in Finland (Lederman et al., 2010). EPAs are specialized public organizations with clear mandate to develop and diversify trade and, in general, tend to be properly endowed in terms of personnel (Martincus et al., 2010). In the mid-1960s they became a popular instrument to increase exports and reduce trade deficits, under the support of the International Trade Center (ITC),¹ having tripled over the last two decades (Lederman et al., 2010).

¹ ITC is a joint agency of the United Nations and the World Trade Organization (WTO) for business aspects of trade development. ITC's mission is to enable small business export success in developing and transition countries by providing, with partners, inclusive and sustainable trade development solutions to the private sector, trade support institutions and policymakers.

Encouraging private sector export activity to exploit niches in the international marketplace contributes to a nation's economy by lowering the trade deficit, creating jobs, broadening the nucleus of business opportunities, encouraging technological developments, and leading to higher profits (Business America, 1988, in Cavusgil and Yeoh, 1994). The creation of EPAs is considered a crucial instrument to boost the exports of small and medium-sized firms (Lederman et al., 2010). In general, the objectives of EPAs are to help exporters understand and find markets for their products (Lederman et al., 2010). According to Seringhaus and Botschen (1991), the basic goals underlying export promotion can be defined as: 1) to develop a broad awareness of export opportunities and to stimulate interest for export in the business community; 2) to assist firms in the planning and preparation for export market involvement; 3) to assist firms in acquiring the needed expertise and know-how successfully to enter and develop export markets; and 4) to support foreign market activity tangibly through organizational help and cost-sharing programs. Diamantopoulos and Tse (1993) refer the importance of export support programs from both the government's and the firm's point of view. For the government, they are intended to improve the international competitiveness of domestic firms and thus the country's trade balance, what makes the need for export promotion dependent on the degree of a nation's global trade expansion and its relative competitiveness with other trading nations; for the firms, they attempt to create a pro-exporting attitude, deal with specific problems and assist in making exporting a positive experience for the company.

But the economic justification for government involvement in export promotion is based, in general, on the theory of asymmetric information and other market failures (Gil et al., 2008). Market failures exist when free markets fail to generate an outcome that is efficient, and they typically arise when there are externalities (so that individual agents do not accept the full social costs or receive the full benefits of their activities), incomplete markets (for example, it may not be possible to buy insurance against some contingencies), or market power (where agents are able to exercise some monopoly power) (Copeland, 2007).

Imperfect or asymmetric information may lead to sub-optimal international activity by firms because inexperienced exporters, in particular, may underestimate the uncertain benefits of exporting and so, when faced with the costs of entering export markets, may

decide not to take the risk (Alexander and Warwick, 2007). Although information incompleteness is an important barrier to trade, the severity of the problem varies across trade activities, depending on the number of new goods object of export and the number of new markets that a firm wants to enter (as obstacles are expectedly larger when introducing new goods or adding new countries to the set of destination markets) (Martincus et al., 2010). For Lederman et al. (2010), the uncertainty associated with trading across markets with different regulations is a justification for export insurance schemes supported by the public sector.

Alexander and Warwick (2007) consider that there are also a number of arguments for government involvement in export promotion stemming from its unique role, such as: setting the rules of the system to enable international markets to function effectively (structures, laws, etc.); being a trusted intermediary; having better access to EPAs abroad to provide information that otherwise would not be available; and providing credibility to firms seeking partners in a transaction. According to the same authors, for government intervention to be beneficial, it needs to satisfy several criteria: first, there must be a problem that the government can address more effectively than other parties; second, it must be clear that government intervention is effective, i.e. that the benefits outweigh the costs. Social benefits are likely to be larger than the social costs if there are large positive externalities associated with higher current exports across firms, sectors or time and within the exporting country (Lederman et al., 2010).

In the next section we review the literature that assesses the real effect on the exports of export promotion agencies in general, and specific programmes or instruments in particular.

1.3. A synthesis of the impact of EPAs on firms

As underlined earlier, export promotion policies can be rationalized as responses to market failures, associated with information spillovers originated in successful searches of business opportunities abroad and informational asymmetries between trading parties (Copeland, 2007). In this respect, export promotion programs represent readily available external sources of information and experiential knowledge and, as such, they are believed to enhance a firm's competitiveness by increasing the knowledge and competence applied to export market development (Gençtürk and Kotabe, 2001).

Whether these public interventions have been actually effective in correcting such market failures and allowing for increased trade, has been object of an intense debate (Martincus et al., 2010). To Czinkota (1994), the measurement of the effectiveness of export assistance should not be based on the firm's export performance, which is mainly controlled by the firm, but should be based on its export involvement, focusing on the number of customers, transactions, and countries served.

Some studies (e.g. Head and Ries, 2010) have failed to find a positive impact of EPAs on exports, and others (e.g. Keesing and Singer, 1991; Calderón et al., 2005) questioned their efficiency. In contrast, evidence on the positive effects is provided by several studies (e.g. Coughlin and Cartwright, 1987; Wilkinson and Brouthers, 2000; Genctürk and Kotabe, 2001; Alvarez, 2004; Shamsuddoha and Ali, 2006). In the same line, more recently, several studies uncover a positive and significant role of EPAs on distinct dimensions of countries' economy. Specifically, Lederman et al. (2010) found that national export promotion agencies have, on average, a strong and statistically significant impact on exports. At a regional level, Gil et al. (2008) estimated the effect of Spanish regional trade agencies abroad on exports and evidenced that regional agencies increase trade. Focusing on Latin American and Caribbean countries, Martincus et al. (2010) found that the presence of offices of export promotion agencies abroad favoured the increase in the number of differentiated goods that are exported from such countries. Finally, on a more general ground, Shamsuddoha et al. (2009) concluded that government export assistance programmes play an important role in the Bangladesh SMEs' internationalization process by contributing to a number of firm and management related factors (such as managers' perceptions of the overseas market environment and international marketing knowledge) that determine international marketing performance of a firm.

In terms of specific export promotion instruments, the effectiveness of overseas offices, trade missions and trade fairs, has also been debated. Spence (2003) evaluated the impact of overseas trade missions in the UK, showing that this instrument had contributed positively to the generation of incremental sales in foreign markets. On the contrary, Head and Ries (2010), found that trade missions organized by Canadian government have small, negative, and mainly insignificant effects.

In what concerns trade shows, the existent literature is mainly focused on evaluating trade shows' selling effectiveness to firms. For instance, Rosson and Seringhaus (1991) found that nearly one-half of a sample of Canadian firms participating at international trade shows did not generate sales (either at the show or within one year). Focusing on evaluating trade shows as part of export assistance programmes, Solberg (1991) reported that Norwegian firms participating in trade fairs with government support often do so ineffectively, whereas Hansen (1996) found the absence of significant differences between the perceptions of exhibitors and visitors regarding the beneficial impact of trade fair assistance programmes and noted that visitors paid greater attention to government stands. By making a comparative analysis of companies exhibiting with government support or independently at international trade fairs, Seringhaus and Rosson (1998) concluded that albeit existing important marketing (learning) benefits obtained from government support, the ability to turn contacts into leads and convert the latter into sales is markedly greater among independents as compared to those supported by the government. According to these authors, companies invited to exhibit in the national pavilion can benefit from the organizational, logistical, and financial perspective, provided by their national organization.

The impact of overseas offices has also been assessed. For example, Cassey (2008) analysed the American overseas offices of each state and estimated that the benefit of them probably ranges from \$90,000 to \$130,000 per billion in exports, depending on the country where it is located. Finally, Rose (2007), Nitsch (2007), and Gil et al. (2008) found that embassies or state visits contribute strongly to bilateral trade.

Summing up, in general, EPAs, with their overseas offices and export promotion instruments (such as trade missions, trade shows or state visits), tend to contribute in a positive way to firms' international performance and countries' exports, although there are also some studies that found a negative or non significant impact of EPAs. Table 1 summarizes several authors' views about the positive and negative impacts of EPAs, and the dimensions where they mostly affect countries and firms, namely: the country's bilateral trade, the country's exports, the regional exports, firms' efficiency, firms' exports and firms' knowledge about internationalization.

Being provided at a free or at a nominal charge, export assistance contributes to these positive results as it offers a cost-efficient means of gaining knowledge and experience (Gençtürk and Kotabe, 2001). Another well known and empirically supported financial benefit of export promotion assistance is the direct cost savings enjoyed by users through programs such as subsidies, below-market rate loans, and reduced bulk rates on rental spaces at trade shows and travel fares (e.g., Gronhaug and Tore, 1983). As such, usage of export promotion programs enables a firm to reduce operating costs and become more profitable and therefore more efficient in its export activities (Gençtürk and Kotabe, 2001).

Table 1: The effects of EPAs' support according to several authors

Impact of EPAs and their instruments	General Effect	Studies
Positive	Increase of country's bilateral trade	Rose (2007)
		Nitsch (2007)
	Increase of country's exports	Gil et al. (2008)
		Coughlin and Cartwright (1987)
		Spence (2003)
		Lederman et al. (2010)
		Martincus et al. (2010)
	Increase of regional exports	Gronhaug and Tore (1983)
	Increase of firms' efficiency	Wilkinson and Brouthers (2000)
		Gençtürk and Kotabe (2001)
	Increase of firms' exports	Gil et al. (2008)
		Alvarez (2004)
Negative	Improvement of firms' knowledge about internationalization	Shamsuddoha and Ali (2006)
		Shamsuddoha et al. (2009)
	Increase of firms' exports	Rosson and Seringhaus (1991)
		Seringhaus and Rosson (1998)
		Wilkinson and Brouthers (2000)
		Alvarez (2004)
	Increase of country's exports	Head and Ries (2010)

Source: Own elaboration

In the next section we analyse the extent to which different organisational characteristics of EPAs may influence the nature of support that is provided to firms and their impact on firms' export promotion.

1.4. Organizational characteristics of EPAs

1.4.1. A framework of analysis

Organizations are affected by external and internal factors. The external factors include (White and Bruton, 2007) politics; laws and public policy; suppliers; other societal and public groups; and external sources of new technology. In parallel, and according to the same authors, the internal factors that interact to determine an organization's outcome are strategy, structure, human resources, processes, procedures, systems, technology and innovation strategy, information processing and knowledge management. Wettenhall (2003) also mentions the property of the organization, since there is a vast range of organizations between the two polar positions of fully governmental and fully private: intermediate categories of quasi-governmental and quasi-non-governmental (structures with public purposes but outside the apparatus of central government).

In respect to the particular case of Export Promotion Agencies, we focus intentionally on internal factors given the gap in the literature uncovered by Lederman et al. (2010) in what concerns the analysis of organizational structures and strategies of given EPAs. Nevertheless, it is important to mention the two types of external factors that influence EPAs' effective export promotion: 1) firms' internal factors and performance (Reid, 1983; Shamsuddoha et al., 2009); 2) the political context (Farnham, 2004). Besides the latter, Hogan (1991) also underlines the confidence the EPA enjoys from the government and the exporters.

Regarding EPAs' internal factors, Lederman et al. (2010) mention organizational structures, strategies, and activities as the ones which affect their performance. Hogan (1991) also points out the following: human resources (as they need to have the necessary international knowledge to perform a good support to exporters; most of the times they are transferred from any ministry or a public organization, and though lacking that knowledge); autonomy (EPAs should have the necessary independence to take decisions); the number of overseas representations (crucial to provide up-to-date information and guidance to exporters); the services offered to each type of exporter (as a less sophisticated exporter will need more assistance than an established one), and the budget available (it can be obtained by government grant, by tariffs on imports or exports, by memberships' subscriptions, by charging for services).

In Figure 1 we expose the main factors, internal and external, that may influence EPAs' performance. There are three key internal factors that influence these organizations as a whole, namely strategy, technology and innovation strategy and knowledge management, and there are five more specific factors such as structure, human resources, procedures, processes and systems, that influence and are influenced by the previous ones.

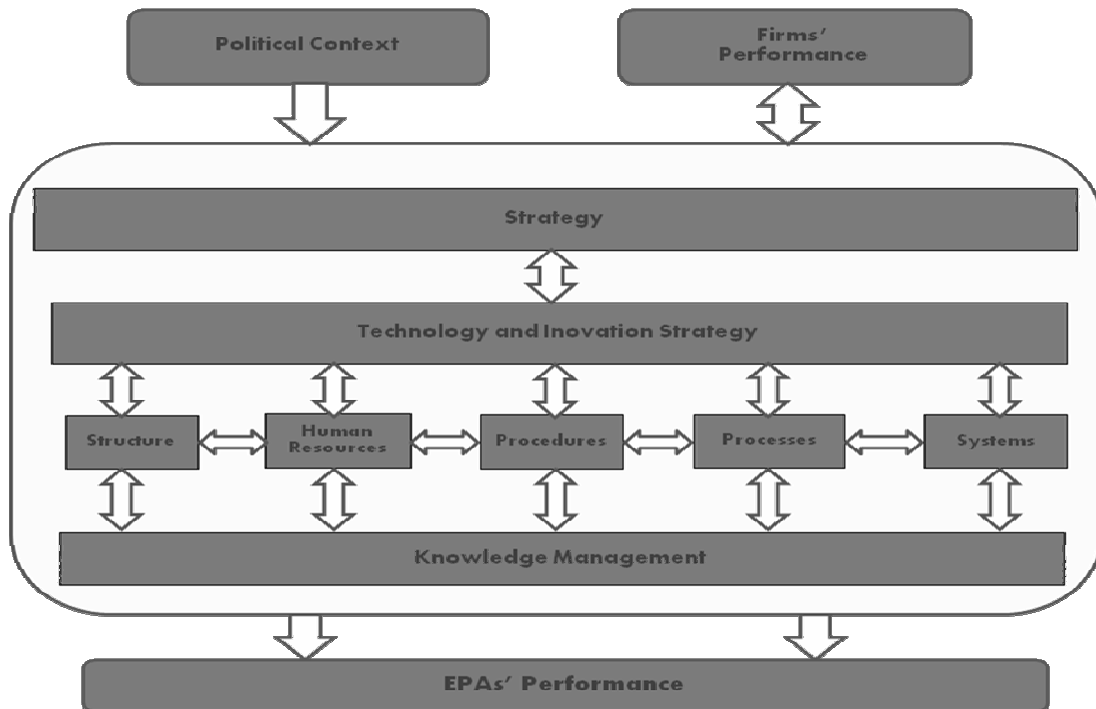


Figure 1: External and internal factors that potentially affect EPAs' performance

Source: Adapted from White and Bruton (2007)

Considering the first internal factor, '**Strategy**', White and Bruton (2007) defines it as a coordinated set of actions that fulfil a firm's objectives, purposes, and goals. For Chandler (1997), strategy can be defined as the determination of the basic long-term goals and objectives of an enterprise, and the adoption of courses of action and the allocation of resources necessary for carrying out these goals. Andrews (1997) disentangles business strategy from corporate strategy. For this author, business strategy is the determination of how a company will compete, and corporate strategy is a pattern of decisions that determines and reveals its objectives, purposes, or goals, produces the principal policies and plans for achieving those goals, and defines the range of businesses the company is to pursue, the kind of economic and human organization it is or intends to be, and the nature of the economic and non economic contribution it intends to make to its stakeholders. It is important to recall, however, as argued by

Andrews et al. (2009), that organizational strategies are messy and complex since a mix of strategies is likely to be pursued at the same time. For these authors, although strategic management approaches are likely to be durable, an organization may shift emphasis between different strategies when faced with different circumstances, resulting in the emergence of a new strategic management framework. Besides, Galbraith (1996) notes that different patterns of strategic choice lead to different organization structures, management systems, and company culture.

Considering '**Technologies and Innovation Strategy**', we can state that, on one hand, emerging technologies have the potential to remake entire industries and obsolete established strategies (Day and Schoemaker, 1996) and, on the other hand, that definitions of innovation strategy are rare and not consistent (Strecker, 2008). One of the existent definitions considers that innovation strategy determines to what degree and in what way a firm attempts to use innovation to execute its business strategy (Gilbert, 1994 in Strecker, 2008). Strecker (2008) defines it as the sum of strategic choices a firm makes regarding its innovation activity.

Knowledge is the body of rules, guidelines and procedures used to select, organise and manipulate data to make it suitable for a specific task (Stair and Reynolds, 1998, in Busch, 2008). 50 to 90 percent of organisational knowledge is tacit, that is implicit and not codified. On the contrary, codified knowledge exists in print or electronic form, is available either freely, free of charge but through restricted access or at a cost. '**Knowledge Management**' aims to draw out the tacit knowledge people have, what they carry around with them, what they observe and learn from experience, rather than what is usually explicitly stated (Busch, 2008). It is heavily influenced by the culture (Syed-Ikhsan and Rowland, 2004, in Busch 2008). Although knowledge management is becoming widely accepted, many organizations have become so complex that their knowledge is fragmented, difficult to locate and share, and therefore redundant, inconsistent or not used at all (Zach, 1999).

In what concerns '**Organization Structure**', the 'anatomy of the organization' to Dalton et al. (1980), it may be considered as to providing a foundation within which the organization functions and affects the behaviour of organization's members. Pugh et al. (1968) refer six primary dimensions of organization structure: (1) specialization (the

division of labour within the organization is the distribution of official duties among a number of positions), (2) standardization (defining a procedure and specifying which procedures in an organization are to be investigated), (3) formalization (the extent to which rules, procedures, instructions, and communications are written), (4) centralization (the locus of authority to make decisions affecting the organization), (5) configuration (the "shape" of the role structure) and (6) flexibility (the ability to configure and reconfigure a bundle according to the demands of a particular project (Galbraith, 1996)). Further, a distinction between "structural" and "structuring" characteristics of organizations has been suggested by Campbell et al. (1974, in Dalton et al., 1980). Accordingly, the "structural" qualities of an organization are its physical characteristics, such as size, span of control, and flat/tall hierarchy. In contrast, "structuring" refers to policies and activities occurring within the organization that prescribe or restrict the behaviour of the organization members.

Concerning another internal factor, '**Human Resources**', they assume an important role in all organizations since they are the major organizational resource and the key to achieving outstanding performance, depending on the way the organization manages them (Delaney and Huselid, 1996). In particular, employee participation, empowerment and job redesign, including team based production systems, extensive employee training, and performance contingent incentive compensation, are widely believed to improve the performance of organizations (Pfeffer, 1994).

The formulation of '**Procedures**' can be defined as strategic or tactical (Chandler, 1997). Accordingly, strategic decisions are concerned with the long-term health of the enterprise. Tactical decisions deal more with the day-to-day activities necessary for efficient and smooth operations.

'**Processes**' refer to dynamic links among all elements, such as recruitment, budgeting, compensation, and performance evaluation (Galbraith, 1996).

Finally, '**Systems**' determine the distribution of authority, power and expertise within the firm and influence its willingness and ability to venture beyond its existing skills and competencies (Gedajilovic and Zahra, 2005).

Observing other authors' views (e.g., Galbraith, 1977, in Galbraith, 1996; Waterman et al., 1980) we can put forward that an organization consists of structure, processes that

cut the structural line like budgeting, planning, teams, reward systems like promotions and compensation, and people practices like selection and development (Galbraith, 1977, in Galbraith, 1996). Further, Waterman et al. (1980) consider that an organization consists of 7-Ss, namely, structure, strategy, systems, skills, style, staff, and softer attributes like culture. All of these models are intended to convey the same ideas. First, organization is more than just structure and, second, all of the elements must fit to be in harmony (Galbraith, 1996). The effective organization is one that has blended its structure, management practices, rewards, and people into a package that in turns fits with its strategy (Galbraith, 1996).

1.4.2. EPAs' organizational characteristics: the evidence

Most industrial countries have their own export promotion systems in place. But, while the concept and role of such support is similar across these countries, organizational set-up and strategic approaches of export promotion may differ considerably (Seringhaus and Botschen, 1991). This caveat is important because cross-country generalizations of successful nationalistic export promotion programs may not be equally applicable in all countries. For example, Canada and Austria can be viewed as pursuing maximally differentiated export promotion policies (in Canada export promotion is carried out by government under a loosely coordinated approach, whereas in Austria export promotion is handled by the private/quasi-private sector under an integrated strategic approach) (Seringhaus and Botschen, 1991).

In the development of effective export promotion programs, consideration must be given to the type of organizational arrangements for promotion, as well as to an effective design and delivery system for export promotion activities (Cavusgil and Yeoh, 1994). Specifically, there are three important questions to consider: 1) who is responsible for export promotion (the private sector, public sector, or joint efforts); 2) what is an appropriate export promotion portfolio; and 3) who should provide what activities. The same authors (Cavusgil and Yeoh, 1994) conclude that a preferred model of export assistance is one with a comprehensive mix of consistent policies and organizations that are responsive to the market conditions, needs of business enterprises, and possibilities offered by new products and technologies. In addition, they argue that agencies should consider the scope of their export programs because this eliminates the

need for every agency to attempt to cover the full spectrum of export promotion activities. Czinkota (1994) also gives some advice to make export assistance more efficient, arguing that it should emphasize those areas where government can bring a particular strength to bear, such as contacts, prowess in opening doors abroad, or information collection capabilities. Besides he argues that programs would start out by analyzing the current level of international involvement of the firm and then deliver assistance appropriate to the firm's needs.

In descriptive analysis of export promotion and assistance activities in eight countries (Japan, South Korea, Singapore, Canada, France, Germany, Italy, and the United Kingdom), Elvey (1990) finds considerable differences as well as similarities in terms of sophistication and comprehensiveness of the programs offered. First, countries differ on how they organize for export promotion. Second, they differ on the strategic approach they adopt to assist firms in exporting. Specifically, in Europe, and according to Cavusgil and Yeoh (1994), Germany and Austria have adopted a *laissez-faire* approach to their export promotion activities (the both systems are largely private sector based but Germany adopts a loosely coordinated approach in which an individual institution acts in its own interests, whereas the business community in Austria has a broad export promotion structure), while France traditionally has pursued government-led exporting programs.

Finally, and in a more general study, Lederman et al. (2010) consider 103 EPAs from developing and developed countries and try to disentangle their effects, structure, responsibilities, strategies, resources and activities on overall exports in order to understand what works and what does not. They conclude that EPAs should have a large share of the executive board in the hands of the private sector, but a large share of their budget should be publicly funded, and the proliferation of small agencies within a country leads to an overall less effective program. Although this is a very relevant research, since it evidences the organizational component of EPAs, it does not explain in detail the several internal dimensions that may be associated to EPAs' performance. Therefore, this stands as our research goal, focusing on two specific cases, Portugal and Ireland.

In the next chapter we explain the methodology used in our assessment.

Chapter 2. Organizational characteristics and performance of Export Promotion Agencies (EPAs).

Methodological underpinnings

2.1. Initial considerations

As mentioned earlier, the present research intends to assess to what extent internal organisational traits might explain the distinct performance observed in two Export Promotion Agencies regarding their ‘export promotion efficiency’, a laggard in this regard, the Portuguese (AICEP), and an highly efficient player, the Irish (Enterprise Ireland) (Lederman et al., 2010).

This chapter details the methodology used to answer the research question ‘To what extent organizational characteristics and dimensions are associated to distinct EPAs’ performance?’. More specifically, the next section (Section 2.2) recalls the research question and justifies the choice of Portugal and Ireland as object of analysis. Section 2.3 describes the questionnaire used to answer our research question, and in Section 2.4 we explain how we chose our target population and collected the data.

2.2. Research question and justification for the EPAs chosen

To assess whether and which internal traits of EPAs are associated to distinct performance, we chose two European EPAs with different performances: AICEP from Portugal and Enterprise Ireland from Ireland. Both organizations are under the umbrella of the government and have as main purpose the exports promotion. In Table 2 we detail some general characteristics of the two EPAs.

Table 2: General information about the Irish and Portuguese EPAs

Country	EPA	Date of foundation	No. of employees	No. of overseas offices	No. of countries with overseas offices	Annual Budget	Ownership
Ireland	Enterprise Ireland (EI)	1998	152 (data from 2004)	32	28	€160 million (data from 2008)	Public (Ministry for Enterprise, Trade and Innovation)
Portugal	Agência para o Investimento e Comércio Externo de Portugal (AICEP)	1982 ¹	411	50	44	€44 million	Public (Ministry for Economy and Innovation)

Source: Own elaboration based on Enterprise Ireland (2009), “Annual Report and Account 2009” and AICEP (2009), “Relatório do Conselho de Administração 2009”.

Note: ¹In fact, AICEP was founded in 2007, being the result of the incorporation of ICEP (founded in 1982) in API (founded in 2002), both Portuguese public entities.

Enterprise Ireland is the Irish government organization responsible for the development and internationalization of Irish enterprises, having as a prime purpose the increase of exports and export-led employment (Enterprise Ireland Annual Report and Accounts, 2009). EI supports Irish enterprises in world markets by helping them start, grow, innovate and win export sales. For this purpose, EI's range of services include funding supports (for start-ups, expansion plans, and R&D business plans), export assistance (including the provision of in-market services, local market information and the facilities of their international office network), supports to develop competitiveness (helping companies to become leaner to make them more competitive in international markets), incentives to stimulate in-company R&D (new product, service and process development to ensure sustainability, and growth through the evolution of products and services), assistance with R&D collaboration (with research institutions, to develop and bring to market new technologies, products or processes), connections and introductions to customers overseas (access to a global network of contacts, from heads of government to end customers).

AICEP is the Portuguese government organisation responsible to help Portuguese companies abroad in their internationalization processes or export activities, being also responsible to encourage foreign companies to invest in Portugal (in Ireland this second function is developed by another agency, the IDA Ireland). As EI, AICEP's range of services include funding supports, export assistance (local market information and the facilities of their international office network), connections and introductions to customers overseas (access to a global network of contacts), as well as promotional actions (international trade fairs, trade shows, trade missions, visits of importers).²

Given that the aim of the present research is to establish a parallel between EPAs' performance and organizational characteristics, we resort to Lederman et al.'s (2010) empirical study which enables us to find these two contrasting cases: a laggard and an highly efficient player in terms of export promotion, AICEP and Enterprise Ireland, respectively (cf. Figure 2).

The choice of the Portuguese case is further justified by the fact that the internationalization issue has gained in the later years the statute of national imperative,

² This information was adapted from AICEP's website - www.portugalglobal.pt, accessed on 2011-05-15.

being considered by the current Portuguese government (the 18th government) of vital importance as a means to escape to the crisis that affects the country (Portugal - Government, 2009).

The Irish EPA is one of the three EPAs, besides The Netherlands and Hong Kong (see Figure 2), that emerges in Lederman et al.'s (2010) study as one of the most efficient in terms of export promotion, being even most efficient than the one from The Netherlands, evidencing a larger associated volume of export per budget available. Hong Kong's agency is also (and even more than that of Ireland's) highly efficient; however given the wider cultural differences, we decided to opt for Enterprise Ireland.

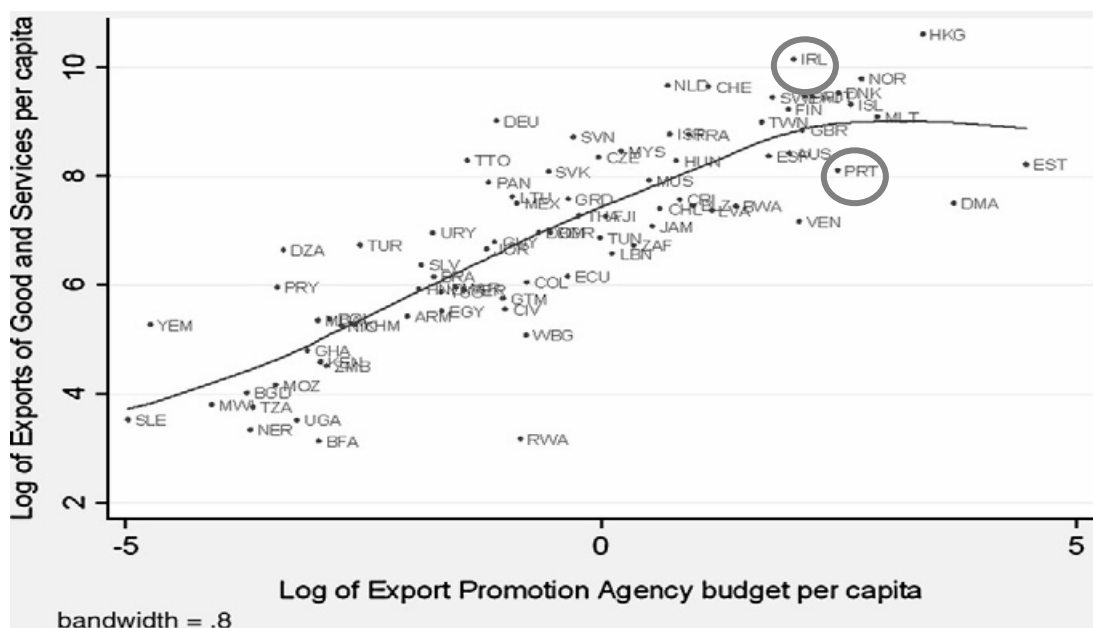


Figure 2: Efficiency of EPAs - Export Promotion Agency budgets and exports per capita

Source: Lederman et al. (2009: pp. 260)

As earlier referred, our aim is to investigate a contemporary phenomenon – export promotion efficiency and EPAs organizational traits - in depth and within its real-life context.

Given that the boundaries between phenomenon and context are not clearly evident, the required relevant methodology is, as underlined by Yin (2009), the case study. Such a methodology is useful when the phenomenon in analysis involves something that we do not sufficiently understand and want to (Stake, 1995). In this line of argumentation, the primary purpose to undertaking a case study is to explore the particularity, the uniqueness, of the single case (Simons, 2009). Additionally, the case study analysis is

the preferred research method when “how” and “why” questions are being posed or the investigator has little control over the events or the focus is on a contemporary phenomenon within a real-life context (Yin, 2009).

In this context, to assess the extent to which the type of internal organisational traits are associated to distinct performances between the Portuguese and the Irish EPA (i.e., the aim of our research), we undertake a case study analysis using a detailed survey to the organizations, covering their internal characteristics, namely strategy, technology and innovation strategy, knowledge management, structure, human resources, processes, procedures, and systems.

2.3. Construction of the questionnaire

The key instrument underlying the empirical analysis is a purposeful questionnaire.³ The questionnaire encompasses the eight dimensions identified in the literature (cf. Section 1.4.1) as the ones that may characterize or explain EPAs’ organizational performance, namely strategy, innovation strategy, knowledge management, structure, human resources, processes, procedures, and systems.

In order to operationalize each dimension, a set of statements focusing on the main issues related to that dimension was specified, totalling 74 items. More specifically, we put forward 15 statements for strategy, 8 for technology and innovation strategy, 10 for knowledge management, 16 for structure, 13 for human resources, and 4 for processes, procedures, and systems (cf. Table 3).

Although there is a vast literature about the organizational matters, to the best of our knowledge there are no empirical framework which enable the assessment and characterization of entities’ organizational dimensions. Further, there are no studies focusing EPAs’ organizational characteristics in particular, less so relating these with EPAs’ performance.

Given the shortfall of information regarding EPAs’ organizational characteristics, we constructed our questionnaire based on the innovation auditing framework developed by Tidd and Bessant (2009). This tool is basically a questionnaire that focuses on some of the important areas of innovation management. We adapt the auditing framework to the

³ In Appendix 1 stands a copy of the questionnaire.

study of the 8 organizational dimensions in analysis. The point is thus to collect the collaborators' opinions about issues conveyed by each organizational dimension. For that purpose, collaborators from the two EPAs were asked to state their degree of accordance (in a Likert scale from 1: Strongly disagree to 5: Strongly agree) to a set of statements which assessed each organizational dimension.

For constructing the questionnaire, we took in consideration the definitions available in the literature (cf. Section 1.4.1), to understand which elements constitute each dimension.

Regarding '**Strategy**' as a coordinated set of actions that fulfil a firm's objectives, purposes and goals (White and Bruton, 2007), we included statements related to the way collaborators perceive those objectives, purposes, and goals. For example, "The goals of the organization are clearly defined" (Q.1) or "Objectives and milestones are both realistic and challenging" (Q.17). The way strategy is defined is also considered, as evidenced by Q.48 "Strategy takes in consideration the clients' needs". The influence that these organizations may have from the Government was taken into account as well, given the fact that they are public. Therefore, we state, respectively, in Q.57 and Q.61, "The organization is autonomous in setting its strategy" and "The Government influences the strategy of the organization". In parallel, as strategy depends on the allocation of resources necessary for carrying out the goals (Chandler, 1997), we included also statements like "The resources available allow the organization to pursue the defined strategy" (Q.67).

Focusing on the '**Innovation Strategy**', i.e. the extent and the way a firm attempts to use innovation to execute its business strategy (Gilbert, 1994, in Strecker, 2008), we try to assess whether the innovation is an attribute of the organization by asking if "There is a clear system for choosing innovative projects" (Q.2) or if the "Organization systematically searches for new services for better promoting exports" (Q.18). We also focus on the extent to which employees are involved in innovation and are encouraged and rewarded by their capability of being innovative (see Q.39, Q.44 and Q.49).

To evaluate the organizations in terms of '**Knowledge Management**', which aims to draw out the tacit knowledge people have and what people learn from experience, rather than what is usually explicitly stated (Busch, 2008), the questions posed are related to

communication and how the information flows along the organization. For instance, “Knowledge of the employees is transmitted to the others when they change functions” (Q.40).

To understand the organizational ‘**Structure**’, we focus on the "structural" qualities of an organization, i.e. its physical characteristics, such as size (“The structure of the organization helps to take decisions rapidly” - Q.71), span of control (“Employees can take their decisions autonomously” - Q.55), and flat/tall hierarchy (“Decisions are centralized in the top level” - Q.46), as well as the "structuring" qualities, namely policies and activities that prescribe or restrict the behaviour of the organization members (Dalton et al., 1980) (“Communication is mainly top-down” - Q.28).

Looking at another dimension, ‘**Human Resources**’, they might be, according to some authors (e.g., Delaney and Huselid, 1996), a major organizational resource and a key to achieving outstanding performance, depending on the way the organization manages them. This includes several important issues as employee participation, empowerment and job redesign, including team based production systems, extensive employee training, and performance contingent incentive compensation, which are widely believed to improve the performance of organizations (Pfeffer, 1994). These wide definitions guided us in the creation of 13 statements that focus all the issues brought up. More specifically, we can mention the Q.13, related to incentive compensation, “Employees are evaluated and rewarded according to their performance”, Q.42 related to team work “Employees work well in teams”, and Q.60 related to employee participation “Employees participate in the definition of the department’s strategy”. The job redesign is captured in Q.66 “The changing of functions across departments in the same hierarchical level is encouraged” and Q.69 “Employees change functions frequently”.

Concerning the last three dimensions, ‘Procedures’, ‘Processes’ and ‘Systems’, the literature is quite scanty. Therefore, there are not many definitions available to guide us creating relevant statements. Consequently, we put forward only 4 statements for each dimension, as described next.

Table 3: Statements used in the questionnaire, by organizational dimension

Dimensions	Q.	Statements
Strategy	1	The goals of the organization are clearly defined.
	9	The strategy pursued by the organization is flexible.
	17	Objectives and milestones are both realistic and challenging.
	25	Organization makes strategic options that clearly show the way it wants to go.
	33	Employees have a good understanding of the organization's mission, vision and strategic plan.
	38	Strategy is clearly communicated to everyone inside the organization.
	43	Strategy is clearly communicated to the outside (to clients, other organizations, press, people in general, etc.).
	48	Strategy takes in consideration the clients' needs.
	53	Strategy is defined on a short term basis (1 to 3 years).
	57	The organization is autonomous in setting its strategy.
	61	The Government influences the strategy of the organization.
	64	Each department has its own strategy.
	67	The resources available allow the organization to pursue the defined strategy.
	70	The organization looks ahead in a structured way to see future threats and opportunities.
Innovation Strategy	72	Actions developed are in consonance with the strategy defined.
	2	There is a clear system for choosing innovative projects.
	10	Innovation/creativity strategy is a clear attribute of the organization.
	18	Organization systematically searches for new services for better promoting exports.
	26	Innovative projects are usually completed on time and within budget.
	34	The organization works well with customers to develop new products/services that are best suited for their needs.
	39	Employees are involved in suggesting ideas for improvements to products or processes.
Knowledge Management	44	Employees are encouraged to be innovative and creative.
	49	Employees are evaluated by their ability to innovate and/or to be creative.
	3	The organization is good at learning from other identical organisations.
	11	The organization systematically compares its products and processes with other organizations.
	19	After implemented, projects are reviewed to improve performance next time.
	27	When decisions or changes occur, leaders make a conscious effort to keep employees informed.
	35	What is learned is transmitted to everybody.
	40	Knowledge of the employees is transmitted to the others when they change functions.
	45	The organization learns with its mistakes.
	50	Employees share information they capture in day a day work.
Structure	54	There is a formal procedure to exchange information.
	58	The right information gets to the right people at the right time.
	4	Departments openly share information to facilitate each other's work.
	12	Senior managers frequently visit employees and engage in open conversations.
	20	Communication among the several departments and hierarchical levels must follow a formal defined path.
	28	Communication is mainly top-down.
	36	Rules, procedures, instructions, and communications are written.
	41	Employees have the ability to configure and reconfigure a bundle of working tasks according to the demands of a particular project.
	46	Decisions are centralized in the top level.
	51	Decisions are centralized in the medium level.
	55	Employees can take their decisions autonomously.
	59	Each employee performs a detailed number of duties.
	62	Each employee performs a diversified number of duties.
	65	Each employee performs an excessive number of duties.
	68	The overseas offices are crucial for a good performance in terms of exports promotion.
	71	The structure of the organization helps to take decisions rapidly.
	73	The services offered to customers are suited to their needs.
	74	Most employees know each other among the several departments they work with.

(...)

Dimensions	Q.	Statements
Human Resources	5	There is a strong commitment to training and development of employees.
	13	Employees are evaluated and rewarded according to their performance.
	21	Evaluations happen at least once a year.
	29	Evaluations are top-down and bottom-up.
	37	People work well together across departmental boundaries.
	42	Employees work well in teams.
	47	Team work is encouraged.
	52	Most of employees have adequate know-how/competencies/knowledge suited to their work.
	56	Employees suggest improvements to procedures.
	60	Employees participate in the definition of the department's strategy.
Procedures	63	Needs are fulfilled with existent personnel and not with recruiting new people or subcontracting.
	66	The changing of functions across departments in the same hierarchical level is encouraged.
	69	Employees change functions frequently.
	6	Policies are made without input from employees.
Processes	14	Decision making and control are given to employees doing the actual work.
	22	Procedures are known by everyone.
	30	Procedures are flexible enough to answer quickly to different requests.
	7	There are processes in place to help employees in their daily work tasks.
Systems	15	There are long term goals and short term goals.
	23	There are clear reward mechanisms.
	31	Employees are recruited by a defined procedure.
Systems	8	Each department has its own autonomy for taking decisions.
	16	Each department has its autonomy in what concerns to finance (has its own budget).
	24	Each department has its own strategic document and defined goals.
	32	Levels of authority are clearly defined.

Source: Own elaboration

‘Procedures’ refer to strategic decisions, which are concerned with the long-term health of the enterprise, and tactical decisions, which are related with the day-a-day activities necessary for efficient and smooth operations (Chandler, 1997). Considering this definition, the statements created try to evaluate whether there are procedures implemented and how are they, as shown by “Procedures are known by everyone” (Q.22) and “Procedures are flexible enough to answer quickly to different requests” (Q.30).

To assess if there are **‘Processes’** implemented, i.e., dynamic links among all elements, such as recruitment, budgeting, compensation, and performance evaluation (Galbraith, 1996), we put forward the following statements: “There are clear reward mechanisms” (Q.23) and “Employees are recruited by a defined procedure” (Q.31), for example.

Finally, **‘Systems’** determine the distribution of authority, power and expertise within the firm which influence its willingness and ability to venture beyond its existing skills

and competencies (Gedajilovic and Zahra, 2005). The statements related to this matter focus mainly on autonomy (“Each department has its own autonomy for taking decisions” - Q.8) and authority (“Levels of authority are clearly defined” - Q.32).

The statements used in the questionnaire indicate the pattern of behaviour of the organizations in each of the organizational dimensions. This, we conjecture, may be associated to their different performances. Nevertheless, the organizational dimensions are not tight, and some characteristics of one dimension can be related to other dimension. For example, the statement Q.36 - “Rules, procedures, instructions, and communications are written” - is included in the dimension ‘Structure’ because it indicates the level of flexibility or formalization of the organizational structure (according to Pugh et al., 1968), but it could also be included in ‘Procedures’ as it refers to it specifically. Similarly, the statements Q.59, Q.62 and Q.65 could be included in ‘Human Resources’ instead of being in ‘Structure’.

All the dimensions were intentionally mixed in the questionnaire in order to not being evident to the respondent which dimension was being assessed by each statement. The respondent had, as earlier referred, to classify his/her accordance to each sentence according to a Likert Scale from 1 (Strongly disagree) to 5 (Strongly agree).

The questionnaire was written in English and translated into Portuguese to be sent to each individual target in the two selected agencies.

2.4. Target population and data gathering

The aim of the study is to relate EPAs’ organizational traits with the respective efficiency in terms of export promotion. As such, the natural target population would be those individuals that in the agencies deal directly with export promotion.

AICEP is organized in two main business areas, the SME Commercial Department (dealing with small and medium enterprises) and Large Enterprises Commercial Department (dealing with large enterprises), supported by the network of offices abroad and several back office services (see Appendix 2). The role of the two commercial departments is to be the contact point of companies, to access to all the available services in the agency.⁴ Thus, we selected the individuals from these two departments as

⁴ Information adapted from AICEP’s official website, www.portugalglobal.pt, accessed on 2011-05-20.

our target population. They comprise 43 collaborators, namely 27 persons from SME Commercial Department (1 Chief Executive, 2 Managers, and 24 Technicians) and 16 persons from Large Enterprises Commercial Department (1 Chief Executive, 2 Managers, and 13 Technicians).

Similarly, in Enterprise Ireland (EI) companies have a primary point of contact, the Development Adviser, who carries out an assessment of the business development needs and presents all the EI supports and services and, afterwards, directs the company to the relevant team of EI, depending on the needs of each particular company. There are Market Advisors, Technology Development Advisers, Human Resource Development Advisers, Investment Advisers, Technology Licensing Specialists and Information/Market Research Specialists (see Appendix 3). Market Advisors are the responsible persons inside EI to advise and help Irish companies in export sales. Based in the international offices in over 30 countries, Market Advisors have the local knowledge and connections to access to major players in the market.⁵ Therefore, we considered, in EI, besides EI's Managers and Directors, Market Advisors as our target population, totalling 49 people.

Once chosen the target people, we contacted AICEP's and EI's Administration Board to explain the project and ask permission to send the questionnaires to collaborators. This process started in the beginning of March 2011 and took place simultaneously for the two EPAs, although the development was slightly different in each of them, as shown in Figure 3.

After obtaining authorization in AICEP, the e-mail addresses of the target population were provided by the Manager with whom we contacted. Afterwards we sent the questionnaires to the selected target people. It was necessary to send two reminders because we have not collected all the necessary answers with the first e-mail round. In the end of the process we got 32 answers out of 43 (response rate of 74.4%). The whole process took approximately one month and a half.

⁵ Information adapted from EI's official website, www.enterprise-ireland.com, accessed on 2011-05-20.

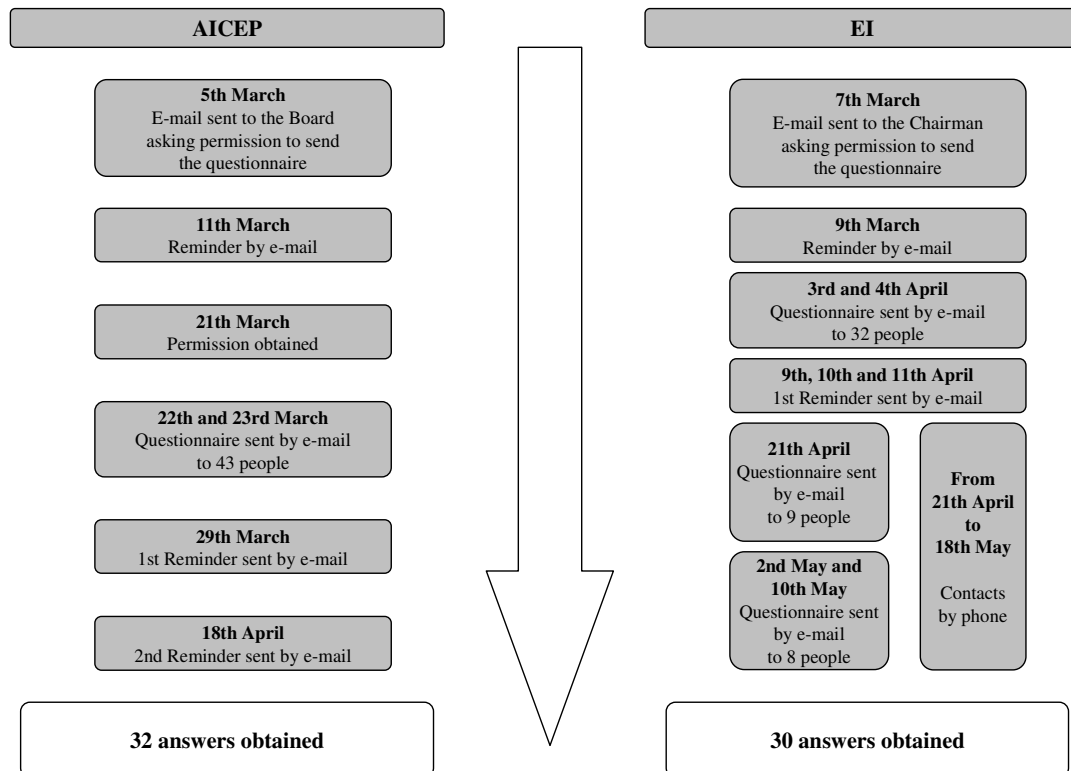


Figure 3: Data gathering procedure

Source: Own elaboration

In EI we fail to obtain a formal authorization by the Board to send the questionnaire to its collaborators. Consequently, we follow a distinct, more time consuming strategy, searching for the names of the target population and their e-mail addresses on the EI's website. In a first phase the rate of response in EI was much lower than in AICEP. Consequently, it was necessary to contact by phone most of the target population to explain the project and ask for collaboration. The whole process lasted almost 2 months and a half. In the end of the process we obtained 30 answers (61.2% response rate).⁶

⁶ We got 8 additional answers through which the person informed that it was not possible to collaborate – either because he/she was not allowed to participate, was not the most suitable person to do it, etc. The remaining 11 persons did not reply at all.

Chapter 3. Organizational characteristics and performance of Export Promotion Agencies (EPAs). Empirical results

3.1. Initial considerations

This chapter details the analysis of the answers obtained from the 62 collaborators of the two selected Agencies. We gathered the data through a questionnaire sent by e-mail to a total of 43 people in AICEP and 49 people in EI.⁷

The main purpose here is to understand whether any of the organizational dimensions detailed by the literature (cf. Section 1.4.1) are associated to the different performances of the two Export Promotion Agencies under analysis.

We start by a descriptive statistics and general analysis of differences between organizational dimensions per EPA based on the Kruskal-Wallis non-parametric test (Section 3.2), and in Section 3.3 we evaluate the differences regarding each organizational dimension. Finally, in Section 3.4 we present and discuss the results conveyed by a factor analysis which aims at uncovering whether the resulting potential hidden organizational factors differ between the two selected EPAs.

3.2. Global descriptive statistics and differences between organizational dimensions

As previously referred, through an email questionnaire we gathered the perceptions of 32 Portuguese and 30 Irish EPA's collaborators. The basic purpose of such inquiry was to compare the perceptions of Agencies' collaborators regarding each organizational dimension and to assess which of these dimensions might justify the distinct performances.

Figure 4 illustrates the (mean) scores of all the perceptions obtained from each agency, ordered by organisational dimension.

⁷ After analysing all the 62 completed questionnaires, we found that 42 statements were not answered by some of the respondents (22 from AICEP and 20 from EI). Therefore, although it can bias the results, we opt to consider that these non answers are equivalent to an answer "3" in the Likert scale, which is "Neither agree nor disagree".

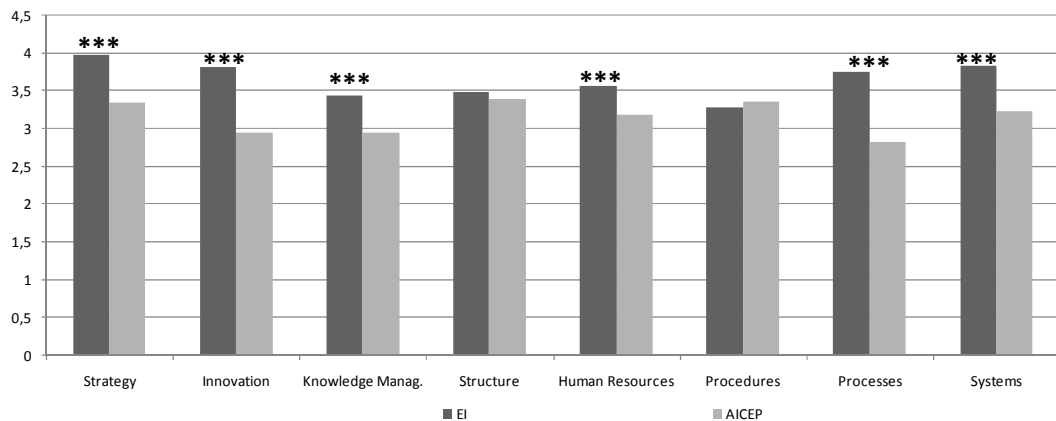


Figure 4: Perceptions of EPA's collaborators by organizational dimension

*Legend: *** differences are statistically significant at 1%.*

Source: Own elaboration

Using the non parametric test of Kruskal Wallis, we find that differences between agencies are evident for all the dimensions, except for Structure and Procedures.⁸ This shows that albeit the respondents perceive the degree of centralization of decisions and communication between departments (i.e., Structures) and the knowledge about given procedures (i.e., Procedures) as relatively similar between the two agencies, in all the other dimensions perceptions differ substantially.

In the dimensions 'Innovation', 'Knowledge Management' and 'Processes' scores from AICEP's collaborators are below 3 (in a maximum of 5). This reveals that the majority of AICEP's collaborators does not consider that there is a favourable environment for innovative projects and creativity, do not see it as a learning organization and do not understand clearly the existing processes (namely, processes that define goals, reward mechanisms, help in daily work tasks and in recruitment). Also, comparing to EI, AICEP got a lower score in all the dimensions except for Procedures. This reveals a

⁸ The Kruskal-Wallis Test is the non parametric alternative to a one-way between group analysis of variance and it allows us to compare the scores on some continuous variables for several groups. Scores are converted to ranks and the mean rank for each group is compared (Pallant, 2001). According to the same author, non parametric techniques do not make assumptions about the underlying population distribution and they are ideal for use when the data is measured on nominal and ordinal scale or when the sample is very small which is the case of our population, with a total of 62 observations. The null hypothesis (H0) of the test is that samples come from identical populations. If H0 is rejected (which means $p\text{-value} < 0.10$), we conclude that there is a difference which is statistically significant, with 90% of confidence. Therefore, if H0 is rejected for a given organizational dimension, we can conclude that this dimension might be relevant in explaining the different performances among the two EPAs in analysis. Hypothetically, if H0 was accepted for all the eight organizational dimensions, we could conclude that AICEP and EI were similar in terms of internal factors and that the different performances were not justified by these organizational factors.

general less optimistic perception in AICEP, which can be associated to a worse performance.

On the average, the dimensions which obtained higher scores in the two agencies are 'Strategy', 'Structure' and 'Systems'. Nevertheless, for AICEP, the scores are in all cases below 3.5, meaning a general less optimistic perception is observed. Regarding EI separately, we found that 'Strategy', 'Innovation' and 'Systems' are the issues where the collaborators agree the most. In AICEP, 'Strategy' also got the highest score (3.34). This evidences that, in general, the collaborators from the two organizations consider that the goals and mission are clear to everyone and strategic options are taken in consonance. Further, EI seems to be more innovative regarding its projects and actions taken and to have clearer cut systems, which means a higher autonomy by department and clear levels of authority.

In parallel, 'Processes', 'Procedures' and 'Knowledge Management' are the dimensions that on the global and for the two EPAs achieve the lowest average scores. However, when analysing each EPA separately, we find that AICEP scores are worse for 'Processes' (2.83), following by almost *ex-equo* 'Knowledge Management' (2.95) and 'Innovation' (2.96). Regarding EI, the worse score is obtained in the dimension 'Procedures' (3.29), followed by 'Knowledge Management' (3.44) and 'Structure' (3.49). Even though, the scores in EI are always above 3, revealing a higher general level of agreement of the corresponding collaborators with these matters or brighter prospects regarding EPA's internal organization. In sheer contrast with the results found in AICEP, 'Innovation' is one of the dimensions that obtained a higher score in EI, which is not for sure disconnected from the higher performance demonstrated by the Irish EPA .

The dimensions which evidence a more divergent path between the two EPAs are indeed 'Innovation' and 'Processes'. In the Likert scale 'Innovation' scores 3.98 in the case of EI against 2.96 for AICEP, and 'Processes' scores 3.76 vs. 2.83, respectively for EI and AICEP.

From the results above, it seems apparent that EI promotes, to a larger extent than AICEP, a more innovative and creativity fostering organization environment by supporting new ideas and projects, and being more concerned with learning interactions

among all those who constitute the organization. In the same line, ‘Processes’ are better implemented and clarified in EI than in AICEP. In this latter it is conveyed that there are no clear reward mechanisms, procedures for recruiting, defined goals for short and long term and mechanisms for helping in daily work tasks.

The differences in these two dimensions may explain the different performances observed in the two EPA. Indeed, when an EPA supports the creative capacity of employees, the organization is using one of the richest resources that it has – its human resources –, which, for sure, constitute a valuable contribution to the improvement of organization performance. Further, if there are well defined processes in place, this facilitates and enhances human resources’ work activities.

After identifying the (statistical) significant differences for the organizational dimensions as a whole it is pertinent to go deeper and identify which items within each dimension might contribute more to those same differences. This is detailed in the next section resorting again to the non parametric test of Kruskal-Wallis.

3.3. Differences within organizational dimensions: a comparative analysis by EPA

Starting with the two dimensions – ‘Structure’ and ‘Procedures’ – that emerged as similar between the selected EPA (cf. Section 3.2), we observe, notwithstanding, that some items stand as statistically distinct (cf. Table 4). Specifically, AICEP evidences a more centralized structure (as evidenced by scores of Q.20; Q.28; Q.46; Q.51; Q.55; Q.71), being an organization, according to the respondents, where information does not flow well (Q.20; Q.28; Q.73; Q.74). This obviously constitutes a constraint to the achievement of a good performance and inevitably stands as one strong explaining factor for the differences in performance found by Lederman et al. (2010) (cf. Figure 2).

Regarding ‘Procedures’, one worrisome evidence gather from our field work is that for the Portuguese EPA’s collaborators “Policies are made without input from employees” (Q.6), whereas the Irish collaborators do not seem to agree with this statement. Once more, such an unfortunate (significant) difference seems to be in line with the higher performance of the EI, proving that organizations which adequately take into account all their available resources, including their human resources, tend to achieve higher levels of performance. Furthermore, Q.30, “Procedures are flexible enough to answer quickly

to different requests”, indicates that EI is (much) more flexible than AICEP, allowing it to quickly adapt to changes and needs of clients.

Looking now inside the remaining six organizational dimensions, which were found as being significantly different between the selected EPAs (cf. Section 3.2), EI seems to have a more defined or clearer ‘Strategy’ for the medium term, concerning goals (Q.1), mission and strategic options (Q.25; Q.33), as well as available resources to pursue it (Q.67), and it is more efficient in communicating it (Q.38). In a nutshell, EI clearly looks to the future in a structured way, adequately assessing threats and opportunities (Q.70), and take the consonant decisions (Q.72), whereas AICEP fails to accomplish that.

One might argue that ‘Innovation’, ‘Processes’ and ‘Systems’ are the key distinguishing dimensions between EI and AICEP – in all items that compose these dimensions we found statistically significant differences between the two agencies. More specifically, and focusing on ‘Innovation’ it is clear that EI is (much) more committed to innovation than AICEP. Indeed, for EI’s collaborators “Innovation/creativity strategy is a clear attribute of the organization” (Q.10) and the majority of the respondents tend to feel “encouraged to be creative or innovative” (Q.44) and are “evaluated by their ability to innovate and/or to be creative” (Q.49), whereas in AICEP they do not (the corresponding questions’ scores are 2.63 and 2.06, respectively). Therefore, EI seems to take advantage and foster the potential of its human resources basis for achieving improvements in the services offered and, likewise, the organization performance. This, in turn, feeds into the organization (virtuous circle), working as an incentive and a challenge to employees to get a good evaluation and adequate rewards.

Concerning the (statistically significant) differences in scores observed in the items included in ‘Processes’ and ‘Systems’, one might argue unambiguously that in AICEP the objectives are for the short term (Q.15) and employees are not recruited by defined procedures (Q.31). Moreover, AICEP’s departments reveal low(er) levels of autonomy (Q.8; Q.16; Q.24), with authority not being clearly defined (Q.32).

The ‘story’ repeats itself in what concerns the two last organizational dimensions – ‘Knowledge Management’ and ‘Human Resources’.

Table 4: Organizational differences between EI and AICEP (Kruskal-Wallis Test of the differences in means of the statements included in each dimension)

Organizational Dimensions	Q	Variables (Questions)	Means		Sig.
			EI	AICEP	
Strategy ***	1	The goals of the organization are clearly defined.	4.53	3.78	***
	9	The strategy pursued by the organization is flexible.	3.60	3.34	
	17	Objectives and milestones are both realistic and challenging.	4.10	3.00	***
	25	Organization makes strategic options that clearly show the way it wants to go.	4.00	3.06	***
	33	Employees have a good understanding of the organization's mission, vision and strategic plan.	4.23	3.41	***
	38	Strategy is clearly communicated to everyone inside the organization.	4.23	3.34	***
	43	Strategy is clearly communicated to the outside (to clients, other organizations, press, people in general, etc.).	3.97	3.66	
	48	Strategy takes in consideration the clients' needs.	4.40	3.53	***
	53	Strategy is defined on a short term basis (1 to 3 years).	3.33	3.50	***
	57	The organization is autonomous in setting its strategy.	3.97	3.28	
	61	The Government influences the strategy of the organization.	3.63	3.88	
	64	Each department has its own strategy.	3.57	3.19	***
	67	The resources available allow the organization to pursue the defined strategy.	3.57	3.09	***
	70	The organization looks ahead in a structured way to see future threats and opportunities.	4.03	2.88	***
	72	Actions developed are in consonance with the strategy defined.	3.93	3.22	***
Innovation Strategy ***	2	There is a clear system for choosing innovative projects.	4.00	3.03	***
	10	Innovation/creativity strategy is a clear attribute of the organization.	3.97	2.97	***
	18	Organization systematically searches for new services for better promoting exports.	3.93	3.59	*
	26	Innovative projects are usually completed on time and within budget.	3.80	2.72	***
	34	The organization works well with customers to develop new products/services that are best suited for their needs.	3.97	3.44	**
	39	Employees are involved in suggesting ideas for improvements to products or processes.	4.00	3.22	***
	44	Employees are encouraged to be innovative and creative.	3.80	2.63	***
	49	Employees are evaluated by their ability to innovate and/or to be creative.	3.10	2.06	***
Knowledge Management ***	3	The organization is good at learning from other identical organisations.	3.37	2.75	***
	11	The organization systematically compares its products and processes with other organizations.	3.33	2.69	***
	19	After implemented, projects are reviewed to improve performance next time.	3.77	3.16	***
	27	When decisions or changes occur, leaders make a conscious effort to keep employees informed.	4.07	3.41	***
	35	What is learned is transmitted to everybody.	3.40	2.94	*
	40	Knowledge of the employees is transmitted to the others when they change functions.	3.20	2.94	
	45	The organization learns with its mistakes.	3.33	2.53	***
	50	Employees share information they capture in day a day work.	3.27	3.13	
	54	There is a formal procedure to exchange information.	3.43	3.38	
	58	The right information gets to the right people at the right time.	3.27	2.63	***

(...)

Organizational Dimensions	Q	Variables (Questions)	Means		Sig.
			EI	AICEP	
Structure	4	Departments openly share information to facilitate each other's work.	2.97	2.84	***
	12	Senior managers frequently visit employees and engage in open conversations.	2.50	3.88	
	20	Communication among the several departments and hierarchical levels must follow a formal defined path.	2.73	3.50	***
	28	Communication is mainly top-down.	3.07	3.63	**
	36	Rules, procedures, instructions, and communications are written.	3.90	3.66	
	41	Employees have the ability to configure and reconfigure a bundle of working tasks according to the demands of a particular project.	3.63	3.31	
	46	Decisions are centralized in the top level.	3.30	4.03	***
	51	Decisions are centralized in the medium level.	2.97	2.50	**
	55	Employees can take their decisions autonomously.	3.40	2.81	**
	59	Each employee performs a detailed number of duties.	3.23	3.28	
	62	Each employee performs a diversified number of duties.	3.80	4.06	
	65	Each employee performs an excessive number of duties.	2.70	3.31	***
	68	The overseas offices are crucial for a good performance in terms of exports promotion.	4.67	4.63	*
	71	The structure of the organization helps to take decisions rapidly.	3.40	2.72	***
	73	The services offered to customers are suited to their needs.	3.87	3.09	***
Human Resources ***	74	Most employees know each other among the several departments they work with.	3.67	3.16	**
	5	There is a strong commitment to training and development of employees.	3.87	2.56	***
	13	Employees are evaluated and rewarded according to their performance.	2.87	2.09	***
	21	Evaluations happen at least once a year.	3.97	4.09	
	29	Evaluations are top-down and bottom-up.	3.37	2.78	**
	37	People work well together across departmental boundaries.	3.77	3.38	**
	42	Employees work well in teams.	3.80	3.72	
	47	Team work is encouraged.	4.27	3.28	***
	52	Most of employees have adequate know-how/competencies/knowledge suited to their work.	3.80	3.56	
	56	Employees suggest improvements to procedures.	3.87	3.66	
Procedures	60	Employees participate in the definition of the department's strategy.	3.70	3.09	**
	63	Needs are fulfilled with existent personnel and not with recruiting new people or subcontracting.	3.10	3.94	***
	66	The changing of functions across departments in the same hierarchical level is encouraged.	3.37	2.72	***
	69	Employees change functions frequently.	2.73	2.59	
	6	Policies are made without input from employees.	2.37	3.56	***
Processes ***	14	Decision making and control are given to employees doing the actual work.	3.73	3.50	
	22	Procedures are known by everyone.	3.63	3.41	*
	30	Procedures are flexible enough to answer quickly to different requests.	3.43	3.00	
Systems ***	7	There are processes in place to help employees in their daily work tasks.	3.83	3.28	***
	15	There are long term goals and short term goals.	4.30	3.38	***
	23	There are clear reward mechanisms.	2.87	1.88	***
	31	Employees are recruited by a defined procedure.	4.03	2.78	***
Systems ***	8	Each department has its own autonomy for taking decisions.	3.50	2.94	**
	16	Each department has its autonomy in what concerns to finance (has its own budget).	3.90	2.75	***
	24	Each department has its own strategic document and defined goals.	4.00	3.41	***
	32	Levels of authority are clearly defined.	3.93	3.81	***

Legend: ***(**)[*] differences are statistically significant at 1% (5%)[10%].

Source: Own elaboration

In concrete, we observe that EI makes a larger effort to get information from the outside (namely, through benchmarking – Q.3; Q.11) and to capture information from the actions taken as to improve future performance (Q.19; Q.45).

In organizational terms, this is extremely important as may avoid errors and unnecessary costs. Moreover, the information seems to flow better in the Irish agency than in the Portuguese one (Q.27; Q.58). Summing up, EI can be classified as a more opened organization in the sense it tries (to a larger extent than AICEP) to learn by error and interacting with others organizations.

Interaction is indeed one of the Achilles' heels of AICEP. Regarding the 'Human Resources' dimension, we observe a low(er) interaction between departments (Q.37), low scope for team work (Q.47) and changing of functions (Q.66), which could stimulate knowledge and know-how inside the organization. In general, EI's collaborators feel that their organization is more committed with their learning and evolution process (Q.5), which helps at achieving a highly motivated, and more capable, staff.

Given all these (statistically) relevant differences between the EPAs under analysis, there seems to be enough support to content that the higher scores obtained by EI in internal organizational dimensions is in accordance with the higher (export) performance/efficiency of this agency.

3.4. Uncovering potential hidden organizational traits between EI and AICEP through factor analysis

The factor analysis condenses a large set of variables down to smaller number of dimensions, by summarising the underlying patterns of correlation and looking for groups of closely related items (Pallant, 2001). We use this analysis to understand if there are any hidden organizational traits in each EPA that can be associated with the differences in performance. For this purpose we did the factor analysis in three ways for each agency and we compare the results for both. First, we look at the 8 organizational dimensions for each agency (Section 3.4.1.); second, we consider all the questions as a whole for each agency (Section 3.4.2.); and at last, we focus within each organizational dimension previously defined (Section 3.4.3.).

3.4.1. Factor analysis by organizational dimension

Applying the factor analysis to all the organizational dimensions by EPA, we obtain one single component for each EPA (cf. Figure 5). This component includes all the organizational dimensions, revealing that the pattern of correlation is similar among all. Albeit the reduction exercise does not add significant value added in terms of analysis, focusing on the loadings for each dimension, we observe that they are slightly different for each agency. In EI, ‘Strategy’ and ‘Innovation’ come in the first and second place, respectively, showing that these two dimensions are more associated than in AICEP. In this latter, although ‘Innovation’ comes also in the second place, ‘Strategy’ comes only in the fifth place.

The fact that in AICEP ‘Innovation’ is more associated with the ‘Knowledge Management’ than with ‘Strategy’ might indicate that the issue of ‘purpose’ and ‘market applied innovation’ might be lacking, hampering that the still incipient innovation efforts (as we see in Section 3.3) that exist at AICEP do not materialize into market value outcome, that is, performance.

EI		AICEP	
Strategy	0.908	Knowledge M.	0.960
Innovation	0.895	Innovation	0.889
Human Resources	0.875	Structure	0.861
Structure	0.864	Human Resources	0.861
Systems	0.863	Strategy	0.858
Processes	0.803	Processes	0.837
Knowledge M.	0.791	Systems	0.663
Procedures	0.619	Procedures	0.536

Figure 5: Factor analysis by organizational dimension for EI vs. AICEP

Source: Own elaboration

3.4.2. Factor analysis to all the statements, regardless the organizational dimension

Considering now the factor analysis to all the questions without constraining them to our (8) organizational dimensions, results convey more than 20 components for each EPA. Limiting our analysis to those that comprise the bulk of the variance explained we consider the first 6 major components for each agency (cf. Table 5).

The size and elements that comprise the components obtained are different in the two EPAs and they do not match in terms of composition of the original defined organizational dimensions. Nevertheless, the rationale of the present factor analysis is to ignore those former dimensions' composition, and try to identify new ones based on the common (hidden) issues that link the statements included in each component.

Therefore, regarding the factor analysis for EI, we obtain 6 components, which explain 62% of the total variance. We denominated them as follows, according to the issues that emerge as more relevant: (1) Strategic management, (2) Formal decision procedures, (3) Centralization, (4) Learning organization, (5) Department's autonomy and (6) Evaluation. In parallel, we did the same type of exercise for AICEP, from which we got the following components (responsible for 57% of the variance): (1) Knowledge management and communication, (2) Internal communication, (3) Department's autonomy and competencies, (4) Miscellaneous (5) Flexibility and (6) Involvement of employees.

We put now side by side the components that emerged for the two organizations, and identify their main differences.

The component 'Strategic management' is the more important for EI as it explains 31.8% of the variance inside this organization, gathering 28 statements, from all the organizational dimensions except Procedures (cf. Table 5). Being so vast, it is not immediately clear which issue characterizes all of the statements and why were they gathered in one component. Nevertheless, undertaking a deeper analysis, we can identify a main group of questions related to the goals and strategic choices of the organization, including issues about macro decisions (for example, the mission, the strategic plan, the importance of having overseas offices or not, the services offered to customers, the long term goals vs. the short term goals). This reinforces once more the relevance of the strategic decisions inside EI (Q.1; Q.33; Q.17; Q.38; Q.70; Q.25; Q.53; Q.72; Q.48) in comparison to AICEP. Indeed, in AICEP the first component, with 17 statements, comprises 6 of the 8 organizational dimensions previously defined (leaving out 'Procedures' and 'Systems'), having predominantly more internal questions as communication and knowledge management (Q.38; Q.58; Q.45; Q.4; Q.40). The

strategic issues are also present but they do not have as much importance as in EI (4 questions in AICEP vs. 9 in EI).

Regarding component 2, which we called 'Formal decision procedures' for EI and 'Internal communication' for AICEP, we have once again, the issue of communication patent in AICEP, revealing a more inside oriented organization (Q. 36; Q.12; Q.33; Q.42; Q.35; Q.50; Q.72). Indeed, if there is a good communication among employees, it will be easier to work in teams and day-a-day information and knowledge will be better transmitted to others. But this is not enough to provide a better service to customers. It is necessary the development of consonant actions based on the strategy defined. In EI the second component reflects the need at the organizational levels of formal decision and procedures required to achieve a more efficient work. This means having a system to choose innovative projects, evaluating employees, meeting deadlines and budget, having defined working tasks and communicating knowledge in an effective way between colleagues. These formal policies are essential in any organization to identify errors and choose the best practices and reward the best employees, in order to a better performance.

The third component is at some extent related in the two cases as focuses in the autonomy and degree of centralization of the organizations. In EI it contains only 2 statements, both from the dimension 'Structure'. They are clearly related to the existence of a hierarchy and the centralization of the organization. Although according to Lederman et al. (2010) strong and centralized agencies tend to work better, the scores of these statements in EI indicate that its collaborators do not agree that the organization is characterized by high levels of centralization or that communication is mainly top-down, quite the opposite. In AICEP the component embraces the autonomy of departments (Q.24; Q.16) and also the employees' know-how and organization's competencies (Q.37; Q.52; Q.18).

The component 4 in EI gathers 5 statements, mostly related to the learning capacity of the organization, being the knowledge management issues evidenced comparing to the other dimensions. Curiously this dimension was evident in AICEP in component 1, whereas in EI it is only the forth, revealing a greater importance of these matters to the former. Additionally, the knowledge management at AICEP is more related to the

transmission of information internally, whereas in EI it has more a logic of benchmarking (Q.13; Q.11). We called ‘Miscellaneous’ to the component 4 obtained in AICEP because it embraces a very diversified set of questions which we were not able to connect and classify based on a common subject.

Analysing component 5 we identify the autonomy of the departments as a main issue for the two agencies, as already noted with component 3. For EI it is consolidated in the participation of employees in the strategic decisions of their department and in the management of an own budget per department. This autonomy can be relevant because allows the departments to use their better understanding of the clients’ needs in the actions taken. For AICEP the basis is the necessary flexibility to answer quickly to changes. In this line, department’s autonomy is essential to allow the changing of strategy and taking decisions as fast as possible to adapt to new needs of clients or changes in the foreign markets, for example.

Finally, component 6 focuses on ‘Human Resources’. ‘Evaluation’, explaining only 4% of the variance of the answers, calls attention in EI to the importance of evaluating and rewarding employees based on their performance. The human resources are the basis of any organization and for this reason they should be stimulated to use their skills, know-how and talent as much as possible to benefit the organization. In fact this seems not to be a concern of AICEP, which certainly prejudices the performance. In parallel, the employees’ involvement is the main issue focused by component 6 for AICEP. This contribution, besides the usual work of the employee, should be considered as of extreme importance by the organization since employees may gather very useful information from the day-a-day work. Their participation can be concretized, for example, through the participation in the definition of department’s strategy or through the evaluation of higher levels of the hierarchy and can be facilitated when leaders make an effort to inform employees about the relevant changes that occur. This issue can be closely related to the issue of centralization brought up by component 2 once in a more centralized organization the participation of employees is not considered as valuable as it is in a decentralized one.

Observing the hidden dimensions that emerged from the factor analysis, we notice that all of them are quite different for the two EPAs, although there are also some

similarities, namely at components 3 and 5, related with questions of autonomy (and flexibility) and centralization.

Above all, the main differences occur in components 1 and 2. The issues that emerge as more relevant for AICEP are knowledge management and communication, and for EI are strategy and formal decision procedures. This goes in line with what we already evidenced in Section 3.4.1 where ‘Knowledge Management’ emerged as the more relevant dimension (and ‘Strategy’ as less relevant, in fifth place) whereas in EI ‘Strategy’ was the first dimension. This reveals that in AICEP we do not find any evident component of intentionality, being an organization more concerned with internal questions and not with actions directed to the market. In parallel, in EI the philosophy goes towards acting to the market and taking in consideration the clients’ needs. An evidence of this fact is shown by Q.73 (“The services offered to the customers are suited to their needs”) which appears in the first component for EI but does not in AICEP’s component. Given these differences, it seems that AICEP is in a less developed stage than EI in terms of organization. EI is one step ahead AICEP, having solved the internal matters and being already more concerned with the outside (i.e., market needs).

Therefore, the knowledge and communication, although important, alone they do not lead to high levels of performance in terms of export promotion. Issues related to a clear ‘Strategy’ in consonance with the market’s needs are essential to achieve a better performance, as the Irish agency exemplifies.

Table 5: The new organizational dimensions (components) obtained per EPA

AICEP				EI			
Component	Factor Loadings	Question	Dimension	Component	Factor Loadings	Question	Dimension
Component 1: Knowledge management and communication (28.68%)	0.855	Employees are evaluated and rewarded according to their performance. (Q. 13)	HR	Component 1: Strategic management (31.83%)	0.898	The goals of the organization are clearly defined. (Q.1)	Strategy
	0.852	There are clear reward mechanisms. (Q.23)	Processes		0.860	Employees have a good understanding of the organization's mission, vision and strategic plan. (Q.33)	Strategy
	0.739	Employees are evaluated by their ability to innovate and/or to be creative. (Q.49)	Innovation		0.854	Objectives and milestones are both realistic and challenging. (Q.17)	Strategy
	0.696	Objectives and milestones are both realistic and challenging. (Q.17)	Strategy		0.852	The overseas offices are crucial for a good performance in terms of exports promotion. (Q.68)	Structure
	0.576	Strategy is clearly communicated to everyone inside the organization. (Q.38)	Strategy		0.850	Team work is encouraged. (Q.47)	HR
	0.568	There is a strong commitment to training and development of employees. (Q.5)	HR		0.836	Employees are involved in suggesting ideas for improvements to products or processes. (Q.39)	Innovation
	0.562	Employees are encouraged to be innovative and creative. (Q.44)	Innovation		0.827	Strategy is clearly communicated to everyone inside the organization. (Q.38)	Strategy
	0.536	The right information gets to the right people at the right time. (Q.58)	Knowledge		0.803	When decisions or changes occur, leaders make a conscious effort to keep employees informed. (Q.27)	Knowledge
	0.526	Employees are recruited by a defined procedure. (Q.31)	Processes		0.779	The organization looks ahead in a structured way to see future threats and opportunities. (Q.70)	Strategy
	0.491	The organization learns with its mistakes. (Q.45)	Knowledge		0.769	Organization systematically searches for new services for better promoting exports. (Q.18)	Innovation
	0.484	The services offered to customers are suited to their needs. (Q.73)	Structure		0.763	Organization makes strategic options that clearly show the way it wants to go. (Q.25)	Strategy
	0.483	There are long term goals and short term goals. (Q.15)	Processes		0.756	Employees are encouraged to be innovative and creative. (Q.44)	Innovation
	0.480	Organization makes strategic options that clearly show the way it wants to go. (Q.25)	Strategy		0.733	Employees are recruited by a defined procedure. (Q.31)	Processes
	0.467	The organization looks ahead in a structured way to see future threats and opportunities. (Q.70)	Strategy		0.709	Strategy is defined on a short term basis (1 to 3 years). (Q.53)	Strategy
	0.462	Departments openly share information to facilitate each other's work. (Q.4)	Structure		0.691	Actions developed are in consonance with the strategy defined. (Q.72)	Strategy
	0.422	After implemented, projects are reviewed to improve performance next time. (Q.19)	Knowledge		0.689	Most of employees have adequate know-how/competencies/knowledge suited to their work. (Q.52)	HR
Component 2: Internal Communication (7.10%)	0.397	Knowledge of the employees is transmitted to the others when they change functions. (Q.40)	Knowledge		0.671	Employees suggest improvements to procedures. (Q.56)	HR
	0.885	Rules, procedures, instructions, and communications are written. (Q.36)	Structure		0.662	Employees work well in teams. (Q.42)	HR
	0.833	Senior managers frequently visit employees and engage in open conversations. (Q.12)	Structure		0.637	Levels of authority are clearly defined. (Q.32)	Systems
	0.728	Levels of authority are clearly defined. (Q.32)	Systems		0.633	Departments openly share information to facilitate each other's work. (Q.4)	Structure
	0.600	Employees have the ability to configure and reconfigure a bundle of working tasks according to the demands of a particular project. (Q.41)	Structure		0.630	Each employee performs a diversified number of duties. (Q.62)	Structure
	0.595	Employees have a good understanding of the organization's mission, vision and strategic plan. (Q.33)	Strategy		0.620	Strategy takes in consideration the clients' needs. (Q.48)	Strategy
	0.552	Employees work well in teams. (Q.42)	HR		0.618	People work well together across departmental boundaries. (Q.37)	HR
	0.499	What is learned is transmitted to everybody. (Q.35)	Knowledge		0.611	The services offered to customers are suited to their needs. (Q.73)	Structure
	0.481	Employees share information they capture in day a day work. (Q.50)	Knowledge		0.599	The organization works well with customers to develop new products/services that are best suited for their needs. (Q.34)	Innovation
	0.443	Actions developed are in consonance with the strategy defined. (Q.72)	Strategy		0.592	Each department has its own strategic document and defined goals. (Q.24)	Systems
Component 3: Department's autonomy & Competencies	0.766	People work well together across departmental boundaries. (Q.37)	HR		0.569	There are processes in place to help employees in their daily work tasks. (Q.7)	Processes
	0.738	Each department has its own strategic document and defined goals. (Q.24)	Systems		0.555	There are long term goals and short term goals. (Q.15)	Processes

(...)

AICEP				EI			
Component	Factor Loadings	Question	Dimension	Component	Factor Loadings	Question	Dimension
Component 3: Department's autonomy & Competencies (6.84%)	0.730	Most of employees have adequate know-how/competencies/knowledge suited to their work. (Q.52)	HR	Component 2: Formal decision procedures (9.82%)	0.714	Procedures are known by everyone. (Q.22)	Procedures
	0.585	Each department has its autonomy in what concerns to finance (has its own budget). (Q.16)	Systems		0.646	Innovative projects are usually completed on time and within budget. (Q.26)	Innovation
	0.436	Organization systematically searches for new services for better promoting exports. (Q.18)	Innovation		0.596	There is a clear system for choosing innovative projects. (Q.2)	Innovation
	0.855	Decision making and control are given to employees doing the actual work. (Q.14)	Procedures		0.481	Rules, procedures, instructions, and communications are written. (Q.36)	Structure
	0.568	The overseas offices are crucial for a good performance in terms of exports promotion. (Q.68)	Structure		0.478	Evaluations happen at least once a year. (Q.21)	HR
Component 4: Miscellaneous (5.35%)	0.416	Each employee performs a diversified number of duties. (Q.62)	Structure		0.418	Employees have the ability to configure and reconfigure a bundle of working tasks according to the demands of a particular project. (Q.41)	Structure
	0.411	Procedures are known by everyone. (Q.22)	Procedures		0.414	Knowledge of the employees is transmitted to the others when they change functions. (Q.40)	Knowledge
	0.405	Strategy is clearly communicated to the outside (to clients, other organizations, press, people in general, etc.). (Q.43)	Strategy	Component 3: Centralization (6.26%)	0.862	Decisions are centralized in the top level. (Q.46)	Structure
Component 5: Flexibility (4.83%)	0.851	The strategy pursued by the organization is flexible. (Q.9)	Strategy		0.833	Communication is mainly top-down. (Q.28)	Structure
	0.744	Each department has its own autonomy for taking decisions. (Q.8)	Systems		0.860	The organization is good at learning from other identical organisations. (Q.3)	Knowledge
	0.595	Procedures are flexible enough to answer quickly to different requests. (Q.30)	Procedures	Component 4: Learning organization (5.27%)	0.736	The organization systematically compares its products and processes with other organizations. (Q.11)	Knowledge
Component 6: Employees' involvement (4.36%)	0.727	Employees participate in the definition of the department's strategy. (Q.60)	HR		0.508	Needs are fulfilled with existent personnel and not with recruiting new people or subcontracting. (Q.63)	HR
	0.716	Evaluations are top-down and bottom-up. (Q.29)	HR		0.490	Senior managers frequently visit employees and engage in open conversations. (Q.12)	Structure
	0.427	When decisions or changes occur, leaders make a conscious effort to keep employees informed. (Q.27)	Knowledge		0.368	The organization learns with its mistakes. (Q.45)	Knowledge
				Component 5: Department's autonomy (4.98%)	0.779	Employees participate in the definition of the department's strategy. (Q.60)	HR
					0.609	Each department has its autonomy in what concerns to finance (has its own budget). (Q.16)	Systems
				Component 6: Evaluation (4.22%)	0.882	Employees are evaluated and rewarded according to their performance. (Q.13)	HR
					0.527	Employees are evaluated by their ability to innovate and/or to be creative. (Q.49)	Innovation

Source: Own elaboration

3.4.3. Factor analysis within each of the original proposed dimensions

Given the conclusions obtained in the previous section, we find relevant to go deeper inside each original dimension to understand where are the main differences in the two EPAs under analysis.

Here we leave out the dimensions ‘Procedures’, ‘Processes’ and ‘Systems’, as they are merely composed by 4 statement each. Additionally, and applying factor analysis to each of the other (5) remaining organizational dimensions, we consider only the components that allow us to explain a minimum of 30% of the variance. Therefore, we have one component for all the 5 dimensions under analysis, except for ‘Structure’, where we find pertinent to consider two components to obtain the referred minimum of 30% (cf. Table 6).

First of all, we notice once again that ‘Strategy’ has a larger importance in the Irish case than in the Portuguese, as shown by the 45.8% of explained variance in EI vs. 31.5% in AICEP. In AICEP strategic issues seem to be more in an upstream logic, being focused mostly on internal issues as communication (Q.38; Q.33; Q.43), whereas in EI, although communication is also taken into consideration, the focus is mainly on downstream issues, that is analysing the market and defining actions to implement in consonance (as evidenced by Q. 70; Q.17; Q.25; Q.53; Q.72; Q.48). This acting towards the market seems to be the key to achieve real high performances levels.

Also, in ‘Innovation’ the main component obtained points out an element of efficiency and efficacy for EI that is not so evident in AICEP (cf. Q.2 and Q.26), which is obviously closely related with a better performance in EI (that is completing innovative projects on time and within budget). In AICEP the concern is more on the existence of innovation (Q. 18) and not in its implementation (i.e., accomplishment of time and budget constraints, evaluation).

In what concerns ‘Knowledge Management’, we find that the issues gathered for AICEP are again (as referred above in ‘Strategy’) the ones about internal transmission of information, whereas in EI there is also a focus on the learning capacity of the organization and action (Q.45; Q.19).

Table 6: The major components obtained inside the 5 bigger organizational dimensions

AICEP			EI		
% of the explained variance	Question	Dimension	% of the explained variance	Question	
31.5%	0.800 Strategy is clearly communicated to everyone inside the organization. (Q.38)	Strategy	45.8%	0.909 Employees have a good understanding of the organization's mission, vision and strategic plan. (Q.33)	
	0.752 Employees have a good understanding of the organization's mission, vision and strategic plan. (Q.33)			0.863 Strategy is clearly communicated to everyone inside the organization. (Q.38)	
	0.741 Strategy is clearly communicated to the outside (to clients, other organizations, press, people in general, etc.). (Q.43)			0.855 The organization looks ahead in a structured way to see future threats and opportunities. (Q.70)	
	0.739 Organization makes strategic options that clearly show the way it wants to go. (Q.25)			0.850 Objectives and milestones are both realistic and challenging. (Q.17)	
	0.650 The goals of the organization are clearly defined. (Q.1)			0.850 Organization makes strategic options that clearly show the way it wants to go. (Q.25)	
	0.566 Strategy takes in consideration the clients' needs. (Q.48)			0.825 The goals of the organization are clearly defined. (Q.1)	
				0.779 Strategy is defined on a short term basis (1 to 3 years). (Q.53)	
				0.763 Actions developed are in consonance with the strategy defined. (Q.72)	
				0.723 Strategy takes in consideration the clients' needs. (Q.48)	
				0.640 Strategy is clearly communicated to the outside (to clients, other organizations, press, people in general, etc.). (Q.43)	
52.9%	0.847 Employees are evaluated by their ability to innovate and/or to be creative. (Q.49)	Innovation	54.1%	0.869 There is a clear system for choosing innovative projects. (Q.2)	
	0.776 Employees are encouraged to be innovative and creative. (Q.44)			0.788 Innovative projects are usually completed on time and within budget. (Q.26)	
	0.749 The organization works well with customers to develop new products/services that are best suited for their needs. (Q.34)			0.710 Employees are evaluated by their ability to innovate and/or to be creative. (Q.49)	
	0.723 Employees are involved in suggesting ideas for improvements to products or processes. (Q.39)			0.606 Employees are encouraged to be innovative and creative. (Q.44)	
	0.717 Organization systematically searches for new services for better promoting exports. (Q.18)				
39.9%	0.826 The right information gets to the right people at the right time. (Q.58)	Knowledge Management	40.1%	0.813 The organization learns with its mistakes. (Q.45)	
	0.811 What is learned is transmitted to everybody. (Q.35)			0.784 The right information gets to the right people at the right time. (Q.58)	
	0.750 Employees share information they capture in day a day work. (Q.50)			0.779 What is learned is transmitted to everybody. (Q.35)	
	0.631 Knowledge of the employees is transmitted to the others when they change functions. (Q.40)			0.624 After implemented, projects are reviewed to improve performance next time. (Q.19)	
25.3%	0.863 Rules, procedures, instructions, and communications are written. (Q.36)		27.6%	0.932 Communication is mainly top-down. (Q.28)	
	0.857 Senior managers frequently visit employees and engage in open conversations. (Q.12)			0.881 Decisions are centralized in the top level. (Q.46)	
	0.642 Employees have the ability to configure and reconfigure a bundle of working tasks according to the demands of a particular project. (Q.41)			0.581 The services offered to customers are suited to their needs. (Q.73)	
13.5%	0.842 Employees can take their decisions autonomously. (Q.55)	Structure	16.2%	0.862 Each employee performs a detailed number of duties. (Q.59)	
	0.723 The structure of the organization helps to take decisions rapidly. (Q.71)			0.745 Most employees know each other among the several departments they work with. (Q.74)	
	0.480 Decisions are centralized in the medium level. (Q.51)			0.659 Rules, procedures, instructions, and communications are written. (Q.36)	
34.3%	0.867 Employees are evaluated and rewarded according to their performance. (Q.13)	Human Resources	35.0%	0.595 Each employee performs an excessive number of duties. (Q.65)	
	0.727 Team work is encouraged. (Q.47)			0.574 Senior managers frequently visit employees and engage in open conversations. (Q.12)	
	0.710 Evaluations are top-down and bottom-up. (Q.29)			0.873 Team work is encouraged. (Q.47)	
	0.697 Employees participate in the definition of the department's strategy. (Q.60)			0.840 Employees suggest improvements to procedures. (Q.56)	
				0.639 Most of employees have adequate know-how/competencies/knowledge suited to their work. (Q.52)	
				0.598 People work well together across departmental boundaries. (Q.37)	

Source: Own elaboration

Regarding 'Structure' in general terms, we find relevant to emphasise that in component 1 for EI it is present again the importance of the market requirements (cf. Q.73), about the services offered to customers. This is opposite of what we find in AICEP where the core relies once again at internal issues rather than external ones. Also, the issues on centralization appear together in EI but the average scores evidenced in Section 3.3 (cf. Table 4) were below AICEP, showing a less centralized organization.

The main component of 'Human Resources' for AICEP covers essentially the issues on employees' evaluation and reward (Q.13; Q.29), whereas in EI it contains the importance of skills and know-how of employees (Q.52).

The evidence obtained in the present section goes in line with what was concluded on Section 3.4.3 about the importance for EI of the strategic issues directed to the outside and based on an effective acting attitude, whereas in AICEP the focus is still in an earlier stage that is solving internal issues as communication and knowledge management.

Conclusions

The purpose of this study was to assess whether and which internal traits of Export Promotion Agencies can be associated to distinct performances, considering the 8 main organizational dimensions identified by the literature ('Strategy', 'Innovation strategy', 'Knowledge management', 'Structure', 'Human resources', 'Processes', 'Procedures', and 'Systems'). For this reason we selected two EPAs that evidenced divergent performances, the Portuguese AICEP and the Irish EI (cf. Lederman et al., 2010). Using a questionnaire targeting collaborators from the two agencies that dealt with export promotion, we compare the perceptions of agencies' collaborators regarding each organizational dimension to assess which of these dimensions might justify/be associated with the distinct performances.

Based on the data collected (32 answers from AICEP and 30 from EI) and through the Kruskal Wallis non parametric test, we found that for 6 of the 8 organizational dimensions (more concretely, 'Strategy', 'Innovation strategy', 'Knowledge management', 'Human resources', 'Processes' and 'Systems') the collaborators' perceptions are different between EPAs.

'Innovation', 'Processes' and 'Systems' are the key distinguishing dimensions between EI and AICEP as we found statistically significant differences in all items that compose these dimensions between the two agencies. Further, 'Innovation' and 'Processes' are the dimensions which evidence a more divergent path between the two EPAs. Therefore, it seems clear that EI promotes, to a larger extent than AICEP, a more innovative and creativity fostering organization environment by supporting new ideas and projects, and being more concerned with learning interactions among all those who constitute the organization. In the same line, 'Processes' are better implemented and clarified in EI than in AICEP. In this latter it is conveyed that there are no clear reward mechanisms, procedures for recruiting, defined goals for short and long term and mechanisms for helping in daily work tasks. We argue therefore, that the differences in these two dimensions may explain the different performances observed in the two EPAs. Indeed, when an EPA supports the creative capacity of employees, the organization is using one of the richest resources that it has – its human resources –, which for sure constitute a valuable contribution to the improvement of organization

performance. Further, if there are well defined processes in place, this facilitates and enhances human resources' work activities.

Complementing the Kruskal Wallis test, we resort to another exploratory statistical technique, the factor analysis. Considering all the organizational dimensions we notice that, in EI, 'Strategy' and 'Innovation' are more associated than in AICEP. In this latter, 'Innovation' is associated to 'Knowledge Management'. This might indicate that the issue of 'purpose' and 'market applied innovation' might be lacking, hampering that the still incipient innovation efforts that exist at AICEP do not materialize into market value outcomes, that is, performance.

Additionally, the factor analysis performed to all the statements inquired led, for EI, to six distinct dimensions (1) Strategic management, (2) Formal decision procedures, (3) Centralization, (4) Learning organization, (5) Department's autonomy, and (6) Evaluation. The analogous analysis for AICEP yield to six dimensions – (1) Knowledge management and communication, (2) Internal communication, (3) Department's autonomy and competencies, (4) Miscellaneous (5) Flexibility, and (6) Involvement of employees – which evidenced the relevant role of human resources and communication inside the organization along with the strategy and main goals.

A good management of human resources, including evaluations, rewards and motivation policies, along with an effective internal communication are certainly important to obtain more innovation and a better performance of the organization. The main differences for the two agencies occur in dimensions 1 and 2 as they explain more than 35% of the variance. In those, the issues that emerge as more relevant for AICEP are knowledge management and (internal) communication, and for EI are strategy and formal decision procedures. This reveals that in AICEP it is not evident a component of intentionality, being an organization more concerned with internal questions and rather than with actions directed to the market/clients needs. In contrast, in EI the philosophy goes towards acting to the market and taking in consideration the clients' needs.

Given the existent different performances (according to Lederman et al., 2010), and the evidence gathered, we suggest that the knowledge and communication, although important, alone do not lead to high levels of performance in terms of export promotion.

Issues related to a clear ‘Strategy’, in consonance with the market’s needs, are essential to achieve a better performance, as the Irish agency exemplifies.

Further, the factor analysis within each of the major original dimensions confirms again the importance for EI of the strategic issues directed to the market and based on an effective acting attitude, whereas in AICEP the focus is still in an earlier stage which involves dealing with internal issues as communication and knowledge management.

Summing up, we put forward that EI is a ‘Learning Organization’, being opened to the outside (clients and other organizations, through benchmarking) and more connected to the market. AICEP contrasts with EI once it is much more inside oriented, being more concerned with internal communication and knowledge management issues than with market issues. Consequently, for the Portuguese agency it has been more difficult to understand the real needs of its clients and to develop a consonant strategy, which explains, at least in some extent, its distance from a good performance in terms of export promotion as evidenced by Lederman et al.’s (2010) study.

Recalling that the present dissertation aimed at filling the gap identified by Lederman et al. (2009: pp. 265) about the absence of case studies that capture the heterogeneity of environments and structures in which EPAs operate, we analyse and explain how certain characteristics of Export Promotion Agencies (EPA) influence or explain their distinct success (in terms of export performance), and in this way we contribute for fostering the knowledge about EPAs, specifically at the level of the relationship between their organizational characteristics and performance.

Our in depth case study analysis point that EPAs’ performance is associated to certain organizational characteristics, namely ‘Strategy’, ‘Innovation strategy’, ‘Knowledge management’, ‘Human resources’, ‘Processes’ and ‘Systems’.

Thus, if the quest is to achieve high performance levels in terms of export promotion, EPAs should change their attitude towards each of the above mentioned dimensions. The ‘effective’ organization is one that has blended its structure, management practices, rewards, and people into a package that in turns fits with its strategy (Galbraith, 1996).

In this context, the laggard EPA, AICEP, should ‘open-up’ to the outside world and assume a more purpose-based/strategic-led behaviour by analysing the market needs

and define adequate concrete actions, providing clients more suitable services and learning with them.

The parallel between action versus opportunities and threats that the organization faces needs to be more evident in AICEP. Moreover, it would be advisable some benchmarking exercise with other EPA in order to learn and improve from the world best practices. Internally, the encouragement of innovation among employees, promoting the searching for new services, and a better use of human resources through team work, more autonomy, changing of functions, incentives and rewards is a quest that should not be ignored if higher performance is to be achieved.

Despite the novelty of approach associated to the present research, it presents some limitations, which are likely to constitute paths to be explored in future research. First, the reduced size of the samples (32 answers from AICEP and 30 from EI) might constitute a limitation of our study. Second, in order to deep our research, it would be pertinent to study other EPAs, further adding to respondent's perceptions more objective data characterizing each EPA.

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Appendix 1: Questionnaire

Organizational Characteristics and Performance of Export Promotion Agencies

Regarding the exports' promotion purpose of Enterprise Ireland, please answer the questions below according to the following scale: 1 - Strongly disagree; 2 - Disagree; 3 - Neither agree nor disagree; 4 - Agree; 5 - Strongly agree.

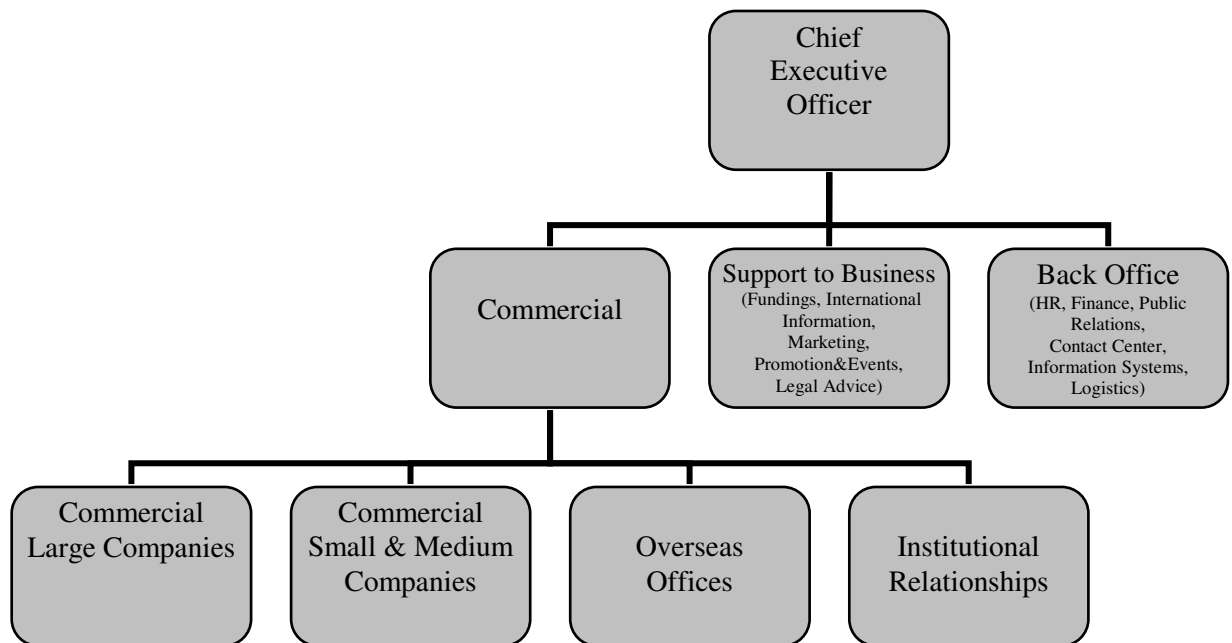
Note: This questionnaire is confidential and will be used exclusively for academic research purposes.

	1	2	3	4	5
The goals of the organization are clearly defined.	☐	☐	☐	☐	☐
There is a clear system for choosing innovative projects.	☐	☐	☐	☐	☐
The organization is good at learning from other identical organisations.	☐	☐	☐	☐	☐
Departments openly share information to facilitate each other's work.	☐	☐	☐	☐	☐
There is a strong commitment to training and development of employees.	☐	☐	☐	☐	☐
Policies are made without input from employees.	☐	☐	☐	☐	☐
There are processes in place to help employees in their daily work tasks.	☐	☐	☐	☐	☐
Each department has its own autonomy for taking decisions.	☐	☐	☐	☐	☐
The strategy pursued by the organization is flexible.	☐	☐	☐	☐	☐
Innovation/creativity strategy is a clear attribute of the organization.	☐	☐	☐	☐	☐
The organization systematically compares its products and processes with other organizations.	☐	☐	☐	☐	☐
Senior managers frequently visit employees and engage in open conversations.	☐	☐	☐	☐	☐
Employees are evaluated and rewarded according to their performance.	☐	☐	☐	☐	☐
Decision making and control are given to employees doing the actual work.	☐	☐	☐	☐	☐
There are long term goals and short term goals.	☐	☐	☐	☐	☐
Each department has its autonomy in what concerns to finance (has its own budget).	☐	☐	☐	☐	☐
Objectives and milestones are both realistic and challenging.	☐	☐	☐	☐	☐
Organization systematically searches for new services for better promoting exports.	☐	☐	☐	☐	☐
After implemented, projects are reviewed to improve performance next time.	☐	☐	☐	☐	☐
Communication among the several departments and hierarchical levels must follow a formal defined path.	☐	☐	☐	☐	☐
Evaluations happen at least once a year.	☐	☐	☐	☐	☐
Procedures are known by everyone.	☐	☐	☐	☐	☐
There are clear reward mechanisms.	☐	☐	☐	☐	☐
Each department has its own strategic document and defined goals.	☐	☐	☐	☐	☐
Organization makes strategic options that clearly show the way it wants to go.	☐	☐	☐	☐	☐
Innovative projects are usually completed on time and within budget.	☐	☐	☐	☐	☐
When decisions or changes occur, leaders make a conscious effort to keep employees informed.	☐	☐	☐	☐	☐
Communication is mainly top-down.	☐	☐	☐	☐	☐
Evaluations are top-down and bottom-up.	☐	☐	☐	☐	☐
Procedures are flexible enough to answer quickly to different requests.	☐	☐	☐	☐	☐
Employees are recruited by a defined procedure.	☐	☐	☐	☐	☐
Levels of authority are clearly defined.	☐	☐	☐	☐	☐
Employees have a good understanding of the organization's mission, vision and strategic plan.	☐	☐	☐	☐	☐
The organization works well with customers to develop new products/services that are best suited for their needs.	☐	☐	☐	☐	☐
What is learned is transmitted to everybody.	☐	☐	☐	☐	☐
Rules, procedures, instructions, and communications are written.	☐	☐	☐	☐	☐

	1	2	3	4	5
People work well together across departmental boundaries.	☐	☐	☐	☐	☐
Strategy is clearly communicated to everyone inside the organization.	☐	☐	☐	☐	☐
Employees are involved in suggesting ideas for improvements to products or processes.	☐	☐	☐	☐	☐
Knowledge of the employees is transmitted to the others when they change functions.	☐	☐	☐	☐	☐
Employees have the ability to configure and reconfigure a bundle of working tasks according to the demands of a particular project.	☐	☐	☐	☐	☐
Employees work well in teams.	☐	☐	☐	☐	☐
Strategy is clearly communicated to the outside (to clients, other organizations, press, people in general, etc.).	☐	☐	☐	☐	☐
Employees are encouraged to be innovative and creative.	☐	☐	☐	☐	☐
The organization learns with its mistakes.	☐	☐	☐	☐	☐
Decisions are centralized in the top level.	☐	☐	☐	☐	☐
Team work is encouraged.	☐	☐	☐	☐	☐
Strategy takes in consideration the clients' needs.	☐	☐	☐	☐	☐
Employees are evaluated by their ability to innovate and/or to be creative.	☐	☐	☐	☐	☐
Employees share information they capture in day a day work.	☐	☐	☐	☐	☐
Decisions are centralized in the medium level.	☐	☐	☐	☐	☐
Most of employees have adequate know-how/competencies/knowledge suited to their work.	☐	☐	☐	☐	☐
Strategy is defined on a short term basis (1 to 3 years).	☐	☐	☐	☐	☐
There is a formal procedure to exchange information.	☐	☐	☐	☐	☐
Employees can take their decisions autonomously.	☐	☐	☐	☐	☐
Employees suggest improvements to procedures.	☐	☐	☐	☐	☐
The organization is autonomous in setting its strategy.	☐	☐	☐	☐	☐
The right information gets to the right people at the right time.	☐	☐	☐	☐	☐
Each employee performs a detailed number of duties.	☐	☐	☐	☐	☐
Employees participate in the definition of the department's strategy.	☐	☐	☐	☐	☐
The Government influences the strategy of the organization.	☐	☐	☐	☐	☐
Each employee performs a diversified number of duties.	☐	☐	☐	☐	☐
Needs are fulfilled with existent personnel and not with recruiting new people or subcontracting.	☐	☐	☐	☐	☐
Each department has its own strategy.	☐	☐	☐	☐	☐
Each employee performs an excessive number of duties.	☐	☐	☐	☐	☐
The changing of functions across departments in the same hierarchical level is encouraged.	☐	☐	☐	☐	☐
The resources available allow the organization to pursue the defined strategy.	☐	☐	☐	☐	☐
The overseas offices are crucial for a good performance in terms of exports promotion.	☐	☐	☐	☐	☐
Employees change functions frequently.	☐	☐	☐	☐	☐
The organization looks ahead in a structured way to see future threats and opportunities.	☐	☐	☐	☐	☐
The structure of the organization helps to take decisions rapidly.	☐	☐	☐	☐	☐
Actions developed are in consonance with the strategy defined.	☐	☐	☐	☐	☐
The services offered to customers are suited to their needs.	☐	☐	☐	☐	☐
Most employees know each other among the several departments they work with.	☐	☐	☐	☐	☐

Source: Own elaboration.

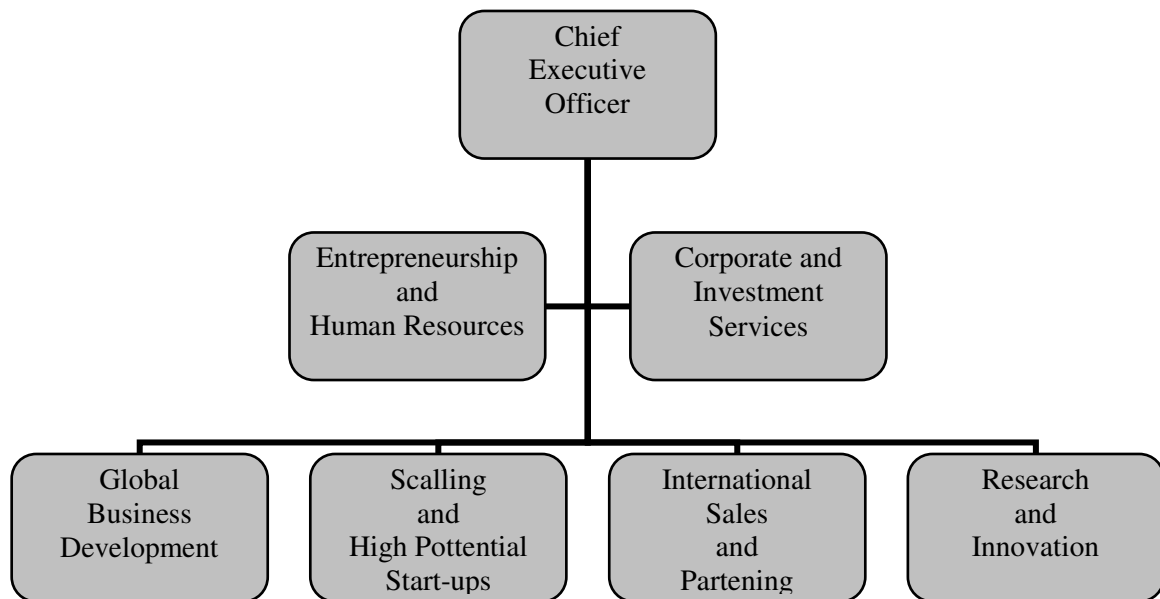
Appendix 2: AICEP's Structure



AICEP's Structure

Source: Adapted from AICEP's website (www.portugalglobal.pt, accessed in 2011-05-19).

Appendix 3: Enterprise Ireland's Structure



Enterprise Ireland's Structure

Source: Enterprise Ireland, "Annual Report and Account 2009", (2009: pp.30).