IOSR Journal of Business and Management (IOSR-JBM)
e-ISSN: 2278-487X, p-ISSN: 2319-7668. Volume 20, Issue 11. Ver. I (November. 2018), PP 05-12
www.iosrjournals.org

Exporting &Firm Competency in SME Development: A literature Review

S.DamayanthiEdirisnghe
Corresponding Author: S.DamayanthiEdirisnghe

Abstract: *Small and Medium Enterprise growth is a research area that has attracted considerable attention amongst the scholars. Recent reviews of the literature on small enterprise growth suggest that little is still known about the phenomenon, and conceptual development has been limited. One feature of growth studies seems to be that majority of growth studies considered only a single perspective and a small portion of the variables that are pertinent to growth literature. According to some researchers the growth of small enterprises is a complex, multidimensional phenomenon. A convergence of owner-manager factors, internal factors, and external factors impact upon growth of small enterprises. The abilities and motivations of owner-manager, and the actions taken by them to address issues related to these factors, determine the direction and performance of small enterprises. The resource based perspective has established its position in one of the most essential modern firm level theories and research on firm resources has attracted increasing attention in the past years. More recently, the emphasis has turned from identifying the resources needed for obtaining a competitive advantage to empirically explaining the relationships and links between resources and enterprise growth and the commonly utilized approach to enterprise growth is through the deterministic approach. The objective of this approach is to identify a stable set of explanatory variables, relating to the people, the firm, and its industry environment, that can explain a major proportion of the observed variation in business growth rates. There are many studies in this genre, with researchers typically applying multivariate techniques to large cross-sectional data sets to test the significance of associations between a wide range of determinants and the growth rates of small businesses in the literature .Majority of the growth studies relate to one of a number of theoretical perspectives or dimensions to derive hypotheses for empirical testing. It limits the ability to see the big picture. To overcome this limitation, it is needed to empirically combine primary perspectives or dimensions to develop a "comprehensive model" of small enterprise growth that is integrative, and both broad in scope and parsimonious in nature. The purpose in this research is to build integrative growth models of small enterprise growth, the researcher focused on four research dimensions namely; human capital, social capital, access to external resources and internal capabilities & business structure as the basis of this model.*

Keywords: *Exports, SMEs, Internationalization, Competency, Competitive Advantage*

Date of Submission: 01-11-2018 Date of acceptance: 15-11-2018

I. Introduction

Many scholars have emphasized the necessity to develop in small business sector in order to achieve social and economic development to an any country (Griffin & Ebert,2006, Arokiasamy&Ismil,2009,Dalberg,2011).According to the observation made by International LaborOrganization in 2015 informal sector of the SME sector far outnumber from formal enterprises .But small and Medium Enterprises make up over 95% of businesses worldwide and 50% to 60% of global employment (Organization of Economic and Development, 2015).

PROBLEM IDENTIFICATION

One of the survey revealed that survival rate of SMEs in Sri Lanka is in a low level from its start to after five years (Gunarathne 2008, Fernando2001).On the other hand when observe the contribution of SMEs of Sri Lanka its exports still in insufficient level .Only 3157 SME establishments contributing to the county's economic growth as exporters. Comparatively to other countries this a very small number.

OBJECTIVES OF THE REVIEW AND IDENTIFY THE GAP

Objective of this literature review is toexamine the concepts and key terms of exports firm competency in SME development such as; definitions ofSMEs, previous findings of studies done by scholars who discovered the facts about SME related important definitions such as capability,resources,competency,and competitiveadvantage. Exporting constitutes the most popular and easiest way for many survival firms to internationalize(Leonidou, Katsikeas, & Samiee, 2002). In that case of SMEs exporting activities are particularimportant for survival and long-term viability. And very little attention has yet been paid to the potential influence of certain dimensions of exports performance of SMEs in Sri Lanka in the internationalization literature. Hence this study will be focused on exporting SMEs insector due to their recognized importance to economic growth.

II. Concepts And Key Terms

Small and Medium Enterprises

Small and medium-sized enterprises (SME's) sometimes identified as small and medium enterprises or small and medium-sized businesses (SMB's) are units of businesses whose personnel numbers are based on certain limits. The abbreviation "SME" is used in the European Union and by international organizations such as the World Bank, the United Nations and the World Trade Organization (WTO). Small enterprises heavily outnumber large companies and employ more units of labor than large companies. The mega corporations of today have begun as SME's in their infancy and have grown globally.

Definition of SMEs in Sri Lanka

Sri Lanka does not follow a national accepted definition for Small and Medium enterprises. It has been variously defined in terms of either value of fixed assets, the size of the employment or a combination of two. Different situations define SMEs on the basis of theirassistance programs.The Industrial Development Board (IDB) of Sri Lanka defines its target beneficiaries as those witha capital investment of less than Rs.4 million. Department of Small industries in Sri Lanka defines SMEs as thosewith a capital investment of less than Rs.5 million, and which employee less than 50 employees. TheNational Development Bank of Sri Lanka defines SMEs as those with a capital investment of less than Rs.20 million excluding land and buildings. The export Development Board in Sri Lanka defines SMEs as those with a capital investment of less than Rs.20million in plant, machinery and equipment excluding land and buildings and an annual exportturnover not exceeding Rs.100 million. None of these definitions gives a demarcation forSmall Scale and Medium Scale enterprises.

However, Export Development Board in Sri Lanka the micro firms less than 5 employees (micro<5), medium 30-149 employees and large 150employees and above (Export Development Board,2010).Central bank of Sri Lanka is defined the bank supervision department guidelines of the operations of the investment fund account in Central Bank of Sri Lanka stated that classifications of SME as enterprise with annual turnover less than Rs. 600 million(CBS, 2010).The international finance corporation (IFC) define SriLanka's SMEs as for the purpose of implementing therecent banking survey on market in Sri Lanka.IFC is classifying;

(i) Small enterprise: LKR 10 million to 100 million asset value

(ii) Medium enterprise: LKR 100 million to 400 million assets value

Classifying the SME sector

When observed the above definition for classifying the SME sector they all vary by the institute. Nor does a universal definition appear to be necessary. The definitions in use depends on the purposes.Three parameters are generally applied by most countries, individually or in combination, they are:

a. Capital investment on plant and machinery

b. Number of workers employed

c. Volume of production or turnover of business

In the World Bank evaluation of business sector enterprises a small enterprises was defined to include1-49 workers, a medium enterprise with 50-99 workers and a large enterprise more than 100 workers. Different countries used more than one definition.

Competency

Competency is classified variously by using various criteria. They can be stated as input based competencies, transformational competencies, out-put based competencies etc. Input based competencies include the physical resources, organizational capital resources, human resources, knowledge, skills, and capabilities that enable a firm's transformational processes to create and deliver products and services that are valued by customers. Transformational competencies comprise with organizational capabilities required to gainfully adapt input into outputs. These include innovation and entrepreneurship, organizational culture, and organizational learning. Output based competencies includes all knowledge based assets, such as corporate reputation or image, product or service quality, and customer loyalty(Wattanasin & Decharin, 1999)(Lado & Wilson, 1994).

Capability

Capability has been used by many scholars to explain the perception of a firm's competitive advantage. Some scholars have been used capability as a unit of analysis in the firm. In 1965capability has been used by

Ansoff,a company's ability to deal with different combinations of competitive environments and levels of entrepreneurial instability. Capabilities can be thought of as intermediate goods generated by the firm to provide enhanced productivity of its hard resources (Amit & Schoemaker, 1993).Capabilities could also be defined as a set of strategic business. Capabilities are strategic only when they begin and end with the customer. Capabilities are also collective and cross-functional (Stalk, Evans, & Shulman, 1992) .Furthermore, capabilities can describe as what a firm can do as a result of resource teams working together. And also a firm's capabilities can be identified and appraised using a standard functional classification of the firm's activities. For most firms, however, the most important capabilities are likely to be those which arise from an integration of individual functional(Galbreath, 2005).

Resources

Several resource level categorizations have been presented in the literature. One of the most famous classifications of resources is that of tangible and intangible. Tangible or physical resources are typically evident to firms, competitors and customers. Intangible are less apparent to competitors and customers, or even the firm itself. Intangible resources include brand names; technological know-how; organizational capabilities embedded in a company's routines, process, and culture; reputation; tacit design; production know-how; customer relationships; and organizational culture.(Dutta, Narasimhan, & Rajiv, 2005).

Competitive Advantage

No universal definition for competitive advantage (CA). Different scholars defined it differently. Several researchers have emphasized that firm needed to develop and sustained competitive advantage(Barney, 1991; Priem & Butler, 2001) Conner, 1991; (Mata, Fuerst, & Barney, 1995).Porter in 1985 identified two types of Competitive Advantage which were cost leadership anddifferentiation. Cost leadership is a business strategy that emphasizes efficiency, so as to achievecost advantage relative to competitors (Sharma, 2004)(Zahra & Sharma, 2004).Differentiation is a strategy that required firm to be unique according to one or more business dimensions such as brand image, innovations or advertising(Pertusa-Ortega, Molina-Azorín, & Claver-Cortés, 2009).

Competitiveness originates from the concept of competitive advantage(Porter & Millar, 1985) and presented the case of the Competitive Advantage: Creating and Sustaining Superior Performance and introduced business environments to search for sustainable competitive advantage. The strategic options available to firms can be illustrated by Porter's Generic Competitive Strategies. This states that a company can achieve sustainable competitive advantage in one of three fundamental ways.

Cost Leadership Strategy

Firms can acquire competitive advantage via a cost leadership strategy. This is usually gained by companies that are able to achieve economies of scale in production and marketing. Such companies buy raw materials in bulk and they produce on a large-scale. United States and Germany have bakery firms that have gained market leadership via this strategy. Conventional bakery firms undertake this strategy in the market because of their large production capacity and established contacts. In Sri Lanka most of the SME's in the manufacturing sectors of apparel, bakery and furniture utilize this method of strategy. This strategy is not viable for new entrants that have low financial resources and limited number of products.

Differentiation Strategy

A differentiation strategy involves companies marketing product that is clearly distinguishable from others in the marketplace. In the bakery market, the product has characteristics that are distinct from others, which can be in the form of type, taste or other characteristics.

Examples of companies undertaking this strategy are those that specialize in advanced products or freshly produced products. Competitive advantage is gained by these products positioned differently from those commonly produced that compete on price (Cost Leadership Strategy). Most of the small scale and a few of the medium scale food retail businesses use this strategy in Sri Lanka and produce specialized products.

Focus Strategy

Whereas the previous two strategies are industry-wide strategies, this involves a segmentation approach. This strategy involves companies focusing on specific segments of the organic juice market, and segments can be in terms of flavors, juice type, or marketing channels. Competitive advantage is gained via a cost focus or a differentiation focus. A Cost Focus strategy involves a company gaining competitive advantage by being the low cost provider to the segment.

A Differentiation Focus strategy involves companies marketing a distinct or unique product in the target segment. There are many examples of companies undertaking this strategy in the European organic juices market. The leading companies in Germany undertake this strategy whereby they specialize in supplying organic juices to certain marketing channels. An example is the Demeter brand of organic juices. In Sri Lanka most of the ground spice trade and soft drinks and ice cream trade use these strategies.

Globalized world trade has made the establishment of competitiveness in SME's to align themselves with Meta theories with green business. Today heavy control on the operations of production, warehousing and marketing of products originating from all types of businesses, the developed world has organized its trade system to adhere to these Meta theories and green business. However, the status of the developing world is chaotic. Poor governance in most of the developing world nations have led to this chaotic situation in which business principles are difficult to operate.

The situation in developing world is made complex mainly by the power oriented political systems, without national strategic plans, but isolated set of policies. This leads to lack of knowledge on best set of SME's suitable for a given nation on the basis of capacity to produce and market. Therefore, most of the developing nations suffer from haphazard development of SME's which forms and dies within a short period of time. Further, lack of national strategic plans results in socioeconomic instability and the developing nations have to depend on the global financial and aid agencies to establish and fund SME's.

However, there are many cases of successful SME's in the developing world, which have gained global linkage. These are linked to the financial and management support of local, regional and global multinationals. Then, it is clear, when operated within the boundaries of proper business management systems SME's can be successful even within a chaotic developing environment.

Developing Organizational Competencies

Competencies were classified into two categories: personal or corporate (Hamel & Heene, 1994) Personal competencies are possessed by individuals and include characteristics such as knowledge, skills, abilities, experience, and personality while corporate competencies belong to the organization and are embedded processes and structures that tend to reside within the organization (Escrig-Tena & Bou-Llusar, 2005)). In customer competency, technological competency and organizational competency are important for innovation ((Nurach, Thawesaengskulthai, & Chandrachai, 2012)). The technological competencies are measured by how many patents, copyrights, registered trademarks or registered design do the firms have as well as to measure on how many of them are new and make sure it is up to date. Customer competencies are focusing more on the cooperation to customers and partners regarding to product innovation occurred on a regular basis. The firms have to rely on customer and market research for new product so that they know what products the customer will need in the future.

Organizational competencies can be derived from all employees within the firms such as management, project team, project manager and employees. Personal competencies will create organizational ones. This paper therefore focuses on personal competencies which will drive the organizational ones and contribute to increase corporate performance.

In 1986 Coyne suggested that the meaning of competitive advantage is self-evident. Coynebelieved that differentiation based on key buying attributes of a product. It is the foundation ofadvantage. According to him three conditions should be satisfied forcompetitive advantage. First one is customer's perceived differences between one firm's products or service attributes and those if its competitors. The difference is the result of a capability gap between the firm and its competitors is the second one. Third condition is the above mentioned differences in attributes and the capability gap are expected to endure over time.

According to resource based view researchers proposed that competitive advantage is the resultof the impact of idiosyncratic firm attributes on the firm's competitive position in an industry and used in a variety of settings as the context in which to test the "performance implications of some internal attribute of a firm" (Barney 2001). Barney's idea was that if a company wants to safeguard its products or service from imitation by competitors' resources must be non-imitable or non-substitutable. Further if it is to generate sustainable competitive advantage resource should be valuable, rare and support by the organization. Organizations responds to threats and opportunities in the external environment to create value. In the long-run resources and capabilities should create value by increasing revenue and reducing costs. If the resources and capabilities are not adequate it generate competitive disadvantage.

But Hill and Jones (2001) said that a firm has gained an above-average return as compared to its competitors in its industry as the competitive advantage. However Barney (1991) tried to definecompetitive advantage with strategy view. He stated "a firm is said to have a competitive advantage when it is implementing a value-creating strategy not simultaneously being implemented by any current or potential competitors". In order to achieve competitive advantage, a company must implement a "value creating" strategy (Barney, 1991). Scholars argue that value creation is measured by the difference between value to consumer and cost of production (Hill and Jones, 2001, Porter, 1985).According to Flint (2000), the definition of Barney is useful because it incorporates the idea thatcreation of value, competition among firms, and the durability. These all

values are fundamentalto the conceptualization of sustainable competitive advantages. However, it does not explicitlylink competitive advantages to the resulting financial performance of a firm. According to Hill and Jones (2001), the durability of competitive advantage depends on three factors: barriers to imitation, the capability of competitors, and the general dynamism of the industry environment.In summary, if a company has an above-average return as compared to competitors it has competitive advantage (Hill and Jones, 2001). This definition of competitive advantage given byHill and Jones (2001) is appropriate as it accumulates some concepts in competitive advantage
literature, links competitive advantage to the performance of a firm and provides freedom to use other terms.

Exports

Countries involved in export trade before 16th century. Export is "The sale to a resident of another country of a good or service which is domestically produced (Donald , 1995,).According to him the volume of a country's exports has many determinants , including the exchange rate ,marketing methods, delivery times, product design and the extent of government subsidization , especially the guarantee of export finance so that firms will not be discouraged from exporting buy the risk of buyers' defaulting. Over the time, most of the countries in the world have intervened in varying degrees in the foreign trading system to achieve a range of economic goals aiming at wellbeing of the society. Especially firms which intend to consider international business can do using various strategies. These strategies include: exporting, licensing and foreign direct investments (Choset, Lynch, & Huchinson, 2005; Petersen & Welch, 2002)export business constitutes the transfer of goods and services across national boundaries, either through direct or indirect method(Lee & Brasch, 1978);(Churchill & Hatten, 1997) .The direct method involves export directly through foreign customers such as the buyers or the importers. Indirect method involves export through representatives

The prevailing theories related to the study

Behavior of the firms' in the market has for a long time captured by the economists. But relatively the theory of the firm that addresses the existence, the boundaries and the internal organization of the firm developed recently. Researchers have stated that Frank Knight, in Risk, Uncertainty, and Profit (1921), was the first to explicitly argument that economic principles can render intelligible the different forms of business organization found in the real world(Johanson & Vahlne, 1977)(Cavusgil & Zou, 1994).In mid-nineteen seventies theories began to start. Many researchers believe that Knighttheory was not entirely clear to explain the firm behavior. However, managers are practicing the theories and run the organizations. Some of the theories discuss in the literature are briefly explain below.

Contingency theory

One of the scholar (Donaldson & Preston, 1995) summarizes the various straining of contingency theory in terms of theARFIT (structural-adaptation-to-regain-fit) model. In an open systems world, environments create requirements for organizations that their managers address in part by adopting strategies. These strategies in turn create contingencies-size, technology, level of diversification, or others for which some organizational structures are better suited than others. When managers of an organization find themselves with a structure that does not match its contingencies, their organization's performance suffers, and they endeavors change its structure to one with a better fit, to improve performance. (Scott & Davis, 2007).

Evolutionary theory

The evolutionary theory has three processes. As variation, selection and retention. Firm strategyconsist of producing the requisite variation from which advantageous positions, patterns, orconfigurations and engaged in order to be misused for the duration of their contribution toadvantage.

Organizational theory

Under the organizational theory it is approach to strategy maintains that strategies and structures are dependent variables, being consequences of organizational performance.

Resource based view

This is focused on the firm's distinctive competencies. Whether current or potential, superiorvalue in its offerings, across markets, industries, or multiple types of customers.

Positional view

Positional view outwardly focused on seeking an advantageous position in a market orindustry, then taking steps to defend that position. The ""positional view"" of strategy, alsocalled the external view, contends that competitive advantage is a function of industryattractiveness, or a position within an industry.

Economic theory

Economic theories generally follow from neo-Classical economics, where markets andpeople are rational agents. The two leading sectors of economic theory are: IndustrialOrganization Economics and Organizational Economics.

Industrial organization economics

This branch of economics focuses on markets, industries, and the position, or possiblepositions, of organizations within the industries. This subdivision of economics has been denotedin mainstream approaches to strategy since the 1960s, being reflected in Harvard's Business Policy teachings, and growth share matrix, deterministic approach to strategic planning. Itsemphasis what is outside the organization and how the organization should position itself to besttake advantage of strategy?

Organizational economics

This focuses on the firm itself, than the markets and industries. Theories of the firm look toexplain why firms exist in the first place, such as agency theory and transaction cost relatedtheories. This branch of economics is connected with the resource-based theory of strategy. Thisapproach includes neo-classical microeconomics and evolutionary economics.

The Internationalization Theories

The internationalization phenomenon is credited to (Smith, 1776)) , and he used the nation asthe unit of analysis in the study of internationalization and advocated the theory of absolute advantage to examine the wealth of nations. Scholars contend that the research on the internationalization ofSMEs started in the 1970s. Currently recent theoretical trend centers on the internationalization of the small new venture firm/international entrepreneurship(McDougall, Covin, Robinson Jr, & Herron, 1994).But different researchers classify theories in the field of internationalization differently.

(1) The classical internationalization theories – i.e. the theory of absolute advantage; the theory of comparative advantage; and the Hecksher- Ohlin theory.

(2) The early market imperfection theories – i.e. the foreign direct investment theory and
International product life cycle theory.

(3) The later market imperfection theories.i.e.The Portfolio Theory; The internationalizationTheory, The Electric Theory and The Resources Advantages Theory.

(4) The internationalization Theories i.e. The Incremental Theories, The network Theory and The InternationalEntrepreneurship Theory.

In addition, some scholars basically classified international business theories in two dimensions.
Namely;

(1) Theories focusing on the large multinational enterprises (i.e. theinternationalization theory,
The transaction Cost Theory, The electric Paradigm and the Monopolistic AdvantageTheory)

(2) Theories focusing on SMEs internationalization (i.e. Stage Theories. Net Work
Theory, Resource-Based View and international entrepreneurship theory)

An evolution of ideas within last thirty years, has been based on mostly quantitative studies(With special attention of economists) rather than qualitative studies (with special attention ofsocial scientists and historians).Within last thirty years most of the studies based on quantitative method. Sui and Mathias (2012) constructed a unique longitudinal dataset that included a representative and authoritative sample of Canadian SMEs. From a theoretical standpoint, they had the objective of applying SMI and regionalization hypothesis onto the internationalization phenomenon. The purpose of this paper was to investigate these assumptions by providing a dynamic perspective on the prevalence of different types of internationalization patterns among Canadian Small and Medium-sized Exporters (SMEs)

Some researchers examined the relationship between marketing capability and export success. One is from Thailand and data was collected by mailing questionnaire to small and medium enterprise (SMEs) in Thailand and a total of 89 qualified responses were collected. The marketing capabilities was classified into four dimensions namely product capability, distribution capability, price capability, and promotion capability. Among the four dimensions of marketing capability, only price capability and promotion capability were significantly and positively related to export success while product capability has a negative significance with export success. On the other hand, distribution capability is not significantly associated with export succession of Thai's SMEs. The results appeared to agree with some of the previous studies conducted in other developing nations' models to identify the businessinternationalization.Sui and Mathias (2012) argued that most global firms turn out to be born regional and that the proportion of true born global firms would be overestimated. Moreover the proportion of true born global firms increases over time due to macroeconomic trends. A multinomial logit model is employed to estimate a firm's predicted probability of choosing different internationalization patterns: born global, born regional, and gradual internationalization.

III. Conclusion

Through this paper it has contrasted a number of scholarly view on key concepts over Small and Medium Enterprises in export sector covering the sub sections definitions of SMEs,the terms competency,capability, resources,competitive advantage, developing organizational competencies, exports and prevailing theories .Further the strategic options available in firms were elaborated using Poter,s Generic Strategies. This stated that company can acquire sustainable competitive advantage in one of the fundamental ways; Cost leadership strategy, differentiation strategy, focus strategy. And also it has examined that some of the theories discuss in the literature; contingency theory, evolutionary theory, organizational theory, resource based view, positional view, economic theory, and the internationalization theories.

References

[1]. Ansoff, H.I. (1965) "Corporate Strategy", New York: McGraw-Hill.
[2]. Ansoff, H.I. (1979), "Strategic Management", Macmillan, London.
[3]. Amit, R., & Schoemaker, P. J. J. S. m. j. (1993). Strategic assets and organizational rent. *14*(1), 33-46.
[4]. Barney, J. J. J. o. m. (1991). Firm resources and sustained competitive advantage. *17*(1), 99-120.
[5]. Cavusgil, S. T., & Zou, S. J. T. J. o. M. (1994). Marketing strategy-performance relationship: an investigation of the empirical link in export market ventures. 1-21.
[6]. Collis,D.J. and Montgomery,C.A.1995),Competing on Resources: Strategy in the 1990s,Harward Business Review,Vol.73.
[7]. Conner, K. R. (1991). A historical comparison of resource-based theory and five school thought within industrial organization economics: Do we have a new theory of the firm? Journal of Management, 17(1), 121-154.
[8]. Coyne, K.P. (1986), "Sustainable Competitive Advantage – What it is, What it isn't",Business Horizons, Vol.29, Iss.1, p.54-62.
[9]. Choset, H., Lynch, K., & Huchinson, S. (2005). Principle of robot motion. In: MIT press.
[10]. Churchill, N. C., & Hatten, K. J. J. F. B. R. (1997). Non-market-based transfers of wealth and power: A research framework for family business. *10*(1), 53-67.
[11]. Donaldson, T., & Preston, L. E. J. A. o. m. R. (1995). The stakeholder theory of the corporation: Concepts, evidence, and implications. *20*(1), 65-91.
[12]. Dutta, S., Narasimhan, O., & Rajiv, S. J. S. M. J. (2005). Conceptualizing and measuring capabilities: Methodology and empirical application. *26*(3), 277-285.
[13]. Dalberg(2011) .Report on support to SMEs in Developing Countries Financial Intermediariries retrived from http:// www.eib.org/attachments
[14]. Decharin, P. (1999), Dissertation No.SM-99-02, "Core Competence Development Through the Fusion of Endogenous Factors", Asian Institute of Technology, Bangkok, Thailand.
[15]. Export Performance Indicators (2002-2011),Sri Lanka Export Development Board Griffin.R,.& Ebert ,R.(2006).Business,Eight Edition.Texas:Prentice Hall
[16]. Escrig-Tena, A. B., & Bou-Llusar, J. C. J. D. S. (2005). A model for evaluating organizational competencies: An application in the context of a quality management initiative. *36*(2), 221-257.
[17]. Fernando,A.(2001).Challenges of Growth ,employment and desent work country profile :Sri Lanka Small and Medium Enterprise .http:/ilo-mirror .library.cornel.edu/public/English/regional asrolcolombo
[18]. Galbreath, J. J. T. (2005). Which resources matter the most to firm success? An exploratory study of resource-based theory. *25*(9), 979-987.
[19]. Hamel, G., & Heene, A. (1994). *Competence-based competition*: Wiley.
[20]. Hatten, T. S. (1997). Small Business Entrepreneurship and Beyond. New Jersey: Prentice–Hall Inc.
[21]. Hill, C.W.L. and Jones, G.R. (2001), "Strategic Management: An Integrated Approach", 5th ed., Houghton Mifflin Company.
[22]. Hutchinson, K., Quinn, B. & Alexander, N. (2005), "The Internationalization of Small to Medium-Sized Retail Companies: Towards a Conceptual Framework", *Journal of Marketing Management*, 21, 149-179.
[23]. Johanson, J., & Vahlne, J.-E. J. J. o. i. b. s. (1977). The internationalization process of the firm—a model of knowledge development and increasing foreign market commitments. *8*(1), 23-32.
[24]. Johansson, J., & Vahlne, J.E. (1977). The internationalization process of the firm. A model of Knowledge development and increasing foreign market commitment. Journal Of International Business Studies, (8): 23-32.
[25]. Lado, A. A., & Wilson, M. C. J. A. o. m. r. (1994). Human resource systems and sustained competitive advantage: A competency-based perspective. *19*(4), 699-727.
[26]. Lee, W.-Y., & Brasch, J. J. J. J. o. I. B. S. (1978). The adoption of export as an innovative strategy. *9*(1), 85-94.
[27]. Leonidou, L. C., Katsikeas, C. S., & Samiee, S. J. J. o. B. r. (2002). Marketing strategy determinants of export performance: a meta-analysis. *55*(1), 51-67.
[28]. Mata, F. J., Fuerst, W. L., & Barney, J. B. J. M. q. (1995). Information technology and sustained competitive advantage: A resource-based analysis. 487-505.
[29]. McDougall, P. P., Covin, J. G., Robinson Jr, R. B., & Herron, L. J. S. M. J. (1994). The effects of industry growth and strategic breadth on new venture performance and strategy content. *15*(7), 537-554.
[30]. Nurach, P., Thawesaengskulthai, D., & Chandrachai, A. J. C. B. R. (2012). Developing an organization competencies framework for SME (s) in Thailand. *11*(2).
[31]. Organization for Economic Corporation and Development (2015).OECD Sectratary General Report to the GZO Finance Ministers and Central Bank Goveners.Retrived from http://www.g20.org.
[32]. Pertusa-Ortega, E. M., Molina-Azorín, J. F., & Claver-Cortés, E. J. B. J. o. M. (2009). Competitive strategies and firm performance: A comparative analysis of pure, hybrid and 'stuck-in-the-middle'strategies in Spanish firms. *20*(4), 508-523.
[33]. Petersen, B., & Welch, L. S. J. J. o. B. R. (2002). Foreign operation mode combinations and internationalization. *55*(2), 157-162.
[34]. Porter, M. E., & Millar, V. E. (1985). How information gives you competitive advantage. In: Harvard Business Review Cambridge, MA.

[35]. Priem, R. L., & Butler, J. E. J. A. o. m. r. (2001). Is the resource-based "view" a useful perspective for strategic management research? , *26*(1), 22-40.
[36]. Sharma, P. J. F. b. r. (2004). An overview of the field of family business studies: Current status and directions for the future. *17*(1), 1-36.
[37]. Smith, A. (1776). An inquiry into the nature and causes of the wealth of nations: Volume One. In: London: printed for W. Strahan; and T. Cadell, 1776.
[38]. Stalk, G., Evans, P., & Shulman, L. E. J. H. b. r. (1992). Competing on capabilities: The new rules of corporate strategy. *70*(2), 57-69.
[39]. Wattanasin, P., & Decharin, P. J. C. U., Bangkok. (1999). Strategic Management and Business Policy.
[40]. Zahra, S. A., & Sharma, P. J. F. B. R. (2004). Family business research: A strategic reflection. *17*(4), 331-346.

IOSR Journal of Business and Management (IOSR-JBM) is UGC approved Journal with Sl. No. 4481, Journal no. 46879.

S.DamayanthiEdirisnghe. "Exporting &Firm Competency in SME Development: A literature Review." IOSR Journal of Business and Management (IOSR-JBM) 20.11 (2018): 05-12.