บทความวิจัย

THE MODERATING EFFECTS OF GOVERNMENT AGENCY ON THE RELATIONSHIP BETWEEN ORGANIZATIONAL RESOURCES AND EXPORT MARKET EXPANSION

การศึกษาผลกระทบจากนโยบายของหน่วยงานภาครัฐที่มีต่อความสัมพันธ์ระหว่างการบริหารจัดการทรัพยากรภายในองค์กรและการขยายตัวทางด้านตลาดส่งออก

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ABSTRACT

This research is a study of moderating effects of the policy of government agency on the relationship between organizational resources and export market expansion of Thai exporters who are in the agro-based SMEs. Factor analysis was performed on twenty two items describing organizational resources and four factors were extracted. They were labeled as technology resource, financial resource, human resource, and reputation resource. The results of regression analysis reveal that only financial resource of the enterprise is statistically significant and positively associated with export market expansion. The findings also reveal that the policy of government agency is also statistically significant and positively associated with export market expansion. Furthermore, policy of the government agency is very important for the management of organizational resources, especially the financial resource and reputation resource for being well accepted by overseas markets. Exporting firms with secured financial resource and strong supports from government agency are able to expand their markets overseas in both the old and new markets. In addition, the government agency can also help new SME's to be known overseas and increase their opportunities for expansion of their market overseas.

KEYWORDS: Organizational resources, Government agency, Export market expansion, Thailand

บทคัดย่อ

การวิจัยในครั้งนี้เป็นการศึกษาผลกระทบที่เกิดจากนโยบายของหน่วยงานภาครัฐที่มีต่อความสัมพันธ์ระหว่างการบริหารจัดการทรัพยากรภายในองค์กร และความสามารถในการขยายตัวทางด้านการตลาดส่งออกของผู้ส่งออกชาวไทยที่เป็นผู้ประกอบการธุรกิจขนาดกลางและขนาดย่อม หรือ SME ในกลุ่มธุรกิจด้านการเกษตร การศึกษาใช้การวิเคราะห์ปัจจัยเพื่อทำการจัดกลุ่มตัวแปรที่ใช้ในการศึกษา ผลการวิเคราะห์ปัจจัยสามารถแบ่งกลุ่มตัวแปรได้ 4 กลุ่มประกอบไปด้วย ทรัพยากรทางด้านเทคโนโลยี ทรัพยากรทางการเงิน ทรัพยากรบุคคล และทรัพยากรทางด้านความมีชื่อเสียงขององค์กร ผลการศึกษาพบว่ามีเพียงทรัพยากรทางด้านการเงินเท่านั้นที่มีอิทธิพลต่อการขยายตัวทางด้านการตลาดส่งออกของผู้ส่งออก ส่วนปัจจัยทางด้านอื่นผลการศึกษาพบว่าไม่มีอิทธิพลต่อการขยายตัวทางด้านการตลาดส่งออกอย่างมีนัยสำคัญทางสถิติ ในส่วนของนโยบายของหน่วยงานภาครัฐผลการศึกษาพบว่ามีความสำคัญต่อขยายตัวทางด้านการตลาดส่งออก ยิ่งไปกว่านั้นการผลการศึกษายังพบว่านโยบายของหน่วยงานภาครัฐ มีความสำคัญอย่างยิ่งต่อการบริหารจัดการทรัพยากรภายในองค์กรโดยเฉพาะทรัพยากรทางการเงินและการสร้างชื่อเสียงขององค์กร ให้เป็นที่ยอมรับในตลาดต่างประเทศ ผู้ส่งออกที่มีทรัพยากรทางด้านการเงินที่มั่นคงและได้รับการสนับสนุนจากหน่วยงานภาครัฐจะทำให้ผู้ประกอบการส่งออกสามารถขยายตลาดไปสู่ตลาดต่างประเทศ ทั้งที่เป็นตลาดเดิมและตลาดใหม่ได้มากขึ้น นอกจากนี้ผู้ประกอบการ SME ที่เป็นผู้ส่งออกรายใหม่ยังไม่เป็นที่รู้จักของลูกค้าในต่างประเทศ หน่วยงานภาครัฐก็จะมีส่วนช่วยส่งเสริมให้ผู้ส่งออกรายใหม่ ให้เป็นที่รู้จักและเพิ่มโอกาสในการขยายตลาดไปยังในตลาดต่างประเทศเพิ่มมากขึ้น

คำสำคัญ : ทรัพยากรภายในองค์กร หน่วยงานภาครัฐ การขยายตัวตลาดส่งออก ประเทศไทย

1. INTRODUCTION

In the context of Thailand, as highlighted in Small and Medium Enterprises Situation and Outlook for 2009, SMEs accounted for about 34 percent of the manufacturing Gross Domestic Product (GDP) and 67 percent of the manufacturing workforce. The share of SMEs exports to total exports was 29 percent, or 47.3 percent of the GDP. The challenges facing Thai's SMEs are not different from the SMEs in other nations. As export earnings are very important to economic growth, export expansion has been emphasized in the national development agenda. Thai's SMEs must be competitive and must continue to develop resources in international market. The view of firm's resources as an important contribution to firm's performance. This paper presents a causal model for export market expansion, drawing on the resource-based view (RBV) of the firm, an increasingly important of organizational resources and government agency literature. We test the conceptual framework on empirical data from Thailand small and medium-sized exporters in agro-based sector.

2. LITERATURE REVIEW

The resource-based view (RBV) is an economic tool used to determine the strategic resources available to a firm. The fundamental principle of the RBV is that the basis for a competitive advantage of a firm lies primarily in the application of the bundle of valuable resources at the firm's disposal (Wernerfelt, 1984; Barney, 1991; Peteraf, 1993). A competitive advantage can be attained if the current strategy is value-creating, and not currently being implemented by present or possible future competitors (Barney, 1991). A competing firm can enter the market with a resource that has the ability to invalidate the prior firm's competitive advantage. This is the main tenet of the resource-based view of the firm.

2.1 Export Market Expansion

The issue of selecting a specific export market expansion strategy has received considerable research attention on both conceptual and empirical levels (Ayal and Zif, 1979; Piercy, 1982; Lee and Yang, 1990; Katsikeas and Leonidou, 1996). This research interest is motivated by a number of factors. If the decision making process pertaining to the choice of export market expansion strategy can be effectively modeled, this allowed for assessment of future export market. The view of export market expansion strategy appears to be consistently understood among export marketing authors (Katsikeas and Leonidou, 1996).

In this context, one distinct alternative approaches have been identified and discussed in the exporting literature is export market expansion strategy. The success or failure in export penetration depends on a host of domestic factors, such as production costs where the product is produced, and foreign factors, such as the degree of competition in foreign markets where the product is sold (Eaton, Samuel and Francis, 2004). Export-oriented industries or countries can use their level of success in export penetration as a performance indicator. Export penetration ratio(s) to measure the degree of export penetration of industries or countries. In this way they can evaluate their export market performance over time and across industries and countries. Depending on the availability of data, export penetration ratios are measured in many ways (Meredith and Dennis, 1992; Eaton, Samuel and Francis, 2004). Export market penetration has helped increase both internationalization of economic activity and international integration of economies that contribute to the process of globalization (Neamtu and Neamtu, 2008). Thus, we have linked the level of organizational resources directly to export market expansion.

2.2 Organizational Resources

The Resource-Based View asserts that firms sustain competitive advantages by deploying valuable resources that are superior, scarce, and inimitable (Wernerfelt, 1984; Barney, 1991). It goes without saying that it is easier for business with adequate strategic resources to survive, develop and profit (Grant, 1991). The literature seems consistent regarding organizational resources and performance. Many previous studies indicate that there is a positive relationship between organizational resources and export performance (Ling-yee and Ogunmokun, 2001; Dijk, 2002; Kaleka, 2002; Guan and Ma, 2003; Carmeli and Tishler, 2004; Gluma, 2005; Morgan, Vorhies and Schlegelmilch, 2006; Wilkinson and Brouthers, 2006). On the contrary, some of them are mixed results in organizational resources and export performance. This study intends to fill this gap. Based on the above discussion, we lead to following hypothesis:

Hypothesis 1: Organizational resources has a positive relationship with export market expansion

Technological Resources are frequently mentioned in the literature as assets that can provide a firm with a stronger competitive position in foreign markets (Anand and Kogut, 1997). The development of capabilities based on technological knowledge is considered to the basic foundations of business competitiveness (Jonker et al., 2006). The conceptual frame work of Prencipe (2000) points to technological development and knowledge as important for the firm to competitive advantage and performance. Technology resources in terms of research and development have a positive relationship with export performance (Dijk, 2002; Singh, 2009). According to the most widespread concepts in the literature define strategic technological capability as the generic knowledge that intensive ability which it is the jointly mobilize different scientific and technical resources which enables firm to successful to develop innovative products and productive process by implementing competitive strategy. Based on the above discussion, we lead to following hypothesis:

Hypothesis 1a: Technology resources has a positive relationship with export market expansion

Financial Resource refers to specific kind of firm resource that enables to exporting firms have effective in foreign markets that concern the ability to access cash and capital (Morgan, Vorhies and Schlegelmilch, 2006). At the pre-shipment stage financial resource can facilitates the purchase or production of goods while at the post-shipment stage financial resource is required because in generally they buyers will pay on a deferred (Ling-yee and Ogunmokun, 2001). On the fieldwork of Leonidou and Kaleka, (1998); Morgan, Vorhies and Schlegelmilch, (2006) the literature indicate that access to financial resource is essential in enable export performance. Financial resources have a significant influence on export performance (Fuchs, 2009). Based on the above discussion, we lead to following hypothesis:

Hypothesis 1b: Financial resources has a positive relationship with export market expansion

Human Resource refers to individual level experience, knowledge and skill of available personal. In the context of export venture, base on Ma (1999) according to human resource of export firm may by requisite to competitive advantage. Singh et al., (2000), note that increasing global economy pressures organizations to improve productivity where good human resource practices can help to operate a vehicle organization. Organizational resources in managerial resources and human resources have a positive significance on the firm's performance (Chetty, 2003; Carmeli and Tishler, 2004). Based on the above discussion, we lead to following hypothesis:

Hypothesis 1c: Human resources has a positive relationship with export market expansion

Reputational Resources. The large corporations they devotes a substantial resources and effort to maintaining and improving their corporation's reputation because its necessity for the success and survival of the firm. The firm that has the good reputation it may be is characteristics of an intangible assets and it may provide the competitive advantage of the corporation (Stuart, 2002). Steenkamp, Batra and Alden (2003) found that reputation resources have a positive correlated relationship with export performance. In fact, good reputation is a key asset that can be a competitive advantage for the firm. Based on the above discussion, we lead to following hypothesis:

Hypothesis 1d: Reputation resources has a positive relationship with export market expansion

2.3 Government Agencies

Reviews of export assistance programs find a variety of types of export assistance provided by governments and other related organizations. Seringhaus and Rosson (1990) propose a somewhat similar chain of events through which export assistance programs have indirect effects on export performance. Czinkota (1996) presents a process model of how export assistance programs have an impact on firms' export performance. They view export assistance programs as improving these firms' chances for success in the international market place. When export assistance is viewed in this way, it becomes clear that firms at different stages of export involvement have different competencies, resources, and strategies and face different obstacles to achieving their export objectives. Hence, firms differ greatly in their export assistance needs depending on their international experience. Kotabe and Czinkota (1992); Seringhaus and Rosson (1990) found that the goals of export assistance programs are mediated by the degree of internationalization of the firm. Diamantopoulos et al., (1993) propose a response hierarchy model to explain the process by which firms might benefit from export promotion assistance programs at different stages of involvement. In the early stages, firms can use assistance to become aware of exporting opportunities, benefits and motivated to export. Later, firms require information for export planning. In the final stage, firms need assistance in conducting exporting activities such as selling their products in export markets. Czinkota (1996) utilizes a similar approach, whereby export development is viewed as an adoption process, moving from motivation and informational needs in the early stages through training on export mechanics, and then communications, logistics and sales support as firms tryout exporting as a route to greater profitability. We expect that use of a greater variety of government agencies contributes to export market expansion. However, we further expect that the relationship will be moderated by government agency.

Hypothesis 2: Government agency will moderate the positive relationship between organizational resources (technology resources, financial resources, human resources, and reputation resources) and export market expansion, such that firms with higher levels of organizational resources will achieved higher export market expansion when government agency is higher.

Based on the literature review, this study seeks to answer the following research questions, which government agency as moderate contribute to the relationship between organizational resources and export market expansion? These relationships are presenting in Figure 1.

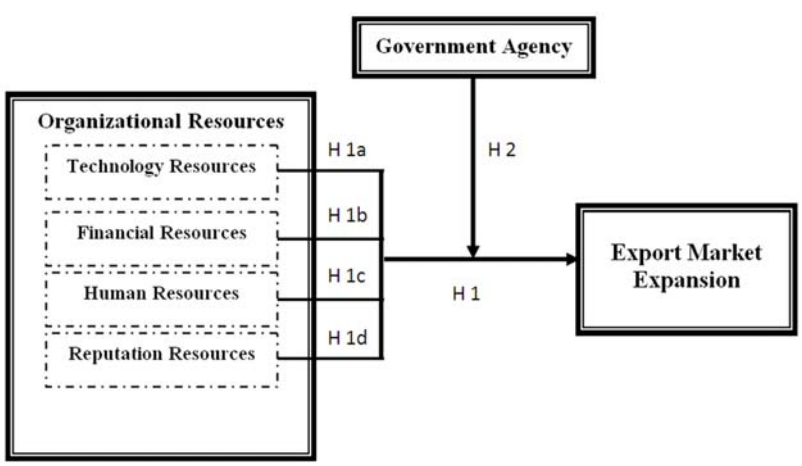

Figure 1 Conceptual Framework

3. METHODOLOGY

This is a cross-sectional study using mail survey. The data for this study is drawn from a larger study that investigates the export behavior of Thai exporters in the agro-based sector. The highly structured survey instruments were mailed to managers in agro-based Small and Medium Enterprise (SME) listed in Exporter Directory of Department of Export Promotion (DEP) Thailand. A total of 950 sets of questionnaires were mailed via registered post to the targeted respondents in agro-based from the list of Exporter's Directory. There were a total of 217 sets of returned questionnaires. A total of 88 usable returns were received giving a response is 9.26 percent. This is an acceptable number in accordance to the general rule established by Hair et al., (2006). The profile of firms participating in this survey is presented in Table 1.

A total of 22 items were used to measure the organizational resources. They were adopted from previous research (Ekeledo and Sivakumar, 2004; Morgan, Vorhies and Schlegelmilch, 2006; Collins, Smith and Stevens, 2001; Guan and Ma, 2003; Prasad, Ramamurthy and Naidu, 2001). The respondents were requested to rate the level of each potential sources of organizational resources on a 5-point Likert scale ranging from 1 = strongly disagree, to 5 = strongly agree. The measures of export market expansion were used export market penetration in current market, and export market penetration in new market are also solicited on a 5-point Likert scale ranging from 1 = not at all satisfied, to 5 = very satisfied were adopted from (Katsikeas, Leonidou and Morgan, 2000).

Table 1 General Characteristics of the Respondents (n = 88)

Demographic	Category	Respondent	Percentage
Product Category	1. Cereals products	19	21.6
	2. Live plant / Fresh products	10	11.4
	3. Canned / Food in containers products	18	20.5
	4. Chilled / Frozen products	9	10.2
	5. Dried / Dehydrate products	20	22.7
	6. Semi-process foods products	5	5.7
	7. Others	7	8.0
Export Experience*	1. New Exporter (<= 7 years)	45	51.1
	2. More Experience (> 7 years)	43	48.9
Separate Export Department**	1. Yes	62	70.5
	2. No	26	29.5
Speed of Internationalization	1. Rapid (<= 6 years)	65	73.9
	2. Gradual (> 6 years)	23	26.1

* Export experience is dummy variable (0 vs1)

** Speed of internationalization is dummy variable (0 vs1)

Table 2 Factor and Reliability Analyses of Organizational Resources

Dimension of Organizational Resources	Factor Loading			
	Factor 1	Factor 2	Factor 3	Factor 4
Factor 1 (Technology Resources)				
Adopted from Guan and Ma (2003); Prasad, Ramamurthy and Naidu (2001)				
1. Our production facilities are state-of-the art technology	.82			
2. Our production facilities are more advanced than those of our competitors	.79			
3. Our firm provide online product catalog to customer	.77			
4. Our firm provide online support to distributors	.73			
5. Our firm use of modern production facilities	.68			
Factor 2 (Financial Resources)				
Adopted from Morgan, Vorhies and Schlegelmilch (2006)				
1. Our firm have the financial resources to pursue business expansion		.88		
2. Our firm have working capital to finance export businesses		.85		
3. Our firm have financial resources to be devoted to export activities		.84		
4. Our firm can offer competitive credit terms to overseas buyers		.80		
Factor 3 (Human Resources)				
Adopted from Collins, Smith and Stevens (2001)				
1. Manager in our firm are capable of working in diverse culture environment			.87	
2. Manager in our firm are well trained to handle international business negotiation			.83	
3. Manager in our firm are fluent in many foreign languages compared to our competitors			.77	
4. Manager in our firm hole key positions in export oriented business associations			.75	
Factor 4 (Reputation Resources)				
Adopted from Ekeledo and Sivakumar (2004)				
1. Quality of our product compared well with competitors products				.90
2. Our firm have the reputation for distinctive brand image				.64
Eigen-Value	6.13	2.33	1.62	1.13
Percentage Variance Explained	22.87	21.67	20.29	9.83
Reliability (Alpha)	.86	.92	.86	.63
Total Variance Explained	74.67			
Measure of Sampling Adequacy	.83			
Barlett's Test of Sphericity Significant	.00			

4. RESULTS

Goodness of Measures

The procedures for testing the goodness of measures must be utilized prior to any analysis which includes factor, validity and reliability analysis. Factor analysis was performed on the 22 items of organizational resources. This study performed factor analysis using principle components and varimax rotation technique. The factor loading based on the sample size is .50 or higher are considered practically significant (Hair et al., 2006). In addition, this study evaluated reliability by assessing the internal consistency of the items representing each construct using Cronbach's alpha that has been widely used in many studies. Reliability estimates is between 0.6 and 0.7 which is considered an acceptable internal consistency (Hair et al., 2006).

Factor Analysis and Scale Reliability

The 22 items describing organizational resources was subjected to factor analysis and there are 7 items of a variable found cross loading were dropped in the rerun analysis (Hair et al., 2006). The results of factor analysis are presented in Table 2. Four factors were extracted and labeled as technology resources, financial resources, human resources, and reputation resources. It means that there were four acceptable factors and it gave a total variance explained amount of 74.67 percent. The Measure of Sampling Adequacy (KMO) was .83 with a significant Barlett's test of sphericity ($p = .00$) indicating sufficient number of significant inter-correlations for factor analysis. The reliability analysis Cronbach's alpha for technology resources is .86, financial resources is .92, human resources is .86, and reputation resources is .63 showing that there is internal consistency as a measurement instrument (Hair et al., 2006). Thus, we can conclude that the construct validity and convergent validity of these measures is valid.

Mean value and standard deviation with two dimensions of export market expansion namely export market penetration in current market and export market penetration in new market are presented in Table 3. The mean for export market penetration in current market is 2.47; export market penetration in new market is 1.94. The overall mean of export market expansion is 2.20 with a standard deviation is .91.

Pearson's Correlation

As shown in Table 4, in order to test the relationships among variables of the study, the Pearson's correlation analysis was performed. The results of correlations suggested that only financial resource of organizational resources ($r = .34$, $p < .01$) is positively and significantly correlated with export market expansion. While technology resources, human resources, and reputation resources are not significantly correlated with export market expansion. Beside, government agency

Table 3 Means, Standard Deviations of Export Market Expansion

Export Market Expansion Adopted from Katsikeas, Leonidou and Morgan (2000)	Mean (SD)
Export market penetration in current market	2.47 (1.11)
Export market penetration in new market	1.94 (.82)
Overall Mean & SD	2.20 (.91)

5-point Likert scale: 1 = not at all satisfied, to 5 = very satisfied

Table 4 Pearson's Correlation between Variables

Variables	1	2	3	4	5	6
1. Technology Resources	1					
2. Financial Resources	.46**	1				
3. Human Resources	.34**	.48**	1			
4. Reputation Resources	.48**	.30**	.09	1		
5. Government Agency	.23*	.27*	.38**	.05	1	
6. Export Market Expansion	.08	.34**	.17	-.02	.24*	1

* Correlation is significant at the 0.05 level (2-tailed)

** Correlation is significant at the 0.01 level (2-tailed)

Table 5 Result of the Government Agency Moderate the Relationship between Organizational Resources and Export Market Expansion

Variables	Export Market Expansion			
	Model 1	Model 2	Model 3	Model 4
Control Variables				
Export Experience	-.00	.00	.05	.09
Separate Export Department	-.23**	-.22*	-.19	-.20*
Speed of Internationalization	-.17*	-.14	-.18*	-.198
Independent Variables				
Technology Resources (Y1)		-.04	-.05	-.73
Financial Resources (Y2)		.36***	.34***	1.08***
Human Resources (Y3)		-.12	-.17	-.04
Reputation Resources (Y4)		-.09	-.08	-.61*
Moderating Variable				
Government Agency (M1)			.22*	-.50
Interaction				
Y1 x M1				.95
Y2 x M1				-1.27**
Y3 x M1				-.06
Y4 x M1				1.18*
R^2	.09	.18	.22	.34
R^2 Change	.09	.09	.04	.12
F- Change	3.002**	2.189*	3.617*	3.3.19**

*** Sig. at p < .01, ** Sig. at p < .05, * Sig. at p < .10

(r = .24, p < .05) is positively and significantly correlated with export market expansion.

5. FINDINGS

The results of Hierarchical regressions analysis government agency as the moderating effect on the relationship between organizational resources and influence export market expansion are presented in Table 5. In the analysis, three variables were treated as control variables. Export experience is controlled because, Small and Medium-size firms (SMEs) with more export experience in foreign markets can also benefit from accumulating local market knowledge and legitimacy, and developing local networks than new exporter (Yiu, Lau and Bruton 2007). Separate export department is controlled because SMEs will locate export department operation in knowledge-intensive so that they can tap into resources and knowledge that would without export department not be available in export market (Beamish et al., 1999; Kim-soon 2004). Speed of internationalization is controlled because firms see themselves as owning or possessing a source of competitive advantage in foreign markets by way of their expertise, unique product features, lower price, and better technical service (Evangelista, 2005). Even more critical in the birth of born-global is international entrepreneurial orientation since it is an important driver of several important parameters such as internationalization preparation, strategic competence, and technology acquisition (Knight, 2001).

In the first step, export experience, separate export department, and speed of internationalization which were treated as control variables were regressed on export market expansion. The model is statistically significant and shows that 9 percent of export market expansion was explained by control variables. In the second step, the addition of the four dimensions of organizational resources has resulted in R^2 is 18 percent is significant (p<.10) which implies that the organizational resources explained an additional 18 percent of the variation in export market expansion. The significant F-statistics (p < .10) is suggesting that the model is adequate. From the regression model, it can be observed that financial resources (β = .36, p < .01) are statistically significant and has a positive relationship with export market expansion. The findings of this study provided support for the hypothesis 1b, and rejected hypothesis1a, hypothesis 1c, and hypothesis 1d.

In the third step, the addition of the government agency as a moderator has resulted in R^2 is 22 percent is significant (p<.10) which implies that the government agency explained an additional 22 percent of the variation in export market expansion. The significant F-statistics (p < .10) is suggesting that the model is adequate. From the regression model, it can be observed that government agency (β = .22, p < .10) are statistically significant and has a positive relationship with export market expansion. Beside the analysis in this model financial resources (β = .34, p < .01) is also statistically significant and has a positive relationship with export market expansion. In the forth step, the addition four interaction of four dimensions of organizational resources and government agency in the regression model has resulted in R^2 is 34 percent is significant (p<.05) which implies that the interaction explained an additional 34 percent of the variation in export market expansion. The significant F-statistics (p < .05) is suggesting that the model is adequate. From the regression model, it can be observed that the interaction between reputation resources and government agency (β = 1.18, p < .10) are statistically significant and has a positive relationship with export market expansion. Beside the analysis in this model the interaction of financial resources and government agency (β = -1.27, $p < .05$) is also statistically significant but show a negative relationship with export market expansion. The findings of this study provided support for the hypothesis 2 the government agency is moderate between organizational resources (financial resources and reputation resources) and export market expansion. A graphical presentation of the interaction effects is presented in Figure 2 and 3.

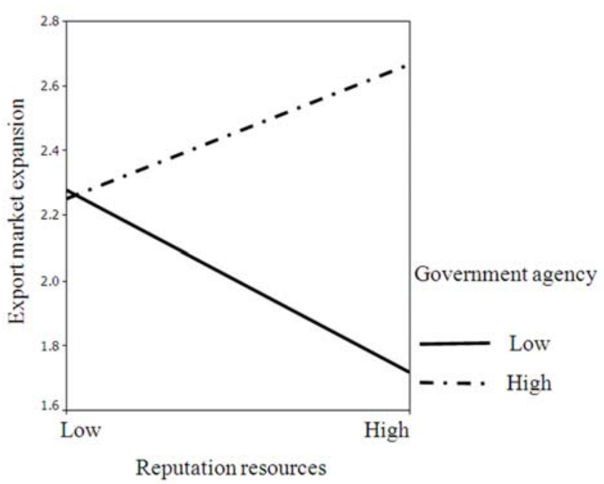

Figure 2 Government agency moderates between reputation resources and export market expansion

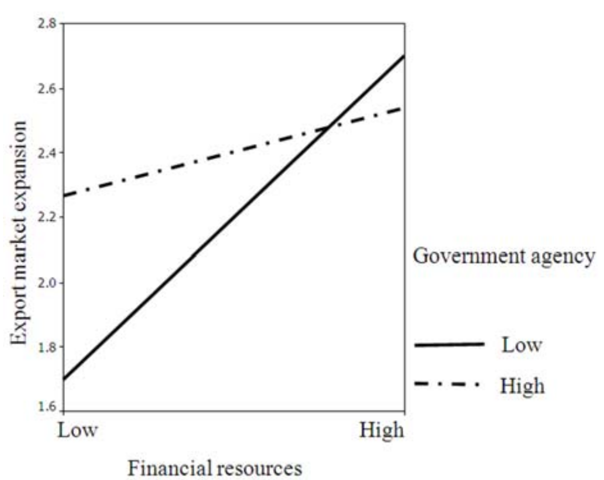

Figure 3 Government agency moderates between financial resources and export market expansion

Figure 2 demonstrates that the positive association between reputation resources and export market expansion is evident among firms with government agency. The high government agency and high reputation resources are effect to export market expansion is higher. On the contrary when low government agency, high reputation resources the export market expansion is also low.

Figure 3 demonstrates that the negative association between financial resources and export market expansion is evident among firms with higher government agency. Firms with the high and low government agency register higher export market expansion when organizational resources in financial resources are high.

6. DISCUSSIONS

The finding strongly support the significant contribution to the theoretical insight of the resources-based view (RBV); that is gaining and preserving superiority in competitive that a firm has developed, acquired, and deployed in the competition arena (Wernerfelt, 1984; Barney, 1991). The observation of Collis and Montgomery (1998) that resources are 'the substance of strategy the very essence of sustainable competitive advantage'. Financial resource is the most important of a competitive process in which firms signal their key characteristics to constituents in order to maximize their economic and non-economic status (Fombrun and Shanley, 1990). The finding of this study shows that a financial resource is a major contributor to export market expansion. The financial resources are important for export development in term of helping the firm to build up its distinctive competency in the international marketplace. This finding is consistent with previous research that found positive association between financial resources and export performance in international market (Ling-yee and Ogunmokun, 2001;

Kaleka, 2002; Morgan, Vorhies and Schlegelmilch, 2006). Making financial resources available for export market development, meeting competitive prices from suppliers, and offering competitive credit terms to overseas buyers depends on improvements of cost advantages/ disadvantages along the value added chain. In short, exporters need to coordinate value chain activities and leverage economies of learning so as to build up the export financial resources critical to customer satisfaction and export market success. According to Kaleka (2002), the availability of financial resources is influence to export activities in export market. In Thailand's manufacturing exporting firms, financial resources are important to the export market. According to Nachailit (2006), financial resources enable exporting firms to effective revise in foreign markets that concern the ability to access cash and capital. At the pre-shipment stage financial resource can facilitates the purchase or production of goods while at the post-shipment stage financial resource, is required because in generally they buyers will pay on a deferred.

The finding of the study shows the insignificance of technology resources and export market expansion. This concurs with Kaleka (2002) use of modern technology equipment is not significant to competitive advantage in the export market. In Thailand manufacturing exporting firms explained that the possession of technology resources tend to be conducive to the achievement of competitive advantage in international market may be linked to the contention that such elements as modern technology equipment, preferential access to valuable supply sources, and production capacity availability, facilitate improvement in the manufacturing process. In addition, the result of the study shows the insignificance of human resources and export market expansion. The result is in contrast with similar studies on the relationship between human resources and export performance in developing countries. The finding is consistent with previous research in Indonesian firms as identified by Dijk (2002), quality of labor skill in term of highly educated labor are personnel quality, such knowledge of languages or improvement in technology is not significant to competitiveness in international market. Furthermore, the result of the study shows the insignificance of reputation resources and export market expansion. The result of the study is consistent with previous research as identified by Morgan, Vorhies and Schlegelmilch (2006) found that insignificant direct relationship between reputational resources and export venture market effectiveness.

Regarding the moderating effect of government agency, the results show that it interacts with two dimensions of organizational resources, namely financial and reputation resources. The interaction effect is between reputation resources and government agency on export market expansion. The government agency is important with reputation resources of Thai's SMEs exporters to export market expansion in foreign market. Thai government such as Department of Export Promotion: DEP-Thai help the firm well known in international market consist of support to the certificate of origin for product to exporting. Project of "Thailand Brand & Logo" with product is exporting to international market. The interaction effect is between financial resources and government agency on export market expansion. The higher government agency and the higher financial resources are effect to export market expansion. Because Thai government agencies in term of Department of Export Promotion: DEP-Thailand, EXIM-Bank, BOI, and SME-Bank are support the financial capital with Thai's SMEs exporters to market export. Furthermore, DEP Thailand designs more export activities support Thai's exporters in new market e.g. Trade Fair, Thai Exhibition, Road Shows in foreign market etc.

7. CONCLUSIONS

The findings of the study show that organizational resources with financial resources are a strong determinant of export market expansion of exporting SMEs in Thailand. Exporters from newly industrializing nations are capable of producing products that satisfy the requirements of foreign markets. The search for alternative sources of supplies by buyers from industrialized nations may have indirectly launch firms from newly industrializing nations into international markets. The managers of Thai's manufacturing exporting SMEs who intend to expand their company's business horizon to international markets and increase the contribution of export market expansion should take notice of the importance of upgrading their resources in financial and reputation aspects. And the contribution of government agency is important of Thai's SME exporters to export market expansion in current market and new market. The study focused on the agricultural sector and one of the major limitations of this study is the relatively small number of firms responding to the survey. Additionally the findings could not be generalized to other industries or the other countries.

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