UK SMEs’ awareness, use, and perceptions of selected government export assistance

An investigation into the effect of ethnicity

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Abstract This study reports on a government funded empirical investigation into UK managers’ export behaviour and assistance requirements and focuses on one aspect of the research, namely perceptions towards selected export assistance programmes. Specifically, it investigates whether differences exist between managers of UK small and medium-sized enterprises (SMEs) owned by executives from particular ethnic origins, i.e. Asian and indigenous (white)-owned firms, in relation to their awareness and frequency of use of the programmes, together with their perceptions towards the availability of the assistance schemes. The paper presents statistical differences between the two ethnic groups leading to the recommendation that public policy makers may need to rethink their approach towards the delivery of assistance in order that scarce resources are allocated more efficiently and effectively.

Introduction
A wide body of literature exists on the export behaviour and assistance requirements of SMEs; in particular, the issue of success and competitiveness of SMEs within international markets has recently generated a great deal of discussion (see, for example, literature reviews such as Aaby and Slater, 1989; Bilkey, 1978; Miesenbock, 1988). As Crick (1997) points out, studies have tended to concentrate on factors associated with managers’ perceptions towards a variety of export activities (recent studies have included: motives for exporting (Naidu and Rao, 1993); problem areas (Katsikeas and Morgan, 1994); and information sources and requirements (Diamantopoulos et al., 1990)). Studies have also investigated perceptual differences towards the types of assistance required by managers of firms based on their background characteristics, such as firm size and level of export development rather than evaluating named assistance programmes (Crick, 1992; Czinkota, 1982).

The interest in SMEs is perhaps not surprising considering that it has been well documented (see, for example, Czinkota (1982) in the US and Pointon, 1977 in the UK) that approximately 20 per cent of firms that are large in size, tend, in
line with the Pareto effect, to contribute in the region of 80 per cent of export sales. This supports the need for empirical work to be carried out into ways of stimulating smaller firms to export, including the identification of their assistance requirements. In addressing the assistance requirements of SMEs in order to support their endeavours to become competitive in overseas markets, public policy makers have been active in providing export promotion programmes and these services in the UK have been provided by the Joint Export Promotion Directorate (JEPD)[1] and a variety of private sector organisations. Even so, as Crick and Czinkota (1995) point out, there is only so much that policy makers can in fact do to assist firms due to regulatory constraints imposed by bodies such as the World Trade Organisation (WTO) and individual government’s budgetary constraints.

Since Central Statistical Office (CSO) data suggest that some areas of the UK (e.g. parts of the East and West Midlands, London, and West Yorkshire) have relatively high levels of ethnic minority-owned businesses operating within them, it is perhaps not surprising that a growing body of literature exists in respect to the activities of these firms (see, for example, Basu, 1991; Blackburn, 1993; Crick and Chaudhry, 1995; Kremar, 1987; Nowikowski, 1984; Okoronkwo, 1993; Pardesi, 1992; Patel, 1989; Rafiq, 1988; Ram, 1992; Ram and Deakins, 1996; Werbner, 1990; Wilson, 1987 for a more detailed discussion). Nevertheless, since a number of these studies explain cultural, developmental and managerial issues outside of the specific area of interest in this investigation, a review of the issues would not be relevant to this study.

In the context of the growing body of knowledge on the practices of ethnic minority-owned firms, this investigation considers one aspect of their behaviour. Specifically, the investigation reports on a government-funded study and determines whether differences exist between managers from Asian and indigenous-owned[2] UK SMEs in relation to their awareness and frequency of use of export assistance programmes, together with their perceptions towards the availability of the assistance schemes. Funding was made available by policy makers after it was observed that a low take-up rate existed within ethnic minority groups with respect to certain export assistance programmes. The rationale for the study is that if statistical differences exist between the two ethnic groups, public policy makers may need to rethink their approach towards the delivery of assistance in order that scarce resources are allocated more efficiently and effectively.

**Background**

*An overview of export promotion in the UK*

The Overseas Trade Services’ 1995/96 annual report and forward plan highlights that the cost of export promotion programmes in 1994/95 was estimated to be approximately £224.7 million, of which £174.2 million (which includes overheads) was the cost of the 1,070 staff in the Department of Trade and Industry (DTI), the 67 staff in Scotland, Wales and Northern Ireland and the 218 Foreign and Commonwealth Office (FCO) posts overseas with
commercial sections, including 583 man years of front-line staff time. Gross direct expenditure on export promotion schemes was estimated at £54.1 million, in 1995/96, against receipts of £3.5 million. The net spend was anticipated to be about £50.5 million compared to £45.3 million in 1994/95. Table I details the major recent expenditure net of receipts from users of services in order to provide more detail on how funding has been allocated.

Crick (1997) argues that it is difficult to evaluate how successful government promotion expenditure has proved to be in order to offer a pragmatic cost-benefit analysis. Empirical investigations evaluating one specific programme, namely outward missions, have encountered particular problems (see, for example, Balabanis and Crilly, 1996; Spence 1996). Studies suggest that a number of criteria are used by policy makers, although these have tended to focus on the number of participants and the value of orders received. This said, these measures in themselves are problematic since the authors argue that policy makers should consider the type of participants involved, i.e. are they new exporters or merely ones who have established contacts and are using missions to obtain a cost-effective way of visiting overseas markets. Furthermore, contracts may be received long after the event is over and may be a function of a number of factors of which the mission is just one.

The “principal” export promotion programmes offered to UK firms by the Overseas Trade Services Section of the JEPD are summarised in Table I and these provide the background against which groups of managers’ perceptions are compared in this investigation. It should be noted, however, that certain

<table>
<thead>
<tr>
<th>Source of expenditure</th>
<th>1994/95</th>
<th>1995/96</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overseas trade fairs</td>
<td>17.1</td>
<td>19.8</td>
</tr>
<tr>
<td>Overseas store promotions</td>
<td>0.5</td>
<td>0.6</td>
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<tr>
<td>Outward missions</td>
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<td>0.4</td>
</tr>
<tr>
<td>Inward missions/VIP visits</td>
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<td>0.9</td>
</tr>
<tr>
<td>Export marketing research scheme</td>
<td>0.7</td>
<td>0.8</td>
</tr>
<tr>
<td>Market entry guarantee scheme</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(closed to new applications – figures for receipts)</td>
<td>(0.1)</td>
<td>(0.1)</td>
</tr>
<tr>
<td>Overseas projects fund</td>
<td>5.2</td>
<td>5.0</td>
</tr>
<tr>
<td>Marketing and publicity – including promotions</td>
<td>3.2</td>
<td>3.4</td>
</tr>
<tr>
<td>Simpler Trade Procedures Board (SITPRO)</td>
<td>0.9</td>
<td>1.0</td>
</tr>
<tr>
<td>Technical Help to Exporters (THE)</td>
<td>0.3</td>
<td>0.2</td>
</tr>
<tr>
<td>Other schemes of assistance to industry</td>
<td>3.7</td>
<td>3.8</td>
</tr>
<tr>
<td>Area advisory groups and other non-official trade organisations</td>
<td>5.1</td>
<td>4.9</td>
</tr>
<tr>
<td>Export promoters initiative</td>
<td>4.9</td>
<td>5.0</td>
</tr>
<tr>
<td>Export market information centre publications</td>
<td>0.4</td>
<td>0.3</td>
</tr>
<tr>
<td>Production of export publications</td>
<td>0.2</td>
<td>0.1</td>
</tr>
<tr>
<td>Other</td>
<td>0.9</td>
<td>2.4</td>
</tr>
<tr>
<td>Net total direct expenditure</td>
<td>45.3</td>
<td>50.5</td>
</tr>
</tbody>
</table>

Table I. Selected overseas trade services expenditure (%)  
**Source:** Overseas Trade Services Annual Report 1995/96 and Forward Plan
other services such as insurance cover are offered by other government departments and by private sector organisations on behalf of the government (see, for example, Diamantopoulos et al., 1991).

In terms of the provision of support mechanisms, it should be noted that the UK Government has an ongoing initiative to set up business links[3] to provide “one stop shops” for business advice throughout particular regions. As Crick (1997) points out, one of the main aims of business links is to have advisers that are readily available to assist managers with their particular area of specialism, e.g. exporting. If the locally-based adviser is unable to help, this person should have the training to be able to immediately refer enquiries to the respective specialist organisation or government department concerned. Within this co-ordinated approach, a duplication of services should not take place between government departments, and consultants will be readily available at a subsidised rate to assist firms if resident advisers are unable to help. Also, subsidised training programmes are organised for local firms. Consequently, this study should be viewed in the context of a changing support environment.

_Ethnic business research_

Even allowing for the previously mentioned fact that the UK Government had identified a low take-up rate by ethnic minority-owned firms of certain support programmes, arguably in undertaking a study of this nature there is a need to establish whether there is a prima facie “academic” case for investigating differences between ethnic firms to build on existing knowledge. In doing so, Yoon (1991) points out that three main theories have been proposed to account for ethnic entrepreneurship, namely: the theory of middleman minorities; ethnic enclave theory; and reactive cultural theory.

The first theory argues that businesses will depend to some extent on white suppliers and serve minority customers. Within this, production will tend towards vertical integration, with a reliance upon ethnic finance sources and family members to provide the labour. This can be contrasted with the second theory in which ethnic enclaves can support local institutions, generate a basis for informal communication of market opportunity, and provide community role models. Alternatively, the third theory suggests that ethnic entrepreneurship is an adaptation to historic and racialised labour market discrimination; here, immigrants are forced to adopt marginal niches in the economy, using mechanisms such as ethnic sources of rotating credit. Clearly, while all three theoretical approaches are incomplete and interrelated, they nevertheless serve to justify the need to consider in more detail the differences between ethnic minority and indigenous firms rather than treat them as a homogeneous group.

Turning now to the business practices of these firms to explore aspects of the main theories in more depth, a debate exists within the literature (see, for example, Ram and Hillin, 1994; Waldinger et al., 1990) in relation to the unwillingness or inability of ethnic minority-owned firms to attract custom from outside the local ethnic community and therefore studies question the
sustainability of these businesses. For example, whereas operating in a cultural niche can be seen as a deliberate strategy, in addressing the issue of potential growth, researchers emphasise the need to break into “majority” markets either in the UK or internationally.

In addressing this concern, the issue of business support provision has come under scrutiny in relation to the role it should be playing in aiding ethnic businesses to “break-out” into mainstream markets (Ram and Hillin, 1994). Studies have been found to be critical of the extent to which business support agencies are effective in helping these firms to achieve this aim. For example, Mitra and Pawar (1992) indicate that there is an absence of detailed, continuous information on trends, levels of participation in government schemes and programmes, size, barriers to growth and the like. Furthermore, Mitra et al. (1991) suggest that there is a lack of focus and consistency towards ethnic businesses.

Interestingly, Marlow (1992) points out that the low take-up rates for assistance programmes is due to the ineffective marketing carried out by the support agencies and Crick and Chaudhry (1996) suggest that the need for Asian business development is timely and many Asian businesses are receptive to developmental programmes but are wary of the sponsoring organisations. The major issue is that the standardised targeting of programmes available does not meet the specific requirements of ethnic minority-owned businesses and the literature questions the effectiveness of business support provision in relation to helping Asian firms to “break-out” into mainstream markets. It is within this context that this investigation focuses on one aspect of support provision, namely with respect to export promotion, the literature on which can now be discussed.

A review of the literature on export promotion
A wide body of literature exists on the broad subject of export assistance, although studies have tended to focus on specific aspects of the research topic within both developed and less developed countries (see, for example, Czinkota and Tesar, 1982; Cavusgil, 1983; Czinkota, 1983; Cavusgil and Czinkota, 1990; Hibbert, 1990; Milner, 1990; Seringhaus and Rosson, 1990; and Diamantopoulos et al., 1993). Nevertheless, in the case of this literature review, macro-economic policies such as exchange rate stabilisation and taxation policy are not discussed, since as Crick and Czinkota (1995) point out, these are matters of government trade policy, largely outside the influence of SMEs. They proceed to point out that since trade policy is regulated by international agreements such as the WTO, unless governments intend being “flexible” on interpreting agreements, there is only so much they can do to assist exporters within this context, with some agencies being perceived as more effective than others (see publications reviewing particular initiatives and agencies, for example, Albaum, 1983; Gill and Brady, 1982; Gronhaug and Lorentzen, 1983; Kedia and Chhokar, 1986; Ryans and Ryans, 1980; Seringhaus, 1986a; 1986b; 1987a; 1987b; 1989; and Seringhaus and Rosson, 1994).
In terms of evaluating UK export promotion, perhaps the most widely cited study in the literature was carried out by Pointon (1977; 1978), although the findings are now rather dated. Pointon argued that the cost benefit analysis approach was a useful method by which to evaluate assistance programmes, although unfortunately this approach was not employed in his research. Instead, Pointon provided empirical data involving managers’ perceptions of their requirements, drawn from a limited sample of exporters administered via a postal questionnaire. While this provided useful and interesting results, if he had followed the theme of cost-benefit analysis which was developed in his literature review further, there would have been a need to look at the objectives of individual programmes and then consider the costs and benefits in evaluating the assistance in question.

Turning now to the composition of export promotion activities, Kotabe and Czinkota (1993) point out that these generally involve: export service programmes, e.g. seminars for potential exporters, export counselling, how-to-export handbooks, and export financing; and market development programmes, e.g. dissemination of sales leads to local firms, participation in trade shows, preparation of market analysis, and export newsletters (Lesch et al., 1990). In addition, programme efforts can be differentiated as to whether the intent is to provide informational or experiential knowledge (Singer, 1990). Informational knowledge typically would be provided through “how-to” export assistance, workshops and seminars, while experiential knowledge would be imparted through the arrangement of foreign buyers or trade missions, trade and catalogue shows, or participation in international market research.

In reviewing the literature, it could be argued that most of the empirical work originates from the US. Within the US-based literature, studies have tended to focus on evaluating the International Trade Administration (ITA), although a number of studies have investigated programmes which are the responsibility of state and local governments, some of which are co-ordinated by the Department of Commerce. As Crick (1997) points out, this is important, since the structure of US assistance is different to the UK, in that the state and local programmes are not really comparable because the JEPD is responsible for all major programmes in the UK. The only real similarities lie where regional offices of the DTI and business links serve firms’ needs in a specific area or where particularly active regional development authorities offer limited assistance.

In determining priorities, Campbell (1987) points out that the ITA, like any organisation with limited resources, must decide how to allocate them in order to achieve the most benefit. He found that the ITA recognised that larger and more experienced businesses would be more likely to benefit from any assistance offered, as the majority of US exports were made by a fairly limited number of large companies. Consequently, most benefit for the domestic economy would be gained if resources were provided to the larger more experienced firms. This said, the ITA also recognised that larger more experienced businesses would be more likely to be able to acquire whatever
assistance they needed from private sources because of their own resources and bargaining power with commercial organisations. In doing so, a counter argument could be put forward, i.e. that the limited public resources might be better served in assisting SMEs which did not have the same resources as their larger industrial counterparts.

Within the UK context, it could be argued that the same principle may apply. If this were the case, limited public resources may arguably be more efficiently utilised if they are offered to SMEs that need to be encouraged to export, by having effective programmes on offer. Indeed, Crick (1995) points out that the current approach used by the UK Government for differentiating between firms for the targeting of export assistance varies between the programmes on offer. In certain cases the programmes vary in their availability by size of firm and in other situations by the stage of firms’ internationalisation[4].

Research both in the US (Czinkota and Ricks, 1981) and the UK (Crick, 1992), found empirical evidence to support the view that the respective governments were placing emphasis on services that are not consistent with the needs of their exporting firms. The two studies compared exporters’ perceived needs and interests of their importers, with the assistance managers request from their respective governments. Both studies found that exporters do not necessarily request the assistance that they believe will aid exports, suggesting government resources may not be used efficiently. The studies argued that managers may need more advice in export matters, particularly services on offer, and the approach by which policy makers target assistance may need consideration.

Research focus
Previous studies have emphasised the need to consider the way in which government export assistance is targeted; specifically, they suggested that an insight into managers’ perceptions towards certain programmes was useful. Furthermore, empirical studies have found public policy makers lacking in their ability to communicate effectively with particular groups of ethnic minority-owned firms. Indeed, this observation supplements the findings within internal government reports (although these are confidential, they were made known to the researchers) which suggest that a low take-up rate exists within certain ethnic minority-owned firms in relation to export assistance schemes. This leads to the formulation of the following objective: a need exists to establish whether a significant difference exists between the behaviour towards and perceptions of Asian and indigenous-owned SMEs in relation to selected export assistance programmes.

In operationalising the objective within this study, a series of sub-hypotheses are formulated in the conventional null hypothesis format. In short, it could be argued that if the sub-hypotheses are rejected, the results would support the need to consider differentiating between firms for the targeting of export assistance programmes, rather than policy makers offering generic, i.e. non-tailored, support to all businesses.
**H1.** There are no significant differences between Asian and indigenous-owned firms in relation to their awareness of selected export assistance programmes.

**H2.** There are no significant differences between Asian and indigenous-owned firms in relation to their frequency of use of selected export assistance programmes.

**H3.** There are no significant differences between Asian and indigenous-owned firms in relation to their perceptions towards the availability of selected export assistance programmes.

**Methodology**

At the exploratory stage of this study[5], in-depth interviews were undertaken with 34 managers from an Asian background in order to obtain an insight into key export behaviour and attitudes towards problems and assistance requirements. These were supplemented with a sample of managers of an indigenous origin to provide comparative data. The sample size was based on time and cost restrictions together with the problem of obtaining an accurate sampling frame of ethnic minority-owned firms and a willingness of managers to be interviewed. The interviews allowed the formulation of a structured questionnaire based on factors deemed as important from a review of the literature and relevant to the managers in the population under investigation.

To control the study for the effect of different cultural influences on the behaviour of SMEs, it was decided to restrict the investigation to entrepreneurs from one ethnic background. Although previous work has discussed both problems in classifying different types of ethnic firms and the changes in propensity of particular groups of ethnic managers to engage in entrepreneurial activities over time, findings suggest that those from Asian backgrounds tend to have higher self-employment rates than those from other ethnic backgrounds (Ward, 1991). Therefore, when obtaining a comparative sample against indigenous firms, only those firms owned by managers from an Asian background were investigated in this study. Even so, grouping Asian managers together is problematic, since their place of origin, e.g. Bangladesh, East Africa, India, Pakistan etc., together with associated cultural and religious differences, makes generalisations on behaviour incorrect. Although this point was recognised, for the purposes of this particular aspect of the study, Asian entrepreneurs were not further divided by country of origin to avoid leaving small, unrepresentative sample sizes for the respective sub-groups.

When attempting to identify a suitable sampling frame for the substantive part of the investigation, although “general” sampling frames were available for firms giving no indication of whether or not they exported and more specialised sampling frames were available for exporting firms, neither gave any indication of the ethnic origin of the owners. This was anticipated in the research, since previous studies have experienced problems in developing a
sampling frame of ethnic businesses (see, for example, Krcmar, 1987; Pardesi, 1992). Furthermore, these studies suggest that certain government bodies and trade associations have limited access to ethnic minority-owned firms.

Empirical work within the substantive part of this investigation was subsequently undertaken and two sampling frames were used in this study. First, a questionnaire was mailed to 5,000 firms, approximately half of the companies in the last edition of the Sells Export Directory (1994 was the final edition). Alternate firms were drawn from the directory, except where distributors, associations and the like were listed as these were omitted since the study was restricted to manufacturing firms. Previous use of past editions of the directory indicated that it contained committed as well as marginal and non-exporters (with an intention to conduct international business activities) and consequently provided the required variation in firms’ export intensities to represent firms at all stages of the internationalisation process. Second, it was concluded from the literature review that no single sampling frame would be located for ethnic minority-owned firms and one would have to be constructed in the course of the study. The Department of Industry and local council advisory boards were contacted and from these discussions a sampling frame of 800 Asian-owned firms was constructed. Although the sampling frame was by no means considered complete since it was developed from various sources, it was nevertheless thought to be a credible indication of the population under study.

In calculating the overall response rate, 397 questionnaires were returned by the postal service since firms had ceased trading; 58 firms were not manufacturers; and 71 replied stating they were either too busy or it was not company policy to respond. A total of 1,479 responses were obtained representing an overall response rate of 28.04 per cent. Since 231 respondents either refused to state the ethnic origin of the firm (in certain cases suggesting it was not relevant or a racist question) or their firms were large public companies, these were excluded from the analysis in this paper. Consequently, the sample sizes in this investigation were 342 Asian and 906 indigenous-owned firms employing under 250 staff[6], in line with DTI criteria, providing a response rate of 23.66 per cent.

**Findings**

In undertaking the quantitative analysis within this study, the Mann Whitney test was used as a widely accepted non-parametric statistical technique to establish whether differences exist between Asian and indigenous-owned firms in relation to the sub-hypotheses under investigation[7]. A non-parametric test was considered important due to the differences between the sample sizes used in the analysis. Turning now to the analysis of individual sub-hypotheses in more detail, Table II shows the mean values of the two groups of firms in relation to their awareness of the selected export programmes. Data were collected on a five-point scale ranging from “1 = never heard of it, to 5 = very familiar with it”. This said, it could be argued that a limitation exists in this
measurement since it does not recognise the various ways in which firms gained awareness of the schemes, for example, via positive or negative publicity. Therefore, although it was appreciated that this could affect firms’ perceptions towards the programmes, it was believed that the inclusion of additional questions to determine this may have affected response rates due to completion fatigue.

It is important to recognise that the results should not be seen in isolation and it is useful to compare the findings with the expenditure on the programmes detailed in Table I. With this in mind, it is perhaps not too surprising that Table II suggests that respondents were, in overall terms, more aware of certain programmes than others and overseas trade fairs in particular.

When considering differences between Asian and indigenous-owned firms, some interesting results are apparent. The statistical analysis indicates that differences exist between the two groups in relation to nine of the 12 programmes under investigation. Another interesting observation is that the mean values reported in Table II indicate that indigenous-owned firms were, on the whole, more aware of the programmes than their Asian counterparts.

Turning now to the frequency of use of the programmes, the results of the analysis are detailed in Table III. Firms were asked to rate their frequency of use of programmes on a five-point scale ranging from “1 = never used it, to 5 = always use it”. It was recognised that this scale might be criticised since firms could have been asked a simple question relating to whether or not they have used the programmes, or how many times they have used them. Indeed, although the same criticism could be levelled against the other issues within
the study, for example, firms are either aware or not aware of programmes, a rating scale has the advantage that it establishes the relative nature of firms’ perceptions. It should also be appreciated that certain assistance is not appropriate to particular types of firms. Arguably, store promotions are more appropriate for consumer rather than industrial exporters, while programmes like VIP visits only have an indirect usage by firms which is therefore difficult to measure. Furthermore, since firms with different export intensities were included in this analysis, e.g. those with a small commitment to international operations, it was recognised that this would have potentially affected their frequency of use of the programmes in comparison with firms with a high involvement in overseas activities.

The results in Table III indicate that statistical differences were found to exist between the firms in relation to nine of the 12 programmes under investigation. It should be noted that, in overall terms, a poor overall frequency of use was made by the firms of the programmes and the mean ratings of both groups of firms provide consistent ratings below the mid-point on the scale. An interesting observation (consistent with policy makers’ own observations) was that indigenous-owned firms tended to have a higher frequency of use of the programmes than Asian firms.

Tables II and III investigated aspects of firms’ perceptions and behaviour towards selected export assistance programmes and, specifically, they considered firms’ awareness and frequency of use of the schemes, differentiating between them based on their ethnicity. The subjectivity of the

<table>
<thead>
<tr>
<th>Programme</th>
<th>Mean of Asian SMEs (n=342)</th>
<th>Mean of indigenous SMEs (n=906)</th>
<th>Std dev</th>
<th>Std dev</th>
<th>Z</th>
<th>P</th>
</tr>
</thead>
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<tr>
<td>Overseas trade fairs</td>
<td>1.94</td>
<td>2.26</td>
<td>1.31</td>
<td>-4.0477</td>
<td>0.0001*</td>
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<td>Store promotions</td>
<td>1.03</td>
<td>1.15</td>
<td>0.59</td>
<td>-3.8770</td>
<td>0.0001*</td>
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<td>Outward missions</td>
<td>1.63</td>
<td>2.01</td>
<td>1.23</td>
<td>-5.8664</td>
<td>0.0000*</td>
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<tr>
<td>Inward missions</td>
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<td>0.882</td>
<td>-4.2719</td>
<td>0.0000*</td>
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<td>Overseas seminars</td>
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<td>1.05</td>
<td>-7.0568</td>
<td>0.0000*</td>
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<td>Export rep service</td>
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<td>0.948</td>
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<td>0.0010*</td>
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<td>Overseas status rep service</td>
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<td>-5.3399</td>
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<td>0.0000*</td>
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<td>1.31</td>
<td>0.757</td>
<td>-4.0477</td>
<td>0.0001*</td>
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</tr>
</tbody>
</table>

Note: The questionnaire asked respondents to indicate their frequency of use of certain government assistance programmes. Responses were obtained on a five-point scale ranging from 1 = never used it, to 5 = always use it

Table III.
A comparison of the frequency of use by Asian and indigenous-owned SMEs of particular assistance programmes

Alpha = 0.8295
measurement scales was recognised – for example, arguably behavioural factors affect firms’ perceptions towards the assistance, i.e. in a positive or negative manner, depending on past experiences. With these limitations in mind, it is now important to consider perceptions of the two groups of firms towards the programmes under investigation.

When considering firms’ perceptions towards the availability of selected export assistance programmes, data were gathered on a five-point rating scale ranging from “1= very hard to get, to 5 = always available”. The analysis detailed in Table IV indicates that a statistical difference exists between the firms in relation to only two of the 12 programmes. The overall findings suggest that most programmes tend to be perceived as difficult to obtain (if a score below the mid-point on the rating scale is used as the criterion) although, with a couple of exceptions, the mean ratings of a number of programmes clustered around the mid-point on the scale.

Conclusions and implications
The findings within this study indicated a noticeable variance in behaviour and perceptions towards the selected export assistance programmes under investigation. The statistical analysis suggested that two of the three sub-hypotheses could be rejected in the course of this research (based on the number of statistical differences produced by the Mann Whitney test) providing evidence to support the conclusion that certain differences exist between Asian and indigenous-owned firms in relation to their behaviour and perceptions towards government export assistance.

<table>
<thead>
<tr>
<th>Programme</th>
<th>Mean of Asian SMEs (n=342)</th>
<th>Std dev</th>
<th>Mean of indigenous SMEs (n=906)</th>
<th>Std dev</th>
<th>Z</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overseas trade fairs</td>
<td>3.51</td>
<td>1.04</td>
<td>3.57</td>
<td>1.113</td>
<td>−1.393</td>
<td>0.1636</td>
</tr>
<tr>
<td>Store promotions</td>
<td>2.44</td>
<td>0.945</td>
<td>2.42</td>
<td>0.962</td>
<td>−0.765</td>
<td>0.4442</td>
</tr>
<tr>
<td>Outward missions</td>
<td>3.35</td>
<td>1.055</td>
<td>3.39</td>
<td>1.218</td>
<td>−1.121</td>
<td>0.2621</td>
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<tr>
<td>Inward missions</td>
<td>2.93</td>
<td>1.017</td>
<td>2.96</td>
<td>1.129</td>
<td>−1.8512</td>
<td>0.0641</td>
</tr>
<tr>
<td>Overseas seminars</td>
<td>2.91</td>
<td>0.981</td>
<td>2.93</td>
<td>1.052</td>
<td>−1.544</td>
<td>0.1225</td>
</tr>
<tr>
<td>VIP visits</td>
<td>2.54</td>
<td>0.976</td>
<td>2.53</td>
<td>0.956</td>
<td>−0.5146</td>
<td>0.6068</td>
</tr>
<tr>
<td>Export mkgt. res. scheme</td>
<td>2.82</td>
<td>1.021</td>
<td>2.96</td>
<td>1.182</td>
<td>−3.0524</td>
<td>0.0023*</td>
</tr>
<tr>
<td>Overseas projects fund</td>
<td>2.19</td>
<td>0.842</td>
<td>2.26</td>
<td>0.983</td>
<td>−0.3168</td>
<td>0.7514</td>
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<tr>
<td>Export rep service</td>
<td>2.68</td>
<td>0.971</td>
<td>2.87</td>
<td>1.146</td>
<td>−3.1421</td>
<td>0.0017*</td>
</tr>
<tr>
<td>Overseas status rep service</td>
<td>3.04</td>
<td>1.050</td>
<td>3.06</td>
<td>1.175</td>
<td>−1.0036</td>
<td>0.3156</td>
</tr>
<tr>
<td>Market information</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Enquiries</td>
<td>3.02</td>
<td>1.019</td>
<td>3.15</td>
<td>1.190</td>
<td>−0.7126</td>
<td>0.4761</td>
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<tr>
<td>New prod from Britain ser</td>
<td>2.40</td>
<td>0.890</td>
<td>2.48</td>
<td>1.077</td>
<td>−1.0186</td>
<td>0.3084</td>
</tr>
</tbody>
</table>

Note: The questionnaire asked respondents to indicate their perception of the availability of certain government assistance programmes. Responses were obtained on a five-point scale ranging from 1 = very hard to get, to 5 = always available

Table IV.
A comparison of Asian and indigenous-owned SMEs’ perceived availability of particular assistance programmes
This observation raises questions about the way in which export assistance is targeted, especially since policy makers are already aware that a low take-up rate of assistance exists among ethnic minority-owned firms. Effective communication may therefore have a major impact on the efficient targeting of resources (McConnell, 1977). In doing so, the findings suggest that if export growth in SMEs, including those from ethnic minorities, is to be a government objective, attention should be given in relation to the ways in which support is offered. This is not to say that the programmes themselves are inappropriate, rather that the way in which they are delivered might be reconsidered. Indeed, as Naidu and Rao (1993) point out, the objectives of each export assistance scheme should be clearly defined. Some may be aimed at increasing awareness, whereas others may be aimed at increasing the utilisation of various programmes.

The findings have advanced knowledge in relation to the existing debates on ethnic minority-owned firms; in particular, that of the provision of support to these firms. This investigation has focused on managers’ perceptions towards selected export assistance schemes in order to position the findings in the context of a narrow range of services so that specific rather than more general circumstances are considered and which lead to avenues of further investigation on which others can build. Even so, particular implications arising from this study broaden the ongoing debate about how enterprise support might be more usefully configured (for previous observations see, for example, Curran and Blackburn, 1994; Curran et al., 1995; Metcalf et al., 1996; North et al., 1997; Oc and Tiesdell, 1998).

In short, an implication is that the way in which policy makers target assistance may require attention. For example, this may include advisers with a cultural affinity employed in business links. Nevertheless, the interviews suggested that these should not be Asians taken from large bodies such as consulting groups, but rather those who had more specific experience of the needs of the community. For example, such people may come from Asian banks, legal firms, accountants etc., that is, organisations more in tune with the way in which smaller Asian firms operate.

However, whereas Siringhaus and Rosson (1990) point out the need for government assistance to have an impact at both the macro and micro level, this investigation has concentrated on the latter in relation to the awareness, frequency of use and perceptions towards selected assistance programmes. Although the study was primarily based on a large-scale survey of UK manufacturing firms, it has provided only an initial insight into this area of investigation and no indication of the need for additional research. It is worth remembering that the UK Government has an ongoing large-scale initiative to set up business links to offer “one stop shops” for business advice throughout particular regions. Associated with this is an undertaking to employ specialist business advisers in order to offer more applied rather than generic assistance.
Additionally, it might be the case that both Asian and indigenous-owned SMEs' awareness, use and perceptions of services change as the business links continue to become more established. Consequently, despite the relatively poor awareness, use and perceptions of the programmes investigated in this study, it could be argued that to simply increase expenditure on export promotion programmes may not be necessary at this point in time. Instead, allowing for the scarce resources of government departments, the findings of this investigation suggest an effective segmentation and communications strategy may provide a more efficient way to utilise public money if it is to run in parallel with the ongoing business link initiative. In doing so, this should help to improve the effective and efficient provision of government support within the ethnic minority communities; and indeed, the SME community at large.

**Notes**

1. The JEPD administers UK export trade services. Essentially, it has been formed by linking UK-based Department of Trade & Industry staff with Foreign & Commonwealth Office staff employed overseas, e.g. within foreign embassies.

2. The term “indigenous” might be considered to be misleading when it could be argued that “white” should have been used instead (albeit the term white was incorporated in brackets immediately after the first mention of the word indigenous to clarify the matter). Asian-owned firms are as much indigenous as those firms owned by white managers, especially where second and sometimes third generation Asian managers own them. Even so, after receiving academic advice on the matter, the term indigenous was used for two reasons. First, in an attempt, where possible, to avoid black/white images associated with the study, although even with changes in terminology, such an issue is difficult to resolve. Second, since interviews with managers and certain advisors associated with this study suggested that many Asian firms were owned by first generation managers as compared with the majority of the comparative group, the distinction should be made on the grounds of ethnicity. Additionally, it should be recognised that for the purposes of this study, the term “Asian” is used in the normally agreed UK context, i.e. originating from the Indian sub-continent, rather than, for example, South-East Asia. Furthermore, it should be acknowledged that although it was recognised that the propensity of different Asian groups such as Indian, Pakistani etc. to engage in entrepreneurial activities varies (Ward, 1991), a breakdown was not undertaken to avoid small sub-groups within the quantitative analysis.

3. Business links are a “one stop shop” for the provision of government assistance. They have been in operation for several years and are located in most major areas of the UK.

4. The literature concerning internationalisation involves studies explaining the process by which an individual firm moves from having no international involvement whatsoever through a series of stages where it is fully committed to international operations. Exporting is only one stage of this process, but the issue has been reflected in a body of literature explaining export development within the internationalisation process. Crick (1995) found that the UK Government uses a three-stage approach developed by consultants: non-exporters, passive exporters and active exporters.

5. This study forms part of an ongoing wider investigation. Therefore, the methodology and conceptualisation of ethnicity reported in this paper is similar to that published elsewhere.

6. There is no single agreed method to categorise firms by their size (see, for example, Carson *et al.* (1995) for a recent detailed discussion). Furthermore, it is widely recognised that in certain UK industries, e.g. clothing, the use of many “out-workers” by these firms makes categorisation by firm size difficult (see, for example, Jewson *et al.* (1992)).
7. It is fully acknowledged that co-variates may have been used in the analytical procedure undertaken to account for a multi-variate framework in which perceptions are determined. Such factors which may have influenced responses include: differences by size of firm; industrial sector; geographic area from which the respondents originate; number and destination of countries exported to; frequency and degree of export activities, etc. These offer avenues in which this work can be taken further to account for the differences.

References


