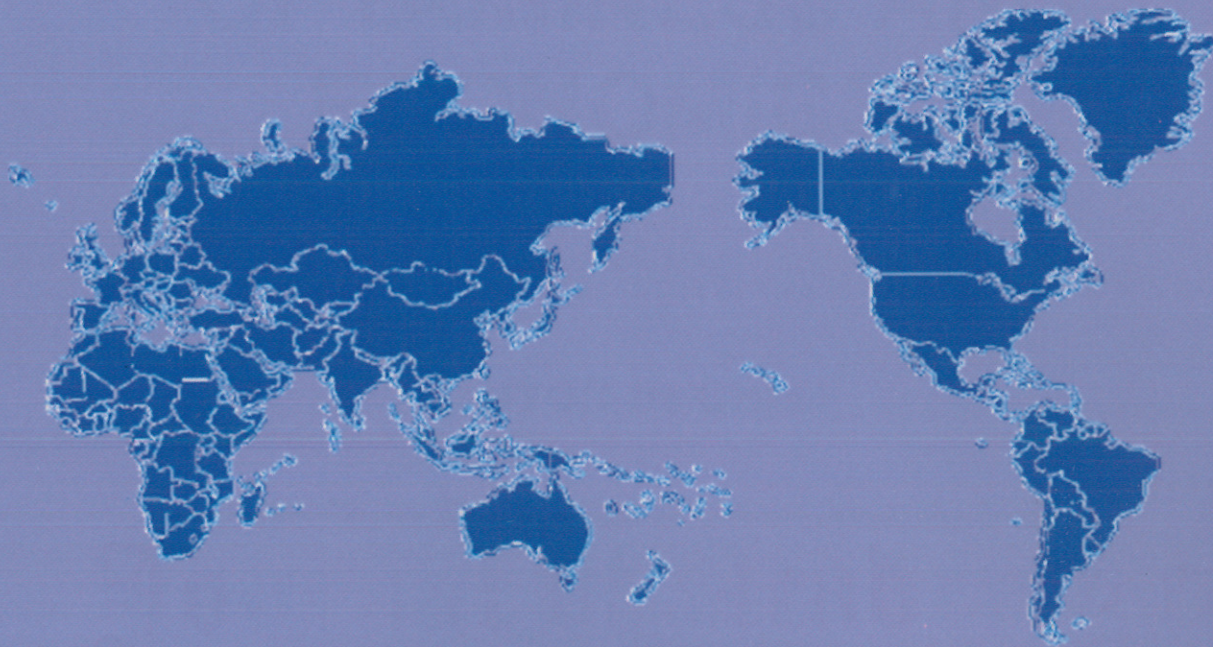


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A Welcome Note from Editor-In-Chief:

We are happy to introduce to you Volume 15 for the year 2015. In this year, we present to you four numbers of the *Journal of Academy of Business and Economics*. In this issue Number 1 of the journal (JABE), we have published high quality research articles primarily in Finance, Management, Ethics, Economics, Operations Management, marketing, and related areas. Each article has successfully undergone a double-blind peer review process. The journal has ISSN number (ISSN: 1542-8710) issued by the Library of Congress, Washington, DC. All rights reserved. ©2015 IABE.

The objective of the journal is to create and provide a worldwide forum for faculty, professionals, and students to publish and share developments in the business, economics, and related fields, particularly relevant at the international level, to help continuously improve teaching, scholarship, and practice. We believe that the JABE has been fulfilling these objectives in each of its volume and issue. We welcome your assessment of these objectives.

We express our sincere thanks to all our reviewers for their invaluable timely help in reviewing the papers. The editorial board of the IABE has significantly contributed towards the success of the journal and we commend the editorial board. We thank to all the authors who submitted their papers for review for the journal.

Our website is redesigned and you are welcome to submit your paper online at www.iabe.org for review, see the status of your paper under review, and much more.

We look forward to your participation and support for continued success of the JABE.

Best Regards,

Professor Cheick Wagué, Ph.D, South Stockholm University, Sweden

Editor-In- Chief

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THE INTERNATIONALIZATION PROCESS AND THE COMPETITIVENESS IN MANUFACTURING SMEs.

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Paola Irene Mayorga-Salamanca, University of Guadalajara, Mexico
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ABSTRACT

The purpose of this research was to determine the Internationalization and its influence on the competitiveness that SMEs manufacturing companies have in Guadalajara, Mexico. The collected information is analyzed and identified the results are interpreted. Internationalization was the independent variable and using SPSS software finding the relation of competitiveness (dependent variable) and Internationalization was determined. The research was applied to two hundred and fifty SME's in Guadalajara, Mexico. The factors used for the study are based in researches mentioned in the theoretical framework.

Keywords: *Internationalization, competitiveness, manufacturing SMEs*

1. INTRODUCTION

SMEs play an important role across national economies and in Mexico this is not an exception, as they have particular importance for the national economy, not only for their contributions to the production and distribution of goods and services, but also for their ability to quickly change their production structure.

Approximately 90% of companies in the world are SMEs in Mexico they make 99% of the companies (INEGI, 2010) and therefore are considered the country's economic base. Due to their great potential to create jobs, SMEs are an excellent way to boost economic development and a better distribution of wealth and since they generate 72% of the workforce and contribute to the production of 52% of gross domestic product (GDP).

This study is about the relationship between internationalization and the small and medium enterprises in Mexico since they are being affected by the phenomenon of globalization, forcing them to establish mechanisms to be competitive locally, nationally and internationally.

2. COMPETITIVENESS AND INTERNATIONALIZATION

2.1. Information Research

The World Economic Forum (WEF) defines competitiveness as "the set of institutions, policies and factors that determine the level of productivity of a country, in turn, sets the sustainable level of prosperity that can be earned by an economy"(Schwab, 2009).

That is, the most competitive economies tend to be those who are able to produce higher incomes for its citizens. Competitiveness depends on the quality of the interactions that the company establishes a number of factors including, among other things: the economic environment, efficiency of the value chain, physical infrastructure, human capital and infrastructure for the provision of financial services (Porter, 1990). Therefore, internationalization is when a company increases its commitments outside their country of origin and transfer services, products or resources beyond the country's borders.

This concept is a synonym for geographic expansion in economic activities across national borders of a country. So, an internationalized company is one that has operations in the value chain in a country that is not the local (Welch & Luostarinen, 1993) and the internationalization implies various phenomena, international economic relations of a company may differ according to their nature.

The internationalization generates growth in the national economy with the entry into the country of the multinational companies, this makes more competition between companies, which results in higher purchase options for the customer.

However, it is interesting to investigate what happens in the environment of small and medium enterprises, as most of them do not have enough capital nor intellectual assets to compete with foreign companies.

And from this result, we could get the basics in order to make certain theoretical models that simplify the study to increase the competitiveness of small and medium enterprises at home and abroad market.

2.2. Innovation as an element to enter internationalization.

According to Madsen & Servais (1997) models for internationalization the business innovation and Uppsala doctrine are linked to innovation and are based on firms that will internationalize slowly and progressively, as they tend to analyze the process as a course of action and as an innovative new way of doing business.

Based on the above, Conde et al (2013) considered that the decision of a company to internationalize is a strategic way of doing it, which makes more influence on the conditions and circumstances of individual decision-making body of a SME that factors structural type, which is most important in the internationalization of large firms.

Internationalization is a method to expose the company to the knowledge and technologies of foreign markets (Kylaheiko et al., 2011), thus providing opportunities to develop new skills and capabilities, and contributing to technology and innovation depending on the course. So the establishment of alliances manages to be a key factor innovation and internationalization.

2.3. Barriers to internationalize

Recent studies on international trade explains the number of exporting firms with high fixed costs (sunk costs) that companies must endure to enter the foreign market.

These costs determine a self-selection effect and a reallocation of market shares towards high-productivity firms (Tybout & Westbrook, 1995, Bernard and Jensen, 1999). For this reason a large number of exporting firms export few products to a limited number of other countries. (Greenaway and Kneller, 2007; Chaney, 2008).

But, export barriers influence by business demographics, strategy and exogenous factors. The export barriers may influence the way towards internationalization. Such export barriers have problems in three different levels.

For companies that do not export barriers are considered prohibited and may be one of the reasons not to internationalize (Pinho and Martins 2010). Although export barriers alone cannot prevent a company becomes international (Leonidou 2004).

However, companies can overcome the seemingly prohibitive and enter internationalization, since barriers are residual and influence not dissipated completely (Suárez-Ortega & Alamo-Vera, 2005).

Similarly, the barriers that are related to the market can be divided into market entry barriers and different market.

2.4. Supply chains, a mechanism to intervene in the process of internationalization

A different way to enter foreign markets is through the establishment of partnerships or supply chains, because in this way can be made as associations for the sale of goods or services in other countries.

To implement a supply chain suppliers should be involved early in the process of product development to leverage their skills and experiences (Ragatz, Handfield, & Scannell, 1997), carriers and manufacturers to meet the needs of the customer (Golobic, Davis, McCarthy, & Mentzer, 2001).

Kannan and Tan (2005) claim that coordination between firms is positively related to organizational operational performance and added that organizations should proactively participate in the decisions of its suppliers about the origin of the components and / or raw materials.

Based on this, Kanji & Wong (1999) in their study conclusion, agree to indicate that the exchange of information among members of a supply chain makes operation easier.

Meanwhile, Schlinger, & Blakely 1987) identified the quality, cost, time and flexibility as performance criteria related to the implementation of a supply chain. Years later Leong, Snyder & Ward (1990) added innovation as a performance indicator for companies. So the competitive performance depends on management practices of supply chain.

2.5. Technology, a way to stay in the internationalization

In order to remain and survive in the environment of globalization, companies must design and implement strategies for continuous improvement of its competitiveness; this is through the use of their current resources and ability to build new ones.

Based on this, for many companies the technology is a tool that supports the formulation of the strategy of the company as it is set up as a strategic variable capable of providing competitive opportunities for organizations that use it properly.

The information technology and communication are used as means or instruments for automation in the product or production process, or as a technology oversight and control of the work process, based on this concept, it can be noted that in companies using the technology over the years has led to major changes in the hierarchy, business strategies and the way they work, thus modifying processes to create a competitive advantage.

This is why companies now choose to use the technologies and with this mechanism improve the bond of retail companies with customers, suppliers, partners, associations, financial institutions and public institutions; foster immediate access to information necessary for the administration of trade; the work is done more efficiently and effectively and promote access to new revenue streams and markets (Jiménez-Zarco, Martínez-Ruiz, & González-Benito, 2006).

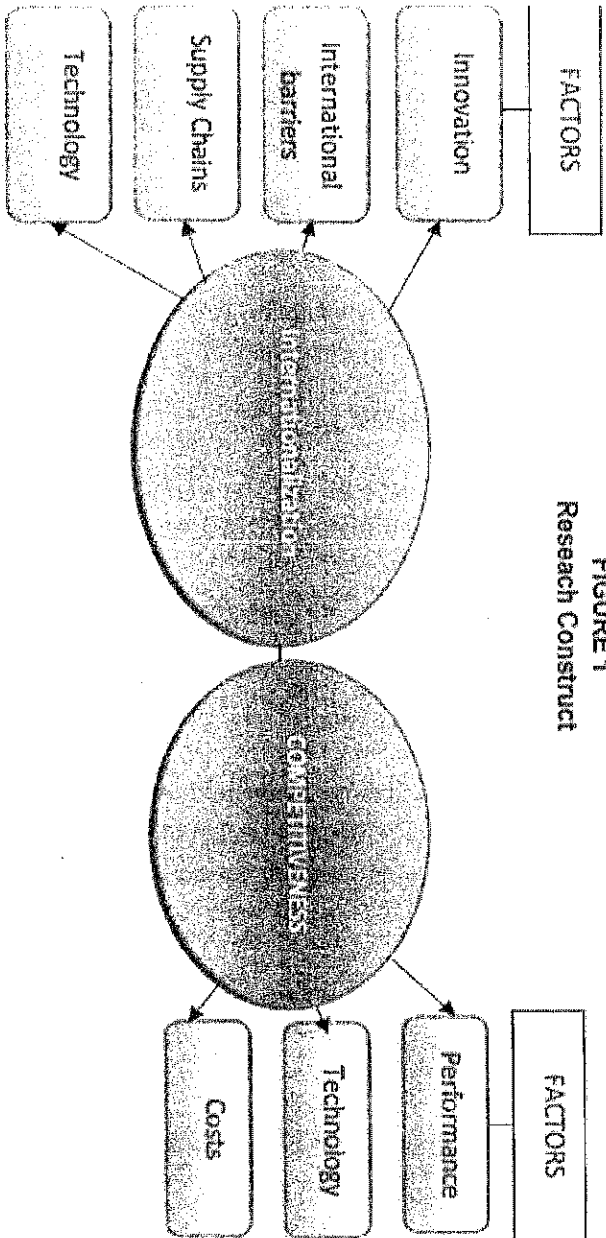
Advanced technology influences the internationalization of the company as it can speed their entry into foreign markets leading to greater competitive advantage (Shrader, Oviatt, & McDougall, 2000).

This technology has the greatest ability to adapt and innovate more quickly in new environments. Technology is a factor leading to the competitiveness of the company.

Actually, the company is characterized by the globalization of markets, the speed of the many changes, the accelerated pace of technological changes, and the development of technology computing.

3. METHODOLOGY

Due to the material analyzed of the diverse factors the research construct is shown in figure 1.



3.1. HYPOTHESIS

1. As innovation increases, it becomes more likely for a firm to internationalize it.
2. Greater international barriers lower internationalization process.
3. Greater supply chain, higher internationalization process.
4. Higher technology, higher internationalization.
5. A greater international process, greater competitiveness level.

4. ANALYSIS OF RESULTS

Two hundred and fifty surveys were applied in the manufacturing industry in the state of Jalisco. It was determined that the majority of the interviewed people is between the 32 and 53 years old, but the most representative sample was around the 50 years old.

According to the reliability analysis Alfa of Cronbach equal to 0.919 it was found that the survey and samples are highly representative and highly reliable, so that we know that the data obtained is very close to the reality. A Barlet's test of sphericity and KMO test was made, the correlation appeared to be high and analysis showed .863 and significance .000 that the variables are positively correlated.

With ANOVA's analysis it was found that the variables are significant in the relation between Internationalization and Competitiveness, most of the SME's consider Internationalization an important factor for the performance of their company, as innovation increases, it becomes more likely for a firm to internationalize, then the hypothesis is accepted. The fifth hypotheses that integrate this work, is accepted due the significance .000 between higher international process, to get greater competitiveness level.

5. CONCLUSIONS AND LIMITATIONS

With the analysis found, de SME's in Guadalajara, it was found that consider the competitiveness process is an important factor for their competitive performance. The results obtained through the statistical analysis showed that the correlation between factors innovation, internationalization barriers, supply chain and technology, had higher relationship, which demonstrates that at least for this segment of companies is impacted the independent variable Internationalization, correlated with competitiveness (dependent variable).

The research was made with a convenience sample, for further studies would be good to apply an stratified sample with 5% of error percentage and 95% of reliability interval.

The survey was applied to the CEO's, directors or managers of SMEs, and could be interesting analyze in the future in other type or organizations.

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