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Management Commitment and Export Performance of Creative Industry: The Mediating Role of Partner Relationship Program

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This research tries to investigate and present empirical evidence regarding the influence of management commitment and partner relationship program on the export performance of the creative industry. The fundamental issue in this investigation is to fill the research gap and solve the problem of how to improve the export performance of the creative industry in West Java Province, Indonesia. The sample in this study were the leaders of the handicraft export industry comprised of 72 respondents using purposive random sampling based on business entity ownership and period of exporting. Data collection procedures were achieved by disseminating questionnaires, interviewing and documentation. The research analysis utilizes the Structural Equation Model-based Partial Least Square with the tools of SPSS and Smart PLS statistical programs. The results prove that all research hypotheses in this study are supported. The implications of the study are that management commitment and partner relationship program affect export performance. The partner relationship program mediates the relationship between management commitment and export performance. As such, management commitment has a more significant contribution than partner relationship program on the export performance of the creative industry.

Key words: *Management Commitment, Partner Relationship Program, Export Performance.*

Introduction

The development of the world economy today relies more on the creative industry sector (De Beukelaer, 2014) and is characterized by the growth of domestic and global consumers (Kong & O'Connor, 2009). Nevertheless, there are inequalities in the growth of the creative industries in developed and developing countries. In developed countries, the creative industry has grown significantly due to a substantial increase in product volume and evenly distributed numbers of foreign markets (De Beukelaer, 2014; Yoong & De, 2018).

Based on the definition of UNCTAD, the creative industry is a cycle of production of goods and services using creativity and intellectual capital as its main input and classified by its role as inheritance, art, media and functional creations (BEKRAF, 2017a). Indonesia, as one of the developing countries, had a total contribution of creative industries in 2016 of 7.38% of total GDP, details based on culinary sub-sector 41.69%, fashion 18.15%, craft 15.70%, television and radio 7.78%, 6.29% publishing, 2.30% architecture, application & game developer 1.77%, advertising 0.80%, music 0.47%, photography 0.45%, art show 0.26%, product design 0 , 24%, fine art 0.22%, interior design 0.24%, 0.16% film and visual communication design 0.06% (BEKRAF, 2017b).

Exports are the most crucial growth strategy for all companies in the world (Beamish & Lupton, 2009). However, not all companies can improve their export performance. The data comparison for the export of developed country's creative industries in 2016 such as the Republic of Korea amounted to USD 44.5 billion (UNCTAD, 2017), whereas in developing countries like Indonesia in the same year there was only export of USD 19.4 billion with details of sub-sector contribution fashion 56%, craft 37%, culinary 6%, others 1% (BEKRAF, 2017b). Based on data from Department of Industry and Trade of the Republic of Indonesia the export performance of Indonesian creative industries from 2012-2017 has fluctuated and this becomes an important issue that must be handled for creative industries in Indonesia (DISPERINDAG, 2018).

Export sales growth is a major factor in almost all world companies (Beamish & Lupton, 2009). However, not many companies can improve their export performance. Based on the 2016 export data of the creative industries in Korea amounting to USD 44.5 billion (UNCTAD, 2017), while in Indonesia only USD 19.4 billion with a contribution of sub-sector fashion 56%, craft 37%, culinary 6%, others 1% (BEKRAF, 2017b). Data from the Ministry of Industry and Trade of the Republic of Indonesia states that the export performance of the Indonesian creative industry in the last five years has fluctuated, so it requires a solution to the problem (DISPERINDAG, 2018).
Previous studies explained the factors that improve export performance. These factors include market orientation and entrepreneurial orientation (i.e, Cadogan et al., 2016); relationship

capability (i.e, Lages, Silva & Styles, 2009); marketing capability (i.e, Morgan, Katsikeas & Vorhies, 2012); and marketing mix strategy (i.e., Ruzo, Losada, Navarro & Díez, 2011). However, less attention has been paid to how the roles of management commitment and partner relationship program will affect the export performance of the creative industry.

Management commitment is a general willingness to aggressively pursue market opportunities, avoid market threats and implement effective marketing strategies that enhance market success (Lu & Julian, 2007). Partner relationship programs provide tangible and intangible benefits to a firm (Street & Cameron, 2007). Especially, in achieving opportunities for knowledge-building activities that support value creation for firms in long-term (Jørgensen & Ulhøi, 2010). Building partner relationship program between suppliers, distributors, competitors, customers and other external networks can reduce the risk of environmental change, increase supply value, improve access to markets, acquire new knowledge, upgrade skill and ease to gain resources (Cravens & Piercy, 2013). Thus, the partner relationship program ia an essential factor in improving firm performance (Lin & Lin, 2016; Naudé et al., 2014).

This research purposes to focus on the issues in improving the export performance of the creative industry in West Java Province, Indonesia. Moreover, the research further addresses the development of strategic marketing research concerning the role of a partner relationship program as a mediating variable. The focus questions of this research are: Does management commitment positively affect the partner relationship program of creative industry exporters in West Java? Will the management commitment positively improve the export performance of the creative industry in West Java? Does partner relationship program positively improve the export performance of the creative industry in West Java? Can a partner relationship program mediate the relationship between management commitment and export performance? Addressing these questions is fundamental for the creative industries, specifically in a developing country such as Indonesia to enhance business growth in both domestic and global markets.

Literature Review

Management Commitment

Management commitment has been discussed by researchers in different terms, such as export commitments, top management commitments, or managerial commitment (Lages & Montgomery, 2004). Management commitment is a measure of how the firm management is willing to allocate internal resources for export purposes (Cadogan et al., 2005). Thus, effectiveness and efficiency in resource allocation can provide the necessary stimulus in improving export performance. Management commitment describes how many dedicate significant resource efforts and sacrifice time in the export market compared to their domestic market (Navarro et al., 2010a). Managers who are highly committed will seek opportunities in foreign markets, especially in countries that have cultures different from their home countries (Navarro et al. 2010a).

Managers facilitate the achievement of the company's vision and mission, develop the values needed for long-term success and apply them through appropriate actions and behaviors and are personally involved in ensuring that the company's management system is well developed and implemented (Keramati & Azadeh 2007). More decision-oriented managers will benefit in the long term (Haghighi & Ataei, 2010). The more resource decisions involved, the higher the more managers can improve their planning and strategy.

Managers can plan and use more considerable resources along with increased levels of their resources for export strategies (Lages, Jap, & Griffith, 2008). Managers committed to exports allocate more human and financial resources to export businesses; This allows them to improve the market analysis planning procedures necessary to implement strategic decisions that suit different market needs (Lages & Montgomery, 2001). Without the proper allocation of resources, companies will not make significant progress in improving their performance in the export market. In other words, management commitment as an essential variable is expected to play a role in the success or failure of corporate performance as has been shown by some researchers (Javalgi & Todd, 2011).

The resource-based view (RBV) put forward by researchers is a rationalization of necessary corporate behavior. Companies are expanding globally for reasons related to the number of resources that managers use to shape value. Precious, elusive, and difficult to replicate sources contribute to the company's distinctive or core competencies and lead to long-term competitive advantage (Barney, 1991). The company's resources include tangible and intangible assets, human and non-human owned companies that enable companies to shape and apply ways of increasing their value (Javalgi & Todd, 2011). Intangible resources such as human capital allow companies to expand in value and as crucial performance for the company (e.g., Crook et al., 2011).

Management commitment within the RBV perspective can help a leader or manager to develop the effectiveness and efficiency of future resource allocations and offer strategic guidance that orients their decision-making (Lages & Montgomery, 2004). When a manager is committed, he or she is more likely to perform complicated tasks, strive for extraordinary efforts and allocate productive, technical, financial, marketing and human resources for activities related to marketing and implementation in an orderly and systematic manner (Stoian, Rialp, & Rialp, 2011). So the opportunity to gain profit in the market, get around the threats and develop business strategies to achieve the goals set by the company exists (Zou & Stan, 1998).

The Uppsala model describes the interaction between the information gained and the commitment of resources gradually to the stage of international operation (i.e., Johanson & Vahlne, 1990). This model is preliminary information to reduce the prices of market uncertainty affecting management commitment to export activities. Therefore, market information as a guideline for improving the level of internationalization gradually to more significant international expansion. In network models, corporate activities can form relationships that facilitate access to resources and markets. According to Javalgi & Todd (2011) due to the increasingly intensive internationalization effort, the number and strength of relationships between business players can continue to increase, making it easier for companies to access resources and markets.

Partner Relationship Program

Partner relationship program is the core business for the firm by building trust between business partners, as well as learning to communicate with partners using self-disclosure skills to articulate their needs (Dent, 2006). Partner relationship refers to the development of companies with key business stakeholders, especially customers, suppliers, and competitors (Wu, 2011). The political relationship, in turn, refers to the relationship of government-company officials (Sheng, Zhou, & Li, 2011). The institutional-based view shows that in a transitional economy, where institutions that support markets are less developed, firms are heavily dependent on political ties and business ties (Peng & Luo, 2000).

The formation of a relationship program between suppliers, producers, distribution network organizations, and customers (intermediate customers and end customers) can improve market access, increase the value of supply, reduce risk due to rapid technological change, exchange of skills between partners, learning and acquiring new knowledge, close relationships with consumers and easier access to resources (Cravens & Piercy, 2013). Partner relationships can accelerate internal collaboration in a variety of mutually beneficial ways for mutually beneficial business with business partners, customers, other suppliers (Dent, 2006).

Racela, Chaikittisilpa & Thoumrungroje (2007) find that cooperation with more intensive business partners and close geographic distance can provide high export performance. A study by Ural (2009) explained that the relationship program, such as partner sharing information, could improve export performance. Therefore, firms should invest in a partner relationship in turn, increase export performance (Lages et al., 2009). Partner relationship programs adapted from Lasagni (2012) and Street & Cameron (2007) are relationship formation, active participation, relationship learning, and relationship building.

Building relationships with customers means potentially knowing and responding more quickly to customer needs and demands (Wu, 2011). In addition, it can reduce the vulnerability of business and technology environment threats to meet market needs (Kemper, Engelen, & Brettel, 2011). The firm can develop marketing strategies that are generated through interaction with customers and maintaining these relationships. (Acquaah, 2007). Partner relationship with suppliers helps companies obtain quality materials, excellent service, and on-time delivery (Peng & Luo, 2000). Maintaining these relationships is also crucial in developing the trust and reliability of others in terms of fulfilment of obligations (Hoang & Antoncic, 2003). That, in turn, results in actions that can be predicted and accepted by both parties, which in turn improve the quality of resource flows, as well as reducing bureaucratic and transaction costs (Hoang & Antoncic, 2003).

Developing a good relationship program with competitors has been considered a common component in the business network structure (Xu, Lin & Lin, 2008). This relationship facilitates an efficient flow of information, which in turn leads to innovative ideas and opportunities emerging (Xu et al., 2008). There is another reason to foster a relationship program with a competitor to make sure the client does not do work outside the domestic market to another company (Gilmore, Carson, & Grant, 2001). Therefore, it is widely established that companies should make concrete efforts to develop and maintain relationships with their competitors for mutual benefits for both parties for long periods. Developing a relationship program with the government can help companies gain more information on emerging regulations and policies, help reduce policy uncertainty around important issues, and improve the impact of corporate policies (Wu, 2011). Relationships with governments can also help companies to generate valuable resources, such as finance, subsidies, tax cuts, and research funding all of which are essential to enterprise innovation and survival (Hillman & Hitt, 1999).

Hypotheses Development

Management Commitment to Partner relationship program

According to Skarmeas et al. (2008), management commitment plays a crucial role in developing relationship program partners between companies towards their customer partners. Saleh & Ali (2009) suggested that management commitment is important from the exporter's point of view because importers facilitate the process of internationalizing exporters by continuing to provide access to foreign markets. Elsewhere, Tzempelikos (2015) conducted a study of 304 supplier firms which stated that top management commitment contributed to the formation of a partner relationship program. Management commitment plays a vital role in developing such relationships. Vahlne & Johanson (2013) argue that committed managers are willing to invest in maintaining and developing partner relationship program; such investments can include assets, machinery and human skills that can improve the handling of transactions among partners. High-level skills and technology can improve efficiency, reduce costs, and improve output quality. Managers who are committed to collaborating with their partners make it possible to exceed the competitive results of their competitors (Bianchi & Saleh, 2010). Thus, it is concluded that:

H1: Management commitment positively influences partner relationship program

Management Commitment to Export Performance

El Makrini & Chaibi (2014) states that there is a significant positive relationship between management commitment to export performance; The export dimension that received the most empirical attention was the intensity of exports, which also showed the strongest relationship with management's commitment to exports. Companies must consider the implementation of top management commitment as an important role in the organization because this practice contributes to export performance (Mokhtar & Yusof, 2010). Management commitment improves export performance of both financial and non-financial performance (Wheeler et al., 2008). Managers who commit to exports strive to enter new markets and provide all resources to minimize uncertainty (Julian, 2003) and this is marked by an increase in human and financial resources in performance improvement activities (Lages et al., 2008).

H2: Management commitment positively influence export performance

Partner relationship Program and Export Performance

Zaheer & Bell (2005) explain that firms with a preferred partner relationship program can exploit their internal capabilities that support improved export performance. The researchers stressed the importance of partner relationship and cooperation with partners for firm development. As Lin & Lin (2016) state that partner relationship program helps firms take advantage of embedded linkage with outside partners to cover their shortcomings and benefit. Differences in internal capabilities, knowledge and practices between firms allow for access to new knowledge and reduce their overall operational costs (Tsai, 2001). Successful firms are active in building relationships with their partners who are then positively associated with growth and export performance (Lee, Lee, & Pennings, 2001). Therefore, it is concluded that:

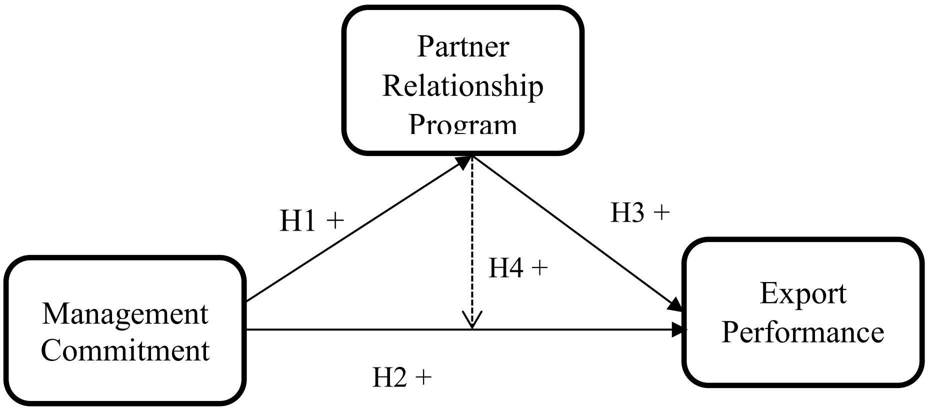
H3: Partner relationship program has a positive effect on export performance

Mediating Effect of Partner Relationship Program

Krause, Handfield & Tyler (2007) explained a firm who have a significant commitment to a partner relationship program and a designated willingness to make investment and dedication in the key partner, may help improve export performance. However, there is little evidence concerning the role of partner relationship program in the relationship between management commitment and export performance. There is a need to clarify whether the partner relationship program is capable of mediating the relationship between management commitment and performance in an export setting, thereby making management commitment perceptions less significant predictors of export performance. Referring to these studies, the construct of the conceptual framework is as in Figure 1 below and the hypothesis is thus:

H4: Partner relationship program mediates the relationship between management commitment and export performance

Fig.1. Conceptual Framework



Method

Sample and data collection technique

This research takes data from the industrial and trade offices of the Republic of Indonesia in West Java Province, Indonesia. From the population of craft exporters, the sampling technique uses Slovin formula 10% of the margin error of the population. The result is 72 respondents. The research method using purposive random sampling based on business entity ownership and period of exporting for more than two years. The data was gathered using questionnaires and interviews, while respondents were leaders of handicraft exporters in West Java Province consisting of Bandung, Cirebon, Tasikmalaya, and Sukabumi.

Respondent Data

Based on the data results from the respondents, a summary of characteristics was obtained, descriptive analysis and analyzing of the relationships among variables using the structural equation modeling-partial least square (SEM-PLS) was completed.

Table 1: Description of respondents

Variables	Amount	Percentage
Gender:		
Male	52	72.22
Female	20	27.78
Age:		
20-29 Years	6	8.33
30-39 Years	15	20.83
40-49 Years	19	26.39
50-59 Years	26	36.12
60-69 Years	6	8.33
Export experience:		
2-5 Years	20	27.78
6-10 Years	6	8.33
10-15 Years	24	33.33
16-20 Years	10	13.89
21-25 Years	1	1.38
26-30 Years	10	13.89
A number of employees:		
10-29	49	68.05
30-49	11	15.28
50-69	5	6.94
> 100	7	9.73

Data source: Data processed in 2019

Table 1 above shows that most owners/leaders, 72.2% or 52 respondents, were male, and 27.8% or 20 respondents, were female. Most of the respondents, 36.1% or 26 respondents, were between 59 and 60 years old, and 26.4% or 19 respondents were between 40 and 49 years old, 20.8% or 15 respondent were between 30 and 39 years old, 8.3% or 6 respondents were between 20 and 29 years old and the remaining 8.3% or 6 respondents were between 60 and 69 years old. Hence, it is concluded that most of the respondents were above 40 years old. The majority of respondents, 33.3% or 24 respondent, had between 10 and 15 years of export experience, 27.8% or 20 respondents 2 and 5 years of export experience, 13.9% or 10 respondents 16 and 20 years of export experience, and 13.9% or 10 respondents 26 and 30 years of export experience, while 8.3% or 6 respondents were 6 and 10 years of export experience and the remaining 1.4% or 1 respondent had between 21 and 25 years of export experience. It could be concluded that the majority of respondents had above ten years of export experience and that most of the respondents, 68% or 49 respondents, had a number of employees of between 10 and 29, 15.3% or 11 respondents had between 30-49 employees, 9.7% or 7 respondents above 100 employees, and the remaining 6.9% or 5 respondents, between 20 and 69 employees.

Results

Test of Validity

Measurement of validity tests whether the research instrument is valid or not. This test is performed using the SmartPLS 3.0 application program by presenting convergent validity (See Table 2).

Table 2: Test of Validity

Construct	Factor Loading	t-statistic (t-table=1.97)	Description
Mngmt. Com.			
MC1	0.561	5.215	Valid
MC2	0.841	27.144	Valid
MC3	0.903	23.137	Valid
MC4	0.863	25.488	Valid
MC5	0.834	16.728	Valid
MC6	0.923	40.968	Valid
Partner Rel.			
Prog.	0.704	6.897	Valid
PRP1	0.719	6.950	Valid
PRP2	0.657	6.222	Valid
PRP3	0.799	12.691	Valid
PRP4	0.791	20.250	Valid
PRP5	0.668	5.745	Valid
PRP6	0.785	12.001	Valid
PRP7	0.651	6.119	Valid
PRP8			
Export Perf.	0.545	4.499	
EP1	0.606	5.203	Valid
EP2	0.830	13.359	Valid
EP3	0.781	17.606	Valid
EP4	0.918	54.166	Valid
EP5	0.917	44.389	Valid
EP6	0.915	45.889	Valid
EP7	0.915	56.060	Valid
EP8	0.789	11.281	Valid
EP9	0.759	8.965	Valid

EP10			

Data source: Data processed in 2019

The variables adopted in this research consist of management commitment as an independent variable; while the dependent variables are partner relationship program and export performance. The measurement of the validity of each variable os based on the evaluation of cross loading factors using convergent validity. Each factor loading > 0.5. Based on the validity test results, all indicators of management commitment, partner relationship program and export performance have a factor loading estimated value greater than 0.5 and the t-statistic value is greater than t-table (1,97). Table 3 below shows validity convergence from each variable. It can be indicated by the average variance extracted (AVE) value for all variable constructs greater than 0.5. This means all variables are valid and can be continued for the next process.

Table 3: Validity Convergence

Variables	AVE	Description
Management Commitment	0.689	Valid
Partner Relationship Program	0.524	Valid
Export Performance	0.652	Valid

Data source: Data processed in 2019

Test of Reliability

Table 4 demonstrates the test of reliability to check the consistency of each variable. With a minimum value is above 0.4 (Cronbach alpha should > 0.4). It can be explained that all constructs are reliable. Test of reliability also examines composite reliability. It can be accepted if the composite reliability value is between 0.6 to 0.7, for a higher level, the value of 0.7 to 0.9 can be more satisfying (Hair et al., 2014). The result can be seen in Table 4 below. The test results show that each composite reliability of all variables is above 0.7. The composite reliability value of the management commitment is 0.929; partner relationship program is 0.897, and export performance of 0.939. The results of each indicator show values above 0.7 can be accepted. This means the variables in this study are reliable and can be continued for the next process.

Table 4: Test of Reliability

Variables	Cronbach Alpha	Composite Reliability	Description
Management Commitment	0.906	0.929	Reliable
Partner Relationship	0.873	0.897	Reliable
Program	0.939	0.948	Reliable
Export Performance			

Source: Data Processing, 2019

Test on the structural model (inner model)

Structural model testing shows the correlation values between variables, significance and R-square values of the relationships between constructs. The PLS research model begins with knowing the R-square value of all dependent variables. This value is to determine the effect of exogenous latent variables on endogenous ones. Following Table 5 below, the estimated R-square value using PLS shows the value of the partner relationship program is 0.225, and the export performance is 0.532. Higher values represent a more significant influence on endogenous variables. Variable of the partner relationship program has an R-square value of 0.225, meaning that the management commitment can explain 22.5% and other variables outside this research model determine the remaining 77.5%. In addition, the export performance variable has an R-square value of 0.532, meaning that management commitment and partner relationship program can explain 53.2%, other variables outside the research model determine the remaining 46.8%.

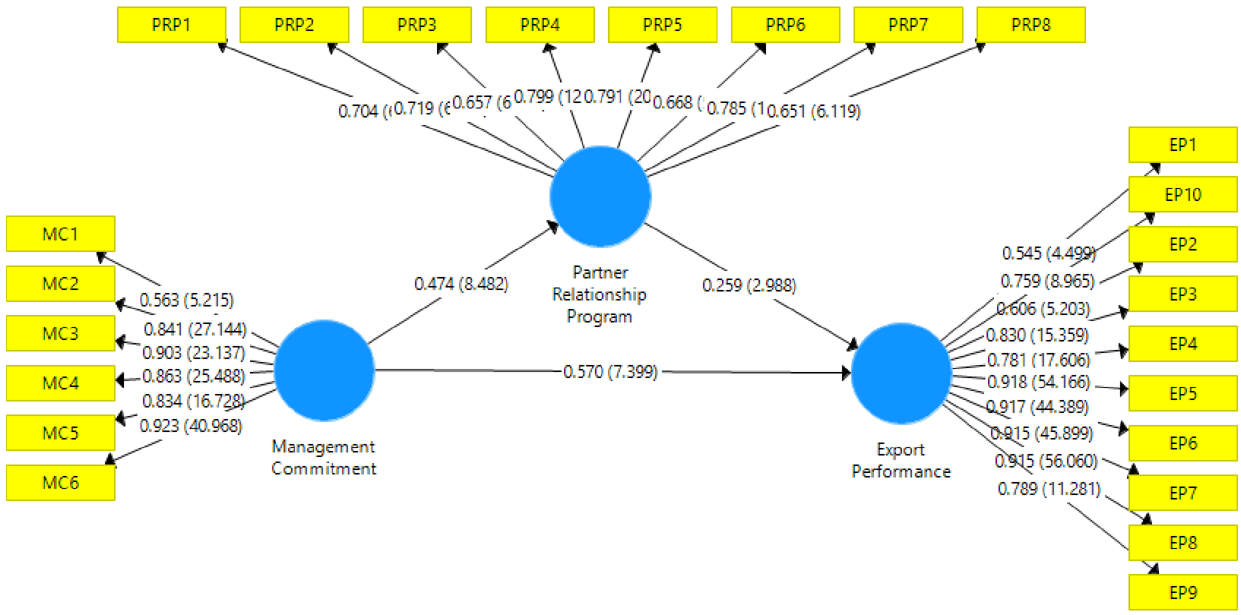
Table 5: R-Square

Variables	R-Square
PRP	0.225
EP	0.532

Data source: Data processed in 2019

The results of investigating data using SmartPLS revealed that the inner model explains the correlation between constructs. Following bootstrapping, the output shows the empirical research model from a management commitment, partner relationship program, and export performance (See Figure 2).

Fig.2. Empirical Research Model



Hypothesis Testing

Table 6 below presents the results of measuring hypothesis testing (direct and indirect effect) for all variables in the research model. The table below shows that the effect of the management commitment to partner relationship program is positively significant (0.474) and significance is at p <0.01 with a statistical value of 8.482. Management commitment to export performance has a positive effect (0.570) at p <0.01 with a statistical value of 7.399. The partner relationship program to export performance has a positive relationship (0.259) at p <0.01 with a statistical value of 2.988. Then, the indirect effect of management commitment on export performance through partner relationship program has a positive relationship (0.125) at p <0.01 with a statistical value of 2.545. The results of testing hypotheses can be explained as follows:

1st Hypothesis

The result of the path analysis estimate is 0.474. That value indicates that management commitment positively affects the partner relationship program. It can be proven by a test result of hypothesis p <0.01 (t-statistic 8.482), and this means that the better management commitment, the better partner relationship program will be. Therefore, it can be concluded that there is a positive and significant influence from the role of management commitment on partner relationship program.

2nd Hypothesis

The output value of the path analysis estimate is 0.238, and the coefficient value is positive. It shows that the better the implementation of management commitment is, the better the export performance will be. It can be proven with the results of testing the hypothesis $p < 0.01$ (t-statistic 7.399). Therefore, it can be concluded that there is a significant and positive influence of management commitment on export performance.

Table 6: The Direct and Indirect Effect Among Variables

Hypothesis	Path Analysis	t-statistic (t-table = 1.97)	Description
Direct Effect Test :			
H1: MC → PRP	0.474	8.482	Supported**
H2: MC → EP	0.570	7.399	Supported**
H3: PRP → EP	0.259	2.988	Supported**
Indirect Effect Test :			
H4: MC → PRP → EP	0.125	2.545	Supported**

Notes: $^{**}p < 0.01$

3rd Hypothesis

Table 6 above shows that the partner relationship program positively affects export performance with a t-statistic value of 2.988 and $p < 0.01$. The path analysis of the sample estimate is 0.259. It means that the better the implementation of the partner relationship program, the more improved export performance. Therefore, it can be concluded that there is a positive and significant effect of the partner relationship program on export performance.

4th Hypothesis

The table shows that partner relationship program positively mediates the relationship between management commitment toward export performance with a t-statistic value of 2.545 and $p < 0.01$. The path analysis of the indirect effect is 0.125. This means that the better the partner relationship program, the stronger the relationship between management commitment and export performance. Therefore, it can be concluded that partner relationship program positively and significantly mediates the relationship of management commitment toward export performance.

Discussion

The study findings are that management commitment positively affects the partner relationship program, and the proposed hypothesis can be accepted. This finding is supported by Skarmeas et al. (2008), which states that management commitment plays a central role in developing a strategic model of relations between companies towards their customer partners. Saleh & Ali (2009) suggested that management commitment is essential from the exporter's perspective because importers facilitate the process of internationalizing exporters by continuing to provide access to foreign markets. Ismail et al. (2016) argue that building relationships with partner in a foreign market or distributors is essential to internationalize small and medium-sized businesses with limited resources. Pae can help them utilize their partner's resources and improve their export performance in foreign markets. In this context, management commitment is an important influence factor on the development of partner relationship program.

This study also found that management commitment positively and significantly influences export performance. The better the commitment of human and financial resources, better export performance will be. These findings are supported by Bloemer et al. (2013), who stats that management commitment acts as an energy force for the development of competencies that affect export performance. Navarro et al. (2010b) stated that a manager who commits to export allocates more financial and human resources for export business; this allows them to improve the depth of planning procedures in terms of market analysis in implementing strategic decisions that are in line with market needs that can facilitate the company to achieve export goals.

The study also shows that partner relationship programs have a positive and significant influence on export performance. The better relationship program partners in forming relationship formation, actively participating and building relationships, the better export performance improvement will be. The implementation of partner relationship programs helps firms to achieve an advantage by facilitating and expanding business partners, also increasing profits by reducing costs and conflict in managing an extensive network of partners to improve export performance (Lee, Gilliland, Bello, & Osmonbekov, 2011). Firms should develop a partner relationship program to maximize potential performance by building productive partnerships (Nyuur, Brečić, & Simintiras, 2016). This allows firms to overcome weaknesses with resources from business partners and market access, where these factors are not adequately owned by the firm on their own (Jørgensen & Ulhøi, 2010).

The application of partner relationship programs such as sharing information with partners must be considered. Therefore, firms must invest in their partner relationship programs, which in turn improve export performance (Lages, Silva, & Styles, 2009). Moreover, small and medium firms are expected to develop partner relationship programs that potentially support business continuity, business development and growth. A focus on partner relationships program emphasizes the importance of external resources to encourage small and medium firms to improve export performance (Street & Cameron, 2007).

These findings are supported by Lin & Lin (2016), who explain four categories of how partner relationship program affect export performance. In long-term network relationships, companies tend to have long-term relationships with partners to build trust in relationships, share opportunities, share knowledge and reduce transaction costs. The company shows that the partner relationship program has a positive influence on export performance.

The study also finds that partner relationship program positively and significantly mediates the relationship between management commitment and export performance. This means the higher partner relationship program will increase the effect of commitment management on export performance. The finding is also supported by Krause, Handfield & Tyler (2007) who state that a firm who have a significant commitment to a partner relationship program and a designated willingness to make investment and demonstrated dedication by the key partner may find these factors help improve export performance.

Conclusion

This research found that management commitment positively and significantly influenced partner relationship program. Thus, the partner relationship program mediates the relationship between management commitment to export performance. This means all proposed hypotheses are accepted. A creative industry in West Java, should develop a relationship program with partners such as customers, competitors, suppliers and distributors to obtain access to information, technology, funding and marketing which leads to improved export performance. The owner or leader of the creative industry should always actively take part and join the association such as Indonesian craft and furniture associations (HIMKI) and Indonesian handicraft exporters association (ASEPHI) to exchange business information, knowledge and technology transfer and also to find their own solutions.

This investigation identified that management commitment has a more significant effect on export performance than partner relationship program. Therefore, for leaders of the creative industry in West Java, attention must be paid to allocate financial and human resources to support all business activities such as marketing, production and technology that lead to enhanced export performance such as the allocation of resources by implementing education, training, and certification for organization members.

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