

**STRATEGIC ORIENTATIONS, RECONFIGURING
CAPABILITY, ENVIRONMENTAL TURBULENCE AND
EXPORT PERFORMANCE OF SMES IN NIGERIA**

ABIODUN TOPE SAMSON

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**STRATEGIC ORIENTATIONS, RECONFIGURING CAPABILITY,
ENVIRONMENTAL TURBULENCE AND EXPORT
PERFORMANCE OF SMES IN NIGERIA**

By

ABIODUN TOPE SAMSON

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School of Business Management,
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ABSTRACT

The objective of this study is to investigate the relationships between entrepreneurial orientation (EO), export market orientation (EMO), learning orientation (LO) and export performance (EP) of SMEs in Nigeria. The study also aims at determining the mediating effect of reconfiguring capability (RC) as well as the moderating effect of environmental turbulence (ET) on those relationships. This study emanated from the fact that only few studies have examined how the integration of strategic orientations and RC in the turbulent environment can drive the SMEs' export performance, and subsequently give rise to growth and employment creation. Based on a theoretical consideration a model was proposed and nine hypotheses were formulated. Survey questionnaires were used in the data collection and a total of 201 useable responses were received from the owner/managers of exporting SMEs in Nigeria. Partial Least Squares Structural Equation Modeling (PLS-SEM) was employed in the data analysis. The findings suggest that significant relationship was found to exist between EMO and EP, and between LO and EP, while RC mediates both the relationships between EO and LO on EP. In addition, ET was found to moderate the relationship between EO and EP, and between EMO and EP. The significance of this study can be seen in the incorporation of RC as a mediating tool to explain the relationship between EO, EMO & EO and EP. This suggests that SMEs could benefit from reconfiguring and renewal of their asset base and act in response to opportunities and threat to realize first order transformation in growth and employment creation. Besides, this study provides research conclusion on the appropriateness of LO and EMO when there is environmental turbulence. The study concludes with the discussion on the contributions, limitations as well as the suggestions for future research.

Keywords: entrepreneurial orientation, export market orientation, learning orientation, reconfiguring capability, export performance

ABSTRAK

Objektif kajian ini ialah untuk meneliti hubungan di antara orientasi keusahawanan (EO), orientasi pasaran eksport (EMO), orientasi pembelajaran (LO) dan prestasi eksport di kalangan PKS di Nigeria. Kajian ini juga bertujuan menentukan kesan pengantara kecekapan pengaturan semula dan kesan penyederhana pergolakan persekitaran ke atas hubungan-hubungan tersebut. Kajian ini dilakukan kerana hanya sedikit sahaja kajian yang telah meneliti bagaimana integrasi orientasi strategik dan kecekapan pengaturan semula dalam persekitaran bergolak dapat menggerakkan prestasi eksport PKS, dan seterusnya meningkatkan pertumbuhan dan mewujudkan pekerjaan. Berdasarkan teori-teori yang dicadangkan, satu model dan sembilan hipotesis telah dibentuk. Soal-selidik secara tinjauan telah digunakan untuk memungut data dan sejumlah 201 respons boleh guna diterima daripada pemilik/pengurus pengeksport PKS di Nigeria. Partial Least Squares Structural Equation Modeling (PLS-SEM) digunakan untuk analisis data. Penemuan kajian menunjukkan wujud hubungan signifikan di antara orientasi pasaran eksport dengan prestasi eksport, dan juga di antara orientasi pembelajaran dengan prestasi eksport, sementara kecekapan pengaturan semula mengantara hubungan di antara orientasi keusahawanan dan orientasi pembelajaran dengan prestasi eksport. Selain itu, pergolakan persekitaran didapati menyederhana hubungan di antara orientasi keusahawanan dengan prestasi eksport, dan di antara orientasi pembelajaran dengan prestasi eksport. Signifikan kajian ini boleh dilihat dengan pembentukan kecekapan pengaturan semula sebagai alat pengantara bagi menerangkan hubungan di antara orientasi strategik dengan prestasi eksport. Ini menunjukkan bahawa PKS boleh mendapat faedah daripada pengaturan semula dan pembaharuan aset-aset serta bertindak ke atas peluang dan ancaman yang wujud bagi mendapat transformasi dalam pertumbuhan dan pewujudan pekerjaan. Di samping itu kajian ini telah menyediakan rumusan bahawa LO dan EMO sesuai apabila wujud pergolakan dalam persekitaran tetapi agak tidak berkesan dalam persekitaran stabil. Kajian dirumus dengan perbincangan mengenai sumbangan, limitasi serta cadangan-cadangan masa hadapan.

Kata kunci: orientasi keusahawanan, orientasi pasaran eksport, orientasi pembelajaran, kecekapan pengaturan semula, prestasi eksport

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LIST OF ABBREVIATIONS

EP	Export Performance
EO	Entrepreneurial Orientation
EMO	Export Market Orientation
MO	Market Orientation
SMEs	Small and Medium Enterprises
RC	Reconfiguring Capability
DCs	Dynamic Capabilities
ET	Environmental Turbulence
LO	Learning Orientation
MAN	Manufacturing Association of Nigeria
RBV	Resources Based View
AVE	Average Variance Extracted
SEM	Structural Equation Modeling
SPSS	Statistical Package for the social science
VIF	Variance Inflated
CBN	Central Bank of Nigeria
NEPC	Nigeria Export Promotion Council
SMEDAN	Small and Medium Enterprises Development Agency of Nigeria
AGOA	African Growth Opportunity Act
SMIEIS	Small and Medium Industry Equity Investment Scheme
EEG	Small and Medium Industry Equity Investment Scheme

CHAPTER ONE

INTRODUCTION

1.1 Background of the study

The global economy faces a number of significant challenges that could hamper a genuine upturn after the economic crises. This development coupled with the risk of weak recovery in advanced economies such as Europe and America, and more importantly, the slowdown in economic growth of countries like China, India and emerging market, it has become a herculean task to know which country can drive growth and employment creation in the short to medium terms (Schwab, 2013). Consequently, it remains critical for countries to establish the fundamentals that underpin economic growth and development for the long term.

Small and medium enterprises (SMEs) constituted the vast majority of business establishment in the world today. The existence of these enterprises is usually felt in all the sectors in any given economies. Even though they are small in term of size, yet, when combined together they become a significant component of nation's business community (Eruh, 2012). Small and medium enterprises' attraction and interest have been increased across the globe (Ayyagari, Beck and Kunt, 2003). This popularity is evident in developed and developing nations and developed economies like United States of America, Japan and Germany have benefited immensely from SMEs' contributions (Analoui & Karami, 2003). In Nigeria SMEs constituted more than 90% of the enterprises in the country (Ogunsiji, 2010). SMEs' significant roles have been recognized in many nations, most especially, developing countries that

their value cannot be over emphasized as the power of expansion for any economy (Ayanda & Laraba, 2011). Job creations at relatively low capital cost, means of livelihood, provision and development of trained and untrained labour for potential industrial growth and the breeding ground for managerial and entrepreneurial talents have shown SMEs as an indispensable sector in every economy (Okpara & Kabongo, 2009).

The reviews of SMEs' literature have shown that SMEs are defined according to a particular country, particular government agencies, particular standard, particular criteria, particular time and particular purpose or objectives (Hallberg, 2000; Ogunsiji, 2010) . This is evident in the different definitions of SMEs among the nations across the globe (Ogunsiji, 2010). However, SMEs' major characteristics in all nations include definition of SMEs based on economic development (European commission). Table 1 shows how European SME is defined by size in terms of employee and turnover.

Table 1.1
Definition by size operation of European SMEs

Criteria	Micro	Small	Medium
Employee	Less than 10 employees (1-9)	Less than 100 employees (10-99)	Less than 500 employees (100-499)
Turnover	less than 2 million Euros	Less than 10 million Euros	Less than 50 million Euros

SMEs according to European commission are enterprises that employ fewer than 499 workers (medium), fewer than 99 workers (small) and fewer than 10 workers (micro),

and realize an annual turnover of less than 50 million Euros (medium size), 10 million Euros (small size), 2 million Euros (micro size), respectively.

In Nigeria National council on industry held a meeting in July, 2001 and defined the size of SMEs in terms of employee and working capital. Table 1.2 depicts the definition of size operation of SMEs in Nigeria.

Table 1.2
Definition of Size operation of SMEs in Nigeria

Criteria	Micro	Small	Medium
Employees	Labor size not more than 10 workers.	Labor size of 11-100 workers.	Labor size of 101-300 workers.
Working Capital	Total cost of not more than #1.5million naira.	Total cost of and not more than #50million naira	Total cost of and not more than #200 million naira.

As shown in the Table 1.2 Micro, Small and Medium Enterprises (MSMEs) in Nigeria are defined as enterprises that employed between 101-300 employees (medium size), 11-100 employees (small scale), and 1-10 employee (micro/cottage industry), with total cost #50m-200m (Medium scale), 1.5m -50m (small scale) less than 1,5 (micro/cottage industry), respectively. However, the amount excludes cost of land and staff strength (Ogunsiji, 2010; Onugu, 2005). The general characteristics of SMEs are ; the owner/manager depends on personal saving or borrowing from organization, friends or relative, since to raise money for the enterprise in capital market is difficult (Beck & Demircuc-Kunt, 2006); the owner handles all the supervisions, finance, marketing and personnel functioning of the enterprise by himself/herself (Beck & Demircuc-Kunt, 2006); the business scope is limited to

immediate environment (Awuah & Amal, 2011); high mortality rate due to distrust that culminated to inability to form partnership or limited liability; poorly equipped; absence of proper business account; low educational background and low business techniques (Onugu, 2005).

However, in spite of the fact that SMEs are characterized with these poor features, these enterprises are really important because they are required to perform significant roles in the nation's building (Hashim, 2005). First, SMEs are expected to mobilize saving into the real sector of the economy, for instance, in USA SMEs contribute up to 38% of their national income (CBN, 2004). Second, SMEs are expected to culminate to the birth and growth of indigenous entrepreneurs (Razak, 2011). Third, SMEs are expected to contribute to industrial employment and reduce crime rate. Fourth, SMEs are expected to contribute to industrial production i.e. GDP and increase per capital income. Fifth, SMEs are supposed to alleviate poverty and improve standard of living.

Nonetheless, SMEs are limited in their performance, an extensive and intensive literature reviews highlighted the following perceived constraints; poor utilities; difficult and stringent conditions attached to incentives and support provided by government; reluctance and discrimination of banks to extend credit to SMEs, most especially, start-ups; poor documentation and high cost of business proposal; high interest rate; poor access to suitable technology; over dependence on foreign raw materials and high foreign exchange problems; low demand for SMEs' products; dumping and importation of similar or low quality product by unprincipled business associate; globalization and ruthless competition within and outside; poor educational background and lack of technical, tactical and strategic skills required for effective

performance; multiplicity of regulatory agencies i.e. taxes and levies from different levels of government (Krake, 2005; Onugu, 2005; Scozzi, Garavelli, & Crowston, 2005; Temtime & Pansiri, 2006).

Nigeria is the setting of this research, the country is located in West Africa and her coast lies in the Gulf of Guinea and Atlantic Ocean. The World Forum Global Competitiveness report of 2012- 2013 declared that the population of Nigerians is 163.1millions; her GDP remains \$238.9 billion, while the country has GDP per capital \$1,490, and GDP share % of world total at 0.52 (Schwab, 2012-2013). Nigeria's Foreign Direct Investment (FDI) was put at \$7.03billion and United Nation Conference on Trade and Development (UNCTAD) ranked Nigeria as Africa's Number one destination for Foreign Direct Investment for the second time in two years (UNCTAD, 2013). Furthermore, the major source of revenue in Nigeria is oil and the wealth of Nigeria can be shown in consumption of crude oil that was forecasted to rise at an annual average of 6.29% rate between 2011 and 2021, boosted by anticipated GDP growth, the total was estimated as \$293,000billions in 2011 to hit \$563,000 billion by 2021 (Oil & Gas, 2012).

Nigeria business environment is faced with numerous challenges such as unpredictable government policies, variety of taxes by levels of government, declined national values, decline educational standards, weak institutional frame work, weak trade and business facilitation mechanism, insufficient mechanism for public- private dialogue, uneasy access to land by investors, insufficient capabilities of agency accountable for promotion of investment, poor economic of integration among industries (Business, 2012). Poor infrastructural base, poor performance of energy sector constituted the principal shortcoming of Nigeria's infrastructure, 54% of

manufacturers presented unsteady power supply as the major constraint to production, while about 57% Nigerians have no access to electricity at all (Gas, 2011). There is also lack of facilitation and coordination of support for favorable business climate (Business, 2012).

Security risk; some parts of Nigeria could be described as risky for business, for instance foreign workers in Niger Delta regions suffer from incessant kidnapping where at least there were cases of 150 kidnapping and 86 deaths in 2007. The water of Nigeria are now listed as the worst pirate hotspot in the world according to the international Maritime Bureau. Across the country election-related riots have occurred often with death tolls in hundred and Christians and Muslim in Kano and Kaduna states are also potential source of riot (Onanuga, 2012).

The northern region's security most especially Maiduguri, Yobe, Plateau, Kano, Kaduna and sometimes Abuja have been worsened by religious sect called Boko Haram who carry out suicide bombing, mass destruction of house of worship, individuals, groups and properties worth of billions of naira with sophisticated weapons. The economy is increasingly vulnerable to disruptions caused by terrorist attacks (Onanuga, 2012). Crime is also frequent in Lagos most especially the risk of armed robbery. The Global competitive Index report of 2012-2013 ranked Nigeria's security situation as 134th out of 144 countries compared. This revealed how insecurity has continued to dire and worsened Nigerian business environment (Schwab, 2013).

Despite all the challenges highlighted above, Nigeria is a huge potential market, which continues to experience GDP growth averaging 6-7 regardless of global

recession (Schwab, 2013). Nigerians are entrepreneurial, dynamic and amenable to global life styles and consumption oriented. It is the second largest economy in terms of GDP (194bn as at 2010), the country constituted 20% of Africa, with population estimates of 170 million (Pinheiro, 2013). Banker Magazine of London have listed about five of Nigeria's banks among the top 500 banks in the world and the economy of Nigeria has been forecasted to be among the leading economies in the world by year 2025 (Business, 2013).

Another evidence of buoyant economy could be seen in the declaration of finance minister and the governor of Central Bank of Nigeria that the country foreign exchange reserves have reached its highest in more than three and half years, hitting \$46.09bn. The excess crude account has also improved from \$4.57bn, in August, 2011 to about \$9bn, and the Sovereign Wealth Fund was up and running and would oversee the \$1bn set aside by the government (Okanlawon, 2013). Nigerian strengths according to World Forum Global Competitive Report, of 2012-2013 include relative large market size and regional Standard Sophistication which ranked 33rd and 66th position respectively out of 144 countries assessed (Schwab, 2012).

Unfortunately, Nigeria's poverty level despite her rapid economic expansion is a Conundrum (IMF). The economic growth of Nigeria is increasing in the spotlight and it is expected that poverty should have reduced much by larger margin given the rate at which business in the country is expanding. The performance of oil sector has led to the neglect of non oil sector (SMEs) which contributed only 6.5 percent of GDP in 2010 (CBN, 2010). However, non oil sector (SMEs) at independence (in 1960) contributed over 93 percent to the GDP and 52 years later the sector contributed less than ten percent (Antony, 2010). The irony of this reversal growth in the non oil

sector (SMEs) and growth in oil sector is that Nigerians standard of living, per capital income, rate of unemployment, infrastructural development, standard of education and poverty level did not reflect the fortune created by the oil sector (Ogunsiji, 2010). Nigeria's infrastructure ranked 134th, health and primary education level, 142nd, and security; 134th out of 144 economies reported by the Global Competitive Report, 2012-2013 (Tukur, 2012)

The monoculture of concentration on oil sector has culminated to terrible hardship on the people in this country. From 1970 to date oil exporting has contributed 90% percent of Nigerian income. The consequence of instability in oil revenue always slow down the growth's programs of different governments (Akeem, 2011). Hence, in order to develop a balance economy there is a need to boost the growth of the SMEs (Imimole & Enoma, 2011). The present finance minister acknowledged the need for massive investment in non oil sector to limit the dependency on oil revenue and that Nigerian economy can only be sustained by SME sector (Mirrow, 2013).

The Nigerian government having acknowledged the basic objectives of SMEs and that SMEs are to proffer solution to the problem of unemployment, avenue to improve per capital income, sector to reduce inequality and balance income distribution and enhance economic stability, has relentlessly made conscious effort to develop the SMEs sector since 1970 till date (Onugu, 2005). Those developmental efforts that were made to improve the effectiveness and efficiency of SMEs according to (Anger (2010); Anthony (2010); Ogunsiji (2010); Sanusi (2010)) are ; the policy of indigenization through national development plan- this plan encouraged growth through industrialization, entrepreneurial development, employment generation and development through export trade.

In addition to this, laws and regulations are made to protect small scale industries i.e. enterprise promotion, patent right, design act, custom duties, etc, establishment of lending and Micro Finance institutions to assist SMEs; National Export and Import Bank (NEIB), Small and Medium Industry Equity Investment Scheme (SMIEIS), National Economic Reconstruction Fund (NERF), Community Bank (CB), Raw material and Research Development Council (RMRDC), Bank of Industry (BOI), Nigeria Bank for Commerce and Industry (NBCI), learning institution; government established university and polytechnics to provide training and manpower, Industrial Training Institute (ITTI), technical and management institution, Promotional institutional agencies; to promote small and medium enterprises, Infra structural institution i.e. industrial estates, in order to show commitment of the World Bank group on SMEs \$2.4billion was approved in support of micro and small medium enterprise, most especially on the policy to promote economic development, employment and poverty mitigation.

National Economic Empowerment and Development Strategies are also created to meet SMEs need in national, state and local government level of SMEs, Liberalization of Trade through world Trade agreement and African Growth opportunity Act (AGOA). This is expected to open up opportunity for SMEs to access international Market. Exporter from African countries are given encouragement to export their products to United State of America, and Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) was established to articulate ideas for micro and small medium enterprises through capacity building programs, and to provide support service for SMEs' growth.

Oyefuga, Siyanbola, Afolabi, and Dada (2008) and Sanusi and Governor (2011) emphasized that all these incentives, facilities, subsidies and promotion for small and medium scale enterprises are interventionist's strategy to sustain and improve SMEs in order to reduce the level of poverty and economic development. However, despite Nigerian government and international agencies' programs and efforts centre on financing, educating and providing infrastructure for SMEs, the contribution index of manufacturing sector to GDP was 7%. A study carried out by Manufacturing Association of Nigeria (MAN) showed that only 10 percent of firms run by its members are really in operation (Onugu, 2005). National Bureau of statistics' figure of 4.19 GDP which showed a sharp drop of manufacturing contribution and industrial capacity to 48.8 in year 2009, are all indications that SMEs, have performed below expectation in spite of Small and Medium Industry Equity Investment Scheme (SMIEIS)' fund and other international agencies and organization such as world Bank, International Finance corporation (IFC), United Nations Industrial Development organization (UNIDO), Association of Nigeria Development Finance Institutions (ANDFI), European Investment Bank (EIB), Fate Foundation Support and Training Entrepreneurship Program (STEP) and United Kingdom Department For International Development (DFID) that all contributed to SMEs' financial support (Ayanda & Laraba, 2011; Ihua, 2009; Oyefuga *et al.*, 2008).

Nigerian SMEs face monumental challenges such as weak strategic orientations, poor infrastructure, inadequate capabilities, poor management and inadequate technological skills' development and lack of export market knowledge/experience (Adegbite, Ilori, Irefin, Abereiyo, & Aderemi, 2007).

Internationalization is a better option for a developing country, such as Nigeria, where export venturing in SMEs is supposed to increase SMEs' revenue in international market, lower their costs in the market and increase their revenue. That is to say globalization's opportunities have been extended not only to large enterprises but also to SMEs who may avail themselves of such opportunity (Bhatnagar, 2003; Smeral, 1998). However, despite the fact that 90% percent of the total manufacturing industries in Nigeria are SMEs, up till this moment insignificant numbers or less than 20% are able to export their total output (Julien & Ramangalahy, 2003). Julian et al.(1997) and Babakus, Yavas, and Haahti (2006) adduced some reasons why SMEs are not exporting as inadequate information on the opportunities, restrictions of foreign market, the parochial attitude of the owner/ managers, deficient resources, shortage of managerial know-how, weak proper schedules and weakly developed strategies. Other problems associated with export venturing of SMEs are establishing distribution network, language and cultural barriers, promotion of product in overseas, employment of good export manager, shortage of overseas channel of delivery, high foreign tariff on imported product, and competition from local market (Tesfom & Lutz, 2006).

National development goal is only attainable when SMEs are promoted (McGee & Thomas, 1986). Studies on SMEs in Nigeria and strategic orientations are very scarce (Okpara & Kanbongo, 2009). Most of the researches conducted on strategic orientations and SMEs in exporting ventures were conducted in developed countries .Nigerian exporting SMEs have been neglected (Ibeh & Young, 1999) because Nigerian government and private focuses have been shifted to Oil sector of the economy (Chinedu & Wilson, 2010). These particularly could be responsible for the present economic woes, low standard of living, lack of basic infrastructure,

unemployment, corruption and total decadence in socio- political culture, because oil sector is perceived as only national cake to be shared by everybody (Onugu 2005; Oguniji 2010).

Export can be likened to a mechanism required for the general growth of an economy (Wilkinson & Brouthers, 2006). The basic goal of export policies in most developed countries is to boost the intensity of economic activities (Mead & Liedholm, 1998). Government's export plan of action should be directed towards SMEs sector in which the effect of boost in export demand would be productive and huge; hence, export can contribute a lot to foreign exchange earnings since transactions among nations are settled in foreign currencies (Bernard & Jensen, 2004). Employment opportunities would be available in an economy where export is well developed; the strain in balance of payment would be lessened and exporting would improve the underdeveloped economy into healthy and prosperous one. Thus, export may increase the total numbers of the activities in economy and create multiplier effect on the national income's level (Akeem, 2011).

Nigerian economy is open to some extent; consequently, it can be improved through development of export, even though it has been dominated by primary commodities which command poor price, income flexibility of demand, little growth of demand, adverse terms of trade and unsteady export earnings (Akeem).

1.2 Problem Statement

The performance of SMEs across the globe was encouraging and high before now. Presently, the bulk of the revenue generations for the nation (Nigeria) are realized

from oil sector (Okpara, 2009). The aftermath effect of over reliance on oil is increase in the level of unemployment, poverty, crimes, environmental degradation, oil theft and corruption (Chinedu & Wilson, 2010). Small and medium enterprises (SMEs) in Nigeria have performed below expectation in their important roles of promoting and developing economic growth. This poor performance has been of great concern and disturbance to all the stakes holders (government at all levels, professionals, public and private sectors and international agencies) (Ogunsiji, 2010). Responses to this critical situation culminated to yearly budgetary allocation, favorable policies, favorable pronouncement incentives and regulations giving by local government, state government and federal government in order to diversify the revenue base (Oyefuga *et al.*, 2008). These efforts and interest of different levels of government and even international agencies to make SMEs sub-sector to be vibrant and leave to their expectation shows that the crucial roles of SMEs are recognized and acknowledged for the nation's building.

However, the situation becomes more disturbing, confusing and critical when the degree of poverty, unemployment and hunger that SMEs are supposed to reduce continue to increase at alarming rate, in spite of all drastic measures and incentives provided yearly (Anger, 2010)). A study carried out by Manufacturing Association of Nigeria (MAN) showed that just only 10 percent of industries run by its members are genuinely in operation. The vast majority of SMEs die before their first to five years of operation, while some disappeared within sixth and tenth year of existence and the small scale enterprises that continue to exist and grow to maturity are less than five to ten percent (Onugu, 2005).

Furthermore, Ayanda and Laraba (2011) revealed that more than 70% of the small and medium enterprises are terribly sick, to the extent that they are between operational or the verge of folding up, while the rest of SMEs, almost 30% of them operate on low level capacity and may fold up within the shortest time. National Bureau of statistics' figure of 4.19's GDP showed a sharp drop of manufacturing contribution and industrial capacity to 48.8 in year 2009, and these are all indications that SMEs, especially, manufacturing SMEs have performed below expectation in spite of SMIEIS' fund and other incentives provided by international agencies and organizations such as world Bank and International Finance corporation (IFC) (CBN, 2010).

Across the globe today export has become the preferred mode of internationalization for SMEs since they are unable to compete with multinational and large firm. For instance in the European Union (EU) SMEs are the world largest exporters of goods and it has preserved a stable share of world Export. Portuguese SMEs export increased to the extent it becomes essential ingredient in their economic growth (Lages & Montgomery, 2004). In the United States, SMEs that participate in exporting has increased to nearly 97%, and Germany economic success has been linked to SMEs export (Chinedu & Wilson, 2010). Zou et al. (1998) described exporting as the engine of economic growth and GNP. Okpara (2010) revealed that the non oil sector export at independence in 1960 provided 85% of total export earning and 63% of gross domestic earning. But today, the case is different, despite the fact that 90% percent of the total manufacturing industries in Nigeria are SMEs, up till this moment insignificant numbers or less than 20% are able to export their total output (Julien & Ramangalahy, 2003; Okpara & Koumbiadis, 2009).

A scheme intended to be of mutually beneficial for both American and African entrepreneurs (African Growth and Opportunity for Africa) was introduced and many African countries have improved their export performance of non oil produce through this scheme, for instance South Africa exported \$3.7billion, Ghana;\$454 million, Lesotho; \$314million, Kenya; \$292million, Cameroon;\$173million, Mauritius; \$169million, while Nigeria the giant of Africa exported only \$2.5million which is a dismal performance (Abayomi, 2012).

The Issues in exporting SMEs is evident in Poor performance of Nigerian's export earning that is not quite overwhelmingly as mineral oil sector.

Table 1.3
Export Performance of Nigeria 1988-1994 (\$millions)

Year	Oil	SMEs	Total	SMEs Contribution
1988	6,319	613	6,932	8.84
1989	7,470	401	7,871	5.1
1990	13,266	406	13,672	2.97
1991	11,792	472	12,264	3.85
1992	11,642	244	11,866	2.05
1993	6,697	288	6985	4.12
1994	9,181	244	9,425	2.59

Source: CBN and Federal Ministry of Trade and Investment 1998

Table 1.3 shows the poor performance and their contributions to GDP from 1988 - 1994 and performance of mineral oil sector that has finally shown the neglect of exporting SMEs. This performance justified the fact that 90% of the total

manufacturing industries in Nigeria are SMEs, up till date insignificant numbers or less than 20% are able to export their produce (Julien & Ramagalahy, 2003).

The characteristics of turbulence environment in Nigerian exporting SMEs; instability in the past several years has taken many forms. Generally, broad changes are affecting international trade, such as the Uruguay Round Agreement and the establishment of the World Trade Organization (WTO). Nigeria exporting SMEs business environment is faced with numerous challenges such as regulatory turbulence in Nigeria and exporting host countries, market turbulence, and competitive turbulence. Regulatory turbulence in Nigeria can be seen in unpredictable government policies, multiplicity of regulatory agencies i.e. taxes and levels from different levels of government. Exporting SMEs have to cope with seasonal changes in regulatory bodies of export such as Standard organization of Nigeria (SON), Standard of Goods Practice (SOGP), Nigerian Industrial standards (NIS), National Agency for food and Drug Administration and Control (NAFDAC), International Chamber of Commerce (ICC), World Trade Organization (WTO), Nigerian Export Promotion Council (NEPC), and Small and Medium Enterprises Development Agency of Nigeria (SMEDAN). Moreover, exporting SMEs have to cope with incessant changes in specific tariff, revenue tariff, prohibitive tariff, protective tariff, an environmental tariff and retaliatory tariff introduced irregularly by home and foreign governments.

Market turbulence and competitive turbulence are other unpredictable challenges that bedeviled the performance of exporting SMEs in Nigeria. This could be as a result of continuous changes in customers' preferences/demands, price/cost structures and in composition of competitor. Table 1.3 shows the SMEs export values from 2009 -2011

Table 1.4
SMEs Export Value, 2009 to 2011.

Year	Value (US\$ million	Percentage Growth
2009	1,707.325	-
2010	2,320.954	35.94
2011	2,765.393	19.15

Source: Compiled from Cobalt returns to NEPC.

From the Table 1.3 it can be deduced that the percentage of growth in the performance of SMEs in exporting decreased from 2010 (35.94) and 2011 (19.15). The factors that account for this could also be increasing global demand for changes which might have given rise to fluctuation in buyer demand and expectations, time lag between production and consumption and this variability in the market could have been caused by rapid changes in the preferences which result to distributor not finding market acceptable prices for supplier product (Mantanda & Freeman, 2009). Nigeria exporting SMEs' products worth 1,186,034.20 metric tons valued at US\$ 2,765.393 million. This gave 19.15% increase over the figure of US\$ 2,320.954 million recorded for year, 2010 and 61.97% over that of year 2009 which stood at US\$ 1,707.325 million. The increase might have been attributed to the aggressive entrepreneurial skills promoted by the present regime but yet the growth started diminishing in the subsequent year due to some unidentified salient factors.

Table 1.5

Quarterly Export Performance 2011.

US\$ million				Contribution	% change over the previous quarter
First	430.243	638.452	818.742	29.61%	0.00
Second	366.417	562.163	676.106	24.45%	17.42
Third	335.142	452.074	567.829	20.53%	16.01
Fourth	575.647	668.147	702.716	25.41%	23.75
Total	1,707.450	2,320.835	2,765.393	100.00%	

Source: Compiled from Cobalt returns to NEPC, 2011.

The table 1.5 above shows the quarterly performance of exporting SMEs in Nigeria, the First and Fourth quarters always record higher performances as against the Second and Third quarters. This trend has been on for the last three years. Monthly export value of exporting SMEs also reflects incessant changes and instability in export performance. Table 1.5 shows the monthly values of exporting SMEs in Nigeria.

Table 1.6

Nigeria Monthly Export Values of SMEs

Months	\$millions	% change
January	307.285	11.11
February	273.512	9.89
March	237.945	8.60
April	250.500	9.06
May	203.572	7.36
June	222.034	8.03

Table 1.6 (Continued)

July	189.047	6.84
August	199.254	7.21
September	179.529	6.49
October	194.004	7.02
November	263.049	9.51
December	245.663	8.88
Total	2,765.393	100.00

Source: Compiled from Cobalt returns to NEPC, 2011.

Table 1.5 depicts the performance of SMEs that are participating in export as unstable across the period shown. For instance from Jan 11.11 millions, Feb. 9.89 and suddenly July 6.84 respectively shows irregular and decreasing performance of exporting SMEs.

Nigerian legal environment, enforcing a contract typically takes 457 days, entails 39 procedures and cost 32% of the contract value (Busines, 2012). As a result of the delay of court proceedings other forms of adjudication and disagreement resolution are often engaged. Nigeria ranked 64th out of 70 in the 2007 international property Right Index and the business environment rating shows Nigeria has the highest number of procedures necessary to register property in the world. Infrastructural base, poor performance of energy sector constituted the principal shortcoming of Nigeria's infrastructure, 54% of manufacturers presented unsteady power supply as the major constraint to production, while about 57% Nigerians have no access to electricity at all (Gas, 2011).

Security risk; some parts of Nigeria can be described as risky for business, for instance foreign workers in Niger Delta regions suffer from incessant kidnapping where at least there were cases of 150 kidnapping and 86 deaths in 2007. In the recent study carried out by responses to technological turbulence in Nigeria by Titus, Biodun and Chidi (2013), the study showed technological turbulence in Nigeria in terms of affordability of state-of-the-art vehicles, use of email and other Internet facilities and technology-driven operations, which revealed that 7 (3.7%) always used technology, 36 (18.9%) used it in most cases, 55 (29%) sometimes 62 (32.6%) used it only on rare occasions, and 30 (15.8%) never used technology in their enterprise operations. Consequently, it may be deduced that majority of the enterprises use one form of technology or the other but at varying degrees

Competitive turbulence in the Nigeria business environment can also be configured in terms of prevalence, threat from market leaders, influx of foreign substitute products/services and competitive disadvantage, 6 (3.2%) of the SMEs indicated that competitive pressures always constituted a threat, 51 (26.8%) reported detriment of competitive pressures in most cases, 66 (34.7%) revealed that competition was sometimes detrimental, 67 (35%) indicated that competitive forces were detrimental on rare occasion.

In determining the relationship between strategic flexibility and market performance of SMEs in Nigeria, Asikhia (2011) described Nigeria business environment as turbulent environment. Oladele, Adebisi and Adeusi (2012) declared that Nigeria SMEs operate in turbulent business environment which need better strategic focus. Turban *et al.*, (2008) and Sull (2009) revealed that competition has become so intense that companies have been forced to collaborate and formulate survival strategies.

Okpara (2009) implied that Nigeria turbulent environment prevent firms from taking advantage of opportunities, while Ekwulugo (2006) demonstrated that environmental factors influence the structure and strategy of SMEs. Ogunsiji (2013) in his article titled ‘‘perceived environmental uncertainty and strategic agility on the performance’’ further stressed that the current business environment characterized by intense technological innovation, powerful customers with diverse requirements and short product live cycle in global have significantly shortened market visibility and increased uncertainty.

However, Matanda and Freeman (2009) acknowledged that limited research exist on the effect of environmental relationship and export performance, especially in developing markets such as sub-Saharan Africa. Having realized that market turbulence constitutes a complex factor in the study, future studies were asked to focus on differences in perception of the environmental uncertainty’s dimensions. Hence, this study selects environmental turbulence (competitive, market, technological and regulatory turbulence) as a moderator on the relationship between strategic orientations and export performance of SMEs in order to arrive at conclusive evidence of environmental turbulence in the relationship between strategic orientations and export performance.

There have been many researches on SMEs export performance in the western countries but studies in export performance of SMEs in developing countries have been very scarce (Okpara & Kabongo, 2009). According to Ibeh (2004), low export participation perspectives in developing countries have been depicted to environmental turbulence, weak managerial and technical capabilities, firm’s specific refusal to learn, poor productivity, lack of technical efficiency and entrepreneurial

skills. Other researchers continue to see export performance problem in developing countries like Nigeria in the light of lack of finance (Beck & Kunt, 2006) and some lack of good images abroad (Jinaidu, 2012 ; Chinedu & Wilson , 2010). Weak exchange rate of currencies, unstable political climate, low technological level, low/high domestic demand, high production cost, poor state of local infrastructure, and government macroeconomic policies are some of these issues (Adegbitel, *et al.*, 2007).

Ademola and Michael (2012) attributed internal factors such as mismanagement and technical incompetence for poor performance of SMEs. Major researchers in SMEs in Nigeria have concentrated on finance as the basic obstacle of SMEs. While some acknowledged the firms are operating in turbulent environment (Ogunsiji, 2002), and some scholars like Adegbite *et al.* (2007) attributed poor utility, poor managerial know –how and low productivity. Ogunsiji (2010) declared that Nigerian entrepreneurs lack managerial competence. Yet the problem remained unresolved. The third world countries , African countries, for instance, Nigerian SMEs (export firms), their problems always arise from limited resources, range from lack of industrial competencies, wrong decision making of their owner/ manager , over reliance on few numbers of customer and suppliers' problems (Keskin, 2006)

Several studies suggested that an organization that employ pro-active orientations such as entrepreneurial orientation (EO), export market orientation (EMO), learning orientation (LO) achieve superior performance and expansion than those that employ orientation that is traditional and conservative (Baker & Sinkula, 2007; Okpara & Kabongo, 2009b). Baker and Sinkular, (2007) argued that a strong market orientation facilitates a sense of balance between incremental and far-reaching innovation by

changing main concern towards far-reaching innovative actions. Cadogan, Sundqvist, Puumalainen, and Salminen (2012) declared that any researcher that is interested in understanding the determinants or factors responsible for export performance should identify marketing process of planning and premeditated posture that firms take up in their sell- overseas' transaction as being essential in determining their success. Okpara and Kabongo (2011) posited that strategic orientations are responsible for success or failure in business. Strategic orientations are capabilities that show the strategic direction that an organization follows to achieve competitive advantage.

The underlying principle of resource based view (RBV) lies in the emphasis on resources and capabilities as the source of competitive advantage (Zhou & LI, 2010). The heterogeneity and imperfect mobility of resources across competing firms are responsible for their persistent over time (Mahoney & Pandian, 1992). The choices of market that could be entered and the level of profit to be expected are enabled or limited by non substitutability, inimitability, valuable and rare resources of the firm (Barney, 1991). For the resources advantage to be sufficient firm has to possess distinctive capability (Helfat, *et al.*, 2007). However, from early 1990s, relentless competition and persistent competition have driven firms frequently to adapt, renew, reconfigure and recreate their resources and capabilities in line with the competitive environment (Wang & Ahmed, 2007), Hence, the original proposition of RBV was challenged as being static and neglecting the influence of business environment that is highly dynamic (Li & Liu, 2012). Reconfiguring capability (RCs) captured the need for renewal strategy (Eisenhardt & Martin 2000) and this has provided imperative inclination in empirical research (Helfat and winter 2011). Earlier work like distinctive competence from Learned *et al.* (1969), organizational routine from Nelson and Winter (1982), core competence from Prahalad and Hamel (1990),

architectural knowledge from Henderson and Clark (1990), and core capability and rigidity from Leonard- Barton (1992) have demonstrated wisdom and logic of reconfiguring capability (Teece *et al.*, 2007).

Significant contributions were made by Teece *et al.* (1997), Zahra and George (2002), Zollo and Winter (2002), Zahra *et al.*, (2006), Wang and Ahmed (2007), Ambrosini and Bowman (2009), and Helfat *et al.* (2007) to the development of reconfiguring capability (Newey & Zahra 2009), market dynamism as key driver of evolution (D'Este 2002), internal and external integration of knowledge (Petroni, 1998), capability development and upgrading in international expansion (LUO, 2000), and Knowledge creation, absorption and integration.

Generally, studies on RCs focus mostly on the definition, antecedent, nature, processes and its consequences, studies such as Ambrosini *et al.* (2009), Katkalo, Pitelis, and Teece (2010), Helfat *et al.* (2007), Easter by- Smith, Lyles & Peteraf (2009), Zahra *et al.* (2006) and some other conceptual write ups on RCs concentrated on explanation of differences in nature of RCs (Li & Liu, 2014). The multiplicity of definitions and perception gave rise to a lot of conflicts regarding the definitions, varieties of effect and the conceptualization of the roles of environmental dynamism which created confusion over the utility of the construct (Barreto, 2010).

Several scholars believed that RCs are the key to competitive advantage (Helfat & Peteraf, 2009; Teece, 2007; Ambrosini & Bowman, 2009). While some contended that since competitive advantage is built on heterogeneity it would be difficult for RCs to achieve competitive advantage because it does not manifest features of heterogeneity (Eisenhardt and Martin, 2000). Studies like Wu, (2010) advanced that environmental dynamism plays an important roles between RCs and competitive

advantage, while some attributed environmental dynamism as important moderating roles. The vast majority of these studies are firm specific processes of RCs that cannot provide common guidance for firms (Wang & Ahmed, 2007).

Many of the researches focus on firms operating in western developed market and little is known about RCs and strategic orientations and their relationship with performance in transition economies (Li & Liu, 2012). Given the turbulence and environmental dynamism in emergent economies, developing a reconfiguring capabilities is especially important for SMEs (Zhou & Li, 2010). In spite of the growing interest in RCs perspective, most studies remain theoretical and conceptual and there call for more empirical research to validate this perspective (Lavie, 2006).

Over the years the source of competitive advantage has been shifted for many firms from manufacturing resources to market based and technological resources and capabilities (Ramaswami, Srivastava, & Bhargava, 2009). Thus reconfiguring organizational capabilities with market environment is major concern for many firms. Failure to align these competences as environment is changing can result to capabilities liabilities (leornard- Barton, 1992). Asikhia (2010) revealed that Nigeria's firms need to reconfigure their marketing resources and capabilities to enable them to participate in an increasing evergreen extent in the ownership direction and management of industry. Ogunsiji and Akanbi (2013) in the article titled "perceived environmental uncertainty and strategic agility on the performance" further stressed that the current business environment characterized by intense technological innovation, powerful customers with diverse requirements and short product life cycle in global life have significantly shortened market visibility and increased uncertainty. Ogunsiji (2010) alerted that some salient features of SMEs and dynamic nature of

highly globalized economy called for sole responsibility to properly source and utilize the organizational resources and capability

Reconfiguring capabilities could be seen as dynamic entrepreneurial capabilities that entrepreneurs use to identify, amass, integrate and potentially reconfigure resources needed in the creation of new ventures (Corner & Wu 2011). RCs are also the ability to build, integrate and reconfigure both external and internal resources and routine to address rapidly changing environment (Teece, *et al.*, 1997; Zahra & George, 2002). Reconfiguration processes transform and recombine asset and resource (Bowman & Ambrosini, 2003), and emerging firms must decide what resources to amass and how to configure them to create customer value in a context of uncertainty (Santos & Eisenhardt, 2009).

The bulk of research on reconfiguring capabilities focus on large established firm .(Corner & Wu, 2012) As such, little is known about SMEs (Sapienza *et al.*, 2006). Researchers are encouraged to consider process that may contribute to the emergence of new venture (Lichtenstein *et al.*, 2006) . Wang and Ahmed (2007) asked future researchers to develop more refine measure of adaptive capabilities by considering specific aspects such as resources reconfiguration. Wang and Ahmed (2007) also asked future researchers to examine RCs in a systematic network and provide a better understanding of what circumstances and how firms should direct their resources and capabilities in search of competitive advantage. Above all, only few studies focus on reconfiguring capability as dimension of dynamic capabilities; such as Borch and Madsen (2007), Wildnen (2011), Karim (2006), Karim and Mitchell (2004). Most of these studies are not related to internationalization of SMEs, and the majority of capability development studies that mentioned reconfiguring capability in their

studies are mere conceptual views without any empirical evidence (Helfat 2011). Researches that use reconfiguring capability as a mediator is very scarce and hence this study is an attempt to extend dynamic capability view and have empirical evidence on how reconfiguring capability can be integrated with strategic orientations in turbulent environment of exporting SMEs as renewal and innovation's strategy.

Zahra *et al.* (2006) contended that 'prior studies have not given much attention to the process by which capability develops, emerges or evolves especially in small firms that have limited resources. Knowledge bases and expertise in building and integrating diverse capabilities are important for SMEs at the same time developing and reconfiguring capabilities are important for companies in emerging economies, given their turbulent and unpredictable environment (Zhou & Li, 2010). El Sawy and Pavlou, (2008) in the article titled "leveraging competency to competitive advantage in turbulence environment" conceptualized five processes that constitute RCs as reconfiguring resources, sensing the environment, learning, coordinating activities and integrating interaction pattern. Reconfiguring capability helps firms to reconfigure existing functional capabilities so that they can build products that better match emerging customer needs and take advantage of technological breakthroughs. Transformation of existing resources into new business platforms has to be an integral part of entrepreneurial process (Hitt, Ireland, Camp, & Sexton, 2001), while Adaptive capability emphasizes on the reconfiguration of resources and processes to respond to external change (Gibson & Birkinshaw, 2004).

Reconfiguration of resources is also justified based on RBV of the firm that emphasize that it is not the possession of resources per se that contribute to competitive advantage but more importantly the capabilities of rearranging the

resources configuration to support the chosen strategies that are crucial (Grant, 1991). Adaptation of strategic orientations (EO, EMO, & LO) could be likened to superior configuration of specific resources (Brush *et al.*, 2001). Hence, Borch and Madsen (2010) declared that to achieve reconfiguration process the present resources have to be linked with new ones.

The reviews on literature have shown that reconfiguring capabilities study only focused on established organizations, while disregarding new ventures and SMEs. Thus, SMEs organization needs unique and reconfiguring capabilities that would allow them to survive (Zahra *et al.*, 2006; Sapienza *et al.*, 2006). Several studies agreed that lack of technical competencies, lack of infrastructure, environmental turbulence and lack of necessary acumen required to function effectively are the major problems of SMEs in developing countries. Zahra *et al.* (2006) contended that these skills and competencies in these firms must be upgraded and new reconfiguring capabilities should be built to ensure successful adaptation for growth.

Reconfiguring capabilities are essential for the creation and evolution of new venture, and thus reconfiguring capabilities are needed to improve the performance of firms and creation of more SMEs (Newbert, 2005). Reconfiguring capabilities encourage and facilitate internationalization (Griffith & Harvey). Successful entry and survival have been achieved in exporting as a result of reconfiguring capabilities (Sapienza *et al.*, 2006). Therefore reconfiguring capability is appropriate to be used as a mediating variable to further explain the strength of the relationship between EO, EMO, LO and export performance in turbulent environment.

This study is different from other studies on SMEs' strategic orientations and export performance because it draws the relationship among EO, EMO, LO in dynamic

environment and incorporate reconfiguring capabilities as intervening variable in order to exact great impact on export performance (Jiménez-Jimenez, Valle, & Hernandez-Espallardo, 2008; Matsuno, Mentzer, & Özsomer, 2002). Even though, some of the researches available examined partial relationship between two variables, i.e. EMO and LO or between EO and EMO, yet, they did not integrate many variables along with reconfiguring capabilities to examine their great effect on SMEs' export performance. For instance in some of the articles reviewed, Matsuno *et al.* (2002) reflected the relationship between MO and EO only. Keskin (2006) identified only MO and innovation. The effect of knowledge –based resources via MO and innovative performance not firm performance was shown (Kaya & Patton, 2011).

The fragmentation and incompleteness in empirical studies on the three strategic orientations (EO, EMO,& LO) could be seen in studies that investigate association between MO and general firm performance (Keskin, 2006; Julian 2004; Cadogan *et al.*, 2002), export performance (Zou & stan 1998), innovative capability (Hortinha *et al.*, 2011), EO and export performance (Okpara & kabongo, 2009), firm innovativeness and performance (Aharoni 1994), LO and firm growth and innovativeness (Jimenez *et al.*, 2008), there remains a fundamental gap, most especially, examination of the relationship among EO, LO, EMO and incorporation of reconfiguring capability as mediator and usage of environmental turbulence as moderator to maximize greater effect on export performance.

Strategic orientations are what organizations follow to build appropriate actions for perpetual and better success (Hortinha, Lages, & Filipe Lages, 2011). This study, having considered the basic components of EO, EMO, LO and reconfiguring capabilities, believes that the problems and challenges in export performance of SMEs

in developing countries, particularly; Nigeria can be accommodated by these constructs (Cadogan, 2009; Murray, 2007; Ogunsiji, 2010; Ibeh, 2004; Okpara & Kabongo, 2009). Therefore, these challenges and critical situation of SMEs' export provides an opportunity to re-study researches' conclusion on the adequacy of adopting strategic orientations such as EO, EMO and LO by firms operating in hostile and turbulent environment (Ibeh, 2004; Yeoh & Jeong). Okpara and Kumbiadis (2008) suggested that EO should be an important topic to be considered when developing an export market for SMEs, since globalization would really depends on the ability to internationalize operation and respond quickly to market condition.

Strategic orientations are also considered sufficient as independent variables in this study based on the fact that Salavou and Halikas (2008) suggested that future researches should look into strategic orientations in the context of developing countries SMEs export. Cadogan, *et al.* (2012) also suggested that researchers should go beyond the present methodological boundaries and provide better theories to integrate individual strategic orientations. According to this view strategic orientation is beneficial to business because it observes firms preferences, behavior and performance outcome. Cadogan *et al.* (2012) declared that researches into strategic orientations are less developed within international marketing literature and many questions remain unanswered and in need of attention. Baker and Sinkular (2007) argued that future researches should center on preferred industries in dynamic or static environment and examine the question of learning and innovation as it relates to other measure of firm performance and competitive advantage. EO, EMO and LO identified in management literature are selected as key variables for these aforementioned reasons to explain export performance of SMEs in Nigeria.

Therefore, this study delineate relationship between these basic strategic orientations (EO, EMO, & LO) and export performance identified in management and entrepreneurial literature and incorporate reconfiguring capability as mediating variable to further explain the relationship between strategic orientations and export performance in a turbulent environment.

1.3 Research Questions

The study answers the following questions

1. Are there significant relationships between strategic orientations (EO, EMO, LO) and export performance of SMEs?
2. Does Reconfiguring Capabilities mediate the relationship between strategic orientations (EO, EMO, LO) and export performance?
3. Does Environmental Turbulence moderate the relationship between strategic orientations (EO, EMO, LO) and export performance?

1.4 Objectives of the Study

Based on the research questions, the specific objectives of this study are:

1. To determine the significant relationship between EO and export performance of SMEs,
2. To determine the significant relationship between EMO and export performance of SMEs,
3. To determine the significant relationship between LO and export performance,

4. To determine the moderating effect of environmental turbulence on the relationship between EO and export performance of SMEs,
5. To determine the moderating effect of environmental turbulence on the relationship between EMO and export performance of SMEs,
6. To determine the moderating effect of environmental turbulence on the relationship between LO and export performance,
7. To determine the mediating effect of reconfiguring capability on the relationship between EO and export performance,
8. To determine the mediating effect of reconfiguring capability on the relationship between EMO and export performance and
- 9 To determine the mediating effect of reconfiguring capability on the relationship between LO and export performance.

1.5 Scope of the Study

The scope of this research covers the relationship among three strategic orientations (EO, LO, & EMO) and export performance and how they are moderated by environmental turbulence, and mediated by reconfiguring capability. Several studies in Nigeria have described Nigeria business environment as turbulent, thus, the study regards market turbulence, technological turbulence and competitive turbulence altogether as environmental turbulence (Cadogan *et al.*, 2001). Since management literature have suggested that the best approach to environmental dynamism/turbulence is building reconfiguring Capabilities that is addressed on internal and external changes as they surface, reconfiguring aspect of Dynamic capabilities is covered in the study (Teece *et al.*, 1997). The study is limited to non-

oil manufacturing SMEs that are participating in export venture in three most important industrial cities extended across the key geo-political zones in Nigeria, namely, south west-Lagos North central-Kano, and South east- Aba. Firms' owner manager represents the unit of analysis.

1.6 The Significance of the Study

The major significance of this study emanates from the fact that only few studies examined the integration of strategic orientations and reconfiguring capability in turbulent environment. This study makes contribution to the literature of SMEs, particularly, exporting SMEs in Nigeria which is believed to be under researched. It supports other researches to suggest that the problem of SMEs is not only finance but the ability of an entrepreneur to create new asset configuration and embrace strategic orientations that have effect on performance in foreign market.

Hence, the study wants SMEs to be innovative, aggressive, and pro-active and take calculated risk to survive in turbulent environment. The owner/managers should think less on funding in the successful development of his enterprise but rather ready to learn and develop learning capabilities so that they can improve their capacity to achieve and sustain competitive advantage. Owner /managers of SMEs are encouraged through the study to embrace science and technical education and they should practice partnership and equity participation, SMEs should maintain quality in production, they should honor payment obligations, and management staff of SMEs should be developed.

The liability of smallness implies that SMEs are short of resources. This critical situation calls for specific reconfiguring capabilities within smaller firms, such as developing resources for innovation and growth oriented strategy. Hence, this study provides knowledge on processes towards new business platform that can protect SMEs' present activities and resources and provide a smooth transfer towards new market strategies which is still integral part of entrepreneurial process.

The study sensitizes policy maker to leverage renewal strategy on incentives giving to SMEs and reconfigure contribution in the following dimensions; revamping all old Industrial Development Centres and establish new ones. Hence, the outcome of the study provides intellectual insight into operations of SMEs in developing countries, particularly, Nigeria, in sub-Saharan Africa that has been neglected and less researched. This study also makes contribution to scholarship particularly, on the fact that reconfiguring capability as mediator is scarce in management literature, Using reconfiguring capability as mediator between strategic orientations and export performance in this study extend the dynamic capability view and provide another philosophical dimension of perceiving renewal strategy and innovation in SMEs literature.

Furthermore, this study is highly significant because it could serve as huge benefits to the operation of export firms, transactions of import firms, the agencies that are managing Nigerian SMEs (i.e. SMEDAN, NEIB), export producers and foreign government of the various countries consuming Nigerian manufacturing products. The information that is provided from this study could serve as input for planning; the data could produce information for organizing, the facts could serve as a source of

directing ; the information could become a basis for controlling pertinent policies and programs that would give rise to progress of SMEs.

1.7 Definition of Terms

This section gives a brief explanation of the meaning of terms and variables that are used in specific manner.

a) Small and Medium Enterprises: These are firms whose employee, turnovers and capital employed fall below certain limit. This limit is defined according to particular economy and for specific purpose. In this study the abbreviation “SMEs” is used throughout as it is used in European Union and other international organization, such as World Bank, United nation and world trade organization.

b) Strategic orientations: This is an indication of the direction in which a firm wants to or should go in future. Strategic orientation is also the specific managerial perception, predisposition, tendencies, motivation and desire that precede and guide the strategic planning and development process and ultimately the direction of the organization (Gabarro, 1973). In this study EO EMO and LO are strategic orientations chosen as independent variables.

c) Export Market Orientation: Market orientation is all about the way and manner that firm generates the present and future information about its customer, competitors and disseminates this information across the department in organization and finally responds to this information in the manner that it would satisfy the need and wants of its customer better than its competitors. The application/practice of market orientation

in international market or across international border is regarded as export market orientation (Cadogan *et al.*, 2002).

d) Learning Orientation: Learning orientation is defined as firm's value such as commitment to learning, open-mindedness and shared vision that influence its propensity to create and use knowledge (Sinkula, Baker and Noordewier, 1997). This values guides a firm's behavior and process of acquiring diverse information, developing common understanding of information acquired and generating new knowledge or firm insight (Wang, 2008; Fiol & Lyles, 1985).

e) Entrepreneurial Orientation: This is an organizational process that consists of innovativeness, proactiveness, risk taken, competitive aggressiveness and autonomy (Lumpkin & Dess, 1996).

f) Reconfiguring Capability: Reconfiguring capability is the capability to transform and recombine assets and resources (Ambrosini & Bowman, 2009). What normally occurs after acquisition and merger like consolidation is a common form of resources creation through reconfiguration. Reconfiguration delineates firm's capabilities in identifying external opportunities through scanning and then changing asset structure of firm to take advantage of opportunities (Lin, Jiang, Wu, & Chang, 2011).

g) Environmental Turbulence: this is an environment with high level of change that creates uncertainty and unpredictability. Turbulent environment is hostile, complex, dynamic and volatile in nature (Calatone *et al.*, 2003).

h) Export Performance: Export performance can be described as a measure of an achievement against firm's objective. This could either be economic, non economic measures and generic according to Katsikea *et al.* (2000). However the export

performance used in this study is Zou *et al.* (1998), its three dimensions are strategic, financial and satisfaction in export venture.

1.8 Organization of the Thesis

This study is organized into five chapters. The first chapter comprises of introduction that consists the background of the study, problem statements, and research questions, objective of the study, scope of the study, the significance of the study, definition of terms and the organization of the study. Chapter two focuses on literature review. All theories (Resources Based view, dynamic capabilities view and contingency view) employed in the study are extensively discussed. Followed by reviews of all relevant literatures on independent variables (EO, LO, EMO), mediating variable (Reconfiguring capability) moderating variable (Environmental turbulence) and dependent variable (Export performance).

This chapter two is characterized with synthesis of literatures to assess direct relationship and propose hypotheses (between EMO and export performance, EO and export performance, LO and export performance), indirect relationship (Mediation of reconfiguring capability between the relationship between LO, EO,& EMO and export performance) and interaction effects (moderation of environmental turbulence on the relationship between EO, LO EMO and export performance). And the chapter is ended with conceptual frame work and the summary of the chapter.

Chapter three of this study focuses on the methodological approach of the study. This comprises research design, population sample, sample size and power analysis, sampling technique, measures of the variables (LO, EO, EMO, ET, RCs, EP), validity and reliability, Pilot tests, data collection procedure (single informant, unit of analysis, survey method) assumptions (linearity, homoscedasticity, correlation analysis, regression analysis, normality test & multicollinearity), data analysis and summary of the chapter.

Chapter four reports the result findings and conclusion of the study. It consists of introduction, data collection process and survey responses, response rate, Data screening and preliminary analysis (missing value, assessment of outliers, normality test, multicollinearity test, non response bias, common method variance test, demographic profile of the respondents, descriptive analysis of the latent constructs, assessment of PLS-SEM path model result; assessment of measurement model (Individual item reliability, internal consistency reliability, convergent validity, discriminant validity). Followed by assessment of structural model, results of the structural model, mediator and mediator, assessment of the variance explained in the endogenous latent variable, assessment of effect size, assessment of predictive relevance, testing moderating effect, analysis of mediating effects, mediation's result and the summary of the chapter.

Chapter five discusses the results of the study in the context of the research questions, hypotheses and literature review. The chapter is organized into nine major parts. The first section is sub-divided into three parts; the findings on direct relationship (between strategic orientations EO, EMO, LO and export performance); the findings on moderating effects (environmental turbulence moderate the relationship between

strategic orientations EO, EMO, LO and export performance); the findings on mediating effects (reconfiguring capabilities mediate the relationship between strategic orientations EO, EMO, LO and export performance). Followed by other six sections; theoretical contributions, policy contribution, methodological implication, managerial implication, limitation of the study and summary respectively.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter examines and provides critical review on the literature that is related to the study. First, the theories (resources based view, contingency theory and dynamic capabilities view) that are underlying the study are extensively discussed. Second, the external environments (turbulent, hostile, dynamic, munificent environment) are identified. Third, EMO and study that investigated the relationship between EMO and firm/ export performance, the study that examined the relationship between strategic orientations (EMO, EO, LO,) and export performance are critically evaluated. Fourth, studies that relate LO with export performance are evaluated. Studies that examined EO with firm performance are also identified and discussed.

Fifth, studies that investigated reconfiguring capabilities with firm performance/ export performance are discussed. Sixth, studies that investigated two variables (i.e. EO, EMO) and firm performance, or three variables (EO, MO, LO,) and export performance, or reconfiguring capabilities with any of the variables are compared, contrasted and evaluated. Seventh, hypotheses are developed and proposed to draw the relationships among the variables. Eighth, the conceptual framework of the study is shown in diagrammatic form to show the relationship among the variables. Finally, precise explanations on how the three theories employed support the constructs are stated.

2.2 Strategic Orientations

The fortune or failure of firm operating in particular business environment has been attributed to the perception of strategic orientation in both management and marketing literature (Wood & Robertson, 1997). Strategic orientations are description of how resources allocation and coordination patterns are brought into, embedded, adopted, and/or enacted at some level with the firm. Here, the term orientation is described as firm's tendency to adopt particular norms, and acts or function in specific way (Cadogan *et al.*, 2012). Several attempts have been made to capture a frame of mind of the term orientation that managers employ in strategic development process. For instance, a manager may be described as having buffering orientation when faced with volatile or hostile environment, coping orientation when self assurance is absent, adaptation, and innovation when manager is aggressive, and neurotic personality when manager is unstable (Wood & Robertson, 1997). However, the strategic management literature have produced a body of research that focuses on the identification and understanding of firm strategic orientations within and across industry that are used to examine the relationship between strategy and performance (Avci, Madanoglu, & Okumus, 2011).

The fundamental principle or assumption underlying strategic orientation hinges on the belief that substantive strategy underpins strategic actions (Lau & Bruton, 2011). Strategic orientation has long been believed to influence the degree to which strategies within an organization are coherent or assertive (Ansoff, 1969). Mile and Snow (1978) introduced strategic typologies; prospector, defender, analyzer and reactor (Ramaswamy, Thomas, & Litschert, 1994). while comparative approach to

strategic orientation seeks to evaluate strategy by way of multiple traits or dimension that are general to all organization (Morgan & Strong, 2003).

Venkatraman (1989b) Conceptualized strategic orientation into six dimensions; aggressiveness, analysis, defensiveness, futurity, proactiveness and riskiness. These particular dimensions become the guiding principle of managers in developing appropriate strategies, most especially when they are confronted with critical decision making on opportunity and threat in their business environment (Lau & Bruton, 2011). Aggressiveness is willingness to take action to improve, firm's market share and this involves exploiting and developing resources more than the competitors in highly volatile environment (Lumpkin & Dess, 2001; Jalali, 2012). Analysis has to do with knowledge building capacity and organizational learning processes. This might entail effort of the firm to be consistent in the pursuit of firm's objective through a systematic carrying out analytical activities that are important and may positively improve performance (Morgan & Strong, 2003).

Defensiveness is the direct opposite of aggressiveness, and the emphasis is on efficiency, productivity and cost reduction. Futurity lays emphasis on long term vision in order to face turbulent environment and minimize risk (Morgan & Strong). Proactiveness enables firm to create competitive advantage by leading the market in pioneering innovative technique and process (Avci *et al.*, 2011). Riskiness is possible losses or gain that is derivable from business action, which play important role in resources allocation and it is the criteria involved when it comes to decision making on competitive advantage.

Generally, strategic orientation has become the indication of direction in which a firm wants to go in future and specific managerial perception, predisposition, tendencies,

motivation and desire that precede and guide the strategic planning and development process and ultimately the direction of the organization (Gabarro, 1973) . Strategic orientations of manager affect specific strategies that he would employ at any situation (Okpara, 2011). Hence, the phenomenal research interest in the broad notion of strategic orientation emerged as a consequence of observing firms' preferences, behavior and performance outcome, which bring into examination construct like market orientation, cost orientation, technological orientation, sales orientation, entrepreneurial orientation, learning orientation, and export market orientation (Cadogan *et al.*, 2012).

Strategic orientation could also be interpreted in different perspectives as firm's resources, reconfiguring capabilities and element of firm's culture that could enhance firm's performance (Chaugan, 2011; Barney 1991). The major reason for selecting strategic orientations in this study is based on the suggestion of Cadogan *et al.*, (2012), that asked the future researcher to look into multiple strategic orientations, or should a firm try to be both entrepreneurial and market oriented in all its market. And the fact that strategic orientation is less researched in international marketing literature, particularly learning orientation, export market orientation and entrepreneurial orientation as suggested by Grinstein (2006).

The relationships between strategic orientations (EO, EMO & LO) and reconfiguring capability

Strategic orientations and reconfiguring capabilities are both resources of the firm. Strategic orientations are ordinary capabilities while reconfiguring capabilities are dynamic capability (Teece *et al.*, 1997). Both resources influence and determine the direction, planning and success or failure of the firm (Okpara, 2009). Resources based

view considers strategic orientations as rare, valuable, inimitable and non-substitutability resources of the firm that is heterogeneously distributed, however imperfectly and static in nature (Barney, 1991). While reconfiguring capabilities are born out of necessity to address the changing environment that strategic orientations cannot meet because of its static nature (Bowman & Ambrosini, 2003, 2009). Environmental turbulent is the external environment of the firm that determines the strategic orientations (strategic fit) that firm employs to identify opportunity and positions itself for competitive advantage. Therefore, for an export firms to succeed and have sustainable competitive advantage would depend on its ability to find its feet to the varying environment through the support of tactical and strategic orientations (EO, EMO & LO) and reconfiguring capabilities. Hence, the complexity of international environment would always increase the needs for strategic activities and planning.

2.3 Entrepreneurial Orientation

Entrepreneurship has always been associated with innovation (Gopalakrishnan & Damanpour, 1994; Zahra & Covin, 1995). Business and society without entrepreneur instinct would be neither dynamic nor adaptive but stagnant (Miles, Arnold, & Thompson, 2011). Entrepreneurship can be explained as a firm's behavior that entails the transmission of the firm's skills and the inclusion of opportunities in the course of the development of internally produced resources (Colvin & Slevin, 1990).

Entrepreneurship is a process or activities arranged to capture market opportunity through 'creative destruction' (Schumpeter, 1994). Entrepreneurship is the way of

bringing resources together to generate and create an independent firm through creativity, risk taking and innovation. Entrepreneurial firms are characterized with those firms, whose management philosophy is to promote innovation, taking risks, and actively seeking new opportunities to expand their business and improve their competitive position (Covin & Slevin, 1998).

New businesses reflect the identity of entrepreneurs in the US, while entrepreneur in Germany are identified with power and ownership (Drucker, 1985). Even though there is universal agreement on the significance and great impact of entrepreneurship in the society and firms, yet, there is still debate on the universal agreement on the definition and operationalization of the concept. Some of the perceptions include individual entrepreneurs or small firms, corporate venturing or intrapreneurship and strategic renewal (Stopford & Baden-Fuller, 1994).

Entrepreneurial orientation (EO) has been considered as strategic elements that comprises the entrepreneurial aspect of the firm by several scholars (Wiklund & Shepherd, 2005; Bhuian, Menguc, & Bell, 2005). However, there is no general agreement among the researchers on whether EO is a behavior or an attitude- culture (Brown, Davidsson, & Wiklund, 2001). EO can be perceived in one approach as the means of producing value by gathering together a distinctive bundle of resources to take advantage of opportunity (Covin & Slevin, 1990; Dess, Lumpkin, & Covin, 1997). Some described EO as a frame of mind and perspective about entrepreneurship that is shown in a firm ongoing process and corporate culture (Dess & Lumpkin, 2005). Nevertheless, many researchers agreed that EO is a guiding philosophy (Matsuno et al, 2002; Hurley & Knigh, 2004; Hult, Snow & Kandemir, 2003).

Entrepreneurial firm is a firm that involves in product sort of innovation, always undertake risky types of ventures, and always the foremost to come up with hands-on and proactive innovation, defeat and beat competitors to a punch (Miller, 1983). This idea influenced and shaped the subsequent studies on EO (Covin & Slevin, 1989), and these three dimensional conceptualization of EO are generally accepted in the literature. However, Lumpkin and Dess (1996) suggested another two additional dimensions that are really critical to EO's perception; autonomy and competitive aggressiveness. Nevertheless, some scholars considered this approach to EO as narrow to new entry and perceived the first three dimensions as wider approach since entry can only be understood as one part of entrepreneurial tradition, and such firm may not be eligible to be called an entrepreneurial firm (Barrett & Weinstein, 1998; Stevenson & Jarillo, 1990). This study builds on Covin and Slevin (1989), that merged the three dimensions of entrepreneurial orientation together as one unidimensional construct for the purpose of parsimony.

2.3.1 Innovativeness

The degree at which an organization is being characterized as being innovative is that innovation would be one of the primary contributing factors to the success of such organization (Hult, Hurley, & Knight, 2004). The Schumpeterian Perception of entrepreneurship hinges on the firm's ability to create new combinations of new products, open up new markets and pioneer new method of production (Cadogan *et al.*, 2012). Thus, Schumpeter 1994 underlines the roles of radical innovation as disequilibrating factor. Innovation is the creation or recognition of new ideas,

process, products or services that are generally seen as new by the organization adopting it (Garcia & Calantone, 2002).

Innovativeness can also be described as tendency and enthusiasm to stress more on R & D, novel products/services, and improvement of technology, and to practice and support new ideas, product or processes (Covin & Slevin, 1991). Innovativeness is an imperative part of EO because it shows how new opportunities are pursued by entrepreneurial firm (Lumpkin & Dess, 1996). Innovative capacity is the extent of innovation adopted by an organization, while, innovativeness can also be described as successful development of a new products and process, thus a cultural willingness and approval for innovation (Hult, Snow, & Kandemir, 2003; Hurley, Hult, & Knight, 2005). Innovation should be seen as the source of all competitive advantage, that is, the means and method by which organization utilize technology (Schumann, Prestwood, Tong, & Vanston, 1994). Hult, Hurley and Knight (2004) postulated that one of the antecedents to innovation is the openness of management to new ideas and whether there is recognition that the organization needs innovation to maintain effectiveness and build competitive advantage for the future (Hult, Hurley & Knight, 2004). Many studies have also found out that employees at all level in SMEs are involved in the innovative process and new product development always take the form of developing new methods of marketing the same product to the consumer. Thus innovation can be innovation through differentiation or innovation through personal service (O'Donnell, Gilmore, Carson, & Cummins, 2002).

2.3.2 Risk Taking

The second basic components of EO are risk taking. In the perspective of entrepreneurship, risk taking is about resources allocation decision and the choice of product and market (Venkatraman, 1989a). Risk taking is the extent at which managers is ready to commit a large and risky resource into a project, which may constitute a reasonable change or expensive failure Yet, the risks are calculated risk, and extreme risk that involve reckless decision making that management identified is usually avoided (Davis, Morris, & Allen, 1991).

Basically, entrepreneurial firms operate within hesitant environment, especially, when entering with new market into new products and they undergo testing, failure tolerance and naturally working under risky atmosphere (Hayton, 2003). Generally, management investigates the result of various prospective investment and predict scenario of likely outcome and thus management recognize key risk factors and their causal sources and then try to manage or reduce these factors (Dess & Lumpkin, 2005). Risk taking proclivity might lessen strategic stagnation and give rise to superior performance (Miller, Dröge, & Toulouse, 1988). Dess and Lumpkin (2005) identified three types of risk that manager experience; business risk, financial risk and personal risk. Business risks are the risks that are associated with uncertainty and likelihood of failure and a good example of business risk is committing to unproven technologies or entering untested market (Dess & Lumpkin, 2005). High leverage from borrowing and heavy commitment of resources characterized financial risk (Lumpkin & Dess1996; Dess & Lumpkin, 2005), and personal risk is the risk that manager takes for granted in taking preference for any strategic decision (Dess & Lumpkin, 2005).

2.3.3 Proactiveness

This is another dimension of entrepreneurial orientation. Pro-activeness refers to firm's promptness to get hold of new opportunities (Dess & Lumpkin, 2005). It is the readiness to initiate actions to which competitors take action (Slevin & Covin 1990). Some researchers argued that pro-activeness is the reverse of re-activeness where the firm only responds to threats by the competitors in the environmental influence (Davies, Morris, & Allen, 1991). While Lumpkin and Dess (1996) also posited that the reverse of pro-activeness is inactiveness, i.e. in the situation where the firm is unresponsive to seize opportunity/prospect.

Pro-active firms have a forward looking perspective and also enthusiastic to change the scenery of competition in their environment/industry (Lumpkin & Dess, 2005), and Pro-activeness is characterized with continuously scanning and searching the environment for new opportunities (Frese, Brantjes, & Hoorn, 2002). Competing in an aggressive manner by initiating bold and risky strategies especially in hesitant situation demonstrates pro-activeness. (Richard, Barnett, Dwyer, & Chadwick, 2004). Pro-activeness could also mean attitude of constant scanning for new market opportunities and conducting tests with various responses to changes in the environments and thus, re-assessing of business could happen as a result of the introduction of new product ahead of competition (Venkatraman & Ramanujam, 1986). A firm is said to be pro-active when it has the opportunity to be a pioneer and subsequently possesses a distinct ability to capitalize on emerging prospect (Wiklund & Shepherd, 2005). An entrepreneurial firm may be required to adapt, preserve, and assume responsibility in order to accomplish entrepreneurial task. Therefore it is when an organization can exhibit pro-activeness, risk taking and innovativeness that it is

well thought out as an entrepreneurial firm, ordinary imitation of a competitor without taking any risk or being pro-active does not make a firm an entrepreneurial firm (Miller, 2011; Morris & Lewis, 1995).

proactiveness would enable SMEs exporter to identify new opportunities and evaluate them, discover and monitor market trends and can have new team formation. An entrepreneur is a visionary because of his pro activeness' quality; opportunities can be perceived where others did not see, thereby, as entrepreneurial exporter of SMEs will be first to exploit opportunities in foreign market (Boso *et al.*, 2012; Phokha & Nonsrimuang, 2013).

2.4 Export Market Orientation (EMO)

This is one of the most essential topics of research when it comes to research on phenomena in the level of organization that deals with the strategy of marketing and management. Both academicians and practitioners regarded market orientation as the centre of strategy and contemporary marketing management (Varadarajan & Jayachandran, 1999). Historically, the root of market orientation (MO) can be traced to marketing concept which dates back to 1950s. However, the two studies conducted by Jaworski and Kohli (1993) and Narver and Slater (1990) built the theoretical and empirical foundation of marketing concept (Gray & Hooley, 2002). Different researchers have studied MO from many different perspectives such as cultural and behavioural (Deshpande & Farley, 1999). Some studies focus on the association that link MO and performance of business (Noble, Sinha, & Kumar, 2002b), while other

researches focus on the studies that are related to the implementation of MO in the composite management practices (Jaworski & Kohli, 1993).

Cultural perspectives defined MO as the culture of an organization that efficiently and successfully makes the required behavior for the provision of better value for customer and thereby enhancing perpetual firm's performance. Narver and Slater (1990) conceptualized MO in terms of three dimensions (a) Customer orientation (b) Competitor orientation and (c) Inter-functional coordination. Understanding one's customer so as to provide greater value for them at all time is the fundamental goal of customer orientation. Bearing in mind the short-term strength, weak points, capabilities and tactic of barely all the present and major possible competitors depict firm's competitive oriented firm (Narver & Slater, 1990).

The superior worth is provided for customers in the course of inter-functional coordination with coordinated use of company resources (Narver & Slater, 1990). The long term survival is achieved and sustained through long term focus which is related to profit and execution of the three behaviors components. The cultural perspective has achieved huge acceptance in the marketing discipline (Cherry *et al.*, 2008; Hunt & Morgan, 1995; Hurley & Hult, 1998), and MO is a facet of culture and its symbols are values, belief and signs that reflect an interest for market. The major influential scale to measure MO was first produced by Narver and Slater (1990) from a cultural perspective.

Behavioral perspectives interpreted by Kohli and Jaworski (1990) as execution of the marketing concept, and they presented a behavioral view of MO as "the organization wide generation of market intelligence pertaining to current and future customer

needs, dissemination of the intelligence across departments, and the organization wide responsiveness to it” (Kohli & Jaworski, 1990, Pg. 6) This makes available a joint together focus of the effort and projects of individual inside the organization and in the process achieve performance that is superior to the competitors (Kohli & Jaworski, 1990). The literature on marketing concept was first established by Kohli and Jaworski (1990). The review identified three pillars namely: (1) Customer focus- centre on customer needs and satisfaction (2) Coordinated marketing- organizes different parts of marketing activities and (3) Profitability. Subsequently, different scholars carried out field interview to ascertain the true picture of the construct’s domain. The finding in the interview showed that a customer focus entails customer and competitor orientations. While, coordination can be linked to market intelligence, nevertheless, profitability was nevertheless considered as a consequence rather than a component of MO.

Moreover, Kohli and Jaworski (1990) and Kohli, Jaworski, and Kumar (1993) identified intelligence generation (gathering information about the customer needs and competitors), Intelligence dissemination (exchanging customer and competitor’s information within an organization) and responsiveness as the basic components of market orientation construct. Market intelligence’s generations means the multi-departmental gathering and evaluation of all customer needs, their preferences and identifying forces that militating against the existence of those needs, while the intelligence dissemination encompasses the procedure and the degree of information about the market shared or spread in any given organization. The last but not the least dimension; responsiveness, refers to doing something and taking responsibility in reaction to intelligence that is produced and spread throughout the organization (Kohli & Jaworski, 1990). The antecedent and resultant of MO were also assessed by Kohli

and Jaworski (1990). This conceptual framework critically examined the antecedents, consequences of market orientation, and the moderating variables that proposed senior management factors and organization systems as antecedents to market orientation. The aftermath effect or consequences of being market oriented firm was shown as customer satisfaction, business performance and employees responses.

In addition, market turbulence, technological turbulence, strength of economy and competition were identified as moderating variable which were further divided into groups, namely, Supply-side moderators and demand-side moderators (Kholi & Jaworski, 1990). Many researchers attempted to create a measure of export market orientation EMO as a prediction of market effectiveness but their scales failed to possess sufficient durability (Zhou *et al.*, 2007).

Nevertheless, Cadogan, Diamantopoulos, and De Mortanges (1999) developed a measurement scale of EMO using UK and Dutch exporters as sample, and the outcome of the study showed positive relationship between the EMO and export performance. This instrument captures the extent at which firms show MO's behaviors in the activities of their export (Cadogan *et al.*, 2002). Export market scale is different from ordinary MO's activities which centre-around ordinary acquisition or mere dissemination and usage of application of market information. EMO also focuses on oversea market knowledge and foreign market experience and oversea market reliance are more sophisticated than those on the domestic markets (Cadogan & Diamantopoulos, 1995).

Furthermore, another difference between MO and EMO is that the activities in an export market oriented firm require long-term resources investment than MO at domestic market (Cadogan *et al.*, 2002). Cadogan *et al.* (1999) perceived EMO

activities as the gathering of market intelligence important to the firm's exporting operations, sharing and spreading of this information to exact decision maker, market-design, and carry out of responses in favour of export customers, taking into consideration export market factor that can influence the firm and its capability to offer a better worth to export customer. Cadogan *et al.* (2002) contended that the antecedent factors identified in MO like formalization in the organization, centralization, risk aversion and firm's size are different from the antecedent of EMO since the focus in EMO is on particular export factors that need export intelligence generation: The model of export intelligence generation entails all actions that involve EMO; such as emphasis on research of export market, assistance of export and other information on foreign market (Souchon & Diamantopoulos, 1996). This concentrates on all aspects of export customers, export competitors and the environmental factors that affect the successful operation of the firms in foreign country (Cadogan *et al.*, 1999).

Generating export intelligence could be the staff in a department, or another departments or functions. Cadogan *et al.* (1999) created a measure for export intelligence generation. They first produced a large group of item, and the items in the pool were shown to have export content of 10 intelligence generation of Jaworski and Kohli (1993). All activities that entail spreading and sharing export market information are regarded as export market intelligence (Cadogan *et al.*, 1999). Such activities concentrate on export customers, foreign competitors and the environmental factors that affect the firm in oversea country. Hence, export information and knowledge could be shared among the staffs that participate in exporting, and other department. For instance intelligence generated on R&D marketing can be shared and

more importantly disseminated across the firm for the benefit of all the stakeholders (Diamantopoulos & Cadogan, 1996).

Export coordination is another important precursor to the breakthrough of MO's activities. Coordination in an export context has been revealed as a major determinant of EMO's activities (Diamantopoulos & Cadogan, 1996). Export coordination entails facilitating and controlling export international department, and maintaining good relationship between international department and other number of people within the firm that participate in export activities (Cadogan *et al.*, 2002).

Likewise, export dependence is another antecedent of EMO's activities, as more departments inside the organization perceived that their fortune is attached to the breakthrough in export operation of a firm. The way the organization perceives the importance and benefit of sharing and spreading export market information would be different and higher than when there is no any dependence (Cadogan *et al.*, 2002). Consequences of EMO activities; generally, the outcome of major MO performance researches have been in conformity with what many scholars of MO postulated for many years. The sermon always stresses the fact that if a firm is market oriented, there would be positive impact on its variety of its performance. The outcome of MO could be higher return on asset, higher returns on business unit profitability, higher returns on market share or possible higher returns on sales growth of the firm (Cadogan *et al.*, 2002; Jaworski & Kohli 1993; Naver & Slater 1990).

The consistent identification and response to customers' needs and preferences and ability to look forward to how to meet those needs and preferences would be in a better position to perform more than the competitors and satisfy customer (Cadogan *et al.*, 2002). Therefore, this study select EMO as variable to illuminate light on the need

to improve export performance of SME in Nigeria, since the literature have shown enough support for the perception that export breakthrough is contingent on the success of EMO.

2.5 Learning Orientation (LO)

There is growing body of several studies on organizational learning, but there is no generally acceptable definition across the discipline among the scholars about specific meaning of organizational learning (Bell, Whitwell, & Lukas, 2002; Crossan, Lane, & White, 1999). Organizational learning has become an important topic for both literature and practice because it may culminate to a changed behavior and improve the performance of an organization by improving action oriented, improving knowledge and better emotion and attitude (Slater & Narver, 1995).

Organizational learning can be described as building of new knowledge or insight that can possibly influence performance (Slater & Narver, 1995). Cohen and Levinthal (1990) argued that organizational learning is the procedure of making a new knowledge idea fit into organizational memory. Therefore, individual level is the inception of organizational learning, and the knowledge newly acquired by individual is transferred to the knowledge based of an organization, from there it will be shared and assimilated into documents and the normal order in which organization carry out the activities.

Organizational learning can be understood from different perspectives, namely; cognitive, strategic renewal, information process and social network. Slater and

Narver (1995) identified cognitive aspect of learning as adaptive learning and generative learning. Adaptive learning takes place from acknowledged and unacknowledged constraints that show the belief of the organizational and its environment. It is the knowledge boundary that limits the organizational learning to adaptive learning, and this is sequential, incremental and at the same time focus on issue of opportunities which may be within the conventional range of organizational actions. Generative learning takes place only if the organization is prepared to subject the long held beliefs or feelings about its mission, capabilities, customers and strategic orientations to critical questions. This stresses the fact that learning demands another way of perceiving the world hinged on system's understanding and relationship that connect the events with the issue (Baker & Sinkula, 2007).

Generally, low and high learning are regarded as adaptive and generative, first and second order learning and single and double loop learning (Slater & Naver, 1995; Argyris, 1999). Single loop learning can be described as habitual, incremental, traditional practice that works to preserve steady relationship and maintain existing system (Arthur & Aiman-Smith 2001; Argyris 1999). The result of single loop learning is anticipated to be incremental change or adaptation executed to further take advantage of existing technologies, routines, and processes in a way that does not alter fundamental assumptions or principles. One can conclude that single loop limit itself to identify and remove mistake within a particular systems of regulations (Argyris & Schön, 1999; Arthur & Aiman-Smith, 2001).

Double-loop learning can be described as the exploration of an investigation into alternative habitual routines, conventional rules, traditional technologies, goals and purposes that have be held for long period (Baker & Sinkular, 2007; Argyris, 1999).

Double-loop learning finds an acceptable solution to mismatched organizational rules by setting precedence and weighting of rules or by reformation of the rules along with connected strategies and beliefs. This type of learning enable the organization to come out of conventional way of doing things by analyzing remarkable ways of doing things and reasoning (Foil and Lyles 1985; Argyris, 1999).

From strategic renewal perspective, Crossan, Lane and White (1999) advanced an all-inclusive structure for the procedure of learning by identifying organizational learning as comprising of four processes, namely; intuition, interpretation, integration and institutionalization. Meanwhile, Huber (1991) and Sinkular (1994) conceptualized from information processing perspectives that organizational learning has four processes, namely; knowledge acquisition, information distribution, information interpretation and organizational memory. However, Slater and Narver (1995) viewed slightly different from that of Sinkular's (1994). Slater and Narver (1995) posited that the processes of organizational learning has three components; (1) information acquisition, (2) information dissemination and (3) shared interpretation. The characteristic of organizational learning can be categorized by existence, breadth elaborateness and thoroughness (Huber, 1991)

Meanwhile, Fisher and White (2000) viewed organizational learning as the organizational connection that constitute a learning network rather than information transfer from one individual mind to another. Organization learning is the development of new knowledge or insights that have the potential to influence behavior which can be distinguished from individual learning in an organization (Slater & Narver, 1995). Therefore, organization learning comprises four learning activities, namely; knowledge acquisition, knowledge sharing, knowledge utilization

and unlearn (Sinkular, 1994; Slater & Narver, 1995). Organization learning also involves process of developing new knowledge and insight emanated from the general experience of the organization that may influence attitude and promote capabilities (Fiol & Lyles, 1985b). Organizational learning may influence the propensity of the firm to build and use different kinds of knowledge, especially, knowledge gained from learning by doing, experience and consolidated policy of research and development (Jiménez-Jiménez & Cegarra-Navarro, 2007). Organizational behavior, such as new mental model, sharing knowledge, openness, supporting worker to experiment new way of doing things and discouraging outdated knowledge would go a long way to improve learning and have great impact on individual within the organization (Slater & Narver, 2000).

Learning Orientation (LO) can be described as a process of information acquisition, information dissemination and shared interpretation that increases both individual and organizational effectiveness due to the direct impact on the outcome (Slater & Narver, 1995). The process through which organization members developed shared value and knowledge based on past experience of them and of others can be referred to as learning orientation (Lipshitz, Popper, & Oz, 1996)

The adoption of LO is related to superior organizational performance because it enables firm to constantly questioning the long-held assumptions about fundamental working philosophies, investigating firm's mental model and principal logic, which in turn enables firms to create understanding, competencies and better respond to their environment (Slater & Narver 1995; Kaya & Patton, 2011). Senge (2006) advanced that learning would occur when the the principal decision maker begins to challenge their pre-conceived idea, this would result in the need for business information

particularlyly information that is different from the current thinking. LO has a great impact on how information is gathered, interpreted evaluated and shared (Kaya & Patton, 2011). LO also refers to the organization activities which include these four components; commitment to learning, shared vision, open-mindedness and intra-organizational knowledge sharing (Calantone, Cavusgil, & Zhao, 2002a)

Singular, Baker, and Noordewier (1997) measured learning orientation on four dimensions; commitment to learning, shared vision and purpose, open-mindedness and marketing program dynamism. How much value an organization invests on learning and how LO is promoted depicts commitment to learning. Shared vision is said to occur in an organization when there is organizational wide- focus and without shared vision, learning by members of organization would not be meaningful (Sinkular *et al.*, 1999). The collective beliefs or behavioral routine related to the spread of learning among different unit within an organization is regarded as inter-organizational knowledge sharing (Moorman & Miner, 1998).

Slater and Narver (2000) suggested that resources that are invested in learning might not probably generate or yield immediate returns but rather such should be considered as investment to pay back in the future. The contribution of LO to the innovation could be seen in learning climate fostered in an organization (Hurley & Hult, 1998). Generally, management literature shows LO as an antecedent to innovation, because innovation demands that individuals acquire existing knowledge and that they share it within the organization (Jiménez-Jimenez *et al.*, 2008).

Innovation takes place when the people in the firm share the knowledge within the firm and this spread knowledge gives rise to new and common insight that produces

new capabilities and fosters innovation (Kogut & Zander, 1992). Some empirical studies have shown that learning orientation is a major factor for achieving competitive advantages and have established connection between organizational learning and firm's performance (Bontis, Crossan, & Hulland, 2002; Brockman & Morgan, 2003; Dodgson, 1993; Tippins & Sohi, 2003).

2.6 Export Performance

Export performance is the degree at which firms achieve their strategic and financial objectives (Cavusgil & Zou, 1994). Export performance can also be described as the outcome of firm's activities after it has carried out export operation (Zou, Taylor, & Osland, 1998). Up till date there is no universal agreement among the scholar of export performance on its measurement scale (Katsikeas, Leonidou, & Morgan, 2000). About 42 dissimilar performance indicators/items were broadly categorized in three groups by Katsikeas *et al.* (2000) namely, economic measure (this comprises of sales related measure, profit related measures and market share related measures), non economic measures (comprises of market related measures, product related measures and miscellaneous non economic related measures), and generic measures (consists of combined approaches such as export managers, the extent of satisfaction on the whole performance or apparent export achievement).

Another critical issue in the mode of evaluating export performance is the subject of objective measure against subjective measure, where some scholars subscribed to objective measures, while some prefer subjective measures. For instance author like Katsikeas *et al.* (2000) argued that even though subjective examination of export performance might give rise to some problems it appears to be more valid in

determining long term aspect and more importantly managerial decision making and action can be easily influenced by it. However, Zou *et al.* (1998) created a measure of export performance that discussed the problem of objectivity and subjectivity of export performance, and they came out with multidimensional scale named EXPERF, and the area of interest is export venture. The dimensions are financial, strategic and satisfaction with export venture's performance.

In addition, Cadogan *et al.* (2009) postulated and identified four dimensions of export performance namely; market entry, profit growth, market share, and sales volume. Several studies used sales volume to measure export performance, such as Akyol and Akehurst (2003), Maurel and Viviani (2010) and Katsikea *et al.* (2000). Some scholars used profitability as performance measure; Maurel and Viviani (2010), Cadogan *et al.* (2003), Rose and Shoham (2002) and Katsikea *et al.* (2000). While some researches employed market share as firm's performance measure; Keskin (2006), Cadogan *et al.* (2002) and Shoham (1998). Example of those that used market entry is Cadogan *et al.* (2002) and Atuahene-Gima (1995).

Zou and Stan (1998) and Aaby and Slater (1989) contended that determinants of export performance are external, internal and marketing strategy. However, the internal factor is sub divided into firm characteristic, competencies, product characteristic, management attitudes and perception, while the uncontrollable external factor consists of industry's characteristic, domestic market characteristic and foreign market. Furthermore, the marketing strategy comprises of product, price, promotion and distribution's adaptation. The export performance scale that this study will employ is Zou *et al.* (1998) EXPERF scale. Examples of study that used this scale are Kazem and van der Heijden (2006), McFetridge (1995) and Kropp *et al.* (2006).

Many studies have tried to recognize the determinant of export performance and have realized different antecedents and experience (Ruzo *et al.*, 2011). The determinants of export performance can be perceived from two theoretical paradigms, namely; resources based approach (internal factor) and contingency factors (external factor) (Aaby and Slater 1989). The resources based view is aimed at how export firm uphold competitive advantage by the bundle of unique resources' possession (Barney, 1991). The resources based highlighted the issue of how better export performance can be achieved in relation with other firms in the same market place (Ruzo *et al.*, 2011). Resources based paradigm presumed that export performance of a firm is based on its size, competencies and experiences (Zou & Stan 1998; Morgan *et al.*, 2004), whereas, contingency paradigm recommended that export performance and firms' strategies are inclined by the environmental factors.

2.7 Reconfiguring Capabilities

Reconfiguring capabilities (RCs) are the firm's ability to integrate, build and reconfigure internal and external competences to address rapidly changing environment (Teece *et al.*, 1997). It refers to the firm's ability to alter the resources base by creating, integrating recombining and releasing resources (Eisenhardt & Martin 2000). Teece (2007) revealed that RCs comprise of divers organizational capabilities such as opportunity identification and reconfiguring activities that enable the organization to address market changes. The main processes that underpin dynamic capabilities are learning, reconfiguration, replication and coordination

(Bowman & Ambrosini, 2003). This focuses on structural change of firm in which the components is business unit. The reconfiguration of business unit involves addition of unit to the firm, deletion of unit within the firm such in the way and manner that resources and activities are still retained by the organization (Karim, 2006).

Reconfiguring capability (RC) can also be referred to as ability to redesign certain element or components of a system. Addition or deletion of product line from the boundary of the firm or movement of product line between the unit boundaries of the firm can be regarded as resources reconfiguration, while business unit reconfiguration is the changing of firm and unit boundaries including deletion, addition and recombination of business units (Karim & Mitchell, 2004). The two configurations modify the boundaries of units and firms play key roles in helping to increase the value of their resources. There is a apparent value in the ability to reconfigure the firm's asset structure and to accomplish the necessary internal and external transformation in rapidly changing environment (Amit & Schoemaker, 1993).

Reconfiguration is also the transformation and recombination of assets and resources (Ambrosini & Bowman, 2009). What normally occurs after acquisition and merger like consolidation is a common form of resources creation through reconfiguration. Reconfiguration delineates firm's capabilities in identifying external opportunities through scanning and then changing asset structure of firm to take advantage of opportunities (*Lin et al.*, 2011). Bowman and Ambrosini (2003) identified and set out six configurations, namely, provoking learning configuration, encouraged learning configuration, reconfiguring support activities, reconfiguring core processes, leverage configuration and creative integration.

The major concern of managers is how to align substantive resources and technological resources with market conditions. The only way to achieve such is to use reconfiguring capabilities perspective into advancing marketing thought (Zhou & Li, 2009). Prior literature have shown human resources management practices increases organizational flexibilities and have effect on productivity performance, innovation performance and foreign subsidiary (Jantunen, Puumalainen, Saarenketo, & Kyläheiko, 2005; Laursen, 2002).

2.8 Environmental Turbulence

Environmental turbulence is an environment with high level of change that creates uncertainty and unpredictability. Turbulent environment is hostile, complex, dynamic and volatile in nature (Calatone *et al.*, 2003). Turbulent environments have been described by Calantone, Garcia, and Dröge (2003) and Lynn (2010) as environments with high degree of inter-period change that cause dynamism and uncertainty, the conditions have features of unpredictability, volatility and sharp discontinuity in demand and growth rates, the short time competitive benefits that are persistent are succinctly produced or eroded, and the competitive structure of the industry is persistently change by the low barriers to entry/exit. The features of this type of environment are; unfamiliar, hostile, heterogeneous, uncertain, complex, dynamic and volatile. Combined jointly, these descriptions amount to a measure of environmental turbulence

Generally, when there is high degree of turbulent environment there would be risk and uncertainty and reinforcing high level of proactive approach would be needed in the strategic planning process (Lindelöf & Löfsten, 2006). The examples of industries that are typified as being highly turbulent by their nature of instability are computer and telecommunication industries (Bourgeois & Eisenhardt, 1988). Dess and Beard (1984) highlighted scopes of turbulent environment, namely; stability (steady or not change environment)-instability (unsteady or sudden change environment), homogeneity (the same type of environment)-heterogeneity(different types of environment) and concentration (one direction or attention)- dispersion (varied types of environment). Therefore, for an export firm to succeed and sustain competitive advantages would depend on its ability to find its feet to the varying environment through the support of tactical and strategic orientations (EO, EMO & MO) and dynamic capabilities. Hence, the complexity of international environment would always increase the needs for strategic activities and planning.

2.9 Underpinning Theories

The underlying theories that serve as foundation, support or form the basis of this study are;

- A) Resource Based Theory
- B) Contingency Theory, and
- C) Dynamic Capabilities view

2.9.1 Resource Based Theory

The resource- based view (RBV) anticipated a firm as an embodiment of distinctive package of concrete and intangible resources, such as assets-resources, capabilities-resources, processes-resources, management's attributes, information- resources and knowledge -resources that are controlled by a firm (Barney,1991). Most of the literature on competitive advantages used the resources based theory (Pitelis, 2007). This theory focuses primarily on the internal development of abilities/qualities that offer the firm the unique and presumably inimitable abilities, and competitive advantage are thereby, provided theoretically in the firm (Barney, 1986; Prahalad & Hamel, 1990). However, the fundamental assertion that thriving firms possess resources that are better than those of their competitors has dominated management literature. This premise has promoted a number of studies to identify the basis as well as how these resources can be maintained (Barney, 1991). Resource based perspective introduced the pursuit of rent generating resources as a business strategy to achieve superior financial return than the competitors. It is not merely existence or provision of this resources but more importantly making use of these resources to create a source of success (Amit & Schoemaker, 1993). Furthermore, Peteraf and Barney (2003) argued that heterogeneity of capabilities demonstrated a groundwork of RBV and understanding of how firm creates competitive advantage.

The view above stressed that resources need to have definite characteristics which would be of advantage to the firm since the efficient strategic exploitation of resources at any time is contingent on time action of rival's firm and environmental dynamism (Black & Boal, 1994). Moreover, in order to ensure that success is actualized, what the firm is providing or supplying to the market place must offer

some elements of superior value (Porter, 1985; Slater1990). In essence, the concept of value originated from the firm's building of core competencies, which is developed from the resources a firm possess and this provide a sources of unique advantage compared to its competitor (Barney, 1991; Collis, 1991; Barney 1986). Hence, Mahoney (1995) posited that these resources and core competencies both work simultaneously to produce the basis for sustained competitive advantage. For instance, international entrepreneurial capability can be described as firm- level's ability to leverage resources through mixture of innovativeness, pro-activeness and proclivity to discover, act out, appraise and exploit business opportunities in international arena (Kropp *et al.*, 2006).

One of the paradigms that guide this study is resource based perspective (Barney, 1990). This is essential because the major constructs (EO, LO & EMO) are internal capabilities of a firm. Resources-based view perceives firm definite resources such as asset and capabilities as the stimuli of an organizational strategy (Kropp *et al.*, 2006). Managerial skills and knowledge determine the ability and capability that culminate better organizational performance (Song, Di Benedetto, & Nason, 2007). Therefore, EO, LO & MO and reconfiguring capability (RC) can be viewed as resources which have potentials to enhance export performance. Internal capabilities development aided born global firm to succeed in foreign market (Knight & Cavusgil, 2004). Over the years RBV has become a critical driver of export performance (Eisendhardt & Martin, 2000). RBV also helps to explain how knowledge and capabilities are developed and leveraged within an enterprise. Dhanaraj and Beamish (2003) contended that in more rigorous building of export performance, RBV should be the paradigm to understand strategic approaches. Export performance can be explained by Resources Based View, and some scholars have declared and supported the usage of

RBV for this purpose (Cadogan, Kuivalainen, & Sundqvist, 2009; Lages, Silva, & Styles, 2009; Wheeler, Ibeh, & Dimitratos, 2008). For instance, Cadogan *et al.* (2009) declared that RBV is appropriate to explain the relationship between export market orientation and export performance since firm's market operation is an internal source of capability that gives rise to firm's competitive advantage.

2.9.2 Contingency Theory

Contingency theory is of the view that there is no one perfect structure that is suitable for all situation, somewhat, and that firm's efficiency and effectiveness can be achieved in different ways and selection of fitting method hinges on situation and appropriateness (Ruekert, Orville C. Walker, & Roering, 1985). This approach stressed the weight of situational power on the administration of a firm and contended the approach of single best way of management (Yeoh & Jeong, 1995; Zeithaml, Berry, & Parasuraman, 1988). Contingency view is led by the fundamental principle that organization whose internal characteristic is appropriate to the demand of their environments would attain the best result (Coviello, 2005). "Fit" is the basic concept in the contingency theory as fit between organization and context, structure and process determine the organizational performance (Kropp *et al.*, 2006).

Adopting the perspective of contingency theory in this study, is an attempt to contend that value of a certain strategic orientations such as EMO, LO and EO may vary depending on the internal and external situation confronting the firm (Walters, 1993). Generally, many scholars have identified the antecedents of export performance as export channel structure, strategic orientations and external environment (Okpara &

Kabongo, 2009). The frame work of this study is originally established on the paradigm that strategic orientations (especially, EMO, LO & EO) of an exporting firm are key elements that decide the performance of export firm (Kropp *et al.*, 2006). Nonetheless, diverse types of internal and external contextual circumstances may exist such that firms that are exporting manifests diverse orientations' strategy in course of their export activities (Okpara & Kabongo, 2009b; Wiklund & Shepherd, 2005). As a result of this, the performance inference of a particular orientation's strategy is anticipated to be dependent on it's 'fit' with the external environment and export channel structure of the firm (Yeoh & Jeong 1995; Kropp *et al.*, 2006).

Based on the background above, contingency approach in this study builds on the previous streams of studies in export venturing which have stressed the significance of contextual situation in exporting and the relationship among strategy, structure and environment (Rauch, Wiklund, Lumpkin, & Frese, 2009; Yeoh & Jeong, 1995). That is, 'fit' or match, between a firm's strategy and its context, where Cavusgil and Zou (1994) contended that this has a positive implication on export performance. This is purely real to observe for those operating in overseas marketing that they are vulnerable to varied and complicated environmental context both at industrial level, firm's level and even in their host and home country. Thus it is now left for them to adopt the best strategic approach to succeed to suit the challenges at hand (Kaynak & Kuan, 1993). Market literature have suggested the usage of contingency perspective in evaluating and examining the determinant of export performance (Yeoh & Jeong, 1995). Samiee and Walters (1990); Madsen (1994) and Cavusgil and Zou (1994) all suggested that contingency approach is appropriate to examine the export performance.

Relating this theory to environmental context already discussed as dynamic, hostile, complex, turbulent and benign with strategic orientation that can be adopted, this study contends that firms have to reposition their EO EMO and LO in order to act in response to changes in external environment and achieve greater performance (Cadogan, 2009; Boso *et al.*, 2012). Turbulent environment is sometimes characterized with high-tech industries which were established to promote entrepreneurial firm-level behavior (Miller *et al.*, 1988). That is entrepreneurial innovativeness; risk taking habit and pro activeness are often associated with uncertain, hostile and turbulent environment.

Environmental dynamism is a potential contingency factor that may influence the effectiveness of the usage of the strategic orientations. Lumpkin and Dess, (2001) contended that when the environment is turbulent, hostile and full of uncertainty, the qualities associated with entrepreneurial orientation can be justified for its ability to seize new market and opportunity in spite of unfriendly situation. Many scholars like Miller (1983), Covin and Slevin (1989), Lumpkin and Dess (2001), Wiklund and Shepherd (2005) and Boso, Cadogan and Story (2012) subscribed to the fact that only through adopting an entrepreneurial orientations can exporting firms effectively deal with prevalent forces in turbulent, hostile and dynamic export market. Wiklund and Shepherd (2005) declared that dynamic environment where demand regularly shift, opportunities turn out to be abundant and performance level is expected to be at peak for firms that have special orientation in chasing after new opportunities since they possess a good fit/match between their orientation's strategy and the external environment. In stable market any uncalculated and extensive risk taking, vigorous

pro-activeness and strong stress on innovation can be disastrous when competitive conditions are becoming more alarming (Miller & Friesen, 1983).

Lumpkin and Dess (2001) suggested that as the environment becomes more stable, market orientation would offer higher performance than entrepreneurial orientation as the response to competitive situation through market would be made easier in steady and definite environment where there is evidence in the rules of the game. Therefore, dynamic environment may not be suitable for market oriented firm, because market driven exporting firms focus on customers and competitors which may lead the firm to deliver products that are line extensions or imitation which might in return lead to low performance (Jimnez-Jimnez *et al.*, 2008). Market orientation would be suited if the firm is considering driver of export customer's satisfaction (Oliveira, Cadogan, & Souchon, 2012). Industrial organization economy explained the marketing orientation link that a very strong fit between organization and its environment further improves performance (Kropp, Lindsay, & Shoham, 2006).

Learning orientation can be described as improvement of innovative understanding or insight that can possibly control actions (Slater & Narver, 1995). In recognizing opportunity, Learning can play a key role (Lumpkin & Lichtenstein, 2005). Targeting and entering new market with existing goods in exporting can be facilitated by learning orientation (Kropp *et al.*, 2006). Exporter learns about his export market and entire value chain and recognize ways to boost profit margin (Cadogan, 2012). Today's business environment of export firm relies on the capabilities of export firm to learn, store and to retrieve a good export memory bank in order to achieve and sustain competitive advantage (Souchon *et al.*, 2012). Hence, Leonidou and Theodosiou (2004) supported the view that environmental turbulence is appropriate

for learning oriented firm, that through export memory there would be better understanding of the different player in the market the firm wants to enter, since MO helps to develop alternative marketing plan, offers solution to specific marketing issues, like, product's pricing, potential and actual new market access, product development and building up delivery channel.

Cadogan (2012) and Phromket and Ussahawanitchakit (2009) further stressed that the moderating impact of environmental dynamism/turbulence between learning orientation and export performance will be enhanced because when there is uncertainty, organizational learning effectiveness (OLE) will monitor market development, coordinate activities in multiple relationship, and moderate the unique knowledge and establish innovative outcome relationship, thereby, improving the performance of export firm. Jiménez-Jimenez *et al.* (2008) posited that firms which are learning stand better chance of appreciating the effect of the changes in their environment and are better than competitors in taking action quickly because they are more incline to change business significant assumption when they are open to the elements of new information and event. Therefore, learning oriented firm will be able to adapt when there is market turbulent since they are related to proactive and new to the market innovation and necessitate change in how the businesses are perceived (Baker & Sinkula, 2002; Jiménez-Jimenez *et al.*, 2008; Slater & Narver, 1995).

2.9.3 Dynamic Capabilities View

Dynamic capabilities View (DCs) was built on the groundwork of economic anticipated by Schumpeter (1994), Penrose (1959), Teece, Pisano and Shuen, (1997).

This theory builds up a frame work to give details on whether distinguishing and hard to duplicate benefits can be built, improved and sustained (Chmielewski & Paladino, 2007; Teece, Pisano, & Shuen, 1997). DCs are about how organizations renew its competence in order to respond to rapid shifts in industry's environment. Ability to recreate competencies to obtain resemblance of what is changing in the business environment depicts dynamism (Winter, 2003).

Zollo and winter(2002) described DCs in expressions of routines and fundamental feature of evolutionary economics, while Nelson and Winter (1982) and Eisendardt and Martin (2000) differentiated DCs in terms of development that is nature varies with the extent of market dynamism type of simple convention. DC's view was developed from the resources base view of the organization (Kogut & Zander, 1992). All the two theories postulated that firms are diverse in the strategic resources they manage, however, they are different on how they approach the mobility of the resources (Teece *et al.*, 1997) .

Resource based view theory posited that resources are stable and static; while DCs theory stressed the need to renew, acquire, develop, and reconfigure their resources and this leads to resources mobility in the long run. Hence, RBV cannot explain firm behavior and performance over time in a dynamic environment (Teece *et al.*, 1997). DCs are about mechanism for bringing organizational change and are associated with the complex problem of change measurement that has constituted serious setback for organizational growth (Easterby-Smith, Lyles, & Peteraf, 2009). Since DCs are mechanism for change, it may give rise to innovation and management of knowledge (Fiol & Lyles, 1985a), which thereby associate and relate with knowledge management (Easterby-Smith & Prieto, 2008). Khavul, (2010) posited that DCs are

learned behavior that can be turned around to change the resources of a firm by the means of different related processes. Organizational capabilities might help the firm to manufacture some goods and services whereas; the major goal of DCs is the regeneration and progress of the capabilities in the organization (Khavul, 2010).

Ordinary capabilities are those RCs through which a firm makes its living in short term (Drnevich & Kriauciunas, 2011; Winter, 2003), for instance, managing DCs spend on everyday expenditure (Helfat & Peteraf, 2009). The use of DCs may increase revenue or reduce expenses (Helfat *et al.*, 2007). Some studies have argued that ordinary capabilities contribute to performance by increasing revenue (Peng & York, 2001), and more importantly reducing the cost connected with providing services (Brush & Artz, 1999; Kaleka, 2002). All these action can positively affect firm performance (Brush & Artz, 1999; Kaleka, 2002).

Further review of literature that critically examined the contribution of organizational capabilities through improvement in the quality, existence processes and products shows that a firm might be spending in the capabilities without any corresponding returns to justify the cost incurred (Drnevich & Kriauciunas 2011). A firm may utilize capabilities that are incoherent entirely with its profit machinery and the firm will not cover its cost of procedure (Makadok, 2010). So also there would also be a decrease in performance if the capabilities that have been contributing to firm's performance approach to create value for customer is no longer salient to customer or interfere with the utilization of capabilities that are more productive (Drnevich & Kriauciunas, 2011; Leonard-Barton, 1992). Therefore DCs are needed to act as a mediator in the relationship of organization capabilities and performance of the firm.

Firm uses RCs to recognize and act in response to opportunities and threat by making larger adjustment and forming a firm's DCs to realize first-order transformation (Winter, 2003; Drnevich & Kriaciunas 2011). This is in conformity with the view that DCs are tools a firm employs to influence existing resources configurations in order to generate, and configure new resource (Eisenhardt & Martin 2000). DCs' contributions to the performance of the firm may happen in many ways; DCs can significantly impact the performance of the firm by giving room to the firm to recognize and act in response to opportunities by means of creating new processes, product and service which have the potentials to increase revenue (Chmielewski & Paladino, 2007; Makadok, 2010), DCs can also advance the pace of effectiveness with which a firm operates and respond to changes in its environments (Hitt *et al.*, 2001), and RCs offer formerly not available alternatives for the firms and thus make available the potentials to contribute to performance, such as, increase in revenue or profits (Eisenhardt & Martin, 2000). Therefore, reconfiguring capabilities have the enablement to improve on ordinary capabilities' contribution through adjusting existing resources configuration in manner that the outcome is totally new (Drnevich & Kriaciunas 2011).

Furthermore, DCs triumph in the situation where there is environmental dynamism (Drnevich & Kriauciunas, 2011). Dynamic Environment shows the amounts and unpredictability of changes customer taste, technologies, product and services and the nature of competitions in the main industries of the firm (Miller and Friesen, 1983). In environment that is dynamic RCs are more important than the environment that is stable. The reason is that DCs contribute to firm's changes (Chimielewski & Paladinos, 2007). Ordinary capability might not be effective in dynamic environment and firm performance would decline (Wang & Ang., 2004). When the dynamism in a

firm environment increases there may be changes in suppliers, buyers, products, management, etc. This general and competitive environment change may increase challenges for the firm (Chimielewski & Paladino, 2007; Drnevich & Kriauciunas, 2011).

2.10 Strategic orientations and firm performance

The strategic management literature have produced a body of research that focuses on the identification and understanding of firm strategic orientations within and across industry that are used to examine the relationship between strategy and performance (Avci *et al.*, 2011). The phenomenal research interest in the broad notion of strategic orientation emerges as a consequence of observing firms preferences, behavior and performance outcome, which bring into examination construct like market orientation, cost orientation, technological orientation, sales orientation, relationship orientation and in this study entrepreneurial orientation, Learning orientation, and export market orientation (Cadogan *et al.*, 2012).

2.10.1 Entrepreneurial Orientation (EO) and Export Performance

In order to draw the relationship between entrepreneurial orientation and export performance and delineate hypothesis, the present study reviewed literature on studies that examined the relationship between the two concepts and highlight their areas of agreements and differences.

Hult *et al.* (2003) examined the role of entrepreneurship in building cultural competitiveness in organizations, based on data from a sample of 764 organizations in USA. Entrepreneurship, innovativeness, market orientation, and organizational learning were used as predicting variables. The result of the study suggested that entrepreneurship represents the most influential and proactive means of developing a market-based culture. Covin, Green and Sleevin (2006) examined the effects of three strategic process variables, decision-making participativeness, strategy formation mode, and strategic learning based on a sample collected from 110 manufacturing firms on the entrepreneurial orientations- firm sales growth. The result of the study suggested positive relationship between entrepreneurial orientation and sales growth.

Meanwhile, Wiklund and Shepherd (2003) focused on a firm's entrepreneurial strategic orientation (EO), leaving its interrelationship with internal characteristics aside. The findings of the study suggest that knowledge-based resources (applicable to discovery and exploitation of opportunities) are positively related to firm performance and that EO enhances this relationship. Naldi, Nordqvist, Sjöberg, and Wiklund (2007) focused on risk taking as one important dimension of entrepreneurial orientation and its impact in family firms. The findings of the study suggest that risk taking is positively associated with proactiveness and innovation. Family firms take risks while engaging in entrepreneurial activities, and they take risk to a lesser extent than nonfamily firms. The result of the study also suggests that risk taking in family firms is negatively related to performance.

Similarly, Matsuno, Mentzer and Ozomer, (2002) admitted the behavioral perspective on MO and inferred that EO is an underlying culture. Through a conceptual model, EO and MO impacted on each other directly and indirectly. EO

affected on formalization, centralization and departmentalization. MO impacted on only departmentalization. The outcome of this structural equation analysis further showed that only through MO can EO has positive impact on organizational performance.

The relationship between EO and business performance was also assessed by Rauch, Wiklund, Lumpkin and Frese (2009). They carried out a meta-analysis exploring the enormity of the EO-performance relationship and assessed potential moderators affecting this relationship. Having collected 53 samples from 51 studies with an N of 14,259, the results of the study suggests that the correlation of EO with performance is moderately large ($r = .242$). In similar study Wiklund and Shepherd (2011) examined two potential causal mechanisms underlying the observed entrepreneurial orientation (EO)–performance relationship. The study found an empirical support for the view that EO could be a performance–variance-enhancing strategic orientation other than a performance–mean-enhancing orientation.

In addition, Li, Huang, and Tsai (2009) examined the relationships among entrepreneurial orientation, knowledge creation process, and firm performance using survey data from 165 entrepreneurs. They employed LISREL analysis to test the direct and indirect effects of the entrepreneurial orientation on firm performance. The findings of the study suggested that there is significant direct effect of entrepreneurial orientation on firm performance. Knowledge creation process plays a mediating role in this relationship. So also, Wang (2008) also studied the relationship among EO, LO and firm performance, using data collected from 213 medium-to-large UK firms. The findings of the study suggested that LO mediates the EO-performance relationship, and the EO–LO–performance link is stronger for prospectors than

analyzers. The results also show that LO must be in place to make the best use of effect of EO on performance, and that LO is an imperative dimension, along with EO, to differentiate prospectors from analyzers.

In more critical evaluation of entrepreneurial orientation with other strategic orientation constructs, Atuahene-Gima and Ko (2001) examined the importance of adopting MO and EO based on the premises that firm that combine the two strategic orientations would outperform their competitors. They compared firms with high MO with firm with high EO and conservative firm with low degree of MO and EO. The outcome of analysis of 181 Australian firms showed that firm with high MO and EO have higher new product performance and are more effective in the product innovation. Liu, Luo, and Shi (2002) examined the relationship among EO, MO, LO and firm performance. The findings of the study revealed that high level of LO, MO, significantly related to performance and LO, MO and EO at the same time improve competitive advantages of the Chinese state owned companies.

In addition , Barrett, Balloun, and Weinstein (2005) studied the relationship among LO, EO, MO, organizational flexibility and firm performance of health care and education sector in US. The outcome of the study suggested that MO positively relate with creativity and organizational flexibilities, while MO, LO and EO are significantly related with firm performance. The effect of the three strategic orientations also depends on the characteristic of the industry and market. Herath and Mahmood (2014) carried out research on the effect of EO and LO on firm performance with data collected from from 350 SMEs hotel in Sri-Lanka. The outcome of the study suggested that EO, and LO significantly related to performance and absorptive capacity moderate the relationship.

Similarly, Becherer and Maurer (1997) examined the connection linking MO, EO and firm performance with the role of environment in this relationship. The result of the finding indicated that both orientations respond to an increasingly complex and dynamic environment. In the same vein, Anderson and Eshima (2013) examined three ways interactive model between EO, firm age, and intangible resources in order to identify entrepreneurial configuration that enhance superior performance. The findings of the study suggested that Entrepreneurial orientation is positively associated with firm growth among Japanese SMEs. The relationship between EO and firm performance is also stronger among younger firms than among firms that are older. So also the relationship between EO and firm performance is stronger among firms with an intangible resource advantage than among firms that are more resource constrained. While the relationship between firms with an entrepreneurial strategic posture that are younger, and possess an intangible resource advantage exhibited the strongest level of growth.

In the same vein, Li *et al.*, (2006) examined the relationship between EO and MO and product development performance in Chinese SMEs. The finding of the study suggested that EO significantly related with firm performance, but MO did not return significant relationship. EO also moderates the relationship between MO and firm performance. Moreover, Baker and Sinkula (1999) carried out a study on the relationship between LO, MO, innovation and firm performance. The findings of the study suggested that LO statistically significantly related to firm performance and Innovation mediates the relationship between LO, MO and firm performance.

In addition to what has been stated, Fairoz, Hirobumi, and Tanaka (2010) assessed the degree of Entrepreneurial Orientation (EO) of twenty five manufacturing Small and

Medium scale Enterprises (SMEs) in Hambantota District, Sri Lanka (HDSL) on business performance. Using Qualitative and quantitative technique for data analysis, the Findings of the study revealed that 52% of SMEs in HDSL represented moderate level of EO. Proactiveness, innovativeness, risk taking and overall EO were statistically significantly correlated with market share growth. The results further showed positive correlations among proactiveness of EO and business performance. Tajudin, Aziz, Mahmood, and Abdullah (2014) used questionnaires to collect data from owner /manager of SMEs in Malaysia in order to explore the relationship between EO and business performance of SMEs. The findings of the study suggest that there is significant relationship between EO and firm performance.

Likewise, Tang, Tang, Marino, Zhang, and Li (2008) examined the relationship between EO and firm performance based on the sample of 166 firms in Northern China. The finding of the study suggested that EO is statistically significantly related to firm performance. More importantly, the relationship of EO-performance is more positive among state-owned enterprises (SOEs) than among privately-owned enterprises (POEs). In the same vein, Madhoushi, Sadati, Delavari, Mehdivand, and Mihandost (2011) studied the impact of EO on Knowledge Management, and impact of EO on innovation performance in 164 Iranian SMEs. The results indicated that entrepreneurial orientation both directly and indirectly through the knowledge management affected innovation performance, while knowledge management acts as a mediator between entrepreneurial orientation and innovation performance. Kraus, Rigtering, Hughes, and Hosman (2012) also assessed the relationship between EO and firm performance of SMEs, based on the data collected from 164 Dutch firms. The findings of the study revealed that proactiveness, innovativeness are significantly related to firm performance.

In contrast to the findings of other studies, Andersén (2010) analysed the assertion of significantly relationship between EO and firm performance, using 172 Swedish SMEs in the manufacturing sector. The findings of the study suggested that the only statistically significant EO-relationship is between EO and firm size. Also, proactiveness was related to growth in sales and overall performance. Hence, from this sample no correlation between EO and performance can be identified. In this specific context, there is no significant relationship between EO and profitability or between EO and growth. Similarly, Hughes and Morgan (2007) examined the impact of risk-taking, innovativeness, proactiveness, competitive aggressiveness, and autonomy dimensions of entrepreneurial orientation on performance of young high-technology. The findings of the study contrasted Lumpkin and Dess' findings of EO. Proactiveness and innovativeness have a positive influence on business performance while risk-taking has a negative relationship. Competitive aggressiveness and autonomy appear to hold no business performance value at this stage of firm growth. Slater and Narver (2000) assessed the relationship between MO, EO and firm performance across industry. The findings of the study suggested that MO is statically significant related to firm performance but study also found no significant relationship between entrepreneurial orientation and business profitability.

In support of lack of significant relationship between entrepreneurial orientation and firm performance, Walter, Auer, and Ritter (2006) examined the impact of network capability and EO on firm performance based on data drawn from database of 149 university spin-offs. The results suggested that a spin-off's performance is positively influenced by its net work capability, while there is no direct relationship between EO and sales growth, sales per employee, or profit attainment. The study

also found that NC moderates the relationship between EO and organizational performance. Likewise, Tajeddini (2010) assessed the interrelationship among customer orientation, entrepreneurial orientation, innovativeness and business performance based on data collected from 156 hotel managers (German and French speaking cantons) in Switzerland. The results indicated that customer orientation does not influence innovativeness. The findings also support aspects of prior researches that EO significantly impact upon the performance of the Swiss hotel industry.

In addition to significant relationship between the two constructs, Sundqvist, Kyläheiko, Kuivalainen, and Cadogan (2012) illuminated light on the mechanism by which entrepreneurial oriented behavior (EOB) enhances international performance, based on the data collected from 783 Finnish exporter. The findings of the study suggested that Kizernerian manifestation of EOB is stronger and positively related with export profit at relatively stable market, while Schumpeterian manifestation of EOB is stronger and positively related to export profit when market are more dynamic.

Boso, Cadogan, and Story (2012) explored how two specific market-based resources export entrepreneurial-oriented and export market-oriented behaviours, drive the performance of firms' product innovations in their export markets, based on the data collected from 164 Ghanaian exporters, the findings of the study indicate that both export entrepreneurial-oriented behaviour and export market-oriented behavior are significantly related to export product innovation success and can drive export product innovation success. The study further stressed that EOB is more likely to be a driver of product innovation success when market-oriented behaviour is strong,

whereas, Market oriented behavior is more likely to be related to export product innovation success when market dynamism is high.

Furthermore, Boso, Cdogan and Storey (2012b) examined the joint impacts of EOB and MOB on export new product performance under differing levels of competitive intensity and financial capital. Based on data collected from 212 British exporters, the findings of the study show that EOB and MOB are significantly related to export new product performance. Hence, seeking complementarities between behaviors is a useful strategy for export new product success, especially when there is suitable high level of competitive intensity in the export market environment, and when the export unit has greater access to financial capital.

Besides, Okpara (2009) also studied the impact of EO on the export performance of SMEs in Nigeria. This study employed quantitative research design using survey methods with statistical treatment to ensure whether relationships exist between high (proactive) and low (conservative) EO's firms. The findings of the study revealed that firms that adopted proactive orientation attain higher performance, profitability, and growth than those that adopted a conservative orientation. Owoseni and Adeyeye (2012) also examined the influence of EO on perceived SME performance. Innovativeness, risk-taking and pro-activeness were used as key variables and data were collected from 118 males and 192 females. The findings of the study show that innovativeness, risk-taking, and pro-activeness combined together to predict firm performance. There Is a significant relationship between risk-taking and SME performance. While pro-activeness did not independently predict perceived SME performance. In addition, innovativeness and pro-activeness jointly predicted SME's performance.

Beyond what has been found, Keh, Nguyeh and Ngo (2008) also examined the effects of EO and marketing information on the performance of SMES. Based on data collected from Singaporean entrepreneurs, the findings of the study indicated that EO is significantly related to acquisition and utilization of marketing information and also impact on firm performance. The utilization of information positively affects firm performance, and it mediates the relationship between entrepreneurial orientation and firm performance. Furthermore, Dimitratos, Lioukas, and Carter (2004) researched on the effect of environmental conditions on relationship between entrepreneurship and international performance. Based on the sample of 152 internationalized Greek firms, the result of the study suggested that uncertainty of domestic country, positively moderate the entrepreneurship–international performance relationship.

In summary, all these studies (Hult *et al.*, 2003; Covin *et al.*, 2006; Wiklund & Shepherd, 2003; Naldi *et al.*, 2007; Rauch, 2009; Wiklund & Shepherd, 2011; Li *et al.*, 2008; Madouushi *et al.*, 2011; Kraus 2011; Wang 2008; Fairoz *et al.*, 2010; Tang *et al.*, 2008; Andersen 2010; Andersen & Eshima 2013; Tajeddini 2010; Sundqvist *et al.*, 2012; Boso *et al.*, 2012a, 2012b; Okpara, 2009; Owoseni & Adeyeye 2012; Keh *et al.*, 2008) indicated through one, or two or more dimensions of EO a statistically significant relationship with firm performance. However some studies (Slater and Narver 2000; Walter *et al.*, 2006; Kazem & Van der Heijden 2006) did not return statistically significant relationship between EO and performance. This mixed findings on EO and firm performance relationship need to be further validated to confirm the relationship most especially in the context of exporting SMEs where research is still scarce.

Having reviewed the historical foundation, an underlying principles and show the relationship between EO and firm performance in this study, it is necessary to further stress the link between EO and export performance based on the questions and objectives stated from inception of this study. Barely all the literature reviewed suggested that EO is the key to achieve competitive advantages which in return always stimulate profitable performance (Zhara & Covin 1995; Colvin & Wiklund 1999). Therefore, being proactive, innovative, and risk taking would definitely lead to superior performance (Lumpkin & Dess, 1996a). In the context of export venture, limited studies have investigated the roles of entrepreneurial oriented activities and its components in achieving superior performance, Some of the studies that were first conducted contended that EO relate positively with export performance, for instance, Cavusgil (1984) posited that management towards risk-taking was positively related to export performance and that firms that are more open to innovation perform better in export business (Calantone, Kim, Schmidt, & Cavusgil, 2006). Balabanis and Katsikea, (2003) studied the relationship between implementation of entrepreneurial oriented behavior and export performance in UK and the result of the research supported the postulation that EO had a positive relationship with export performance.

In a nut shell, the argument of the statistically significant relationship between export performance and EO can be established on the following: First, prime mover advantage implied by EO (Wiklund, 1999; Zahra & Covin, 1995), where Proactiveness, innovativeness and risk taking enable a firm to transform its economic performance (Naman & Slevin, 1993). In addition, the complex, unpredictable and turbulent nature of export market environment encourage and provide better avenue for higher performance (Balabanis & Katsikea, 2003). Adopting EO in exporting SMEs would boost SMEs' export performance (Knigh & Cavusgil, 2004). Thus,

being entrepreneurial would enhance the performance of small medium enterprise because it can be used as a tool to drive growth objective and exploit untapped opportunity (Baker & Sinkula, 2009), and being entrepreneurially postured or oriented would assist SMEs' exporters to achieve success. Therefore the following hypothesis is posited;

H1: There is a significant relationship between Entrepreneurial (EO) and export performance.

2.10.2 Export Market Orientation and Export performance

The reviews of literature on export market orientation started with the studies that examined the relationship between market orientation and firm performance and subsequent progression into export market orientation and export performance. A sample of 140 business unit was used by Narver and Slater (1990) to examine the MO- firm performance relationship. After using subjective return on asset (ROA) to measure firm performance, a significant positive impact of MO on the profitability of the business was realized. Two national samples were also employed by Kohli and Jaworski (1993) to study the antecedents and consequences of MO. Their result showed that MO has relationship with senior management's importance on MO, risk aversion of top managers, interdepartmental conflict and connectedness, centralization and reward system orientation. The result was also positively associated with organization commitment, spirit de corps and overall business subjective performance.

Slater and Narver (1994) studied the moderating role of the competitive environment in the MO. Firm performance relationship, even though there was very limited support for the moderating role of the environment, it was found that MO still positively related to subjective ROA, Sales growth and new product success. Having explained this impact, the authors suggested that it would be better for companies to plant in exploiting market orientation when the condition in the environment is friendly than to stay pending when the environment becomes hostile.

Meanwhile, Homburg and Pflesser (2004) developed a multilayer scale to measure the different layer of culture that adopt market orientation of an organization, after analyzing the associations among dissimilar components of marketing oriented culture, the result indicated positive impact of culture of market orientation on subjective performance, in highly dynamic market. Grewer and Tanshuej (2001) studied the roles of MO and strategic flexibility in assisting their firm to manage the Asian economic crises. It was found that, after crisis MO had adverse effect on firm performance while strategic flexibility has a positive association with firm performance after crises. Moreover, Grewer and Tanshuej (2001) concluded that flexibility complement MO in their quest to help firms manage various environmental conditions. Further, Noble *et al.* (2002) explored the relative performance effects of MO through a longitudinal study using letters to shareholder in corporate annual reports and effects of alternative strategic orientations, the result indicated that production and selling orientation showed different managerial priorities for the firm while competition orientation and national brand focus were positively related to the goal of return on asset (ROA) and return on sales (ROS).

Several studies support MO for improvement in business performance. For instance, Morgan, Vorhies, and Mason (2009) examined whether a firm that possesses MO and marketing capabilities as a stimulant can drive the performance of a firm. They found out that MO and marketing capabilities are matching assets that add to firm greater performance. Similarly, O'Cass and Ngo (2012) studied the extent at which performance superiority can be created, connections and co-creation value ambition by MO, product innovativeness and marketing capabilities through an examination of 158 large B2B firms. The result showed that product innovation capability and marketing capability in part mediate the relationship between a firm and its influence on MO to increase performance. In addition, Shoham Rose and Kropp (2005) assessed the quantitative meta-analytical effect of MO on the performance of firms; the outcome of the finding showed statistically meaningful of direct, indirect and total effect of MO on performance.

Mokhtar, Yusoff, and Ahmad (2014) assessed the relationship between market orientation's success factors and Malaysian SMEs performance, using data collected from 140 SMEs via mail survey. The findings of the study show that market orientation's dissemination of intelligence has significant relationships with SMEs performance, while market orientation's intelligence and responsiveness did not indicate significant influence on SMEs performance. Meanwhile, Cadogan, Diamantopoulos, and Siguaw (2002a) declared that studies in firm's MO on their export orientation is at an early stage of development. Cadogan *et al.* (2002a) extended a research of MO into export venturing by developing and testing a hypothesis that has to do with the resultant effect of MO's functions. The result showed that EMO's functions were positively related with aspects of performance of export. Export

knowledge, export reliance and coordination capabilities were also found to be significantly associated with EMO's functions.

Furthermore, Rose and Shoham (2002) examined the performance of exporting consequences of MO and possible moderating effects of environment such as competitive environment, technological environment and environment of marketing. Using questionnaire survey on 124 firms from Israel, export institute's list of exporters in nine industries, MO was found to be significantly associated with inter dimensions of export performance. The export sales' change and export profits' change were stronger in a technological turbulent environment which established empirical relationship between MO and export performance.

In the same vein, Cadogan *et al.* (2012) tested a model of performance of exporting, concentrating on the extent at which firms possess varieties of flexibility in exporting and the extent at which firms adopt MO's activities in their export venture. The model was examined on 783 export firms, using structural equation modeling and the findings showed that EMO behavior moderate the association between flexibility of export and performance of exporting. Increase in level of EMO was discovered to be related with increase in performance of export sales. Sorensen and Madsen (2012) investigated the relationship of international orientation, MO and the combined effect of them on the success of export marketing. Using survey questionnaire of 249 administered to CEO's with census data, the result indicated that international orientation significantly moderate this relationship.

Sorensen and Madsen (2012) examined the association of international orientation and MO and their joint effect on export market success, using SEM on data collected

from 249 firms. The findings of the study shows that the joint effect of international orientation and market orientation on export market success are present with only market with portfolio. In similar study Chung (2012) provided a link between EMO and export performance with survey data collected from 100 exporting firms in New Zealand. The findings of the study shows export market intelligence generation and dissemination have positive relationship with responsiveness, while, export market responsiveness is positively associated with strategic export performance.

In another strategic orientation's study, Solberg and Olson (2010) compared and contrasted the three management orientation relevant to exporter; export, technology and customer orientation, having employed regression based analysis, the findings of the study suggest that Export performances increase with export commitment. Technology orientation correlates positively with export performance, while customer orientation shows negative correlation with export performance. In the same vein, Sorensen, (2011) examined the roles of customer orientation using data collected from CEOs in manufacturing firms. The outcome of the study shows that there is a strong relationship between industry specific resources and return on asset for firms with high levels of customer orientation

O'Cass and Ngo, (2012) also examined how Market orientation, product innovation and Marketing capabilities create superior performance, having collected data from 155 business firms, the findings of the study Suggest that product innovation capabilities and market capabilities mediate the relationship between firm's marketing orientation and ability to create performance. Ahimbisibwe, Ntayi, and Ngoma (2013) examined the impact of export market orientation, innovation on export performance of fruit exporting firms in Uganda having employed correlation

analysis on data collected from 56 top executives, the findings of the study reveals a significant positive between innovation, market orientation and export performance

In addition to what has been revealed, Murray, Gao, and Kotabe (2011) focused on the internal process from which MO affects performance in exporting, and 491 survey questionnaires' data of export ventures based in China were generated, The outcome of the finding revealed that capabilities of marketing mediates the performance of MO's relationship, competitive advantages were found to be partially intervened the performance- relationship capabilities and the effect of MO on development of new product and capabilities of market communication.

Moreover, Theodosiou, Kehagias, and Katsikea (2012) tested a model that connect alternative strategic orientations with the performance of the firm, based on data received from branch manager of Gbank. It was found that turbulence in the market, competitive intensity and decision making's decentralization play important role in establishing management's priorities of strategy. The orientation of competition and orientation of innovation add greatly to marketing capabilities development which culminated to positive impact on firm performance.

Likewise, Morgan, Katsikeas, and Vorhies (2012) established on the implementation in marketing literature and strategic management to build up a new concept utilization of effectiveness of export marketing strategy implementation in the milieu of manufacturing firms that are venturing in foreign market. The outcome of the finding showed that marketing strategy of effective implementation of premeditated export add to export market and performance of finance and the capabilities of marketing serve an essential purpose in providing strategic marketing implementation that is effective in export venture operation.

Sigh and Mahmood (2013) examined if there is significant relationship between EMO and export performance of SMEs, having employed quantitative survey method and collected data from 201 exporting SMEs and used regression analysis to test the relationship between the two constructs. The findings of the study suggest that there is significant positive relationship between EMO and export performance of SMEs. Besides, Julian and O'Cass (2004) considered a comprehensive determinants of export marketing performance, having gathered data through mail survey of firms exporting from Queensland, Australia. The result supported the fact that export marketing strategy, firm-specific characteristic and market features were the significant elements that decide export marketing performance. Beyond what has been examined, Zhou *et al.* (2007) used contingency view and assessed the performance of a firm based on customer and competitor orientations and the result of finding indicated that a customer orientation contribute to performance in efficiently developed market. It also provides support in market with good conditions' local businesses, availability of greater resources and demanding customer.

In summary, several studies buttressed the assertion that EMO significantly relate with export performance; Murray, Gao, Kotabe, and Zhou (2007); Langerak (2003); Kropp *et al.* (2006); Homburg and Pflesser (2000a), Kirca, Jayachandran, and Bearden (2005) and Cadogan *et al.* (2009). However, export market orientation association with export performance's studies are still few (Zou, 2009; Cadogan & Diamantopoulos, 2002; Zhou, 2007). Gray *et al.* (1999) revealed that more market oriented exporters have higher level of oversea sales, market shares, growth sales and profitability than less market oriented exporters. Rose and shoham (2002) stressed

that export firms that are market oriented would recognize future and current changes and opportunity in their export venture. And more importantly,

Cadogan *et al.* (2009) also supported that export firms that adopt EMO would have better understanding of export customer and at any time tailor its product and resource towards them and achieve better export performance than the competitors. In addition to previous findings, Cadogan *et al.* (2002) discovered that EMO has statistical and significant impact on profitability, market share and sales growth of export firm. In more recent studies, such as Miocevic and Crnjak–Karanovic (2012), Murray *et al.* (2007), Cadogan *et al.* (2009), Chung (2012), Chung (2012) Sørensen and Madsen (2012) and Cadogan (2012), Singh and Mahmood (2013) and Singh and Mahmood (2014) all supported that there is significant relationship between EMO and export performance. Therefore export market oriented behavior/posture in export venturing would result to superior export performance. Thus the following hypothesis:

H2; There is significant relationship between Export Market Orientation and Export performance

2.10.3 Learning Orientation and Export Performance

Some empirical studies have shown that learning orientation is a major factor for achieving competitive advantages and have established connection between firm's learning and firm's performance (Bontis *et al.*, 2002; Brockman & Morgan, 2003; Dodgson, 1993; Tippins & Sohi, 2003). However, little empirical researches have been done on learning in exporting firms (Kaleka & Berthon, 2006). There is a need to examine how to promote export growth and export learning in particular can be an

important avenue to pursue exporting success because domestic market's environment is not as complex and dynamic as foreign market's environment (Leonidou, 1995). An organization may lag behind in export market yet possesses a well organized learning orientation concerning its domestic market and such organization would be suffering without acknowledging the fact that the problem could come from lack of export learning (Souchon, Sy-Changco, & Dewsnap, 2012).

Information about export must be learned, understood and connected to its unit of analysis, because domestic knowledge of sales may not necessarily be related to exporting sales (Cadogan, 2003; Souchon *et al.*, 2012). Export- Learning orientation involves acquisition of export information, sharing of export information, incorporation of export information, administration of mental export models, spreading of export vision, export knowledge quality, reaction to export information and applying export memory (Souchon *et al.*, 2012). The importance of export learning can be seen in competitive competences, the related skills in the level of the firm learning that takes place and the knowledge that springs from it (Souchon *et al.*, 2012).

Since export arena is over and over again complex and dynamic than domestic market, investigating means to improve export growth is significant for researchers in academic, and promoters of export and adopting strategic orientation like learning orientation in export context seems to be a fruitful avenue to improve export performance (Leonidou, 1995). Hence, aptitude to learn and use this knowledge to address turbulent environment so as to challenge export market is the major key to achieve and sustained export performance (Day, 1992).

The learning orientation strategy is multifarious and versatile and it may be ideal to read out to firms to learn more so that they can have better achievement, even though this advice appears to be difficult to practice, one of this research's objectives is to show how learning are really imperative for variety of export decision and to enhance export performance. This study is also to assess to what extent has exporter center on getting new export information, spreading the information, how they should respond to new export information, demanding and challenging the wrong notions and idea about export and making use of export memory (Cadogan *et al.*, 2009; Souchon *et al.*, 2012). In a more specific study, Song *et al* (2009) suggested that firms that act on market information usually do better than those that do not. This findings were further attested by different context of learning orientation's studies such as new product development (Moorman, 1995), the manufacturing sector (Jayachandran, Sharma, Kaufman, & Raman, 2005) and customer relationship management(Souchon, Cadogan, Procter, & Dewsnap, 2004). The use of export information in sea food in Norway and positive relationship between precise facet of export information utilized and reaction to export information and export performance (Toften, 2005).

In order to contribute to entrepreneurial literature Alegre and Chiva (2013) offered a wider picture that includes two intermediate steps; organizational learning capability (OLC) and innovation performance, using structural equation modeling to test the hypotheses on a data collected from Italian and Spanish ceramic tile producers. The outcome of the study buttressed the conceptual model suggesting that OLC and innovation performance should be improved by managers in order to enhance the positive EO–performance link. Wang (2008) examined learning orientation as a missing link between entrepreneurial orientation and firm

performance, using data from 213 medium-to-large UK firms. The findings of the study suggests that that LO mediates the EO-performance relationship, this performance relationship is stronger for prospectors than analyzers and LO must always be in place to maximize the effect of EO on performance

In the assessment of learning orientation construct, Akyol and Akehurst (2003) revealed that for one percent boost in export information intelligence, reaction to export growth boost by roughly 1.4 per cent buttressing a positive relationship between reaction to export information and export growth. It has also been found that organizational memory can give rise to competitive advantage to organization (Souchon *et al.*, 2012). For export firm in today's dynamic environment to achieve competitive advantage depends on its capacity to learn, knowing how to store and how to recover a good memory bank and apply it. Basically, using storage export knowledge is directly related to strategic advantage and has impact on firm's export performance than ordinarily storing them in export memory bank.

International business over the years has become an active zone for organizational learning, and therefore, exporting firms must engage in learning in order to capture share, assimilate new knowledge and compete and grow in the market they have slight or no prior familiarity (Autio, Sapienza, & Almeida, 2000). Barkema, Shenkar, Vermeulen, and Bell (1997) used event-history examination and survey data on 1493 expansion of 25 large Dutch firms between 1996 and 1994 reported that well to do global ventures require learning to function. Firm's ability to learn is a solution to develop competitive and viable benefit. Rhee, Park, and Lee (2010) examined the relationships between drivers of innovativeness and the mediation effects of learning orientation. Using SEM on data collected from 333 technology-innovative small firms

in South Korea. The findings of the study suggest that learning orientation significantly affects innovativeness, and in sequence innovativeness has a significant effect on performance. This shows that learning orientation mediates the relationship between innovativeness and performance.

Several studies on learning orientation revealed that learning orientation significantly impact on firm performance (Naver *et al.*, 2001; Grinstein, 2008; Keskin, 2006; Calantone *et al.*, 2002; Liu *et al.*, 2002; Phromket & Ussahawanitchakit, 2009; Kaya & Patton 2011; Jimnez-Jimnez & Valle 2008). All supported that learning orientation relate with firm performance. However, few empirical studies have investigated learning orientation across firms that are participating in export venture (Kaleka & Berthon, 2006). Since information about foreign customers and competitors is essential and may not be related to domestic market (Cadogan, 2003; Souchon *et al.*, 2012), the ability to learn and apply this knowledge to turbulent environment and challenge export market is the major key to achieve and sustained competitive advantage (Day, 1992), thus this study hypothesizes that:

H3; There is significant relationship between learning orientation and export performance

2.11 Reconfiguring Capabilities as Mediator

Mediating variable is a mechanism that transfers the effect of the independent variables on the dependent variable and normally surface as a function of predicting and explaining the influence of independent variables on dependent variables (Hair *et*

al., 2010). However, Teece, *et al.*, (1997) revealed that the major objective of the strategic management field is to make available philosophical and theoretical explanation of how a firm gains a competitive advantage. Reconfiguring capabilities' frame work contained by strategic management argues that a firm that can build up innovative capabilities and resources crucial to addressing changes in the external environment by integrating updating its already available capabilities would achieve a competitive benefit (Teece *et al.*, 1997).

Meanwhile, reconfiguring capability (RCs) are innovative capabilities that can be used to address changes of firms' capabilities in dynamic environment in order to achieve competitive advantage. Hence, it is an appropriate mechanism that can mediate the effect of strategic orientations (EO, EMO, LO) used in this study on export performance. Secondly, Firm employs RCs to be familiar with environment and take action concerning opportunities and threat by extending, modifying, changing and creating firm's ordinary capabilities to achieve first order change (winter, 2003). Here, in this study EO, EMO, and LO can be regarded as some of the ordinary capabilities that reconfiguring capability mediates their effect on export performance through modification, change and recreation in order to improve the performance of the firm.

The contributions of reconfiguring capabilities take place in so many ways. It can positively affect the firm performance by allowing the firm to identify and respond to opportunities through developing new processes, product and services (Chimielewski, 2007). Reconfiguring capabilities may also advance the tempo, effectiveness, and competence with which a firm function and act in response to changes in its environment and this would positively influence firm performance through taking

advantages of revenue attractive opportunities and regulate its operation cost (Tallon, 2008).

Another contribution of reconfiguring capability could be perceived in development upon the contribution of ordinary capabilities by extending already available resource configuration in ways that result to completely new set of decision alternative (Eisenhardt & Martin, 2000). In the light of this assertion, EO is considered as ordinary capabilities and being the resource of the firm, reconfiguring capabilities mediate by advancing its effectiveness and efficiency and act in response to changes in its environment which would positively influence export performance. For instance scholars like Hu, Zhang, and Niu (2009) found the mediating role of dynamic capabilities based on relationship of EO. New venture's EO has also evident impact on RCs and direct contribution on firm growth of new ventures in China. It established that new ventures EO is affected by characteristic of new ventures, economic structure and other factors; RCs have part mediating effect.

Some other group of scholars (Lu, Zhou, Bruton, & Li, 2009) combined the resources-based view of the firm and the capability building perspective to illuminate light on the essential roles of firm specific capabilities that change major resources into performance outcome. Having employed sample of Chinese entrepreneurial firm, they realized that adaptive capabilities are the firm's ability to coordinate, recombine and allocate resources to meet different requirement of foreign market and this indicated the mediating roles of DCs capability in the association between resources and international performance. Other studies that found the mediating roles of DCs between entrepreneurial orientation and firm performance are Yiu, Lau, and Bruton (2007), Wu (2007) and Zhou, Wu, and Luo (2007).

However, there is scarcity of studies that have used reconfiguring capability as either moderating or mediating variable; therefore and this study considers reconfiguring capability as appropriate mediating variable for this study. Prior literature have shown human resources management practices increases organizational flexibilities and have effect on productivity performance, innovation performance and foreign subsidiary (Jantunen *et al.*, 2005; Laursen, 2002).

Literature on reconfiguring capabilities are very scarce, nevertheless, this study reviewed the available ones, Borch and Madsen (2007) used sample of 235 small and medium firms to develop four categories of RCs, particularly internal and external reconfiguration and integration capabilities, resources acquisition capabilities, learning network capabilities and strategic path aligning capabilities. All the relationship indicated statistically significant for DCs and innovative strategies. This shows that that reconfiguring capability is highly related to capability and can really contribute to innovation in exporting SMEs.

These capabilities might be anticipated to enhance export performance because they are based on perceptive of the environment, learning and firm capabilities to handle the information from the surroundings and this capabilities are easily moveable among different countries, they are not dependent on any context but rather based on the administration of information and learning derived from overseas market (Blesa, Ripollés, & Monferrer, 2007; Fernhaber, Mcdougall-Covin, & Shepherd, 2009).

Export performance is multidimensional, including both economic aspect (financial indicators) and non-economic dimension (product, market, experience component)

(Cavusgil & Zou, 1994). Some observed evidence support the positive association between the marketing capabilities recognized by Day (1994) and export financial performance (Aaby & Slater, 1989). It has been established that a process for methodically exploring export potentials was a very influential discriminator between successful rising exporter and partially paying attention exporter. Moini (1995) recommended that a firm enthusiasm to search for new foreign market is the most important determinant of profit in successful exporting. Furthermore, creating new way of assisting a distributor in the sell abroad market can lead to mutual partnership between the firms and the distributor and collaboration in the export channel will show the way to better performance (Rosson & Ford, 1982). Further pragmatic evidence discovered that the more unvarying the physical delivery channels of distribution and sales force administration the higher the last year's financial performance.

In capability development study, Morgan *et al.* (2012) employed reconfiguring capabilities view to investigate the effectiveness of marketing strategy accomplishment in the framework of manufacturing enterprises that are exporting to global markets. The outcome of the finding revealed that efficient implementation of premeditated export marketing strategy added to export market and financial performance and the marketing capabilities play a central role in enabling effective marketing strategy's implementation in export venture business.

Moreover, Fang and Zou (2009) formed the idea of marketing RCs and investigated their progress in international joint ventures, using regression analysis to assess the hypothesis on the data gathered from senior managers of international joint venture in China, the outcome of the research revealed pragmatic hold up for the impact of

marketing RCs on export ventures' performance and competitive advantages. In more specific study, Jantunen *et al.* (2005) explored the impact of reconfiguring capabilities and EO on export performance by using regression analysis on 217 questionnaires survey collected from organization that are manufacturing and servicing, the result indicated EO of a firm and its reconfiguring capabilities possess an impact on its performance in international market. This provided practical support for the DCs view of the firm.

Furthermore, Karim (2006) assessed theoretical support from reconfiguring capability through research modular organization system and strategy's literature to explore changes in organizational structure and distinguished between unit origin, unit reconfiguration and recombination of unit within the firm and compared the reconfiguration internally developed versus acquired units. The result of the study showed that acquired and internally developed units serve different roles in the process of change and most importantly when firms perceive reconfiguration to be beneficial.

In addition, Galunic and Eisenhardt (2001) described how to reconfigure division through architectural innovation may operate within multi-business firms. The study suggested envisaging corporate division as combinations of capabilities of and product-market area of responsibility that may recombine in various ways. They theorized an organizational form known as dynamic community that embedded these processes. Besides, Karim and Michell (2004) tracked the evolution of 87 product lines and 88 business unit to show how firm innovate within and across firm boundaries by reconfiguring their resources and business, acquiring most of its product lines and unit and actively reconfiguring most acquired unit in attempt to

create new value. The finding provided evidence of the embedded nature of resources within the structure and that internally developed resource where business are most understood are the common sources of innovation.

The underlying perception of this study is that reconfiguring capability gives rise to innovation when maintaining a deep understanding of organizational embedded routines in the process of defining unit and boundaries. It is generally considered as key reconfiguring capabilities for monitoring market and technology trend and for timely responses through resources transformation (Teece *et al.*, 1997). The phenomenon of reconfiguring structures and their resources is important because it would enable firm to know how to use resources in new combination and furthering innovation through effective and efficient use of resources (Kogut and Zander, 1992).

This study considers reconfiguring capability as a sufficient tool to mediate between strategic orientations and export performance of SMEs based on the premises that firms are proactive organization and manager makes decision on structural change in order to learn, find new opportunity and be profitable (Karim, 2006). RCs approaches stresses the frequency and agility with which firm in turbulent environment adapt (Eisenhardt and Martins, 2000). Some researchers have presented varieties view on how firms manage resources between business by altering divisional responsibilities and by using organizational modularity resources (Galunic & Eisenhardt, 2001; Helfat & Eisenhardt, 2004). Internal resources reconfiguration which reconfigure or restructure internal resources involve instigating and implementing newly approved initiatives to change within the firm or occur through adaptation or imitation process

where the newly acquired knowledge and the approved choices are adapted for use in new competitive situation (Zollo and Winter, 2002; Madsen, 2010).

SMEs are facing a lot of challenges on resources coordination and management (Ogunsiji, 2010). Introducing reconfiguring capability is an attempt to focus within the firm on how firm structurally organizes what is internally managed. For instance, acquisitions are malleable components that provide key resources to internal unit, it provides firm with opportunity to experiment with structure as they strive to create value by reconfiguring target (Karim, 2006).

Nevertheless, concerning asset- base configuration, being active in reconfiguring asset does not necessarily mean being efficient, and in orchestrating of change interaction between several organization elements, such as practices, management style, value and organizational may have effect on organization outcome (Sheppeck & Militello, 2000).

More importantly, one of the major contributions of this study is to use reconfiguring capability to provide a view into slogan of innovation within SMEs. This study refers to the management of resources and structure as reconfiguring capability (Karim & Mitchel, 2004). Reconfiguration is a process by which corporation frequently restructure their divisional structure in turbulent market, realign their business and transfer some resources from one business to another by adding, splitting, transferring, existing or combining business (Eisenhardt & Martin, 2000). This is similar to patching, which involves the realignment of structure to match changing business/market opportunity.

Based on this background, SMEs have to map the broad set of resources base and competencies that exist and emerge within the firm (Greene *et al.*, 1999). Thus, the firm has to identify new combinations of productive resources within the firm and to extend the frontiers of capabilities, as this is possible with a discussion of synergies between old resources combination within and new resources outside the firm. As such, reconfiguring capability in SMEs resources would provide benefit from simple organizational structure with little internal limitations increasing flexibility, direct ownership participation and low formalization increasing the speed of decision making and few organizational boundaries and increasing opportunity for linking resources in different parts of the firm (Borch & Madsen, 2007).

Thus firm that is active in implementing new strategies, and method processes in order to match their internal organization operating environment are expected to succeed better in export activities than their passive counterpart (Jantunen *et al.*, 2005). However, there may be substantial comparative differences between organizations in their ability to carry out new routines, and this stresses the fact that it is not only being active but possessing capability to orchestrate change (Edmondson, 2003; Teece, 2007). Therefore, firms with advanced reconfiguring capabilities may be expected to seize opportunity through new resources combination and well organized process and structures.

The reconfiguring capabilities is said to mediate between strategic orientations and export performance in this study based on the fact that firm's ability to build new capabilities, transform its structures and asset base in order to achieve new valuable resources combinations is crucial for achieving and sustaining competitive advantage in changing environment, hence, strategic orientations coupled with reconfiguring

capabilities would enhance export performance of SMEs (Teece *et al.*, 1997). Ability to renew competences so as to achieve equivalence in changing business environment called for certain innovative responses which are expedient when there is environmental turbulence in term of market, technology, regulation and competition. Hence, the term reconfiguring capability emphasizes the key roles of strategic management in rightly adapting, integrating and reconfiguring internal and external organizational skills to match the requirements of the changing environment in order to sustain competitive advantage.

Mediator is a variable that indirectly links independent variable with dependent variable, reconfiguring capability in this study indirectly link strategic orientations (EO, EMO & LO) with export performance (Dependent variable). Mediating roles of reconfiguring capability can be seen from indirect link it provided between EO, EMO & LO and export performance. Reconfiguring capabilities aim at changing a firm's package of resources, operational routines and competencies which in turn affect economic performance of exporting SMEs. This proposition can further be understood from the fact that RBV suggested that rare, valuable, inimitability and nonsubstitutability resources base is directly linked to rents while reconfiguring capability's effect is indirect because it is one step removed from the rent (Bowman & Ambrosini, 2003). EO, EMO & LO employed in this study have direct link with export performance but reconfiguring capability are one step removed from export performance, hence, reconfiguring capability can be used as intervening variable to explain the relationship between strategic orientations and export performance.

Based on this logic, different outcomes would result from deployment of reconfiguring capability by exporting SMEs, it could lead to sustainable competitive

advantage if the resources base that is being reconfigured is not imitated for a long time then the economic benefit would be sustained (Bowman Ambrosini, 2009). Reconfiguring capability could also impact on strategic orientation and lead to temporary advantage most especially when there is hypercompetitive environment, (exporting environment is considered to be turbulent) competitive advantage would only be enjoyed for a while because the competitive advantage is transient rather than sustainable (Rinova and Kotha, 2001). Reconfiguring capability could provide competitive parity if it is not employ to outperform rival but to act on the resources base to allow the firm to ordinarily operate in an industry. Similarly, employing reconfiguring capability to alter the resources of the firm when there is changing in internal or external environment might fail if the resulting resources in question are irrelevant to the market.

Furthermore, the roles of reconfiguring capability can be seen when management employs R&D activities as a response to changes in market or when acquisitions is used to allow firm to reconfigure their mix of resources or when organizational renewal takes the form of product development and product innovation or capability that enable to create and exploit new knowledge and give flexibility to change and compete in changing environment are reconfiguring capability. Exporting SMEs can reconfigure their resources (EO, EMO, LO) and adapt to international environmental changes. All these allow firm to overcome failures and exploit opportunities in their new environment (Karim & Mitchell, 2000).

2.10.1 Reconfiguring Capability and Entrepreneurial Orientation

The basic pre-occupation of EO is reflecting the firm's willingness or attitude concerning engagement in entrepreneurial activities (Wiklund, 1998). Reconfiguring capability is an ability to reconfigure a firm's resources and routines, in the manner envisioned and deemed appropriate by the firm principal decision maker (Zahra *et al.*, 2006). EO relate to a firm enthusiasm to be innovative, proactive, aggressive, autonomous, and engages in risk taking behavior in order to achieve its strategic objectives (Covin & Slevin, 1989; Madsen, 2010). Most importantly, the definition of Zahra *et al.* (2006) quickly bring to mind a useful connection about entrepreneurship as it stressed on active agency in developing and using reconfiguring capability. The ownership perception of opportunities is used to underpin changes in existing routines or resources configuration, their willingness to undertake such changes and their ability to implement the change. (Woldesenbet, Ram, & Jones, 2012).

Hence, this view denotes that reconfiguring capabilities enable firm to adapt and evolve (Helfat *et al.*, 2007). EO can give explanation on how a firm exploits its resources (Wiklund & Shepherd, 2003). While reconfiguring capabilities is the ability to focus on structural changes, business unit reconfiguration, and deletion of unit from the firm and recombination of unit within the firm such that resources and activities are still retained by the firm (Karim, 2006). Thus environment and firm can be seen as important in the relationship between reconfiguring capability and EO. Newey and Zahra (2009) contended that it is not just endogenous shocks which causes changes, but more importantly reconfiguration can also be driven by internal entrepreneur

However, the literature on reconfiguring capabilities has essentially been concerned with ability to reconfigure the firm's resources and its management as reactive in respect to reaction to changes in the environment (Eisenhardt & Martin 2000). This logic follows that, the fundamental need to reconfigure and change resources must be as purpose of change in the environment (Teece, *et al.*, 1997). Even though, EO desires to reflect its five qualities and always supposed to be forward looking, the firm modifies its entrepreneurial orientation through reconfiguring capability (Borrrch & Madsen, 2007; Lumpkin & Dess 2001). Therefore, it is the capability of re arranging the resources into new configuration supported by the chosen strategies that are critical (Grant, 1991).

Thus reconfiguring capability does not only have direct effect on the output of the firm in which they reside, but also have indirect effect on the basic, operational resources (Helfat & Peteraf, 2003). Hence, reconfiguring capability possessed by an exporting firm would identify new combination of productive resources within the firm and extend the frontiers of capability, and connecting several ventures with different resources and enhance the ongoing adaptation of exporting since the linkage improves overall innovation management that would enable the firm to reconfigure its resources and provide way to experiment new idea (Dougherty, 1995; Borch and Madsen 2007). Hence, this study hypothesizes that:

H4; Reconfiguring capabilities mediate the relationship between EO and export performance.

2.11.2 Reconfiguring Capabilities and Export Market Orientation (EMO)

In observing the strategic management field's view that a firm's ordinary capabilities are openly concerned in transforming inputs into output and its RCs convert those operational capabilities to be of assistance to the firm in order to adjust to changes in external environment (Helfat, 2007; Helfat & Winter, 2011). Here, the specific DCs that covert operational capability is reconfiguring capability. Reconfiguring capability is ability to transform and recombine the asset and the resources of an organization (Ambrosini & Bowman, 2009). EMO in this context can equally be considered as ordinary capabilities that enable the firm to observe normal routine of export marketing and reconfiguring capability would convert EMO to enable it to adjust to changes in external environment and thereby maintain and sustain competitive advantage.

The evidence of this can be seen in the study of Morgan, Vorhies, and Schlegelmilch (2006). They discovered that resources inimitability and non-substitutability are directly connected to export venture performance and their finding demonstrated the significant role of inimitability and non-substitutability as DCs play a major role in mediating resources to performance connection in the industrial goods in export venture. This shows that RCs can mediate between EMO and export performance.

Prasad, Ramamurthy, and Naidu (2001) investigated the functions of the internet technology in the link between EMO, market competencies and export performance, the result of the finding indicated that firm's integration of internet technology into marketing actions leverages the power of EMO and the firm's market competencies which go round to have effect on their export performance. The activities of internet

technology here is related to Eisenhardt and Martin (2000) postulation on RCs, that RCs is the specific process to integrate, reconfigure, gain and release resources or even create market change.

However, the study on how reconfiguring capability mediate between EMO and export performance is very scarce, Addition or deletion of product line from the boundary of the export firm or movement of product line between the unit boundaries of the export firm can be regarded as resources reconfiguration. In highly turbulent environment, reconfiguring capability would rely on real time information, cross functional relationship and intensive communication among those involved in the process and external market (Teece, 2007). Similarly, these information acquisition and dissemination behavior are EMO's activities. Sensitivity and response are created by EMO's routine to provide superior export market information and understanding, in the process decrease uncertainty and increase probability of market change (Hou, 2008). Hence, when reconfiguring capability accelerates the effectiveness and efficiency of EMO it would become an important capability and enhance performance impact of EMO (HO & Tsai, 2006). Therefore this study hypothesizes that:

H5: Reconfiguring capability mediates the relationship between EMO and export performance

2.11.3 Reconfiguring Capability and Learning orientation (LO)

Reconfiguring capability involves ability to reconfigure business unit as addition, deletion or recombination of unit as structural design and unit boundaries may influence what and how firm learns, where information accessibility is a key factor for learning (Karim & Mitchell, 2004). While LO involves development of knowledge in

the organization (Grinstein, 2006), it is an organizational attribute that impacts on a firm's tendency to value learning. This gives rise to a change in fundamental organizational norms and value and it is the outcome of being proactive rather than reacting (Cohen & Levinthal, 1990). However, Zollo and Winter (2002) contended that reconfiguring capabilities are learned and stable blueprint of combined activities through which the organization steadily generates and transform its operating routines in order to improve efficiency and effectiveness. Hence, learning orientation is one of the organizational routines. Superior capability in learning play a very important role in creating and sustaining advantage, while reconfiguring capability as a source of renewal in all the resources in the firm and not the least of the basic efficient implementation of the strategy in action (Borch & Madsen, 2007; Helfat & Winter, 2011).

Absorptive capability is reconfiguring capability. This is the capacity of the firm to recognize the value of new external information, assimilate it and apply it for commercial purpose (Cohen & Levinthal, 1990). This absorptive reconfiguring capabilities exhibit stronger ability of learning from business associate, integrating external information and convert it into firm entrenched knowledge in order to improve the performance of the organization (Wang & Ahmed 2007). For instance Hung, Yang, Lien, McLean, and Kuo (2010) in Taiwan high-tech tested an integrative mode of DCs, the outcome of the model indicated that organizational learning culture appreciably impacted performance, its influence was mediated by DCs. This supported the connection of performance of DCs' mediating function between LO and firm's performance. Example of other studies that found the mediating role of DCs on performance are; Hsu and Fang (2009) and WU, (2007).

However, studies on the relationship of how reconfiguring capability mediate between learning orientation, and export performance is very scarce, therefore, this study considers reconfiguring capability as a sufficient tool to mediate between learning orientation and export performance of SMEs based on the premises that firms are proactive organization and manager makes decision on structural change in order to learn, find new opportunity and be profitable (Karim, 2006). Reconfiguring capability would enable the manager of smaller organization to learn, since he plays the significant roles in shaping the firm's future, hence, learning process has to be closely linked. Capability for Reconfiguration and recombination would alter the accumulated asset base of the organization further leading to additional effect on firm performance and competitive advantage (Helfat *et al.*, 2009). Thus, this study hypothesizes that:

H6: Reconfiguring capabilities mediate the relationship between learning orientation and export performance

2.11 Environmental Turbulence as Moderator

Turbulent environments have been described by Calantone *et al.* (2003) and Lynn (2010) as environments with high degree of inter-period change that cause dynamism and uncertainty; the conditions have features of unpredictability, volatility and sharp discontinuity in demand and growth rates and the short time competitive benefits that are persistent are succinctly produced or eroded. The competitive structure of the industry is persistently change by the low barriers to entry/exit. This type of environment is characterized with unfamiliar, hostile, heterogeneous, uncertain, complex, dynamic and volatile. Combined jointly, these descriptions amount to a

measure of environmental turbulence (Covin & Slevin, 1989; Dess & Beard, 1984; Eisenhardt & Bourgeois, 1988; Glazer & Weiss, 1993).

Generally, when there is high degree of turbulent environment there would be higher risk and uncertainty and reinforcing high level of proactive approach would be needed in the strategic planning process (Lindelöf & Löfsten, 2006). The examples of industries that are typified as being highly turbulent by their nature of instability are computer and telecommunication industries (Bourgeois & Eisenhardt, 1988). Dess & Beard (1984) highlighted scopes of turbulent environment, namely; stability (steady or not change environment)-instability (unsteady or sudden change environment), homogeneity(the same type of environment)-heterogeneity(different types of environment) and concentration(one direction or attension)- dispersion (varied types of environment). Therefore, for an export firms to succeed and have sustainable competitive advantage would depend on its ability to find its feet to the varying environment through the support of tactical and strategic orientations (EO,EMO & MO) and dynamic capabilities. Hence, the complexity of international enviroment would always increase the needs for strategic activities and planning.

The roles of environmental turbulence could be considered as potential contingent factor that influence the effectiveness of the usage of the strategic orientations. This assertion is evident in contention of Lumpkin and Dess (2001) that when the environment is turbulent, hostile, full of uncertainty, the qualities associated with entrepreneurial orientation can be justified for its ability to seize new market and opportunity in spite of unfriendly situation. Another role of environmental turbulence could be shown where demand regularly shift, opportunities turn out to be plentiful and performance level is expected to be at peak for firms that have special

orientation in chasing after new opportunities since they possess a good fit/match between their orientation's strategy and the external environment (Wiklund and shepherded, 2005).

Furthermore, environmental turbulence enables exporter to learn more about his export market and entire value chain and recognize ways to boost profit margin since today's business environment is turbulent export firm relies on its capabilities to learn, store and to retrieve a good export memory bank in order to achieve and maintain competitive advantage (Souchon *et al.*, 2012; Cadogan *et al.*, 2012). It has also been stressed that when there is environmental turbulence, organizational learning effectiveness (OLE) would monitor market development, coordinate activities in multiple relationship, and moderate the unique knowledge and establish innovative outcome relationship, thereby, improving the performance of export firm (Phromket and Ussahawanitchakit, 2009). Similarly, the roles of environmental turbulence can also be seen from the fact that when there is Increase in turbulence in the export environment, there would be increase in an organization's need to acquire and respond to environmental information, the basic elements of turbulent environment such as intense competition, rapid technological change, market turbulence and regulatory turbulence always increase the need to be market oriented and actively monitor and respond to changes in the environment which would enhance and sustain competitive advantage (Cadogan in press)

Hence, environmental turbulence would enable firm to respond to changing customer needs and wants, develop competitive strategies, identify new market opportunities and compel firm to match the firms' marketing capabilities with the conditions facing the firm (Rose and Shoham, 2002). Thus Jaworski *et al.* (2000) crowned it all that

competitive battleground created by turbulent environment often focuses on changing customers' perceptions of the focal firm's offerings versus the competitors' offerings on attributes known to be considered important by customers.

Therefore, adopting contingency approach in this thesis builds on the previous streams of studies in export venturing that stressed the significance of contextual situation in exporting and the relationship among strategy, structure and environment (Yeoh & Jeong, 1995). That is, 'fit' or match, between a firm's strategy and its context. Cavusgil and Zou (1994) contended that this has a positive implication on export performance. This is solely real to observe for those operating in overseas marketing and they are vulnerable to vary and complicated environmental context both at industrial level, firm's level and even in their host and home country. It is now left for them to adopt the best strategic approach to face and challenge the situation at hand in order to succeed in foreign market (Kaynak & Kuan, 1993). Market literatures have suggested the use of contingency's perspective in evaluating and examining the determinant of export performance (Yeoh & Jeong, 1995). Samiee and Walters (1990) and Cavusgil and Zou (1994) suggested that contingency approach is appropriate to examine export performance.

2.11.1 Environmental Turbulence and Entrepreneurial Orientation

Relating this theory to environmental context already discussed as dynamic, hostile, complex, turbulent and benign with strategic orientation that can be adopted, this study contends that firms have to reposition their marketing orientations to act in response to changes in external environment in order to attain greater performance

(Cadogan *et al*, 2009; Boso *et al.*, 2012). Turbulent environment which sometimes characterize with high-tech industries were established to promote entrepreneurial firm-level behavior (Miller *et al.*, 1988; Yeoh & Jeong, 1995). That is, entrepreneurial innovativeness; risk taking and pro activeness are often associated with uncertain, hostile and turbulent environment.

Environmental turbulence is a potential contingent factor that may influence the effectiveness of the usage of the strategic orientations. Lumpkin and Dess (2001) contended that when the environment is turbulent, hostile, full of uncertainty, the qualities associated with entrepreneurial orientation can be justified for its ability to seize new market and opportunity in spite of unfriendly situation. Pratono and Mahmood (2014) determined the relative importance of organization structure, reward system and environmental turbulence as entrepreneurial variables to predict firm performance, having employed hierarchical regression approach, the result of the study indicates that environmental turbulence have significant impact on the relationship between entrepreneurial management and firm performance.

Shehu and Mahmood (2014) examined the relationship between business environment toward small and medium enterprises (SMEs) performance among Nigerian firms. Data was collected from 640 owner/managers. Having employed multiple regression analysis the findings of the study shows a significant and positive relationship between the business environment and business performance of SMEs. Jabeen and Mahmood (2014) investigated the moderating role of external environment on the relationship between EO and business performance of SMEs in Pakistan. Using SPSS on surveyed samples of 220 SMEs, the results of the study show that EO is positively and significantly impacts business performance and

external environmental moderate the relationship between EO and business performance

Several scholars like Miller (1983), Covin and Slevin (1989), Lumpkin and Dess (2001), Wiklund and Shepherd,(2005), and Boso, Cadogan and Story (2012) subscribed to the fact that only through adopting an entrepreneurial orientations can exporting firms effectively deal with prevalent forces in turbulent, hostile and dynamic export market. Wiklund and shepherd (2005) declared that dynamic environment where demand regularly shift, opportunities turn out to be plentiful and performance level is expected to be at peak for firms that have special orientation in chasing after new opportunities since they possess a good fit/match between their orientation's strategy and the external environment. In addition, Zahra (1993) and Zahra and covin (1995) also established moderating effect of environmental turbulence. Hence, this study hypothesizes the following:

H7: Environmental turbulence moderates the relationship between entrepreneurial orientation and export performance

2.11.2 Environmental Turbulence and Export Market Orientation

In stable market any uncalculated and extensive risk taking, vigorous pro-activeness and strong stress on innovation can be disastrous when competitive conditions are becoming more alarming (Miller & Friesen, 1983). Based on this proposition, Lumpkin and Dess (2001) suggested that as the environment becomes more stable market orientation would offer higher performance than EO as the response to competitive situation through MO would be made easier in steady and definite

environment where there is evidence in the rules of the game. This buttressed the assertion that, turbulent environment may not be suitable for market oriented firm, because market driven exporting firms focus on customers and competitors which may lead the firm to deliver product that are line extensions or imitation which might in return lead to low performance(Jiménez-Jimenez *et al.*, 2008).

It has also been contended that MO might only be suited if firm is considering driver of export customer satisfaction (Oliveira *et al.*, 2012). Further, Kohli and Jaworski (1990) contended that MO is not suitable for a firm operating in highly turbulent environment. However, some studies asserted that MO is the predictor of firm performance regardless of environmental turbulence (technology) (Gray, Greenley, Matear, & Matheson; Pulendran, Speed, & Widing, 2000). Some other studies like Kohli and Jaworski (1990) and Pelham and Wilson (1995) discovered that MO has important relationship between the firm performance despite the consequences of competitive intensity. While, Cadogan, Sundqvist, Salminen, and Puumalainen (2005) contended that at some point in the high competitive intensity, technological change, market turbulence and regulatory pressure, the firm product may not meet up the customer anticipation and the firm may lose its customer.

In addition, Voss and Voss (2000) contended that customer's desire and interest are not easy to be known and customer orientation is negatively connected to firm performance in a highly market turbulent. So also, Murray *et al.* (2010) also argued that in highly turbulent export market, forecasting customer's strong desires and needs may not be trouble-free and therefore by swiftly taking definite course of action or making definite changes of new product development may not bring into being positive result for the firm.

Nevertheless A-Talib (2005) advanced that the moderating roles of environment in the relationship between EMO and export performance varies in different context, however, environment plays an important moderating roles in the relationship between EMO and export performance. Similarly, Cadogan *et al.* (2005) suggested that adopting EMO at this critical turbulent situation may offset the effect of export market turbulence. In specific export market, several studies suggested strong relationship between EMO and export performance; Cadogan *et al.* (2009), Cadogan, Cui, and Li (2003) Pulendran *et al.* (2000), A-Talib (2005) and Matanda and Freeman (2009) they realized in their findings that external environment moderate the relationship between EMO and firm performance.

Therefore, since there is no general agreement among the scholars about whether EMO is appropriate when the environment is turbulent, Cadogan *et al.* (2009) called for research to determine the moderating effect of environment between EMO and export performance. French and Cadogan (2012) declared that the environment moderating the relationship between EMO is still not clear and there is a need to conduct more research in this area. Before the previous studies, Cadogan, Cui, Morgan, and Story (2006) had suggested that more research was needed to determine the moderating effect of environmental turbulence on the relationship between EMO and export performance. This study takes up this challenge and seeks to confirm the moderating effect of environmental turbulence on the relationship between EMO and export performance.

H8: Environmental turbulence moderates the relationship between export market orientation and export performance

2.11.3 Environmental Turbulence and Learning Orientation (LO)

Learning orientation (LO) can be described as improvement of innovative understanding or insight that can possibly control actions (Slater & Narver, 1995). In recognizing opportunity, learning can play a key role (Lumpkin & Lichtenstein, 2005). Targeting and entering new market with existing goods in exporting can be facilitated by LO (Kropp *et al.*, 2006). Exporter learns about his export market and entire value chain and recognize ways to boost profit margin (Cadogan, 2012). Today's business environment of export firm relies on the capabilities of export firm to learn, store and to retrieve a good export memory bank in order to achieve and maintain competitive advantage (Souchon *et al.*, 2012).

Following this background, Leonidou and Theodosiou (2004) supported the view that environmental turbulence is appropriate for learning oriented firm. Jiménez-Jiménez and Sanz-Valle (2011) explored relationship between organizational learning and both performance and innovation, using data collected from 451 Spanish firms. The results of the study show that organizational learning and innovation contribute positively to business performance, and organizational learning also impacts on innovation, While environmental turbulence moderate these relationship Cadogan, (2012) and In similar study, Jiménez-Jimenez *et al.* (2008) discovered that firms which are learning stand better chance of appreciating the effect of the changes in their environment and are better than competitors in taking action quickly because they are more incline to change business significant assumption when they are open to the elements of new information and event. Consequently, learning oriented firm would be able to adapt when there is market turbulent since they are related to more pro active and new to

the market innovation and necessitate change in the way business are perceived (Baker & Sinkula, 2002; Slater & Naver, 1995; Jimnez-Jimnez *et al.*, 2008).

Thenceforth, the ability and capacity to learn and apply new knowledge to turbulent environment and in the process challenge export market has been described as better competitive strategy for higher performance (Nonaka, 1995). For this reason, Souchon *et al.* (2012) contended that in very high level of environmental turbulence response to export information make easy by better acquisition and distribution of export information and management of mental model would result in more nearness to the customer, better value creation and better potentials for export growth. The following hypothesis is posited:

H9: Environmental turbulence moderates the relationship between learning orientation and export performance

2.12 Research Framework

Conceptual framework is an analytical tool with several variations and contexts. It is used to make conceptual distinctions and organize the ideas of the present study. The conceptual frame work delineates the input as well as output of the present research project. The variables that need to be tested are linked together.

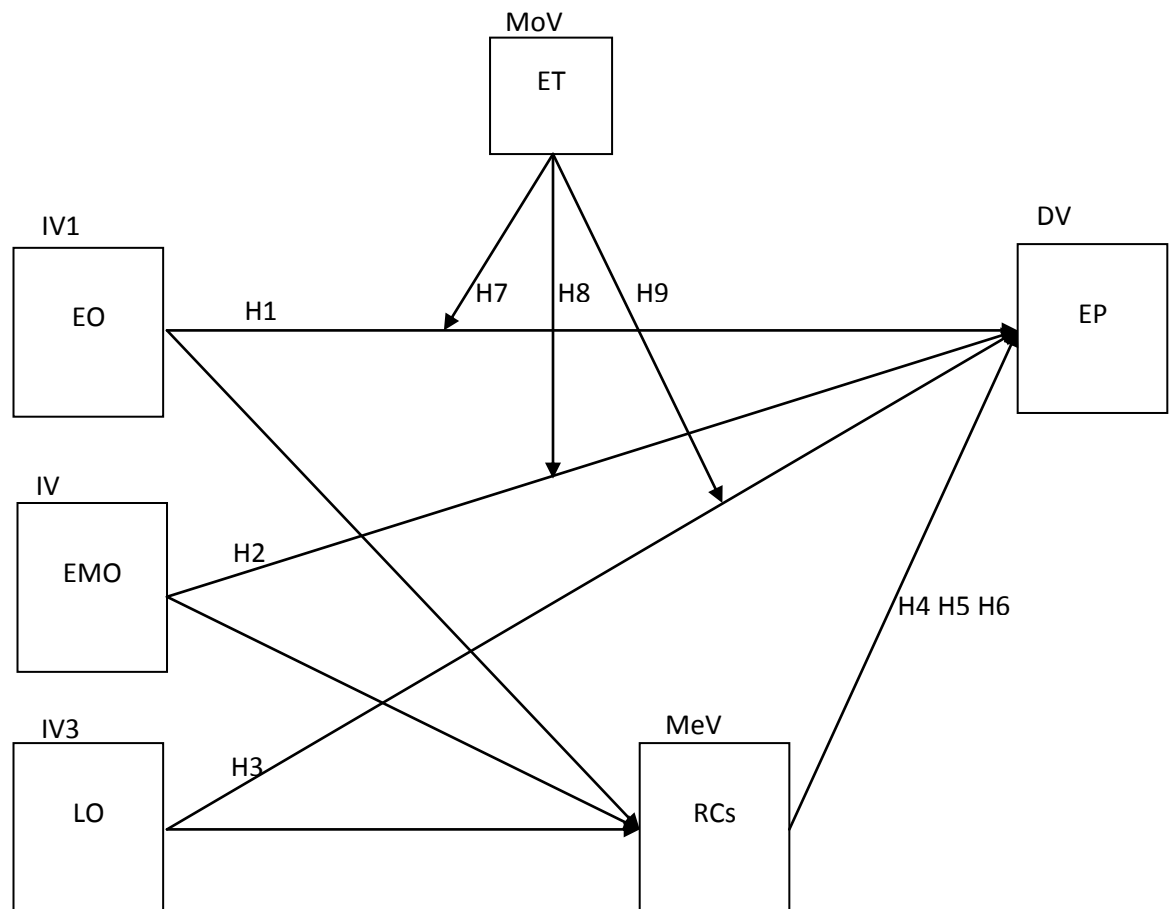


Figure 2.1
Conceptual Frame Work

The research framework for this study is based on Resources based theory, contingency- based View and dynamic capabilities. The basic element of RBV is identification of the presence of inimitable resources which cannot be eroded by competition overtime. Thus resources must be continually developed (Kor & Mahoney, 2004). This view perceived firm specific resources such as asset and capabilities as the drivers of a firm business strategy (Kropp *et al.*, 2006). In this study EO, LO, and EMO are considered as resources which have potentials to enhance firm performance. Dhanaraj and Beamish (2003) contended that resource based view

should be the pillar for rigorous building in area of export performance. The following scholars have used resources base view in their study and further suggested that future writers should use the theory; Cadogan, *et al.*, (2009), Lages *et al.*, (2009). Therefore RBV is appropriate to explain the strategic orientation tool employs to predict export performance in this study.

Dynamic capabilities can be seen as an extension of the resource-based view because the firm is regarded as an embodiment of resources like skills and knowledge-based resources (Hou, 2008). Hence, competitive advantages begin from the creative integration and exploitation of these resources in the market place. Capabilities are learned and stable patterns of collective activity through which the organization systemically generate and modifies operating routine (Zollo & Winter, 2002). Teece (2007) posited that DCs are the ability to sense and then seize new opportunities and to reconfigure these to achieve competitive advantages. It is the capacity that the firm has to shape, re-shape, configure and reconfigure in order to radically respond to technological and market changes (Teece, 2007).

The resources Based view has stressed that the key to achieve sustainable competitive advantage from organization stock of resources depends on the ability to integrate variety of resources to create formidable organization capabilities (Teece, 2007; Hou, 2008). The origin of DCs can be traced to Teece and Pisano (1994). They posited that in a dynamic environment an organization's competitive advantage would hinge on its internal process and routine which subsequently assist the firm to renew and change its package of organizational capabilities. Eisenhardt and Martin (2000) argued that DCs are the routines in a firm that lead and moderate the development of the firm's organization capabilities by replacing its basic resources. Goods and services are

produced by organizational capabilities while the renewal and development of organizational capabilities is carried out by DCs. The literature indicated that established firms really derived benefits from DCs, for instance Zollo and Winter (2002), King and Tucci (2002), Griffith and Harvey (2001) and Sapienza *et al.* (2006) and Sapienza, Autio, George, and Zahra (2006) showed how established organizations employed DCs in creating new business strategy, completing successful mergers, entering new market and successful internationalization. SMEs have been neglected in research of DCs (Zahra *et al.*, 2006). Hence, the skill and competencies of these SMEs need to be reconfigured, upgraded and recombined to ensure successful adaptation for growth. Therefore DCs are appropriate tool to explain the need for improvement and greater performance in exporting SMEs.

Furthermore, moderating perspective contended that the effect that a predictor variable possesses on criterion variable is contingent on the level of a third variable known as moderator, fit between the predictor and moderator is the most important determinant of the criterion variable (Venkatraman, 1989). Thus, adopting contingency approach in this thesis build on the previous streams of studies in export venturing which have stressed the significance of contextual situation in exporting and the relationship among strategy, structure and environment (Yeoh & Jeong 1995, Wiklund & Lumpkin, 2009). That is, ‘fit’ or match, between a firm’s strategy and its context, Cavusgil and Zou (1994) contended that this has a positive implication on export performance. This is imperative for the firms that are operating in overseas market and vulnerable to varied and complicated environmental context both at industrial level, firm’s level and even in their host and home country. It is now left for the firms to adopt the best strategic approach to succeed to suit the challenges at hand (Kaynak & Kuan, 1993). Market literatures have suggested the use of contingency

perspective in evaluating and examining the determinant of export performance (Yeoh & Jeong, 1995). Samiee and Walters (1990) and Cavusgil and Zou (1994) all suggested that contingency approach is appropriate to examine the export performance of firms.

Moreover, environmental turbulence is a potential contingency factor that may influence the effectiveness of the usage of the strategic orientations. Lumpkin and Dess, (2001) contended that when the environment is turbulent, hostile, full of uncertainty the qualities associated with entrepreneurial orientation can be justified for its ability to seize new market opportunity in spite of unfriendly situation at hand. On account of this, Cadogan *et al.*, (2009) suggested that contingency theory is appropriate to determine the consequence of EMO behavior. Therefore contingency is appropriate to explain the framework of moderating impact of environmental turbulence on the relationship between EO, EMO & LO and export performance of SMEs.

2.13 Summary

This chapter has successfully discussed the independent variables (EO, EMO & LO), Moderating variable (Environmental Turbulence), mediating variable (RCs) and dependent variable (export performance). The chapter introduced and related the three underpinning theories (RBT, contingency & DCs theories) that underlying the study. Studies that related the construct to one another are identified, compared and contrasted. Then, hypothesis propositions with each of the constructs followed, relating each of them in the order of research questions. Lastly, the conceptual

framework of the study is illustrated diagrammatically and how the relationship among the constructs is underpinned by the three theoretical paradigms are finally discussed.

CHAPTER THREE

METHODOLOGY

3.1 Introduction

Based on the conceptual frame work presented in the last chapter, the intention of this study was to test the hypotheses formulated. The first set of hypotheses has to do with the relationship between the three strategic orientations (EO, EMO, & LO) and export performance. The second set of hypotheses deals with the moderating effect of environmental turbulence on the relationship between strategic orientations and export performance. While the third set of hypotheses deals with the mediating effect of reconfiguring capabilities on the relationship between strategic orientations and export performance. All these sets of hypotheses are tested in chapter four of this thesis. In order to carry out the test successfully, a thorough quantitative field survey of exporting firm was conducted. Meanwhile, this chapter three is organized as following, first; research design, second; population and sample, third; measures of the variables, fourth; validity and reliability, fifth; pilot test, sixth; data collection procedures, seventh; assumptions (linearity, normality, multicollinearity) eighth; correlation analysis, ninth; data analysis.

3.2 Research Design

Research design is a master plan that specifies the method and procedures for collecting and analyzing the required data (Hair, Black, Babin, & Anderson, 2010a; Hair, Wolfinbarger, Ortinau, & Bush, 2010b). This means research design provides a structure for the study. All the objectives specified from the inception of this research are included in this design to make certain that the information collected could be suitable for solving export performance's problems. The study employed quantitative approach to assess structural relationship among constructs. Hair *et al.* (2010) highlighted four basic design techniques for descriptive and causal researches as survey, experiments, secondary data and observation. Survey has been acknowledged as the most widely used social science data- gathering technique. It is the method of collecting data based on communication with representative sample of individual (Zikmund, Babin, Carr, & Griffin, 2013). Forms of survey are identified as phone interview, internet, opinion polls, and various types of questionnaires (Neuma, 2011). Surveys is the process of posing many questions at a time and many variables are measured at once which give room to the gathering of expressive and examination of multiple hypotheses in one study (Neuma, 2011). This study employed survey instrument based on measures used in the past literatures on export performance (Okpara & Kabongo, 2009; Collins-Dodd, 2000; Ibeh, 2004).

Furthermore, Lumpkin and Dess, (2000) suggested that questionnaire survey has moderately high level of validity and can determine intent and portray the process connected with firm strategic orientations. In addition, questionnaire survey can produce great quantity of data that can be subjected to numerical analysis and give the

respondents the utmost discretion to answer the questions (Snow & Thomas, 1994). Questionnaire survey method has been said to be the most general and appropriate method of producing primary data in business study (Hair *et al.*, 2010a). Therefore, questionnaire survey is appropriate for this study. The survey instruments asked questions about the firms' learning orientation, marketing orientation, and entrepreneurial orientation, reconfiguring capabilities, environmental turbulence and their synergistic effects on export performance.

3.3 Population Sample

Denscombe (2010) described population as all the items in the class of things that are being researched. Population is the entire group of people, events or things that a researcher delights to investigate (Cavana & Sekanran, 2001). The research's population of this study refers to all the items in the category of export in Nigeria. The survey population or target group is SMEs' exporters in Nigeria (Cavana, Delahaye, & Sekaran, 2001; Denscombe, 2010).

Sample is the subgroup of the population (Cavana *et al.*, 2001). Sampling entails any process that draws conclusion based on the measurement of a segment of population (Zikmund, Carr, & Griffin, 2012). This consists of some members chosen from the population's sampling frame. Cavana *et al.* (2001) explained sampling frame as the list of all items in the population where the sample is selected. The sample of this study was selected from the population sampling frames; Manufacturing Association of Nigeria (MAN) of Export promotion Group Directory.

In order to allow procedure to enhance observed variance and strengthen the generalizability and the external validity of the finding, multiple industry sampling was adopted (Morgan, Kaleka, & Katsikeas, 2004; Samiee & Roth, 1992). Hence, from this directory, about five industrial sectors were selected. This followed the guidelines/criteria for SMEs (Storey, 1994). The directory provides the name, telephone and fax number of the executives/officers who are in charge of exporting as well as necessary information about the company, such as, the address, industry, product and services offer and current export market. This directory was also used in the previous study (Okpara & Kabongo, 2009a).

Generally, the basic criteria used to determine which firms were included in the sampling frame are: business should meet the definition of small and medium enterprises as defined by Nigeria National Council on Industry 2001. That is, business that employs between 10 and 300 employees, business should be manufacturing its products, business should be exporting its products, such business should be manufacturing or exporting any of the following products: textiles/clothing, food and beverages, plastic and chemicals, leather and shoes (the product mentioned are within the groups of labour intensive and light manufacturing goods that most of the scholars writing on exporting in developing countries focus their research). Lastly, Business should have a total cost between and not more than #5 million to #200million. Prior studies in exporting have used some of these requirements for developing countries (Ibeh, 2004; Okpara , 2009).

3.4 Sample size and Power Analysis

Determining sample size is vital in a survey research (Barlett, Kotrlik & Higinns, 2001). Generally, a suitable sample size is needed so that the total number of sampling error would be minimized. In order to minimize sampling error, there is a need to consider the power of statistical test. Hair, Ringle, and Sarstedt (2011) and Hair Jr, Hult, Ringle, and Sarstedt (2013) suggested that the required sample size should be determined by means of Power analysis. It is statistical procedure for determining an appropriate sample size for research study (Hair, Ringle, and Sarstedt, 2011).

Thus, in order to determine the minimum sample for this study, a priori power analysis was conducted using G Power 3.1 soft ware (Faul *et al.*, 2007). Using post hoc: compute achieved power- given α , sample size and effect size and 3 predictor variables (i.e. EO, EMO, LO,). The minimum sample of 327 would be required. The figure 3.1 shows the output of priori power analysis (G power 3.1) used in the present study.

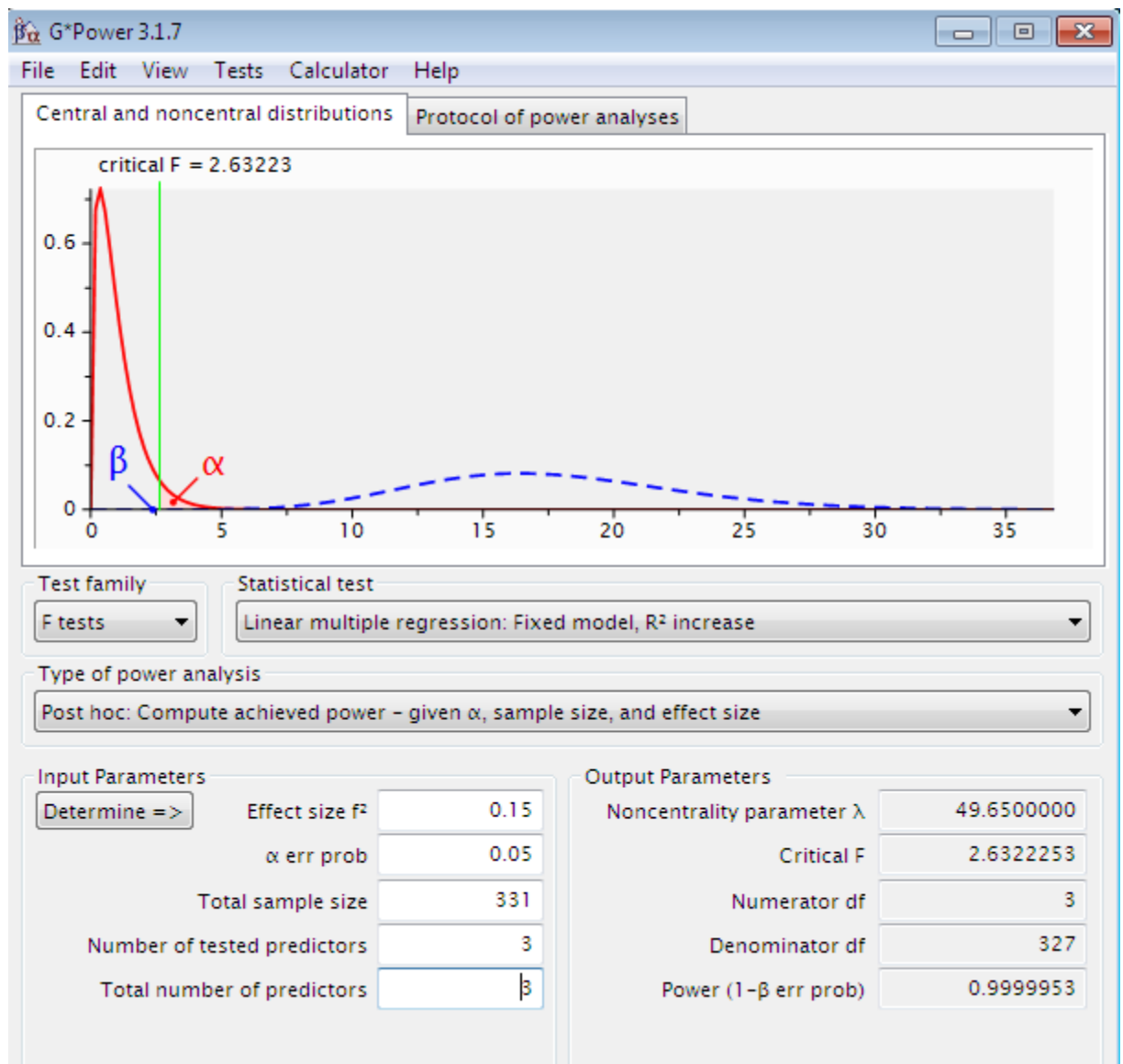


Figure 3.1
Fig output of a Priori Power Analysis

Even though the output of priori power analysis showed in figure 3.1 that 327 subjects would be required for the present study, the researcher having considered the poor response rate in Nigeria (Asika, 1991), deemed it necessary to consider other means of sample size for the given population.

Krejcie and Morgan (1970) specified sample size determination criteria was also used to determine sample size in this study for its level of confidence and precision to ensure sampling error is minimized. About 2200 exporting firms were identified in

the sampling frame of Manufacturing Association of Nigeria (MAN). By referring to the sample size table generated by Krejcie and Morgan (1970) for a given population of 2200, a sample size of 327 would be required to represent the population of this study. In addition to this, the sample size of 327 was increased by 40% to further minimize low response rate from those respondents that might not cooperate (Salkind, 1997). The sum of this percentage (130) with 327 gave rise to total sample size of 457.

3.5 Sampling Technique

The sampling technique used in this study is proportional stratified sample. This is the sampling technique in which the number of sampling units drawn from each stratum is proportionate to the population size of that stratum (Zikmund, Babin, Carr, & Griffin, 2013). Some reasons for using this sampling design are; it has higher statistical efficiency than a simple random sampling; it is much easier to carry out than other stratifying methods and it provides a self weighting sample (Cooper & Schindler, 2009). The major reason for using proportionate stratified sampling in this study was to ensure that the sample would accurately reflect the population on the basis of the criterion used for stratification (Zikmund, Babin, Carr, & Griffin, 2009). As earlier stated from the inception of this study, the population of the study is dispersed across three geographical areas (south west-Lagos, North Central- Kano, South East-Kano) hence; three distinct sub populations could be identified based on this geographical dispersion. Thus, stratification was used to decrease the variances of the sample estimates. The population of the study was divided according to the sampling fraction (0.208) in each stratum

The population of the study is 2200 and the sample size with 40% adjusted for the non-response rate is 457. The SMEs' exporter in Lagos constituted about 65% of the population; Kano constituted 25% and Aba 10%. Table 3.1 depicts the sample size selection for the present study.

Table 3.1
Sample Selection

Cities	Lagos	Kano	Aba	Total
Population	1430	550	220	2200
Stratum proportion	.65	.25	.10	1
Sample Size	297	114	46	457

The sampling fraction in each stratum was $457/2200=0.208$. The sample size was selected from different strata by applying this sampling fraction in Table 3.1.

Systematic sampling is a statistical method involving the selection of elements from an ordered sampling frame (Sekaran & Bougie, 2013). In this approach, progression through the list of Manufacturing Association of Nigeria (MAN) export Group directory is treated circularly, with a return to the top once the end of the list is passed. . As earlier stated five industrial sectors were selected; textiles, food and beverages, plastic, leather and chemicals which are products within the groups of labour intensive and light manufacturing (Ibeh, 2004).

Table 3.2
Industrial Sectors in the Sample

Products	Lagos	Kano	Aba	Total
Food	59	22	9	90
Leather/shoes	61	26	10	97
Chemical	59	22	9	90
Plastic	59	22	9	90
Beverages	59	22	9	90
Sample Size	297	114	46	457

The Table 3.2 shows the business in the sample sizes and the number of firms selected in each industrial sector and each geographical locations. Leather or shoes' firms have the highest numbers across the three geographical locations because it has larger number of firms among the industrial sectors selected

The sampling starts by selecting an element from the list at random and then every 4.81 element in the frame is selected, where k / the sampling interval (4.81)

$$k = \frac{N}{n}$$

where n is the sample size, and N is the population size.

$N = 457$ (population plus the adjustment made for non response rate)

$N = 2200$ (sample size)

Hence, sampling interval $= 2200 \div 457 = 4.81$

3.6 Measures

Measures are used to spell out how set of measured items represent a set of construct(Hair *et al.*, 2010b). To render a variable measurable one needs to look at the behavioral proportions, aspect or properties exhibited by the construct which could be translated into observable elements so as to form a guide for the variable (Cavana *et al.*, 2001). In this study the variables to be measured are the independent variables; Entrepreneurial Orientation, Export Market Orientation, and Learning Orientation. Moderating Variable is Environmental turbulence; mediating variable is reconfiguring Capabilities while Dependent Variable is export performance. All these constructs are operationalized based on items developed from prior studies. The reliability and validity of all the variables had been tested in previous researches on export performance and found to possess a well-grounded measures

3.6.1 Measures of Entrepreneurial Orientation

The first scale developed was introduced by Khandwalla (1977). Thereafter, Miller and Friesen (1983) proposed five items scale. Following this development, extensive researches have been carried out by several scholars. Covin and Slevin (1989), Nine item scale, Lumpkin and Dess (1996) conceptualized EO as five dimensional concepts; proactiveness, risk taking, innovativeness, competitive aggressiveness and autonomy. Covin and Slevin (1989) Particularly developed on Miller and Friesen by adapting some items from their existing instrument and added four other items to develop a better scale that would reflect entrepreneurial orientation's construct. The

data for the study was collected from 344 firms in Western Pennsylvania. The 0.87 (coefficient alpha) depicted that the scale was reliable and factor analysis was used to check the construct validity and the items were loaded on single factor (Arnold, 1991). This measure have been considered viable instrument for capturing firm level entrepreneurship. The vast majority of studies related to EO used only proactiveness, risk taking and innovativeness (George & Marino, 2011) which are version of the scale suggested by Covin and Slevin (1989). Moreover, Jantunen *et al.* (2005) realized that the three dimensions are closely related through the composite measure constructed as an average of all nine items which resulted in reliability coefficient of .74. The guidelines regarding composite reliability considered this satisfactory (Nunnally, 1978). Hence, this study adapted the nine items' measure of Covin and Slevin 1989 for parsimony and credibility Table 3.3 depicts the measures of entrepreneurial orientation's survey items, and source from which this measure was adapted.

Table 3.3
Measures of Entrepreneurial Orientation

Construct	Items	Survey items	Source
Entrepreneurial Orientation	EOO1	Our firm makes strong emphasis on technological leadership and innovation.	Covin and Slevin (1989)
	EOO02	In our firm changes in product and service lines have been quite dramatic	

Table 3.3 (Continued)

EOO03	Our firm typically initiates actions which competitors then respond to.
EOO04	Our firm is often the first business to introduce new product/service.
EOO05	Our firm often adopts a very competitive undo –the-competitors’ posture.
EOO06	Our firm has a strong proclivity for high risk projects,
EOO07	Owing to the nature of the environment, bold, wide-ranging acts are necessary to achieve the firm objective.
EOO08	Our firm typically adopts a bold aggressive posture in order in order to exploit potential opportunity
EOO09	Our firm has many new products or services

3.6. 2 Measures of Export Market orientation

Previous researches have used different approaches to operationalize market orientation (MO) and three conceptualizations of MO have dominated the market literature (Kohli & Jaworski, 1990; Narver & Slater, 1990). The three dimensions of Narver and Slater (1990) are customer orientation, competitor orientation and inter-functional coordination, while the three dimensions of MO by Kohli and Jaworski (1990) are market intelligence generation, dissemination and responsiveness. All these dimensions are relevant in the context of exporting (Kaya, 2008).

This study employ the scale of Matsuno, Mentzer and Rentz (2000) having compared Naver and Slater's (1990) MKTOR scale, Kohli and Jaworski's (1993) MARKOR scale. The previous researchers have realized from theoretical domain perspective that MARKOR scale appears to be superior to MKTOR since it was consistent with domain of market orientation, most especially as set of intelligence related behavior and a broader scope of factor in marketing, while matzuno and *et al.* (2000) was an improvement to all these other scales. Several studies have employed these scales and found it reliable and valid in the context of exporting (Boso *et al.*, 2012; Cadogan *et al.*, 1999; Cadogan, Paul, Salminen, Puumalainen, & Sundqvist, 2001). Table 3.4 depicts how this study selected and adapted 17 items from the original scale. Seven items are selected from intelligence generation, 6 items from intelligence dissemination and 6 items from responsiveness. Table 3.4 shows the measures of export market orientation, the dimensions (Table 3.4 shows export intelligence generation), survey items (7 items) and Matsuno, Menter & Rentz (2000) as a source from which this measure was adapted.

Table 3.4a.

Measures of Export Market Orientation (Export Intelligence Generation)

Constructs	Dimensions	Code	Survey items	Source
Export Market Orientation	Export Intelligence generation	GIM01	Our firm meets with customers to find out what products they may need in the future	Matsuno, Menter & Rentz (2000)
		GIM02	Individuals from our firm interact directly with customers to learn how to serve them better.	
		GIM03	Our firm do a lot of in-house market research	
		GIM04	Intelligence on our competitors is generated independently by several departments of our firm.	
		GIM05	Our firm collects and evaluates information concerning social trend that might affect our business.	
		GIM06	In our firm we are slow to detect fundamental shift. (R)	
		GIM07	Our firm spends time with our suppliers to learn more about aspect of business	

Table 3.4b depicts export intelligent dissemination as one of the dimensions of export market orientation (EMO) construct. The table reflects the seven survey items and Matsuno, Mantzer & Renz (2000) as a source from which this measure was adapted.

Table 3.4b

The Measures of Export Intelligence Dissemination

Construct	Dimension	Codes	Survey items	Source
Export Market Orientation	Export Intelligence Dissemination	DIM01	Data on customer satisfaction are disseminated at all levels in our firm on a regular basis	Matsuno, Menter & Renz (2000)
		DIM02	Market information spread quickly through all levels in this our firm.	
		DIM03	Technical people in our firm spend a lot of time sharing information about technology for new products with other.	
		DIM04	Our firm periodically circulates documents that provide information on our customer.	
		DIM05	We have interdepartmental meetings at least once a quarter to discuss market trend development	
		DIM06	When Something important happens to a major customer of our export market, the firm knows about in a short period	

Responsiveness is one of the dimensions of export market orientation and this present study adapted six items from Matsuno , Menzer and Renz's measure of responsiveness. Table 3.4c depicts this survey items and indicates the source from which the measure was adapted.

Table 3.4C

The measures of Responsiveness to Intelligence

Construct	Dimension	Codes	Survey items	Source
Export Market Orientation	Responsiveness	RIM01	The principle of market segmentation drives new product development effort in our firm.	Matsuno, Menter & Rentz (2000)
		RIM02	Our firm reviews periodically our development efforts to ensure that they are in line with what customers want.	
		RIM03	Several departments get together periodically to plan a response to changes taking place in our firm.	
		RIM04	The activities of different departments in our firm are well coordinated	
		RIM05	If major competitors were to launch an intensive campaign target at our customers, we would implement a response immediately.	
		RIM06	Our firms are quick to respond to significant changes in our competitors' pricing structures.	

3.6.3 Measures of Learning Orientation

An extensive search for learning orientation's measures identified different empirical approaches to operationalization of LO, for instance Zahra *et al.*, (2000) measured technological learning with three component scale and 19 set of similar items. This study did not select this scale because the entire 57 items was too broad and the scale focuses much on technological learning.

Breman and Dalgic (1998) is another scale which used 23 items to capture LO, this study considered the numbers of the items to be too large. Hult *et al.*, (1999) were also considered to be too large because they comprises of 27 items multidimensional scale that assessed six different business orientations. This study finally employed Baker and Sinkula (1999) with 18 items, even though, the scale appeared to be too long, the psychometric properties of the scale have been verified by previous study (Kropp *et al.*, 2006). The items in the scale really suit the purpose of this study because Learning orientation is a set of values that affect the satisfaction of a firm (Argyris & Schon, 1978). The degree to which firms are likely to promote generative learning as competency is influenced by its culture of learning orientation (Sinkula *et al.*, 1997). Learning orientation is reflected when old assumptions are challenged and set of knowledge-questioning values that have been held in the organization (Bettis & Prahalad, 1995; Sinkula, Baker, & Noordewier, 1997). All values that are routinely associated with organizational learning capabilities revolved around its commitment to learning, open-mindedness and shared vision (Baker & Sinkula, 1999).

The present study adapted this measure of learning orientation from Baker and Sinkula (1999). 5 items were selected from commitment to learning, 5 items from

open-mindedness and 5 items for shared vision. Table 3.5a shows commitment to learning as one of the dimensions of learning orientation. This Table (3.5a) depicts Baker and Sinkula (1999) as the source of the measures. All the the 5 survey items for the dimension are also shown in the table.

Table 3.5a
Measures of Learning Orientation

Construct	Dimension	Code	Survey Items	Source
Learning Orientation	Commitment to learning	CLO01	We basically agree that our firm's ability to learn is crucial to our competitive advantage.	Baker and Sinkula (1999)
		CLO02	The basic values of this include learning as key to improvement.	
		CLO03	The sense in our firm is that employee learning is an investment not an expense.	
		CLO04	Learning in our firm is seen as a key commodity necessary to guarantee organizational survival.	
		CLO05	Our firm is one that does not make employee learning priority (R).	

Table 3.5b depicts the measure of open-mindedness, one of the dimensions of learning orientation. It is linked with the notion of unlearned, when a firm proactively

questioned long routine, assumption and belief. Sinkula, Baker, and Noordewier (1997) conceptualized open-minded as a firm value that may necessary for unlearn effort to transpire . This study adapted 5 items from Baker and Sinkular (1999) measure of open -mindedness. Table 3.4b shows the five items one after the other.

Table 3.5b
The measure of Open-mindedness

Construct	Dimension	Code	Survey Items	Source
Learning Orientation	Open- mindedness	OLO01	We are not afraid to reflect on the share assumption we have about the way we do business	Baker & Sinkula (1999)
		OLO02	Managers in our firm do not want their view of the world to be questioned	
		OLO03	Our firm places high value on open- mindedness	
		OLO04	Our firm encourages employees to think “outside the box”	
		OLO05	Original ideas are highly valued in this organization	

Shared vision is another dimension of learning orientation; it influences the direction of learning. Day (1994) described shared vision as pro-active behavior that fosters energy commitment and purpose among the employees in the firm. Baker & Sinkula’s (1999) measure of shared vision is employed in the present study. The 5 survey items adapted for shared vision are shown in the Table 3.5c below

Table 3.5c
The measure of Commitment to learning

Construct	Dimension	Code	Survey Items	Source
Learning Orientation	Commitment to learning	CLO01	Our firm's ability to learn is crucial to our competitive advantage.	Baker and Sinkula (1999)
		CLO02	The basic values of our firm include learning as key to improvement	
		CLO03	The sense in our firm is that employee learning is an investment not an expense.	
		CLO04	Learning is seen as a key commodity necessary to guarantee our firm's survival.	
		CLO05	Our culture is one that does not make employee learning priority (R).	

3.5.4 Measures of Environmental Turbulence

Environmental turbulence can be defined in term of dynamism (Merz & Sauber, 1995). This consists of unpredictable environmental changes (dynamism), environmental threats to the firm's vitality (hostility) and diversities of the firms' environment (heterogeneity). (Sundqvist *et al.*, 2012). These measures were adopted from Cadogan *et al.* (2001) who employed measures originally used by Kohli *et al.* (1993) and later adapted them for use in an export context. Jantunen *et al.*, (2005) computed this scale as mean of seven items and measured on a likert scale from one to seven items and found the reliability of the scale to be satisfactory (Cronbach alpha .96). Table 3.6 depicts this scale adapted and the seven items employed to measure environmental turbulence.

Table 3.6
Measures of Environmental Turbulence

Construct	Code	Survey Items	Source
Environmental Turbulence	ETO01	In this field of business the life cycle of products is typically long and (R)	Jaworski Kohli (1993)
	ETO02	In our field of business customers' preferences are quite stable (R).	Jantunen
	ETO03	Our operational environment changes slowly (R)	<i>et al.</i> , (2005)
	ETO04	In our field of business one cannot succeed if one is not able to launch new products	

continuously.

ETO05 The ability to operate quickly is
crucial for success in our field of
business

ETO06 Technological development offers
remarkable possibilities in our
field of business.

ETO07 Technological development is
rapid in our field of business

3.6.5 Measures of Reconfiguring Capabilities

The reconfiguring capabilities in this study were examined from two different perspectives: the amount of reconfiguring activity over the past three years and the perceived success in implementing the activities. Jantunen *et al.* (2005) assessed the success of renewal activities carried out in the community innovation survey of the European Union. As this study could not find existing widely renewal activities, it relied on the study carried out by Jantunen *et al.*, (2005) that solely relied on the renewal activities in innovation survey of the European Union. This list comprises seven renewal types (organization structure, business strategy and manufacturing process). Some of the activities performed ranged from zero to seven. This was computed as a composite success index and Cronbach alpha .79 as a mean of the

items was realized. Therefore, this study adopted the seven items for reconfiguring capabilities. The 7 survey items and the source of the measure are shown in table 3.6

Table 3.7
Measures of Reconfiguring Capabilities

Construct	Code	Survey items	Source
Reconfiguring Capabilities	RCD01	Implementation of new or significantly changed company strategy.	Jantunen <i>et al.</i> , (2005)
	RCD02	Execution of new kind of management method.	
	RCD03	New or substantially changed organizational structure.	
	RCD04	New or largely changed marketing method or strategy.	
	RCD05	New or considerably changed equipment or manufacturing process.	
	RCD06	Significant renewal of business processes.	
	RCD07	Technological development is rapid in our field of business.	

3.6.6 Measures of Export performance (EP)

The measurement of export performance has not been universally suggested among the scholars of export's researchers, for that reason, no particular measure that single out or specific construct's definition that dominate the field on how export

performance should be measured (Francis & Collins-Dodd, 2000). Several studies have suggested multidimensional measures (Okpara & Kabongo, 2009b; Zou *et al.*, 1998). The unit of analysis is another issue with export performance, several studies in the literature employed corporate level as the unit of analysis (Katsikea *et al.*, 2000). Nevertheless, this approach seems problematic (Cavulsigil and Zou 1994; Morgan *et al.*, 2004; Katsikeas *et al.*, 2000). The mode of assessment most especially objective versus subjective measures constituted another issue. Some studies used objective measures while others employed subjective measures. Several scholars have contended that even though subjective evaluation of export performance could cause problems, yet they could be more valid in measuring the long term aspects of export performance and concerning the mode of performance objective measure could influence strategic management decision making and actions (Katsikeas *et al.*, 2000). This prompted Morgan *et al.*, (2004) to empirically draw a relationship and established correlation between export venture performance and subjective measure of export venture performance.

Zou, Taylor and Osland (1998) addressed the three critical issues in determining export performance, their scale EXPERF was multidimensional and really centered on performance of exporting ventures. It was built on Cavusgil and Zou (1994) and comprises three basic dimensions that are rooted in export performance's literatures; financial, strategic and satisfaction's export performance measure. The nine items adapted from Zou *et al.*, (1998) are used to measure export performance in this study because they reflect economic and non economic factor that could easily show the performance of SMEs. These nine items adapted from Zou *et al.*, (1998) called EXPERF scale are shown in the Table 3.8

Table 3.8
Measures of Export Performance

Construct	Dimension	Code	Survey items	Source
Export Performance	Financial	FIN01	This export venture has been very profitable	Zou <i>et al.</i> , (1998)
		FIN02	This export venture has generated a high volume of sales.	
		FIN03	This export venture has achieved rapid growth.	
	Strategy	STG04	This export venture has improved our global competitiveness.	
		STG05	This export venture has strengthened our strategic position.	
		STG06	This export venture has appreciably increased our global market share.	
	Satisfaction	SAT07	The performance of this export venture has been adequate.	
		SAT08	This export venture has been thriving.	
		SAT09	This export venture has fully met our expectation.	

3.7 Reliability and Validity

3.7.1 Reliability

Reliability is a measure that indicates the extent to which a measure is without bias (error free) and hence offers consistent measurement across time and across the various items in the instrument (Cavana *et al.*, 2001). This means for an instrument to be reliable; it has to reflect consistency in interpretation across different situation (Denscombe, 2010). Tests of stability are test –retest reliability and parallel-form reliability (Cavana, *et al.*, 2001). Over time stability can be realized through verifying using test- retest method, across some group representativeness can be realized through split have method and across indicator evidence would be achieved through subpopulation analysis method (Neuman, 2011).

Reliability of this study was improved in these four ways; plainly conceptualizing all constructs, using of measurements level that are precise, making use of multiple indicators and through pilot test (Neuma, 2011). However, scholars acknowledged that reliability is necessary but not adequate (Zikmund *et al.*). In other words a reliable scale might not be valid. In this study the reliability of the measures were ascertained by PLS-SEM Algorithm through examination of individual item reliability, internal consistency reliability convergent validity and driscriminant validity.

3.7.2 Validity

Denscombe (2010) described validity as method and data that are right. It is all about whether an instrument in reality measures what it is expected to measure (Field, 2009). Validity is the accuracy of a measure or the extent to which a score truthfully represent a concept (Hair *et al.*, 2010). Four basic approaches to establish validity are; face, content, criterion and construct validity (Zikmund *et al.*, 2013). Through face validity there would be rationally appearance to show what was intended to be measured. The degree at which a measure covers the breadth of the domain of interest is demonstrated through content validity.

The ability of measure to correlate with other standard measure of similar construct is shown through criterion validity. While a construct is considered to be valid when it dependably and candidly represent a unique concept (Zikmund, *et al.*, 2013) That means validity deals with whether perception that data reflects the true reality and cover up the essential matter or not (Denscombe, 2010). The only way that researcher can make certain that measurement error is reduced to some extent is to find out properties of the measures that provide assurance that the measure is accurate in doing its expected job (Field, 2009). Furthermore, Content validity refers to the degree that a measure covers the domain of interest (Zikmund *et al.*, 2013). That means the items grasp the whole scope, yet, not exceeding what the concept is out to measure. It might involve a consultation of few sample, distinctive respondents or professional to pass judgment on the appropriateness of the items selected to stand for the construct (Hair, Money, Samouel, & Page, 2007).

Construct validity is when a measure reliably measures and truthfully represent a unique concept (Hair *et al.*, 2010). This means construct validity is only examined when the researcher understands the theoretical rationale that underlies the measurement employed (Hair *et al.*, (2007). The assessment of construct validity could be performed through convergent validity and discriminant validity (Hair *et al.*, 2013). Convergent validity is the extent of positive association of the construct with other measures of the same construct while discriminant validity demonstrates the degree to which the construct does not show a relationship with other measures that are similar to it (Hair *et al.*, 2014). This study examined convergent validity by examining the average variance extracted of each latent construct. Discriminant validity was also ascertained in the study by comparing the correlation among the latent construct with the square roots of average variance extracted as suggested (Fornell & Larcker, 1981).

3.8 Pilot Tests

Pilot tests are typically conducted to answer questions about the suitability of the questionnaire for the study. Pre-test questions such as ‘could the questionnaire format be followed by the interviewer. ‘Did the questionnaire flow naturally and conventionally? Were the questions clear and easy to understand? ‘Could the respondents answer the question easily? ‘Which alternative forms of question work best? (Zikmund *et al.*, 2013). Pilot study enables the researcher to assess sampling procedure, sampling instruction, estimate of the response rate for mail survey and completion rate for telephone survey and the completion rates for telephone survey and detect error at the early stage when the error can be easily corrected.

There was a pretest of small sample of respondents or expert to pass judgment on the suitability of the items prepared as indicator of the construct in this study. 10 executives in the export industry who are more experienced in exporting and well informed in international business and eight university professors who are published authors were asked to read the questionnaire critically and pass their professional judgments. All necessary observations and criticism were reflected on the final draft. The content or face validity test confirmed the indicators/items were actually measuring export performance through these variables; entrepreneurial orientation, Learning orientation, export market orientation, environmental turbulence, and reconfiguring capabilities.

In addition to what has stated, this study conducted a pilot study to ascertain the reliability and validity of the measures used (Sekaran & Bougie, 2013), because most of the original scales adapted in this study were developed in Australia, United State of America and Europe (Oliver & Anderson, 1994). Adapting such scale in Nigeria or Africa context without considering their peculiarity before usage might affect the outcome of the study. Following the suggestion of Riefler, Diamantopoulos, and Siguaw (2012), 110 questionnaires were distributed to exporting SMEs in Kano, Nigeria for pilot study. A total number of 70 questionnaires were returned, which is 64% response rate. PLS path modeling was used to ascertain the internal consistency reliability and discriminant validity of the construct used. Specifically, PLS Algorithm was used to obtain the average variance extracted and the composite reliability coefficient (Hair Jr *et al.*, 2013). According to Hair *et al.* (2011) and Fornell Larker (1981) composite reliability coefficient should be at least .70 or greater than .70, and that the average variance extracted (AVE) score should be .5 or more and that the square root of the AVE should be greater than the correlation among the latent

constructs. Table 3.8 presents the average variance extracted and composite reliability coefficients of the latent construct used in the study

Table 3.9

Composite Reliabilities and Average Variance Extracted for latent Variables (AVE) . Pilot study

Latent Variables	Indicators	Composite Reliability	Average Ext	Variance
Entrepreneurial Orientation	9	0.850	0.532	
Export Performance	9	0.899	0.561	
Environmental Turbulence	7	0.785	0.554	
Learning Orientation	15	0.813	0.598	
Export Market Orientation	19	0.869	0.527	
Reconfiguring Capabilities	7	0.909	0.593	

Table 3.8 above shows the composite reliability coefficient of each latent construct. It ranged from .785 to .909, each above the minimum cut off .70. This suggests sufficient internal consistency reliability of the measures used (Hair *et al.*, 2013). Similarly, the values of the average variance extracted ranged from .527 to .593, which means acceptable values.

Table 3.10

Square Root of AVE and Correlations of Latent Variables

Latent Variables	1	2	3	4	5	6
Entrepreneuria Orientation	0.729					
Export Performance	0.406	0.749				
Environmental Turbulence	0.271	0.479	0.745			
Learning Orientation	0.412	0.274	-0.010	0.773		
Export Market Orientation	0.478	0.492	0.142	0.542	0.726	

Table 3.10 (Continued)

Reconfiguring Capabilities	0.369	0.594	0.498	0.157	0.317	0.770
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Note: Diagonal (bold face) represents the square root of the average variance extracted while the other entries represent the correlations.

The discriminant validity analysis is shown in Table 3.9. The table reflects the comparison of correlation among the latent constructs with the square root of the average variance extracted. The square roots of the average variance extracted were all greater than the correlation among the latent constructs, suggesting sufficient validity (Fornell & Larker, 1981).

3.9 Data collection Procedure

Data collection is identifying and selecting individual to study, obtaining their permission to study them and gathering information by asking people questions or observing their behavior (Creswell & 2012). Survey is a method of primary data collection based on communication with a representative sample of individual (Zikmund *et al.*, 2013). Hence, survey method of data collection that was employed in this study entails asking respondents (people) questions in form of written using questionnaires , to collect data via e- mail with the major goal of collecting representative sample (Cavana *et al.*, 2001).

3.9.1 Single Informant

The approach used in the present study is single informant method. A single informant method was used to collect data from exporting firms. First and foremost, survey telephone screening was conducted to identify exact managers that are undertaking export ventures and each of their contact information was confirmed. Having identified them, a request was made for their participation. Several literature and studies (Calantone, Tamer Cavusgil, Schmidt, & Shin, 2004; Cavusgil & Zou, 1994; Morgan *et al.*, 2004) support the approach that export managers are suitable key informants that are well-informed about the export ventures and could offer necessary information most especially, on the issues raised in this study.

3.9.2 Unit of Analysis

Even though some researchers consider firm –level as a unit of analysis of export operation to be problematic (Katsikeas *et al.*, 2000), there are scholars who prefer firm’s export venture for most of their construct (Knight & Cavusgil, 2004). Since strategic orientations, (LO, EMO & EO) and reconfiguring capabilities’ effect on export performance that are under investigation in this study are organizational culture’s construct. Knight and Cavusgil (2004) and Slater and Narver (2000) considered firm level as appropriate unit of analysis for export’s study. Strategic

orientations are profoundly entrenched in the organization rather than departmental level and constitute the beliefs and shared values throughout the organization (Knight & Cavusgil, 2004). Therefore, firm- level as a unit of analysis is appropriate for this study.

This study is also Cross-sectional and the data of this study was collected just for once. It was over a period of three months (Sekaran & Bougie, 2013). The data collection took place in Nigeria, because of the call for the development of non oil sector and low performance of Nigeria's SMEs in export venture (CBN).

3.9.3 Survey Method

All the firms that agreed to participate in the study and met the basic pre-requisite used as criteria for the research sample were emailed to inform them about the survey. Having received respondents' agreement to participate, they were sent questionnaire via email. In the introduction of the questionnaire, respondents were asked to mark their selected answers with simple 'x' notations and later select the reply buttons to return their completed questionnaire to the researcher (Bryman & Bell, 2011).

3.10 Linearity

Linearity predicts the value that fall on the straight line by possessing a continuous unit change of dependent variable for a continuous unit change of the independent variable. However, correlation represents only the linear association between variable and non linear and would not be represented in correlation value. Thus, linearity is

sought in the measure of multiple regressions, structural equation modeling, and logistic regression which are multivariable techniques and correlation analysis (Hair *et al.*, 2010). Non linear relationship can be identified through scatter plot of the variable and identifying non linear pattern in the data. The straight line showing the linear relationship can be depicted in many scatter plots which can assist to identify the non linear feature and the residual can easily be examined through regression which normally shows the unexplained portion of dependent variable. The model specification can also be tested by explicitly model non linear relationship (Hair *et al.*, 2010; Zikmund *et al.*, 2013). Transforming one or both the variable or formation of new variable to stand for the non linear segment of the relationship are the remedies for non linearity, after it has been detected. Before PLS Algorithm was used for measurement and structural model, this study generated scatter plots through SPSS to explore the relationship among the variables used. The scatter plots in the study depict that the variable used have linear relationship (straight-line) (Pallant, 2011).

3.11 Homoscedasticity

This is based on the postulation that dependent variable shows the same degree of variance across the range of predictor variable (Hair *et al.*, 2010). It is necessary for the reason that the variance of dependent variable being explained in the relationship must not be gathered in only limited range of independent values (Cooper & Schindler, 2011). In order to achieve this result the variance of dependent variable value must be the same at each value of predictor variable and hence, heteroscedaticity occurs when the value of dispersion in dependent variable is not equal across independent variable (Zikmund *et al.*, 2013). However, the dependent

variable must be metric, and this should be applicable whether the independent variables are metric or non metric. Nevertheless, the equality of variance within groups formed by non metric variable can be examined by statistical test for equal variance of dispersion (Hair *et al.*, 2010).

3.12 Correlation Analysis

This is a measure of an association between two or more variables (Hair *et al.*, 2007). It is the technique for indicating the relationship of one variable to another (Zikmund *et al.*, 2013). The kinds of correlations are positive, negative and zero correlations. Positive correlation is said to occur when the changes in one variable are followed by changes in the other variable and in the same direction, while negative correlation takes place when in the same strong relationship two variables change in the opposite direction and zero correlation takes effect when there is no clear tendency for the value of one variable to move in particular direction with changes in another variable (Zikmund 2013; Hair *et al.* 2007). Correlation can be calculated from standardized measure of covariance. Covariance is the degree that a change in one variable corresponds steadily to a change in another, thus, a correlation coefficient is a numerical measure of co variation (Zikmund *et al.*, 2013). The signs (+ or -) indicate the direction of relationship, perfect positive relationship is denoted by +1, 0 shows no relationship while perfect negative relationship is always indicated by -1 (Hair *et al.*, 2010). This study employed correlation matrix of the exogenous construct to determine the extent and significance of the relationship that exist among the variables. In Table 4.1 chapter four, the correlation between the exogenous latent construct were adequately below the threshold value of .70 or .90. This implies that the exogenous constructs in this study are independent and highly correlated.

3.13 Normality Test

This is a statistical test that is performed to determine whether a data is properly designed by normal distribution and to calculate how likely it is for a random variable. Hair *et al.*, (2013) described normality as the shape of data distribution for an individual metric variable and its correspondence to normal distribution, contending that normality is expected to use F and t statistic that if the variation from the normal distribution is satisfactorily big all resulting statistical test is invalid. If an individual variable is normal, its combination with other variables will be normal (Zikmund *et al.*, 2013). The strictness of nonnormality is based on two proportions; the shape of the erring distribution and the sample size (Hair *et al.*, 2010). Kurtosis and skewness' measures described the shape of any distribution. 'Skewness' determine the balance or unbalance or center of the distribution (Hair *et al.*, 2013). This study ensured that no normality was overcome by ensuring that the sample size is large enough. Moreover, this study employed smart PLS-SEM, a non parametric statistical method. The assumption in PLS –SEM is that the data does not necessarily need to be normally distributed (Hair *et al.*, 2013). Nevertheless, the data of this study was verified for normality to ensure that the data is not far from normal or extremely non normal.

3.14 Multicollinearity

This is the situation where a single independent variable is highly correlated with a set of independent variable (Hair *et al.*, 2010). Collinearity denotes the relationship between two independent variables, when correlation coefficient of two independent variables are 1 they are said to have depicted full collinearity, while, when it is 0 they have exhibited lack of correlation (Cooper & Schindler, 2011). Multicollinearity is the correlation among the independent variables (Hair *et al.*, 2014) The problems it might cause are indicating significant relationship when in reality the relationship is not significant and showing a positive relationship when in reality the relationship is negative.

Hence, individual coefficient cannot be relied upon to interpret result once there is high degree of multicollinearity even though it does not affect researcher's ability to predict value of independent variable. The degree of high or low is noticed once the coefficient between two independent variables is greater than ± 0.60 and such situation can be corrected by eliminating one or two of the variable and rerun it (Hair *et al.*, 2007; 2010; Cooper and Schindler, 2011). In this study two methods are used to detect multicollinearity; correlation matrix of exogenous latent constructs and variance inflated factor (Hair, Ringle and Sarstedt 2011).

3.15 Data Analysis

Data analysis is getting a feel for the data, examine the goodness of data and testing the hypothesis established for the study (Cavana *et al.*, 2001). The present study employed PLS path modeling (Wold, 1985), particularly PLS 2.0 M3 software (Ringle, Wende, & Will, 2005), to assess and test the theoretical model. It is a lesser known path modeling technique compared with Structural equation Modeling (Shackman, 2013). The usage of PLS has been popular with information system more than any other discipline (Goodhue, Lewis, & Thompson, 2007) . A recent review of literature has revealed that there is growing use of PLS in journal of management and international marketing literature (Henseler *et al.*, 2009).

The suitability of PLS path modeling for this study is based on the following derivative benefits; firstly, PLS path-modeling could estimate the relationship between constructs and relationship between indicators and their latent constructs at the same time than any other conventional regression (Duarte & Raposo, 2010). Secondly, the nature of this present study to some extent required explorative tool to extend some of the constructs used in the study, for instance dynamic capabilities views are being extended as reconfiguring capabilities. Favorably, PLS-modeling has been suggested as prediction oriented for an extension of any existing theory (Henseler, Ringle, & Sinkovics, 2009).

Thus PLS path modeling was employed to extend some of the construct used. Thirdly, Smart PLS 2.0 was selected as analytical tool because of its friendly graphical user interface which makes it easy to create a moderating effect for path models with interaction effects (Temme, Kreis, & Hildebrandt, 2006) and fourthly, PLS requires no distribution assumptions while computation in SEM assumes that data should meet particular normal distribution requirement, for the safety from abnormal distribution (Hair *et al.*, 2013).

The data analysis procedure using PLS in this present study followed these steps; the data collected was screen using SPSS to ensure its suitability for the PLS analysis. Followed by ascertainment of the measurement models (individual items reliabilities, internal consistency, discriminant validity and convergent validity) (Hair *et al.*, 2011). Thereafter, bootstrapping procedure with a number of 5000 bootstrap samples of 201 cases was used to evaluate the structural model (Henseler & Ringle, 2009). Specifically, the significance of the path coefficients, effect size, the level of the R-square value and predictive relevance of the model were evaluated (Hair *et al.*, 2014). After all these assessments, supplementary PLS-SEM analysis (moderator and mediator) were conducted (Henseler & Chin, 2010).

3.16 Summary

This chapter covers the research design of this study. It highlights population sample, sampling technique, measures, reliability and validity, pilot tests, data collection procedures (single informant, unit of analysis, survey method). Followed by linearity, correlation analysis, regression analysis, normality test, multicollinearity and data

analysis. The purpose of assumption like linearity, multicollinearity and some of the concepts mentioned was to explain them as they are related in the study, while the details of those that are employed for thorough data analysis are discussed extensively in chapter four of the study.

CHAPTER FOUR

RESULTS AND DISCUSSION

4.1 Introduction

This chapter is organized and presented in different sections with the results of data analyses using PLS SEM. The chapter begins with data collection and survey response, response rate, data screening and preliminary analysis (missing values, assessment of outlier), normality test, multicollinearity, correlation matrix of the exogenous constructs, non response bias, and demographic characteristic of the respondents, common method variance test and descriptive analysis of the latent construct. Followed by the assessment of PLS-SEM path model result; individual item reliability, internal consistency reliability, convergent validity, and validity. The last section presents the assessment of the structural model; assessment of the significant path coefficient, evaluation of the level of R-squared values, determination of effect size, assessment of prediction relevance, examination of moderating effect and examination of mediation effect.

4.2 Data collection process

The researcher collected an official letter of introduction from school authority (Othman Yeop Abdullah Graduate School of Business) immediately after the proposal defense. The letter was meant to get the support of the respondents and inform them about the purpose of the study. The main data collection for this study commenced a month after the proposal defense and lasted for three and half months (precisely, between March 2, and June 15, 2014). The data collection took place in Nigeria, because of the call for the development of non oil sector and low performance of Nigeria's SMEs in export venture. Each of the manufacturing SMEs identified in the directory Manufacturing Association of Nigeria (MAN) were contacted by telephones to identify an appropriate key informant for the study and inform the firm about the research project (Morgan *et al.*, 2004). Almost 8000 firms were assessed in three most important industrial sites extend across the key geo- political zones in Nigeria (North Central-Kano, South East-Aba and South West-Lagos). About 2200 firms were identified as qualified because they met the criteria specified. As explained in chapter three of the study, to select a sample size for the population of 2200, Krejeie and Morgan (1970) sample sizes determination's table were used. The table showed that 331 sample sizes would be required for the population of 2200 and additional 40% of 331 was added making 457 sample sizes.

Having employed proportional stratified and systematic sampling as earlier stated in the previous chapter, the distribution of the questionnaires was based on the proportion of population of SMEs' export manager in each geographical area and systematic selection of the respondents from the list of SMEs' exporter in order to ensure representative distribution. Lagos, Nigeria is where the population of

exporting SMEs managers are 1430 and systematic sampling (4.81 interval) was used to select 297 export managers and emailed the questionnaires to their respective email address. The same thing applies to Kano where the populations of the respondents are 550; the sampling list was also systematically picked at 4.81 intervals to select 114 export managers and in similar fashion for 220 populations in Kano was randomly picked at 4.81 intervals to select 46 export managers.

The questionnaires of the study was accompanied with cover letter received from the school to provide background, purpose of the study, the assurance of respondents anonymity, confidentiality and instruction on how to answer and return the questionnaire.

About twenty five days after the questionnaire have been emailed to the respondents, 118 completed questionnaires were received through e-mail and these 118 questionnaires were regarded as early responses which (after non useable ones have been removed)were further used to assess non response bias on the actual variables. In order to improve the response rate, a follow-up phone calls and series of Short Message Service (SMS) were sent to remind the exporting managers who were yet to return their questionnaires. This effort yielded the largest numbers of response compared to the first response. About 120 questionnaires were returned. It was tagged as late responses which (after non useable ones have been removed) were later used to assess non-response bias.

4.3 Response Rate

Out of 457 questionnaires that were emailed to the selected respondents, a total of 238 were returned, 156 questionnaires were returned from Lagos, 58 from Kano and 24 from Aba respectively.

Table 4.1
Response Rate

Products	Lagos	%	Kano	%	Aba	%	Total	%
Food	30	12.6	12	5	4	1.7	46	19.3
Leather/shoes	37	15.6	15	6.3	8	3.4	61	25.6
Chemical	31	13	10	4.2	5	2.1	46	19.3
Plastic	29	12.2	11	4.6	3	1.3	43	18.1
Beverages	28	11.8	10	4.2	4	1.7	42	17.7
Response	156	66	58	24	24	10	238	100

Table 4.1 shows the responses and returned questionnaires from each industrial sectors and geographical locations. For instance food sector returned 46 questionnaires (from Lagos 30, Kano 12, and Aba 4). Leather/shoes, chemical, plastic, and beverages are also shown with their returned questionnaires and locations. The percentage's column in the Table 4.1 shows the percentage of the response in each geographical locations and the percentage of the response from each industrial sectors.

out of these 238 questionnaires 2 were not usable due to excessive missing data, 2 were completely eliminated due to their selection of option 'services/government' and not 'manufacturing' as primary area of business, 2 were also removed for selection of option 'total cost of business that above #200,000,000 Naira specified as a criteria for SMEs and 2 were also eliminated due to low level of knowledge on the topic of

interest, remaining 230 useable questionnaire. Hence, the response rate was calculated as 50%. This response rate is higher than strategic orientation's study - market orientation 15.7% for Rose and Shoham (2002) and even close to 32% achieved by Knight (2000) for entrepreneurial orientation's study involving exporters. Sekaran (2003) also suggested that a response rate of 30% is sufficient for a survey.

4.4 Data Screening and Preliminary Analysis

Data screening is checking for mistakes initially to identify any possible violations of the key assumptions regarding the application of multivariate techniques of data analysis (Hair *et al.*, 2007). Preceding initial data screening, all the 230 useable questionnaires received were coded and entered into SPSS. Thereafter, all the negatively worded items in the questionnaire were reversed (Hair *et al.*, 2011).

4.4.1 Missing Value

In this study the researcher inspected the data file for missing data by running descriptive analysis through SPSS and find out what percentage of the data is missing for each variable. It was discovered that only four values were missing in all the variables. One value missed in entrepreneurial orientation, two values missed in reconfiguring capabilities and one value in export market orientation. However, there is no acceptable percentage of missing values in a data set for making a valid statistical inference, but missing rate of 5% or less have been generally agreed by researchers as non significant (Tabachnick & Fidell, 2007). Hence, the four missing

values are less than 5 percent, it is not significant. Moreover, Pallant (2011) suggested that researcher should use pair wise exclusion for missing data, and this study observed the principle accordingly for the four missing values.

4.4.2 Assessment of outliers

An outlier is an extreme response to a particular question or extreme responses to all questions (Hair, Hult, Ringle, & Sarstedt, 2013). It is subset of observation which appears to be inconsistent with the remainder of data (Barnett & Lewis, 1994). The presence of outliers in data set could seriously distort the estimate of regression coefficient and lead to unreliable results in a regression based analysis (Verardi & Croux, 2008). This study in its attempt to detect outlier first used SPSS to detect any observation which might appear outside SPSS value label as a result of wrong data entry. From the frequency table tabulated for all variables using minimum and maximum statistics, no value was found to be outside the expected range.

In addition to searching for value outside the expected range, multivariate outliers were detected using Mahalanobis distance, which is the distance of a case from the centroid of the remaining cases where the centroid is the point created at the intersection of the means of all the variables (Tabachnick & Fidell 2007). Based on this assertion and 82 observed variables of the study, the recommended threshold of chi-square is 127.33 ($p=0.001$). Mahalanobis values that exceeded this threshold would be deleted. Observing this criterion, 29 multivariate outliers were detected. In order to ensure the accuracy of the data analysis technique, all these outliers were deleted from the dataset. The final data set for the study remained 201.

4.4.3 Normality Test

PLS –SEM generally makes no assumptions about the data distributions (Hair, Hult, Ringle, & Sarstedt, 2014). Previous researches have presumed that PLS provides accurate model estimations in situations with extremely non –normal (Henseler, 2009). Nonetheless, this assumption might turn out to be contrary. This contention informed the decision of researcher, for instance, Hair, Ringle and Mena (2012) recommended that researchers should perform a normality test on the data. It is believed that highly skewed or kurtosis' data could inflate the bootstrapped standard error estimate which in turn underestimate the statistical significance of path coefficients (Chernick, 2008; Ringle, Sarstedt, & Straub, 2012b).

The present study employed a graphical method to check for the normality of data collected (Tabachnick, & Fidell). Researchers have suggested that in a large sample of 200 or more, the shape of the graphical distribution should be considered rather than the value of the skewness and kurtosis statistic, as large sample decrease the standard error, which in turn inflate the skewness and kurtosis statistics (Field, 2009). Against this background, the present study used histogram and normal probability to make sure that normality assumptions were not violated. The figure 4.1 below shows that data collected for present study reflects normal pattern since all the bars on the histogram were closed to normal curve. Hence, a proof that normality assumptions were not violated.

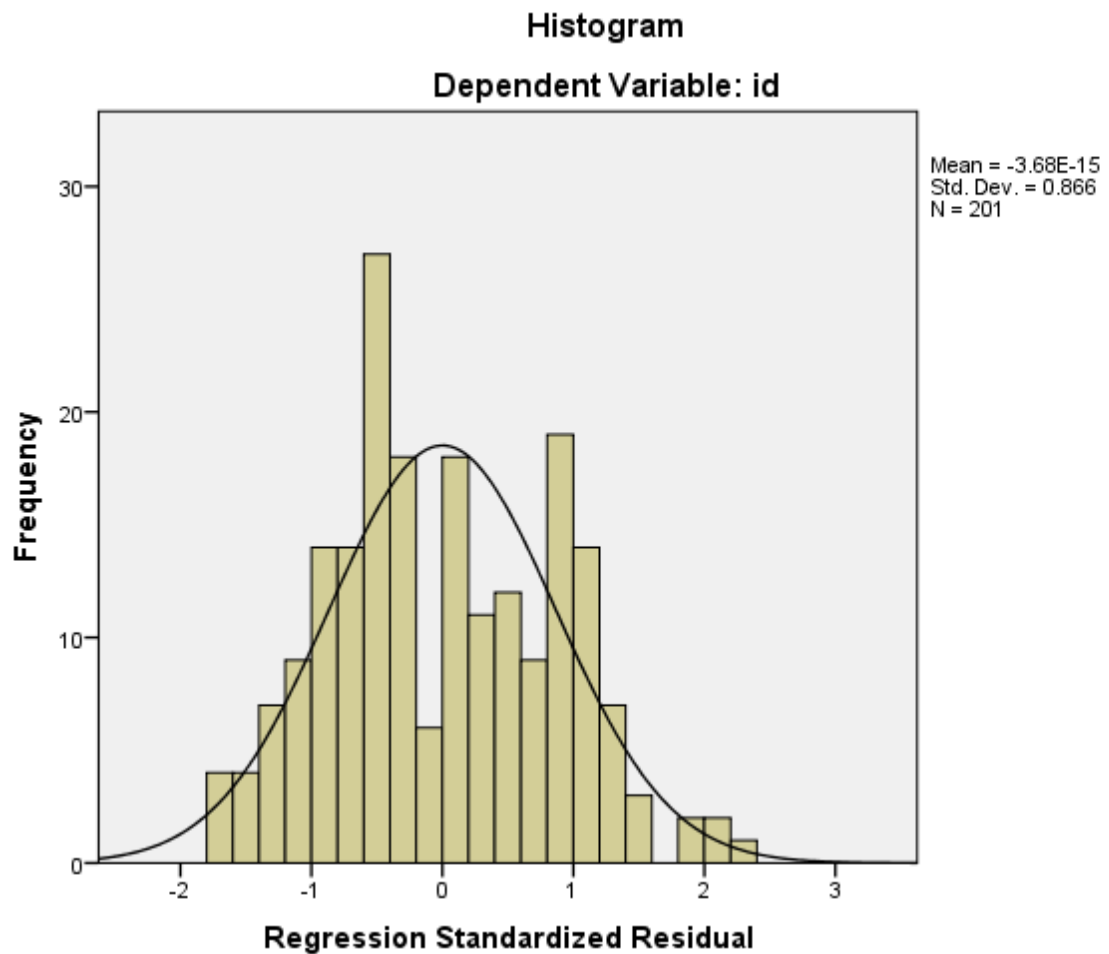


Figure 4.1
Histogram and Normal Probability Plot

4.4.4 Multicollinearity Test

This refers to statistical phenomenon in which two or more independent variables in multiple regression models are highly correlated (Sekaran & Bougie 2013). The presence of Multicollinearity among the exogenous latent construct could considerably misrepresent the estimates of regression coefficients and their statistical significance (Cooper & Schindler, 2011; Hair, Black, Babin, Anderson, & Tatham,

2006). One of the major problems of multicollinearity is indicating significant relationship when in reality the relationship is not significant and it increases the standard error of the coefficient, which in turn render the coefficient statistically non significant (Hair *et al.*, 2007; Tabachnick & Fidell, 2007).

Researchers have suggested correlation matrix, tolerance value and the variance inflation factor as methods of detecting multicollinearity (Peng & Lai, 2012; Sekaran & Bougie, 2013). The present study employed two approaches to detect multicollinearity; the correlation matrix of the exogenous latent construct was first examined. Scholarly positions on multicollinearity which is 0.90 and above indicates multicollinearity (Hair *et al.*, 2010), while Sekanran and Bougie considered above 0.70. Table 4.1 depicts the correlation matrix of the exogenous construct for the present study.

Table 4.2
Correlation Matrix of the Exogenous Constructs

NO	Latent constructs	1	2	3
1	Export Market Orientation	1		
2	Entrepreneurial Orientation	.42	1	
3	Learning Orientation	.53	.37	1

Note; correlation is significant at 0.01 level (1-tailed)

As shown in the table 4.2, the correlations between the exogenous latent constructs were adequately below the suggested threshold value of .70 or .90, and this implies that the exogenous latent constructs were independent and not highly correlated.

In addition to the examination of correlation matrix for the exogenous latent construct, variance inflated factor (VIF) and tolerance value were also used to assess multicollinearity problem. Hair *et al.* (2013) suggested that multicollinearity is a

concern if variance inflated value (VIF) is higher than 5 or tolerance value is less than .20. Table 4.3 Depicts the VIF value and tolerance values for the exogenous latent construct.

Table 4.3
Tolerance and Variance Inflation Factors (VIF)

Latent construct	Tolerance	VIF
Export Market Orientation	.590	1.696
Entrepreneurial Orientation	.710	1.408
Learning Orientation	.727	1.376

Table 4.3 depicts that multicollinearity did not exist among the exogenous latent construct as all the VIF values were less than 5, and tolerance value exceeded .20. Therefore, multicollinearity was not a problem in this study.

4.5 Non Response Bias

Armstrong and Overton (1977) contended that a statistically noteworthy difference between early and late respondents would indicate the presence of non response bias. This can be assessed by extrapolation technique. This compares early respondents to late respondents and assumed that subjects who are late respondents are more like non respondents. The time spent for data collection in this study was 12 weeks. This shows there was a time gap between the early respondents and the late respondents which may pose a threat for the generalizability of the findings of the study. In this study the date of initial distribution of the survey and the date of the return of the

survey was recorded for each firm that participated in the study. Any export firm that its identity was not established, response date was not calculated for it. A cut-off date was chosen for early respondents and more business date was selected for late respondents. Thereafter, the usable responses obtained from the early respondents and late respondents were compared. Following the approach of Armstrong and Overton, the present study divided the respondents into two main groups, those who responded within 30 days and those who responded after 30 days. About 47% (94) of the respondents (early respondents) in the sample responded within 30 days. While the majority 53% (107) of the respondents (late respondents) responded after 30 days.

An independent sample t-test was conducted to examine any possible non response bias on the main study variables (entrepreneurial orientation, export market orientation, learning orientation, reconfiguring capabilities, environmental turbulence and export performance).

Table 4.3 depicts the results of independent-samples t-test obtained

Table 4.4.
The result of Independent –sample t-test

The result of independent sample t test						Levene's Test for EV	
Variables	GRP		N	Mea n	Std. Deviat ion	F	Sig.
Export	Market	EarlyResponse	94	5.755	.635	2.636	.106
Orientation		Late Response	107	5.725	.758		
Entrepreneurial	Early		94	5.649	.791	.262	.609
Orientation		Response					
		Late Response	107	5.419	.927		

Table 4.4 (Continued)

Export Performance	Early	94	5.700	.808	.511	.476
	Response					
	Late Response	107	5.589	.752		
Environmental	Early	94	5.245	1.058	3.038	.083
Turbulence	Response					
	Late Response	107	5.129	.851		
Learning Orientation	Early	94	5.662	.709	.318	.573
	Response					
	Late Response	107	5.492	.694		
Reconfiguring	Early	94	5.722	.733	1.267	.262
Capabilities	Response					
	Late Response	107	5.438	.973		

As presented in the table 4.3, the outcome of an independent- samples t-test showed that the equal variance significance values for each of the six main study variables were greater than the 0.05 significance level of Levene's test for equality of variances suggested by Pallant (2011). Thus, it could be concluded that non response bias was not a major concern in the present study since the assumption of equal variance between early and late respondents has not been violated.

4.6 Common Method Variance Test

This is also known as monomethod bias which refers to variance that is probably caused by measurement method rather than construct of interest (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003). In self-report survey, researchers have unanimously agreed that common method variance is a major concern for scholars (Lindell & Whitney, 2001). Common method bias, in self report could also inflate relationship between the variables (Conway & Lance, 2010).

Several practical remedies were adopted in this study to minimize the effect of common method variance. The first remedy to deal with or improve the unpleasant effect of common method variance in this present study was to reduce evaluation apprehension. In the instruction given to the respondents through the questionnaires, they were informed that there was no right or wrong answer to the items to be selected in the questionnaire. In the same vein, the respondents were also given an assurance of the confidentiality of any information they offer throughout the research process. The second remedial approach to common method variance in this study is improving scale item where unclear concepts in the questionnaire were totally avoided. All the questions in the survey were written in simple, concise and self-explanatory sentences.

Thirdly, all variables in this study were subjected to principal components factor analysis (Podsakoff & Organ, 1986). The outcome of the analysis yielded factors explaining a cumulative 75.4% of the variance; with the first largest factor explaining 18.07% of the total variance and this is less than 50%. Furthermore, this result pointed out that no single factor accounted for the majority of covariance in the predictor and criterion variable (Podsakoff, MacKenzie, & Podsakoff, 2012). Therefore, this result

suggested that common method bias was not a problem and could not inflate the relationship between variables measured in this study.

4.7 Demographic Profile of the Respondents

This section presents the statistical data of respondents in this study.

Table 4.5
Demographic Characteristics of the Respondents

Firm's primary area of business	Frequency	Percent
Manufacturing	201	100
Number of years in Exporting	Frequency	Percent
1-2yrs	36	17.9
3-5yrs	74	36.8
6-10yrs	57	28.4
11-20yrs	25	12.4
over 20yrs	9	4.5
Number of employees	Frequency	Percent
1-10	43	21.4
11-100	93	46.3
101-300	65	32.3
Above 300	-	-
Total	201	100
Total Cost of Business	Frequency	Percent
Below #1,500,000	16	8
Below #50, 000,000	111	55.2

Below 200,000,000	74	36.8
Above all the above costs	-	-
Total	201	100

Table 4.5 (Continued)

Number of exporting operations	frequency	Percent
1-4 countries	110	54.7
5-8 countries	52	25.9
9-12 countries	31	15.4
over 12 countries	8	4
Total	201	100
Total foreign sales	Frequency	Percent
less than 10%	18	9
less than 11-24%	54	26.9
less than 25-49%	66	32.8
less than 50-74%	45	22.4
above 75%	18	9
Total	201	100
International optional strategies	Frequency	Percent
Exporting	196	97.5
Licensing	1	0.5
Franchising	1	0.5
Joint venture	3	1.5
Total	201	100

Age	Frequency	Percent
-----	------------------	----------------

18-24	21	10.4
25-34	56	27.9
35-44	95	47.3
<hr/>		
Table 4.5 (Continued)		
45-54	26	12.9
55-64	3	1.5
Total	201	100
Gender	Frequency	Percent
Male	174	86.6
Female	27	13.4
Total	201	100
Highest qualification	Frequency	Percent
Primary school leaving certificate	3	1.5
Secondary school certificate or equivalent	3	1.5
NCE/OND/Technical professionals/equivalent	12	6
HND/B.SC/BA/Equivalent	149	74.1
Master degree/MBA/Equivalent	34	16.9
Total	201	100

The Table 4.5 presents the demographic characteristic of the respondents in this study.

One of the basic control measures used in this study is firm primary area of business to ensure that all the respondents are manufacturing exporting SMEs, they were asked to indicate in the questionnaire emailed to them whether their primary area of business is government/service/manufacturing. 3 respondents that indicated service/government in the questionnaires were outrightly removed without including

them with useable responses. The remaining 201 useable questionnaires reflect that all the respondents are export managers in manufacturing firms. 100% of 201 depicted in the table revealed that the demographic characteristics of the respondents, shows that all the respondents are manufacturing SMEs. Secondly, the questionnaires asked the respondents about their number of years in business; Table 4.5 depicts that 40.3% of the respondents have been in business for 11-20yrs, while 22.4% of the respondents have been in business for 6-10 yrs, 14.9%; 3-5yrs, 7%; 0-2yrs, and .5%; for over 50 years in business respectively.

Third, regarding the number of years in exporting, Table 4.5 shows that 74 respondents have spent 1-2yrs in exporting, 57 respondents have been exporting for 6-10yrs, 36 respondents have been exporting for only 1-2yrs, 25 respondents have been exporting for 11-20yrs and 9 respondents have been exporting for over 20yrs. Fourthly, the number of employees is also shown in the Table 4.5, one of the control measures adopted by this study was to ensure that the study meet the basic criteria of SMEs in Nigeria as stipulated by Storey (1994) and National Development Council for SMEs' employees, (that SMEs should not be more than 200 or less than 10). Immediately the researcher received the questionnaires from the research assistances. It was discovered that two of the respondents' firms have employees that are above 300, these questionnaires were instantly removed from the useable responses. The numbers of employees in the firms that this study sampled, 21.4% of the firms have 10-11 employees, 32.3% of the firms have 101-300 employees and 46.3% of the firms have 11-100 employees. This shows that all the exporting SMEs that responded to this study were not having employees below 10 or above 300.

Total cost of business; the total cost of business for SMEs in Nigeria must not exceed #200,000,000 naira or below #1,500,000 naira excluding the cost of land (Ogunsiji, 2010). The two respondents that indicated “above all the costs” out of the options given in the questionnaire were immediately removed from the useable questionnaires because “above all the cost” means above #200,000,000 naira. Out of the total numbers of 201 firms, 16 firms indicated below #1,500,000 naira as their total cost of business, 111 firms indicated below #50,000,000 naira as their total cost of business, while 75 respondents indicated below #200,000,000 naira as their total cost of business. This shows that all the respondents are not above or below the stipulated requirement for SMEs.

Fourth, another statistical data of the respondents that was examined is total exporting operations; the respondents in this study reflected through the answer ticked in their questionnaires that 54.7% of the respondents are exporting to 1-4 countries; 25.9% of the respondents are exporting to 5-8 countries; 15.4% of them are exporting to 9-10 countries and 4% of these respondents are exporting to over 12 countries. This shows that the sample selected for this study focused on exporting SMEs and it is capable of reflecting export performance of SMEs in Nigeria. Fifth, to really assess if the respondents are participating in export or not, they were asked about their total Foreign sales, Table 4.5 depicts that 9% of the respondents in this study realized less than 10% from foreign sales, 26.9% of the respondents realized less than 11-24% from foreign sales, 32.8% of the respondents realized less than 25-49% from foreign sales, 22.4% realized less than 50-74% from foreign sales and 9% of the respondents realized above 75 percent in their foreign sales. This shows that the vast majority of the SMEs realized less than 25-49 percent in their foreign sales which reflects the poor performance of exporting SMEs in one of the developing countries.

Sixth, the International optional strategies employed by the SMEs are asked, even though, the study focused mainly on export. However, 1 of the respondents ticked licensing, 1 respondent also ticked franchising, and three respondents ticked joint venture while the remaining 96 ticked exporting. These respondents that ticked options other than exporting were incorporated in the useable responses due to their international involvement. Nevertheless, 96 Out of 201 has shown that the focus of this study is exporting SMEs. Seventhly, the gender of the respondents was assessed, 86.6% of the respondents in this study are male while only 13.4% of the respondents are female. This shows that the majority of export officers/managers who's their firms are participating in export are male. Their nature of job might be responsible for this reason since exporters are always travelling from one country to the other to solicit order.

Eighth, the age of the respondents in this study ranged from 18-64 years of age. Generally, 10.4% of the respondents are between 18-24 yrs; 27.9% are 25-34 yrs; 47.3 are between 35-44 yrs; 12.9% of the respondents are between 45-54yrs and 1.5% of the respondents are 55-64 years of age. And the number of years of experience export manager/officer that responded in this study is as follows; 15.4% have 0-2yrs' experience; 46.3% have 3-5 yrs' experience; 15.4% have 6-8yrs' experience; 12-9% have 15.4 yrs' experience and 7.5% of the respondents have more than 13yrs of experience. Ninth, the Highest qualifications of the respondents examined showed that out of the 201 respondents, only 3 of them have primary school leaving certificate as highest qualification, another three have secondary school certificate or equivalent as highest qualification while about 12 of the remainders have NCE/OND/Technical professional/equivalent as highest qualification and the

majority, 149 of the respondents are HND/B.SC/BA/Equivalent graduates while the remaining 34 respondents possess master degree/MBA/Equivalent as their highest qualification. This depicts that the vast majority of the respondent are really educated and their opinion/judgment could to some extent be reliable.

4.8 Descriptive Analysis of the Latent Construct

Descriptive statistic is a numerical summary of data set, such as maximum, minimum, means, standard deviation and variance (Sekaran, 2003). This section is concerned with the descriptive statistic for the latent variable in the present study. Particularly, means and standard deviation of the latent constructs in the study. Numerical summary of the data set in the form of means and standard deviations for the latent variables in the study were computed. These variables were measured using 7 point likert scale anchored by 1 “strongly disagree” 2 “disagree” 3 “somewhat disagree” 4 “undecided” 5 “somewhat agree” 6 “agree” 7 “strongly agree” The descriptive statistic for the latent variables of the present study is shown in table 4.6

Table 4.6
Descriptive statistics for latent variables

Latent Constructs	Items	Mean	standard Deviation
Entrepreneurial Orientation	9	5.526	.872
Export Performance	9	5.641	.778
Environmental Turbulence	7	5.184	.953
Learning Orientation	15	5.572	.704
Reconfiguring Capabilities	7	5.571	.878
Export Market Orientation	19	5.739	.702

The descriptive statistics table (4.6) for the constructs used in the study shows that the overall mean for the latent variables ranged between 5.184 and 5.739. Specifically, the mean (5.184) and for environmental turbulence suggests that respondents have high perception of environmental turbulence (5.184 on 7 point scale) Followed by fairly higher perception of entrepreneurial orientation with the mean (5.526 on point 7 scale). While the mean for learning orientation and reconfiguring capability (5.572 and 5.571 on 7 point scale) suggests that respondents have comparatively higher perception(5.641), and for export market orientation the highest mean (5.739 on 7 point scale) suggests highest perception compared to other constructs.

4.9 Assessment of PLS-SEM Path Model

Henseler and Sarstedt (2013) suggested in a recent study that goodness of fit (GoF) index is not suitable for validation. Researcher considered Goodness of fit unsuitable because it cannot separate valid model from invalid model (Hair *et al.*, 2013). Against this background, the present study employed a two step process to calculate and report the result of PLS-SEM path as suggested by Henseler, Ringle and Sinkovics (2009). These two -step processes are (1) the assessment of measurement model and (2) the assessment of a structural model (Henseler *et al.*, 2009).

Assessment of the measurement model would be based on the followings;

1. Examination of individual item reliability,
2. Ascertainment of internal consistency reliability,

3. Ascertainment of convergent validity, and
4. Ascertainment of discriminant validity.

While assessment of the structural model would be based on the followings;

1. Assessment of the significant path coefficients,
2. Evaluation of the level of R-squared values,
3. Determination of the effect size,
4. Ascertainment of the predictive relevance,
5. Examination of the mediating effect, and
6. Examination of the moderating effect.

4. 10 Assessment of Measurement Model

In this study the model estimation delivers the empirical Measures of the relationship between the indicators and the constructs (measurement model) The PLS –SEM algorithm in the first stage in Figure 4.2 is that all the constructs scores are estimated to determine items reliability, internal consistency, convergent validity and discriminant validity.

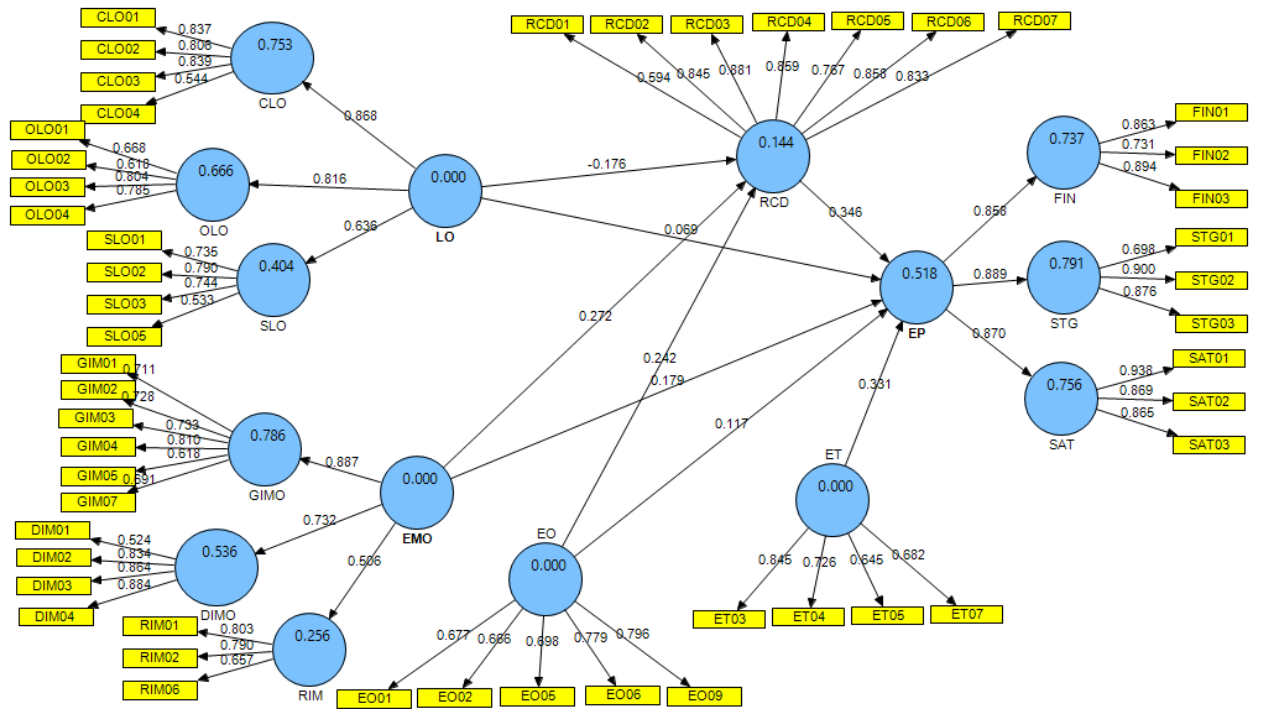


Figure 4.2
Measurement Model

4.10.1 Individual item reliability

There was examination of the outer loading of each construct's measure in Figure 4.2 in order to have assessment of individual items reliability (Hair *et al.*, 2012). The indicators with outer loadings between 0.40 and 0.70 are retained, while some items below the threshold of 0.40 are deleted (Hair *et al.*, 2013). About 16 items are deleted out of 66 items. The remaining 50 items are retained as they have loadings that range between 0.524 and 0.938.

4.10.2 Internal Consistency Reliability

The extent at which all items on particular scale are measuring the same concept is referred to as internal consistency reliability (Sun *et al.*, 2007). The long-established criterion for internal consistency is Cronbach's alpha (Hair *et al.*, 2014). Researchers have discovered that Cronbach alpha presumes that all indicators are equally reliable and generally underestimates the internal consistency reliability (Götz, Liehr-Gobbers, & Krafft, 2010). Due to Cronbach alpha's limitation, Composite reliability has been suggested as appropriate measure of internal consistency because it takes to account the different outer loadings of indicators variables and PLS-SEM gives priority to the indicators according to their individual reliability (Peterson & kim, 2013). Composite reliability's threshold; Values between 0.70 and 0.90 are considered satisfactory, value above 0.95 is regarded unsuitable and value below 0.60 indicate lack of internal consistency validity (Bernstein & Nunnally, 1994). Hence, this study employed composite reliability to ascertain the internal consistency of the measures adapted. Table 4.7 depicts the composite reliability, items loading and average Variance Extracted for the measurement model.

Table 4.7
Items loading, Composite Reliability (CR) and Average Variance Extracted (AVE) for the First-order construct

<i>Constructs</i>	<i>Items</i>	<i>Loadings</i>	<i>AVE</i>	<i>CR</i>
Commitment to Learning	CLO01	.840	.587	.847
	CLO02	.814		
	CLO03	.837		
	CLO04	.528		
Dissemination Intelligence	DIM01	.519	.625	.865

Table 4.7 (Continued)

	DIM02	.839		
	DIM03	.863		
	DIM04	.884		
Entrepreneurial Orientation	EOO01	.677	.526	.846
	EOO02	.666		
	EOO06	.698		
	EOO08	.779		
	EOO09	.796		
Environmental Turbulence	ETO03	.845	.530	.817
	ETO04	.726		
	ETO06	.645		
	ETO07	.681		
Financial (performance)	FIN01	.863	.692	.870
	FIN02	.731		
	FIN03	.894		
Generation of Intelligence	GIM01	.709	.515	.863
	GIM02	.724		
	GIM03	.730		
	GIM04	.812		
	GIM05	.618		
	GIM07	.696		
Open -mindedness	OLO01	.666	.521	.812
	OLO02	.627		
	OLO03	.799		

Table 4.7 (Continued)

	OLO04	.781		
Reconfiguring Capabilities	RCD01	.592	.657	.930
	RCD02	.846		
	RCD03	.882		
	RCD04	.860		
	RCD05	.766		
	RCD06	.858		
	RCD07	.832		
Responsiveness MKT int	RIM01	.808	.567	.796
	RIM02	.789		
	RIM06	.653		
Satisfaction (Performance)	SAT01	.938	.795	.921
	SAT02	.869		
	SAT03	.865		
Shared Vision	SLO01	.739	.501	.797
	SLO02	.797		
	SLO03	.741		
	SLO05	.523		
Strategy (Performance)	STG01	.698	.688	.867
	STG02	.900		
	STG03	.876		

Table 4.7 depicts the composite reliability coefficient of the latent construct. The composite reliability of each construct ranged from .797 to .930. This connotes

internal consistency of the scale. The composite reliability of all constructs is above the threshold of .70. For instance composite reliability for commitment to learning, dissemination of export market intelligence, entrepreneurial orientation, environmental turbulence, financial export performance, generation of export market intelligence, open to learning, reconfiguring capabilities, responsiveness to export market intelligence, satisfaction, share learning and strategy are .847, .865, .846, .817, .870, .863, .812, .930, .796, .921, .797 and .867 respectively.

Table 4.8
Loading, Composite Reliability (CR) and Average Variance Extracted(AVE) of the Second Order Construct

Constructs	Items	Loading	AVE	CR
Learning Orientation			.608	.821
Commitment to Learning	CLO	.868		
Open-mindedness	OLO	.816		
Shared Vision	SLO	.636		
Export Market Orientation			.526	.761
Generation EXP	GIM	.887		
Dissemination EXP.	DIM	.732		
Responsiveness Exp	RIM	.506		
Export Performance			.761	.905
Finance	FIN	.858		
Strategy	STG	.889		
Satisfaction	SAT	.870		

Table 4.8 shows the composite reliability coefficient of the second order latent construct. The three constructs composite reliabilities are .821, .761 and .905 respectively. This reflects internal consistency of the scale since each of the constructs

is above the threshold of .70. The rule of thumbs of cut off point of .50 or more on average variance extracted is also achieved because Table 4.8 depicts .526, .608 and .761 as the average variance extracted for the construct in the second order measurement.

2.10.3 Convergent Validity

Convergent validity is the extent to which a measure correlates positively with alternative measure of the same construct (Hair *et al.*, 2013). The assessment of convergent validity is usually based on the average variance extracted (AVE) of each construct and outer loadings of the indicators (Fornell and Larker, 1981; Hair *et al.*, 2011). Average variance extracted is grand mean value of the squared loadings of the indicators related with the construct. This study achieved average variance extracted by comparing the correlation among the latent construct with square roots of average variance extracted (Fornell, & Larker 1981; Hair, 2013). Similarly, discriminant validity was examined and realized by comparing the indicator loadings with other constructs' indicators in the cross loading table (Chin, 1998). The rules of thumb of .50 or more threshold on average variance extracted and ensuring that the square root of the AVE should be greater than correlation among latent constructs in order to achieve discriminant validity were duly observed (Fornell & Larcker). As shown in Table 4.8 the value of the average variance extracted range between .501 and .692, above the cut off .50, and this connotes acceptable values.

In the same vein, the correlations among the latent constructs were compared with the square root of the average variance extracted in table 4.9. The Table 4.4.9 depicts that the square root of the average variance extracted were all greater than the correlation among latent construct, signifying sufficient discriminant validity (Fornell & Larcker).

Table 4.9

Square Root of AVE and correlation of latent variable for the first order

Latent Variables	1	2	3	4	5	6	7	8	9	10	11	12
Commitment to l.	.77											
Dissemination Int.	.19	.79										
Entrepreneurial O	.24	.14	.73									
Environmental T.	-.04	.04	.26	.73								
Finance	.31	.14	.30	.37	.83							
Generating int.	.43	.43	.49	.05	.39	.72						
Open Mindedness	.58	.10	.24	-.03	.19	.34	.72					
Reconfiguring C	.06	.34	.30	.54	.50	.24	.01	.81				
Responsiveness	.25	.14	.28	-.15	.22	.37	.08	-.01	.75			
Satisfaction	.07	.11	.42	.65	.58	.37	-.07	.53	.04	.89		
Share Vision	.38	.28	.36	-.02	.22	.49	.30	.06	.13	.30	.71	
Strategy	.14	.19	.31	.38	.70	.33	-.06	.57	.11	.65	.21	.83

Note: Diagonal elements (figures in bold) are the square root of the variance shared between the constructs and their measures. Off diagonal elements are the correlations among constructs

4.10.3 Discriminant Validity

This study also shows how discriminant validity was ascertained by comparing the indicator loading with cross loading. Researchers have suggested that the entire indicators should be greater than the cross loading (Hair *et al.*, 2013; Chin, 1998). Table 4.10 compares the indicator loading with other reflective indicators. All the available indicators are greater than the cross loading, this means the requirement of discriminant validity has been achieved.

Table 4.10
Cross Loading Factor Analysis

Vars.	CLO	DIM	EO	ET	FIN	GIM	OLO	RCD	RIM	SAT	SLO	STG
CLO01	.840	.096	.137	.080	.352	.297	.554	.092	.130	.068	.179	.208
CLO02	.814	.237		-.083	.215	.402	.504	.088	.100	.056	.429	.184
			.181									
CLO03	.837	.050	.148	-.029	.320	.326	.368	.024	.271	.092	.303	.114
CLO04	.528	.218	.164	-.132	.000	.305	.328	-.051	.322	-	.252	-
										.044		.180
DIM01	.328	.519	.192	.069	.289	.326	.279	.143	.139	.150	.368	.226
DIM02	.111	.839	.062	-.004	.032	.313	-.046	.255	.103	.052	.241	.143
DIM03	.071	.863	.024	.039	.083	.270	.116	.307	.074	.019	.135	.110
DIM04	.130	.884	.170	.033	.077	.424	.026	.341	.122	.130	.184	.145
EOO01	.230	.311	.677	.139	.190	.473	.263	.219	.342	.242	.249	.280
EOO02	-.008	-.131	.666	.269	.169	.300	-.013	.122	.154	.442	.145	.173
EOO05	.194	.198	.698	.106	.210	.291	.275	.212	.104	.145	.273	.206
EOO06	.126	.105	.779	.114	.236	.287	.083	.278	.175	.289	.290	.205
EOO09	.303	.037	.796	.284	.278	.431	.266	.229	.213	.373	.347	.257
ETO03	-.055	.150	.329	.845	.289	.156	-.157	.483	-	.563	.021	.448
									.041			
ETO04	-.063	-.175	.242	.726	.147	.023	.041	.252	-	.494	.024	.187
										.224		

Table 4.10 (Continued)

ETO05	-.056	-.164	-	.645	.201	-.156	.134	.241	-	.395	-	.068
			.021						.198		.035	
ETO07	.033	.165	.110	.681	.403	.030	-.006	.504	.063	.417	-	.298
												.082
FINO01	.224	.034	.198	.385	.863	.249	.189	.444	.167	.504	.075	.503
FINO02	.371	.214	.416	.172	.731	.479	.198	.359	.172	.439	.326	.628
FIN03	.186	.103	.155	.363	.894	.249	.091	.429	.197	.509	.144	.609
GIM01	.223	.369	.322	.056	.263	.709	-.003	.309	.178	.265	.310	.328
GIM02	.141	.260	.302	.152	.274	.724	.080	.194	.231	.486	.417	.343
GIM03	.306	.301	.356	.175	.276	.730	.292	.203	.211	.368	.496	.229
GIM04	.362	.341	.416	-.063	.250	.812	.366	.059	.284	.171	.300	.173
GIM05	.365	.255	.333	.007	.338	.618	.412	.141	.450	.069	.146	.106
GIM07	.474	.300	.392	-.096	.273	.696	.330	.130	.242	.215	.421	.238
OLO01	.223	-.144	.056	.077	.046	-.063	.666	-.092	-	-	.130	-
									.216	.121		.148
OLO02	.462	.357	.441	-.062	.282	.601	.627	.056	.231	.149	.449	.181
OLO03	.528	.065	.046	.009	.159	.256	.799	.066	.147	.059	.155	.022
OLO04	.391	-.083	.099	-.085	.004	.053	.781	-.050	-	-	.074	-
									.055	.234		.244
RCD01	-.043	.302	.110	.280	.304	.139	-.015	.592	.063	.256	.052	.332
RCD02	.128	.160	.272	.428	.401	.250	.055	.846	-	.451	-	.436
									.010		.023	
RCD03	-.020	.294	.199	.506	.346	.174	-.019	.882	-	.429	.040	.428
									.137			
RCD04	.084	.219	.294	.442	.445	.220	.010	.860	-	.454	.024	.431
									.015			
RCD05	.076	.259	.214	.472	.460	.016	-.070	.766	.061	.450	-	.472
											.054	
RCD06	.023	.272	.234	.508	.484	.255	.054	.858	.037	.477	.040	.560
RCD07	.070	.433	.315	.389	.344	.266	.011	.832	-	.470	.222	.514
									.033			
RIM01	.112	.080	.241	-.120	.210	.234	.020	-.014	.808	.026	.053	.115

Table 4.10 (Continued)

RIM02	.208	.183	.299	-.046	.091	.301	.037	-.013	.789	.086	.202	.037
RIM06	.241	.025	.057	-.082	.205	.292	.122	.013	.653	.006	.014	.111
SAT01	.093	.093	.381	.592	.636	.360	-.050	.447	.059	.938	.235	.668
SAT02	.031	.188	.455	.535	.445	.386	-.131	.478	.080	.869	.231	.527
SAT03	.042	.014	.278	.606	.459	.225	-.019	.514	-	.865	.333	.528
									.050			
SLO01	.327	.121	.284	-.087	.224	.415	.156	.024	.002	.264	.739	.217
SLO02	.250	.439	.427	-.072	.150	.491	.096	.083	.251	.300	.797	.190
SLO03	.236	.114	.300	.126	.060	.305	.455	.010	-	.181	.741	.027
									.024			
SLO05	.286	.151	-	-.075	.210	.131	.052	.055	.209	.071	.523	.183
			.049									
STG01	.193	-.013	.060	.111	.579	.072	-.058	.210	.106	.274	.141	.698
STG02	.111	.112	.334	.352	.584	.313	.012	.546	.068	.599	.170	.900
STG03	.064	.330	.328	.441	.588	.383	-.097	.591	.108	.679	.196	.876

4.11 Assessment of Structural Model

Having confirmed that the construct measures are reliable and valid, the next line of action in this study was to address the assessment of the structural model result. Standard bootstrapping procedure was used with a number of 5000 bootstrap samples and 201 cases to assess the significance of the paths (Henseler *et al.*, 2009; Hair *et al.*, 2013). Figure 4.3 depicts the use of bootstrapping to assess the significance of the path coefficients

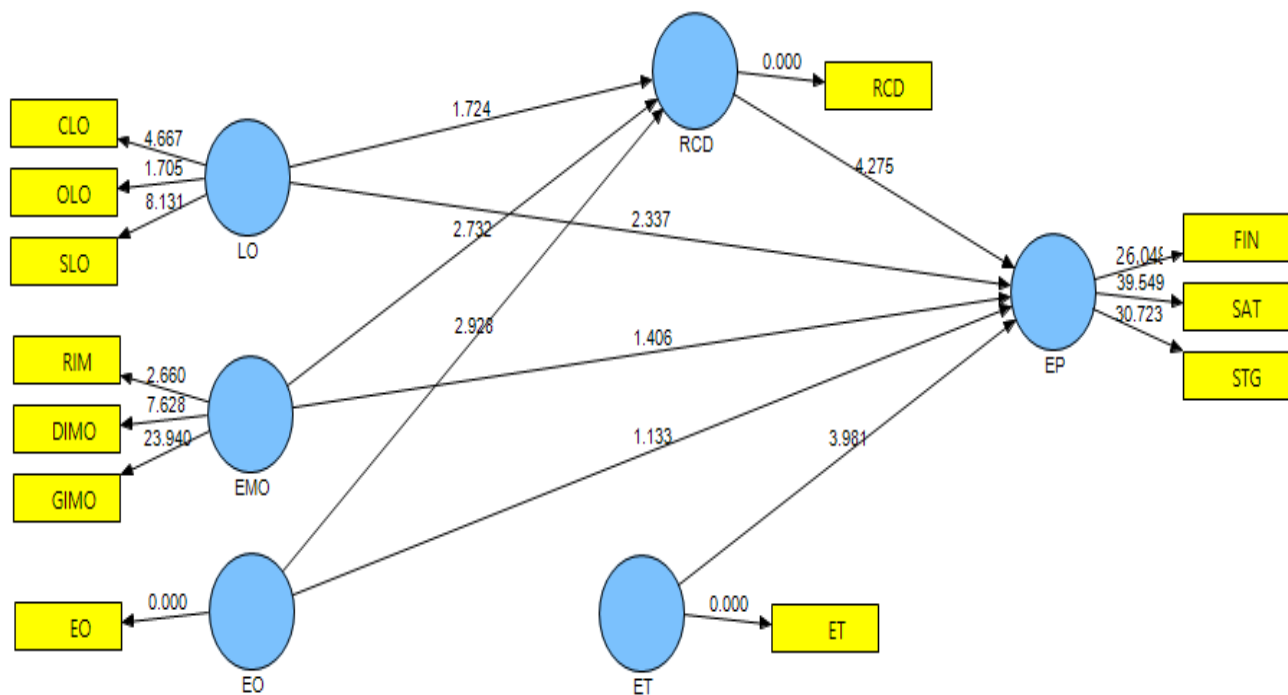


Figure 4.3
The Full Structural Model

Table 4.11
The Result of Structural Model, Mediator and Moderator

H	Relationship	β	S E	T-v	Decision
H1	Entrepreneurial Orientation>Export performance	.090	.080	1.133	N/Supported
H2	Export market Orientation -> Export Performance	.092	.066	1.406*	Supported
H3	Learning Orientation -> Export performance	.209	.089	2.337**	Supported
H4	Export Market O * Environmental T -> Export P	-.292	.085	3.442***	Supported
H5	Entrepreneurial O * Environmental T -> Export P	.114	.071	1.615*	Supported
H6	Learning O * Environmental T -> Export p	.020	.081	.245	N/Supported
H7	Export Market O -> Reconfiguring C -> Export P	-.066	.053	-1.231	N/Supported
H8	Entrepreneurial O -> Reconfiguring C -> Export P	.114	.034	3.353***	Supported
H9	Learning O -> Reconfiguring C -> Export P	.083	.041	2.013**	Supported

Note: Significant level;*P<0.1;**P<0.05; ***P<0.01 (1-tailed test)

Table 4.11 summarizes the results of reflective measured constructs, EO, LO, EMO, RC, ET and EP by showing the original outer weights estimates, the t values and the corresponding significance levels marked in asterisks as well as the p values with the result of mediating effect and interaction calculated for moderator. Hypothesis 1 predicted that entrepreneurial orientation is significantly related to export performance, on the contrary the outcome of PLS model's estimate ($\beta=.090$, $t=1.133$, $p<.129$) showed that the prediction was not supported. Entrepreneurial delayed effect on export performance might have been responsible for this insignificant result (Slater & Narver, 2000). Longitudinal design may be used by future studies to address the effect of this delay (Zahra and Covin, 1995). It might also be that the exporting SMEs in the sample of this study had already adopted a certain orientation, which can be referred to as culture of dominant pattern of beliefs and values that has become the firm's actual strategies employed in exporting, Knight (2001) proposed this causal chain i.e. "orientation \rightarrow strategies \rightarrow performance". In addition, Hughes and Morgan (2007) realized that proactiveness and innovativeness impact business performance positively, while, risk taken showed negative relationship. This means different dimensions of entrepreneurial orientation might serve a different purpose or effect on export performance, and each dimension could vary independently (Lumpkin & Dess, 1996b).

This study also subscribed to the contingent view as one of the perspectives of this study that contends that the performance implication of strategic orientation (i.e. entrepreneurial orientation) might be dependent on contingent factors (Dess *et al.*, 1997). In addition, previous studies have shown that entrepreneurial orientation or particular dimensions thereof might differ across countries and it is still an open question whether this relate to the strength of the relationship between entrepreneurial

orientation and performance. For instance, it is possible that an aggressive “undo the competitor” strategic stance as implied by an entrepreneurial orientation, could be perceived as positive by important stakeholders and rewarded in some cultures but negative and punished in others, this means the influence of entrepreneurial orientation on performance might vary as a function of cultural norms (Knight, 1997; Rauch *et al.*, 2009). Hence, the inability of this study to obtain positive statistically significant relationship between entrepreneurial orientation and export performance could be likened to different perception of EO’s attributes in Nigeria.

Moreover, some studies (Matsuno *et al.*, 2002; Morgan & Strong, 2003; Slater & Narver, 2000; Smart & Conant, 1994) found a negative relationship between entrepreneurial orientation and export performance. In the same vein, some studies like Lumpkin and Dess (2001), Dimitratos *et al.* (2004) and Lee, Lee, and Pennings (2001) reported a significant low relationship between firm performance and entrepreneurial orientation. Hence, the inability of this study to return statistically significant positive relationship could be likened to any of the reasons adduced by these studies. Thus, this has created another gap for intellectual enquiry and future studies may further investigate inconsistency in this finding in either different context or the same context with different measures and analytical tools.

Hypothesis 2 predicted that there is significant relationship between export market orientation and export performance. The finding on the relationship ($\beta=.090$, $t=1.406$, $P<.08$) supported the hypothesis. In the same vein, hypothesis 3 predicted that learning orientation is significantly related to export performance, the result of PLS model’s estimate showed ($\beta=.209$, $t=2.337$, $p=.010$) support for the relationship. Hypothesis 4 also predicted that environmental turbulence moderate the relationship

between export market orientation and export performance. This hypothesis was supported ($\beta = -.292$, $t = 3.442$, $p = .000$). Similarly, Hypothesis 5 predicted that environmental turbulence moderate the relationship between entrepreneurial orientation and export performance. This result ($\beta = .114$, $t = 1.61$, $p = .054$) showed support for the relationship.

On the Contrary, hypothesis 6 predicted that environmental turbulence moderate the relationship between learning orientation and export performance. The finding ($\beta = .020$, $t = .245$, $p = .403$) did not support the hypothesized relationship. However, organizational memory is one of the components of learning orientation that firm can deploy to improve its financial performance (Moorman & Miner, 1997), and environmental turbulence have been found to weaken the relationship between organizational memory and firm performance (Hanvanich *et al.*, 2006) This could be further contended that firm's memory, in the presence of environmental turbulence might not be useful in a context that is causing the memory to decrease (Glazer, 1991; Hargadon, 2002).

Moreover, when there is market and competitive turbulence, customer needs and preferences, learning orientation through is memory action guidance roles might cause firm to become cautious about changes in customer needs and preferences which may at the same time distract firm from innovativeness that might lead to better performance (Hanvanich *et al.*, 2006). Real and working firm's memory of learning orientation could reduce firms ability to improvise as well as affect chances of responding to environmental turbulence (Hanvanich *et al.*, 2006; Miner, Bassof, & Moorman, 2001; Moorman & Miner, 1998). It has also been contended that exclusive reliance on intra-organizational respondents might cause problems and the scale of the

measurement of the construct measure from the perspective of the firm not the perspective of the export customer or competitors (Harris, 2002). All these arguments are in favour of lack of moderation on the relationship between learning orientation and export performance.

Contrary to the expectation, hypothesis 7 also predicted that reconfiguring capabilities mediate the relationship between export market orientation and export performance. The result ($\beta=.066$, $t=-1.231$, $p>.05$) did not support the relationship. Nonetheless, quantitative approach to enquiry has been criticized for use of proxy variable that might only capture tangible and visible aspect of phenomenon. Moreover, reconfiguring capability as dynamic capabilities' notion on relationship with performance has been debunked that dynamic capabilities might not necessarily lead to competitive advantage, the resources of the firm (EMO's activities) might be change, the new set might either enhance competitive advantage or performance may be irrelevant/negative to the market (Helfat *et al.*, 2007). Methodologically, the lack of support for this proposition could be due to weaknesses inherent in the current study or methodology, that has been criticized i.e. type II errors which claimed there is no interaction effect, when there is interacting effect (Aguinis, 1995; Rogers, 2002).

In consistent with Hypothesis 8 that reconfiguring capabilities mediate between entrepreneurial orientation and export performance, PLS model's estimate ($\beta=.114$, $t=3.353$, $p=.000$) showed that reconfiguring capabilities significantly mediate between entrepreneurial orientation and export performance. Likewise, hypothesis 9 predicted that reconfiguring capabilities mediate the relationship between learning orientation and export performance, the finding ($\beta=.083$, $t=2.013$, $p=.023$) supported the hypothesized relationship

4.10.1 Assessment of the Variance Explained in the Endogenous Latent Variable

This study also employed coefficient of determination (R^2 value) as one of the criteria to assess the structural model in PLS-SEM (Hensler *et al.*, 2009). R-Squared is a measure of the proportion of an endogenous construct's variance that is explained by its predictor construct (Hair *et al.*, 2013). The acceptable level of R^2 values are 0.25, 0.50, 0.75 for endogenous variable and could be described as weak, moderate, or substantial (Hair, Ringle, & Sarsted, 2011). While minimum acceptable levels of R squared by scholars like Falk and Miller (1992) is 0.10. Table 4.12 depicts the measure of the proportion of export performance and reconfiguring capabilities (endogenous variables) that is explained by predictor constructs.

Table 4.12
Variance Explained in the Endogenous Variable

Latent Variable	Variance Explained (R^2)
Reconfiguring Capabilities	15%
Export Performance	53%

As shown in table 4.12 the research model explained 15% of the total variance in reconfiguring capabilities and 53% of the variance in export performance. This implies that the reconfiguring capabilities, learning orientation, export market orientation, entrepreneurial orientation and environmental turbulence collectively explained 53% of the variance in endogenous variable (export performance), while the three exogenous latent variables (learning orientation, export market orientation and entrepreneurial orientation) explained 15% of the variance in reconfiguring capabilities' endogenous variable. Thus, using the criteria of Falk and Miller (1992)

and Chin (1998), reconfiguring capabilities (endogenous variable) could be considered weak while export performance (endogenous variable) could be considered moderate.

4.10.2 Assessment of Effect size

In addition to the assessment of R^2 values of all endogenous variables, this study also evaluates effect size. This shows the effect of particular exogenous latent variable on endogenous latent variables through the means of changes in the R- squared (Chin, 1998).

Effect size can be calculated as (Wilson, Callaghan, Ringle, & Henseler, 2007)

$$f^2 = \frac{R^2_{\text{included}} - R^2_{\text{excluded}}}{1 - R^2_{\text{included}}},$$

R^2_{included} and R^2_{excluded} represent R^2 values of the exogenous latent variables when selected exogenous variable is included or excluded from the model. Cohen (1998) suggested that F^2 value of 0.02, 0.15 and 0.35 as weak, moderate and strong effect respectively. Table 4.13 shows the calculation and the result of the effect size of each of the latent variables.

Table 4.13
Effect Sizes (f^2) of the latent variables

R-squared	Included	Excluded	f-squared	Effect size
Export performance				
Reconfiguring capabilities	.533	.473	.128	Small
Learning Orientation	.533	.504	.062	Small
Export Market Orientation	.533	.528	.011	Small
Entrepreneurial Orientation	.533	.526	.015	Small
Environmental Turbulence	.533	.452	.173	Medium
Reconfiguring Capabilities				
Learning Orientation	.152	.130	.026	Small
Export Market Orientation	.152	.087	.077	Small
Entrepreneurial Orientation	.152	.110	.050	Small

Table 4.13 above depicts the effect sizes of the latent variables. The exogenous constructs (reconfiguring capabilities, learning orientation, export market orientation, entrepreneurial orientation and environmental turbulence) for explaining export performance (the endogenous variable) have effect sizes of .128, .062, .011, .015, and .173 respectively. Thus, the effect size of each of the constructs on endogenous construct, applying the Cohen's (1998) recommendation, for reconfiguring capabilities; small, learning orientation; small, export market orientation ;small, entrepreneurial orientation; small and environmental orientation; medium.

Similarly, the remaining three exogenous constructs (learning orientation, export market orientation and entrepreneurial orientation) for explaining endogenous latent variables (reconfiguring capabilities) have effect sizes of .026, .077, and .050

respectively. Following the suggestion of Cohen, each of the three effect sizes could be regarded as small.

4.10.3 Assessment of Predictive Relevance

In addition to evaluating effect sizes and magnitude of R^2 values as a criterion for predictive accuracy, Hair *et al.*, (2013) suggested that researcher should also examine Stone-Geisser's Q^2 value (Geisser, 1974). This is usually used as supplementary assessment of goodness -of-fit in Partial Least Squared Structural Modeling (Duarte, Raposo, 2010). The major criterion stipulated before blindfolding could be used; endogenous latent variables needed to have a reflective measurement model (Sattler, Völckner, Riediger, & Ringle, 2010). The present study has a reflective measurement model and blindfolding procedure was applied to endogenous latent variables.

The predictive relevance of the research model was assessed through the cross-validated redundancy measure Q^2 (Ringle *et al.*, 2012b). Blindfolding is a sample reuse technique that omits every dth data point in the endogenous construct indicators and estimate the parameter with the remaining data point set (Hair *et al.*, 2013; Henseler *et al.*, 2009). A research model with Q^2 statistics (s) greater than Zero is considered to have predictive relevance (Henseler *et al.*, 2009). Table 4.14 depicts the cross validated redundancy for export performance and reconfiguring capability (endogenous variables).

Table 4.14

Construct cross-validated Redundancy

Constructs	SSO	SSE	1-SSE/SSO
Export Performance	603	368.5455	0.3888
Reconfiguring Capability	201	169.5114	0.1567

As depicted in the table 4.14, the cross- validation redundancy measure Q^2 for all endogenous latent variables are above zero, this suggests that predictive relevance of the study model (Henseler & Ringle, 2009).

4.11 Testing Moderating Effect

Product indicator approach was applied in this study, using PLS-SEM to detect and estimate the strength of the moderating of environmental turbulence on the relationship between entrepreneurial orientation, learning orientation, export market orientation and export performance (Henseler & Chin, 2010). The moderating variable is continuous, hence, the product term approach was considered appropriate for this study (Rigdon, Schumacker, & Wothke, 1998). Another reason for using product approach; product term approach is typically equal or superior to those of the group comparison approach (Henseler & Fassott, 2010). The first step was to apply the product indicator approach in testing the moderating effect of environmental turbulence on the relationship between the three strategic orientations(exogenous variables) and export performance (endogenous variable), the product term between the indicators of the latent independent variable and the indicator of the latent moderating variable was created, thus this product term was used as indicator for the

interaction term in the structural model (Kenny & Judd, 1984). In addition to this, Cohen (1998) suggested some guidelines that could be used to determine the effect size. Figure 4.3 depicts the estimate of product indicator approach on examination of the moderating effect of environmental turbulence on the relationship between the exogenous and endogenous latent variables.

As earlier stated in Hypothesis 4 that environmental turbulence moderates the relationship between export market orientation and export performance, this relationship in particular is stronger for the export firms that have high environmental turbulence than for firms with low environmental turbulence. In consonant with the result of structural model assessment with moderator, it was depicted in the table 4.10 that the interaction term representing export market orientation \times environmental turbulence ($\beta=.292$, $t=3.42$, $p<.054$) was statistically significant. Thus, hypothesis 4 was fully supported. Following the procedure recommended by Aiken and West (1993) and Dawson and Richter (2006), information from path coefficient was used to plot the moderating effect of environmental turbulence on the relationship between export market orientation and export performance. The figure 4.4 below shows the interaction effect of export market orientation and environmental turbulence on export performance

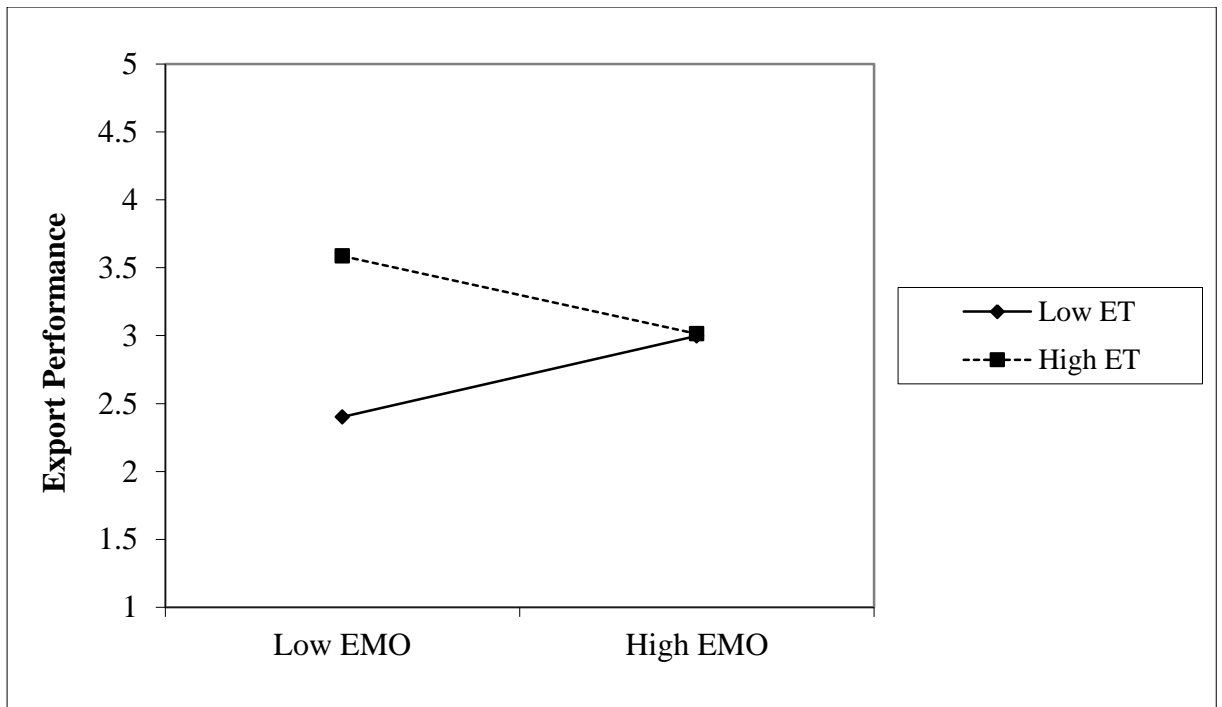


Figure 4.4
Interaction Effect of Export Market Orientation (EMO) and Environmental Turbulence on Export Performance

Similarly, the results of structural model, mediator and moderator showed a support for Hypothesis 5, which stated that environmental turbulence moderate the relationship between entrepreneurial orientation and export performance, in such a way and manner that the relationship is stronger for export firm with high environmental turbulence than for export firm with low environmental turbulence. The result ($\beta=.114$, $t=1.615$, $p<.000$) showed statistical significance. In the figure 4.5, the moderating effect of environmental turbulence on the relationship between entrepreneurial orientation and export performance is shown. It shows a stronger positive relationship between entrepreneurial orientation and export performance for a firm with high environmental turbulence than for a firm with low environmental turbulence.

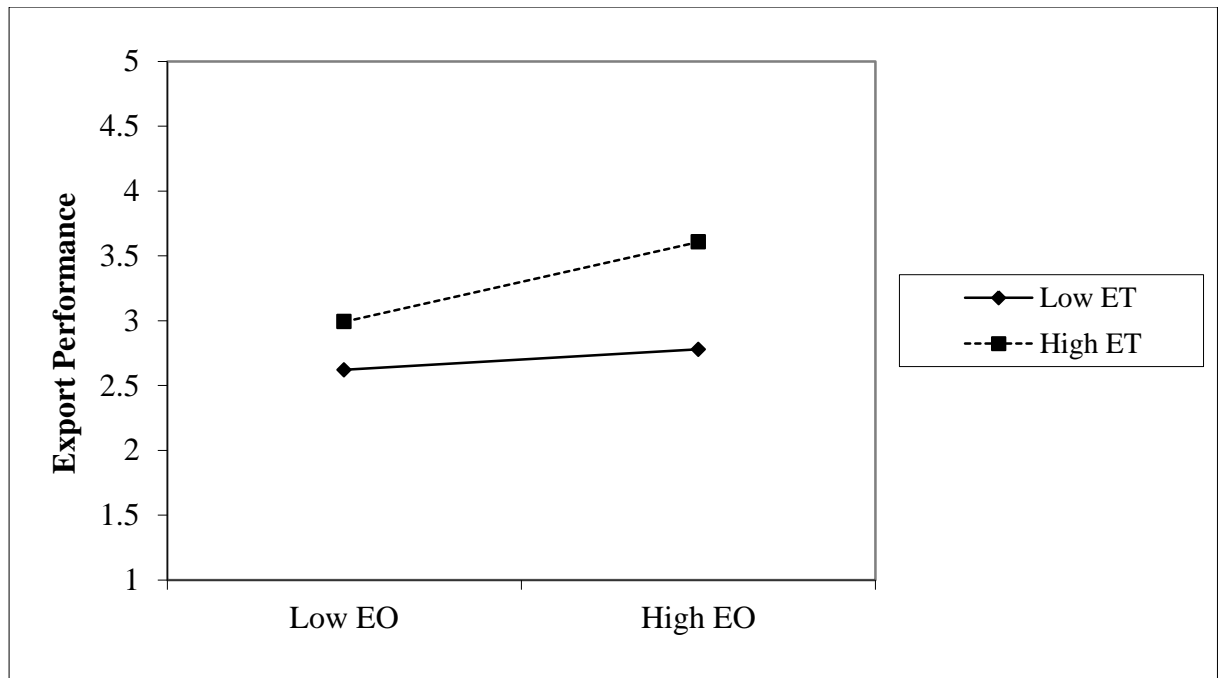


Figure 4.5
Interaction Effect of Entrepreneurial Orientation and Environmental Turbulence on Export Performance

4.12 Analysis of Mediating Effects

Mediating variable is a mechanism that transfers the effect of independent variable on dependent variable and normally surface as a function of predicting and explaining the influence of independent variable on dependent variable (Hair *et al.*, 2010). In this study mediating test was conducted to find if a mediator could significantly transfer the influence of an independent variable on dependent variable (Ramayal *et al.*, 2011). Specifically, mediation test involves examining the indirect effect of the independent variable on dependent variable via the third variable called mediator. There are many techniques of confirming mediation in multivariate analysis (Hayes and Preacher, 2010). Such as causal steps approach (Baron & Kenny, 1986) or Sobel

test (1982), distribution of the product method (MacKinnon, Lockwood, & Williams, 2004), and bootstrapping approaches (Hayes and Preacher).

Hair *et al.*, (2013) suggested bootstrapping approaches (Hayes & Preacher) and sampling distribution of the indirect effect, and consider both simple and multiple mediation models. Bootstrapping should be preferred to other analytical technique of mediation because it makes no assumptions about the shape of the variable's distribution and could be applied to small sample, which is appropriate for PLS-SEM method employed in this study (Hair *et al.*, 2010). Moreover, this study preferred bootstrapping because it represents a more exact calculation of measure and has been reported to be a particular well suited technique for mediation (Chin, 2010; Hair Jr *et al.*, 2013).

As earlier stated, there is always need to present PLS structural direct and indirect effects before presenting the actual mediation's effect (Hair *et al.*, 2014). Direct effect is essential and should be significant. The test would be conducted by carrying out bootstrapping procedure and the study would continue mediator's analysis, If there is significant direct relationship between exogenous variable and endogenous variable, the third variable called mediator's construct in the PLS path model would be included. The purpose of introducing another construct is to achieve indirect effect. The relationship of indirect effect is generally concerned with the influence of X on Y through an intervening variable M. Once mediator is included the indirect effect must be significant (Hair Jr *et al.*, 2013; Hayes & Preacher, 2010).

The results of the indirect bootstrapping procedure run showed indirect association between export market orientation, learning orientation and entrepreneurial

orientation through the intervening variable, reconfiguring capabilities on export performance. Particularly, the outcome of indirect bootstrapping when reconfiguring capabilities was introduced; for export market orientation and export performance revealed no statistical significant indirect relationship ($\beta=.066$, $t=1.231$, $p=< .110$); In contrast, for the relationship between entrepreneurial orientation and export performance when reconfiguring capabilities was introduced , there was significant indirect relationship ($\beta=.114$, $t=3.353$, $p=.000$); and the indirect relationship between learning orientation and export performance was also statistically significant ($\beta=.083$, $t = 2.013$, $p= .023$) when reconfiguring capabilities was introduced.

Having confirmed the indirect effects through bootstrapping procedure of PLS-SEM, the next line of action presents the actual results of the mediation test for all the three proposed mediating models.

The real mediation effect in PLS model was examined by means of the bootstrapping procedure in tandem along with proposed hypotheses (Hair *et al.*, 2013), Generally, mediation could be assessed by multiplying the average of paths for instance ‘a’ and ‘b’ and proceed to divide the obtained value by standard error of the paths (Kock, 2011). Table 4.15 depicts the template for mediation calculation for the present study.

Table 4.15

Template for Mediation Calculation

H	Relationships	Path a	Path b	β	SE	T-v	Decision
H7	EMO->RC->EP	-0.181	0.363	-0.066	0.053	-1.231	N/supported
H8	E0->RC->EP	0.313	0.363	0.114	0.034	3.353***	Supported
H9	LO->RC->EP	0.230	0.363	0.083	0.041	2.013**	supported

Note: Significant level; *** $P<0.0.1$; ** $P<0.05$ (1-tailed).

The result in table 4.15 depicts that reconfiguring capabilities mediate the relationship between entrepreneurial orientation and export performance (H 8), and also mediate the relationship between learning orientation and export performance (H 9). However, reconfiguring capabilities in H 7 did not mediate the relationship between export market orientation and export performance.

4.11 Summary

Chapter four of this study has comprehensively treated data analysis; from data collection and survey responses, response rate, data screening and preliminary analysis, non response bias, demographic characteristic of the respondents and descriptive analysis of the latent variable. Specifically, as earlier stated in the beginning of the chapter, PLS-SEM path model was employed to assess measurement models (individual item reliability, internal consistency reliability, convergent validity and discriminant validity). The assessment of structural model in form of significant path coefficient, evaluation of the level of R-squared values, determination of effect size, predictive relevance moderating and mediating effect were critically evaluated through PLS-SEM bootstrapping and blindfolding procedures.

Through this rigorous analytical exercises, it has been revealed from the statistically significance results, confirming some of the hypotheses stated from the inception of the study, for instance, in hypothesized direct relationship; there is statistically significant support for the relationship between export market orientation and export performance; learning orientation and export performance, while there is no statistically significant support for the relationship between entrepreneurial orientation and export performance.

In moderating relationship, it was realized through the result of the structural model PLS-SEM and effect size that there is statistically significant support that environmental turbulence moderates the relationship between export market orientation and export performance. So also, statistically significant support is shown that environmental turbulence moderates the relationship between entrepreneurial orientation and export performance. In contrast, there is no statistical significant support that environmental turbulence moderates the relationship between learning orientation and export performance. The last part of the chapter discussed the indirect relationship and mediation; there is statistical significant support for mediation, reconfiguring capabilities mediate the relationship between entrepreneurial orientation and export performance. Reconfiguring capabilities also mediate between learning orientation and export performance, while, there is no statistical significant support, that reconfiguring capabilities mediate the relationship between export market orientation and export performance. Having achieved the major objectives of data analysis in this chapter, the next chapter presents discussion on the findings in relation to previous studies and theories

CHAPTER FIVE

CONCLUSIONS AND RECOMMENDATION

5.1 Introduction

In the previous chapter the findings of this study were presented. The objective of this chapter is to discuss the results of the study in the context of the research questions, hypotheses and literature review. The chapter is organized into nine major parts. The first section is sub-divided into three parts; the findings on direct relationship (between strategic orientations EO, EMO, LO and export performance); the findings on moderating effects (environmental turbulence moderate the relationship between strategic orientations EO, EMO, LO and export performance); the findings on mediating effects (reconfiguring capabilities mediate the relationship between strategic orientations EO, EMO, LO and export performance). Followed by other six sections; theoretical contributions, policy contribution, methodological implication, managerial implication, limitation of the study and summary respectively.

5.2 Direct Relationship between Strategic Orientations (EO, EMO, LO) and Export Performance

Strategic orientations are description of how resources allocation and coordination patterns are brought into embedded, adopted, and/or enacted at some levels with the firm. Here, the term orientation is described as firm's tendency to adopt particular norms, and acts or function in specific way (Cadogan *et al.*, 2012). Strategic

orientation has become the indication of direction in which firm wants to go in future and specific managerial perception, predisposition, tendencies, motivation and desire that precede and guide the strategic planning and development process and ultimately the direction of the organization (Gabarro, 1973). Hence, the phenomenal research interest in the broad notion of strategic orientations emerge as a consequences of observing firms preferences, behavior and performance outcome.

Globalization, growing internationalization of markets and increase in participation of firms have promoted worldwide exporting level to soar and attracted considerable interest in prior researches (Cavusgil & Zou, 1994; Morgan *et al.*, 2004). As more and more countries are integrated into world economy exporting firms are faced with increased competition (Caruana & Calleya, 1998) consequently, the advancement has culminated to highly competitive, turbulent and sophisticated market's demand (Knight & Cavusgil, 2004). Competitive competence rests in a major way on a firm's level of export related skills, most especially the learning that occurs and the knowledge that flow from it (Souchon *et al.*, 2012). Response to the changes in macroeconomic, legal and regulatory environment has required exporting firm to be entrepreneurial learning and market oriented firm (Knight & Cavusgil, 2004; Rose & Shoham, 2002). Thus the Firm's ability to learn is a key to develop competitive advantage and the heart of successful marketing (Hult, Hurley, Giunipero, & Nichols, 2000).

5.2.1 The Relationship between Entrepreneurial Orientation and Export Performance

The finding of this study did not indicate statistically significant relationship between these two constructs (EO and EP). This lack of relationship is not consistent with some earlier studies (Baker & Sinkula, 2009; Balabanis & Katsikea, 2003; Boso *et al.*, 2012; Calantone *et al.*, 2006; Cavusgil, 1984; Lechner & Gudmundsson, 2014; Wiklund & Shepherd, 2003; Zahra & Covin, 1995) which suggested relationship exists between entrepreneurial orientation and firm/export performance. The argument for the statistically significant relationship between export performance and EO was based on first prime mover advantage of EO (Zahra & Covin, 1995). Proactiveness, innovativeness and risk taking were expected to facilitate a firm to transform its economic performance (Naman & Slevin, 1993). In addition, complex, uncertain and turbulent nature of export market environment was expected to encourage and provide better opportunity for better success (Balabanis and Katsikea, 2003). Strategic EO in exporting SMEs could improve SMEs' export performance (Knight & Cavusgil, 2004). Thus, being entrepreneurial was hypothesized to enhance the performance of small and medium enterprises.

Contrary to these views, the result of this study is negative. Nevertheless, entrepreneurial delayed effect on export performance might have been responsible for this insignificant result (Slater & Narver, 2000). Longitudinal design may be used by future studies to address the effect of this delay (Zahra and Covin, 1995). It might also be that the exporting SMEs in the sample of this study had already adopted a certain orientation, which can be referred to as culture of dominant pattern of beliefs and values that has become the firm's actual strategies employed in exporting, Knight (2001) proposed this causal chain i.e. "orientation -> strategies -> performance" In

addition, Hughes and Morgan (2007) realized that proactiveness and innovativeness impact business performance positively, while, risk taken showed negative relationship. This means different dimensions of entrepreneurial orientation might serve a different purpose or effect on export performance, and each dimension could vary independently (Lumpkin & Dess, 1996b).

This study also subscribed to the contingent view as one of the perspectives of this study that contends that the performance implication of strategic orientation (i.e. entrepreneurial orientation) might be dependent on contingent factors (Dess *et al.*, 1997). In addition, previous studies have shown that entrepreneurial orientation or particular dimensions thereof might differ across countries and it is still an open question whether this relate to the strength of the relationship between entrepreneurial orientation and performance. For instance, it is possible that an aggressive “undo the competitor” strategic stance as implied by an entrepreneurial orientation, could be perceived as positive by important stakeholders and rewarded in some cultures but negative and punished in others, this means the influence of entrepreneurial orientation on performance might vary as a function of cultural norms (Knight, 1997; Rauch *et al.*, 2009). Hence, the inability of this study to obtain positive statistically significant relationship between entrepreneurial orientation and export performance could be likened to different perception of EO’s attributes in Nigeria.

Moreover, some studies (Matsuno *et al.*, 2002; Morgan & Strong, 2003; Slater & Narver, 2000; Smart & Conant, 1994) found a negative relationship between entrepreneurial orientation and export performance. In the same vein, some studies like Lumpkin and Dess (2001), Dimitratos *et al.* (2004) and Lee, Lee, and Pennings (2001) reported a significant low relationship between firm performance and

entrepreneurial orientation. Hence, the inability of this study to return statistically significant positive relationship could be likened to any of the reasons adduced by these studies. Thus, this has created another gap for intellectual enquiry and future studies may further investigate inconsistency in this finding in either different context or the same context with different measures and analytical tools.

5.2.2 The Relationship between Export Market Orientation and Export Performance

Another objective of this study is to validate the previous research conclusion that export market orientation significantly relate with export performance and consistent with the expectation, export market is positively related to export performance. The outcome of this study is in agreement with prior researches on both domestic and international firms (Kropp, Lindsay, Shoham 2006; Rose & Shoham, 2002; Kirca *et al.*, 2005; Cadogan, Diamantopoulus & De Mortanges, 1999). Specifically, the finding of significant positive relationship between export market orientation and export performance is consistent with prior studies (Cadogan *et al.*, 2009; Lee & Cavusgil, 2006; Matanda & Freeman, 2009; Miocevic & Crnjak–Karanovic, 2012; Murray *et al.*, 2011). Recent studies, such as Miocevic and Crnjak–Karanovic (2012), Murray *et al.* (2007), Cadogan *et al.* (2009), Chung (2012) Sørensen and Madsen (2012) and Cadogan (2012) found statistically significant relationship between EMO and export performance. This consistency with prior studies and recent literatures has further strengthened the resources base view of the firm that particularly identifies export market orientation as rare, hard to imitate, valuable and hard to substitute

market-based which can secure competitive advantage (Hunt & Morgan, 1995). Therefore export market orientation in export venturing would result to superior export performance has once again being validated by the present study.

5.2.3 The Relationship between Learning Orientation and Export Performance

One of the objectives of this study is to validate the research conclusion of significant statistically relationship between learning orientation and export performance. The result of the study is consistent with the previous studies on learning orientation and firm performance (Calantone, Cavusgil, & Zhao, 2002b; Grinstein, 2008; Jiménez-Jimenez *et al.*, 2008; Kaya & Patton, 2011). Besides all the highlighted studies, Phromket and Ussahawanitchakit (2009) and Liu *et al.* (2002) also support that learning orientation relate with firm performance. In more specific context of export where study on this relationship is scarce the available studies still show that learning orientation is significantly related to export performance (Akyol & Akehurst, 2003; Cadogan *et al.*, 2003; Day, 1992; Song, Joo, & Chermack, 2009; Souchon *et al.*, 2012). Ability to learn and apply this knowledge to turbulent environment and challenge export market is the major key to achieve and sustained competitive advantage (Day, 1992). This study has further confirmed and validated the research conclusion of statistically significant relationship between learning orientation and export performance.

5.3 Environmental Turbulence moderate the relationship between Strategic Orientation and Export Performance

Strategic Orientations (EO, EMO & LO) and Export Performance Turbulent environments have been described by Calantone *et al.* (2003) and Lynn (2010) as environments with high degree of inter-period change that cause dynamism and uncertainty. The conditions have features of unpredictability, volatility and sharp discontinuity in demand and growth rates and the short time competitive benefits that are persistent are succinctly produced or eroded. The competitive structure of the industry is persistently change by the low barriers to entry/exit. This type of environment is characterized with: unfamiliar, hostile, heterogeneous, uncertain, complex, dynamic and volatile. Combined jointly, these descriptions amount to a measure of environmental turbulence (Covin & Slevin, 1989; Dess & Beard, 1984; Eisenhardt & Bourgeois, 1988; Glazer & Weiss, 1993)

Environmental turbulence in export firms is caused by technological innovation, market dynamism, export competitive intensity and regulatory policies (Cadogan *et al.*, 2001). Market turbulence in export market is typified by continuous changes in export customer's preferences/demands, in price/cost structure and in the composition of export's competitors (Calantone *et al.*, 2003). Technological innovations can also cause environmental turbulence in export market; if the rate of change in scientific community and market place is accelerated by invention of new technology. A firm would only enjoy temporary competitive advantage because product becomes old-fashioned and no longer in use. (Bourgeois, 1985). Hence, in turbulent export environment the firms' manager must cope with uncertainty regarding their export's

customer needs, uncertainty about the better long technology and market path to follow and uncertainty concerning the level of resources to commit to various international operations (Mullins & Sutherland, 1998). However, sustainable competitive advantages lie in a firm's ability to quickly adapt to the changing environment and recognize the need to adopt an entrepreneurial philosophy to deal with the increasing environmental uncertainty. Environmental turbulence is a potential contingent factor that may influence the effectiveness of the usage of the strategic orientations (Lumpkin & Dess, 2001).

In order to answer the research questions “does environmental turbulence moderate the relationship between strategic orientations (EMO, LO & EO)”, three objectives and three hypotheses that are delineated from the inception of the study are followed one after the other to explain and show the outcome of the study in line with how environmental turbulence moderate the relationship between strategic orientations and export performance.

5.3.1 Environmental Turbulence Moderate the relationship between Export Market Orientations and Export Performance

Generally, previous finding on the moderating impact of the environment on the relationship between EMO and export performance have been mixed in marketing and management literature (Rose & Shoham, 2002). Some studies did not find external environment moderating the relationship between export market orientation and export performance (Cadogan *et al.*, 2002a; Greenley, 1995). For instance studies within US have found little or no evidence, while the role of environment and

statistically significant effect has been more pronounced outside US (Diamantopoulos & Hart, 1993; Jaworski & Kohli, 1993; Rose & Shoham, 2002). This study finds statistically significant effect of environmental turbulence on the relationship between export market orientation and export performance. Exporting SMEs in highly turbulent environment benefit from export market orientation to a greater extent than firms in less turbulent environment and this finding is consistent with prior studies (Atuahene-Gima, 1996; Cadogan *et al.*, 2003; Cadogan *et al.*, 2001; Matanda & Freeman, 2009; Pulendran *et al.*, 2000; Rose & Shoham, 2002).

This confirms the fact that turbulent environment should increase export market oriented SMEs' information gathering about the export market environment, such as information about export customer needs, information of export competitors and disseminate the information to the decision maker in the firm for appropriate actions to meet the needs and preferences of customer (Cadogan *et al.*, 1999). Since there is increase in the complexity of international environment of exporter, which required the importance of intelligence generation, intelligence dissemination and responsiveness in order to assess and beat the potential of environmental variables (Rose & Shoham, 2002), Then, differences in the international environment would provide more discrepancy than domestic market, this uncertainty or turbulence in the export environment would require export market oriented firm to acquire and respond to environmental information, therefore, market turbulence, competitive intensity and rapid technological changes would always increase the need to actively monitor and respond to this environmental changes through export market orientation (Jaworski & Kohli, 1993; Rose & Shoham, 2002).

Growing studies on export market orientation and export performance's literature realized that the relationship between the two constructs could be weaker or stronger all depends on how stable or unstable the external environment (Homburg & Pflesser, 2000b; Pulendran *et al.*, 2000; Slater & Narver, 1994). This in conjunction with Cohen's (1998) guidelines is used to determine the effect size. Figure 4.3 and table 4.10 depict the estimate of product indicator approach on examination of the moderating effect of environmental turbulence on the relationship between the exogenous and endogenous latent variables. The outcome of the effect size demonstrated further that environmental turbulence moderates the relationship between export market orientation and export performance. This relationship in particular is stronger for the export firms that have high environmental turbulence than for firms with low environmental turbulence.

5.3.2 Environmental Turbulence Moderates the Relationship Between Entrepreneurial Orientation and Export Performance

As earlier stated from the inception of this study, one of the objectives of the study was to assess whether environmental turbulence moderates the relationship between entrepreneurial orientation and export performance or not. The outcome of PLS Structural Modeling coupled with 5000 interaction bootstrapping revealed that environmental turbulence moderates the relationship between entrepreneurial orientation and export performance, and this is consistent with prior studies (Cadogan *et al.*, 2009; Boso *et al.*, 2012; Yeoh & Jeong, 1995; Lumpkin & Dess, 2001; Covin & Slevin, 1989; Wilklund & Shepherd; Boso *et al.*, 2012; Sundqvist, Kylaheiko,

Kuivalainen & Cadogan, 2012). The finding has further confirmed that environmental turbulence, which sometimes characterize with high-tech industries were established to promote entrepreneurial firm-level behavior. It is always a potential contingent factor that could influence the effectiveness of the usage of the strategic orientations (entrepreneurial orientation). Hence, when the environment is turbulent, hostile, full of uncertainty, the qualities associated with entrepreneurial orientation could be justified for its ability to seize new market and opportunity in spite of unfriendly situation.

Exporting SMEs that adopt an entrepreneurial orientation would effectively deal with prevalent forces in turbulent, hostile and dynamic export market environment where demand regularly shift, opportunities turn out to be plentiful and performance level would be at peak for firms that have special orientation in chasing after new opportunities since they possess a good fit/match between their orientation's strategy and the external environment.(Covin & Slevin 1989, Lumpkin & Dess 2001 ; Wilklund & Shepherd, 2005; Boso, Cadogan & Story 2012).

Similarly, the moderating effect further strengthened the results of structural model and moderator in table 4.10. It shows a support for Hypothesis 5, which stated that environmental turbulence, moderates the relationship between entrepreneurial orientation and export performance, in such a way and manner that the relationship is stronger for export firm with high environmental turbulence than for export firm with low environmental turbulence. The result ($\beta=.114$, $t=1.615$, $p<.000$) showed statistical significance. It shows a stronger positive relationship between entrepreneurial orientation and export performance for a firm with high environmental turbulence than for a firm with low environmental turbulence. This finding is also consistent with

previous studies (Yeoh & Jeong, 1995; Lumpkin & Dess, 2001; Covin & Slevin, 1989).

5.3.3 Environmental Turbulence Moderate the Relationship between Learning Orientation and Export Performance

This study hypothesized that environmental turbulence moderates the relationship between learning orientation and export performance. The result of PLS modeling interaction bootstrapping did not return a statistically significant relationship for this proposition, which is not consistent with prior studies (Baker & Sinkula, 2002; Hanvanich, Sivakumar, & Hult, 2006; Jiménez-Jimenez *et al.*, 2008; Kuivalainen, Sundqvist, Puumalainen, & Cadogan, 2004; Lichtenthaler, 2009; Moorman & Miner, 1997; Phromket & Ussahawanitchakit, 2009; Slater & Narver, 1995; Souchon *et al.*, 2012). However, organizational memory is one of the components of learning orientation that firm can deploy to improve its financial performance (Moorman & Miner, 1997), and environmental turbulence have been found to weaken the relationship between organizational memory and firm performance (Hanvanich *et al.*, 2006). This could be further contended that firm's memory, in the presence of environmental turbulence might not be useful in a context that is causing the memory to decrease (Glazer, 1991; Hargadon, 2002).

Moreover, when there is market and competitive turbulence, customer needs and preferences, learning orientation through its memory action guidance roles might cause firm to become cautious about changes in customer needs and preferences which may at the same time distract firm from innovativeness that might lead to better

performance (Hanvanich *et al.*). Real and working firm's memory of learning orientation could reduce firms ability to improvise as well as affect chances of responding to environmental turbulence (Hanvanich *et al.*, 2006; Miner, Bassof, & Moorman, 2001; Moorman & Miner, 1998).

All these argument are in favour of lack of moderation of environmental turbulence on the relationship between learning orientation and export performance. Even though some studies found that in very high level of environmental turbulence response to export information make easy by better acquisition and distribution of export information and management of mental model would result in more nearness to the customer, better value creation and better potentials for export growth (Souchon *et al.* 2012). Learning oriented firms are also capable to adapt when there is market turbulent since they are related to more pro active and new to the market innovation and necessitate change in the way business are perceived (Baker & Sinkula, 2002; Slater & Narver, 1995). Nevertheless, the lack of support for this proposition could be due to weaknesses inherent in the current study or methodology, that has been criticized i.e. type II errors which claimed there is no interaction effect, when there is interacting effect (Aguinis, 1995; Rogers, 2002).

It has also been contended that exclusive reliance on intra-organizational respondents might cause problems and the scale of the measurement of the construct measure from the perspective of the firm not the perspective of the export customer or competitors (Harris, 2002).

5.4 Reconfiguring Capabilities Mediate Between Strategic Orientations (EMO, LO, EO) and Export Performance

Mediating variable is a mechanism that transfers the effect of the independent variables on the dependent variable and normally surface as a function of predicting and explaining the influence of independent variables on dependent variables (Hair *et al.*, 2010). However, Teece, Pisano, & Shuen, (1997) revealed that the major objective of the strategic management field is to make available philosophical and theoretical explanation of how a firm gains a competitive advantage. Dynamic capabilities (DCs) frame work contained by strategic management argues that a firm that can build up innovative capabilities and resources crucial to addressing changes in the external environment by integrating; updating its already available capabilities would achieve a competitive benefit (Teece *et al.*, 1997). DCs are the firm's ability to integrate, build and reconfigure internal and external competences to address rapidly changing environment (Teece *et al.*, 1997). DCs refers to the firm's ability to alter the resources base by creating , integrating recombining and releasing resources (Eisenhardt and Martin 2000).The main processes that underpin dynamic capabilities are learning, reconfiguration, replication coordination (Bowman & Ambrosini, 2003). Teece (2007) revealed that DCs comprises of divers organizational capabilities such as opportunity identification and reconfiguring activities that enable the organization to address market changes.

The focus of this study is reconfiguring capabilities. Reconfiguring capabilities are the ability to redesign certain element or components of a system. This focuses on structural change of firm in which the components is business unit. The

reconfiguration of business unit involves addition of unit to the firm, deletion of unit within the firm such in the way and manner that resources and activities are still retained by the organization (Karim, 2006).

In order to answer the research questions that does reconfiguring capabilities mediate the relationship between strategic orientations (EMO, LO, & EO) and export performance? The mediation of reconfiguring capabilities on the relationship between strategic orientations and export performance is delineated into three objectives and three hypothesizes to answer the questions and explain the relationships

5.4.1 Reconfiguring Capabilities Mediate the Relationship Between Export Market Orientation and Export Performance

This present study hypothesized that reconfiguring capabilities mediate the relationship between export market orientation and export performance. On the contrary this study did not return statistically significance for this relationship, which is not consistent with the limited views that reconfiguring capability would rely on real time information, cross functional relationship and intensive communication among those involved in the process and external market (Teece, 2007). Secondly, the finding is not consistent with the view that reconfiguring capability would provide sensitivity and responses are created by EMO's routine to provide superior export market information and understanding and in the process decrease uncertainty and increase probability of market change (Hou, 2008). Thirdly, the finding is not consistent with when reconfiguring capability accelerates the effectiveness and

efficiency of EMO it would become an important capability and enhance performance impact of EMO (HO & Tsai, 2006).

However, Quantitative approach to enquiry has been criticized for use of proxy variable that might only capture tangible and visible aspect of phenomenon. Moreover, reconfiguring capability as dynamic capabilities' notion on relationship with performance has been debunked that dynamic capabilities might not necessarily lead to competitive advantage, the resources of the firm (EMO's activities) might be change, the new set might either enhance competitive advantage or performance may be irrelevant/negative to the market (Helfs et al., 2007). Methodologically, the lack of support for this proposition could be due to weaknesses inherent in the current study or methodology, that has been criticized i.e. type 11 errors which claimed there is no interaction effect, when there is interacting effect (Aguinis, 1995; Rogers, 2002).

5.4.2 Reconfiguring Capabilities Mediate the Relationship Between Entrepreneurial Orientation and Export Performance

This study hypothesized that reconfiguring capabilities mediates on the relationship between entrepreneurial orientation and export performance; the proposition returned statistically significance coefficient to support the hypothesis. This finding is consistent with prior study (Abiodun & Rosli, 2014).

This finding confirm the proposition that EO desire to reflects its five qualities and always supposed to be forward looking, yet, the firm modifies its entrepreneurial orientation through reconfiguring capability (Borch & Madsen, 2007; Lumpkin &

Dess, 2001). The ownership perception of opportunities is used to underpin changes in existing routines or resources configuration, their willingness to undertake such changes and their ability to implement the change. (Woldesenbet *et al.*, 2012). Entrepreneurial reconfiguring capability would be underpinned by processes and routines that reconfigure, recombine and transform firm's pro-activeness, innovativeness, risk-taken, competitive aggressiveness and autonomous decision (Rauch *et al.*, 2009).

Therefore, it is the capability of re-arranging the resources into resources configuration supporting the chosen strategies that are critical. Thus, reconfiguring capability does not only have direct effect on the output of the firm in which they reside, but also have indirect effect on the basic operational resources (Grant, 1991; Helfat & Peteraf, 2009). The outcome of the finding further denotes that reconfiguring capability possessed by an exporting entrepreneur in a firm would identify new combination of productive resources within the firm and extend the frontiers of capability, and connecting several ventures with different resources and enhance the ongoing adaptation of exporting since the linkage improves overall innovation management that would enable the firm to reconfigure its resources and provide way to experiment new idea (Borch & Madsen, 2007; Dougherty & Hardy, 1996).

5.4.3 Reconfiguring Capabilities Mediate the Relationship Between Learning Orientation and Export Performance

This present study hypothesized that reconfiguring capabilities mediates between learning orientation and export performance. The result of PLS modeling's bootstrapping obtained returned a statistically significance for this proposition. This is parallel and consistent with the prior studies on dynamic capabilities' view on the relationship between learning orientation and export performance (Hung, Yang, Lien, McLean, and Kuo 2010; Hsu and Fang (2009). However, the mediation of reconfiguring capabilities on the relationship between learning orientation and export performance is scarce; hence, this study has found reconfiguring capabilities mediate between learning orientation and export performance. This has confirmed the fact that reconfiguring capability is a sufficient tool to mediate between learning orientation and export performance of SMEs based on the premises that firms are proactive organization and manager makes decision on structural change in order to learn, find new opportunity and be profitable (Karim, 2006). Reconfiguring learning capabilities would reject notion punctuated equilibrium and events-based approaches in favour of time-paced responses, but rather on well defined managerial responsibilities and project priorities, extensive communication and frequent low-cost experiment and iteration (Brown & Eisenhardt, 1997).

Reconfiguring learning capabilities enables the manager of SMEs to learn, since he plays the significant roles in shaping the firm's future, hence, learning process has to be closely linked. Capability for Reconfiguration and recombination would alter the accumulated asset base of the organization further leading to additional effect on firm

performance and competitive advantage (Helfat *et al.*, 2009). Reconfiguring learning capabilities in exporting SMEs would enhance processes needed to learn from disappointment, recognition of failure, interpretation of result into exporting model that can be tested and better action taking routine in export arena to improve performance (McGrath, 1995). Reconfiguring Learning capabilities would enable the creation and extension of competencies via the application, integration and deployment of acquisitive and experimental knowledge which is great potential for distinctive and competitive advantage (Zahra *et al.*, 2006).

5.5 Theoretical Contributions

This study makes contribution to the literature of SMEs' export performance in international entrepreneurship and strategy research by examining impact of the firm reconfiguring capabilities, export marketing, learning and entrepreneurial strategic orientation under environmental turbulence on export performance. To the best of knowledge of this researcher, this effect has not been empirically investigated previously in this manner. Even though there have been studies on the relationship between strategic orientations (EMO, LO, EO) and export performance (Cadogan *et al.*, 2001, 2003, 2009, 2012; Knight & Cavusgil, 2004), this study in particular complements existing studies. The outcome suggests that it is not only strategic entrepreneurial, learning and export marketing behavior but more importantly the ability to create new asset configuration that have an effect on export performance of SMEs.

One of the major contributions of this study is to use reconfiguration to provide a view into slogan of innovation within SMEs. This study refers to the management of resources and structure as reconfiguration (Karim and Mitchel, 2004). It was built on Teece *et al.* (1997) and conceptualized on Bowman and Ambrosini (2003), who declared that dynamic capabilities comprises of four main processes; reconfiguration, leveraging, learning and creative integration. This study for the first time specifically used reconfiguration as mediator between strategic orientation and export performance.

Reconfiguration is a process by which corporation frequently restructure their divisional structure in turbulent market, realign their business and transfer some resources from one business to another by adding, splitting, transferring, existing or combining business (Eisenhardt & Martin, 2000). This is similar to patching, that involves the realignment of structure to match changing business/market opportunity. Entrepreneurial exporting SMEs have to map the broad set of resources base and competencies that exist and emerge within the firm (Greene *et al.*, 1999). Thus, the firm has to identify new combinations of productive resources within the firm and to extend the frontiers of capabilities, as this is possible with a discussion of synergies between old resources combination within and new resources outside the firm.

Reconfiguration of SMEs' resources coupled with strategic orientations would provide benefit from simple organizational structure with little internal limitations. Increasing flexibility, direct ownership participation and low formalization increase the speed of decision making and few organizational boundaries and increase opportunity for linking resources in different parts of the firm (Borch & Madsen, 2007). Thus firms that are active in implementing new strategies, method processes in

order to match their internal organization operating environment are expected to succeed better in export activities than their passive counterparts (Jantunen *et al.*, 2005). However, there may be substantial comparative differences between organizations in their ability to carry out new routines and this stresses the fact that it is not only being active but possessing capability to orchestrate change (Edmondson, 2003; Teece, 2007). Therefore, firms with advanced reconfiguring capabilities bundled with strategic orientations might be expected to seize opportunity through new resources combination and well organized process and structures.

Another contribution of this study, in direct relationship between strategic orientations and export performance where the result of the present study supports the notion and other prior studies (Cavulsgil, 2006; Cadogan *et al.*, 2009; Matanda and Freeman, 2009; Murray *et al.*, 2010; Miocevic and Crnjak-Karanovic, 2012; Boche and Barimeruz 2010) that EMO has positive performance implication by statistical standard. The contribution in the sense of supporting other previous studies that exporting SMEs are likely to benefit from pursuing an export market orientation. This finding has also contributed to the scholarship through direct relationship between learning orientation and export performance established. The outcome of bootstrapped PLS modeling showed positive statistically significant for the relationship between the two constructs. This finding has joined the host of prior studies (Kaya & Patton , 2011; Jimnez-Jimnez & Valle 2008; Keskin 2006, Grinstein, 2008; Narver *et al.* ;2001; Liu, Luo,& Shi 2002; Calantone *et al.*, 2002; Phromket and Ussahawanitchakit 2009) to subscribe that learning orientation -export performance implication represents area of building a cumulative body of relevant knowledge about entrepreneurship and stresses the fact that exporting SMEs are likely to benefit from pursuing learning orientation.

Thus, SMEs should gather more information about their export market's competitors, distributors, agents, and supplier. SMEs should consider resources allocation and investment in acquisition of information of specific export market's research that meet specific export needs. However, the direct relationship between entrepreneurial orientation and export performance did not return statistically significance and the contribution under this note is that this study has joined the prior studies (Matsuno *et al.*, 2002; Morgan & Strong, 2003; Smart & Conant, 1994; Slater & Narver 2000) that failed to find positive statistically significant relationship between the two constructs. Lack of support might also be attributed to the probability that the exporting SMEs in the sample (Nigeria SMEs) of this study had already adopted a certain orientation, which can be referred to as culture of dominant pattern of beliefs and values that has become the firm's actual strategies employed in exporting i.e. causal chain "orientation -> strategies -> performance" (Knight, 2001).

The contribution of this study also extends resources based view (RBV) as an appropriate theoretical perspective for emerging market by providing evidence for export performance of SMEs. The basic element of RBV is identification of the presence of inimitable resources which cannot be eroded by competition overtime. Thus resources must be continually developed (Kor & Mahoney, 2004). This view perceived firm specific resources such as assets and capabilities as the drivers of a firm business strategy (Kropp *et al.*, 2006). In this study EO, LO, and EMO are considered as resources which have potentials to enhance firm performance. Dhanaraj and Beamish (2003) contended that resource based view should be the pillar for rigorous building in area of export performance and RBV has been used to explain the strategic orientation tool employs to predict export performance in this study.

This study stressed the roles of reconfiguring capabilities in the exporting SMEs expansion into different new market, specifically foreign market and continues to exploit existing resources and accumulated knowledge in new market. This inform the decision to acquire ability to reconfigure processes, practices and structures to achieve a fit between SMEs' resources and capabilities and the basic requirement of new market environment.

Reconfiguring capabilities could be seen as an extension of the resource-based view because the firm is regarded as an embodiment of resources like skills and knowledge-based resources (Hou, 2008). Hence, competitive advantages begin from the creative integration and exploitation of these resources in the market place. Capabilities are learned and stable patterns of collective activity through which the organization systemically generate and modifies operating routine (Zollo & Winter, 2002). Teece (2007) posited that DCs are the ability to sense and then seize new opportunities and to reconfigure these to achieve competitive advantages. It is the capacity that the firm has to shape, re-shape, configure and reconfigure in order to radically respond to technological and market changes (Teece, 2007). The resources base view has stressed that the key to achieve sustainable competitive advantage from organization stock of resources depends on the ability to integrate variety of resources to create formidable organization capabilities (Teece, 2007; Hou, 2008).

Another important theoretical contribution of this study is in the introduction of moderating variable. Moderating perspective contended that the effect that a predictor variable possesses on criterion variable is contingent on the level of a third variable known as moderator, fit between the predictor and moderator is the most important determinant of the criterion variable (Venkatraman, 1989b). Environmental

turbulence moderates the relationship between strategic orientations and export performance. The moderating effect of the relationship was statistically significant for entrepreneurial orientation, export market orientation with export performance for export SMEs in high turbulent environment than for exporting SMEs in low turbulent environment.

This suggests that, SMEs' exporter would derive greater benefit in investing in research into reducing cost, better efficient distributing system, innovative products, good technologies and all activities that can improve and drive export market orientation and thereby increase sales and growth. Moreover, under environmental turbulence, this study provides support for the usage of export market orientation and entrepreneurial orientation, the finding depicts that EMO and EO would be more valuable when there is environmental turbulence and could become less effective when there is stability in the environment. Hence, SMEs should invest more in research and development to offset environmental turbulence which would yield better performance than the competitor that has not taken the same measure.

Thus, this study has extended contingency view in this thesis, building on the previous streams of studies in export venturing which have stressed the significance of contextual situation in exporting and the relationship among strategy, structure and environment (Yeoh and Jeong 1995; Wiklund & Lumpkin, 2009). That is, 'fit' or match, between a firm's strategy and its context, Cavusgil and Zou (1994) contended that this has a positive implication on export performance. The finding of this study is suitable for SMEs that operating in oversea market and are vulnerable to varied and complicated environmental context both at industrial level, firm's level and even in their host and home country. It is now left for the firms to adopt the best strategic

approach to succeed and suit the challenges at hand (Kaynak & Kuan, 1993). Market literatures have suggested the use of contingency perspective in evaluating and examining the determinant of export performance (Yeoh & Jeong, 1995; Cavusgil & Zou 1994; Samiee & Walters 1990).

The present study has found environmental turbulence as potential contingency factor that may influence the effectiveness of the usage of the strategic orientations. This study has further confirmed that when environment is turbulent, hostile, full of uncertainty, the qualities associated with entrepreneurial orientation and export market orientation can be justified for its ability to seize new market opportunity in spite of unfriendly situation at hand (Cadogan *et al.*, 2009; Lumpkin & Dess, 2001).

5.6 Policy Contribution

Small and medium enterprises growth and export performance has been prevented by structural and environmental challenges (Osotimilehin *et al.* 2012). The finding of this study has demonstrated that reconfiguring capabilities mediates between strategic orientation and export performance. Environmental turbulence has also been found in this study as potential contingency factor that influences the effectiveness of strategic orientations.

Hence, the findings of this study suggest that government agencies and stakeholders in exporting SMEs, particularly in the context of the sample in this study should leverage renewal strategy on incentives giving to SMEs and reconfigure contribution in the following dimensions; revamping all old Industrial Development Centre and establish new ones (IDCs); establishing SMEs clusters ; upgrading rural urban road.

Government in attempt to develop and reconfigure capabilities should introduce entrepreneurial studies; emphasize science, practical and technological studies at all level of educational system. There should be education department to be responsible for public enlightenment and training of exporting entrepreneurial SMEs most especially on required technological and marketing skills to enable them to have appropriate linkage to source raw materials, plant machines and spare parts that would give rise to standard products that can penetrate to the global market.

Government should reconfigure in terms of appropriate recombination and reforms of NACCIMA, SMEDAN, NASME, NEPC, NEPZ MAN, BOI, NEXIM, customs, and immigration as well as all personnel that are participating in exporting operations for effective and efficient coordination of matter relating to SMEs. The requirement and condition to be meant before exporting by SMEs should be less stringent. Enabling environment should be created for SMEs while government should tackle accelerated development and upgrade rural/urban road and rail network, water and air transport system and other infrastructural facilities to enhance the performance of SMEs as developing countries are facing intense competition from industries of other countries.

To enhance comparative advantage for Nigerian SMEs, industrial clusters that have common sharing facilities should be developed in suitable locations i.e. processing machines, refining plants and beneficial sharing facilities can be positioned in strategic location where many SMEs can benefit from it. There should be pragmatic and realistic industrial policies to address the present globalization challenges and this suggests a much stronger role of government and local governments and research

centers need to be reconfigured to work closely with developing market exporters to complement the work of export promotion council and export processing zones.

5.7 Methodological Implications

Most Previous studies in strategic management and export performance literature employed SPSS, SEM and AMOS. PLS Modeling is a lesser known path modeling technique compared with Structural equation Modeling (Shackman, 2013). This study employed PLS path modeling to assess the psychometric properties of each latent variable. Convergent validity, and discriminant validity were assessed with PLS path modeling. Covergent validity was assessed by examining the value of AVE for each latent variable. Discriminant validity was determined by comparing the correlation among construct and mediating and moderating effect were realized through bootstrapping of PLs path modeling. Using this relatively new tool of analysis has some important methodological implications. PLS path modeling provides an opportunity for testing the robustness and predictive power of the tool in a study that explores export performance of SMEs in one of the countries in Sahara desert which is believed to be under researched; hence, the present study represents a unique methodological contribution.

In addition, using PLS path modeling in the study of international entrepreneurship of SMEs provides a new framework for comparisons of results obtained from previous studies that used different tools of analysis and the result of this study. Finally, PLS principal component analysis was used to refine and fit the data for this study, thus

providing new knowledge about the effects of PLS PCA on moderation of environmental turbulence and mediation of reconfiguring capabilities on the relationship between strategic orientations and export performance of SMEs.

5.8 Managerial Implications

There are several managerial implications in this study, First; having considered the finding of this study, SMEs who pays relatively more emphasis on profitability, growth and satisfaction could invest more in reconfiguring their assets. Such export manager of SMEs should emphasize reconfiguration of capabilities development and market penetration in their exporting activities (Jantunen *et al.*, 2005; Samson & Mahmood, 2014).

Second, reconfiguring capabilities mediate between strategic orientations and export performance, this connotes capabilities are coupled with strategic orientation to influence changing in internal and external environment. Hence, managers should not evaluate reconfiguring capabilities as stand alone target but rather the consideration for reconfiguring capabilities must be on changing external environment, history of the firm, strategic orientations and product market position. In addition, reconfiguring capabilities development could be time dependent i.e. employing research and development and consolidation after merger to reconfigure a firm might not produce immediate performance effect, thus, firms should not consider lack of success immediately as sign of failure, as effective capability development require them to maintain a consistent long term vision and expect long term performance at heart (Ambrosini & Bowman, 2009; Karim, 2006; Wang & Ahmed, 2007).

Third, based on the outcome of the study, it could be suggested that firm should effectively reconfigure its asset base to be relevant in international arena, as well as being proactive, innovative, strategic and take measure of calculated risk to improve their export performance. Managers should recognize that their ability to adapt to external environment changes is only the key drivers to sustainable export performance and hence, skills should be honed to spot growth options from other development initiatives, executing reconfiguring option required different operating capabilities that have to be reconfigured, coordinated and integrated for maximum competitive advantage in export arena (Newey & Zahra, 2009).

Fourth, another important insight is that environmental turbulence moderates the relationship between strategic orientations (EMO, EO) and export performance, and the firms could increase information gathering, increase information dissemination and information responsiveness by getting more intelligence on customer, competitors relation at the same time pro-active, innovative, risk seeking posture to mitigate the uncertainty in their environment (Cadogan *et al.*, 2009). In contrast, environmental turbulence did not moderate the relationship between learning orientation and export performance and hence, instead of focusing on accumulated knowledge over a period of time when the environment is turbulent, a more profitable strategy would be to acquire skills that are both timely and adaptable to new situation. Thus ability of the firm to learn, and adapt from change become a useful asset. Since there is cost associated with any capabilities developed, manager is advised to evaluate its business environment and then decide on where resources should be deployed in order to reconfigure and develop appropriate skills and capabilities (Hanvanich *et al.*, 2006).

Fifth, turbulent environment encourages the need to take risky decision, as it is shown in this study that environmental turbulence moderate the relationship between entrepreneurial orientation and export performance and risk- taking firms use speed to market in new product development planning as a means to improve their export performance. Thus exporting SMEs managers could consider risk taking decision in turbulent environment as it improves performance (Calantone *et al.*, 2003).

Sixth, another managerial implication of this study, based on direct EMO relationship with export performance and Moderation of environmental turbulence is that being export market oriented is important for exporting SMEs. As EMO activities are the primary mechanism for reducing risk when environmental turbulence is associated with exporting, exporting SMEs seeking to expand their export operation should be sensitive to intelligence on competitors, export customer needs/wants and changes occurring in the export environment as this might be critical determinant for export performance. SMEs in rapidly uncertain/turbulent environment characterized by either market/competitive/technological/regulatory turbulence should be particularly promoting export market orientation (Cadogan, Sundqvist, Salminen, & Puumalainen, 2002b).

Seventh, learning orientation, entrepreneurial orientation and export market orientation (strategic orientations) used as exogenous constructs in this study impact on export performance, hence, exporting SMEs' managers should align and strike a balance in their entrepreneurial, learning and market-oriented resources to take a complementary advantage among three resources to perform than their competitors who are less able to leverage the full potentials of these strategic orientations (Boso *et al.*, 2012).

Eighth, learning orientation has an impact on export performance in this study and the managerial implication of this is that export growth is optimal at very high levels of response to export information which is promoted by these activities; commitment to learning, openness to learning shared vision, acquisition and distribution of export information and management of mental model. All these required resources allocation and investment by SMEs exporting to enable to update and acquire relevant information. In order to access and target specific export information that could meet exporter specific needs it would be necessary to dispense a lot of effort, resources and time (Souchon *et al.*, 2012).

Export market research could be useful at getting specific targeted information and higher performance firm could rely on personal sources, through export sales staff who communicate directly with export customers and those export personnel should be rewarded for using their contacts to collect export information (Cadogan *et al.*, 2001). Export firm could also use competitors, suppliers, agents, distributors and firm's staff as contact to gather, disseminate and respond to intelligence about specific export information that could improve its performance (Keegan 1974). There is also a need for cultural adaptation which required knowledge and understanding. There would be a need for formal training workshops to assist in understanding foreign cultures where the firm already trades or intends to trade. (Souchon *et al.*, 2012).

5.9 Limitations and Suggestions for Future Studies

This study is not without its limitation. First it was conducted within one of developing countries, Nigeria. There would be serious implication in making general inference from this explorative study and caution must be taken in concluding that the outcomes of the study are valid for all entrepreneurial exporting SMEs in general. As such, the findings should be validated at different setting to find whether the findings apply to SMEs exporters in different countries and emerging markets.

Secondly, this investigation focuses on the elements of reconfiguring capabilities as one of the processes of dynamic capabilities, however, scholar like Zollo and Winter (2002) perceived dynamic capabilities as a set of complicated processes and operating routines that reflects a learned and stable pattern other than narrow description of how SMEs should be reconfigured. Further study could therefore consider thorough reflection of learning and stability during deletion, recombination and general consolidation's reconfiguring processes.

Third, this study employed single informant approach where common method bias is a concern, and further studies could consider multiple informants within the firm and employ measures other than self reporting technique such as observation, analysis of company records, generating data from customers and interview with key industrial analyst. This would enhance validity of the research finding. Archival data or other source of data could be used to obtain information and re-examine moderation of environmental turbulence and mediation of reconfiguring capabilities on the relationship between strategic orientations and export performance of SMEs.

Nonetheless, this study employed some practical remedies to deal with common method variance such as simple and self explanatory questions, assurance of confidentiality of any information given by the respondents and the outcome of principal components factor analysis (factors explaining cumulative of 75% of the variance and with the largest factor explaining 18.07% of the variance) suggested that common method bias was not a problem for the this study.

Fourth, it could be interesting to know how some SMEs are struggling to go about learning, some learning orientation's dimensions are not included because it is not in the measure of Sinkula *et al.* (1997) adopted. Dimensions like organizational interpretation, integration and memory are not included in this study's measure of learning orientation. Future efforts, most especially those that could study long term effect of firm's learning on export performance should endeavor to include all these sub- processes.

Fifth, a longitudinal research would be more appropriate in reducing bias resulting from respondents concentrating on problems they are facing, since the findings are cross-sectional in nature. There is a need to have evidence of continuity and stability of the observed relationships which can be achieved through generation of longitudinal approach. Moreover, a longitudinal design might be more appropriate to investigate strategic orientations as it might take some period before this orientations affect export performance (EMO, EO, LO) (Kohli & Jaworski, 1990; Noble, Sinha, & Kumar, 2002a; Zahra & Covin, 1995).

Sixth, in this study, individual elements of the environment are not used (such as market turbulent environment, competitive turbulent environment, technological turbulent environment and regulatory turbulent environment which the firms exporter

operate to moderate the relationship between strategic orientations (EMO, EO, LO) and export performance. It would be of interest to adopt more fine-grained approach to examine the moderation of relationship between strategic orientations and export performance specifically with any of these individual elements of the environment.

Seventh, export performance is used as dependent variable. Its three components; financial, strategy and satisfaction (Zou & Stan, 1998), are used to examine export performance and future study might consider some other measures like economic related measures or market related measures or product related measures.

Eighth, this study employed usual approach to assess the three strategic orientations (EMO, LO, EO) and the activities were measured at firm level, in order to get valuable information on how the orientations enhances firm performances. However, since most of the firm consists of mix of different cultures, there is avenue for pursuing measurement of these strategic orientations' activities at specific product/market level.

Ninth, the questionnaire survey method was used to collect data in this study because it has several advantages such as ability to produce great quantity of data that can be subjected to numerical analysis, gives the respondents the utmost discretion to answer the questions, speed and cost advantages. However, the data could be easily influenced by the informants' enthusiasm or ability to provide the information required. At times, getting the cooperation of the respondents might be hard as the responses turn out to be embarrassing or portraying the respondents in an undesirable manner (Smith, 1999). Different data collection's method might be appropriate in future studies.

Finally, it has been contended that exclusive reliance on intra-organizational respondents for provision of sufficient insight might cause problem (Harris, 2002). For instance the strategic orientations' (EMO, EO, & EO) scale of exporting SMEs' firm measures orientation towards customer and competitors from the perspective of owner/manager while information from export partners, such as distributors or representatives could be considered more appropriate for future study (Harris, 2002).

5.10 Conclusions

A growing body of knowledge highlights the importance of entrepreneurial activities for the conception, development and configuration of exporting SMEs. Building on resources based view, contingency view and dynamic capabilities view, the study proposed a model of various links, it empirically examined the mediation of reconfiguring capabilities and moderation of environmental turbulence on the relationship between strategic orientations (EMO, LO, EO) and export performance of SMEs, using partial least square modeling analytical tools. The study is particularly distinguished, because there have been many studies examining the underlying predictions of performance between strategic orientations and export performance, but, the present study addressed the theoretical gap by incorporating reconfiguring capabilities as mediator.

The theoretical framework of the study has added to the domain of dynamic capabilities view and entrepreneurial exporting SMEs. The results of the study suggest strategic orientations (EMO & LO) are positively related to export

performance. Environmental turbulence moderates the relationship between strategic orientations (EMO & EO) and export performance. Reconfiguring capabilities mediate between Strategic orientations (EO & LO) and export performance. While the study find no support for the direct relationship between entrepreneurial orientation and export performance; moderation of environmental turbulence on the relationship between learning orientation and export performance, and mediation of reconfiguring capabilities on the relationship between learning orientation and export performance. As a result, this study has contributed to marketing and entrepreneurial literature on export performance of SMEs. In addition to the theoretical contributions, the findings of this study provide some important practical implications to SMEs, managers and policy makers.

Therefore, Manager who put relatively more emphasis on profitability could invest more in reconfiguring their assets. Such SMEs' manager could emphasize capability development and market penetration in their exporting activities as such effort would enhance processes needed to learn from disappointment, recognition of failure, interpretation of result into exporting model that can be tested and better action taking routine in export arena. Firms should also be proactive, innovative, and strategic and take measure of calculated risk to improve their export performance. Managers should recognize that their ability to adapt to external environmental changes is only the key driver to sustainable export performance.

Hence, skills should be honed to spot growth options from other development initiatives, executing reconfiguring option required different operating capabilities that have to be reconfigured, coordinated and integrated for maximum competitive advantage in export arena. The managerial implication of learning orientation impact

on export performance implies that export growth is optimal at very high levels of response to export information which is promoted by commitment to learning, open-mindedness, shared vision, acquisition and distribution of export information and management of mental model.

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