The Impact of Strategic Learning Orientation and Reconfiguring Capability on Export Performance of Small and Medium Enterprises

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ABSTRACT

The objective of this study is to investigate the relationships between learning orientation (LO), and export performance of SMEs and relationship between reconfiguring capability and export performance as well as determine the mediating effect of reconfiguring capability on the relationship between LO and export performance. This study emanated from the fact that only few studies have examined how the integration of strategic learning orientations and reconfiguring capabilities can drive the SMEs’ export performance. Based on a theoretical consideration, a model was proposed and three hypotheses were formulated. Having employed PLS-SEM on 201 usable data collected from exporting SMEs in Nigeria. The findings suggest that there is significant relationship between learning orientation and export performance and reconfiguring capability directly has significant impact on export performance and reconfiguring capability also mediates the relationship between learning orientation and export performance. 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. Besides, this study provides research conclusion on the appropriateness of Learning orientation.

INTRODUCTION

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, Kaleka, & Katsikeas, 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 turbulence 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, Sy-Changco, & Dewsnap, 2012). Response to the changes in macroeconomic, legal and regulatory environment has required exporting firm to be learning and market oriented firm (Knight & Cavusgil, 2004; Rose & Shoham, 2002). Firm’s ability to learn is a key to develop competitive advantage and the heart of successful marketing (Hult, Hurley, Giunipero, & Nichols, 2000). Export environment is often more complex and dynamic than that of domestic market (Leonidou, 1995). Dynamic capabilities (DCs) are the firm’s ability to integrate, build and reconfigure internal and external competences to address rapidly changing environment (Teece, Pisano, & Shuen, 1997) SMEs that possesses ability to alter the resources base by creating , integrating recombining and releasing resources would perform in dynamic environment than competitors (Eisenhardt & Martin, 2000). Thus reconfiguring organizational capabilities with market environment is major concern for manager. Failure to align these competences as environment is changing can result to capabilities liabilities (Leaornard- Barton, 1992)

However, the bulk of research on strategic learning orientation and dynamic capabilities focus on large established firm . (Corner & Wu, 2012) As such, little is known about SMEs (Sapienza, Autio, George, & Zahra, 2006). Researchers are encouraged to consider process that may contribute to the emergence of new venture (Lichtenstein et al., 2006). Prior studies have not given much attention to the process by which capabilities developed, emerge or evolve especially in small firms that have limited resources (Zahra, Sapienza, & Davidsson, 2006). Knowledge bases and expertise in building and integrating diverse capabilities as developing and
reconfiguring capabilities are important for companies in emerging economies, given their turbulent and unpredictable environment (Zhou & Li, 2010). Wang and Ahmed (2007) asked future researchers to develop more refine measure of adaptive capabilities by considering specific aspects such as resources reconfiguration. Future researchers are also asked 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 (Wang & Ahmed, 2007). Above all, only few studies focus on reconfiguring capability as process of dynamic capabilities; such as Borch and Madsen (2007), Karim (2006) and Karim and Mitchell (2004). Most of these studies are not related to internationalization of SMEs, and the majority of capability development studies that employed reconfiguring capability as a construct in their studies are mere conceptual views without any empirical evidence (Helfat & Winter, 2011). Therefore, the basic objective of this paper is to delineate a relationship between learning orientation’s components and export performance and incorporate reconfiguring capability as a mechanism to mediate and explain the relationship between the two constructs in exporting SMEs.

1.2 Underpinning Theories:

The underlying theories that serve as foundation, support or form the basis of this study are;
1. Resources Based View
2. Dynamic Capability View

The resources- based view anticipated a firm as an embodiment of distinctive packaged, concrete and intangible resources. These are assets-resources, capabilities-resources, processes-resources, management’s attributes, information- resources and knowledge -resources that are controlled by the firm (Barney, 1991). Building on this paradigm is essential because the major constructs (learning orientation’s components) used in this study are internal capabilities of a firm. Resources-based view perceives firm definite resources such as asset and capabilities as the stimuli of an organizational strategies (Kropp, Lindsay, & Shoham, 2006). Managerial skills and knowledge determine the ability and capability that yield better organizational performance (Song, Di Benedetto, & Nason, 2007). Thus, learning orientations’ components and reconfiguring capability could be viewed as resources that 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 critical driver of export performance (Eisenhardt & Martin, 2000). RBV 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 and export performance can be explained by Resources Based view (Cadogan, Kuivalainen, & Sundqvist, 2009; Lages, Silva, & Styles, 2009; Wheeler, Ibeh, & Dimitratos, 2008).

Similarly, 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 & Martin, 2000). The main processes that underpin dynamic capabilities are learning, reconfiguration, replication and coordination (Bowman & Ambrosini, 2003).

2.1 Learning Orientation:

Learning orientation could be described as activities of making and employing knowledge to achieve competitive advantage ((Calantone, Cavusgil, and Zhao (2002)). It is the process that is embedded in developing new Knowledge and insight derived from the common experience of people within the firm and constitutes potentials to influence behavior and capabilities (Slater & Narver, 1995). Organizational learning literature varied in the interpretation of learning construct (Souchon et al., 2012). One school of thought perceived organizational learning as a behavior based information processing construct while another understood learning in organization as cognitive based disciplines that entails challenging mental models, fostering internal commitment to a shared vision and developing mastery among the work force within an organization (Sinkula, 1994). Kropp et al. (2006) itemized the benefits of learning orientation as strategic renewal; buffer between firms and their environments; forward looking strategy that could reduce the impact of environmental changes; culture that encourages close contacts with stakeholders, such as customer, suppliers and lawmakers, and role player in opportunity recognition (Day, 1994; Lumpkin & Lichtenstein, 2005; Sinkula, 1994). Being oriented towards learning depicts an approval of new ideas and desire to incorporate them (Hurley & Hult, 1998). A learning firm bears an open focus on the acquisition of knowledge that is potentially useful for them (Harrison & Leitch, 2005). The ability to learn faster than competitor has been described as the only source of competitive advantage, most especially when the environment is characterized by turbulence in composition of customer and their preferences (De Geus, 1988).
Several studies have found positive significant relationship between learning orientation and firm performance (Baker & Sinkula, 1999; Ellinger, Ellinger, Yang, & Howton, 2002; Zahra, Ireland, & Hitt, 2000). Recent literatures (Jiménez-Jimenez, Valle, & Hernandez-Espallardo, 2008; Kaya & Patton, 2011; Keskin, 2006) also found the relationship between learning orientation and export 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; Cadogan, Cui, & Li, 2003). 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). The firms who use export market information usually do better than firms that do not make use of it. Akylol and Akehurst (2003) revealed that for 1% increase in the export intelligence (information) and sensitivity; export growth or expansion increase by 1.4% .Souchon et al. (2012) found a significant relationship between responsiveness to export information, export memory and export growth. In the same study a call for future research into the link between organizational variables such as shared vision, export mastery and provide realization for other learning process such as information acquisition, integration and management of mental export model. Moreover, most of empirical studies on learning orientation concentrated on large based-organization rather than SMEs (Keskin, 2006). Therefore:

H1: There is significant relationship between learning orientation and export performance of SMEs

2.2 Reconfiguring Capability and firm performance:

Dynamic capabilities (DCs) 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 DCs comprise of diverse 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) is 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 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, Jiang, Wu, & Chang, 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, 2010). 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). 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 (Chmielewski & Paladino, 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). Therefore this study hypothesizes that:
H2: Reconfiguring capability is significantly related with export performance of SMEs

2.3 Reconfiguring capability as a 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, Black, Babin, & Anderson, 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. Dynamic 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 and 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 learning orientations 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 learning orientations’ components 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. Therefore this study hypothesizes that:
H3: Reconfiguring capability mediate between learning orientation’s components and export performance

3.1 Methodology:
A questionnaire survey was carried out among a population of SMEs that are participating in exporting in Nigeria. The sample of this study was selected from the population sampling frames; Manufacturing Association of Nigeria (MAN) of Export promotion Group Directory. From this directory, about five industrial sectors were selected. This followed the guidelines/criteria for SMEs (Storey, 1994). About 2200 firms were identified as qualified because they met the criteria specified. To select a sample size for the population of 2200, Krejcie and Morgan (1970) sample size determination’s table was used. The table showed that 331 sample sizes would be required for the population of 2200. In order to make provision for response bias an additional 40% of 331 was added making 457 sample sizes.

Proportionate stratified and systematic sampling were employed and the distribution of the questionnaires was based on the proportion of population of SMEs’ manager in each geographical area and systematic selection of the respondents from the list of SMEs’ exporter in order to ensure representative distribution. Systematic sampling (4.81 intervals) was used to select SME’s managers and emailed the questionnaires to their respective email address. 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 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 SMEs ‘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 were later used to assess non-response bias.

Out of 457 questionnaires that were emailed to the selected respondents, a total of 238 were returned, out of these, 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’ 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%. a survey which is sufficient enough for the study. Sekaran (2003)Suggested that a response rate of 30% is sufficient.

3.2 Measures:
Learning Orientation (LO):Baker and Sinkula (1999) revealed that all values that are routinely associated with organizational learning capabilities revolved around its commitment to learning, open-mindedness and shared vision. These three dimensions were adapted by Baker and Sinkula from Sinkula, Baker, and Noordewier (1997). Reconfiguring capability in this study was 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. Some of the activities performed ranged from zero to seven. This study adopted these seven items for
reconfiguring capabilities used by Jantunen et al. (2005). Export performance was measured by Experf scale that was built on Cavusgil and Zou (1994) (Okpara & Kabongo, 2009; Zou, Taylor, & Osland, 1998). It 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) called Experf scale were used to measure export performance in this study.

4.1 Analysis:

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. The suitability of PLS-SEM is based on the fact that the nature of the 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. PLS-modeling has also been suggested as prediction oriented for an extension of any existing theory (Henseler, Ringle, & Sinkovics, 2009). 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).

4.2 Assessment of measurement mode:

The present study created a path model on graphical modeling window PLS 2.0 M3 software and draws a relationship between the basic constructs of the study and assigned the indicators to each construct. Having run PLS-SEM algorithm there was an assessment of measurement model that involves determination and examination of individual items reliability, internal consistency reliability, content validity, convergent validity and discriminant validity (Hair Jr, Hult, Ringle, & Sarstedt, 2013).

There was an examination of the outer loading of each construct’s measure in order to have assessment of individual items reliability (Hair, Sarstedt, Pieper, & Ringle, 2012). The indicators with outer loading between 0.40 and 0.70 were retained, while some items below the threshold of 0.40 were deleted (Hair et al., 2013). About 5 items were deleted out of 32 items. The remaining 28 items were retained as they possessed loading between 0.5431 and 0.9382.

Table 4.1: Items Loading, Average Variance Extracted (AVE) and Composite Reliability (CR) For the Constructs.

<table>
<thead>
<tr>
<th>Construct</th>
<th>Items</th>
<th>Loading</th>
<th>AVE</th>
<th>CR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commitment to Learning</td>
<td>CLO01</td>
<td>0.8374</td>
<td>0.5872</td>
<td>0.8471</td>
</tr>
<tr>
<td></td>
<td>CLO02</td>
<td>0.8065</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>CLO03</td>
<td>0.8379</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>CLO04</td>
<td>0.5431</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial</td>
<td>FIN01</td>
<td>0.8627</td>
<td>0.6924</td>
<td>0.8702</td>
</tr>
<tr>
<td></td>
<td>FIN02</td>
<td>0.7307</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>FIN03</td>
<td>0.894</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>OLO01</td>
<td>0.6728</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>OLO02</td>
<td>0.6132</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>OLO03</td>
<td>0.8021</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>OLO04</td>
<td>0.788</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reconfiguring Capability</td>
<td>RCD01</td>
<td>0.5878</td>
<td>0.6568</td>
<td>0.9297</td>
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<td></td>
<td>RCD02</td>
<td>0.847</td>
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<td></td>
<td>RCD03</td>
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<td></td>
<td>RCD04</td>
<td>0.86</td>
<td></td>
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<tr>
<td></td>
<td>RCD05</td>
<td>0.7714</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>RCD06</td>
<td>0.8581</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>RCD07</td>
<td>0.8287</td>
<td></td>
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<tr>
<td>Satisfaction</td>
<td>SAT01</td>
<td>0.9382</td>
<td>0.7948</td>
<td>0.9207</td>
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<tr>
<td></td>
<td>SAT02</td>
<td>0.9689</td>
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<td></td>
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<tr>
<td></td>
<td>SAT03</td>
<td>0.8655</td>
<td></td>
<td></td>
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<tr>
<td>Shared Vision</td>
<td>SLO01</td>
<td>0.7747</td>
<td>0.6132</td>
<td>0.8262</td>
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<td></td>
<td>SLO02</td>
<td>0.7946</td>
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<tr>
<td></td>
<td>SLO03</td>
<td>0.7797</td>
<td>0.6883</td>
<td>0.8675</td>
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<td>Strategy</td>
<td>STG01</td>
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<tr>
<td></td>
<td>STG02</td>
<td>0.8997</td>
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<td></td>
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<tr>
<td></td>
<td>STG03</td>
<td>0.8751</td>
<td></td>
<td></td>
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<td>Open-Mindedness</td>
<td>OLO01</td>
<td>0.6741</td>
<td>0.5232</td>
<td>0.8126</td>
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<td></td>
<td>OLO02</td>
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<tr>
<td></td>
<td>OLO03</td>
<td>0.7973</td>
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<tr>
<td></td>
<td>OLO04</td>
<td>0.7867</td>
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<td></td>
</tr>
</tbody>
</table>

4.2.1 Discriminant Validity:

The rules of thumb of .50 or more threshold on average variance extracted and 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,
1981). The correlations among the latent constructs were compared with the square root of the average variance extracted in Table 4.2 depicts that the square root of the average variance extracted were all greater than the correlation among the latent constructs, signifying sufficient discriminant validity (1981).

Table 4.2: Square Root of AVE and correlation of latent variable for the first order

<table>
<thead>
<tr>
<th>Variables</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commitment</td>
<td>0.77</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial</td>
<td>0.31</td>
<td>0.83</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Open mindedness</td>
<td>0.58</td>
<td>0.19</td>
<td>0.72</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reconfiguring c</td>
<td>0.05</td>
<td>0.5</td>
<td>0.01</td>
<td>0.81</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Satisfaction</td>
<td>0.06</td>
<td>0.58</td>
<td>-0.07</td>
<td>0.53</td>
<td>0.89</td>
<td></td>
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<tr>
<td>Shared vision</td>
<td>0.34</td>
<td>0.18</td>
<td>0.32</td>
<td>0.04</td>
<td>0.78</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strategy</td>
<td>0.13</td>
<td>0.7</td>
<td>-0.06</td>
<td>0.57</td>
<td>0.65</td>
<td>0.17</td>
<td>0.83</td>
</tr>
</tbody>
</table>

Note: Diagonal elements (figure in bold) are the square root of the variance shared between the construct and their measures. While off diagonal is the correlation among construct.

### 4.3 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 4.1 depicts how bootstrapping of PLS-SEM Algorithm was used to assess the significance of the path coefficients.

![Structural Model](image)

**Fig. 4.1: Structural Model**

Table 4.3: The Result of structural Model and mediator

| Relationship                        | Beta    | Standard Error (STERR) | T Statistics (|O/STERR|) | P Value | Decision |
|-------------------------------------|---------|------------------------|-----------------------------|--------|----------|
| H1 Learning orientation - Export Performance | 0.1583  | 0.0623                 | 2.5432                      | 0.005  | Supported |
| H2 Reconfiguring Capability - Export Performance | 0.6047  | 0.076                  | 7.9524                      | 0.00   | supported |
| H3 Learning orientation - Reconfiguring Capability - Export Performance | 0.0054  | 0.0398                 | 0.403                       | 0.969  | supported |

**P<0.05, *P<0.1**

Note: The mediation for the study was calculated with spreadsheet of coefficient generated by war PLS (kock, 2014)

Table 4.4 summarizes the result of learning orientation, Reconfiguring Capability and Export Performance by showing the original outer weight estimates, the t values and the corresponding significance level marked in asterisks as well as the p values with the result of the mediating effect. Hypothesis 1 predicted that learning orientation is significantly related to export performance. The finding on the relationship (β=0.1583, t=2.5432, P=0.005) supported the relationship. While hypothesis 2 predicted that reconfiguring capability is significantly related to export performance. The estimates of PLS-SEM bootstrapping with 201 cases indicated (β=0.6047, t=-7.9524, p= 0.00) support for
the relationship. Hypothesis 3 also predicted that reconfiguring capability mediate between learning orientation and export performance. The finding of the study indicated support ($\beta=0.0957$, $t=2.403$, $P=0.009$) for the relationship.

**Discussion and Conclusion:**

This study makes contribution to the literature on entrepreneurship and strategy research by investigating the impact of firm’s reconfiguring capabilities and strategic learning orientation on export performance of SMEs. To the best of the knowledge of this study, these effects have not been empirically investigated in previous study in this approach. Even though there have been studies on strategic orientations and export performance (Cadogan, 2012; Knight & Cavusgil, 2004). This study in particular complements the existing study and the result suggests that it is not only the ability to learn and apply this knowledge and challenge export market old assumptions to achieve and sustain competitive advantage (Day, 1992), but also the ability of firm to create new asset configuration that have strategic impact on export performance. The findings of this study provide empirical support for dynamic capability theory which lays emphasis on the ability to orchestrate change and reconfigure the asset base in order to take the advantage of new opportunity (Jantunen, et al., 2005). Reconfiguring capability significantly related to export performance and mediate the relationship between learning orientation and export performance, thus 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 (Zollo and winter 2002). 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).

Furthermore, the finding of the study confirms the view that absorptive capability is dynamic capability, 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 firm (Wang & Ahmed 2007). 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; 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.

The managerial implication given the findings of this study, Manager who put relatively more emphasis on profitability 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. The 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. 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). 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)

This study is not without its limitation. First it was conducted within one of developing countries, Nigeria. 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. Second, the measures of reconfiguring capabilities ‘items that were adopted from Jantunen et al., (2005) are too broad about the industry and market change as it narrowly focused on SMEs. Future research could develop more refined measures of reconfiguring capabilities by considering specific aspects such as resources reconfiguration and resources recombination. 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.

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