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Abstract

Purpose: The significance of market orientation (MO) in the industrial marketing literature is immense. Separately, the role of dynamic managerial capability (DMC) as an individual-level capability has been found to be beneficial to B2B transactions. However, the assessment of DMC as antecedent to complement MO in achieving firm performance are rare. To address this knowledge gap, we build upon a research framework on the DMC theory and MO literature. Additionally, this study investigates how export assistance avails MO-firm performance relationship and assists entrepreneurs to thrive in the international market.

Design: The research was conducted among the entrepreneurial export manufacturing firms in the apparel industry in Bangladesh. Structural equation modelling was used to investigate the hypothesized relationship among 329 firms.

Findings: Two attributes of DMC namely, managerial social capital and managerial cognition of entrepreneurs improve the MO process of export manufacturing firms. MO mediates the relationship between DMC and firm performance. Additionally, export assistance positively moderates the relationship between MO and the financial performance of the firm.

Originality/value: MO requires complementary capabilities to realize the value of it efficiently. This study strongly advocates entrepreneurs to nurture DMC to leverage MO and capitalize on emerging opportunities by productively utilizing export assistance. Firms in the emerging economies often suffer from resource-scarcity and export assistance mitigates barriers to expand international operations and yield financial liberty to the firms operating in the international B2B market.

Keywords: *dynamic managerial capability; market orientation; export assistance; managerial social capital; managerial cognition; managerial human capital.*

Introduction

The significance of market orientation (MO) is widely accepted in the management and industrial marketing literature (Green Jr et al., 2005; Gupta, Atav, & Dutta, 2017; Pelham, 1997). The nexus between MO and performance shows that MO facilitates entrepreneurs to recognize opportunities through marketing skills, which enable them to understand and attract customer, impulsively to thrive in the international B2B market. Influenced by Kohli and Jaworski (1990) and Narver and Slater (1990), Kirca (2011) defines MO as a term to mean that “firms should generate and disseminate market intelligence to meet the needs of customers effectively in their efforts to succeed in the marketplace” (p. 447). Over the last three decades, substantial contributions have been made to studying the effects of MO on firm performance (Carbonell & Rodriguez Escudero, 2010). International business studies make MO an integral component of international marketing, both for B2C and B2B contexts, to achieve the firm’s success (Gupta et al., 2017). The idea of MO has been argued as a strategic process to achieve performance (Grewal & Tansuhaj, 2001); as a mediator (Jaworski & Kohli, 1993); and as a moderator (Cacciolatti & Lee, 2016; Morgan, Vorhies, & Mason, 2009). Kirca, Jayachandran, and Bearden (2005) note MO as a critical strategic process to achieve competitive advantage and provide considerable evidence on the positive association between MO and firm performance. Majority of studies have conceptualized MO as a critical strategic process that is mostly explained from firm-level capabilities in entrepreneurship context (Ashrafi & Zare Ravasan, 2018; Hernández-Linares, Kellermanns, & López-Fernández, 2018). Ketchen, Hult, & Slater (2007) and Morgan et

al. (2009) have argued that merely having MO may not facilitate superior performance outcomes; and requires complementary capabilities to leverage maximum benefits of effectuating MO. In this view, prior research extensively investigates the role of firm-level capabilities to leverage MO and enhance organizational performance (Montiel-Campos, 2018). However, the role of the individual-level capability of the entrepreneurs as an antecedent to complement MO in achieving firm performance is rarer still. We address this critical research gap. We argue that at the heart of the entrepreneurial problem – why some entrepreneurial firms thrive while a majority flounder – is the need to bridge individual-level capability of entrepreneurs and MO to support entrepreneurial firms' forward-looking opportunistic strategies to maximize benefits and achieve superior performance of the firms operating in the international B2B market.

Adner and Helfat (2003) conceptualize dynamic managerial capability (DMC) as an individual-level capability of the top-level managers to “build, integrate, and reconfigure organization resources and competencies” (p. 1012). Individual-level capability refers to the capability of the entrepreneurs/managers such as their cognitive ability, skills and expertise, networks and experiences to enhance strategic processes of the firm and complement firm performance (Helfat & Peteraf, 2015); in contrast, firm-level capability refers to the ability of the firms such as marketing, technological, absorptive capability and so forth to achieve intended success (Teece, 2007). Three fundamental attributes that shape DMC are: managerial human capital, managerial social capital, and managerial cognition (Adner & Helfat, 2003). Teece (2012) proffers entrepreneurs utilize DMC to sense, seize, and transform opportunities to achieve competitive advantage. Efforts have been made to examine the effects of DMC on firms' strategic processes in the industrial marketing literature among apparel firms operating in the

international B2B market (Mostafiz, Sambasivan, & Goh, 2019b). However, the review paper published by Helfat and Martin (2015) reveals that the theorization of DMC in the previous literature is still at the conceptual level. There is a pressing research need to empirically investigate the impact of DMC on various strategic processes to achieve theoretical legitimacy (Mostafiz et al., 2019b, c). An adequate mechanism to assimilate DMC in empirical research is to investigate the effects of DMC on immediate strategic processes and then reveal the variations in the final outcomes (Helfat & Martin, 2015). It is noteworthy to mention that DMC is embedded in entrepreneurial characteristics and significantly influences the actions of entrepreneurs from emerging economies to deal with prevalent challenges and unforeseeable risks (Teece, 2012), in the international B2B market (Mostafiz et al., 2019b) where there is a high-level of propensity to recognise international opportunities (Mostafiz et al., 2019c). We argue that the recognised opportunities through DMC should be aligned with MO processes as MO facilitates firms to meet the consumer demand effectively. Affluent DMC assists entrepreneurs to recognise only those opportunities that are value-creating and satisfy international market needs (Adner & Helfat, 2003). However, prior research regarding the role of DMC of entrepreneurs among international entrepreneurial firms to leverage market-related processes is scant (Mostafiz et al., 2019b, c). To contribute to this research gap, we argue that the success of international entrepreneurial firms in the B2B market hinges upon the capability of entrepreneurs to recognise right opportunities, and how well they nurture capability to leverage international market-related processes to enhance firm performance.

International entrepreneurial firms often start their business with limited resources (Oviatt & McDougall, 2005). The risk of failure is high during the initial internationalization (Knight & Liesch, 2016). Mostafiz et al. (2019c) argue that international entrepreneurs can minimize these

risks by developing higher-level of DMC to identify correct international opportunities in an emerging economy context. In emerging economies, extreme environmental turmoil, legal uncertainties and radical changes in the customer demand in the global market often demotivate entrepreneurs to pursue new opportunities. One possible remedy to transgress these types of risk is by having export assistance from government and other governmental institutions such as trade associations. Usually, policymakers design attractive export policies to promote more entrepreneurial activities. Export policies are designed not only to promote entrepreneurial activities but to support entrepreneurial firms to become international by providing tax incentives, improvising rules and regulations, and by providing access to the governmental resources (e.g. land), and future resource commitments in the form of subsidies. Empirical evidence supports the relationship between export assistance and firm performance, mostly in developed economies (O'Cass & Weerawardena, 2009). High-level of export assistance from the government and other trade associations can assist the firms to handle these uncertainties and facilitate them to become more internationally exposed firms. Undoubtedly, capitalizing on the MO processes will consume organisational resources. International entrepreneurial firms from emerging economies usually operate in a resources-constraint and weak institutional setting. Therefore, firms getting more export assistance might have a high chance of success than firms with less support from government and other potential associations (Njegić et al., 2020). Synchronously, it is also crucial for an entrepreneur to optimally utilize the available assistances to create economic value for the firm. Advancement in the literature show paucity explaining the role of export assistance with entrepreneur's capability and MO-related processes for firms operating in an international B2B market. We also address this critical research gap in this study. Theoretically, this study acknowledges that the roles of export assistance in the emerging

economies should be enormous and should have the ability to strengthen the relationship between MO and firm performance. Thereby, entrepreneurs need to be prudent in utilizing export assistance to leverage more MO related processes and generate economic benefits.

Hence, the study has asked two fundamental research questions. A) *How does DMC play a crucial role as an antecedent to MO and achieve superior firm performance?* B) *Does export assistance moderate the relationship between MO and firm performance?* The contributions of the study are multi-fold. First, the study analyses DMC as a critical antecedent to MO. Thus, the study contributes by providing empirical evidence on DMC to achieve desired outcomes (Adner & Helfat, 2003). Second, MO requires complementary capabilities to leverage maximum benefits (Ketchen et al., 2007; Morgan et al., 2009). Hence, this study has created a nexus between DMC as individual-level capability of entrepreneurs and MO to enhance firm performance. Third, this study also contributes to the industrial marketing literature by highlighting the necessity of export assistance for international firms operating in emerging economies in the international B2B market. These firms operate amid utmost local and international uncertainties. Thus, higher-level of export assistance provides the liberty to operate business smoothly in the international market. Henceforth, the study addresses this pivotal research gap and contributes to the export-marketing literature (Sousa & Bradley, 2009).

Literature Review and Hypotheses Development

Dynamic managerial capability

The nexus of the capabilities in management literature has started from the grounded theory of resource-based view (RBV) by Barney (1991). Author argues that firms should continuously nurture competencies and capabilities to achieve competitive advantage. Teece et al. (1997) have proposed dynamic capability (DC) theory and have argued that firms should develop the ability

to build, integrate, and reconfigure resources and competencies to achieve competitive advantages. Based on this conceptualization, Adner and Helfat (2003) postulate DMC as an individual-level capability of a manager to "build integrate and reconfigure organizational resources and competencies" (p. 1012) to achieve desired outcomes. DC is distinctively different from DMC, as DC puts much attention on firm-level strategic changes and fails to incorporate organizational changes (Mostafiz et al., 2019c). However, DMC concludes the debate by highlighting the importance of individual-level capability and the differences between corporate strategy and managerial decision. Helfat and Martin (2015) denote DMC as a "singular focus on managerial impact on strategic changes by incorporating the impacts of managers on strategic changes" (p.2). It implies that DMC as an individual-level capability of the top-level managers or entrepreneurs significantly influences the strategic decisions, execution and processes of the firms. Substantial development has been done to advance the theoretical assumption of DMC. Helfat et al. (2007) define DMC as the "capacity of managers to create, extend, or modify the resource base of the organization" (p.3). Teece (2007) conceptualizes DMC from an opportunity perspective and incorporates the capabilities of sensing, seizing, and transforming to recognize opportunities to create economic value. Later, Helfat and Martin (2016) probe DMC as the ability of the managers to "ensure learning, integration, and when required, reconfiguration and transformation-all aimed at sensing and seizing opportunities as markets evolve" (p.189). Therefore, three fundamental characteristics make DMC distinct. 1) DMC is individual-level capability, 2) DMC is meant to complement strategic processes, and 3) DMC contributes to firm performance by confirming optimal execution of strategic processes (Helfat & Martin, 2015). Besides, three attributes that shape DMC are: a) managerial human capital, b) managerial social capital, and c) managerial cognition (Adner & Helfat, 2003). These three attributes

simultaneously complement DMC and yield maximum output by performing a variety of strategic actions.

Market orientation

Influenced by Kohli and Jaworski (1990), Narver and Slater (1990), and Kirca et al. (2005), Montiel-Campos (2018) denotes MO as “the extent to which firms are inclined to behave in accordance with the marketing concept” (p. 294). Two different viewpoints complement the development of MO (Goldman & Grinstein, 2010). One school conceptualizes MO from a cultural perspective by defining MO as “the organization culture that most effectively and efficiently creates the necessary behaviours for the creation of superior value for buyers and thus, continuous superior performance for the business” (Narver & Slater, 1990, p. 21). The other doctrine of MO is conceptualised from behavioural perspective proposed by Kohli and Jaworski (1990) as “the organization-wide generation of market intelligence pertaining to current and future customer needs, dissemination of the intelligence across departments, and organization-wide responsiveness to it” (p. 6). In our study, we conceptualise MO from the behavioural perspective (Kohli & Jaworski, 1990) because DMC is an individual-level capability and directly shapes entrepreneurial actions and behaviours (Teece, 2012). It is worth mentioning that the behavioural perspective of MO exhibits broader perspectives by considering “exogenous market factors such as competition or regulations that influence customer preference; and current and future customers’ needs” (Ashrafi & Zare Ravasan, 2018; p. 971). In contrast, the cultural perspective of MO operates in market myopia by expecting that firms will always be in an advantageous position to satisfy customer needs without considering heterogeneous external factors that may create new markets. We believe none of the above viewpoints is superior to one

another; however, the adaptation of the MO viewpoint is contingent on the research issues under investigation and the theoretical anchoring.

Export Assistance

Export assistance gets broader acceptance in early internationalization literature (Sousa & Bradley, 2009). In most cases, firms from emerging economies are highly dependent on governmental export assistance. Export Promotion Bureau, Central Bank, Ministry of Foreign Affairs, Ministry of International Trade and Industry are the most common institutional bodies, which are the key players in facilitating export assistance and economic growth of the country. On the one hand, policymakers from emerging economies are emphasizing entrepreneurial activities or start-ups; on the other hand, they also need to offer assistance and support to young and incumbent firms to sustain in the international market (Mostafiz et al., 2019c). Export assistance is defined as the supports or assistances received from a governmental institution that may enhance and accelerate the export activities of the firms (Lages & Montgomery, 2005). Leonidou, Palihawadana, and Theodosiou (2011) highlight the necessity of export assistance and mention that it helps firms to stimulate and increase export operations through adopting a proactive, systematic and planned approach from assistances. Government and other governmental associations design various export assistance programs to assist firms to overcome internationalization barriers that hinder exporting (Njegić, Damnjanović, & Komnenić, 2020). In Bangladesh, these programs are usually targeted at the international entrepreneurial apparel firms (Shamsuddoha et al., 2009). Although export assistance is enormously beneficial for entrepreneurial firms (Jalali, 2012; Sharma et al., 2018; Sousa & Novello, 2014); however, prior research also reports a few non-significant results (Lages & Montgomery, 2005). One plausible reason for such inconsistent results may occur from the performance indicators under

investigation (Njegić et al., 2020). An ideal way to evaluate the impact of export assistance is to examine the effects on firms' financial and non-financial performance, separately. Another plausible reason for the inconsistency may arise from the quality of the export assistance in different economies that government offers (Leonidou et al., 2011). Entrepreneurial firms must understand the importance of export assistance and create awareness to utilize it prudently; especially firms operating in resource-constrained and environmentally challenged economies (Mostafiz et al., 2019b, c). In an emerging economy context, international entrepreneurial firms should get engaged and participate in various programs to effectively utilize benefits of export assistance to achieve financial liberty (Njegić et al., 2020).

Hypotheses development

Relationships between the attributes of DMC and MO

Managerial human capital. Managerial human capital is built upon a manager's academic qualification, prior managerial and entrepreneurial experience, and prior training (Adner & Helfat, 2003). It enables the manager to reconfigure the firm's resources and competencies (Castanias & Helfat, 1991). Helfat and Martin (2015) note that prior entrepreneurial and managerial experiences, academic qualifications, and the training undertaken by the managers are the critical determinants to develop abilities to mobilise resources and competencies. Besides, Mostafiz et al. (2019c) claim that the mobilisation process requires managerial cognition to process knowledge and information gained from managerial human capital. According to Dimov (2007), managerial human capital increases the learning capability of entrepreneurs. MO is a strategic process to learn the customer demands, accumulate information from the market, understand the uncertainties of the market and design an appropriate plan to respond to the market. Human capital as a core attribute of DMC (Campbell, Coff, & Kryscynski, 2012) should

leverage MO-driven processes. Likewise, Seghers, Manigart, and Vanacker (2012) argue that adequate human capital facilitates entrepreneurs to bypass the wrong opportunity and identify the correct opportunity from valuable information and develop a new market. Affluent human capital helps entrepreneurs to adapt to changes and learn new knowledge (Mostafiz et al., 2019b). Based on the above arguments, we hypothesize:

H1: Managerial human capital as DMC of international entrepreneurs positively improves the MO of export manufacturing firms.

Managerial cognition. Managerial cognition in DMC is defined as a mental model, set of beliefs, mindset and the knowledge structure of the managers, which are meant to deliver critical strategic decision regarding strategic choices (Adner & Helfat, 2003). As such, Mostafiz et al. (2019b) show that managerial cognition is an essential attribute of DMC to accumulate and process knowledge to achieve superior performance. In an international entrepreneurship setting, Oviatt and McDougall (2005) conceptualize managerial cognition as a global mindset as proposed by Nummela, Saarenketo, and Puumalainen (2004) and validated by Mostafiz et al. (2019b). The global mindset is the combination of proactiveness, international commitment, and global vision of international entrepreneurs (Kyvik et al., 2013). It represents the mental model, knowledge structure, and belief system of international entrepreneurs. Having a broad and international mindset is necessary to understand the needs of the customers. Gupta and Govindarajan (2002) conceptualize global mindset as “a vision of entrepreneurs to practice openness and cultural diversification which increases the propensity of entrepreneurial commitment toward international markets and creates synergy among diversity” (p. 5) (Mostafiz et al., 2019a). It is also considered as an orientation of international entrepreneur that

complements global marketing, technological advancement and learning capability to smoothens the internationalization process of the firms (Weerawardena et al., 2007). On the one hand, having a global mindset is a pre-requisite of internationalization (Nummela et al., 2004); on the other hand, MO is a critical determinant to international expansion (Falihat, Knight, & Alon, 2018). It is essential to create the bridge between the global mindset and MO to facilitate firms to anticipate the new market, capture resources and tap into a new location (Mostafiz et al., 2019b). Based on these arguments, we hypothesize:

H2: Managerial cognition as DMC of international entrepreneurs positively improves the MO of export manufacturing firms.

Social capital. Adner and Helfat (2003) define managerial social capital as the network relationships of the managers based on the tie, trust and solidarity. Entrepreneurs develop their formal and informal network relationships to conduit information to the firm to recognise new opportunities (Mostafiz et al., 2019c). The recognition of opportunity includes identifying new buyers, suppliers, the advancement of machinery, bring new technologies, entering new markets, investment opportunities, and so forth (Kraus et al., 2017; Mostafiz, Sambasivan, & Goh, 2019d). Studies show that nascent entrepreneurs get enormous performance benefit by developing their social capital (Davidsson & Honig, 2003). Authors have argued that these entrepreneurs need to create their social capital for first-time internationalisation and subsequently develop to maintain stability in the international market. Firms from emerging economies utilise social capital to create new alliances and business partners, develop a relationship with government officials, trade unions and other influential institutions (Turnbull, Ford, & Cunningham, 1996). The social capital of the entrepreneur constitutes from three

interdependent factors as tie, trust, and solidarity. The tie represents entrepreneurial networking; trust is related to the level of mutual dependency within the network; and solidarity embraces shared opinions and problem-solving mechanism to achieve an unified objective (Kemper, Engelen, & Brettel, 2011). Contextually, all three factors of social capital - tie, trust, and solidarity among entrepreneurs are critically important in an emerging economy (Mostafiz et al., 2019c). Strong social capital is the source of new knowledge and opportunities. If the entrepreneurs manifest a high-level of tie, trust, and solidarity between them, then it will encourage a fair playing field (Kemper et al., 2011). Instead of grappling with each other, entrepreneurs can share opportunities within networks. Because, an opportunity might not be significant to one entrepreneur and might turn out to be significant to another. Mostafiz et al. (2019c) probe that adequate tie, trust, and solidarity provide “the basis to acquire information regarding new technological enhancement opportunities, improve efficiency and enhance the ability of entrepreneurs’ skill to deal with international activities” (p. 345). Such practices deliver global outreach and increase entrepreneurial power and control during institutional transit (Kiss & Danis, 2010). Kemper, Engelen, and Brettel (2011) have found evidence that managerial social capital assists entrepreneurs to develop marketing capability by escalating internal social networking. It indicates that social capital can increase employee participation in the operational decision making activities, which is vital in the responsiveness part of MO. Other benefits, such as getting political liaison, first-mover advantage, and tax incentives, are the outcomes of managerial social capital (Mostafiz et al., 2019b). Managerial social capital is an integral element of the entrepreneurial skill development process (Coviello, 2006), and such skills and competencies are heavily required in leveraging MO processes effectively (Ketchen et al., 2007; Morgan et al., 2009). Based on the above arguments, we hypothesize:

H3: Managerial social capital as DMC of international entrepreneurs positively improves the MO of export manufacturing firms.

MO as the mediator between DMC and Performance

Drawing on RBV, Morgan et al. (2009) argue that “firms with superior MO achieve superior business performance because they have a greater understanding of customers’ expressed wants, and latent needs, competitor capabilities and strategies, channel requirements and developments, and the broader market environment than their rivals” (p. 910). Based on this assumption, authors identify decisive mediating role of MO between marketing capability and firm performance. The purpose of DMC is to reconfigure resource and competencies. According to Slater and Narver (1995), MO is the mechanism by which firms advocate the combination of most gratifying resources to satisfy the market needs. DMC can identify the correct international opportunities. Therefore, identified opportunities should be aligned with market needs; thus, leveraging MO to affirm maximum benefit to achieve substantial growth. The disposition of MO can only deliver continuous superior customer value (Slater & Narver, 1994). According to Ju et al. (2011), firms creating “superior customer value entails an organization-wide commitment to continuous information gathering concerning customers’ needs, competitors’ capability, and other significant market agents and authorities (p. 488). Mostafiz et al. (2019b) suggest that DMC is crucial to accumulate foreign market knowledge. If firms initiate the MO process from information gathering, then it is plausible for firms to excel in the MO process driven by DMC of entrepreneurs. According to Kohli and Jaworski (1990), MO enables firms to generate organizational knowledge about the foreign market. Notably, DMC and MO together can accelerate the organizational performance by promoting the accumulation of information,

circulating information among departments, and developing the firms' ability to create superior customer value, and responding to radical changes and customer needs.

Kohli and Jaworski (1990) propose three building blocks of MO as intelligence generation, intelligence dissemination, and responsiveness. These three activities enable firms to compete in the international market, understand customer needs and influence market due to the availability and quality of the information that firms accumulate (Cadogan, Diamantopoulos, & Mortanges, 1999). Intelligence generation refers to the activities, including the creation of export market intelligence such as market research, information regarding export assistance, and other relevant information regarding customers, competitors, and environmental volatility. Cadogan et al. (1999) define intelligence dissemination as the process of circulating relevant information among departments to achieve maximum efficiency in decision making. A participative culture is embraced by the entrepreneurs to urge on employees' involvement in the intelligence dissemination process. Finally, the responsiveness is an entrepreneurial action to design and implement the strategies which are derived from intelligence generation and dissemination. The process is meant to achieve success to satisfy customer needs and respond to competitors' activities and the challenges from changes in the external environment. However, all of these MO processes require complementary capabilities to leverage MO effectively (Ketchen et al., 2007; Morgan et al., 2009).

Substantial evidence is documented in industrial marketing literature to support the mediating mechanism of MO between antecedents and firm performance. MO is a critical mediating strategic process to translate the effects of ownership and internationalization process of firms (Liu, Li, & Xue, 2011). Likewise, Kraft and Bausch (2016) identify learning orientation to leverage MO to achieve exploitative and exploratory innovation. Learning orientation needs

an affluent base of adequate information to create the organizational knowledge-base and reap economic benefit out of it. Similarly, capabilities also require intelligence and knowledge to leverage and create economic value. Based on this assumption, Ashrafi and Zare Ravasan (2018) postulate IT infrastructure capability to complement MO to achieve market performance. Besides, merely having the capabilities without the presence of effective strategic processes in practice may lead the firms to failure (Baum, Locke, & Smith, 2001). DMC increases the propensity to identify new international opportunities (Mostafiz et al., 2019c) and without having the provision of MO might lead the firms to severe risks and poor performance, especially in the emerging economy. Based on these arguments, we propose:

H4a: MO positively mediates the relationship between DMC (managerial human capital, managerial social capital, and managerial cognition) and the financial performance of export manufacturing firms.

H4b: MO positively mediates the relationship between DMC (managerial human capital, managerial social capital, and managerial cognition) and the non-financial performance of export manufacturing firms.

Export Assistance as a moderator between MO and Performance

Ali and Shamsuddoha (2014) propose two types of export assistances that are received from the government and governmental institutions as a) promotional assistance, and b) financial assistance. Both assistances are critically essential to achieve success in international performance (Sousa & Bradley, 2009). Export assistance from government consists of a variety of offerings that smoothens export operations in the international market. Such an initiative includes conference, international trade fairs, favourable tax policies on exportation, and systematic orientation of exportation to managers (training) and to promote firms in the global

market. Shamsuddoha, Ali, and Ndubisi (2009) have found direct positive effects of governmental export assistance on firm performance. Authors mention that the presence of governmental export assistance in emerging countries is apparent, and the direct positive effects of export assistance on firm performance are self-evident. Therefore, it is more meaningful to investigate the degree of export assistance on firm performance rather than the direct effect. Strong support from the government increases the likelihood of expanding business internationally through advocating entrepreneurs' favourable attitude towards the foreign market. Exercising MO processes consume organizational resources. Due to the scarcity of resources in the emerging economies, government subsidises to incumbent and entrepreneurial firms through financial supports assist firms to sustain in the international market (Shamsuddoha et al., 2009). Financial support from the government also increases entrepreneurial commitment towards the international market, stimulates positive attitudes to accumulate foreign market knowledge, and expands overseas operations (Singer & Czinkota, 1994). Market expansion, accumulated foreign intelligence and increased international operations are considered primary outcomes of MO (Kirca et al., 2005). If the MO and firm performance nexus is complemented by export assistance, then the chances of achieving superior success in international operations are more evident. Institutions such as autonomous banks, financial agencies, export-import associations play a pivotal role to facilitate assistances to export-oriented firms. Hence, we argue:

H5: Export assistance moderates the relationship between MO and the financial performance of the firm; higher levels of export assistance enhance the relationship between MO and financial performance.

H6: Export assistance moderates the relationship between MO and non-financial performance of the firm; higher levels of export assistance enhance the relationship between MO and non-financial performance.

Research Methodology

Research design and sample

Majority of apparel industry firms are in the emerging economy countries. Countries like China and Bangladesh are the top-most exporting countries of apparel products to the global market. Due to the accelerating economy, Chinese firms get enormous attention in academic research. In comparison, less research attention has been put on the firms from export-manufacturing apparel firms in Bangladesh (Mostafiz et al., 2019c). Authors argue that Bangladeshi apparel export-manufacturing firms are no longer playing the role of contract manufacturers and are more like the opportunity-driven international entrepreneurial firms. These firms are developing a sustainable in-house product and process innovation capability (Nichols, 2020; Ullah, 2020) to recognise opportunities from the international market to enhance performance. A report published by Dhaka Tribune (2017) notes that Bangladeshi firms are now attracting foreign direct investment in the apparel sector for business expansions. These firms are now market-oriented and are continuously reaping benefits from foreign market knowledge (Mostafiz et al., 2019b). According to the WTO listing, export-manufacturing apparel industry of Bangladesh is ranked second in terms of exporting cloth to the global market after China (WTO, 2017). These firms are rapidly expanding their foreign operations and are increasing the intensity of competition. Therefore, exercising MO is undoubtedly important among all strategic processes to achieve sustainable international performance (Gupta et al., 2017). Ju et al. (2011) argue that “market orientation provides manufacturers with information in the export market in order to

exert the information dimension of control” (p. 488). Therefore, it is noteworthy to investigate our research question in this apparel export-manufacturing research context.

The samples of this study were randomly selected from the BGMEA and BKMEA database of apparel export manufacturing firms. The operational definition of international entrepreneurial firm refers to the firms that are led by entrepreneurs to internationalize with some sort of innovative products/services, and having long-term commitment to the international market (Mostafiz et al., 2019c). These apparel firms operating in Bangladesh have all the characteristics of international entrepreneurial firms. They are highly proactive, innovative, and internationalize from inception (Mostafiz et al., 2019b). Besides, Shamsuddoha et al. (2009) indicate that these export-manufacturing firms have high tendency to subscribe to export programs and seek assistance. We administered 800 questionnaires (in English). The entrepreneurs/founders of the firm were responsible for responding to the questions related to DMC, MO and export assistance. In the majority of firms, the entrepreneurs themselves were responsible for taking all major decisions (Mostafiz et al., 2019b). Furthermore, in a few cases when the entrepreneurs were unavailable to respond to the questionnaire due to their busy schedule, we approached the managing director to fill out the questionnaire. Such mechanism helped us to control the effect of common method variance bias and self-selection bias (Chandler & Jansen, 1992). In the second wave, operational managers of the firm were communicated to provide data on non-financial performance, and we collected financial data from finance manager to operationalise finance performance of the firm. The process also assists us to control the effects of social desirability bias. After multiple follow-ups, we managed to collect 340 complete responses.

Measurement

Dynamic managerial capability was operationalised based on three dimensions: managerial human capital, managerial social capital, and managerial cognition (Mostafiz et al., 2019b, 2019c). Four items were used to measure managerial human capital; thirteen items were used to measure managerial social capital, and seven items were used to measure managerial cognition. Grichnik et al. (2014) proposed four items to capture the value of managerial human capital of entrepreneurs, namely prior entrepreneurial experience, prior managerial experience, prior training experience, and academic qualification. In this study, these values were captured by asking the entrepreneurs to provide their responses on a scale basis. Managerial social capital had three sub-dimensions as social tie, trust, and solidarity. In this study, these items were adopted from Kemper et al. (2011). All elements of managerial social capital were measured on a seven-point Likert scale where one represents very poor/highly disagree, and seven represents very strong/strongly agree. Managerial cognition was measured by following Nummela et al. (2004) on the global mindset of the entrepreneurs. Mostafiz et al. (2019b; 2019c) showed that global mindset adequately explains the managerial cognition of entrepreneurs in international business settings. Three sub-dimensions were used to operationalise managerial cognition as entrepreneurs' proactiveness, international commitment, and global visions. Seven-point Likert scale was used to capture the value of managerial cognition, where one represents a low level/strongly disagree and seven represents a higher level/strongly agree.

MO was measured by adapting the scale developed by Jaworski and Kohli (1993) and supported by Cadogan et al. (1999). This MO scale is widely acceptable in international business research. Three sub-dimensions were used to operationalise and capture the value of MO as intelligence generation, intelligence dissemination, and responsiveness. A total of 17 items were used to measure the value of MO. Export assistance was measured by adapting scales from

Lages and Montgomery (2005) and Sousa and Bradley (2009) by asking the firms regarding the assistances they get from the government and other trade associations. Finally, the international performance was measured in two categories, as financial performance and non-financial performance. Although there are debates in measuring the international performance of the firm, however, Hult et al. (2008) have suggested adequate scales to measure the financial and non-financial performance of export-oriented firms. In this study, we adapted scales from Hult et al. (2008). Financial performance was measured through ROA (return on assets) and ROE (return of equity). This scale is widely accepted to measure the profitability of the firms (Cerrato & Piva, 2015). The non-financial performance was measured by using eight items, such as performance in international operations, the extent of global outreach, reputations, and the perceived success (Jantunen et al., 2005). All items of MO, export assistance and non-financial performance were previously validated items and measured on a seven-point Likert scale where one represents highly disagree/very low, and seven represents highly agree/very high.

Control variables

Three variables were used in this study to control the outline condition of the baseline model. Firm size, firm age, and environmental dynamism are widely accepted control variables in international business research (Mostafiz et al., 2019b, 2019c). Firm size was captured by using the number of employees working in the organization (Sousa & Bradley, 2009). Firm age was captured by using the firm's operations in the international market (Mostafiz et al., 2019b). Jantunen et al. (2008) have mentioned that both firm size and age are the key determinants to the firm performance. The authors highlight that "larger firm has a larger pool of resources to exploit and the possibility to achieve advantages of scale in its international operations" (p. 232). In this research context, Mostafiz et al., (2019b) provide evidence that firm size and age positively

improve the financial performance of the firms. We measured environmental dynamism by adapting scale from Jantunen et al. (2008) by asking the firms regarding the effects of industrial changes, technological changes, and market changes on the performance of firms. The role of environmental dynamism is critical in the emerging economy because of environmental volatility. On the one hand, high dynamism in the market opens new opportunities for entrepreneurs, whereas, on the other hand, high dynamism increases the threats, risks, and challenges in doing business (Jantunen et al., 2008). Environmental dynamism is measured on a seven-point Likert scale, where one represents extremely high dynamism, and seven represents extremely low dynamism.

Results and Findings

Descriptive statistics

Our results show that 28.36 per cent firms consist of 100 to 150 employees; 37.29 per cent firms consist of more than 150 employees to 350 employees; 9.82 per cent firms consist of more than 350 employees to 500 employees; 11.86 per cent firms having more than 500 employees to 700 employees; 9.14 per cent firms employ more than 700 people to 900 employees, and 3.53 per cent firms employ more than 900 people. The results also show that only 8 % of firms have the age of 10 years or older. We have collected data on the age of the firms' initial internationalisation, and have found that all firms internationalized at the time of their inception. The descriptive statistic results are consistent with prior studies in this context (Mostafiz et al., 2019b, c; Faroque et al. 2020a, b). This study has conducted data cleaning process by computing the Mahalanobis D-Square test ($p < 0.001$) to identify outliers. Eleven cases fall under extreme values. We have deleted these cases and conducted missing value analysis. Finally, we used 329 cases for inferential statistical analyses.

Table 1 highlights the results of correlation, mean, standard deviation, the square root of average variance extracted (AVE), VIF, and normality (Skewness and Kurtosis). The mean values of DMC and MO suggest that international entrepreneurs in this context have adequate level of human capital, social capital, managerial cognition; and MO process in organisation. Also, the mean value of export assistance suggests that these firms are keen to seek assistance from government and other governmental association. Besides, we have also conducted Mardia's multivariate kurtosis analysis to check multidimensional normality. The result of Mardia's coefficient's critical ratio was below 1.96 (1.83) represents adequacy (Mardia, 1970). Also, the Skewness and Kurtosis values are in between +2 and -2, which represent the normal distribution of the dataset. The results show that the variables are adequately correlated at $p < 0.05$ level and the VIF value denotes that the effects of multicollinearity are minimal (< 5) (Graham, 2003).

We took multiple measures to control the effects of common method variance (CMV). First, we collected our data from multiple sources such as the entrepreneurs/founders, finance managers, operational managers and deputy general managers. Our dataset also included secondary data on ROA and ROE, which significantly helped this study to control the effect of CMV. Furthermore, two statistical tests were conducted to determine the effects of CMV. First, Harman's one-factor analysis was undertaken, and the result showed that the first component percentage of variance was less than 50 per cent (29.31 %). Second, we conducted a single latent factor analysis by using AMOS, where all items were loaded to a single factor. The results of single latent factor analysis were: $\chi^2 = 5,235.671$, $df = 1037.5$, $p < 0.01$, which were significantly different from the results of the model fit indices of measurement and structural model. Hence, we concluded that the effects of CMV in this study are minimum (Podsakoff et al., 2003).

(Insert Table 1 here)

Reliability and validity

Table 2 represents the results of reliability and validity. All Cronbach's alpha scores and composite reliability (CR) values are higher than 0.70, confirm the adequacy of internal consistency (Hair et al., 2016). Confirmatory factor analysis (CFA) was conducted to check the model fit indices of the measurement model. CFA results show that the measurement model is fit and well-accepted ($\chi^2 = 2,130.534$, $df = 1240$, $\chi^2/df = 1.718$, $p < 0.001$, CFI=0.952, NFI=0.892, RFI=0.885, IFI=0.952, TLI=0.948, RMSEA=0.046, SRMR=0.0397) (Mostafiz, Islam, & Sharif, 2019a). The standard factor loading values of the constructs are also higher than 0.50, hence achieved the minimum threshold level (Anderson & Gerbing, 1988). Furthermore, all AVE values of the constructs are higher than 0.50, and the square root of AVE values (see table 1) are also higher than the correlations of other variables. Hence, this study is free from convergent and discriminant validity issues between constructs (Fornell & Larcker, 1981).

(Insert Table 2 here)

Hypotheses testing

We used AMOS version 24 to test our hypotheses. The model fit indices values of the structural model show adequate fit ($\chi^2 = 2,715.381$, $df = 1353$, $\chi^2/df = 1.99$, $p < 0.001$, CFI=0.982, NFI=0.867, RFI=0.855, IFI=0.929, TLI=0.924, RMSEA=0.050, SRMR=0.0493). Table 3 highlights the results of standard direct, indirect, and total effects of exogenous variables on the endogenous variable. We performed the bootstrapping procedure with 5000 re-sampling to test the mediation effects (Hayes 2013); and interaction moderation analysis was conducted to test the effects of moderating variable (Hair et al., 2010).

Our analysis indicates the following results. The direct effect of managerial human capital on MO is non-significant ($\beta=0.031$, $p>0.05$) and hence, *H1* is not supported. The direct

effect of managerial social capital on MO is significant ($\beta=0.329$, $p<0.01$); therefore, *H2* is supported. The direct effect of managerial cognition on MO is also significant ($\beta=0.473$, $p<0.01$), which indicate that *H3* is supported. The direct effects of managerial human capital on financial and non-financial performances are significant ($\beta=0.162$, $p<0.05$; $\beta=0.107$, $p<0.05$). However, the total effects of managerial human capital on financial and non-financial performances are non-significant ($\beta=0.083$, $p>0.05$; $\beta=0.010$, $p>0.05$). The results also show that the direct effects of managerial social capital on financial performance and non-financial performance are significant ($\beta=0.227$, $p<0.05$; $\beta=0.324$, $p<0.01$) and the total effects of managerial social capital on financial and non-financial performance are also significant ($\beta=0.233$, $p<0.05$; $\beta=0.364$, $p<0.01$). In addition, the direct effect of managerial cognition on financial performance is non-significant ($\beta=0.089$, $p>0.05$) and non-financial performance is significant ($\beta=0.249$, $p<0.01$); and the total effects of managerial cognition on financial and non-financial performances are significant ($\beta=0.133$, $p<0.05$; $\beta=0.408$, $p<0.01$). Besides, the results also show that the direct effects of MO on financial and non-financial performance are significant ($\beta=0.146$, $p<0.05$; $\beta=0.213$, $p<0.05$, respectively). Therefore, *H4a* and *H4b* are supported. The moderating analysis results highlight that export assistance moderates the relationship between MO and financial performance ($\beta=0.212$, $p<0.05$). However, export assistance does not moderate the relationship between MO and non-financial performance ($\beta=0.014$, $p>0.05$). Figure 1 represents the structural model, and figure 2 represents the graph of moderating effects. Lastly, we have found that firm size ($\beta=0.035$, $p>0.05$), firm age ($\beta=0.029$, $p>0.05$) and environmental dynamism ($\beta=0.046$, $p>0.05$) have non-significant impacts on performance. Our results show consistencies with prior studies (e.g. Preece, Miles, & Baetz, 1999; Westhead, Wright, & Ucbasaran, 2001; Wolff & Pett, 2000) on the non-significant impact

of firm size and age on performance. Although these entrepreneurial firms are opportunistic, however, frequent changes in the market and legal rules and regulations are likely to have an immediate impact on strategy and require firms to respond rapidly (Mostafiz et al., 2019b).

(Insert Table 3 here)

(Insert figure 1 here)

(Insert figure 2 here)

Discussion, Contribution and Implication

Links between managerial human capital, MO and performance

In this study, the impact of managerial human capital on MO is non-significant, and the direct impact of managerial human capital on firm performance is significant. MO does not mediate the relationship between managerial human capital and firm performance. Managerial human capital was captured as prior managerial experience, prior entrepreneurial experience, academic qualification, and training experience. Due to the nature of the emerging economy and utmost uncertainties in the international market, the conventional experiences and knowledge do not propel entrepreneurs to success (Mostafiz et al., 2019b; 2019c). Authors have argued that diversified experience is critically important to achieving sustainable long-term growth in the apparel industry. Bhagavatula et al. (2010) have argued that industry-specific experience is essential to recognise new opportunities. However, Dimov (2010) emphasised more on diversified human capital as a success factor to recognise new opportunities and create economic value. The type of industry and study context can lead to different results. For example, there is a positive association between founder's human capital and firm performance in the hi-tech sector (Li & Zhang, 2007); Davidsson and Honig (2003) have found a non-significant association between human capital and firm performance of nascent entrepreneurs. The quality

of human capital is superior in a developed economy when compared to an emerging economy. Majority of entrepreneurs in Bangladesh lack heterogeneous experiences and have poor qualifications compared to entrepreneurs from a developed economy (Faroque et al. 2020a, b; Faroque et al. 2017). These limit entrepreneurial creativity and innovation practices within the organisation, and this can lead to inflexibility of knowledge flow in the firms. It is essential to unlearn irrelevant process before entrepreneurs introduce new strategic activities, such as MO. The finding of our study is also consistent with the prior finding by Thai and Chong (2008) in a similar economy (e.g. Vietnam) where entrepreneur's human capital has non-significant effect in improvising firm performance. One of the reasons highlighted by the authors is that the industry-specific experience. Similar result has also been mentioned by Federico et al. (2009). Less diversity in the academic and training programs have been highlighted by many previous scholars (e.g. Manolova et al., 2002; Naudé & Rossouw, 2010; Thai & Chong, 2008; Westhead, Wright, & Ucbasaran, 2001) and have reported non-significant impact of human capital on the performance. Most recently, Ahmed & Brennan (2019) and Mostafiz et al. (2019a,b) provide evidence that entrepreneurial human capital plays the least role in this research context. One of the plausible reasons for such non-significant relationship might be the less diversified experience. Gruber et al. (2013) have mentioned that entrepreneurs must broaden their knowledge corridor in order to amplify their human capital and exploit benefits from it. Diversified human capital will not only help entrepreneurs to respond to immediate challenges but also facilitate entrepreneurs to cultivate new skills and ability (e.g. resource configurations) in re-engineering organisational strategies (Haber & Reichel, 2007).

Links between managerial social capital, MO and performance

We have found a positive association between managerial social capital, MO, and firm performance. It indicates that MO mediates the relationship between managerial social capital and firm performance. This result makes a plausible and meaningful sense. Managerial social capital is considered as a behavioural component of entrepreneurs. A higher level of social capital facilitates them to strengthen their network relationships and benefit from them. Previous studies in international business emphasize on the benefits of having strong network ties, trust, and solidarities in an emerging economy context (Acquaah, 2007). When entrepreneurs tend to capitalize on social capital, it automatically increases the propensity of higher knowledge flow and more engaging culture within an organization. MO requires knowledge generation before dissemination and responsiveness. Managerial social capital of the entrepreneur is one of the great sources of knowledge accumulation. Mostafiz et al. (2019b) have shown that managerial social capital is one of the most important antecedents to foreign market knowledge accumulation. Relationships with external networks always complement organizational in-house market research, understand customer needs, learn from competitors, and improve the logistics and distribution channel by accumulating critical and valuable information from the market. The apparel industry of Bangladesh is highly competitive, and a collaborative culture through substantial social capital between entrepreneurs is a survival strategy in the international market. A more natural diffusion of networks should be adopted to maximise the benefits. The finding of our study is supported by Hernández-Linares et al. (2018), where MO plays a critical role between firm-level capability and firm performance. MO requires continuous information inflows from external and internal sources to respond to market challenges. Managerial social capital smoothens this information flow and tightens the network relationship for maximum growth (Lee & Ha, 2018). Also, through managerial social capital, the accuracy level of

information increases and helps firms by providing less redundant knowledge. False information always increases the risk, and active social capital is the remedy for lowering down these types of risks. Our study shows that managerial social capital of entrepreneurs embraces networking with important agents and stakeholders to accumulate information of the markets as an input to intelligence generations. The total effects of managerial social capital are significant to financial and non-financial performance, which indicate the importance of managerial social capital in an emerging economy context. The accessibility to the network provides a significant edge to entrepreneurs in achieving superior profitability as well as operational success in the international B2B market.

Links between managerial cognition, MO and performance

We have found a positive association between managerial cognition, MO, and firm performance. The path coefficient between managerial cognition and MO is much stronger than the coefficients between other attributes of DMC (human capital and social capital) and MO. Managerial cognition is captured based on a global mindset as entrepreneurial proactiveness, international commitment, and global vision. Our result provides a plausible and meaningful sense that having a strong entrepreneurial global mindset is undoubtedly significant to achieve success in MO processes and firm performance. Our finding indicates that managerial cognition plays a critical role as an antecedent to MO. Our results are also in line with previous findings, where the importance of the global mindset is immense in configuring the internationalization behaviour of the firms. Having a mentality to pursue proactive internationalization, fulfil the commitment and recognize the global as a whole marketplace are beneficial to accumulate valuable information (Mostafiz et al., 2019b). Emerging markets are incredibly volatile and dynamic, and having a strong global mindset is always beneficial. It will keep entrepreneurs

engaged with intensive market research to become competitive in the market. Gereffi and Frederick (2010) have argued that to become competitive in the international B2B market of the apparel industry, firms need to highly capitalise on their capability development process to stimulate efficient global value chain system. Understanding customer needs, responding to the current trends and increasing the value propositions are the key outcomes of effective MO process. Eventually, these strategic processes facilitate firms to achieve global outreach and continuously assist in international market development (Ghannad & Andersson, 2012). We argue that having a strong foundation in the managerial cognition of entrepreneur is a critical antecedent to MO processes.

MO as a mediator

Our study identifies that MO partially mediates the relationship between DMC and firm performance. We find evidence that MO mediates the relationship between managerial social capital and firm performance, and between managerial cognition and firm performance. Helfat and Martin (2015) argue that DMC should enhance the implementation of immediate strategic actions/processes of the firms before achieving the desired outcomes (firm performance). MO is a two-step process as in the first stage, entrepreneurs tend to generate intelligence for the firms, and in the second stage, disseminate that intelligence and respond to the market needs. DMC is meant to achieve success through building competencies and organizational configuration. DMC has been shown to complement firm performance through successful foreign market knowledge accumulation and international opportunity identification (Mostafiz et al. 2019b; 2019c). Our study adds merit to these two studies by highlighting that MO is a critical strategic process of apparel industry firms in Bangladesh, which successfully transforms the effects of DMC to achieve superior firm performance. Previous studies also highlight the effective mediating role of

MO, such as flexible IT capability and firm performance (Ashrafi & Zare Ravasan, 2018); entrepreneurial orientation and firm performance (Mahrous & Genedy, 2019); and absorptive capability and firm performance (Chaudhary & Batra, 2018). The importance of MO in emerging economies is immense.

Export assistance as a moderator

We empirically show that the role of export assistance is essential to achieve financial success. Although the moderating role of export assistance between MO and non-financial performance is non-significant, getting assistance from the government and other trade unions provide significant financial benefits to firms operating in the apparel sector of Bangladesh. It is meaningful and relevant that export assistance provides more financial benefits than non-financial benefits. As in reality, the supports from government and trade associations have less to do with timely introduction of products/services (e.g. scales of non-financial performance) and export assistance enhances firm's financial liberty, stability and sustainability (e.g. return on assets and return on equity). Theoretically, it can be argued that export assistances are beneficial, and entrepreneurs get more financial benefits than non-financial benefits. As the emerging economies operate amid utmost uncertainties, the entrepreneurial firms rely on governmental and other supports from trade associations. Shamsuddoha et al. (2009) argue that entrepreneurs mitigate internationalisation barriers and develop positive behaviours through export-supports. These assistances will give access to valuable information regarding international operations and foreign direct investment opportunities. Such a notion might encourage young entrepreneurs to start a new business and adopt exporting as a primary international entry mode. It is evident from our study that firms get financial success from export assistance; therefore, to foster more international collaborations assistance from the government through trade fairs and missions are

required. Governmental assistance should also include knowledge transfer by promoting joint-ventures between firms from China and India in Bangladesh. It will help the Bangladeshi apparel industry in many ways such as technological know-how, use of advanced machinery, international marketing, and competent logistics and distribution channels. We opine that the more export assistances these international entrepreneurial firms get the more they will be financially independent and be exposed to the international market.

Research contribution

The fundamental objective of this research was to investigate a) *How does DMC play a crucial role as an antecedent to MO and achieve superior firm performance?* b) *Does export assistance moderate the relationship between MO and firm performance?* To answer, we bring DMC theory, MO perspective and export assistance literature to underpin the research framework. This study makes a substantial theoretical contribution to the existing knowledge concerning industrial marketing among entrepreneurial firms operating in the international B2B market. There have been calls to contribute to the empirical legitimacy of DMC theory (Mostafiz et al., 2019b, c). Given this, the relationships between DMC, MO, export assistance and firm performance are well established through this research than previously documented. First, we argue that the DMC of the entrepreneur is a critical antecedent to MO. Two historically competing viewpoints of MO are: the *first* view suggests that, MO requires complementary capabilities to effectuate its entire benefits (Ketchen et al., 2007; Morgan et al., 2009); and the *second* view suggests that, MO is a pivotal strategic process of export-oriented firms to transform capabilities to generate performance outcomes (Jaworski & Kohli, 1993). We contribute to both of these viewpoints. We probe that DMC of entrepreneur significantly enhances MO processes to generate economic benefits; and MO strengthens DMC-firm

performance relationship among firms operating in the international B2B market from an emerging economy context.

Second, we opine that entrepreneurial firms from emerging economies operate under uncertainties and in a weak institutional setting. Thereby, export assistance plays an enormously critical role by assisting firms to achieve financial liberty. Nurturing DMC and capitalizing on MO processes significantly consume organizational resources. Therefore, various types of export assistance can aid firms to mitigate barriers concerning resource consumption, which may hinder firms from becoming more international, achieve global footprints, and ultimately successful. Leveraging MO drives firms to satisfy customer and market needs with new product offering and services; thus, through export assistance, entrepreneurial firms should get themselves involved in various programs and use the budgetary funds by the government and other associations to support their new products and service development initiatives. Firms must identify their resource needs and align it with the required export assistance. We postulate that the entrepreneurs with high-level of DMC will make sure of the optimum utilization of export assistance, thus significantly improving the overall performance of the firm (Lages & Montgomery, 2005; Sousa & Bradley, 2009; Njegić et al., 2020).

Research implications

Our study provides ample and plausible managerial implications. First, entrepreneurs must establish a secure network and ties with important external stakeholders, such as regulators, institutions, managers within the network and trade associations. It will facilitate knowledge flow in and out to the organization that could help in strategizing the firms' directions for better performance. Moreover, in a developing country with high uncertainties, managers could benefit gaining first-hand intelligence through its trusted network that could ultimately help the

organization to react to the changes in an efficient manner. Henceforth, it is essential for the entrepreneurs to identify possible external partners who could be critical in helping them to gather information or to collaborate with. Relationship, ties and network are the crucial success factors in the Asian region.

Second, it is evident that having a strong global mindset is essential for export manufacturing firms to succeed internationally. This dimension serves as the main driver for internationalization and growth. Having leaders who are not forward-looking will not drive firms towards international success. Entrepreneurs and top-managers must participate in international tradeshows, events, associations or talks that promote globalization. Participation in such programs would help to shape managerial cognition that is internationally-focused. Companies could also form alliances with various trade associations in order to gain a better understanding of international market and opportunities. This will eventually guide them to be more proactive towards internationalization. Moreover, through these activities, entrepreneurs could gain more market intelligence that could be enormously useful in crafting and executing MO-driven strategies for firms and yield positive returns.

Third, obtaining export assistance provides strong support for financial performance. In a developing economy, a few entrepreneurs may not be well-equipped with knowledge or expertise to make good use of the intelligence gathered. Even with good managerial ties or cognition and forward-looking MO-driven attitude, entrepreneurs may not be able to turn these resources into strategic processes that would help the firm to achieve superior performance. Hence, governmental bodies and trade associations can provide reasonable assistance for firms to mitigate these sorts of barriers and assist firms to venture abroad. Besides, products and services offered by developing countries are often seen as low in quality than those from firms in

developed economies (Martincus, 2010). Therefore, the policymakers must position these exporting firms in a highly competitive export market by offering incentives, promoting domestic products in the international markets, and developing an international brand. Policymakers can also assist young and new entrepreneurial firms by introducing them to international buyers, provide consultancy services and even encourage joint ventures opportunities with international firms. These forms of assistances will enable export manufacturing firms to tap into the global marketplace in a more secured and stabilized manner. Such alliances could be seen as win-win situation for both the exporting firms and government.

Conclusion, limitations, and future research

DMC is crucial in effecting a firm's performance through the implementation of effective MO processes. Except for managerial human capital where MO plays no role in mediating the relationship to complement firm performance. Additionally, obtaining export assistance from the government will provide favourable financial returns. However, cross-sectional and industry-specific research is usually affected by generalisability issues. On the one hand, it is beneficial to conduct industry-specific research to solve a specific problem; on the other hand, the results might change if this study is replicated in a different context. Therefore, our first call for future research is to replicate the study in a developed economy and provide empirical evidence on how the impact of DMC differs from our findings. The future research can also benefit more from entrepreneurial cognition perspective proposed by Sadler-Smith (2012), managerial cognitive capability by Helfat and Peteraf (2015), by repositioning the scale as a managerial global mindset (e.g. originally proposed by Nummela, Saarenketo, and Puumalainen (2004)) and investigate the behaviour of international entrepreneurial firms. The future research can get profound insights from more refined measurement scale, especially a reflective measurement

scale for human and social capital along with the combination of subjective and objective measurement scales. Furthermore, a comparative study between different industries or between late-internationalised firms versus early-internationalised firms will bring much value to the body of knowledge. Aforementioned, MO is undoubtedly crucial for both early and late-internationalized firms, and requires complementary capabilities to effectuate its value. Therefore, in-depth research is required from both firm-level and entrepreneurial-level capability perspective. The international entrepreneurial culture of the firm (Gabrielsson, Gabrielsson, & Dimitratos, 2014) might be a suitable future research agenda in leveraging MO and its effect on performance. We also urge future scholars to investigate MO from a knowledge management perspective, such as how entrepreneurial firms can facilitate knowledge transfer from the foreign firm (i.e. alliance and competitors) and increase efficiency in the MO process. The international B2B market is exceptionally volatile, and if international entrepreneurial firms from emerging economies cannot respond quickly to those challenges, then the survival of these firms in the international market will be questionable.

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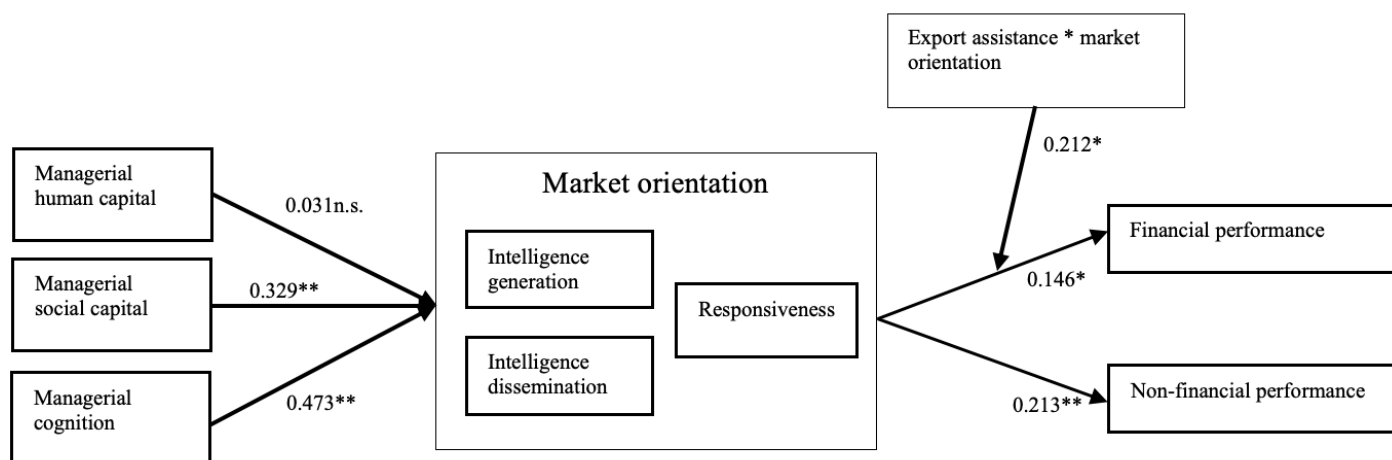


Figure 1 Structural model with standardize estimates

Notes: Critical ratio greater than 1.96 is significant at * $p < .05$, ** $p < 0.01$
 n.s.: non-significant

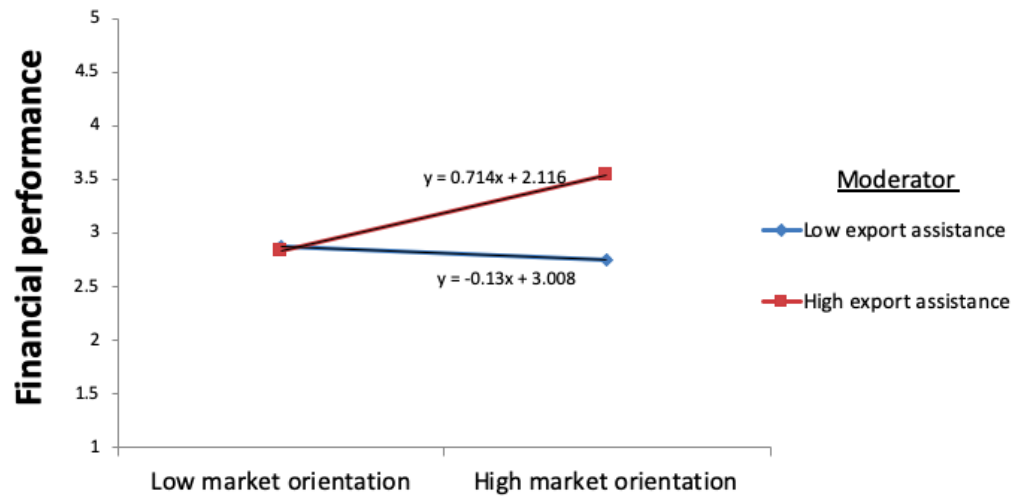


Figure 2 Moderating effects of export assistance on financial performance

List of tables

Table 1 Correlation matrix and descriptive statistics ($N = 329$)

| Constructs in the model | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|-------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| (1) Managerial human capital | 0.683 | | | | | | |
| (2) Managerial social capital | 0.580** | 0.736 | | | | | |
| (3) Managerial cognition | 0.522** | 0.588** | 0.689 | | | | |
| (4) Market orientation | 0.381** | 0.322** | 0.272** | 0.723 | | | |
| (5) Export assistance | 0.268** | 0.310** | 0.257** | 0.201** | 0.718 | | |
| (6) Financial Performance | 0.344** | 0.299** | 0.296** | 0.238** | 0.157* | 0.746 | |
| (7) Non-financial performance | 0.261** | 0.252** | 0.223** | 0.169* | 0.155* | 0.601** | 0.739 |
| Mean Score | 20.59 | 72.23 | 40.27 | 94.55 | 10.99 | 10.73 | 49.86 |
| Standard Deviation | 3.1 | 8.0 | 4.3 | 9.5 | 1.4 | 1.5 | 6.3 |
| Skewness: Statistics | 0.151 | -0.139 | -0.103 | 0.406 | 0.012 | -0.122 | -0.263 |
| Kurtosis: Statistics | -0.356 | -0.064 | -0.512 | 0.401 | 0.391 | -0.050 | 0.200 |
| VIF | 1.791 | 1.810 | 1.619 | 1.213 | 1.170 | 2.179 | 2.091 |

Note: Diagonal is the square root of the AVE.

**Correlations significant at the 0.05 level

*Correlations significant at the 0.1 level

Table 2 Summary of the reliability and validity analysis

| Items/Constructs | Std. loadings |
|--|---------------|
| Managerial human capital ($\alpha = 0.782$, CR = 0.823, AVE = 0.694) | |
| 1. Prior entrepreneurial experiences | 0.838 |
| 2. Prior managerial experiences | 0.765 |
| 3. Prior academic education | 0.881 |
| 4. Training experiences | 0.805 |
| Managerial social capital ($\alpha = 0.748$, CR = 0.861, AVE = 0.629) | |
| 1. Top manager at buyer firms | 0.750 |
| 2. Top manager at supplier firms | 0.767 |
| 3. Top manager at competitor firms | 0.733 |
| 4. Political leader in various levels of the government | 0.749 |
| 5. Officials in industry bureaus. | 0.757 |
| 6. Officials in regulatory and supporting organizations such as tax bureaus, state banks, commercial administration bureaus, and the like. | 0.730 |
| 7. I assumed that he or she would always look out my interest. | 0.728 |
| 8. I assumed that he or she would go out of his or her way to make sure I was not adversely affected. | 0.755 |
| 9. I felt like he or she cared what happened to me. | 0.746 |
| 10. I believed that this person approached his or her job with professionalism and dedication. | 0.766 |
| 11. Members of my business network believe that the needs of the whole network should take priority over personal needs. | 0.726 |
| 12. Members of your business network accept decisions taken within the network even when they have different opinions | 0.647 |
| 13. Problem-solving by many members of a business network give better results that those by individuals. | 0.780 |
| Managerial cognition ($\alpha = 0.753$, CR = 0.801, AVE = 0.578) | |
| 1. It is important for me to internationalize rapidly | 0.631 |
| 2. Internationalization is the only way to achieve my growth objective. | 0.766 |
| 3. I'll, have to internationalize in order to succeed in the future. | 0.726 |
| 4. The growth I'm aiming at can be achieved mainly through internationalization. | 0.674 |
| 5. Me as the entrepreneur of the company is willing to take the company to the international markets | 0.790 |
| 6. I encourage company's management to use a lot of time in planning international operations. | 0.718 |
| 7. I encourage company's management to see the whole world as a one big marketplace. | 0.728 |
| Market orientation ($\alpha = 0.739$, CR = 0.817, AVE = 0.625) | |
| <i>Intelligence generation</i> | |
| 1. Meeting with customers at least once a year to identify new products/service that they need in the future | 0.884 |
| 2. Propensity to do in-house market research | 0.810 |
| 3. We poll end-user at least once a year to assess the quality of our products/service | 0.801 |
| 4. Activity to talk with or do survey of those who influence the end-users' purchase (e.g. distributor) | 0.846 |
| 5. Several departments are responsible to generate intelligence on our competitors | 0.817 |
| 6. Our firm reviews the likely effect of changes in our business environment on customers | 0.731 |
| <i>Intelligence dissemination</i> | |
| 1. We have frequent interdepartmental meetings to discuss market trends and developments | 0.821 |
| 2. Marketing personnel spend time to discuss customers' needs (current and future) with other departments | 0.855 |
| 3. We have periodical culture to circulate reports, newsletters and important documents that provide information on our customers | 0.738 |
| 4. We have a culture of notifying whole business unit if something important happens to a major customer or market within a short time | 0.774 |
| 5. On a regular basis, data on customer satisfaction are disseminated at all levels in the firm | 0.712 |
| <i>Responsiveness</i> | |
| 1. It takes us forever to decide how to respond to competitor price changes (R) | 0.783 |
| 2. For various reasons, we tend to ignore changes in our customers' product/service needs (R) | 0.786 |
| 3. Our firm periodically review product/service development efforts to ensure that they are in line with the customer needs | 0.774 |
| 4. If a major competitor were to launch an intensive campaign targeted at our customers, we would implement an immediate response | 0.761 |
| 5. Customer complaints fall on deaf ears in this business unit (R) | 0.786 |
| 6. Even if we came up with a great marketing plan, we probably would not be able to implement it in a timely fashion (R) | 0.781 |
| Export assistance ($\alpha = 0.786$, CR = 0.822, AVE = 0.752) | |
| 1. Support from government | 0.829 |
| 2. Support from other association such as trade unions, non-governmental organisation etc. | 0.789 |
| Financial performance ($\alpha = 0.800$, CR = 0.912, AVE = 0.789) | |
| 1. Return on assets | 0.832 |
| 2. Return on equity | 0.884 |
| Non-financial performance ($\alpha = 0.773$, CR = 0.812, AVE = 0.588) | |
| 1. New product and service introduction in international markets | 0.802 |

| | |
|---|-------|
| 2. Time to market for new products/service internationally | 0.789 |
| 3. Number of successful new product/service in international markets | 0.812 |
| 4. Global reach (i.e., presence in strategically located countries worldwide) | 0.797 |
| 5. International reputation of the firm. | 0.786 |
| 6. Gaining a foothold in international markets | 0.749 |
| 7. Success of main international business | 0.817 |
| 8. Success of main international business from competitor perspective | 0.861 |

Table 3 Standardized direct, indirect, and total effects of exogenous variable in the SEM model

| | | Type of effects | | Endogenous variables | | | |
|---|----------|-----------------|-------|----------------------|-------|-----------------------|-------|
| | | | | Market orientation | | Financial performance | |
| | | Beta | C.R. | Beta | C.R. | Beta | C.R. |
| Managerial human capital | Direct | 0.03 In.s. | 0.843 | 0.162* | 2.04 | 0.107* | 2.025 |
| | Indirect | - | - | 0.012 | 0.8 | 0.03 | 0.82 |
| | Total | 0.03 In.s. | 0.984 | 0.083n.s. | 1.72 | 0.010n.s. | 0.907 |
| Managerial social capital | Direct | 0.329** | 5.802 | 0.227* | 3.086 | 0.324** | 5.893 |
| | Indirect | - | - | 0.06 | 1.93 | 0.043* | 2.839 |
| | Total | 0.329** | 5.802 | 0.233* | 2.676 | 0.364** | 6.89 |
| Managerial cognition | Direct | 0.473** | 8.302 | 0.089 | 1.92 | 0.249** | 4.638 |
| | Indirect | - | - | 0.101* | 2.08 | 0.159* | 2.73 |
| | Total | 0.473** | 8.302 | 0.133* | 2.278 | 0.408** | 7.94 |
| Market orientation | Direct | | | 0.146* | 2.011 | 0.213** | 3.627 |
| | Indirect | | | - | - | - | - |
| | Total | | | 0.149* | 2.16 | 0.213** | 3.627 |
| Market orientation * Export assistance | Direct | | | 0.212* | 2.472 | 0.014n.s. | 0.634 |
| | Indirect | | | - | - | - | - |
| | Total | | | 0.212* | 2.472 | 0.014n.s. | 0.634 |

Notes: Critical ratio greater than 1.96 is significant at *p < .05, **p < 0.01

n.s.: non-significant