

DO COORDINATION FLEXIBILITY AND MARKET ORIENTATION LEVERAGE ENTREPRENEURIAL STRATEGY TO PREDICT EXPORT SALES PERFORMANCE?

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ABSTRACT

The export literature identifies both entrepreneurial orientation and market orientation as strategic orientations that are beneficial for export success (e.g., Balabanis and Katsikea, 2003; Cadogan et al. 2009; Ghauri et al. 2008). These two orientations can be seen as being market-based capabilities that firms can leverage to enhance export performance. Specifically, entrepreneurial orientation is a market-driving explorative capability (Hughes et al. 2007; Ireland et al. 2003). Market orientation on the other hand is an information processing capability that draws heavily on a market-driven exploitative logic to fuel business success (Jaworski et al. 2000; Kwon 2010). However, the literature is limited in terms of identifying intra-organizational conditions under which export entrepreneurial and market orientations are most effective. This study examines the notion of export coordination flexibility. Export coordination flexibility is a set of capabilities that underscores firms' ability to redefine product/service strategies, reconfigure chains of resources, and to redeploy resources to meet overall organizational goals and challenges posed by the environment (Sanchez 1995). The literature is also lacking with respect to the extent to which export entrepreneurial and market orientations interact to enhance export success. Yet, the literature identifies entrepreneurial and market orientations as complementary resources (Bhuan et al. 2005). Accordingly, this study addresses these two core issues by: (i) examining the extent to which export coordination flexibility determines the strength of the relationships between export entrepreneurial-oriented behavior (henceforth, export EOB) and export sales performance, and between export market-oriented behavior (henceforth, export MOB) and export sales performance, and by; (ii) investigating the interactive effects of export EOB and export MOB on export sales performance. The model is tested using primary data drawn from a survey of 212 British exporting firms. Analysis is undertaken using structural equation modelling technique implemented in LISREL 7.8.

Findings show that (a) export EOB is positively related to export sales success, (b) the relationship between export EOB and export sales success becomes more positive as export EOB levels increase, and (c) export EOB relationship with export sales success becomes more positive when coordination flexibility is greater, and when export MOB is greater. In short, the success of pursuing an export EOB strategy is dependent on developing coordination flexibility in export operations and on also being market-oriented in export markets. With low coordination flexibility and with poor market orientation, an export EOB strategy is less successful.

References Available on Request.