

Firm Export Market Performance: The Case in Uganda

Amandu Yassin Is'haq* and Ahassanul A. K. M. Haque**

Firm export performance is declining across industries and economies around the world. Despite numerous researches to explain the decline, there are controversies and lack of consensus as to what determines firm export performance. This paper was developed to identify and explain determinants of, and propose a firm export performance model from a developing economy perspective. A quantitative cross-sectional survey of 250 firm export executives from selected firms and industries was conducted. Psychometric analyses of descriptive statistics, reliability, exploratory, confirmatory, and validities were performed. Structural equation modelling was used to examine the hypothesised relationships and validate the proposed firm export performance model. The results identified export market orientation, market environment, organizational learning, market information system, export market strategy and organizational innovation capability as determinants of firm export performance. This implies that an export development strategy needs implementation and practice of these predictors. This would consequently enable the firm to gain competitiveness, achieve its strategic growth objectives and transform the national economy into a more desirable one.

Field of Paper: Marketing

1. Introduction

Exports play critical role in economic development around the world. This role is an issue of great significance not only to scholars but policy makers in both private and public sectors. This is for the facts that successful exports create employment, growth in companies through re-investment of profits, generate income to shareholders, employees, and government. Furthermore, exporting builds harmonious bilateral and/or multilateral diplomatic relation, making positive economic developments. Hence, successful firm export performance (FEP) is crucial in an economy.

In addition, the benefits derived from export activities especially income, commands high standard of living, building vibrant citizenry and accelerated economic development. The income government generates is applied to develop economic infrastructure in an economy. Historically, exporting countries exhibit well developed economic infrastructure and vibrant economies. For instance, North America, Western Europe, Australia, and emerging economies indicate good export performance and economic development. However, despite these proven benefits of exporting, firms experience challenges in export operations, as observed in the trends in export firm performance of some selected economies around the world.

*Dr Amandu Yassin Is'haq, Department of Business Studies, Faculty of Management Studies, Islamic University in Uganda- amanduishaq@iuiu.ac.ug

**Prof Dr Ahassanul A.K.M. Haque, Department of Business Administration, Faculty of Economics and Management Sciences, International Islamic University Malaysia- ahasanul@iium.edu.my

Is'haq & Haque

The trend captured for 2008-2012, indicates that the average total world export performance takes a downward direction. The world annual percentage change in export goods volumes for 2008, 2009, 2010, 2011, and 2012 indicates 2.4, -13.3, 13.9, 5.2 and 1.8 respectively; developed countries for the same period indicate 2.5, 15.5, 13.0, 4.9 and 0.4; transition economies show -0.2, -14.4, 11.3, 4.2 and 1.0; developing countries show 3.2, -9.7, 16.0, 6.0 and 3.6 for the same period (UNCTAD 2013). In all cases, there is a downward trend, indicative of weak export performance across the globe.

Firm export performance in Uganda like the global case, has been weak all along. Bakunda (2004) points out that export managers in Uganda seem indecisive, unable to initiate and make appropriate export operation decisions. The managers' indecisiveness could be attributable to failure to access relevant export market information. Uganda National Export Strategy (2012), states, "Enterprises continue to lose on business opportunities due to the inadequate trade information, and the export incentive scheme remains largely uncompetitive vis-à-vis those of neighbouring countries" (p. 2). This uncompetitiveness weakens export performance both at firm and industry levels, collectively depicting the national economy. Export records in Uganda traced from 1997-2016 indicate that imports continue to shoot upwards and export firms perform weakly. The balance of trade (BOT) is consistently on a downward trend. The trends suggest worsening export performance that calls for urgent intervention.

The next section describes literature review pointing gaps in the previous research. Section three presents the methodology adopted to especially analyse the data and validate the findings as well as the proposed model. Section four presents the results and discussions. Lastly, conclusion drawn is presented, highlighting the implications and recommendations of the research.

2. Literature Review

As of now, increasing research attention has been dedicated to identify the key determinants of FEP, Emami (2013). The quest to understand and identify determinants export performance was sparked off since 1960s (Bilkey 1979); all along, the research interest has been sustained as seen in multitude of publications on this subject (Leonidas, Katsikeas & Coudounaris 2010). Despite several studies conducted to identify the factors that influence export performance, very few, if not none at all, have been conducted in Africa – a developing world economy (Cavusgil & Zou 1994; Leonidou & Katsikeas 1996; O'Cass & Julian 2003; Julian 2003; Leonidou & Katsikeas 2010; Leonidas et al 2010).

Despite the tremendous growth in publications, research findings have been characterized by contradictions, controversies, fragmented details, and agreeably lacking consensus on most findings with varied suggested solutions (Leonidas et al 2010; Leonidou & Katsikeas 2010; Emami 2013). Attesting to the nature of knowledge on export performance, Bilkey stated:

A substantial body of literature has developed on the subject since the early 1960s, but it is so widely scattered and difficult to obtain that few analysts appear to be aware of more than a portion of what has been written. No common model has been developed for the various empirical findings on the export behaviour of firms (Bilkey 1979, p. 33).

Is'haq & Haque

Further to note, the nature of knowledge development on firm FEP has been described as being uncoordinated and fragmented (Aaby & Slater 1989; Cavusgil & Zou 1994; Zou & Stan 1998); lacking assimilation and synthesis (Leonidou & Katsikeas 1996); having no consensus on seemingly crucial determinants and measurements of export performance (Zou & Stan 1998); and lacking agreement on conceptualisation and operationalization (Diamantopoulos & Souchon 1999). Deficiency and insufficiency in studies on FEP have continued to be re-echoed that studies indicate inconsistent determinants and opposing results (Emami 2013). It has also been widely reported that most of the studies on FEP cover developed world especially US, North America and Western Europe as well as Australia. Again, export performance is noted to be the least understood phenomenon in marketing discipline (Leonidou & Katsikeas 2010). Additionally, Leonidou et al (2010) indicate that theory development in export performance is still at early stages; and that most of the researches conducted on export performance seem to concentrate in developed industrial world.

To conclude prudent complete knowledge development that can aid advancement of stable theory, widening the scope of research in export performance to cover developing countries is desirable. In this regard, future research on FEP needs to comprehensively include experiences and perspectives from the developing world; and other sectors and/or types of the economy, especially agricultural, as opposed to the extant situation– industrial sector (Leonidas, Leonidou & Katsikeas 2010). This new position would probably enable informed generalisation of findings without the fear of contradiction.

A meta-analysis of determinants of firm export performance (Chetty & Hamilton 1993); a five-decade bibliographic analysis of FEP (Leonidou & Katsikeas 2010); and integrative assessment of literature of export research (Leonidou 2003) seem to elaborately highlight direction of debate for future theory development in the field of FEP. Leonidou et al (2010), point out that there is need to identify more relevant FEP variables that may enable better understanding of export performance. This would aid a more coherent theory development on the issues of FEP. In line with this view, the suggestions in Aaby and Slater (1989), Zou and Stan (1998), Sousa, Martínez-López and Coelho (2008), Leonidou and Katsikeas (2010) and other literature seem necessary baseline to identify relevant research constructs to understand FEP in Uganda. Literatures suggest the following research actions to be considered for action:

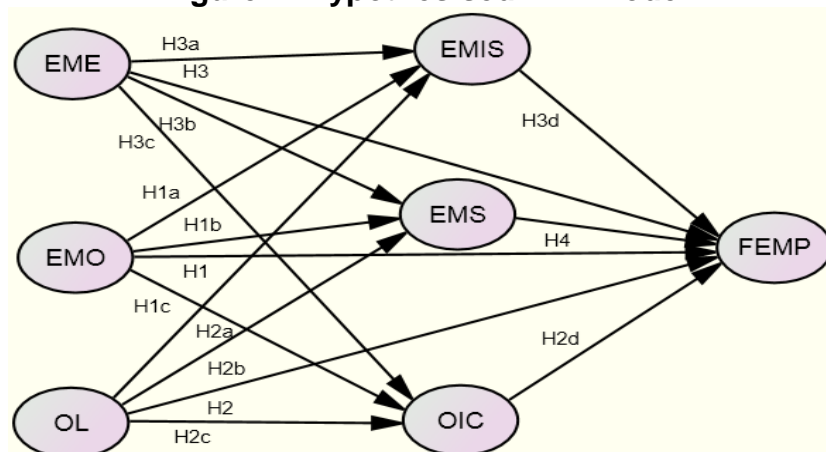
- 1) Export engagement and development, where issues of export development, export strategy and performance need to be incorporated into new model(s) and empirically analysed (Handley 2014).
- 2) Internal and external issues to export firm need re-examination as fresh forces, like globalization and technological advancements could radically change the effectiveness of some of the earlier findings (Aaby & Slater 1989; Zou & Stan 1988, Katsikeas et al 2000). Furthermore, effects of control, mediating and intervening variables need examination as emphasized in Sousa et al (2008) as new insight into declining FEM could generated. In view of the strong perception of importance of the aforementioned variables (Sousa et al 2008 p. 366) emphasised: "...that future studies should focus not solely on the main effects of independent variables on export performance, but also on whether the relationship between independent and dependent variable varies as a function of a third variable". In addition, literature suggests that future research should focus on effects of management styles for instance authoritarianism or democratic; manager's traits such as being extroverts, or introverts; and decision making control,

that is, being centralized or decentralized system on FEP. Leonidou et al (2010) further suggest that impact of organizational attributes, for instance, organizational structure, culture and process on export performance deserves investigation.

- 3) For the case of identifying and evaluating export markets, emphasis should be laid on export marketing information system especially determination, acquisition, dissemination, and information utilization (Leonidou et al 2010). It should include research on foreign market development with focus on target marketing, product, competition, and strategy dilemmas facing export managers.
- 4) More research is called to examine the impact of internal and external factors of a firm's choice for customization or standardization of export marketing strategy; and the link between marketing strategy components and export performance (Leonidou et al 2010). In addition, studies into export promotion are necessary in order to examine marketing mix.
- 5) Special issues, such as government export promotion and assistance; application of marketing orientation; organizational learning, knowledge management, and adoption of internet in export business (Leonidou et al 2010). Furthermore, perspectives from the least developed countries, particularly African environment, need more empirical examination (Leonidas et al 2010).

In line with the research recommendations, this current study attempts to bridge some of the gaps through: 1) conducting firm export performance research in Uganda an LDC (Africa) environment to attempt to improve, confirm, and promote generalizability of research findings, since different countries have different economic, cultural, and technological settings; 2) Using multiple indicators to measure FEP; 3) fitting export marketing orientation (EMO), organizational learning (OL), and as independent variables; 4) incorporating export market environment (EME), export market information system (EMIS), export marketing strategy (EMS) and organisational innovation capability (OIC) to assess necessity of mediation on export market performance (EMP) model as hypothesised in figure 1. Furthermore, the literature guided suggestion of hypotheses that follows.

Figure 1: Hypothesised FEP Model



Panigyrakis and Theodoridis (2007) examined the EMO - EMP relationship and stated, "Market orientation appears to provide a focus for the efforts of individuals and departments of an organization in order to build superior value to the customer, leading to superior performance", (p. 139). Market orientation offers confidence and it psychologically

Is'haq & Haque

reduces perception of barriers in deciding export ventures (Cadogan, Sundqvist, Salminen & Puumalainen 2002). In addition, Racela, Chaikittisilpa and Thoumrungroje (2007) point that EMO smoothens relationships among members of channel of distribution, customers and other stakeholders in the international markets. González-Benito, González-Benito and Muñoz-Gallego (2009) found a positive relationship between market orientation and firm performance. Furthermore, Kirca, Hult, Mena, and Miller (2011) and Altindag and Zehir (2012) examined performance implications of market orientation (MO) among multinational corporation in Turkey and established that MO has a positive relationship with financial performance of export firms. Similar finding was recorded in banking sector in Turkey (Thorhallur & Adrianus 2009). Based on Kirca, Jayachandran and Bearden's (2005) meta-analysis of market orientation and performance relationship, there seems to exist a stronger relationship between the constructs in manufacturing compared to services sector; and in developed world environment compared to that of the developing one. MO increases firm management commitment levels, hence it seeks and explores opportunities in export markets (Hoang 2015) resulting in high level firm performance. From these views, it has been hypothesised that:

H1: Export market orientation has positive relationship with export market performance

The link between export market orientation and export market information system correlate positively (Chatzipanagiotou, Vassilikopoulou & Siomkos 2008; Grbac & First 2011). Navarro, Acedo, Robson, Ruzo and Losada (2010) find export market orientation and export market information system bear a supporting relationship. Furthermore, Teresa, Ming-Hung, Kuen-Hung and Wei-Yuan (2014) shows that market information system enhances market orientation by providing information for market intelligence development. To this end, it is hereby hypothesised that:

H1a: There is relationship between export market orientation and export market information system.

The relationship between market orientation and organisational innovation capability seems widely considered as vital in organisational performance (Hurley & Hult 1988). Furthermore, Hurley, Hult, Abrahamson and Maxwell (2011) empirically established positive relationship between the constructs. Agarwal, Erramilli and Dev (2003) examined market orientation and innovation relationship and equally established existence of positive correlation. Basing on the findings, the relationship is thus hypothesised as:

H1b: Export market orientation is positively related to organisational innovation capability

Ullah, Kayani, Haroon and Khan (2012) investigated the link between export market orientation and export market strategy in Pakistan. Their study found that practical implementation of export marketing strategies brings about good results in export performance, implying that the two constructs are positively related.

H1c: Export market orientation related to export market strategy

H1d: Export market information system mediates EME and EMP

Organisational learning and export market performance appears to correlate that, if organisations constantly acquire and implement new ideas, there comes more desirable results. OL enables firms to attain competitive advantage and sustainability translating into

Is'haq & Haque

better outcomes (Williams 2003). Learning organisations undergo considerable change as a result of understanding key environments such as technology, competition, suppliers and customers. This change creates pressure for continuous product/or service augmentation, innovation and increase firm clientele (Day 1994). OL directs firm's efforts to effectively understand and satisfy implicit and explicit customer needs (Sinkula 1994). In addition, Fiol and Lyles (1985) postulate that whatever interpretations of what learning organization is, "In all instances the assumption that learning will improve future performance exists" (p. 803). However, Levitt and March (1988) who do not seem to agree with Fiol and Lyles (1985) stating, "Learning does not always lead to intelligent behaviour" (p. 335). Huber (1991) observes that, "Learning does not always increase the learner's effectiveness or even potential effectiveness. Entities can incorrectly learn, and they can correctly learn that which is incorrect" (p. 89). Slater and Narver (1995) hypothesise that OL favourably influences better export performance, hence assert that, "...this should lead directly to superior outcomes, such as greater new product success, superior customer retention, higher customer defined quality and ultimately superior growth and/or profitability" (p. 66). Crossan, Lane, White, Djurfeldt and White (2011) appear to support the view that learning can have either positive or negative effect. Alipour, Idris, Ismi, Jegak and Roohangiz (2011); Dayaram and Fung (2012) and Oliveira, Cadogan and Souchon (2012) equally suggest positive relationship between the constructs. Basing on these results, it is hereby hypothesized that:

H2: Organisational learning positively associates with export market performance

Organisational learning and export market strategy relationship is widely perceived to be useful, however, it has not been widely explored, hence strongly recommended for empirical investigation (Park & Sung 2009). Park and Sung (2009) state: "..... it would be interesting and desirable that the future marketing research should examine the relationships between organisational learning processes and these marketing-strategy making processes", (p.19). Lundberg (1995) indicates that a learning organization maintains a mechanism that monitors the marketing environment to ensure appropriate adaptability for the firm to remain competitive and relevant in the marketplace. OL generates knowledge that is important for enriching strategy, its formulation as well as implementation (González-Benito et al 2009). This literature suggests the relationship:

H2a: Organisational learning has positive relationship with export market strategy

The was by Hurley and Hult (2011) investigated relationship between organisational learning and organisational innovation and found out that OL builds innovative capacity. Furthermore, Alipour, Idris, Ismi, Jegak and Roohangiz (2011) indicate that innovation mediates performance and OL. It has also been held that innovation improves organisational performance. Mavondo, Chimhanzi and Stewart (2005) learning organisation, organisation innovation and organisational performance are positively related. OL facilitates change of behaviour and strategy to desirable direction that improves firm performance (Fiol & Lyles 1985; Senge 1990; Baker & Sinkula 2007). It can be deduced that, OL empowers decision makers to act more accurately and relevantly. Therefore, it is hypothesised that:

H2b: There is positive relationship between organisational learning and organisational innovation capability

Is'haq & Haque

H2c: There is positive relationship between organisational innovation capability and export market performance

H2d: Organisational innovation capability mediates the relationship between organisational learning and export market performance

Lages (2000) indicates there is enormous influence of environmental forces on the firm business performance. Dean, Mengüç and Myers (2000), show large proportion of business outcome is dependent on specific and relevant elements of the business environment. The accuracy and effectiveness of export operations decision depend on managers' perception and insights of the business environment (Dimitratos, Lioukas, Ibeh & Wheeler 2009). Earlier studies suggest existence of relationship between business environment and performance (Westhead, Wright & Ucbasaran 2004; Lee 2010). These views suggest that a link between export environment and export market performance:

H3: Perceived export market environment has positive impact on export market performance

Export market environment and export market strategy is widely perceived as a relevant link in business performance. Strategy formulation seems a direct function of the entire business environment. Perceived environmental uncertainty occur due to managers' inability to understand the environment (Dimitratos, Lioukas, Ibeh & Wheeler 2009). This managers' inability could be attributable to inadequacy of information and/or knowledge essential to validate data for decision-making (Andersson & Felicitas 2006). In this regard, Tantong, Karande, Nair and Singhapakdi (2010) examined and suggest that market strategy mediates the relationship between market environment and business performance. Cadogan, Sundqvist, Puumalainen and Salminen (2012) developed and tested a model of export performance involving export market environment, strategy and performance confirming positive relationship among the constructs. From these views, it is here hypothesised that:

H3a: Export market environment has positive relationship with export market strategy

Export market environment and export marketing information system are widely believed to be determinants of export performance; however, there seems to be no empirical study to confirm this belief. Extreme environmental instability may overload the firm and/or employees hence prohibit accurate environmental mapping. Therefore, organizational information system creates a platform for management activities throughout the organization (Crossan et al 2011). Tookey (1964) asserts that, "A marketing policy is only as good as the information on which it is based" (p. 59). Relevant information is critical for comprehensive decision-making, which, in turn, influences the firm's competitiveness and ultimately results in better performance (Goodman 2000). To ascertain the relationship between the two constructs, it is hypothesised that:

H3b: There is positive relationship between export market environment and export market information system

H3c: There is a relationship between export market information system and export market performance

H3d: Export market information system mediates the relationship between export market environment and export market performance

Peerawat and Sirilak (2010) examined the effect of export marketing strategy on export market performance and the result indicates that export marketing strategy positively influences export market performance directly and indirectly. Ullah et al (2012) similarly indicates that a well implemented export market strategy brings good firm export performance.

H4a: Export market strategy mediates the relationship between export market orientation and export market performance

H4b: Export market strategy mediates the relationship between export market environment and export market performance

H4c: Export market strategy mediates the link between organisational learning and export market performance

3. Methodology

Data was collected from 250 firms represented by senior export executive using self-administered questionnaires. As recommended in Mackinnon (2008) and Kline (2011), psychometric analysis was conducted to examine the data for suitability and further empirical analysis to ascertain the degree to which the measurement is fit and adequate for the purpose it is intended for. The psychometrics covered data screening, handling missing data, handling outliers; fulfilling multivariate assumptions especially data normality, linearity and homoscedasticity. Furthermore, descriptive analysis was performed to understand the nature and characteristics of the data. This comprised descriptive statistics of respondents and firm characteristics, measure of central tendencies of the data, particularly covering mean and standard deviation. Descriptive statistics summarised and described the patterns and/or properties of the variables, hence helping the researcher to make sense of the data (De Vous 2002).

As for structural equation modelling (SEM), it is crucial to adopt measurement items that have strong psychometric properties because measures with flawed psychometric characteristics such as poor reliability and/or validity scores bias or render results meaningless (Mackinnon 2008). Therefore, each measurement item was examined to ensure that they possess sound acceptable properties to assure credibility and integrity of the results (Kline 2005).

Is'haq & Haque

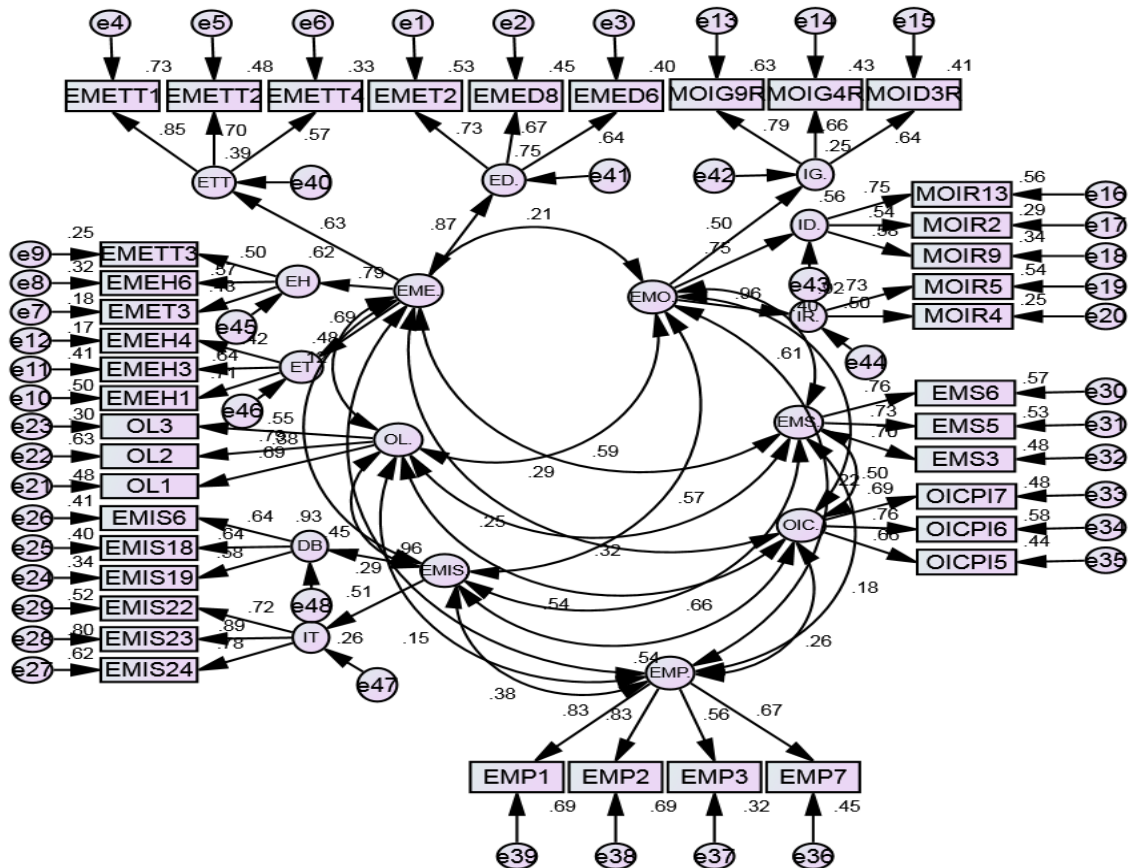
Table 1: Cronbach's Alpha

Latent Variable	No. of Items	standardised Cronbach's α
Export Market Orientation	32	0.843
Export Market Environment	32	0.858
Organisational Learning	10	0.803
Export Market Information System	27	0.891
Export Market Strategy	11	0.865
Organisational Innovations Capability	18	0.821
Export Market Performance	08	0.877
Overall	138	0.946

To validate the scales items and assess dimensionality of the constructs to apply SEM, exploratory factor analysis (EFA) was performed. EFA results indicate that all the assumptions of factor analysis (FA), especially conceptual foundation of existence of factor structure, Kaiser-Meyer-Olkin (KMO), measure of sample adequacy (MSA) and Bartlett test of sphericity were fulfilled. In addition, coefficients, significance levels, determinant and anti-image were considered and used for correlational matrix descriptives as recommended in Hair et al (2010). FA decisions taken included: 1) selecting the factor method, total variance in the factors extracted using principle components analysis (PCA) to determine the possible number of factors since the objective was to summarise the items to a minimum possible number of factors for a construct; 2) for rotational method, orthogonal varimax was used to assess significance of loadings, naming factors identified and sufficiency of communalities extracted (Hair et al 2010). EFA identified the influential observed variables which were later confirmed in confirmatory factor analysis (CFA). Lastly, favourable EFA and CFA results encouraged application of SEM to validate the hypothesized model. Two-step model building processes was adopted (Schumacker & Lomax 2010). Measurement model with acceptable indicators was specified and tested (figure 2).

Figure 2: Measurement Model

Chi-Square= 916.243
 DF=672
 P=.000
 Normed Chi-Square=1.363
 CFI=.913
 TLI=.905
 PNF1=.674
 RMSEA=.038



The measurement model was scrutinized to assess if acceptable convergent validity, composite reliability and discriminant validity existed (Table 2).

Table 2: Convergent, discriminant validities and composite reliability

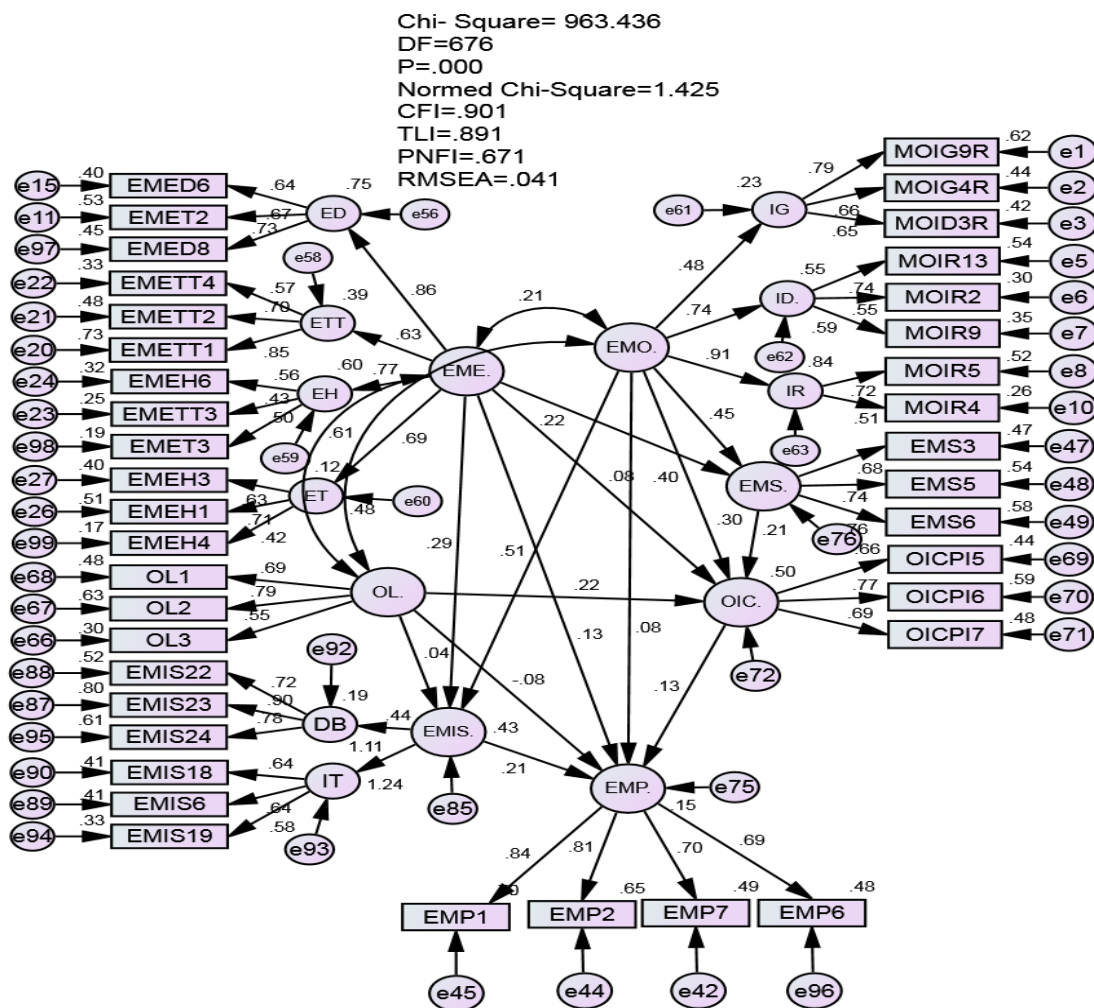
	CR	AVE	MSV	ASV	OL	EME	EMIS	EMO	EMS	OIC	EMP
OL	0.721	0.468	0.346	0.163	0.684						
EME	0.834	0.561	0.147	0.073	0.121	0.749					
EMIS	0.727	0.594	0.429	0.257	0.452	0.383	0.771				
EMO	0.792	0.576	0.375	0.217	0.588	0.212	0.570	0.759			
EMS	0.771	0.530	0.429	0.177	0.324	0.287	0.655	0.399	0.728		
OIC	0.751	0.502	0.375	0.223	0.536	0.252	0.540	0.612	0.502	0.709	
EMP	0.820	0.538	0.148	0.067	0.149	0.288	0.385	0.225	0.178	0.262	0.734

A suitable model should bear acceptable convergent, discriminant validities and composite reliability (Hair et al 2010). A construct reliability (CR) score should be 0.7 or greater to show adequacy of internal consistency. Average variance explained (AVE) score should be 0.5 or greater to indicate adequate convergent validity; yet, AVE estimate of two constructs should be greater than their squared correlations to provide evidence for

Is'haq & Haque

discriminant validity (a show of difference in the latent variables in the model) (Hair et al 2010). This indicates that discriminant validity requirements have been achieved. This means that constructs in the measurement model are statistically different (Hair et al 2010; Tabachnick & Fidel 2007). The discriminant validity is shown in the last part of the Table 2 as correlation matrix, starting from OL, EME, EMIS, EMO, EMS, OIC and EMP. Furthermore, AVE should be greater than maximum shared variance (MSV) and average shared variance (ASV). However, the AVE of OL was 0.468, below 0.5 threshold. Hair et al (2010) points that AVE close to cut-score is acceptable especially for new scales. The case of OL in this study falls under this provision as this construct has relatively new scale items. Following acceptable validities and reliabilities, structural model was extracted as presented in the figure 3.

Figure 3: Structural model



4. Results

This study hypothesised a multi-variable model. The relationships were tested to underpin the proposed FEP model. A significant relation has to achieve a minimum β value of ≥ 0.2 .

Table 3: Results of the test of hypothesis

Path	Hypothesised Relationship	β	Finding
1 H1	Export market orientation has a positive effect on EMP	-.05	Not supported
H1a	There is positive relationship between EMO and EMIS	.55	Supported
H1b	EMO is positively related to OIC	.46	Supported
H1c	EMO has a relationship with export market strategy	.27	Supported
2 H2	Organizational learning positively associates with EMP	-.15	Not supported
H2a	OL has positive relationship with export market strategy	-	Not supported
H2b	There is positive relationship between OL and OIC	.36	Supported
H2c	Organisational learning has positive relationship with EMIS	.17	Not supported
3 H3	Export Market Environment and Export Market Performance	.11	Not supported
H3a	EME has positive relationship with export market strategy	.08	Not supported
H3b	There is positive relationship between EME and EMIS	.34	Supported
H3c	There is positive relationship between EME and OIC	.20	Supported

Results indicate that hypotheses H1a, H1b and H1c were supported. Result of H1a is similarly positive like the case in Chatzipanagiotou, Vassilikopoulou, and Siomkos, (2008) in Greece; Navarro, Acedo, Robson, Ruzo and Losada (2010) in Spain and Zhu and Nakata (2007) in US all found supporting relationship. Hypothesis H1b, is supported like the case in Hurley, Hult, Abrahamson, and Maxwell (2011) and Agarwal, Erramilli, and Dev (2003) in US. For H1c, same results were obtained in Ullah, Kayani, Haroon, and Khan (2012) in Pakistan. However, it was rather surprising that EMO did not bear direct positive relationship with EMP. This is possible because this model is multivariable and complex. Again, this result fulfils the strong recommendation in Sousa et al 2008 to study mediation effects which this study found supporting.

The hypotheses H2, H2a and H2c were surprising not supported. This result contradicts the findings in Dayaram and Fung (2012); Alipour, Idris, Ismi, Jegak, and Roohangiz (2011); and Oliveira, Cadogan, and Souchon, (2012). This finding could be attributable to newness of the concept of organisational learning. However as hypothesised, H2b as is the finding in Fiol and Lyles (1985); Senge (1990) and Baker and Sinkula (2007).

Hypotheses H3b and H3c were highly supported as the issue of environment is a well-known one in business. This finding is similar to Crossan, Lane, White, Djurfeldt and White (2011) and Goodman (2000). Surprisingly, hypotheses H3 and H3a were not supported.

Is'haq & Haque

For H3, like H1 and H2, as being direct relationship with dependent variable, it is less surprising given Sousa et al (2008) argument that mediation smoothens relationships among variables, hence should be incorporated.

Mediation effects were hypothesised and effectiveness were judged using the rule that the product ($\beta_a * \beta_b$) of standardised beta (β) of the indirect paths should be equal to, or higher ($\beta \geq 0.08$). The results of the indirect paths are presented in table 4.

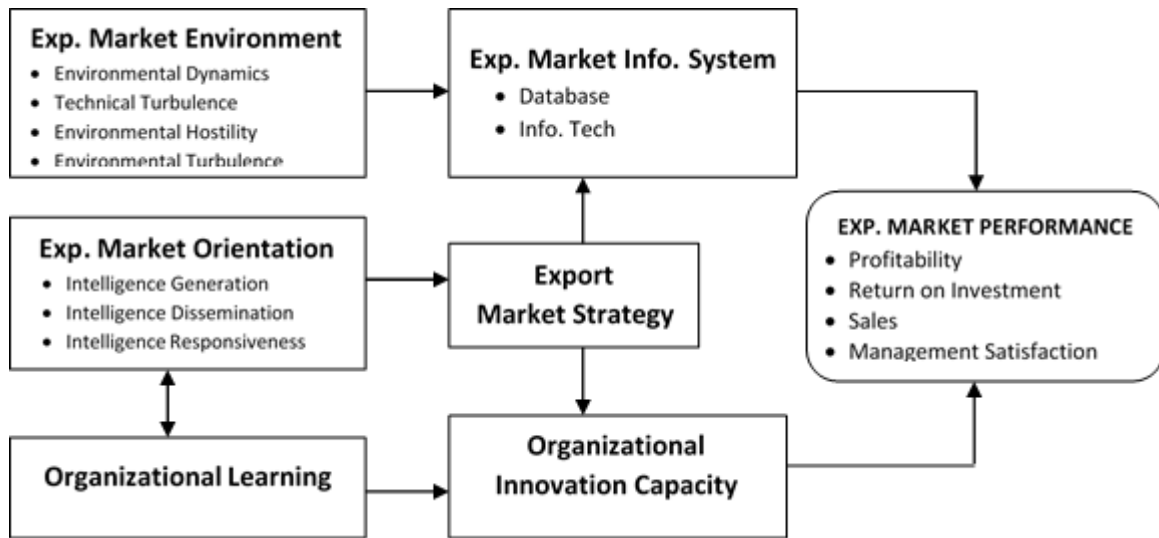
Table 4: Results of test of mediation variables

Path Hypothesised	β_a	β_b	$\beta_a * \beta_b$	$\beta_a * \beta_b \geq .08$	Result
EMO-EMIS-EMP	.55	.44	.242	.242 > .08	Supported
EMO- EMS -EMP	.27	-.12	-.032	-.032 < .08	Not supported
EMO- OIC -EMP	.45	.25	.013	.113 > .08	Supported
OL-EMIS-EMP	.17	.44	.075	.075 < .08	Not supported
OL-OIC-EMP	.36	.25	.090	.090 > .08	Supported
EME-EMIS-EMP	.34	.44	.150	.150 > .08	Supported
EME-EMS-EMP	.08	-.12	-.009	-.009 < .08	Not supported
EME-OIC-EMP	.20	.25	.050	.050 < .08	Not supported

As expected, some of the mediation effects hold true while others rejected as seen in the table. Given the complex nature of the proposed model, it would be surprising for all the mediation to be supporting. Conclusively, the proposed model is a product of both direct and indirect relationships and it is multivariable in nature. Generally, the results are similar to many results found in developed economies despite differences in the economies. For instance, Navarro et al (2010), EMO and EMIS found same results. However, the major difference between the current study and the previous is that all the independent variables have indirect relationship with EMP. This however is not surprising as Sousa et al 2008 urged strongly the study of mediation effects. A possible explanation for many no supporting relationships could be the complexity and multivariable nature of this model.

Lastly, examination of the relationships on basis of both statistical and practical significance, the final proposed firm export performance model was extracted, figure 4. The model indicates, firm export performance is a multivariable phenomenon. The novelty of this study includes featuring perspectives of developing economies especially Africa in firm export performance literature. This brings doubt free generalisation of findings. The study incorporates relatively new variables especially export market orientation, organisational learning and organisational innovation into firm performance model. It attempted to apply rigorous methodology of structural equation modelling. It is a conviction that this study has extended boundary of firm export performance literature.

Figure 4: Firm export performance model



5. Conclusion

Although not much export performance studies have been conducted in developing economies, the results of this study support existing literature to a large extent. Most of the hypothesised relationships are supported. However, it was not surprising that all the direct relationships were not supported given the strong recommendation to study mediation relationship in the models (Sousa et al 2008). This study has extended firm export performance research from developed western world domination to developing African environment as recommended in Leonidas et al (2010). In addition, this study has incorporated the less studied variables like market orientation, organisational learning, and innovation into an empirically tested and fitting model as the urge in Leonidou et al (2010) and Leonidas et al (2010).

The results of this research suggest that good knowledge of marketing orientation, market environment and constant organisational learning promise acceptable firm performance. Furthermore, it should be noted that marketing information systems, marketing strategy and organisational innovations capability smoothen firm performance. Therefore, it is imperative that firm management creates learning opportunities for the firm decision makers to practice these antecedents of firm export performance.

This research provides insights into firm export policy formulation. It further implies that firm performance is not only dependent on internal firm dynamics but government support as well. Relevant government ministries could support export firms through creation of economic infrastructure in the country and also inter-governmental relations. Acquisition of export market information can be through the foreign diplomatic missions; selective sector and/or industrial promotion; provision of adequate credit and subsidy facilities; human and other relevant resources development; and technology support.

For Uganda, selective policy reforms are necessary pre-conditions to redirect the export market ventures. In the absence of such policy interventions, export growth and diversification in Uganda will probably remain slow, shallow, and unsustainable in the foreseeable future. A domestic based firm export strategy calls for intensive firm and

Is'haq & Haque

government-based policy interventions, if it is to go beyond routine basic labour-intensive activities which are normally counterproductive. When all the variables are well aligned, there comes a ray of hope in promoting Uganda's exports. At the moment, export firms remain vulnerable to foreign competition in the liberalized world market. In general, continued competitiveness studies remain a major responsibility and duty both in the mature industrial and least developed countries.

References

- Aaby, N & Slater, SF 1989, 'Management Influences on Export Performance : A Review of the Empirical Literature', *Emerald Backfiles 2007*, pp. 7–26.
- Agarwal, S, Erramilli, MK & Dev, CS 2003, 'Market orientation and performance in service firms: role of innovation', *Journal of Services Marketing*, vol. 17, no.1, pp. 68–82.
- Alipour, F, Idris, K, Ismi, AI, Jegak, AU, & Roohangiz, K 2011, 'Learning Organization and Organizational Performance: Mediation Role of Intrapreneurship' *European Journal of Social Sciences*, vol. 21, no. 4, pp. 547–555.
- Altindag, E & Zehir, C 2012, 'Back to the Past : Re-Measuring the Levels of Strategic Orientations and their Effects on Firm Performance in Turkish Family Firms', *Procedia - Social and Behavioral Sciences*, vol. 41, pp. 288–295.
- Andersson, S & Felicitas, E 2006, 'The entrepreneur in the Born Global firm in Australia and Sweden' *Journal of Small Business and Enterprise Development*, vol. 13 no. 4, pp. 642–659.
- Bakunda, G 2004, 'Corporate Managers' International Orientation and Export Performance of Firms in Uganda', *East African Social Science Review*, vol. 20, no. 1, pp. 27–50.
- Bilkey, WJ 1979, 'An Attempted Integration of the Literature on the Export Behaviour of the Firms' , *Journal of International Business Studies*, vol. 9, no. 1, pp. 33–46.
- Cadogan, JW, Sundqvist, S, Salminen, RT & Puumalainen, K 2002, 'Market-oriented behavior: Comparing service with product exporters'. *European Journal of Marketing*, vol. 36 no. 9/10, pp. 1076–1102.
- Cavusgil, ST & Zou, S 1994, 'Marketing Strategy-Performance Relationship: An Investigation of the Empirical Link in Export Market Ventures', *Journal of Marketing*, vol. 58, no. 1, pp. 1–21.
- Chatzipanagiotou, KC, Vassilikopoulou, A, Siomkos, GJ 2008, 'An empirical investigation of the relationship between market orientation and MrkIS effectiveness in upscale hotels in Greece', *Journal of Targeting, Measurement & Analysis for Marketing*, vol. 16 no. 4, pp. 285–297.
- Chetty, SK & Hamilton, RT 1993, 'Firm Level Determinants of Export Performance: A Meta analysis', *International Marketing Review*, vol. 10, no. 3, pp. 26-34.
- Crossan, MM, Lane, HW. White, RE, Djurfeldt, L & White, RE 2011, 'Organisational Learning: Dimensions for a Theory', *International Journal of Organisational Analysis*, vol. 3, no. 4, pp. 337–360.
- Day, SG 1994, 'The capabilities of market-driven organization', *Journal of Marketing*, vol. 58, no. 4, pp. 37–52.
- Dayaram, K & Fung, L 2012, 'Team Performance: Where Learning Makes the Greatest Impact', *Research and Practice in Human Resource Management*, vol. 20, no. 1, pp. 28–39.
- De Vous, DA 2002, *Surveys in Social Research*, 5th edn, Crows Nest: Allen & Urwin.
- Dean, DL, Mengüç, B & Myers, CP 2000, 'Revisiting Firm Characteristics, Strategy and Export Performance Relationship', *Industrial Marketing Management*, vol. 29, no. 5, pp. 461–477.

Is'haq & Haque

- Diamantopoulos, A & Souchon, AL 1999, 'Measuring Export Information Use', *Journal of Business Research*, vol. 46, no. 1, pp. 1–14.
- Dimitratos, P, Lioukas, S, Ibeh, KIN & Wheeler, C 2009, 'Governance Mechanisms of Small and Medium Enterprise International Partner Management', *British Journal of Management*, vol. 21, pp. 754–771.
- Emami, M 2013, 'The Inaccuracy of Previous Studies in Evaluating of Export Performance Determinants', *Marketing Management*, vol. 59, pp. 15606–15610.
- Fiol, CM & Lyles, MA 1985, 'Organisational Learning', *Academy of Management Review*, vol. 10, pp. 803–813.
- González-Benito, O, González-Benito, J, & Muñoz-Gallego, PA 2009, 'Role of entrepreneurship and market orientation in firms' success', *European Journal of Marketing*, vol. 43, no. 3/4, pp. 500–522.
- Goodman, PS 2000, *Missing Organisational Link: Cross-Level Research*. Thousand Oaks, California: Sage Publications.
- Grbac, B & First, I 2011. Dynamics of market orientation in Croatian economy. *Zb. Rad. Ekon. Fak. Rij.*, vol. 29, no. 2, pp. 373–394.
- Hair, FJ, Black, WC, Bary, JB, & Anderson, ER 2010, *Multivariate Data Analysis: A Global Perspective*, 7th edn. Pearson, Singapore.
- Handley, K 2014, 'Exporting under trade policy uncertainty: Theory and evidence', *Journal of International Economics*, vol. 94, no. 1, pp. 50–66.
- Hoang, BP 2015, 'Relationship of Export Market Orientation, Selected Export Strategy, and Export Performance: An Empirical Study', *Global Journal of Management and Business Research*, vol. 15, no. 6, pp. 24–32.
- Huber, GP 1991, 'Organizational learning: The contributing processes and the literatures', *Organisational Science*, vol. 2, no. 1, pp. 88–115.
- Hurley, RF & Hult, GTM 1998, 'Innovation, Market Orientation and Organisational Learning: An Integration and Empirical Examination', *Journal of Marketing*, vol. 62, pp. 42–54.
- Hurley, RF & Hult, GTM 2011, 'Market Innovation , Learning: An Organizational and Empirical Integration Examination', *Journal of Marketing*, vol. 62, no. 3, pp. 42–54.
- Kirca, AH, Hult, GTM, Mena, JA & Miller, JC 2011, 'Firm-Specific Assests, Multinationality, and Finanacial Performance: A Meta-Analytic Review and Theoretical Integration', *Academy of Management Journal*, vol. 54, no. 1, pp. 47–72.
- Kirca, AH, Jayachandran, S & Bearden, WO 2005, 'Market Orientation: A Meta-Analytic Review and Assessment of Its Antecedents and Impact on Performance', *Journal of Marketing*, vol. 69, no. 2, pp. 24–41.
- Kline, RB 2011, *Principles and Practice of Structural Equation Modeling*, 3rd edn. Guilford Press, New York.
- Kohli, AK & Jaworski, BJ 1990, 'Market Orientation: The Construct, Research Propositions, and Managerial Implications', *Journal of Marketing*, vol. 54, pp.1–18.
- Lages, LF 2000, 'A Conceptual Framework of Determinants of Export Performance: Reorganising Key Variables and Shifting Contigencies in Export Marketing', *Journal of Global Marketing*, vol. 13, no. 3, pp. 29–51.
- Lee, RP 2010, 'Extending the Environment – Strategy – Performance Framework: The Roles Product Innovation', *Journal of International Marketing*, vol. 18, no. 4, pp. 58–73.
- Leonidas, LC, Katsikeas, CS & Coudounaris, DN 2010, Five decades of business research into exporting: A bibliographic analysis. *Journal of International Management*, vol. 16, no. 1, pp. 78–91.

Is'haq & Haque

- Leonidou, LC 2003, 'Overcoming the limits of exporting research using the relational paradigm', *International Marketing Review*, vol. 20, no. 2, pp. 129–141.
- Leonidou, LC & Katsikeas, CS 2010, 'Integrative assessment of exporting research articles in business journals during the period 1960–2007', *Journal of Business Research*, vol. 63, no. 8, pp. 879–887.
- Leonidou, LC & Katsikeas, CS 1996, 'The export development process: An integrative review of empirical models', *Journal of International Business Studies*, vol. 27, no. 3, pp. 517–551.
- Levitt, B & March, JGM 1988, 'Organizational Learning', *Annual Review of Sociology*, vol. 14, pp. 319–340.
- Mackinnon, D 2008, *Introduction to Statistical Mediation Analysis*, Lawrence Erlbaum Associates, New York.
- Mavondo, FT, Chimhanzi, J & Stewart, J 2005, 'Learning orientation and market orientation: Relationship with innovation, human resource practices and performance', *European Journal of Marketing*, vol. 39, pp. 1235–1263.
- Navarro, A, Acedo, FJ, Robson, MJ, Ruzo, E & Losada, F 2010, 'Antecedents and Consequences of Firms' Export Commitment: An Empirical Study', *Journal of International Marketing*, vol. 18, no. 3, pp. 41–61.
- O'Cass, A & Julian, C 2003, 'Examining firm and environmental influences on export marketing mix strategy and export performance of Australian exporters', *European Journal of Marketing*, vol. 37, pp. 366–384.
- Oliveira, JS, Cadogan, JW & Souchon, A 2012, 'Level of analysis in export performance research', *International Marketing Review*, vol. 29, no. 1, pp. 114–127.
- Panigyrakis, GG & Theodoridis, PK 2007, 'Market orientation and performance: An empirical investigation in the retail industry in Greece', *Journal of Retailing and Consumer Services*, vol. 14, no. 2, pp. 137–149.
- Park, JE & Sung, HL 2009, 'Elaborating the Role of Organizational Learning in Marketing Strategy Research', *Seoul Journal of Business*, vol. 15, no. 1, pp. 1–24.
- Peerawat, C & Sirilak, K 2010, 'The Effects of International Experience, Organisational Learning for Export Activities, and Global Competitive Force on Export Marketing Strategy, Export Advantage and Performance of Export Firms in Thailand', *International Journal of Business Strategy*, vol. 10, no. 4, pp. 156–167.
- Racela, OC, Chaikittisilpa, C & Thoumrungroje, A 2007, 'Market orientation, international business relationships and perceived export performance', *International Marketing Review*, vol. 24, pp. 144–163.
- Schumacker, RE & Lomax, RG 2010, *A Beginner's Guide to Structural Equation Measurement*, 3rd edn, Taylor and Francis Group, LLC, New York.
- Sinkula, J. M. 1994. Market information processing and organizational learning. *Journal of Marketing*, 58, 35–45.
- Slater, SF & Narver, JC 1995, 'Market Orientation and the Learning Organization', *Journal of Marketing Review*, vol. 59, July, pp. 63–74.
- Sousa, CMP, Martínez-López, FJ & Coelho, F 2008, 'The determinants of export performance: A review of the research in the literature between 1998 and 2005', *International Journal of Management Reviews*, vol. 10, no. 4, pp. 343–374.
- Tantong, P, Karande, K, Nair, A, & Singhapakdi, A 2010, 'The Effect of Product Adaptation and Market Orientation on Export Performance: A Survey of Thai Managers', *Journal of Marketing Theory and Practice*, vol.18, no.2, pp.155–169.
- Teresa, TH, Ming-Hung, H, Kuen-Hung, T & Wei-Yuan, W 2014, 'Strategic orientation and new product performance: The role of technological capability', *Canadian Journal of Administrative Sciences*, vol. 31, no. 1, pp. 44–58.

Is'haq & Haque

- Thirkell, PC, & Dau, R 1998, 'Export Performance: Success Determinants for New Zealand', *European Journal of Marketing*, vol. 32, no. 9/10, pp. 813–829.
- Tookey, DA 1964, 'Factors Associated With Success in Exporting', *Journal of Management Studies*, vol. 1, no. 1, pp. 48–66.
- Ullah, I, Kayani, MB, Haroon, F & Khan, MA 2012, 'The Impact of Marketing Mix and Market Orientation on Export Performance', vol. 4, no. 1, pp. 66–71.
- UNCTAD 2013, *Trade and Development Report*, New York.
- Westhead, P, Wright, M & Ucbasaran, D 2004, 'Internationalization of private firms: environmental turbulence and organizational strategies and resources', *Entrepreneurship Regional Development*, vol. 16, no. 6, pp. 501–522.
- Williams, JEM 2003, 'Export information use in small and medium-sized industrial companies An application of Diamantopoulos' and Souchon's scale', *International Marketing Review*, vol. 20, no. 1, pp. 44–66.
- WTO 2013, *International Trade Statistics*, Geneva.
- Zou, S & Stan, S 1998, 'The determinants of export performance: a review of the empirical literature between 1987 and 1997', *International Marketing Review*, vol. 15, no. 5, pp. 333–356.