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Managers' Process Thinking Skills, Dynamic Capabilities and Performance in Export Ventures

Merve Vardarsuyu
International Trade and Finance
Dumlupinar University
Evliya Celebi Yerleskesi
Tavsanli Yolu Kutahya, TURKEY
Email: merve.turgut@dpu.edu.tr

Stavroula Spyropoulou
Professor of Marketing
University of Leeds
Leeds University Business School
Marketing Department
Leeds LS2 9JT, U.K.
Email: ss@lubs.leeds.ac.uk

Bulent Menguc
Professor of Marketing
University of Leeds
Leeds University Business School
Marketing Department
Leeds LS2 9JT, U.K.
Email: busbme@leeds.ac.uk

Constantine S. Katsikeas
Arnold Ziff Research Chair in Marketing and International Management
Leeds University Business School
Marketing Department
University of Leeds
Leeds LS2 9JT, U.K.
Email: csk@lubs.leeds.ac.uk

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Abstract

Purpose – The purpose of this study is to unfold the role of managerial characteristics in developing the dynamic capabilities necessary to serve foreign customers and compete in export market ventures.

Design/methodology/approach – The authors test their proposed model using path analysis with data collected from export managers working in 204 small- and medium-sized Turkish exporters operating in various sectors.

Findings – The findings suggest that the positive effect of export managers' process thinking skills on dynamic capabilities increases when the export managers' learning and avoid orientations are low and prove orientation is high and export venture experience (duration and scope) increases. In addition, it has been found that export managers' process thinking skills have an indirect effect on export performance through export venture dynamic capabilities.

Originality/value – This study makes three contributions. First, the authors conceptualise and operationalise dynamic capabilities in the context of exporting. They empirically validate export venture dynamic capabilities as a higher-level construct composed of sensing, seizing, and reconfiguring elements pertinent to the firm's export market operations. Second, based on the micro-foundations approach of competitive advantage, the authors study managers' process thinking skills in exporting firms and how these abilities support dynamic capability development in export ventures. Finally, the authors investigate how the impact of export managers' process thinking skills on export venture dynamic capabilities is influenced by their goal orientations and certain objective exporter characteristics pertaining to different aspects of export venture experience.

Keywords Export ventures, Process thinking skills, Dynamic capabilities, Export performance, Goal orientations, Export experience

Paper type Research paper

Introduction

Worldwide exporting continues to play a significant role in global economic activity, as international trade reached a record high of US$ 28.5 trillion (UNCTAD, 2022) and world exports account for nearly 30% of global GDP (World Bank, 2022). Firms' behavior and success in export market operations has thus attracted significant research attention over the past three decades (see Leonidou et al., 2002; Chen et al., 2016; Chabowski et al., 2018). Understanding those factors that affect the export performance of the firm is an area of particular interest among managers in exporting firms and public policy makers. In the international marketing literature, a dominant theoretical perspective that researchers draw from in their attempt to explain inter-firm performance variations in export market operations is the resource-based view of the firm (e.g., Barney et al., 2001), which has commonly been deployed along with the dynamic capabilities perspective (e.g., Teece, 2007). Here a distinction has been pursued between resources, or the asset stocks of the exporting firm, and capabilities, or the organizational processes through which resources of the exporting firm are transformed into value offerings for the export market (e.g., Day, 1994; Morgan et al., 2004). Heterogeneity in exporting firms' resources and capabilities is what accounts for variations in export performance (cf. Teece et al., 1993).

While many exporting studies draw on the RBV of the firm and the dynamic capabilities perspective (e.g., Efrat et al., 2018; Miocevic, 2021; Morgan et al., 2012), there is a dearth of research that explicitly investigates the nature and importance of dynamic capabilities in export market operations, particularly as regards its drivers and role in influencing export performance. Specifically, our review of the literature reveals two issues that warrant attention. First, a distinct stream of empirical research examines the role of capabilities in establishing and developing successful export business operations. Many exporting studies focus on marketing capabilities

and examine its role in influencing the firm's competitive strategy pursued (e.g., Morgan et al., 2004; Kaleka and Morgan, 2019), strategy implementation effectiveness (Morgan et al., 2012) and/or performance (e.g., Kaleka, 2012; Boso et al., 2019) in export markets. Other studies investigate marketing capabilities' role in mediating relationships of various factors, including export promotion programmes (Catanzaro and Teyssier, 2021), market orientation (Murray et al., 2011), export resources (Imiru, 2022) and timing of foreign market entry (Zhou et al., 2012), with export performance. Still another study sheds light onto the importance of export planning and implementation capabilities in moderating strategic goal accomplishment in export ventures (Spyropoulou et al., 2018). However, despite the amount of research on capabilities in exporting, little attention is devoted to the conceptualization and operationalization of dynamic capabilities underlying firms' export activities. This limits our understanding of the nature and role of those organizational processes that underpin exporters' attempts to acquire, utilize and convert resources into advantage positions in the foreign markets in which firms have chosen to compete.

Second, notably the bulk of extant work in exporting focuses on the effects of different types of capabilities, particularly how their deployment can influence international marketing strategy and performance outcomes. A wealth of empirical studies has been conducted that have greatly contributed to enhancing knowledge of how capabilities function in influencing export engagement, development and success and the achievement of competitive advantage in foreign markets (e.g., see for review Gupta and Chauhan, 2021). However, scant empirical attention has been given to antecedents of building such capabilities or the factors (and conditions under which) that lead to their acquisition and utilization with the view to facilitating firms' exporting operations and the achievement of enhanced export performance outcomes. The absence of such knowledge prevents both export executives and public policy makers from focusing their efforts

and national export assistance programmes, respectively, on the factors important for exporting firms to develop appropriate organizational processes (i.e., capabilities) that would enable them to effectively develop, combine and deploy organizational resources for competing and succeeding in export target markets.

In response to these gaps, the primary purpose of this study is to unfold the role of process thinking skills possessed by managers in exporting firms in developing the dynamic capabilities necessary to serve foreign customers and compete in export market ventures. Specifically, this research contributes in three ways. First, unlike prior export marketing research, we advance a conceptualization and operationalization of dynamic capabilities in the context of exporting. Drawing on the pertinent literature (e.g., Eisenhardt and Martin, 2000; Teece, 2007), along with fieldwork interviews with managers in exporting firms, we conceptualize and empirically validate export venture dynamic capabilities as a higher-level construct comprising sensing, seizing and reconfiguring elements pertinent to the firm's export market operations. Second, building on the micro-foundations perspective of competitive advantage (e.g., Barney and Felin, 2013; Felin and Foss, 2005), we focus on process thinking skills of managers in exporting firms and examine how these skills facilitate dynamic capability building in export product–market ventures. The possession of such skills helps managers and others involved in their firm's export activities to understand foreign markets and operations and design and implement effective export marketing strategies (cf., Malter, 2000). The role of micro-level antecedents in influencing advantage and performance outcomes in export ventures has been neglected. Responding to calls for micro-foundations research (e.g., Volberda et al., 2010; Yao and Chang, 2017), this study adds to current exporting knowledge by considering how fundamental process thinking skills of managers in exporting companies lead to the development

of dynamic capabilities and improved performance in export ventures. Third, we augment the value added by our research by investigating how the impact of process thinking skills on export venture dynamic capabilities is influenced by managerial goal orientations and certain objective exporter characteristics pertaining to different aspects of exporting experience. We posit that different goal orientations (i.e., learning, prove and avoid), acting as micro-foundational social integration mechanisms, and experience-related exporter characteristics (i.e., *duration* and *scope* of export venture experience) moderate the link between process thinking skills and dynamic capabilities in the context of export venture operations.

Conceptual Development

The dynamic capabilities perspective

The dynamic capabilities perspective is an extension of the RBV that was proposed by Teece and Pisano (1994) to address the roles of adaptation and change under conditions of shifting market requirements (Teece et al., 1997). The term "dynamic capabilities" refers to "the firm's ability to integrate, build, and reconfigure internal and external competences to address rapidly changing environments" (Teece et al., 1997, p. 516). The possession and deployment of dynamic capabilities enable the exporting firm to modify its resources to respond to export market demands that are likely to be different from those in the domestic market and also survive in changing foreign marketplace conditions (Morgan et al., 2004). When exporting firms have strong dynamic capabilities available to their export ventures, their international market operations will be flexible and adaptable to foreign market changes. Such flexibility and adaptability is vitally important to the achievement of competitive advantage and superior performance in export ventures (e.g., Spyropoulou et al., 2018).

A review of the extant literature (e.g., Teece, 2007; Teece et al., 1997), together with exploratory interviews with managers in exporting companies, suggests three types of dynamic capabilities that are of particular relevance to exporting firms. We thus view dynamic capabilities as a distinct construct that consists of the dimensions sensing, seizing, and transforming. Specifically, *sensing capability* is defined as an exporter's ability to scan, identify, review and interpret opportunities and threats in the export venture market environment (Teece, 2007). *Seizing capability* refers the process of exploiting export market opportunities by mobilizing resources and processes to find solutions and respond to foreign customer demands and adopt best business practices to serve overseas markets (Teece, 2007). *Transforming capability* (formerly called reconfiguring capability) concerns an exporting firm's ability to make continuous reconfiguration and renewal of its asset base to effectively respond to changes in export market environment (Teece et al., 1997). Transforming activities involve revising business models and methods, potentially influencing the firm's activities in both the domestic and overseas markets, as well as terminating investments that are no longer needed or ventures marked by continuing poor performance (Al-Aali & Teece, 2014).

Process thinking skills and dynamic capabilities in exporting

The concept of process thinking, initially introduced by Malter (2000), is based on the decision-making literature and is essentially viewed as a "mental simulation of dynamic processes" (p. 8). Process thinking "involves considering phenomena dynamically in terms of movements, activities, events, change and temporal evolution" (Langley, 2007, p. 271). In marketing, process thinking has been defined as an ability underlying the understanding of marketing processes at both micro- and macro-levels (Malter, 2000). For present purposes, we connect the deployment of process thinking skills to a micro-foundations perspective on dynamic

capabilities in export market operations. As per multilevel theorists (e.g., Kozlowski and Klein, 2000; Ployhart et al., 2014), two key approaches exist that explain the linkage between higher-level and lower-level concepts within firms. One is the top-down approach, which focuses on the impact of higher-level factors (e.g., firm) on factors at a lower level (e.g., people). The second approach concerns the bottom-up or emergence approach, which focuses on "phenomena originating at a lower level [e.g., individuals] but have emergent properties that manifest at a higher level [e.g., organization]" (Yao and Chang 2017, p. 2043). Much of the exporting research has traditionally paid attention to drawing from the top-down approach by examining, for instance, the role of (macro- and micro-) environmental and organizational factors in influencing the firm's export behaviour and success (see for reviews Leonidou et al., 2002; Chen et al., 2016).

In this research, we examine export dynamic capabilities by drawing attention to the comparatively neglected bottom-up or emergence approach to exporting operations. Specifically, we consider how export dynamic capabilities could emerge from key individuals' attributes such as process thinking skills. The possession of process thinking skills helps managers to understand dynamic competitive markets and plan successful marketing strategies and programs. Accordingly, managers with high process thinking skills can better understand both simple and complex market challenges, how market forces operate and change over time, and how to think more broadly in resolving problems through deploying best practice processes (Dickson et al., 2009; Malter, 2000). In exporting firms, the pursuit of excellence in process thinking involves the ability of export managers to think widely, holistically and creatively about the selection, configuration and implementation of superior export marketing processes and the skill of leading

the effective implementation of such best practice processes within the exporting company (Dickson et al., 2009).

We point to the presence of different mechanisms that can explain this emergence approach to export market capability building. One such mechanism is the interaction process, which underpins communal or emergence phenomena. Accordingly, in this process, people interact with one another in terms of making conclusions from, interpreting and reacting to, and/or mimicking others; these facilitate the proliferation of an individual's perception, attitudes and behavior to several people and, hence, the emergence of collective, upper-level constructs (Yao and Chang, 2017). In the context of this study, we thus argue that emergence originates in the process thinking skills of individual export business practitioners that are augmented by their interactions both among themselves and with others within the exporting firm and manifest as, or contribute to the development of, export dynamic capabilities, viewed as a higher-order phenomenon in firms' international market operations (Kozlowski and Klein, 2000).

Another mechanism that underlies the emergence of collective phenomena is based on a normalization process, which can account for the connection of process thinking skills to export dynamic capabilities (Yao and Chang, 2017). As per this normalization mechanism, the shared behavior modes from the interactions of employees in the exporting firm could result in norms (i.e., rules of expected work standards) that influence the behaviours of individuals within the firm and their decisions about export venture operations (e.g., Chiaburu and Harrison, 2008). Extending this logic to the present exporting context, we may suggest that that the exporting firm's employees rely on individual-level constructs like process thinking skills to guide the firm's export market choices and decisions (e.g., Salancik and Pfeffer, 1978). Such firm-level export market choices and decisions would involve export dynamic capability building that plays

a vitally important role in converting firm resources available to the export venture into export market advantage and enhanced performance outcomes (Morgan et al., 2004).

Drawing from the literature (e.g., Dickson et al., 2017), in combination with pre-study field interviews with export managers, we conceptualise process thinking skills as a higher-order construct that comprises two fundamental components, these being process implementation and process improvement thinking skills. Process implementation thinking skill refers to the export manager's ability to implement existing processes pertaining to the export ventures and operations of the exporting firm. This type of skill involves not only remembering the particular export marketing actions to be implemented in the correct order, but also prioritizing export venture work tasks and activities (e.g., manufacturing and shipping products to export customers, physical distribution overseas, promotional activities in the export venture market). Export managers skilled at this type of thinking can better introduce and routinize new processes that can facilitate their firms' export venture activities (Dickson et al., 2009). They are also good at mapping processes and deploying new employees and new technology that can strengthen the exporting firm's dynamic capability base and greatly benefit its export venture operations. Process improvement thinking skill refers to the export manager's ability to think about how to change an export-related process (e.g., sequence of response to export customer orders, allocating resources for promotion overseas) for its betterment (Dickson et al., 2017). Export managers equipped with this type of thinking have the codified and tacit knowledge necessary to understand the roots of problems in export marketing processes, are characterized by creativity in formulating and designing new processes for the betterment of the firm's export business and are good at anticipating the consequences of changing a process that can facilitate export venture operations (Dickson et al., 2009). Process improvement skill thus enables export managers to be

open to changes in processes when this is necessary for responding to changing foreign customer requirements and addressing developments in the export venture market. Therefore, we suggest that export managers with strong process thinking skills would likely be better able to spot and respond to foreign market changes and sense unrecognized customer needs in the export venture market and design appropriate business models and processes to swiftly capitalize on such opportunities overseas. Thus, we hypothesise:

H1: Process thinking skills is positively related to export venture dynamic capabilities.

The role of export managers' goal orientations

Goal orientation was originally developed in the educational psychology literature and focuses on the goal preferences of individuals in achievement situations (Dweck, 1986; Elliott & Dweck, 1988). As per achievement goal theory, people are driven by motivational tendencies to pursue various goals on the basis of their beliefs, and these different goal orientations affect how people consider, interpret and deal with problems and issues (Chadwick and Raver, 2015). Training transfer literature highlights the importance of motivation theories in influencing the behavior of employees in performing their responsibilities at the work place. Empirical evidence in this context highlights the role of motivation in influencing the transfer of learning to work performance (e.g., Yamnil and McLean, 2001) and the relevance of goal setting theory to considering moderating effects on the work environment–training transfer link (see Noorizan et al., 2016). Based on this literature, we likewise argue in this study's exporting setting that export managers' goal orientations play a potentially important role in influencing the relationship of process thinking skills with export venture dynamic capabilities.

The literature points to two fundamental approaches that explain what drives individuals' thinking and actions in achievement situations, namely, a mastery or learning orientation,

directed at pursuing growth through new skills and competencies, and a performance orientation, aimed at demonstrating competence (prove orientation) and/or avoiding showing incompetence (avoid orientation) (e.g., Chadwick and Raver, 2015; Porath and Bateman, 2006). Drawing on this literature, along with pre-study in-depth field interviews, we suggest that these learning, prove and avoid orientations are relevant to exporting and play an important role in influencing export managers' thinking, attitudes and behavior in their achievement situations pertaining to foreign market operations. We subsequently argue that each of these goal orientations of export managers influences the relationship of their process thinking skills with export venture dynamic capabilities.

Learning orientation. We define learning orientation as the export manager's intrinsic focus on acquiring new skills and seeking challenges to develop mastery (e.g., Sujan et al., 1994; VandeWalle, 1997). Learning-oriented managers pursue an adaptive response pattern in that, in case of setbacks, they are prone to persist, try hard, and search for effective alternative export venture strategies. Failures and mistakes, therefore, are seen as parts of learning and constitute paths to accomplishment in export market operations. Furthermore, export managers with high learning orientation think that their intelligence is malleable and can be improved through learning new skills that would enable them to take risks in export ventures (Dweck, 1986). We claim that learning orientation may be an attenuator on the process thinking skills–dynamic capabilities link. Specifically, when managers intensively focus on learning new things and improving their skills through taking risks rather than on enhancing short-term performance, they may undermine the beneficial role of their process thinking skills in improving their firm's dynamic capability base and its impact on successful export venture operations. Such a focus on learning orientation may be at the expense of workplace performance at least in the short term,

which would be an obstacle to identify potential threats and opportunities and can cause a failure for an exporter to outperform rivals in the export venture market. The uncertainty and risks involved in high learning goal orientation among export managers may result in giving insufficient attention to competitive changes in the export venture market and reduce the positive effect of process thinking skills for export venture dynamic capability building and/or utilization and performance outcomes. Thus, we propose that:

H2: Managers' learning orientation negatively moderates the process thinking skills–dynamic capabilities link such that process thinking skills' positive effect is attenuated as learning orientation increases.

Prove orientation. We define prove orientation as a manager's extrinsic focus on demonstrating competence to, and gaining positive judgments from, others (VandeWalle, 1997). Prove orientation is about showing others positive outcomes, such as working hard (e.g., Sujan et al., 1994) and high performance (e.g., Payne et al., 2007). Since prove-oriented export managers are driven by the demonstration of a high level of performance in their pursuit of export ventures, they aim to get involved in activities leading to tangible rewards and recognition for their foreign market engagement. Thus, these managers' effort and motivation will be higher in the case of new sources of export market accomplishments. Prove-oriented individuals also aim to outperform others, which may motivate managers to help exporting companies to look for, identify and exploit emerging opportunities in the export venture market before foreign market competitors do so. Prove-oriented export managers are likely to be better at assimilating and exploiting new knowledge (Yildiz et al., 2021) and more focused on and responsive to export customer needs and preferences (Che-Ha et al., 2014).

We suggest that such prove orientation offers an enabling environment for the firm's export operations that should strengthen the capability-building effects of process

implementation and improvement thinking skills in the establishment and development of ongoing export venture operations. An export manager's ability not only to better prioritize, perform and manage export venture tasks and activities, but also to better understand dynamic competitive markets, more quickly identify problems and more swiftly deal with the simplification and improvement of current processes in export venture operations is expected to have a boosting effect on export venture dynamic capability building. The enabling environment reflected in prove orientation would help export managers to increase their ability to better observe shifts in and scan the export venture market, use best business practices and reconfigure and/or acquire new resources to respond to export market developments. High prove orientation also provides an environment that promotes creativity within the exporting firm, which is conducive to more effectively formulating and redesigning export venture-related processes (Yao and Chang, 2017). Such improvements in current and new export venture processes, in turn, are likely to boost export venture dynamic capability building and performance outcomes. Hence, we argue that the impact of process thinking skills of export managers on dynamic capabilities will strengthen when they try to prove themselves to others in relation to their engagement, role and achievements in export venture markets and operations. Formally, we advance that:

> H3: Managers' prove orientation positively moderates the process thinking skills–dynamic capabilities link such that process thinking skills' positive effect is accentuated as prove orientation increases.

Avoid orientation. We define avoid orientation as the focus of an export manager to avoid negative evaluation by others (VandeWalle, 1997). As in the case of prove orientation, avoid orientation makes individuals be highly interested in what others think about them. Yet, unlike prove orientation, avoid orientation is associated with maladaptive behaviors and low performance (e.g., Porath & Bateman, 2006; Johnson et al., 2011), as well as anxiety (e.g., Payne

et al., 2007). Export managers exhibiting high avoid orientation are quite sensitive to negative feedback and, therefore, try to stay away from risky situations and new challenges facing them in export venture operations. In addition, as new knowledge could be a possible source of failure, such managers are not capable of sensing and seizing new opportunities in the export venture marketplace. Because avoid-oriented managers make a good effort not to look incompetent, they are less open to embracing challenges in the export venture market (Domurath et al., 2020). For example, they are prone to ignoring changes in foreign customer needs and preferences (Domurath et al., 2020). As such managers also are not proactive (Janardhanan et al., 2020), they are unable to see and take account of new opportunities and avoid threats in time, which in turn may undermine the capability-generating role of process thinking skills in export venture operations. Hence, we propose the following hypothesis:

> H4: Manager's avoid orientation negatively moderates the process thinking skills–dynamic capabilities link such that process thinking skills' positive effect is attenuated as avoid orientation increases.

The role of export venture experience

Internationalization theory highlights the significant role that experiential knowledge, gained through actual operations in foreign markets and operations, plays in a firm's commitment to foreign business and its development and success in international markets (e.g., Johanson and Vahlne, 2009; Spyropoulou et al., 2018). In the export marketing literature, there are two types of experience that have been identified as potentially influencing the export behavior of the firm. One type concerns the experience with a specific export venture and the experience generated through the establishment and development of different ventures across foreign markets. These are considered subsequently.

Duration of export venture experience. We define duration of export venture experience as the number of years for which an exporter has been running the particular export venture. Since the acquisition of experience from actual operations enhances capabilities (Zhang et al., 2019), the length of a firm's experience with a specific export market can help the exporter to be able to spot attractive opportunities and mobilize its resource base to exploit such opportunities. Furthermore, when exporting firms operate in the export venture market for a relatively long time period, they are better equipped to renew their capabilities and utilize them more productively. On the other hand, when the duration of the firm's experience with a specific export market is relatively limited, the exporter may be unable to identify important opportunities and threats and, thus, limit its ability to transform and adapt its business models and processes accordingly. Hence, we expect a firm's significant experience with the export venture market to boost the effect of process thinking skills on export venture dynamic capabilities. Formally, we offer the following hypothesis:

> H5: Duration of export venture experience positively moderates the process thinking skills–dynamic capabilities link such that process thinking skills' positive effect is accentuated as export venture experience increases.

Scope of experience. The total number of regions of the world to which a company exports reflects the diversity or scope of experiential knowledge of the exporting firm (e.g., Lu and Beamish, 2001). Geographic diversification enables an exporter to be exposed to a wide variety of challenges, opportunities and threats across different foreign markets, which facilitates generation of more broad-based knowledge about international operations. The involvement in regular interactions with customers in a variety of export markets also helps the firm to enrich its organizational routines, programmes and structures (Sheng et al., 2015), thus creating an enabling environment that is likely to facilitate the capability-building role of managers' process

thinking skills in exporting operations. In addition, when firms operate in a comparatively large number of export regions, they can be more familiar with diverse foreign market conditions (e.g., competition, rules, regulations) and customer preferences (Bodlaj et al., 2020). This familiarity facilitates valuable knowledge building on the part of the exporter, which in turn is instrumental in sensing important opportunities and threats in the export venture market. Such regional diversification in export activities may also enable exporters to become more agile in transforming their resources and business plans with the view to effectively responding to changing foreign market conditions. Therefore, knowledge-based synergies through business operations across a large number of regions in the world are likely to strengthen the capability-generating effect of an export manager's process thinking skills. Hence, we advance the following hypothesis:

> H6: Scope of export venture experience positively moderates the process thinking skills–dynamic capabilities link such that process thinking skills' positive effect is accentuated as scope of such experience broadens.

Our conceptual framework in Figure 1 also indicates that export venture dynamic capabilities affects export venture sales growth and financial performance. Nonetheless, the positive role that capabilities play in affecting different performance outcomes has widely been established in the literature across different empirical settings. Hence, we decided not to formally hypothesise dynamic capabilities' effects on export venture performance outcomes, but to test empirically for these for reasons of completeness and nomological validity of the proposed model. As per recent practice adopting a quasi-longitudinal survey research design (e.g., Musarra et al., 2023), the use of a time-lag in data collection (see sub-section on Sample and Data Collection below) enables us to rule out alternative causal orderings of the study constructs

despite the lack of formal hypotheses pertaining to export venture dynamic capabilities' performance effects.

Methods

Research Context

We conducted this study among Turkish export manufacturing SMEs (i.e. firms with up to 500 employees). Turkey is on the list of countries with emerging economies and is a member of the G20 (g20, 2022). As Turkey is the 19th largest economy in the world in 2021 (with US$815,271 million GDP) (World Bank, 2022a), it is one of the fastest-growing emerging economies in the world with a substantive position in international markets. Given its $144.331 billion export volume in 2022 (January-July) (Turkish Statistical Institute, 2022), Turkey is the 29th country in the world's merchandise export ranking list (OEC World, 2022) and SMEs run 30.4% of exporting activities in 2021 (Turkish Statistical Institute, 2021). Also, those export activities constitute 35.4% of Turkey's GDP in 2021 (World Bank, 2022b).

We used a multi-sectoral research design to increase the diversity in responses and strengthen the generalizability of the findings (Autio et al., 2000; Knight and Çavuşgil, 2004). Accordingly, export-oriented SMEs have six categories: (1) textiles and apparel, (2) chemicals and chemical products, (3) automotive, (4) forestry and furniture, (5) agriculture, and (6) electrical products. We chose from different manufacturing sectors. In other words, for the purpose of this study, we did not include services firms in the sample. This is because the nature of the export marketing activities of service firms differs significantly compared to manufacturing firms. We included in our sample those companies that have ventured into export in the last two years so that participants can establish reliable links between dynamic capabilities

and performance outcomes (Morgan et al., 2004). In order to minimize respondent bias in the choice of export venture, one-third of respondents answered the survey by focusing on one of their most successful export ventures, one-third answered by focusing on their moderately successful export ventures, and one-third answered by focusing on one of their least successful export ventures.

Survey Development and Pretest

We searched and thoroughly reviewed the available literature in international marketing and management to identify the scales used to measure the variables in our model. Before the main launch of the survey, we prepared and pre-tested a draft survey to rule out potential issues. This approach is strongly recommended to reveal possible problems with the operation of the survey (Churchill and Iacobucci, 2005). To this end, four academics, all very familiar with international marketing and export research, evaluated the clarity and format of the scales used in the survey. Helpful feedback was provided and the questionnaire was revised accordingly. Then, we conducted a pre-test study with a sample of 50 export managers in exporting SMEs in Turkey. We received 33 usable responses that we excluded from the final sample. As managers did not raise any concerns about the clarity of instructions, response formats, or survey length, we moved on to the next stage of data collection.

Sample and Data Collection

Informant identification. The informant identification process comprises a series of steps. To begin with, 1000 export manufacturing firms operating in one of the six industries were drawn from list provided by the Turkish Exporters Assembly. Stratified random sampling with proportional allocation method was employed in creating the sample. This technique allows the authors to include all six industries in the population by considering their relative sizes (Malhotra

and Birks, 2007) and to increase the representativeness of the sample over the population. Later, each firm was contacted by telephone to give short information about the study and its main objectives. Its willingness to participate in the study and that it had been exporting a manufactured good for at least two years were checked. The most appropriate key informant was located. These telephone calls revealed that, of the 1000 firms, 788 firms were eligible to participate in the study. Specifically, 24 had closed down or had terminated their export activities; 46 had no export venture beyond the two-year cut-off; 70 were no longer SMEs; 12 were adhering to a company policy not to participate in surveys; 15 stated that their exporting activities were outsourced (they were exporting through a trading company); and 10 were subsidiaries of multinational enterprises. A further 35 were excluded because of the lack of correct contact details.

Due to dynamic nature of export activities, we employed a quasi-longitudinal research design to collect data for this study (Musarra et al., 2023). Accordingly, we collected data on process thinking skills, goal orientation, and dynamic capabilities at Time 1 and on export venture performance at Time 2. A one-year gap between Time 1 and Time 2 enabled us to control for causality and common method bias while estimating the dynamic capabilities-performance relationship and the indirect effect of process thinking skills on export performance.

Survey response. We emailed the survey to 788 participants at Time 1. After two waves of emailing and follow-up telephone calls, we obtained a total of 276 surveys. We dropped twelve surveys due to missing data and failure in informant quality checks, which resulted in 264 usable surveys (response rate of 33%) at Time 1. At Time 2, we emailed the survey to 264 firms along with a reminder of the research project. We received 210 surveys. We dropped six surveys due to missing data, which resulted in 204 usable surveys.

Sample characteristics. The firms spanned automotive (16.2%), chemicals (19.1%), agriculture (9.8%), electrical appliances (16/7%), textile and apparel (25.5%), and forestry (12.7%) industries. The most common distribution method was overseas distributor (48.5%), followed by direct selling to end-user customers (34.3%) and use of agents (26.0%). More than half (53.4%) of the firms had been exporting to 3 to 5 regions. The average years in business and exporting were 26.65 and 14.52 years, respectively. The mean of years in the export venture was 7.12 years. Respondents were mostly male (79.4%) and had an average of 7.31 years' experience with their company position as export manager (33.3%), foreign trade manager (28.4%), owner/CEO/general manager (16.2), sales/marketing manager (10.3%) or another post (11.8%).

Nonresponse bias. We compared early (162) and late (42) responses with regard to the key variables to check likely non-response bias (Armstrong and Overton, 1977). Insignificant differences between the early and late groups on all key variables confirmed that non-response bias was negligible.

Informant quality. We conducted a post-hoc assessment of respondents' motivation and eligibility to respond to survey items/questions by using the competency evaluation technique (Kumar et al., 1993; Katsikeas et al., 2009). Accordingly, respondents were asked to evaluate the following three items: (1) knowledge of the firm's export venture marketing activities, (2) involvement in relevant export venture decisions and strategies, and (3) confidence in responding to the survey. We also checked individual responses to the competency items and excluded eight surveys from the final dataset as the mean score was lower than 4. Overall, the mean score was 6.18, suggesting a high level of informant quality.

Measures

We designed the survey in English and then translated it into Turkish in line with survey translation procedures (Brislin et al., 1973). Unless otherwise stated, we employed multi-item scales (1= strongly disagree; 7 = strongly agree) to measure the study's constructs.

Process Thinking Skills. We conceptualized and operationalized process thinking skills as a higher-order construct of two factors, namely process implementation thinking skill and process improvement thinking skill. Accordingly, we measured implementation skills (six items) and improvement skills (five items) with the scale (1 = very bad, 7 = very well) adopted from Dickson et al. (2017).

Export Venture Dynamic Capabilities. In line with its conceptualization, we operationalized export venture dynamic capabilities as a higher-order construct of three factors, namely sensing, seizing, and reconfiguring. We measured sensing (five items) and seizing (four items) capabilities with the scales modified from the work of Wilden et al.'s (2013) and Pavlou and El Sawy's (2011). We developed a six-item scale drawing from the relevant literature to measure reconfiguring capabilities.

Moderating Variables. Drawing on the goal orientations literature, we measured a manager's learning (five items), prove (four items) and avoid (four items) orientation using VandeValle's (1997) scales. Duration of export venture experience (in years) and scope (the number of regions in which the firm has export ventures) were self-report measures. As the raw scores of duration of such experience were not normally distributed, we took log transformation of these scores for data analysis purposes.

Export Venture Performance. Katsikeas et al. (2016) suggest that revenue-related (i.e., sales revenue, sales revenue growth) and profit-related (i.e., profit, profit growth, profit margin, ROI, ROA, return on equity, return on sales, return on capital) metrics fall under the category of

accounting-based performance. Therefore, we operationalize export venture performance in terms of sales growth and financial performance. We measured export venture sales growth objectively by asking respondents to assess export venture sales growth over the past twelve months (1 = -15% or more; 2 = -14% to -5%; 3 = -4% to 0; 4 = 1% to 5%; 5 = 6% to 10%; 6 = 11% to 20%; 7 = 21% to 40%; and 8 = over 40%) (Cavusgil and Zou, 1994). Financial performance was measured with a five-item, formative scale (-3 = much worse than competitors, +3 = much better than competitors) (Morgan et al., 2004). Respondents evaluated the export venture's financial performance over the past twelve months in comparison with that of their major competitors in terms of profitability, return-on-investment, reaching financial goals, profit growth, and return-on-sales. We formed an index of financial performance by averaging the score of each individual performance indicator.

Control Variables. We included a large number of control variables in the model to mitigate model estimation bias due to omitted variables, to take into account observed heterogeneity in export venture dynamic capabilities and performance, and to rule out the effect of alternative explanations for the hypothesized relationships.

Drawing from the dynamic capabilities (e.g., Danneels, 2008; Rodenbach and Brettel, 2012; Bendig et al., 2017) and export venture performance (e.g., Leonidou, 1998; Katsikeas et al., 2000) literatures, we controlled for industry (dummy variable), firm size (log-transformation of the number of full-time employees), firm age (log-transformation of the number of active years in business), and type of distribution channel used (overseas distributor and direct selling vs. agents), customer type (B2B and both B2B and B2C vs. B2C only), market dynamism, and competitive intensity. Market dynamism (four items) and competitive intensity (five items) were

measured using the scale borrowed from Jaworski and Kohli (1993). We captured environmental munificence using a five-item scale modified from Kabadayi and colleagues (2007).

Measurement Model. Table 1 reports intercorrelations and descriptive statistics for all variables used in this study. We evaluated the validity and reliability of the reflective scales with confirmatory factor analysis (CFA). Due to a large number of parameters estimated, we divided the measures into two parts. Model 1 comprised learning, prove and avoid goal orientations and the two dimensions of process thinking skills, whereas Model 2 comprised the three dimensions of export venture dynamic capabilities, demand uncertainty, competitive intensity and environmental munificence. The CFAs indicated good fit to the data after the removal of items with low factor loadings and cross-loadings (see Table 2). All the factor loadings are significant (Anderson and Gerbing, 1988), and the AVE and CR scores are above .50 and .70, respectively (Bagozzi and Yi, 1988). The AVE scores are higher than the corresponding squared correlation for all pairs of construct (Fornell and Larcker, 1981). In conclusion, we found statistical evidence on the convergent and discriminant validity.

[Insert Tables 1 and 2 here]

In line with our conceptualization, we operationalized managers' process thinking skills and export venture dynamic capabilities as higher-order constructs. Higher-order CFAs for both constructs indicated a good fit (process thinking skills: $\chi^2 = 132.51$, $df = 43$, TLI = .916, CFI = .935, RMSEA = .068; dynamic capabilities: $\chi^2 = 203.74$, $df = 87$, TLI = .923, CFI = .937, RMSEA = .061). First-order dimensions loaded significantly on their higher-order construct and were highly correlated with one another. We thus aggregated the first-order dimensions to form the higher-order constructs process thinking skills and export venture dynamic capabilities.

Model Estimation

Analytic Approach. We employed path analysis to test the proposed model. In doing so, we estimated the model simultaneously by taking into account for measurement error of the constructs[1] and met the 5:1 ratio of sample size to number of estimated parameters. We formed a single indicator for each construct by averaging the score of respective scale items. We created interaction terms[2] by multiplying the related variables after mean-centering. Because interaction effects are not normally distributed[3], we conducted bootstrapping technique with 1000 samples to obtain unbiased estimates and to compute confidence intervals at 95%. We also controlled for common method and endogeneity biases while estimating the model, which we detail next.

Common Method Bias. Although we collected data using longitudinal research design, single-respondent data may cause common-method bias (CMB). Therefore, we implemented general factor covariate technique (Chakravarty et al., 2014). That is, we computed the first unrotated factor score by subjecting all scale items to an exploratory factor analysis. We treated this factor score as an additional covariate reflecting common method bias while estimating the structural model.

Endogeneity Bias. In our model, export venture dynamic capabilities may be suspect to endogeneity bias because they might be affected by omitted variables that are also correlated with the error term of the performance variables. We used the Gaussian copula technique to model the correlation between the endogenous variable and the error term of the dependent variables because the current database does not contain instrumental variables to correct the

[1] We computed measurement error of each construct in the model using the formula of (1-Cronbach's Alpha) x SD^2.
[2] We computed the reliability coefficient of interaction terms using Bornstedt and Marwell's (1978) formula ($r_{xy \cdot xy} = [(r_{xx} \times r_{yy}) + r^2_{xy}]/(1 + r^2_{xy})$). Accordingly, the reliability coefficient of the interaction effect of process thinking skills with learning orientation, prove orientation, avoid orientation, duration of export venture experience and the scope of experience were .87, .82, .70, .88 and .89, respectively.
[3]The same applies to indirect effects as they are computed by multiplying the coefficient of two paths. Here, we computed process thinking skills' indirect effect on export venture performance as we reported later in the paper.

endogeneity bias (Park and Gupta, 2012). The Kolmogorov-Smirnov (K-S) test reveals that the endogenous variable does not fit the Bernoulli distribution (K-S = .073, $p < .01$). According to the Shapiro-Wilk test, the endogenous variable (W = .960, $p < .01$) is also non-normally distributed. Because the endogenous variable met the two assumptions of the copula technique (Park and Gupta, 2012), we computed the inverse of the cumulative distribution function and added the resulting values to the model as a control variable.

Results

Main Effects. The main effects model (Model 1) produced a good fit to data ($\chi^2 = 1.37$, $df = 2$, TLI = 1.0, CFI = 1.0, RMSEA = .00). As Table 3 (Model 1) reports, the effect of process thinking skills on export venture dynamic capabilities is positive and significant, in support of H1 (b = .356, $p < .01$).

Our hypothesized model suggests that dynamic capabilities play a potentially important mediating role. Thus, we examined the indirect effect of process thinking skills on the performance outcomes. We found that the indirect effect of process thinking skills on sales growth (b = .107, $p < .01$, 95% CI [.022; .273]) and financial performance (b = .070, $p < .01$, 95% CI [.010; .175]) is significant, with no significant main effect on either sales growth or financial performance. Hence, export venture dynamic capabilities act as a full mediator in these process thinking skills–export venture performance links.

[Insert Table 3 here]

Interaction Effects. Table 3 (Model 2) shows the parameter estimates of the full model with interaction effects, which indicated a good fit to data ($\chi^2 = 14.52$, $df = 12$, TLI = .929, CFI = .998, RMSEA = .032). As predicted in H2, learning orientation negatively moderates the process thinking skills–export venture dynamic capabilities link (b = -.148, $p < .05$). We found that this

relationship is significant at the low level of learning orientation (b = .498, $p < .01$, 95% CI [.285; .704], but not significant at the high level of learning orientation (b = .198, ns, 95% CI [-.079; .480]).

The results provide support for H3, which states the moderating role of prove orientation on process thinking skills–export venture dynamic capabilities link (b = .147, $p < .01$). We found that this relationship is significant at the high level of prove orientation (b = .581, $p < .01$, 95% CI [.327; .834], but not significant at the low level of prove orientation (b = .116, ns, 95% CI [-.159; .382]).

Consistent with H4, we find a negative moderating effect of avoid orientation on the process thinking skills–export venture dynamic capabilities link (b = -.130, p < .01). Evidently, this relationship is significant at the low level of avoid orientation (b = .567, $p < .01$, 95% CI [.308; .830] but not significant at the high level of avoid orientation (b = .130, ns, 95% CI [-.136; .386]).

As H5 posits, duration of experience with the export venture positively moderates the process thinking skills–export venture dynamic capabilities relationship (b = .394, $p < .01$). The link is significant when export venture experience is high (b = .609, $p < .01$, 95% CI [.335; .881] but there is no effect when this experience is low (b = .088, ns, 95% CI [-.170; .345]). The results also suggest that, contrary to expectations, the interaction effect of process thinking skills and scope of export experience is not significant (b = .057, ns). Hence, H6 is not supported.

Figures 2-5 illustrate the effect of process thinking skills on export venture dynamic capabilities under the contingency role of goal orientations and duration of export venture experience.

Post-Hoc Analyses. We conducted post-hoc tests to provide additional insight and assess the robustness of our analyses.

First, we conceptualize process thinking skills as a higher-order construct that consists of two fundamental dimensions, namely, process implementation thinking skill and process improvement thinking skill. However, we also conducted additional analyses to assess whether the two components of process thinking skills constitute different pathways in influencing dynamic capabilities and performance outcomes in export ventures. To this end, we re-tested the full model (Model 2, Table 3) with the first-order dimensions of process thinking skills (i.e., decomposed model). We used log-likelihood, AIC (Akaike Information Criterion) and BIC (Bayesian Information Criterion) metrics to compare the fit of the two models. It should be noted that the better performing model should indicate lower log-likelihood, AIC and BIC values. We found that the log-likelihood of Model 2 (LL (df = 78) = -6340.11) is lower than that of the decomposed model (LL (df = 84) = -7601.71). In addition, Model 2's AIC (12836.22) and BIC (13095.03) values were lower than the decomposed model's AIC (15371.43) and BIC (15650.15) values. In light of these findings, we ruled out the possibility that the decomposed model would fit better than Model 2, even though the results of the decomposed model showed a similar pattern of effects between the two separate components.

Second, we re-tested the Main Effects Model (i.e., Model 1, Table 3) by decomposing the two components of process thinking skills and the three dimensions of dynamic capabilities. We found that the log-likelihood of Model 1 (LL (df = 73) = -5024.95) is lower than that of the decomposed model (LL (df = 128) = -5783.45). In addition, Model 1's AIC (10195.91) and BIC (10438.13) values were lower than the decomposed model's AIC (11822.91) and BIC (12247.63) values. Consequently, we ruled out that the decomposed model would fit better than Model 1.

Third, it is likely that the significance of interaction effects when entered the model altogether may be inflated. Thus, we tested the model by including interaction effects one at a time to test whether each interaction effect remained significant. In each case, we found each interaction effect to be significantly related to export venture dynamic capabilities.

Fourth, we tested a series of three-way interaction effects by using PROCESS macro (Model 11) (Hayes, 2018). Among all, the three-way interaction effect of process thinking skills, learning orientation, and scope of export experience was found to be significantly related to export venture dynamic capabilities. We further examined the nature of the three-way interaction effect. We found that this effect was related significantly to export venture dynamic capabilities (b = .186, $p < .01$). The indirect effect of process thinking skills on sales growth (b = .132, $p <$ .01, 95% CI [.009; .320]) and financial performance (b = .081, $p < .01$, 95% CI [.002; .190]) is significant, with no significant direct effect on either sales growth or financial performance. The two-way interaction effect of process thinking skills and learning orientation was negative when scope of export experience is low (b = -.374, $p < .01$) but this effect was positive when such scope is high (b = .288, $p < .05$). Moreover, process thinking skills has the strongest effect (b = .917, $p < .01$, 95% CI [.432; 1.403]) on export venture dynamic capabilities when both learning orientation and scope of export experience are high. However, the effect of process thinking skills on dynamic capabilities turns negative and insignificant (b = -.272, *ns*, 95% CI [-.650; .106]) when learning orientation is high but scope of export experience low. Although the effect is not significant when learning orientation is low and scope of export experience high (b = .333, *ns*, 95% CI [-.023; .688]), we found that the effect is positive and significant when both learning orientation and scope of such experience are low (b = .487, $p < .01$, 95% CI [.238; .736]).

Discussion and Implications

The main purpose of this study is to examine drivers of dynamic capabilities in export product–market ventures. We build on the micro-foundations perspective of competitive advantage to investigate how process thinking skills of export managers affect export venture dynamic capabilities, which in turn play an important role in the determination of enhanced export venture sales growth and financial performance. Results show the significance of export manager's process thinking skills in facilitating the development of dynamic capabilities and enhanced performance outcomes in export ventures. Post hoc mediation analysis reveals that export managers' process thinking skills have an indirect effect on export performance through export venture dynamic capabilities. Moreover, we draw on achievement goal theory to investigate how this link is affected by export managers' goal orientations. Interestingly, the evidence cited here amply demonstrates that, while prove orientation has a positive effect on the process thinking skills–export venture dynamic capabilities relationship, both learning orientation and avoid orientation negatively condition the beneficial effect of managers' process thinking skills in export ventures. In addition, the study reveals the importance of certain exporter characteristics in moderating this relationship. Specifically, the duration of export venture experience positively conditions the impact of export managers' process thinking skills, but the number of regions that the firm exports to (scope of export experience) appears not to have any discerning effect. These results have important theoretical and pragmatic implications, which are discussed subsequently.

Theoretical implications

The export marketing literature has paid particular attention to the role that managerial characteristics play in influencing export engagement, development and success. Reference has

been made to factors including the foreign orientation of export managers (e.g., Holzmuller and Kasper, 1990), their individual values (Sousa et al., 2010), and their dynamism and aggression (e.g., Da Rocha et al., 1990). Research on managerial influences on firms' export behavior—broadly classified into objective-general (e.g., age, education, professional experience), objective-subjective (e.g., ethnic origin, time spent abroad, overseas travel), subjective-general (e.g., risk tolerance, innovativeness, flexibility) and subjective-specific (e.g., risk, profit, growth, complexity perceptions) (see for review Leonidou et al., 1998)—lacks a well-defined theory-based conceptual framework that links managerial characteristics to export development and performance (Leonidou et al., 2002; Sousa et al., 2008). Unlike this largely atheoretic body of knowledge, this study is grounded in the micro-foundations perspective and investigates the role of export managers' process thinking skills in building dynamic capabilities that are critical in sustaining successful export venture operations. We extend the strand of research on managerial characteristics in exporting by highlighting the significance of implementation- and improvement-related process thinking skills of export managers in enhancing export venture dynamic capabilities and, in turn, facilitating improved export performance outcomes.

Our study falls within the scope of numerous studies that explore the relationships between the personality traits, motivational orientations, leadership characteristics, and cognitive styles of CEOs and/or senior managers and firm processes and performance (e.g., Delgado-Garcia and De La Fuente-Sabaté, 2010; Kiss et al., 2020; Tang et al., 2018; Wowak et al., 2016). The present work extends this body of research in strategic management to the context of international marketing. To our knowledge, this is the first empirical effort that applies micro-foundational logic to examine how managers' process thinking skills and goal orientations affect dynamic capabilities and performance in export product–market ventures. We deepen

understanding concerning the impact of managers' goal orientations within the context of export marketing by highlighting that, while export managers' learning and avoid orientations play an off-setting role in the impact of their process thinking skills in capability generation, prove orientation reinforces the beneficial effect of process thinking skills on export venture dynamic capabilities.

Several scholars theorize that access to or acquisition and deployment of valuable, rare, inimitable and non-substitutable resources is needed to generate capabilities and increase firm performance (e.g., Augier & Teece, 2009; Barney et al., 2001). However, company resources and competences would not be sufficient to achieve and sustain competitiveness in a dynamic market if it lacks ability to integrate, build and reconfigure these resources and competences (Augier and Teece, 2009). Extant empirical research also supports the crucial role of dynamic capabilities on the link between a firm's resources and performance. For example, Wu (2007) finds that entrepreneurial resources do not contribute to firm performance unless firms use these resources to generate dynamic capabilities. Likewise, in the exporting context, Morgan et al.'s (2004) research suggests that superior resources available to the export venture lead to superior capabilities, which in turn influence the competitive strategy chosen and the achievement of positional advantage in the export venture market. The conceptual framework of this study indicates that, if an exporting firm utilizes a manager's process thinking skills to improve the ability to sense, seize, and reconfigure (i.e., dynamic capabilities) and thus respond to changing market requirements, the firm will then enhance its export venture performance outcomes. We add to this stream of research by empirically demonstrating that the positive relationships of managers' process thinking skills with export venture sales growth and financial performance are mediated by export venture dynamic capabilities.

Although the international business literature is informative as regards the significance of experiential knowledge in the development of capabilities to pursue and succeed in foreign market operations (e.g., Leonidou and Katsikeas, 1996; Sheng et al., 2015), there is a dearth of work that considers how actual experience about foreign market activities influences capability building driven by process thinking skills of export managers. We add to the body of existing knowledge by offering empirical evidence that points to the critical importance of experiential knowledge gained from export venture engagement. While our findings lend support to the beneficial effect of the duration of export venture experience on the capability-enhancing role of process thinking skills, we observe that the scope of the firm's exporting experience reflected in the number of regions in which it operates has no discerning conditioning effect. Nonetheless, additional analysis reveals that, as the number of regions (in which the exporter operates) increases, the manager's learning orientation becomes more instrumental in moderating the positive effect of process thinking skills on dynamic capabilities, but such an effect does not exist when the firm operates in a relatively small number of regions and in the cases of prove and avoid goal orientations. This evidence should, however, be considered with caution, as more research is needed to more systematically examine interactive effects between different aspects of foreign market experience and types of goal orientations on process thinking skills' implications for dynamic capabilities and performance outcomes in international marketing.

Managerial and public policy implications

Our research findings have important implications for companies involved in or intend to initiate internationalization and establish regular exporting activities. First of all, the study highlights the significant role of managers' process thinking skills in development successful export business. Exporting firms should find advantage not only in identifying and recruiting

managers that possess process thinking skills, but also in developing a positive environment within the firm that enables their managers to further develop and productively utilize these skills to be able to fully understand dynamic foreign market conditions, which are likely to differ from those in the domestic market (e.g., Spyropoulou et al., 2018), and design and implement suitable export venture strategies and marketing programmes. It is vitally important that export business practitioners exhibit capability-building skills that would enable them to effectively implement current and new processes associated with their export ventures and improve existing ones to better address problems in the foreign market, facilitate change in export marketing processes, and simplify how basic export venture tasks are performed.

Our findings point to the relevance and importance of managers' goal orientations in influencing the impact of their process thinking skills on dynamic capabilities in export ventures. Exporters should consider that managers' learning and avoid orientations have a detrimental effect of process thinking skills on capability building in export venture operations. It appears that each of these goal orientations has an off-setting effect on the role of process thinking skills. This implies that, in developing dynamic capabilities, facilitating strong sales growth and financial performance in export ventures, managers in exporting firms do not need to exhibit strong learning and/or avoid orientations together with process thinking skills. Nevertheless, exporters should take account of the positive role of managers' prove orientation in reinforcing the favourable effect of their process thinking skills' on the exporting firm's ability to sense, seize and transform and, thus, respond to changing conditions in its export venture business operations.

In addition, we show that in their efforts to enhance dynamic capabilities and performance outcomes in export ventures, managers should seek to build and strengthen the

acquisition of knowledge from actual operations with a specific export venture. While the scope of the firm's operations in a variety of export markets does not seem to be beneficial for the role that process thinking skills play in capability building and export venture performance, the length of the firm's experience with a particular export venture appears influential in process thinking skills' capability-enhancing role. Because export venture-specific experiential knowledge is often tacit and quite difficult to communicate, firms should pay attention to storing and processing export venture-related data and making them available to all those within the firm that are involved in the activities of the specific venture. This will help to maximize the benefits from such export venture experience by assisting individuals involved in venture-related work to better perform their tasks, facilitate capability building and enhance sales growth and financial performance in the export venture.

This research has important implications for public policy makers responsible for the design and implementation of optimal export promotion programmes. Importantly, to ease increasing trade deficit pressures, policy makers should widen the scope of export promotion, traditionally focused on initiating internationalization, to include export assistance measures that support firms' ongoing involvement and commitment to exporting and facilitate their export development and success (Spyropoulou et al., 2018). The study findings imply that, to this end, export promotion administrators should find it prudent to assist exporting firms in improving their dynamic capability base in export venture activities through training export managers. That is, export knowledge-based development and training programmes should target business practitioners in exporting firms and help them to enrich their ability to implement and improve current and new export venture processes that enable exporters to be better able to respond to changing conditions in export venture markets and operations. Attention should also be given to

the evidence concerning the role of managers' goal orientations that highlights the boosting effect of avoid orientation, as opposed to the inhibiting influences of learning and prove orientations, on the capability-enhancing role of process thinking skills. Furthermore, export training programs should emphasize the significance of experiential knowledge gained from a focus on individual export ventures, rather than from the firm's efforts spread over the establishment and development of many ventures across diverse market areas worldwide.

Limitations and Future Research Directions

The findings should be interpreted in light of some limitations, due in part to research design choices we had to make. First, we collected the data in two points in time to reduce concerns about common factor bias as much as possible. However, we measured managers' process thinking skills, goal orientations, and export venture dynamic capabilities during the same time period. Although we control for common method bias in an ex-post manner and take it into account in model estimation, it is not possible to completely eliminate common method bias. Future studies may replicate and generalize the results of our study using a strictly longitudinal research approach to mitigate common method bias.

Second, we measured export venture performance in Time 2. However, using managers' responses to measure export venture performance may still be considered a limitation of our study. Despite the fact that formal financial statements and reports do not provide data on individual export product–market ventures (Morgan et al., 2004), an attempt should be made among export marketing researchers to incorporate some objective indicators into the assessment of export venture performance.

Third, we conducted our study on small- and medium-sized exporting firms operating in Turkey, which is a country with significant involvement in export trade. It would be interesting if the model we propose in this study is tested using data that are collected from exporting companies of similar and different scales in other countries, which would help to assess the extent to which the present study findings are generalizable to other settings.

Fourth, there is a need for more studies using the micro-foundational approach within the context of exporting firms. Although a significant amount of such research has been carried out in the field of strategic management, the limited number of studies on companies involved in international market operations offers great opportunities for future research efforts on the subject. We conducted this study based on managers' cognitive styles (i.e., process thinking skills) and goal orientations. Future researchers may undertake studies that address other micro-foundational factors such as managers' leadership styles and personality traits that are likely to contribute to the development of dynamic capabilities.

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Table 1
Measurement Models

Models and Scales	Loadings
Model 1: (χ^2 = 441.14; df = 242; GFI = .839; TLI = .926; CFI = .935; RMSEA = .064)	
Learning Orientation (α = .91; AVE = .68; CR = .91)	
At work, I am willing to select a challenging work assignment that I can learn a lot from	.823
I often look for opportunities to develop new skills and knowledge	.851
I enjoy challenging and difficult tasks where I'll learn new skills	.897
For me, further development of my work ability is important enough to take risks	.812
I prefer to perform in situations that require a high level of ability and talent	.718
Prove Orientation (α = .89; AVE = .67; CR = .89)	
I like to show that I can perform better than my coworkers	.783
I try to figure out what it takes to prove my ability to others	.855
I enjoy it when others at work are aware of how well I am doing	.809
I enjoy it when others are aware of how well I am doing	.829
Avoid Orientation (α = .84; AVE = .58; CR = .84)	
I would avoid taking on a new work task if there were a chance that I would appear rather incompetent to others	.719
Avoiding a show of low ability is more important to me than learning a new skill	.650
I'm concerned about taking on a task if my performance would reveal that I had low ability	.824
I prefer to avoid situations where I might perform poorly	.831
Process Thinking Skills	
Implementation (α = .89; AVE = .60; CR = .90)	
I have a very good memory for how to do things at export venture related work	.672
I only need to do something once at export venture related work to remember how to do it	.610
I am very good at managing my time and activities at export venture related work	.770
I am very good at prioritizing export venture related work tasks and activities	.847
I am very good at thinking about how a whole lot of export venture related operational tasks and procedures fit together	.872
I am very good at action planning at export venture	.822
Improvement (α = .85; AVE = .55; CR = .86)	
I am very good at finding where the problems are in an export venture related work process	.805
I am able to understand quickly complex processes at export venture related work	.775
I am very creative and out-of-the-box in my thinking about how to do things at export venture related work	.698
I am very good at simplifying an export venture related work process	.781
I am very good at thinking about how one task in a work process affects future tasks at the export venture	.636
Model 2: (χ^2 = 513.44; df = 309; GFI = .844; TLI = .929; CFI = .938; RMSEA = .057)	
Export Venture Dynamic Capabilities	
Sensing (α = .84; AVE = .50; CR = .83)	
We observe best business practices in the export venture market	.582
We frequently scan the export venture market to identify new business opportunities	.782
We often review our product development efforts to ensure they are in line with customer requirements in the export venture market	.764
We devote a lot of time and effort implementing ideas for new products to introduce in the export venture market	.766
We spend considerable time improving our existing products to make them more attractive for the export venture market	.600
Seizing (α = .73; AVE = .50; CR = .75)	
We invest in finding solutions for our customers in the export venture market	.699
We adopt the best business practices in the export venture market	.811
We respond to defects pointed out by employees	.598
We change our practices when customer feedback gives us a reason to change	D

Reconfiguring (α = .92; AVE = .67; CR = .93)	
When conditions change in the export venture market, we are quick to eliminate resources that are no longer required to serve our customers in that market	.719
We quickly acquire new resources needed to cope with competitive changes in the export venture market	.855
In acquiring or building new resources, we always use up-to-date market knowledge and projections to guide our export venture investment decisions	.832
We are good at quickly re-aligning our resources to reflect changes in customer needs and preferences in the export venture market	.889
In acquiring new resources and eliminating old ones, we always manage to retain the critical resources required to deliver value to our customers in the export venture market	.820
When conditions change in the export venture market, we immediately revise our export marketing strategy	.798
Market Dynamism (α = .82; AVE = .54; CR = .82)	
In this export market,	
Customers' preferences change quickly over time	.735
Market demand and consumer tastes have been unpredictable	.819
Customers tend to look for new products and services all the time	.794
Market conditions are very volatile and uncertain	.575
Competitive Intensity (α = .89; AVE = .64; CR = .90)	
Competition in this export venture market is cut-throat	.864
There are many competitive actions in this export venture market	.820
Intense competition is the hallmark of this export venture market	.873
One hears of a new competitive move in this export venture market almost every day	.734
In this export venture market, anything that one competitor can offer, others can readily match	.675
Environmental Munificence (α = .88; AVE = .65; CR = .88)	
The demand for the export venture product in this export venture market is strong and growing	.918
There is potential for high sales growth in this export venture market	.958
In this export venture market, there is an abundance of resources (i.e., financial, supplies, human resources, etc.) to companies to support growth potential	.623
There is no shortage of necessary resources in this export venture market	D
This export venture market offers many opportunities for fast development.	.684
Financial Performance (Formative Scale)	
Export venture profitability	
Return on investment (ROI)	
Reaching export venture financial goals	
Export venture profit growth	
Return on sales (ROS)	

Note: All factor loadings are significant at $p < .01$ level.

α = Cronbach's alpha; AVE = Average variance extracted; CR = Composite reliability, D = deleted item.

Table 2
Descriptive Statistics and Intercorrelations

Variables	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23
1. Industry (Automotive)																							
2. Industry (Chemicals)	-.214**																						
3. Industry (Electrical Appl.)	-.196**	-.217**																					
4. Industry (Furniture)	-.168*	-.186**	-.171*																				
5. Industry (Textile)	-.257**	-.284**	-.262**	-.224**																			
6. Overseas Distributor	-.149*	.069	.092	.002	-.186**																		
7. Direct Selling	.104	.025	-.025	-.092	.038	-.381**																	
8. B2B	.070	.025	.004	-.010	.007	-.136	.042																
9. Both B2B and B2C	-.055	.022	.046	-.013	-.090	.142*	.065	-.664**															
10. Firm Size (ln)	-.094	-.045	.069	-.062	.148*	.047	-.042	.150*	-.060														
11. Firm Age (ln)	.031	.057	.149*	-.139*	-.046	-.060	.067	.129	-.123	.299**													
12. Competitive Intensity	.032	.046	-.149*	-.003	.148*	-.067	-.086	-.151*	.099	.073	-.172*												
13. Environmental Munificence	.052	.146*	.001	-.020	-.128	-.012	-.006	-.066	.137	.060	-.101	.221**											
14. Market Dynamism	.053	-.117	-.119	.193**	.084	-.083	-.163*	-.120	-.045	.041	-.162*	.347**	.218**										
15. Process Thinking Skills	.109	.078	-.060	-.051	.052	-.013	-.129	.024	-.030	.057	-.073	.287**	.346**	.248**									
16. Dynamic Capabilities	.031	.018	-.087	.029	.090	-.032	.018	.031	.092	.069	-.154*	.360**	.403**	.274**	.460**								
17. Learning Orientation	.065	.160*	-.152*	-.080	-.013	.027	-.042	.019	-.023	.014	.021	.222**	.208**	.102	.594**	.316**							
18. Prove Orientation	.078	-.020	-.106	-.065	.056	.043	-.008	.006	-.046	.186**	-.009	.117	.110	.096	.265**	.190**	.326**						
19. Avoid Orientation	.088	-.079	.025	-.047	-.019	-.034	.103	.015	.016	.067	-.023	.040	.108	.138*	-.096	.085	-.168*	.288**					
20. Duration of Vent Exp. (ln)	-.073	-.020	.017	-.113	.185**	-.044	-.029	.061	.028	.282**	.144*	.042	.104	-.080	.081	.026	.015	-.008	.108				
21. Scope of Export Exp.	.060	.101	.151*	.018	-.163*	.078	-.058	.072	-.052	.259**	.161*	-.001	.061	.024	.160*	.111	.178*	.170*	-.109	-.016			
22. Sales Growth	-.031	.061	-.009	-.048	.010	.114	.021	-.035	.178*	.028	-.018	-.112	.203**	.017	.154*	.216**	.140*	.023	.017	.140*	-.023		
23. Financial Performance	-.152*	.108	.027	-.119	.075	.092	.056	-.110	.209**	.144*	-.100	.010	.183**	.035	.170*	.225**	.124	.056	.109	.108	.018	.620**	
Mean	-	-	-	-	-	-	-	-	-	5.26	3.95	5.24	4.73	4.39	5.72	5.28	5.80	4.66	3.41	1.70	3.61	4.36	4.88
SD	-	-	-	-	-	-	-	-	-	.42	.27	1.35	1.36	1.44	.83	1.02	1.01	1.58	1.68	.68	1.78	1.64	1.16

Note: Base category for industry, distribution channels, and customer type is agricultural products, agents, and B2C, respectively.
*p < .05; **p < .01 (two-tailed test)

Table 3
Path Analysis Results

	Model 1: Main Effects Model						Model 2: Full Model (with Interaction Effects)					
	Dynamic Capabilities		Sales Growth		Financial Performance		Dynamic Capabilities		Sales Growth		Financial Performance	
Variables	**b**	**SE**	**b**	**SE**	**b**	**SE**	**b**	**SE**	**b**	**SE**	**b**	**SE**
Control Variables												
Industry (Automotive)	-.083	.247	.188	.453	-.377	.317	.118	.246	.188	.453	-.377	.317
Industry (Chemicals)	-.081	.235	.287	.434	.213	.304	.142	.234	.287	.434	.213	.304
Industry (Electronics)	-.021	.241	.142	.442	.068	.310	.168	.242	.142	.442	.068	.310
Industry (Furniture)	.128	.252	.050	.469	-.369	.329	.287	.247	.050	.469	-.369	.329
Industry (Textile)	.231	.232	.329	.428	.133	.300	.410	.231	.329	.428	.133	.300
Distribution Channel (Overseas Distributor)	.095	.137	.416	.256	.170	.179	.169	.135	.416	.256	.170	.179
Distribution Channel (Direct Selling)	.197	.144	.119	.268	.193	.188	.172	.141	.119	.268	.193	.188
Customer Type (B2B)	.448**	.157	.249	.300	-.068	.210	.390*	.153	.249	.300	-.068	.210
Customer Type (Both B2B and B2C)	.389*	.163	.733*	.309	.359	.216	.362*	.158	.733*	.309	.359	.216
Firm Size (ln)	-.038	.156	.017	.292	.440*	.205	.019	.153	.017	.292	.440*	.205
Firm Age (ln)	-.220	.230	-.035	.430	-.583	.301	-.290	.224	-.035	.430	-.583	.301
Competitive Intensity	.126**	.047	-.331**	.090	-.131*	.063	.098*	.046	-.331**	.090	-.131*	.063
Market Dynamism	.061	.046	.093	.087	.029	.061	.065	.045	.093	.087	.029	.061
Environmental Munificence	.165**	.046	.141	.088	.053	.062	.162**	.045	.141	.088	.053	.062
Main Effects												
Manager's Process Thinking Skills	.356**	.094					.348**	.095				
Export Venture Dynamic Capabilities			.314*	.127	.183*	.089			.314*	.127	.183*	.089
Moderating Variables												
Learning Orientation	.062	.075	.202	.124	.148	.087	.072	.074	.202	.124	.148	.087
Prove Orientation	.016	.042	-.029	.079	-.043	.055	.006	.042	-.029	.079	-.043	.055
Avoid Orientation	.038	.038	.003	.072	.077	.050	.074	.039	.003	.072	.077	.050
Duration of Export Venture Experience (ln)	-.051	.090	.287	.169	.073	.118	-.090	.087	.287	.169	.073	.118
Scope of Export Experience	.053	.036	-.077	.067	-.003	.047	.032	.036	-.077	.067	-.003	.047
Interaction Effects												
Process Thinking Skills x Learning Orientation							-.148*	.069				
Process Thinking Skills x Prove Orientation							.147**	.054				
Process Thinking Skills x Avoid Orientation							-.130**	.049				
Process Thinking Skills x Duration of Venture Exp.							.384**	.126				
Process Thinking Skills x Scope of Export Experience							.057	.042				
Common Method Correction	-.106	.086	-.119	.161	-.057	.113	-.262**	.102	-.119	.161	-.057	.113
Endogeneity Correction			.090	.093	-.017	.065			.090	.093	-.017	.065
R^2	**.402**		**.190**		**.203**		**.452**		**.190**		**.203**	

Note: Base category for industry, distribution channels, and customer type is agricultural products, agents, and B2C, respectively.
*p < .05; **p < .01 (two-tailed test)

Figure 1
Model

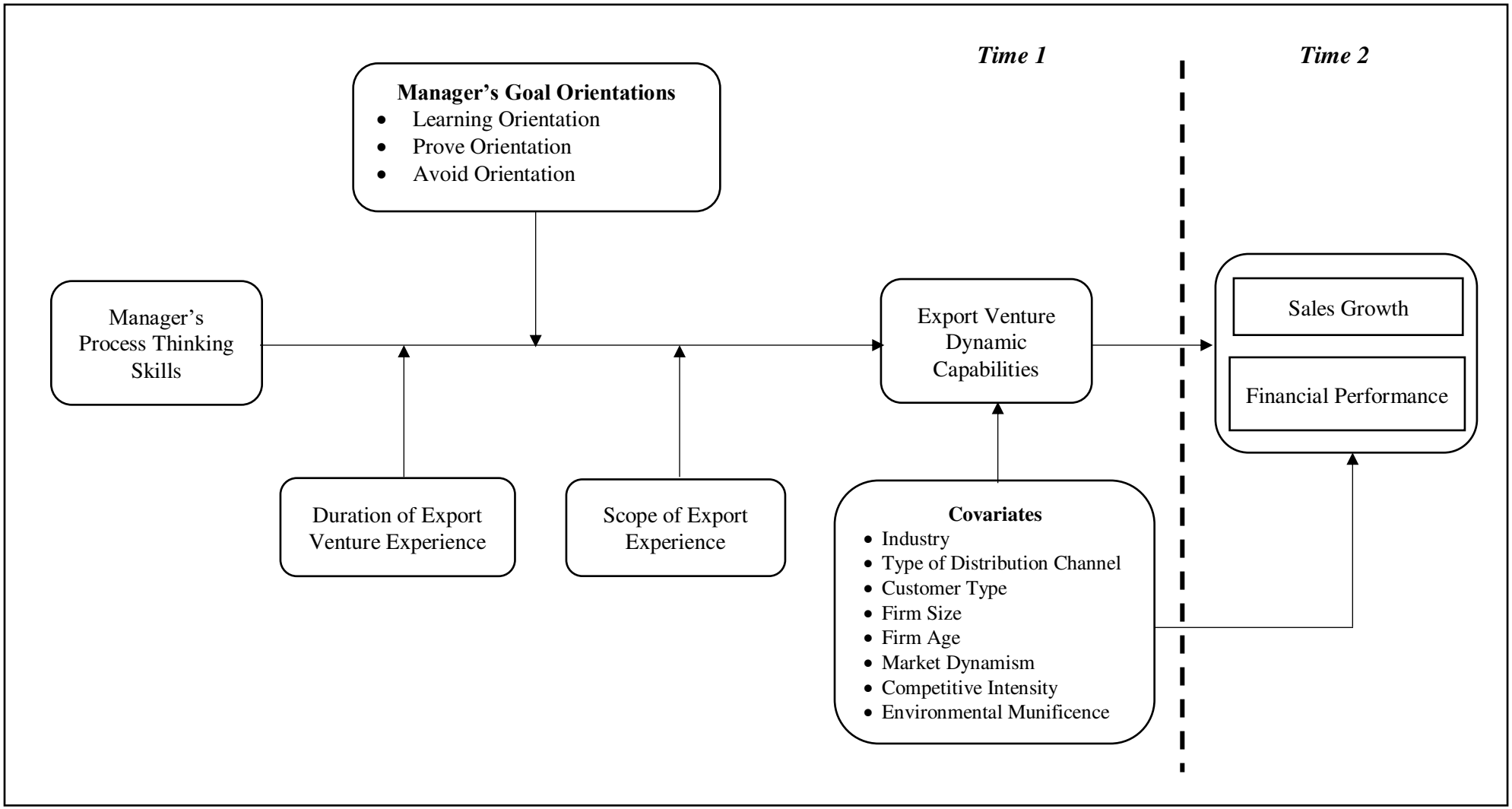


Figure 2
Moderating Role of Learning Orientation

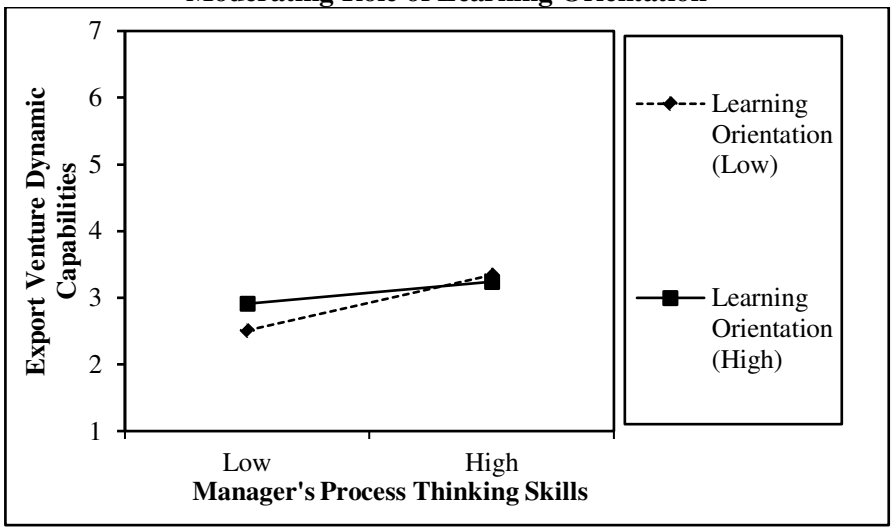


Figure 3
Moderating Role of Prove Orientation

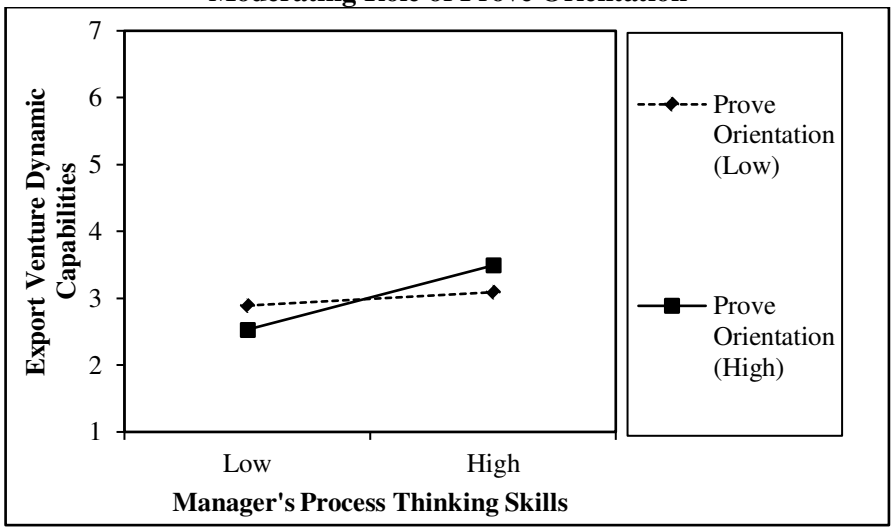


Figure 4
Moderating Role of Avoid Orientation

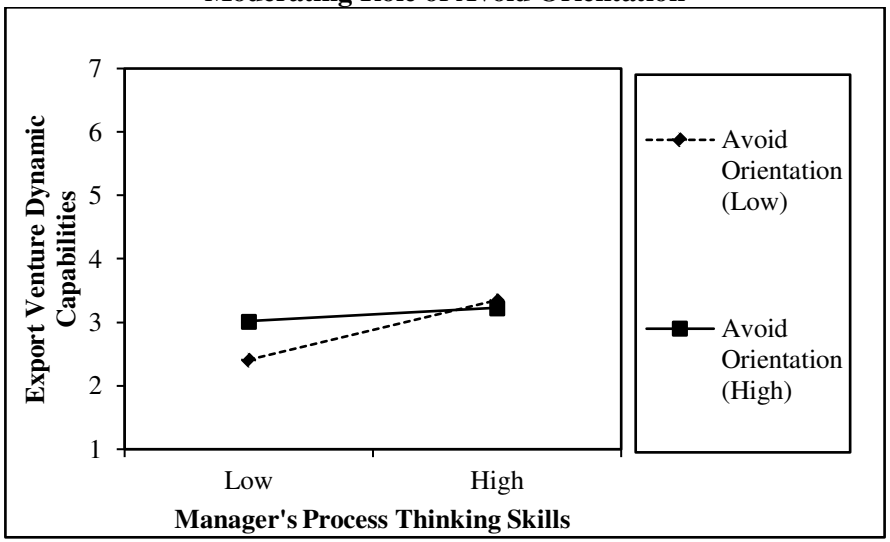


Figure 5
Moderating Role of Export Venture Experience

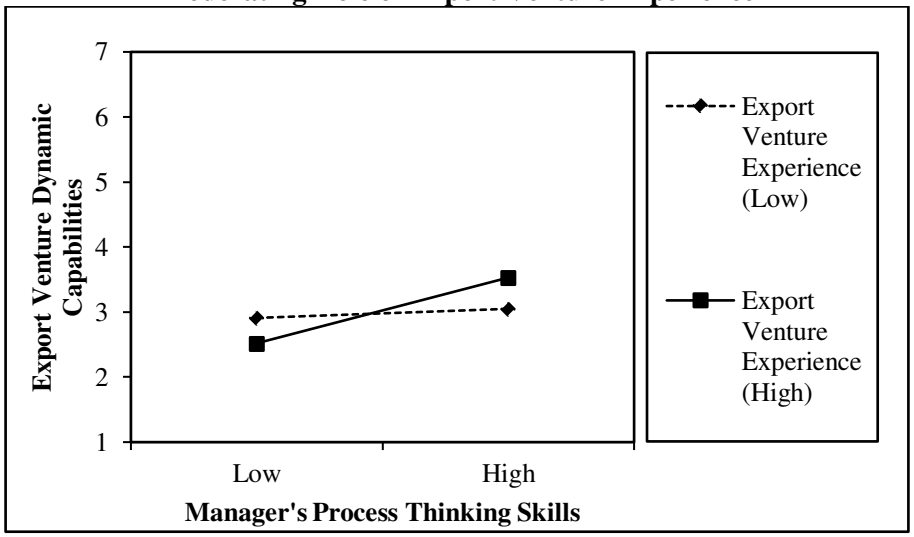
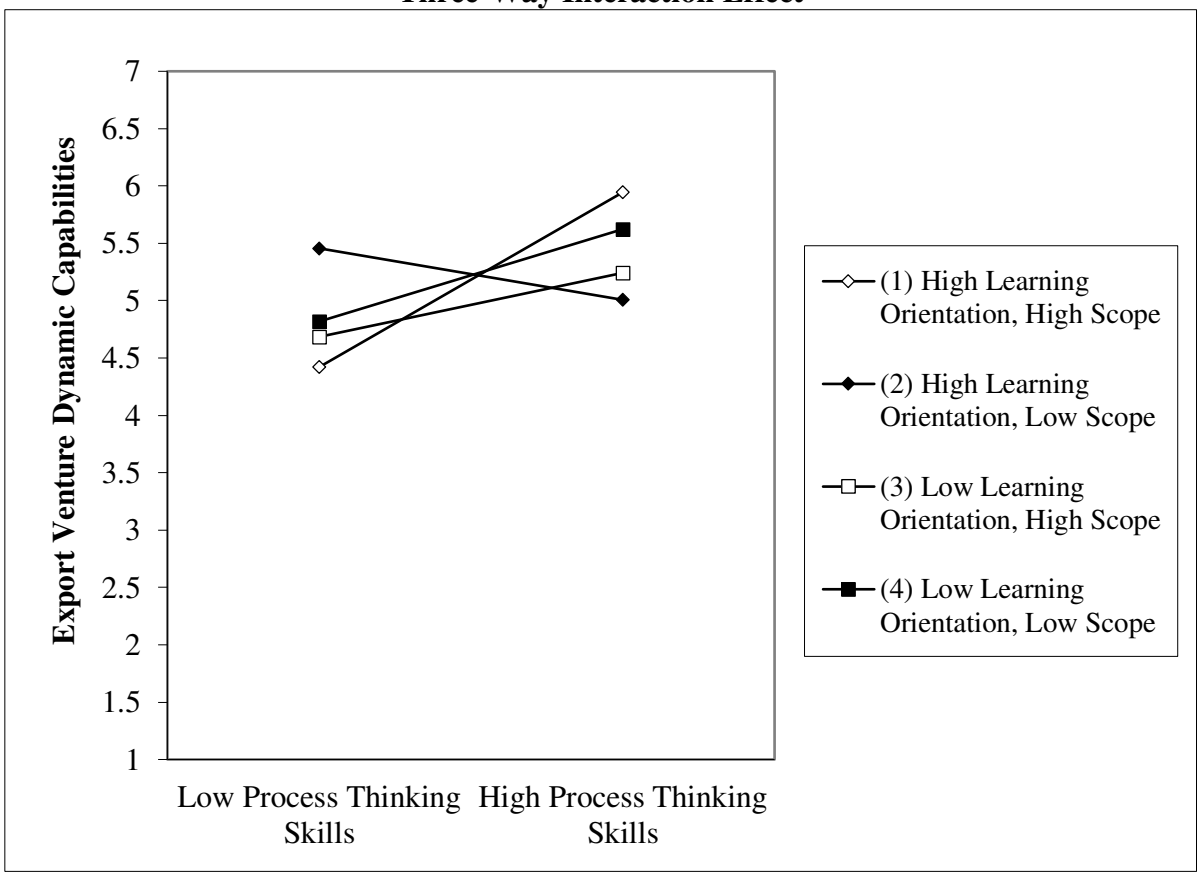


Figure 6
Three-Way Interaction Effect



Slope Difference Tests		
Pair of slopes	t-value for slope difference	p-value for slope difference
(1) and (2)	4.164	0.000
(1) and (3)	2.843	0.005
(1) and (4)	1.602	0.111
(2) and (3)	-1.901	0.059
(2) and (4)	-3.692	0.000
(3) and (4)	-0.857	0.393