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## The effect of entrepreneurial orientation on the export performance of apparel industry

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### CHRONICLE

#### Article history:

Received October 2, 2020  
Received in revised format  
November, 10, 2020  
Accepted December 20 2020  
Available online  
December 24 2020

#### Keywords:

Entrepreneurial Orientation  
Export Performance  
Innovativeness  
Proactiveness  
Risk-taking

### ABSTRACT

This study examines the impact of entrepreneurial orientation (EO) dimensions on the apparel industry's export performance. EO considers as innovativeness, proactiveness, and risk-taking dimensions. The determinants of export performance are firms' financial, strategic, and satisfaction levels of performance. A cross-sectional survey is carried out by providing a questionnaire to high-level managers and owners of the MLEs. Primary data of 339 treated by partial least squares (PLS-SEM) technique examines EO dimensions' impact on export performance. The findings of this study revealed that innovativeness and proactiveness positively and significantly impact export performance. However, risk-taking dimension does not affect export performance.

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## 1. Introduction

The growing businesses measure the firms' ability to export products and services outside of their domestic markets. Insufficient resources and capabilities are the crucial factors to hamper the firms' export performance in foreign markets (Arteaga-Ortiz & Fernández-Ortiz, 2010). Moreover, EO supports the RBV theory which assures the competitive advantage for firms' growth and success. Presently, the Bangladeshi apparel industry is in a complex, turbulent, and globalized context. Several studies claimed the industry's challenges (innovative products and supply chain, networking and communication, product and market diversification, modern technologies, and social compliance) to exert its expected performance in foreign markets (Nuruzzaman, 2013; 2015; Chowdhury et al., 2018; Barua et al., 2018; Carlson & Bitsch, 2018; Khan et al., 2019; Haque & Azmat, 2015). It has become crucial to identify key strategic factors that affect and increase growth in the international markets and contribute to sustainable performance.

EO considers as a strategic determinant that plays a vital role in formulating business and economic policies. Besides, by adding values with EO, it is possible to enhance business firms' performance in the international marketplace. However, in practice, EO's real importance in business expansion, survival, and development are still absent in many companies. This article aims to examine the impact of EO dimensions on the export performance of the apparel manufacturing MLEs in Bangladesh. No study has clarified how to increase export, crucial for Bangladesh's economic development as it is the main source of foreign exchange earner (83.4% export earnings, EPB, 2018). The industry is vital for its economic development with a 15% GDP contribution (BBS, 2018; Ara et al., 2019) and (4.4 million, BGMEA, 2018) employment generation.

Entrepreneurial orientation comes from the entrepreneurship concept, which measures firms' entrepreneurial degrees based on innovativeness, risk-taking, and proactive behavior (Miller, 1983). From its inception, EO and firm performance relationship is an on-going debate among the scholars of strategic management fields (Su, Xie & Wang, 2015). EO is a crucial strategic intent that influences firm performance (Rauch *et al.*, 2009; Mahmood & Hanafi, 2013; Wales *et al.*, 2013).

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Many scholars provided evidence of the positive association between EO and firm performance (Boso et al., 2013; Boso et al., 2016; Neneh & Van Zyl, 2017; Zhang & Zhang, 2012; Zulkifli & Rosli, 2013). On the contrary, some studies have found no relationships between them (George et al., 2001; Covin et al., 1994). And others have revealed mixed findings between EO and export performance relationships (Franca & Rua, 2017; Chin et al., 2016; Feder, 2015; Felzensztein et al., 2015). Moreover, several prominent studies claimed EO and firm performance relationship contextual nature might vary based on country context, methodology, and sample size (Fayolle, Basso, & Bouchard, 2010; Rauch et al., 2009).

## 2. Literature Review

### 2.1 Export Performance

Export performance refers to firms' success or failure of locally produced products and services sold in other countries. According to Cavusgil & Zou (1994), a company starts its export operations to achieve particular goals; those can be economical or strategic. Economic goals can be by increasing profits or sales volume, whereas strategic can be market diversification, increasing market share, and increasing brand reputation—the critical discussion of the past few studies on export performance measures below.

Beleska-Spasova (2014) and Chen *et al.* (2016) have comprehensively studied export performance determinants. Both of the studies have found the limitations and inconsistencies among the large numbers of previous export performance literature in the context of determinants and measures. Beleska-Spasova (2014) has found the necessary export performance measures covered in Zou *et al.*'s (1998) study. The study adapted that EXPERF Scale is the valid generalized measure for export performance evaluation as it has multi-faceted export measures elements. The EXPERF scale has empirically validated in both US and Japanese exporters (Zou *et al.*, 1998), UK and Australia (Styles, 1998), and British exporters (Beleska-Spasova & Glaister, 2012) to strengthen its value as a valid rationalized export performance measure. The current study has chosen the EXPERF scale to examine firms' export performance based on the above conversation.

### 2.2 EO Dimensions and Export Performance

Entrepreneurial orientation has become essential for business firms' growth and performance, acknowledged in the strategy and entrepreneurship literature (Covin & Slevin, 1991; Lumpkin & Dess, 2001). Covin & Slevin (1989) argued EO is a business firm's ability to engage in innovation activities, risky ventures, and substantial involvement in proactive innovations of market, product, or process. Miller (1983) has conceptualized entrepreneurial firms as having three characteristics innovativeness, risk-taking, and proactiveness. The dimensions of EO and their impact on export performance discuss below.

### 2.3 Innovativeness and export performance

Innovativeness indicates a firm's quality to pursue creativity through investing in research and development activities (Ketchen & Short, 2012). Innovative activities of a firm reflect through its engagement with new ideas, products, processes, markets, and advertisement activities (Hult *et al.*, 2004; Damanpour, 1991) to ensure firms' sustainable performance (Chen, Chang, Yeh & Cheng, 2015). The dimensions of entrepreneurial orientation help a firm gain competitive advantages in the competitive markets through product, market, and technological newness (Ketchen & Shorter, 2012). Several past studies have critically explained the effect of innovativeness on firm performance.

Habib et al. (2020) conducted their study by investigating the impact of green EO, MO, and GSCM practices on the sustainable export performance of Bangladesh's apparel manufacturing firms. The study has applied "green" as an innovative strategic intent on EO, MO, and SCM to examine firms' performance. However, the study revealed the positive impact of green entrepreneurial orientation, MO, and GSCM on sustainable performance (social, economic, and environmental) of apparel firms. Bıcakcıođlu-Peynirci et al. (2019) has conducted a study to find the impact of firms' innovation activities on export performance. The study has found a significant relationship between innovation activities of companies and export performance. Rua and Franca (2016) studied the effect of EO dimensions on Portuguese footwear SMEs' export performance. The research revealed EO enhances export performance through innovative activities, for example, product and market innovation.

But Boso *et al.* (2013) have explored the different ideas of innovation with export performance in their study in Ghana, Bosnia, and Herzegovina on exporting firms. The study indicated that innovativeness works well when the firms are operating in competitive and dynamic markets. On the contrary, the firms' innovativeness is not beneficial when they are less competitive and static. Moreover, Chin *et al.* (2016) revealed the negative impact of innovation on firms' internationalization among the Chinese global start-up OEMs (Original equipment manufacturers). In the same line, Silva et al. (2017) and Love and Roper (2015) both found inconsistencies (insignificant) between the associations of innovation and export performance. So relied on the above discrepancies hypothesis is below.

**H<sub>1</sub>:** *Innovativeness is positively and significantly associated with firms' export performance.*

## 2.4 Risk-taking and export performance

Risk is the fundamental aspect of the entrepreneurial process; entrepreneurship is an uncertain activity (McMullen & Shepherd, 2006). As a result, an entrepreneurial firm needs to bear a high level of internal and external uncertainties. Risk-taking denotes organizations' intent to engage with uncertain outcomes to seize opportunities by investing in many resources (Lumpkin & Dess, 1996). Ketchen & Short (2012) suggested that a firm's risk-taking behavior indicates managers' calculative and bold actions rather than cautious and avoidance tendencies. Several past studies based on risk-taking and performance relationships critically explain below.

Cannavale and Nadali (2019) conducted a study to examine EO's impact on firm performance in the Iranian knowledge-based industry. The research has revealed the positive and significant effects of risk-taking on SMEs' performance. Flores Novelo *et al.* (2016) studied EO's impact on firm performance among 41 Mexican software enterprises located in Yucatan, Mexico. The study revealed the positive and direct influences of risk-taking on firm performance. In the context of export performance, Ajayi (2016) has conducted a study to find the impact of EO and export performance of 235 Nigerian Agricultural SMEs. The research has revealed a positive and significant relationship between risk-taking and export performance. But several previous studies have found discrepancies between risk-taking and performance relationships. Yang & Ju (2018) conducted their study on EO and firm performance. They have selected 153 new ventures as a sample and used product quality as a mediating effect between the EO and performance relationship. The study has revealed that the risk-taking dimension decreases product quality, which impacts on the firms' sales performance. Moreover, the study of Kraus *et al.* (2018) examined no direct influences of risk-taking on firms' financial performance. Chin *et al.* (2016) has found no relationship of risk-taking on SMEs internationalization among Chinese start-up OEMs. So, based on the above conversation, the second hypothesis is as follows.

**H<sub>2</sub>:** Risk-taking is positively and significantly associated with firms' export performance.

## 2.5 Proactiveness and export performance

Proactiveness refers to a strategic orientation that aims to anticipate and explore opportunities in the context of products, markets, and technologies (Schillo, 2011), which is yet to discover by competitors (Ketchen & Short, 2012). It also refers first to introduce a new product ahead of competitors' and strategically shut down the business operations which are staying in the decline stage of PLC (Antoncic & Zorn, 2004). The proactive business organization always desired to be a pioneer (Anderson *et al.*, 2015) in the marketplace (new market, product innovation, and process innovation) based on advanced market research to seize new opportunities (Ketchen & Short, 2012). In the context of proactiveness and firm performance, the past studies describe below.

Cannavale & Nadali (2019) have conducted a study to examine the EO impact on firm performance in the Iranian knowledge-based industry. The research has revealed the positive and significant effects of proactiveness on SMEs' performance. Flores Novelo *et al.* (2016) studied EO and firm performance relationship among 41 Mexican software firms located in Yucatan. The findings have shown the positive and direct association of proactiveness on firm performance. Rua & Franca (2016) examined the effect of proactiveness on Portuguese footwear SMEs' export performance. The results revealed that proactiveness positively influences export performance. The study notably used some initiatives as a proactive innovation; such initiatives are an investment, dedicated human resources, market-oriented new products or services, frequent product line changes, and materialization of a long-term perspective. Ara *et al.* (2019) found a positive association between the proactiveness (green marketing strategies) and sustainable export performance of Bangladesh's apparel industry. The study added that the apparel industry's proactive green marketing strategies enhance sustainable economic, environmental, and social performance.

But Frishammar and Ake Horte (2007) found contradictory findings from their study. Their study revealed no positive relation of proactiveness on the performance of new product development. Moreover, Okangi (2019) found the negative impact of the proactiveness dimension on firms' profitability growth of 132 Tanzanian firms. Similarly, Soininen (2013) found the contradictory role between EO dimensions and performance relationship during the economic crisis in Finland with a sample of 193. The EO dimensions depicted a negative role in SMEs' performance depending on the economic crisis level. The performance outcome varies based on a different level of economic crisis. It also varies based on measures taken to measure the performance of SMEs. The study revealed a negative relation between proactiveness, innovation, and risk-taking on SMEs' profitability and growth. So based on the above statements, the third hypothesis is below.

**H<sub>3</sub>:** Proactiveness is positively and significantly associated with firms' export performance.

## 3. Methodology

This study has modeled with four research variables of innovativeness, risk-taking, proactiveness, and export performance. This study applied to face-to-face interview method of high-level managers of apparel firms as respondents. It used the purposive sampling technique to conduct the research. This study processed 339 useable questionnaires for further analysis.

It has applied the SmartPLS to analyzed data and produced measurement and structural models. The measurement model confirmed data reliability and validity. Moreover, the convergent and discriminant validities are analyzed, and then hypotheses are tested using the structural model analysis.

### 3.1 Measures

The variable of innovativeness adapted from Wong (2012); Lumpkin et al., (2009); Covin & Slevin (1989). The dimension of risk-taking from Wong (2012); Li *et al.*, (2005); Nasution *et al.*, (2011); and Saini and Martin (2009); Covin & Slevin (1989). Proactiveness from Miller (1983); McFarlin (2005); Lumpkin & Dess (2001); Jogaratnam (2002); Covin & Slevin (1989) and Beekun (2006). In export performance measurements, this study is adapted measures from EXPERF Scale of Zou *et al.* (1998).

## 4. Analysis and Findings

### 4.1 Reliability Test

To determining constructs' reliability, Cronbach's alpha and composite values analyze. Constructs' reliability denotes the confirmation of data's internal consistency (Hair *et al.*, 2014). CA values of the latent constructs innovativeness, risk-taking, proactiveness and export performance are respectively 0.813, 0.848, 0.878 and 0.835, and CR values are respectively 0.864, 0.886, 0.909 and 0.889 (Table 1). The reliability test of constructs confirms when the CA (Hair *et al.*, 2014) and CR values of all constructs are above the threshold of 0.70 (Bagozzi & Yi, 1988). Table 1 depicts the reliability test requirements, which ensures the CA and CR values above 0.70 as a good internal consistency (Hair *et al.*, 2012).

**Table 1**  
PLS Measurement Model and Properties

Const.	Item	Loading	AVE	CR	CA	Const.	Item	Loading	AVE	CR	CA
	I1	0.829					P1	0.806			
	I2	0.817					P2	0.773			
	I3	0.823					P3	0.829			
	I4	0.738					P4	0.827			
INNO	I5	0.858	0.570	0.864	0.813	PROC	P5	0.764	0.571	0.909	0.878
	I6	0.843					P6	0.756			
	I7	0.820					P7	0.718			
	I8	0.836					P8	0.851			
	I9	0.850									
	R1	0.839					FP1	0.910			
	R2	0.805					FP2	0.757			
	R3	0.787					FP4	0.763			
	R4	0.852					FP5	0.920			
RISK	R5	0.728	0.591	0.886	0.848	FEP	FP6	0.862	0.559	0.889	0.835
	R6	0.729					FP7	0.873			
	R7	0.829					FP8	0.903			
	R8	0.818					FP9	0.773			
	R9	0.833									

### 4.2 Convergent Validity

The convergent validity of all constructs analyze in this study. Constructs' convergent validity establishes when all constructs' AVE values are above 0.50 (Fornell & Larcker, 1981). Table 1 shows that constructs' AVE values are higher than 0.50, confirming all constructs' convergent validity in this study. Moreover, to ensure the constructs' convergent validity, Bagozzi and Yi (1988) recommended, the item loading values should be above 0.60. Table 1 shows the item loading values of constructs are above 0.60. Later on, Table 3 shows the significant values of item  $t > 1.96$ , assuring convergent validity at the indicator level. Finally, both AVE and item loading values, respectively above 0.50 and 0.60 affirm the constructs' convergent validity.

### 4.3 Discriminant Validity

Indicators' cross-loading values confirm the constructs' discriminant validity in the measurement model. Duarte & Raposo (2010) clarify that measuring a particular latent construct's discriminant validity shows its variation from other latent constructs. Moreover, Chin (1998) explained the condition of discriminant validity confirmation and said the cross-loading values of other constructs must be lower than the indicators' loadings of the measured construct. In this study, Table 2 shows the criteria where the cross-loading values of other constructs are below 0.50 (Hair *et al.*, 2012). On the contrary, the indicators' values of measured constructs are higher compared with other constructs' cross-loading values, which confirms the measurement model's discriminant validity (Chin, 1998).

**Table 2**  
Factor Loadings and Cross-Loadings

	CONST	FEP	INNO	PROC	RT	CONST	FEP	INNO	PROC	RT
FEP1	0.910	0.410	0.383	0.493	0.493	P1	0.383	0.469	0.806	0.374
FEP2	0.757	0.228	0.320	0.384	0.384	P2	0.324	0.427	0.773	0.337
FEP4	0.763	0.227	0.292	0.352	0.352	P3	0.340	0.454	0.829	0.330
FEP5	0.920	0.353	0.364	0.473	0.473	P4	0.335	0.374	0.827	0.361
FEP6	0.862	0.361	0.429	0.429	0.429	P5	0.358	0.298	0.764	0.451
FEP7	0.873	0.127	0.089	0.063	0.063	P6	0.322	0.400	0.756	0.496
FEP8	0.903	0.294	0.436	0.457	0.457	P7	0.223	0.153	0.718	0.324
FEP9	0.773	0.147	0.169	0.065	0.065	P8	0.393	0.465	0.851	0.444
I1	0.237	0.829	0.429	0.304	0.304	R1	0.422	0.335	0.443	0.839
I2	0.277	0.817	0.431	0.416	0.416	R2	0.407	0.293	0.303	0.805
I3	0.250	0.823	0.311	0.459	0.459	R3	0.388	0.480	0.401	0.787
I4	0.120	0.738	0.191	0.145	0.145	R4	0.160	0.100	0.364	0.852
I5	-0.067	0.858	-0.057	-0.063	-0.063	R5	0.123	0.147	0.249	0.728
I6	0.231	0.843	0.018	0.180	0.180	R6	0.304	0.305	0.227	0.729
I7	0.290	0.820	0.431	0.317	0.317	R7	0.452	0.474	0.339	0.829
I8	0.305	0.836	0.410	0.390	0.390	R8	0.380	0.465	0.346	0.818
I9	0.321	0.850	0.432	0.373	0.373	R9	0.478	0.342	0.370	0.833

#### 4.4 Coefficient of Determination ( $R^2$ )

This study finds the COD ( $R^2$ ) value, which denotes the rate of variation on the dependent variable caused by the independent variable's influence. The research shows the  $R^2$  value=0.816 on export performance influences by the EO dimensions. So, the rate of export performance variation is 81.60%, which is influenced by EO dimensions.

#### 4.5 Structural Model and Hypotheses Testing

In PLS analysis, the structural model ensures the hypotheses testing. For hypotheses, testing needs some research to confirm which are path coefficients, the value of t statistics, p-value, and errors. According to Henseler & Fassott (2010), the hypothesis accepted if it shows the significance at the level of 5% where t value must be  $>1.96$  or the p-value will be  $<0.05$ . However, Table 3 depicts the hypotheses testing results through the structural model of this study.

**Table 3**  
The Structural Estimates

Hypothesized Relationships	Path Coefficients ( $\beta$ )	Standard Errors	t statistic	p-value
$H_1$ : Innovativeness $\rightarrow$ Export Performance	0.207	0.032	2.216	0.013
$H_2$ : Risk-taking $\rightarrow$ Export Performance	0.125	0.038	1.331	0.184
$H_3$ : Proactiveness $\rightarrow$ Export Performance	0.312	0.039	4.296	0.000

Note: \*\* $p < 0.05$  (significant at 5% level); \*\*\* $p < 0.01$  (significant at 1% level); and  $t > 1.96$

$H_1$ : Innovativeness is positively and significantly associated with firms' export performance.

According to Table 3, the path coefficient of  $H_1$  finds a positive value which is 0.207. For  $H_1$ , it also shows the corresponding t statistics, which is 2.216, and the p-value is 0.013, which is significant at 5% level ( $p < 0.05$ ). The hypothesis supports the path coefficient, t statistics and p-value. So,  $H_1$  is accepted.

$H_2$ : Risk-taking is positively and significantly associated with firms' export performance.

The hypothesis  $H_2$  positively supports since its path coefficient value is 0.125. Here, the p-value of the hypothesis is 0.184, which is not significant at 5% level, and the corresponding t statistics value is 1.331 ( $t > 1.96$ ;  $p < 0.05$ ). Hence,  $H_2$  is not supported.

$H_3$ : Proactiveness is positively and significantly associated with firms' export performance.

The  $H_3$  hypothesis is positively supported since its path coefficient value shows 0.312. The t value is 4.296, and the p-value is 0.00, which is significant at the level of 1% ( $p < 0.01$ ). So,  $H_3$  hypothesis is accepted.

## 5. Discussion

The present study examines the relationships between EO dimensions and firms' export performance. The study reveals that proactiveness and innovativeness are positively and significantly associated with firms' export performance, but the risk-taking dimension is found insignificant. Therefore, these findings of EO and export performance supports the previous studies (Su, Xie, & Wang, 2015; Franca & Rua, 2016; Feder, 2015; Felzensztein et al., 2015) who have claimed that EO

and performance relationships are inconclusive. Moreover, this study's findings also support the previous studies that have posited EO and performance is contextual (Hansen et al., 2011; Wales et al., 2013).

The quantitative data analysis reveals that the apparel manufacturing firms' innovativeness positively and significantly ( $t=2.216$  and  $p=0.013$ ) influence export performance. The current study finds innovativeness of apparel companies influences firms' export performance. The consequence of this study proves the consistency with previous studies of Rua & Franca (2017), Habib et al. (2020), and Bıcakcıoğlu-Peynirci et al. (2019), who have posited the positive impact of innovation on export performance. On the contrary, the finding is inconsistent with the study of Silva et al. (2017). However, the finding of innovativeness and export performance emerged a new theory by investigating different aspects measured in both variables. The apparel entrepreneurs and managers suggest practicing the innovation strategies on their products, marketing activities, and production process to meet the customer demand in the international markets. Findings based on empirical data indicate that risk-taking is positively but insignificantly ( $t=1.331$  and  $p=0.184$ ) influenced firms' export performance. The current study's finding is consistent with the past studies of Yang & Ju (2018), Kraus et al. (2018), and Frishammar & Ake (2007) but inconsistent with the study of Ajayi (2016). This insignificant finding can cause different aspects; Chowdhury et al. (2018) claimed different uncertainties of innovative supply chain process, heavily dependent on imported raw materials from backward supply chain side and long lead time to delivery of the products. Moreover, Fatta et al. (2019) argued that managers' export knowledge influences export performance. Export managers need sufficient knowledge about product demand, diversification of product and market, and international markets' environment, and these crucial factors need for better export performance (Ahmed, 2013). This study suggests that marketers need to carefully assess the environment of international markets and the initiative of new product and market innovations before taking the large resource investment risk on product innovation and new market entrance.

Finally, hypothesis testing reveals that proactiveness is positively and significantly ( $t=4.296$  and  $p=0.000$ ) associated with firms' export performance. The current finding is consistent with the previous studies of Ara et al. (2019), Rua & Franca (2016), and Flores Novelo et al. (2016) regarding the positive relationship of proactiveness with firm performance but inconsistent with the study of Frishammar & Ake Horte (2007) and Okangi, (2019). Bangladesh is a leading country of green garment factories with 91 certified factories that add value to the apparel industry through national branding and market growth for sustainable export performance (Mirdha, 2019b). The study explored that the apparel firms' business executives applied to different proactive activities, which positively influenced export performance.

## 6. Theoretical Implication

In the context of academic contribution, the study's findings have met up the calls for the scientific community by providing the EO and performance relationship (Wales et al., 2013; Rauch et al., 2009; Miller, 2011). More specifically, the studies of Ngoma et al. (2017); Fernandez-Mesa & Alegre (2015) strongly urged further studies to know the nature of their relations. This study also witnesses EO's multidimensionality instead of one construct (Wales et al., 2013; Lumpkin & Dess, 1996) by positing EO dimensions' individual impact on export performance. Shan et al. (2016) argued EO is unable to perform the diverse effects on firm performance as a real entrepreneurial process unless it's multidimensional characteristics.

This research makes a significant contribution to the theory of strategic management by introducing EO dimensions and export performance with different aspects. The current study is different from the previous EO and performance studies based on determinants assessed. Multifaceted export performance measures are applied to examine the EO impact. The previous studies considered only product-market innovation, whereas this study included process/technology innovation in determining export performance. Jimenez-Jimenez & Sanz Valle (2011) argued the effect of process innovation on firm performance. Moreover, Damanpour (2010) suggested that process innovation creates competitive advantages for the firm in which competitors face difficulties regarding imitation efforts. Piening & Salge (2015) claimed that process innovation contributes to the technological and administrative process development, making the firm more dynamic. Likewise, many scholars have argued the innovative process (green supply chain management, green technologies for manufacturing) has a crucial impact on the business firm's sustainable performance (Ara et al., 2019; Habib et al., 2020). Therefore, this study has a theoretical contribution through examining innovative process (green) of introducing new products and innovative process (green supply chain innovation) of procurement and delivery of those products to the end-users. In the context of proactiveness, this study has included proactive methods of manufacturing and marketing strategies through modern technologies. Many scholars have argued the green SCM and its impact on the business organization's sustainable performance (Habib et al., 2020; Ara et al., 2019; Khan & Qianli, 2017; Saeed et al., 2018). Therefore, this study theoretically contributes by examining the proactive method/process of manufacturing and marketing strategies.

## 7. Practical Implication

This study's implication goes for the apparel MLEs in Bangladesh, with almost five thousand manufacturing firms. The report says SMEs are a large number in the country, which is practically 88% (Ahmed 2008). This study findings help the business executives how EO dimensions can enhance export performance. According to the findings, business practitioners' innovativeness and proactive behavior are crucial to accelerating their business growth and success in foreign markets.

However, it guides them to forecast foreign market dynamism through proper market research initiatives and overcome the risk factors before investing large resources in innovative product development and new market entrance.

## 8. Research Limitations

This study is not an exception from the confinement of research; it applies the five-point Likert scale for analysis. The scale indicates the respondents' subjective judgment at the time of data collection. Sometimes, it shows the respondents' biased responses, which does not portray the truth of business performance in the international markets. The study overlooks the influence of control variables, for example, age, location, size, and the respondents of market segmentation, which are also confinement of this study.

## 9. Future Research

The study should study by using mediating or moderating variables (e.g., dynamic capabilities, environment hostility). The study's consequence depends on the clothing industry; to generalize result it can be considered other areas of the national economy. It can be studied in a similar industry in another country to generalize the findings.

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