The Moderating effect of Business Network on the Relationship Between Export Market Orientation, Total Quality Management and Company Export Performance: Evidence from Furniture Industry of Pakistan

Muhammad Imran *   Abdul Raziq †   Hassan Mujtaba Nawaz Saleem ‡
Mohid Khaliq§

Abstract: *The contribution of Pakistan furniture industry in exports have declined in last few years. This situation is alarming for industry and country economic growth and overall performance of the industry. The main objective of study is to investigate the moderating role of the business network (BN) on the relationship among total quality management (TQM), export market orientation (EMO) and company export performance (CEP) of furniture industry of Pakistan. The study has adopted the Partial Least Squares Structural Equation Modeling (PLS-SEM) technique to assess the 119 responses from the furniture industry. The findings of the study shown the significant relationship between EMO, TQM and CEP. More importantly, the study-initiated BN moderating effect on the relationship between EMO, TQM and CEP. However, this study found that BN is the influential variable to enhance the effectiveness of EMO and TQM which leads to higher CEP. Therefore, the present is helping to furniture firms that they can effectively implement the EMO, TQM and BN strategies to increase the CEP in Pakistan context, whereas CEP reported low.*

Keywords: Business network, total quality management, export market orientation, company export performance, furniture industry.

Introduction

Furniture industry of Pakistan is consisting most of small and medium business. This industry situated in Lahore, Gujrat, Peshawar, Chiniot and Karachi (PSDF, 2015). The industry contribution to the country's economy is around $160 million (PSDF, 2015) and providing more than 100,000 jobs (Manzoor, 2016). However, the contribution of Pakistan furniture industry in exports have declined from $18 million in 2007 to $6 million during

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*Department of Management Sciences, The Islamia University of Bahawalpur, Baghdad Campus, Pakistan. E-mail: imran.imranb2001@gmail.com

†Faculty of Business Administration, IQRA University Karachi.

‡Department of Management Sciences, The Islamia University of Bahawalpur, Baghdad Campus, Pakistan.

§School of Government, College of Law, Government and International Studies, Universiti Utara Malaysia, Malaysia.

2016 (LCCI, 2017). This situation is alarming for industry and country economic growth and overall performance of the industry. Moreover, compared with rivals, Pakistan's furniture industry remains an essentially fragmented, traditional cottage operation with small workshops. Nevertheless, the furniture industry of Pakistan should take the emergent steps to fulfill the $850 million export target per year (LCCI, 2017). The positive trend in furniture industry export can decrease the trade deficit and also industry can bring employment and foreign revenue and economy growth (Ahmad, Afzal, & Khan, 2017).

However, the main concern of the study is to investigate the antecedents of CEP in context of Pakistan. Since, the furniture industry of Pakistan has the potential to achieve the Vision 2025 for economic growth for economic sustainability (Nation, 2016). In the global view, many countries have enhanced the industry participation in exports to develop the economy. However, they have investigated the different factors for exports enhancement. In this regards, some of past studies stressed that TQM can be the one factor which can improve the CEP (Abeykoon & De Alwis, 2015). Moreover, Lages, Silva, and Styles (2009) stated that owners/managers should be focused on product/service quality which can improve the CEP into positive trend. The product or services quality is a critical element in foreign markets and plays a greater role in enhancing the CEP (financial performance). Along with TQM, one more important factor is EMO, which also can influence the CEP. Besides, Boso, Adeola, Danso, and Assadinia (2017) presented that strong EMO to fulfill the customers' needs and introduced the new products / services leads to higher CEP. Thus, deficiency of TQM and EMO in furniture industry might effect negatively to CEP of furniture industry in Pakistan (Asad, Sharif, & Alekam, 2016; Haroon & Shariff, 2016). As many researchers indicated that TQM and EMO are more important elements for higher CEP (Singh, Saufi, & Hassan, 2017).

Subsequently, owners/managers could emphasis on proper execution of TQM and EMO strategies to enhance the CEP (Bou-Llusar, Escrig-Tena, Roca-Puig, & Beltrán-Martín, 2009; Mehra, Hoffman, & Sirias, 2001). Therefore, this study proposes the TQM and EMO strategies to determine the possible solution of low furniture CEP. Hence the current study primary objective is to examine the relationship between TQM, EMO and CEP with the moderating role of the BN. As of now, BN proposes a third variable due to two reasons, one to measure the strength of the relationship between TQM, EMO and CEP and secondly logical explanation. Since, the relationship between TQM and CEP is not clear yet such some of research found the positive relationship between TQM and CEP (Abeykoon & De Alwis, 2015; Radzi, Junoh, Hussain, Aziz, & Zawawi, 2015; Subramani, Jan, Arumugam, & Sasikala, 2019) and some of research found insignificant relationship between TQM and CEP (Fatima & Di Mascio, 2018; Suárez, Calvo-Mora, Roldán, & Periáñez-Cristóbal, 2017). Besides, researchers found significant relationship between EMO and CEP (Alotaibi & Zhang, 2017; Singh & Mahmood, 2013) and some of empirical studies found insignificant relationship between EMO and CEP (Cadogan, Boso, Story, & Adeola, 2016; Mac & Evangelista, 2016). Therefore, these contradict results are suggested for indepth investigation between the relationship of TQM, EMO and CEP under the moderating variable such as BN. However, the current study taking BN as moderating variable that BN has much attention to influencing CEP (Faroque, Morrish, & Ferdous, 2017) and the past study also suggested that BN might be moderate the relationship between TQM,

EMO and CEP (Imran et al., 2018).

Furthermore, there are limited studies investigated the relationship between TQM and CEP specifically in the context of emerging economies such as Pakistan (Imran, Aziz, & Hamid, 2017). Besides, Chen, Sousa, and He (2016) reviewed the 124 empirical studies from 2006 to 2014 relating to export performance. They identified that developed countries received more research interest than developing countries. Anyhow, limited studies found in the context of South Asia and as well as in Pakistan context, specifically in the furniture industry. Moreover, there are limited studies that investigated the relationship between TQM, EMO and CEP with moderating role of BN in manufacturing firms dominated by industries such as textile, automobile, electrical & electronics engineering, pharmaceutical, chemical industry and furniture industry. Remarkably, there is no single empirical study available in the context of Pakistan which investigated the influence of TQM and EMO on CEP with the moderating role of BN. Therefore, the present study would fill the above-mentioned knowledge gaps.

Literature Review and Hypothesis Development

In this section, review the past studies to discuss the construct conceptualization, relationship between independent and dependent variables and propose the testable statement. In addition, this portion will cover the study framework.

CEP

Export performance of the company is viewed its ability to enhance the sales, market share, secure the company competition in the international market, introduce and offer the innovative and quality products/services to customers (Rekarti, Doktoralina, & Saluy, 2018). Furthermore, export activity is not only important for company higher performance, but it also is crucial for any country national productivity growth and increases revenue. Furthermore, it is also important to be competitive in international markets as well in domestic markets. However, owners/managers of the companies should understand the different practices and skills which can enhance the CEP.

Additionally, CEP can enhance the firm export sales and export profitability, these two dimensions are widely used in literature to measure the export performance (Morgan, Kaleka, & Katsikeas, 2004). In another study, CEP conceptually defined as the outcome of firm financial performance in the international markets such as export sales, export profitability and export growth (Shoham, 1998). However, according to Shoham (1998) presented that CEP explained in three-dimension such as financial, strategic and satisfaction expert performance. Nevertheless, these all dimensions of CEP are not well explained in previous studies that which practice, the skill can bring the export development or sustainable growth of exports business.

In respect of empirical studies on CEP, there are many factors influencing the CEP proved by past studies, although there are many factors influencing the CEP, the current study focused on major or more influential factors which can positively influence the CEP.

In the present study is investigating the relationship between TQM, EMO and CEP with the moderating effect of BN.

EMO and CEP

EMO provides the required information for the operations, which can enable to companies for higher CEP. Furthermore, companies due to effective EMO that they can analyse their capabilities to taking competitive advantages and also companies can make changes in their system or operations according to the international market business environment. Moreover, EMO allows companies to adopt new strategies towards international market changes and managing and transferring their resources in a distinctive way, which can bring sustainable competitive advantages.

In addition, Cadogan, Kuivalainen, and Sundqvist (2009) explained the EMO as firm activities in foreign markets called EMO, furthermore, they stated the three dimensions such as export market information generation, export market information dissemination, and responsiveness to international markets and customers. More specifically, EMO operationalization to use the (Kohli, Jaworski, & Kumar, 1993) (MARKOR) scale with export market modification (Cadogan, Diamantopoulos, & De Mortanges, 1999).

In term of relationship between EMO and CEP that past studies stated the mixed results as well. Singh and Mahmood (2013) examined the relationship of EMO and CEP in Malaysia and found the significant positive relationship between two constructs, in other words, EMO found significantly influence to company export profitability, export sales volume, export market share and new export markets. In another study, Samson and Mahmood (2015) examined the relationship between EMO and CEP in the context of Nigeria. They collected the data from 201 Nigerian companies and established a positive relationship between EMO and CEP. This means firms should have the market capability for superior competitive advantage and business performance. Similarly, Pascucci, Bartoloni, and Gregori (2016) investigated the impact of EMO on CEP of 300 Italian' companies. They found that EMO influenced company export sales.

As a contrary, some authors found the insignificant relationship between EMO and CEP (Cadogan et al., 2016; Celec, Globocnik, & Kruse, 2014). Therefore, the contrary finding motivated to present study for further validation of EMO and CEP relationship under the presence of the third variable such as BN. Moreover, the most recent studies of Nakos, Dimitratos, and Elbanna (2019); Racela and Thoumrungroje (2019) suggested that the EMO can enhance the exports. Thus, the current study proposed the following hypothesis.

H1: There is influential impact of EMO on CEP.

TQM and CEP

TQM is a strategic activity that focuses to managing the total company to providing the quality products and services to customers through the mobilisation of employee, management and cohesion of all resources and capabilities of the company (Mehra et al., 2001). Many researchers claimed that TQM is the most advanced and most advanced technologies

in the area of quality all over the world (Choi & Eboch, 1998; Lages et al., 2009; Sashkin & Kiser, 1993). Additionally, Berry (1991) defined TQM as a management philosophy which purposed to meet and fulfil the customer expectations and consider to reduce the costs. The main concern of TQM is to offers high-quality products and services to customers (Santa, Ferrer, Jørsfeldt, & Scavarda, 2018).

Link with the previous discussion, TQM is a management style, which characterized by some core concepts that guide to firms regarding method and procedure, which can effectively implement for higher firm performance (Rocha-Lona, Garza-Reyes, & Kumar, 2017). Moreover, the TQM is the combination of various practices such as top management, customer focus, employee quality, employee knowledge & education and process management (Bouranta, Psomas, Suárez-Barraza, & Jaca, 2019). One more study stated that TQM is not only improving the firm performance as well as incresing the employee performance as well (Khan, Malik, & Janjua, 2019).

Furthermore, there are many approchaces to operqationlized the TQM, such as standardized framework (ISO 9000;2000), critical factors of TQM and quality award models (Askey & Dale, 1994; Petersen, 1999). However, there are two most famous quality awards are taken by the studies to operationlized the TQM such as malcom bridge national quality award and European Foundation for Quality Management (EFQM) (Bou-Llusar et al., 2009). However, quality award such as the European Foundation for Quality Management (EFQM) has not validated empirically, this assumption motivates to the current study to operationalizes the TQM on based of EFQM. The EFQM created in 1991 as a framework to recognise company excellence (Gómez, Martínez Costa, & Martínez Lorente, 2017).

Moreover, the relationship between TQM and CEP investigated the relationship between TQM and firm performance and found a positive relationship between TQM and firm performance (Lee & Lee, 2014). According to Munizu (2013) stated that TQM has a significant effect of a competitive advantage which leads to high CEP. In another study, Abeykoon and De Alwis (2015) investigated the TQM activities such as employee management, leadership, training, supplier management, customer focus, process management, information and analysis and continuous improvement on the CEP of appeal exporter firms of Sri Lanka. In this study, the author used the 65 apparel exporters and analyzed the data through correlation and regression analysis and found a positive relationship between TQM and CEP. Therefore, most of the studies have been done in the domestic market only very limited research studies investigated the relationship between TQM and CEP, especially in furniture industry of Pakistan. Moreover, Dad and Karim (2019) suggested that empirical investigation on the role of TQM in export oriented manufacturing firms where recored the low quality in manufacturing as well as in services. Hence, the present study believe that TQM would be a key driving force for CEP. Thus, the following hypothesis is proposed;

H2: There is influential impact of TQM on CEP.

Moderating Role of BN

BN refer to inter-firm networks that can build the relationship between companies and these relationships are regularly formalized (Dubini & Aldrich, 2002). Furthermore, these

relationships should be formal between owners/managers and employees of the company. According to Anderson, Håkansson, and Johanson (1994) BN stated as "set of two or more connected business relationships, in which each exchange relation is between business firms that are conceptualized as collective actors." The firms can exchange the connected relationship with other firms (Johanson & Vahlne, 2011).

More specifically, published studies have underlined the importance of BN for enhancing the CEP benefits of EMO and TQM (De Ruyter & Semeijn, 2002; Presutti, Boari, Majocchi, & Molina-Morales, 2019). Moreover, BN defined that developed the relationship with overseas customers, suppliers and competitors in the industry (Faroque et al., 2017). These relationships are very importance EMO in respect of information acquisition that enables the export markets activities to be implemented rapidly to reduce the cost of time and other resources of the company (Bucktowar, Kocak, & Padachi, 2015). Additionally, BN can be the important predictor of CEP because BN activity increases the exchange of ideas, knowledge, resources among partners, and also can improve coordination among partners, customers, suppliers to reduce the transactions costs (Thornton, Henneberg, & Naudé, 2013). In other words, the company with strong BN enhance the effectiveness of export market intelligence generation and responsiveness component of EMO (Presutti & Odorici, 2019).

In respect of TQM implementation, the companies with high level of BN can enhance the usefulness of TQM, which can positively influence to CEP (De Ruyter & Semeijn, 2002; Wu & Chiu, 2016). Furthermore, companies who have a higher share of export sales, they have interest to build and make strong BN with less experience exporter as well as with importer (Mittal, Aggarwal, & Rawat, 2019). Furthermore, the strong BN can improve the company product and service quality and process efficiency (Schmitz & Knorringa, 2000).

However, based on past literature discussion, the current study proposed the following hypothesis.

H3: The BN moderates the relationship between EMO and CEP.

H4: The BN moderates the relationship between TQM and CEP.

The current study framework consists of two independents variables such as EMO with three dimensions namely, information generation, information dissemination, information responsiveness and the second one is TQM with four dimensions namely, leadership, strategy, people and process. The study has one moderating variable BN with four dimensions namely, information acquisition, opportunity enabling, strong-tie resource mobilization, weak-tie resource mobilization and one dependent variable CEP.

Figure 1
Study Framework
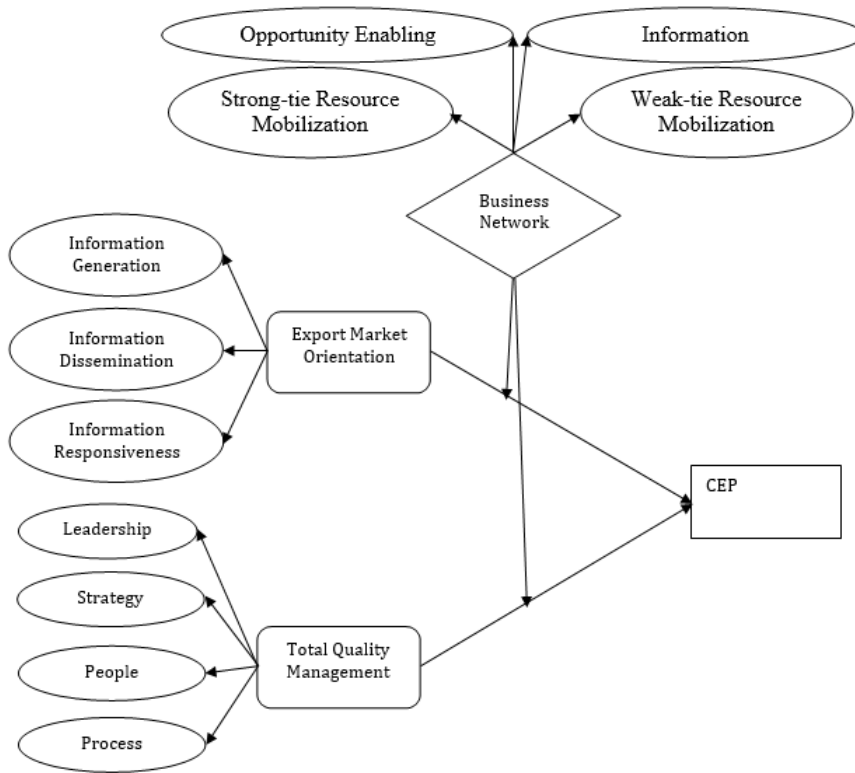
Methods

Details of Respondents

This study has taken the furniture manufacturing exporting companies of Pakistan as the population of the study. The three hundred twenty-one (321) furniture manufacturing exporting companies were qualified for the current study sampling frame; this list has been taken from Pakistan exporter directory.

The study used the G*Power 3.1.9.4 software to determine the minimum sample size of the study (Faul, Erdfelder, Lang, & Buchner, 2007). However, the study derived the minimum 119 sample size. Moreover, study has taken the whole sampling frame as sample size to minimize the sampling error and maximum response rate (Sekaran & Bougie, 2016). However, the study distributed the 321 questionnaires among the respondents through simple random sampling technique. The random selection made through Microsoft excel 2016 (RAND) function (Saunders, 2011). One hundred and nineteen (119) responses has been received with 37% response rate. This response is acceptable and better than the

previous furniture industry response such as a 31% response rate is recorded in the study of (Sidin et al., 2008).

Measures of Variables

This study consists of four variables including EMO, TQM as an independent variable, BN as a moderating variable, and CEP as the dependent variable. The TQM contains four dimensions, where the leadership, strategy, people and process, these dimensions have contained the 6, 6, 6 items by leadership, strategy and people dimension and 7 items by process. The TQM questionnaire adapted from the study of (Shafiq, Lasrado, & Hafeez, 2019). The EMO has consisted three dimensions namely information generation, information dissemination, information responsiveness with 5, 5 and 3 items respectively, this scale adapted from the study of (Cadogan, Paul, Salminen, Puumalainen, & Sundqvist, 2001). The BN scale was adapted from the study of Thornton, Henneberg, and Naudé (2015) with four dimensions namely information acquisition, opportunity enabling, strong-tie resource mobilization, weak-tie resource mobilization with 4, 4, 4 and 4 items each. Finally, the dependent variable scale adapted from the study of Shoham (1998) as a one-dimensional construct. Furthermore, the scale of the study has 7-likert points. Moreover, in respect of scale validity, the expert opinion has been taken. They have assured the scale face and content validity.

Data Analysis and Results

The statistical software SmartPLS-3 was employed to examine the data through the partial least square structural equation modelling (PLS-SEM) technique. The PLS-SEM analysis contains two step approaches, such as measurement and structural models. The present study adopted the second-order reflective-reflective hierarchical model, type I (Becker, Klein, & Wetzels, 2012). However, EMO, TQM and BN treated as second-order constructs and CEP evaluated as the first-order construct in this study. Additionally, the decision to measure constructs as reflective or formative is not clear yet (Hair Jr, Hult, Ringle, & Sarstedt, 2016). Besides, Hair Jr, Sarstedt, Ringle, and Gudergan (2017) suggested that the best combination in second-order is a reflective-reflective model. Hence, the present study adopts the reflective-reflective model with two-stage procedure in present study (Hair Jr et al., 2017; Mira, Choong, & Thim, 2019).

Measurement Model

The measurement model evaluates the variables reliability and validity. The Cronbach's alpha and composite reliability (CR) are taken to verify the constructs reliability (Henseler, Ringle, & Sinkovics, 2009). According to Hair Jr et al. (2016) the Cronbach's alpha and CR values should be more then 0.70. However, this study found the Cronbach's alpha and CR between 0.904 to 0.716, 0.923 to 0.840.

Moreover, according to Hair Jr et al. (2016) the values of Average Variance Extracted (AVE) should be more than 0.50. The values of AVEs have been recorded from 0.634

to 0.716; these all values are in acceptable range. The results of study are establishing the convergent validity successfully. Hence the measurement model of the study validated successfully. The results of Cronbach's alpha, CR and AVE can be seen in Table 1.

Table 1
Finding of the measurement model (First Order, Reflective)

Constructs	Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)
EMID	0.904	0.923	0.750
EMIG	0.811	0.874	0.634
EMR	0.716	0.840	0.638
IA	0.775	0.870	0.693
LDR	0.777	0.869	0.689
OE	0.871	0.908	0.712
PPL	0.898	0.921	0.660
PRO	0.893	0.914	0.603
CEP	0.930	0.942	0.670
STR	0.823	0.880	0.647
STRM	0.749	0.856	0.665
WTRM	0.785	0.861	0.608

Note: Export market information dissemination (EMID); Export market information generation (EMIG); Export market responsiveness; Information Acquisition (IA); Leadership (LDR); Opportunity Enabling (OE); People (PPL); Process (PRO); Strategy (STR); Strong ties resources mobilization (STRM); Weak ties resources mobilization (WTRM); Company export performance (CEP)

Moreover, discriminant validity is used to validate the constructs external consistency. The discriminant validity evaluated on the bases of Fornell-Larcker Criterion and Heterotrait-Monotrait Ratio of Correlations (HTMT). According to Fornell-Larcker Criterion the square roots of AVEs should be greater than other constructs vertically in a column. In addition, the HTMT index offers the latest criteria, this criteria is useful to measures the constructs external consistency (Henseler, Ringle, & Sarstedt, 2015). This criterion is used to overcome the shortcoming in Fornell-Larcker Criterion and cross loadings.

Table 2
Fornell-Larcker Criterion

Constructs	EMID	EMIG	EMR	IA	LDR	OE	PPL	PRO	CEP	STR	STRM	WTRM
EMID	0.866											
EMIG	-0.024	0.796										
EMR	0.105	0.406	0.799									
IA	0.103	0.217	0.167	0.832								
LDR	-0.073	0.453	0.431	0.226	0.830							
OE	0.002	0.414	0.348	0.269	0.481	0.844						
PPL	-0.053	0.354	0.326	0.251	0.621	0.190	0.813					
PRO	-0.285	0.425	0.117	0.091	0.479	0.306	0.556	0.776				
CEP	0.081	0.283	0.500	0.234	0.565	0.291	0.527	0.332	0.819			
STR	-0.109	0.341	0.317	0.195	0.580	0.253	0.718	0.552	0.477	0.804		
STRM	0.046	0.489	0.245	0.244	0.256	0.568	0.121	0.321	0.292	0.274	0.816	
WTRM	0.132	0.503	0.431	0.401	0.441	0.623	0.420	0.345	0.415	0.348	0.493	0.780

Note: Export market information dissemination (EMID); Export market information generation (EMIG); Export market responsiveness; Information Acquisition (IA); Leadership (LDR); Opportunity Enabling (OE); People (PPL); Process (PRO); Strategy (STR); Strong ties resources mobilization (STRM); Weak ties resources mobilization (WTRM); Company export performance (CEP)

However, the values of HTMT should not be greater than 0.90 (Henseler et al., 2015).

Therefore, constructs have passed the validity test, the all values have observed within the threshold limits, the result can be seen in table 2 and table 3.

Table 3
Heterotrait-Monotrait Ratio (HTMT)

Constructs	EMID	EMIG	EMR	IA	LDR	OE	PPL	PRO	CEP	STR	STRM	WTRM
EMID												
EMIG	0.139											
EMR	0.143	0.540										
IA	0.162	0.274	0.266									
LDR	0.127	0.593	0.570	0.287								
OE	0.115	0.487	0.424	0.607	0.325							
PPL	0.112	0.426	0.392	0.309	0.715	0.230						
PRO	0.328	0.508	0.198	0.148	0.561	0.356	0.642					
CEP	0.124	0.296	0.594	0.270	0.639	0.283	0.545	0.326				
STR	0.152	0.434	0.402	0.277	0.700	0.306	0.824	0.640	0.502			
STRM	0.142	0.624	0.375	0.344	0.321	0.658	0.157	0.377	0.348	0.340		
WTRM	0.181	0.629	0.576	0.529	0.570	0.718	0.484	0.382	0.458	0.428	0.609	

Note: Export market information dissemination (EMID); Export market information generation (EMIG); Export market responsiveness; Information Acquisition (IA); Leadership (LDR); Opportunity Enabling (OE); People (PPL); Process (PRO); Strategy (STR); Strong ties resources mobilization (STRM); Weak ties resources mobilization (WTRM); Company export performance (CEP)

Structural Model Assessment

After the PLS algorithm, the study evaluated the structural model to make the final decision regarding hypothesis acceptance and rejection. The path coefficient used to verify the

Figure 2
Structural Model
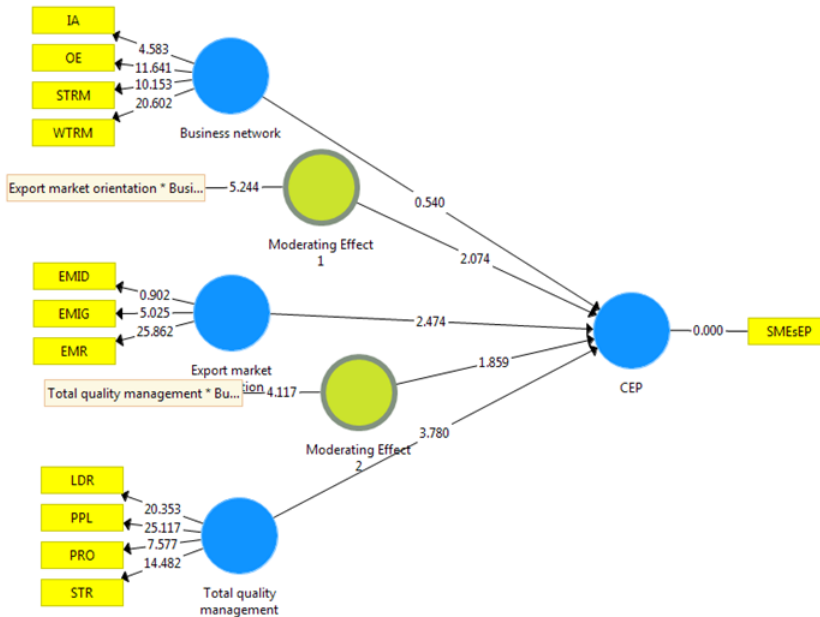
relationship between constructs. In other words, partial least square (PLS) can be a regression model, in which can handle the one or more dependent variables with set of one or more independent variables, or it can be implemented a path model. However, the bootstrapping technique has been used to run the PLS coefficient or path co-efficient. The outcome of significance level retrieved from bootstrapping method, the t-value should be greater than 1.96 on the significance level of 0.05. The present study has run the bootstrapping at 5000 sub-samples and retrieved the results; the results can be seen in table 4 and figure 2.

Table 4
Direct relationship between construct

Hypothesis	Beta	Standard Deviation	T Values	P Values	Decision
H1: EMO → CEP	0.246	0.094	2.605	0.009**	Supported
H2: TQM→ CEP	0.445	0.117	3.795	0.000***	Supported

Note: p<0.1* p<0.05** p<0.01*** (Two Tail)

Furthermore, the moderating effect of BN between EMO, TQM and CEP found significant. The results can be seen in table 5.

Table 5
Moderation relationship

| Hypothesis	Beta	SD	T Values	P Values	Decision
Moderating Effect 1 → CEP	0.223	0.106	2.109	0.035**	Supported
Moderating Effect 2 → CEP	0.156	0.083	1.874	0.061*	Supported

Note: p<0.1* p<0.05** p<0.01*** (Two Tail)

The co-efficient of determination (R^2) is used to explain the model power. The value of R^2 is 0 to 1; the higher values present the higher determination. The R^2 values such as 0.75, 0.50 and 0.25 are higher, moderated and small determination respectively.

The effect size (f^2) is used to determine the exogenous variable significant effectiveness. The values of (f^2) can be 0.35, 0.15 or 0.02 as large, medium and small respectively. The results of (R^2) and (f^2) can be seen in Table 6.

Discussion of Results

The current study findings shown the positive relationship between EMO ($\beta = 0.246$; t-value= 2.605) and CEP, hence the hypothesis-1 is accepted. Secondly the study found the positive and significant relationship between TQM ($\beta = 0.445$; t-value= 3.795) and CEP, thus the hypothesis-2 is supported. The moderation effect of BN on the relationship between EMO ($\beta = 0.223$; t-value= 2.109) and CEP found significant, thus, hypothesis-3 is accepted. The BN moderation role on the relationship between TQM ($\beta = 0.156$; t-value= 1.874) and CEP has found positive and significant at 1.0 significant level, the hypothesis-4 is accepted too. Moreover, the moderation strength can be seen in figure 3 and 4.

Figure 3
Moderating role of BN on the relationship between EMO and CEP
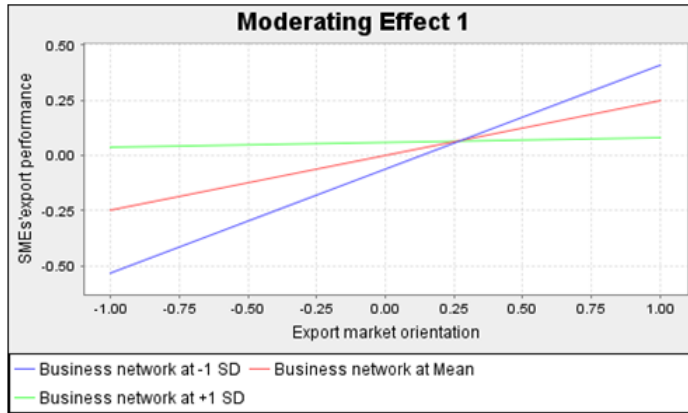
Figure 4
Moderating role of BN on the relationship between TQM and CEP
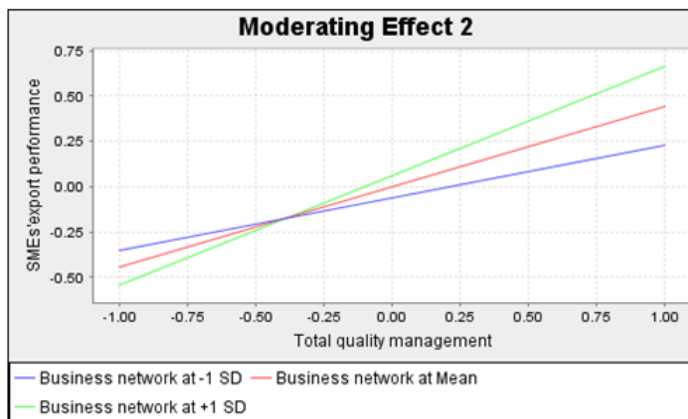
According to these figures, the moderation of BN playing the important role to enhancing the or strengthen the relationship between EMO and CEP, as well as enhancing or strengthen the relationship between TQM and CEP. In other words, BN playing an influential role in the effectiveness of EMO and proper implementation of TQM to improve the CEP.

Furthermore, the value of co-efficient of determination (R^2) found moderated, which is showing the model effectives overall. In other words, the endogenous construct such as EMO, TQM and BN have valuable contribution on furniture companies export performance.

Conclusion

The main objective of the study is to examine the moderating role of BN on EMO, TQM and CEP in furniture industry of Pakistan. The four hypotheses were proposed, all hypothesis found supported. The findings of the study have fulfilled the proposed objective of the study. BN has moderating effect on the relationship between EMO and CEP; as well as TQM and CEP. Furthermore, the study discloses the influential direct role of EMO and TQM on CEP of furniture industry. However, the present study findings contributing into the existing literature.

Implications of Study

The current study suggests to owners/managers to implement the EMO, TQM strategies under the presence of BN ties with partners, customer, suppliers which can improve the CEP. However, these variables are very important in furniture industry of Pakistan, whereas found the decline in exports. The government should take the serious steps to the implement the EMO, TQM strategies to build the strong networking with neighbouring countries, such as India, Afghanistan, Iran and China. These strategies will have benefited to the industry which can not only improve the industry exports as well as improve the overall country exports.

Limitations and Future Recommendations

This study limited to small sample size due to time constraints, the future study should have large sample size for the generalization of the study. Moreover, this study has collected the cross-sectional data, the future study should collect the longitudinal data. Furthermore, the current study research framework only limited to a small industry such as furniture, the future study should validate the current research framework in large industry of Pakistan such as Textile. The present study has only taken the manufacturing sector, it is strongly recommended to take the service sector for further validation of current study research framework. Moreover, future studies should include the other variables into framework such as entrepreneurial orientation and government support.

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