



Relational flexibility norms and relationship-building capabilities as a mediating mechanism in export performance: Insights from exporting SMEs in an emerging economy, Peru

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3 **Relational flexibility norms and relationship-building capabilities as a mediating mechanism in**
4 **export performance: Insights from exporting SMEs in an emerging economy, Peru**
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11 **Abstract**

12 **Purpose** – To analyze the mediating and moderating effects of relational flexibility norms on
13 relationship building capacities and export performance.
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16 **Design/methodology/approach** – The study followed a quantitative and cross-sectional approach. The
17 analysis was applied to 95 Peruvian Exporting SMEs which were examined through Structural Equation
18 Modeling (SEM) using AMOS 24.0 statistical package. The responses were gathered through telephone
19 and personal interviews which were tested using the Mann – Whitney U test, finding no statistically
20 significant differences.
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24 **Findings** – The main finding of the study is to demonstrate the indirect effect of relational flexibility
25 norms on the export performance of SMEs through relationship-building capabilities. In this way, these
26 capabilities become very important variables in the export management of SMEs, since they directly
27 affect the relationship of the Exporter - Importer dyad.
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31 **Research limitations/implications** – One of the limitations is the cross-sectional type study that applies
32 to the short-term effects of relational norms. Organizational characteristics and other factors that may
33 affect export performance should also be considered in future research, as well as longitudinal studies
34 should be developed.
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38 **Practical implications** – The study allows SMEs to focus management efforts on strengthening the
39 relationship – building capabilities, which are very important given SMEs' resource constraints.
40 Therefore, an adequate management of relations with importers can contribute to the reduction of control
41 and coordination costs; and have a positive impact on export performance. Similarly, the study
42 contributes to the management of export promotion by suggesting that one area to be prioritized is the
43 strengthening of the relationship capacities of exporting SMEs.
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47 **Originality/value** – The study provides the analysis of the mediating effect of the relationship - building
48 capability between relational flexibility and export performance. In this way, it enriches the theoretical
49 analysis and contributes with the empirical evidence of an emerging country like the case of Peru.
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53 **Keywords** – Exporter - importer relationships, relational norms, relationships - building capabilities,
54 export performance, small and medium - sized enterprises, Peru.
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57 **Paper type** – Research paper
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1. Introduction

Exporting small and medium-sized enterprises (SMEs) face several challenges when dealing with importers due to their resources and capabilities constraints and lack of foreign market knowledge (Obadia & Bello, 2019; Paul, Parthasarathy, & Gupta, 2017). As the information flow in cross-border relationships is hindered by cultural and geographical distances, exporters are prompted to develop norms of engagement with importers in order to mitigate uncertainty and opportunism (Bello, Chelariu, & Zhang, 2003; Leonidou, Aykol, Fotiadis, Christodoulides, & Zeriti, 2017; Vernon-Wortzel, Wortzel, & Deng, 1988). These are defined as relational norms, and they set the expected behaviour between the parties and guide future exchanges under changing market conditions to coordinate valuable relationship-specific activities (Heide, 1994; Leonidou, Samiee, Aykol, & Talias, 2014; Lye & Hamilton, 2001).

While the development of relational norms fosters the acquisition of experiential knowledge from the importer (Fletcher & Harris, 2012), limits the likelihood of exporter substitution (Bello & Gilliland, 1997) and improves export performance, their inclusion in comprehensive export performance models (e.g. Chen et al. (2016), Ruppenthal and Bausch (2009), Zou and Stan (1998)) has been limited (Leonidou, Samiee, Aykol, & Talias, 2014; Styles, Patterson, & Ahmed, 2008; Racela, Chaikittisilpa, & Thourungroje, 2007). In this regard, the role of relational norms have remained inconclusive, as previous studies have found several antecedents, such as channel communication and adaptation, that lead to mutual understanding and reinforce the development of relational norms (Ford, 1984; Leonidou, Samiee, Aykol, & Talias, 2014; Madsen, 1989; Nes, Solberg, & Silkoset, 2007). Meanwhile, the latter shows inconsistent effects on export performance, such as positive (e.g. Kuhlmeier and Knight (2010), Lages et al. (2009)), negative or non-significant (e.g. Holm et al. (1996), Obadia and Vida (2011)), and differentiated effects (e.g. Obadia et al. (2017), Racela et al. (2007)).

Considering the diversity of empirical results, recent articles call for further research efforts towards modelling the complex linkage between relational norms, organizational capabilities and export performance (Aykol & Leonidou, 2018). As the establishment, development, and maintenance of close interfirm relationships is not a sufficient condition for positive performance results, there must exist a third organizational variable that transforms the positive relationship conditions, fostered by relational norms, into export performance (Aykol & Leonidou, 2018; Racela, Chaikittisilpa, & Thourungroje, 2007). Additionally, as Ex-Im relationships develop gradually, the effectiveness of any resources and capabilities committed by exporters will vary according to the degree of coordination, cooperation and flexibility with their counterpart, denoting an additional interactive process (Skarmeas, Zeriti, & Baltas, 2016; Ulaga & Eggert, 2006). This mediated interactive process will vary according to the relational norm analysed, and, as pointed by Myers (2005) and Obadia et al. (2017), in order to avoid the

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3 attenuation of their effect, it is necessary to decompose relational norms in their constituents and analyse
4 their differentiated effects on export performance.
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8 Consequently, Heide and John (1992) use flexibility, information exchange and solidarity as
9 independent dimensions of relational norms. The study draws on these insights and focuses on a specific
10 relational norm, namely flexibility, to analyse how exporting SMEs capitalise on its development to
11 improve export performance. Flexibility is defined as the expected willingness between two parties to
12 adapt to changing circumstances (Heide & John, 1992; Zhang, Cavusgil, & Roath, 2003; Navarro-
13 García, Sánchez-Franco, & Rey-Moreno, 2016). Relational flexibility norms provide a framework in
14 which transaction costs are avoided since the dyad's relationship is based on trust and reputation, thus
15 strengthening the Exporter – Importer relationship. (Dyer & Singh, 1998; Sako, 1991; Larson, 1992;
16 Rindfleisch, et al., 2010). Furthermore, relationship-building capabilities are tested as the mediating
17 organizational capability that leverages on established relational flexibility norms, as the former builds
18 on high tolerance and adaptive conditions to ensure future commitment and exchanges, thus influencing
19 export performance. This argument is consistent with the resource-based view and the relational view
20 of the firm, as relationship-building capabilities become a valuable capability, being both difficult to
21 imitate, and internally controllable (Penrose, 1959; Wernerfelt, 1984), and drive commitment and
22 integration of assets and activities that become externally available to the counterpart (Acedo, Barroso,
23 & Galan, 2006; Dyer & Singh, 1998). Additionally, as relational norms affect the development of
24 relationship-specific capabilities allocated and how there are integrated into the relationship, a
25 conditional indirect effect is proposed (Bello, Chelariu, & Zhang, 2003; Matear, Gray, & Irving, 2000;
26 Ling-yee & Ogunmokun, 2001; Navarro-García, Sánchez-Franco, & Rey-Moreno, 2016).
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40 The development of relational flexibility norms is relevant for the international expansion of SMEs, as
41 they do not rely on formal mechanisms for the enforcement of their contractual agreements or large
42 resource allocations; and serve as a viable strategy to cope with their capability limitations by leveraging
43 on the importer functions in the foreign market (Casson & Cox, 1993; Obadia & Bello, 2019; Weinberg
44 & Carmeli, 2008). Moreover, their development is relevant for emerging economies SMEs, since they
45 face diverse obstacles during their process of internationalization (Malca & Rubio, 2015; Rahman,
46 Uddin, & Lodorfos, 2017). Likewise, they have to deal with the institutional distance between the host
47 and the home country (Van Tulder, 2015), apart from the large cultural and commercial gaps with
48 importers from developed economies (Aulakh, Kotabe, & Teegeen, 2000; Griffith, Cavusgil, & Xu, 2008;
49 Katsikeas & Piercy, 1991). Moreover, these firms face limitations regarding resources and control
50 mechanisms, that lead to a higher dependency on importers (Sui & Baum, 2014). Therefore resource
51 limitations do not let SMEs to compete efficiently in the international markets and overcome the
52 indicated obstacles, so the development of relational mechanisms that improve the coordination in the
53 Exporter – Importer (Ex-Im) dyad might have a positive impact in the export performance; considering
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3 that these mechanisms are not costly and reduce transaction and control costs. (Aykol & Leonidou,
4 2018; Bello, Chelariu, & Zhang, 2003)
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8 In consequence, the study aims to analyse the conditional indirect effect of relational flexibility norms
9 on export performance through the development of relationship-building capabilities. The study
10 employs a sample of exporting SMEs from Peru, in response to limited evidence on relational norms in
11 the Latin American and emerging market contexts (Aykol & Leonidou, 2018; Solberg, 2006).
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15 This study continues by presenting the conceptual framework regarding the influence of the Ex-Im
16 relational norms and relationship-building capabilities on export performance, as well as the hypotheses
17 developed. Then, the study describes the methodology followed, and discusses the research results,
18 conclusions and managerial implications. Finally, the study states its limitations and future research
19 directions.
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25 **2. Conceptual framework**

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28 One of the theoretical frameworks that explains firm performance is the “Resource-based View” (RBV),
29 which sustains that firm growth and its span of activities depends on internally controllable resources
30 (Penrose, 1959), which enable the development of competitive advantage sources both in the domestic
31 and international market (Barney, 1991; Chen, Sousa, & He, 2016). Additionally, the combination of
32 different resources and capabilities lead to differentiated productive opportunities between firms, and
33 variations in market performance (Amit & Schoemaker, 1993; Buckley & Casson, 2007; Wernerfelt,
34 1984).
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41 While the RBV argues that the possession competitive advantage sources determines firm performance,
42 the generation of relational rents in the Ex-Im dyad is influenced by the degree of resources and
43 capabilities integrated and exploited in the relationship, thus establishing the “Relational View” (Acedo,
44 Barroso, & Galan, 2006; Dwyer, Schurr, & Oh, 1987; Samiee, Leonidou, & Aykol, 2014). Based on the
45 latter, rents are derived not exclusively from the possession of internal core competencies, but on the
46 extent of coordination and interdependencies in the relationship (Dyer & Singh, 1998; Leonidou,
47 Samiee, Aykol, & Talias, 2014; Styles, Patterson, & Ahmed, 2008; Dyer, Singh, & Hesterly, 2018).
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54 Under the Relational View, the degree of commitment and coordination in the relationship depends on
55 the extent of knowledge gathered and shared by each counterpart, which is obtained through continuous
56 learning-by-doing exchanges (Matear, Gray, & Irving, 2000; Roath & Sinkovics, 2006). This learning
57 process is relation-specific, and continuously modifies the exporter’s resource base, consistent with the
58 dynamic capability perspective, and leads to the formation of competitive advantage sources
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(Ambrosini, Bowman, & Collier, 2009; Teece, Pisano, & Shuen, 1997). In consequence, exporters that develop relationship-learning skills, such as relationship-building capabilities, are able to successfully establish non-integrated models of international expansion with importers, by allowing the flow of key information regarding consumers, competitors and regulations (Bello, Chelariu, & Zhang, 2003; Gripsrud, Solberg, & Ulvnes, 2006; Dyer, Singh, & Hesterly, 2018)

However, setbacks or problems can arise during the relationship process and in order to be solved, parties can incur in formal and informal procedures (Telser, 1980). On one hand, the first is costly because it relies on third party enforcement to solve any uncertain situation and lacks stability in the long term as it fails to predict all possible circumstances that may occur (Williamson, 1989; Simon, 1947). On the other hand, the latter, due to its informal nature, allows flexibility based on trust and reputation which avoids transaction costs as it self-enforces dyad's agreement (Sako, 1991; Larson, 1992; Dyer & Singh, 1998; Benítez-Ávila, Hartmann, Dewulf, & Henseler, 2018).

Initially, Ex-Im relationships offer few benefits, as they are composed by discrete transactions and limited communication and coordination between activities (Bello, Chelariu, & Zhang, 2003; Casson & Cox, 1993; Aykol & Leonidou, 2018). In this stage, transactional relationships and dysfunctional acts performed by exporters increase the likelihood of exporter/supplier replacement, while developing credible commitment to the Ex-Im dyad increases the exporters' potential relational rents (Deligonul, Kim, Roath, & Cavusgil, 2006; Miocevic, 2016; Ford, 1984). As relationships evolve over time, their continuation increases the extent of coordination and integration of activities, which in turn support future exchanges (Matear, Gray, & Irving, 2000).

In this context, the development of relationship-building capabilities enables further understanding of importers' requirements and needs, and the establishment of closer business relationships (Kaleka, 2002; Morgan, Vorhies, & Schlegelmilch, 2006; Obayi, Koh, Oglethorpe, & Ebrahimi, 2017). As activities performed by exporters and importers become more interrelated, organizational limits between each firm expand towards their counterpart, transitioning from a production function to a transaction function, and from a view centred around the control of resources to one based on the integration of resources (Håkansson & Snehota, 1989). In this scenario, communication and coordination between the parties foster the survival of the relationship by alienating organizational goals and minimizing undesired outcomes through the development of relation-specific resources and capabilities, in which market success of one party influences the success of the other (Deligonul, Kim, Roath, & Cavusgil, 2006).

When the commitment of resource into the relationship is high, governance models based on mutually established relational norms, composed of shared behavioural expectations between the parties, lead to prosperity and maintenance of exchanges (Bello, Chelariu, & Zhang, 2003). These relational norms are

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3 comprised of dimensions such as solidarity and cooperation, the long-term orientation which fosters
4 cooperation and trust (Losada, Navarro, Ruzo, & Barreiro, 2006), information exchange, the willingness
5 to disclose relevant information that facilitates the decision-making process (Heide & John, 1992;
6 Navarro-García, Sánchez-Franco, & Rey-Moreno, 2016), and flexibility, which sets the willingness of
7 the parties to adapt to new requirements and situations arising from changes in the environment
8 (Leonidou, Samiee, Aykol, & Talias, 2014; Obayi, Koh, Oglethorpe, & Ebrahimi, 2017). As importers
9 value exporting firms that possess the soft skills required to understand their relational requirements and
10 specialized services, being able to develop export relational norms lead to stronger relationships and
11 contribute to higher relational performance (Obadia, Vida, & Pla-Barber, 2017; Roath & Sinkovics,
12 2006).

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15 Specifically, Ex-Im relationships must develop adjustment mechanisms (Rosson & Ford, 1982), due to
16 the presence of perceptual divergences arising from distances relating to social, cultural, technological,
17 time and geographical factors (Ford, 1984), and the addition of intermediaries in the international
18 distribution channel (Bello, Chelariu, & Zhang, 2003). As the Ex-Im dyad faces volatile market
19 conditions, the task of linking activities between the parties becomes uncertain, and requires the
20 development of increasing relational flexibility mechanisms, given that neither party is capable of
21 completely forecasting changes in requirements from the counterpart or developing efficient controls
22 and monitoring activities (Håkansson & Snehota, 1989; Casson & Cox, 1993; Leonidou, Aykol,
23 Fotiadis, & Christodoulides, 2018; Simon, 1947).

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26 Accordingly, relational flexibility norms increase the bilateral predisposition to adjust and adapt certain
27 aspects of the relationship, as changes in the market unfold (Heide & John, 1992; Losada, Navarro,
28 Ruzo, & Barreiro, 2006; Navarro-García, Sánchez-Franco, & Rey-Moreno, 2016). Thus, relational
29 flexibility norms enact the role of a coordination enhancer when exporters and importers face sudden
30 market changes, and enable the adaptation of relation-specific tasks (Bello & Gilliland, 1997; Lee &
31 Jang, 1998). As unexpected market conditions render past agreements obsolete by altering the optimum
32 mix of export activities, relational flexibility norms help to develop and adjust new ones in order to
33 support the counterpart and attain superior market performance (Sousa, Martínez-López, & Coelho,
34 2008; Styles & Ambler, 1994).

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37 Hence, in order to assess export performance in the Ex-Im relationship, it is necessary to incorporate
38 relational flexibility norms as they serve as a mechanism that facilitates exchange and coordination
39 between the parties (Deligonul, Kim, Roath, & Cavusgil, 2006). Lower levels of relational flexibility
40 norms inhibit the development of close business ties, as the effects of perceptual divergences are not
41 mitigated, while higher levels of flexibility foster a favourable environment to commit and coordinate
42 resources and activities (Bello, Chelariu, & Zhang, 2003).

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5 Considering that relationships gradually become more flexible, exporters develop capabilities to
6 increasingly understand the requirements and need of importers, which enable the allocation of
7 complementary assets that contribute to the dyad and its long-term survival (Aykol & Leonidou, 2018;
8 Matear, Gray, & Irving, 2000). Since each party assigns more relevance to the relationship as more
9 resources are devoted (Ford, 1984), the development of relationship-building capabilities strengthens
10 the dyad (Leonidou, 2004; Leonidou, Palihawadana, & Theodosiou, 2011; Morgan, Vorhies, &
11 Schlegelmilch, 2006; Dyer, Singh, & Hesterly, 2018) as it enables a shared use of resources and
12 capabilities (e.g. the importer's cold chain, or the exporter's promotional material) (Matear, Gray, &
13 Irving, 2000).
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21 This specific-relationship capability will be difficult to imitate as it is rare and belongs to the dyad itself
22 and is not available for outsiders (Milgrom & Roberts, 1992). Likewise, due to the investment made in
23 the dyad and the commitment, outsiders are not able to comprehend how the assets and capabilities fit
24 into the relationship and its specificity (Mesquita, Anand, & Brush H., 2008; Dyer & Singh, 1998;
25 Williamson O. , 1985; Weber, Bauke, & Raibulet, 2016). As a consequence, the development of
26 relationship-building capabilities reduces the likelihood of exporter replacement and boosts its export
27 performance (Bello, Chelariu, & Zhang, 2003; Deligonul, Kim, Roath, & Cavusgil, 2006; Skarmas,
28 Zeriti, & Baltas, 2016; Ismail, Rose, Uli, & Abdullah, 2012).
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35 Considering the above, it is necessary to assess the role of relational flexibility norms and relationship-
36 building capabilities on export performance. In this context, the term export performance is defined as
37 the outcome of a firm's activities in the target market, and is multidimensional in nature (Chen, Sousa,
38 & He, 2016). This concept is commonly measured through objective (e.g. export intensity, ROI) and
39 subjective indicators (e.g. degree of export objectives attainment) (Stoian, Rialp, & Rialp, 2011; Zou &
40 Stan, 1998). Previous studies primarily employ subjective measures of export performance, as the
41 variability of objective measurements may be attributed to differences across industries, product
42 categories and accountability practices, as well as disclosure difficulty in emerging economy firms (Hult
43 et al., 2008; Katsikeas et al., 1996; Malca, Peña-Vinces, & Acedo, 2019).
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2.1. Hypothesis development

2.1.1. Direct effect of relational flexibility norms on export performance

Relational norms provide a framework for evaluating the commercial exchanges between the exporter and the distribution channel in the target market (Styles, Patterson, & Ahmed, 2008). These norms reduce perceptual divergences between the parties by promoting higher limits of tolerance and flexibility, and, as a result, their management is necessary as they affect relationship performance (Rosson & Ford, 1982; Styles & Ambler, 2000; Matear, Gray, & Irving, 2000; Heide & John, 1992). Relational flexibility norms strengthen the relationship between the parties and allow the exporting SME to obtain certain privileges (Leonidou, Samiee, Aykol, & Talias, 2014), such as access to scarce resources in the importer's market (Hessels & Terjesen, 2010) and the reduction of uncertainty in the decision-making process, by aligning interorganizational goals (Obadia, Vida, & Pla-Barber, 2017; Håkansson & Snehota, 1989; Styles, Patterson, & Ahmed, 2008). In order to receive these benefits, the dyad requires parties to engage in a continuous relationship as it functions as a source of knowledge and further experience (Hohenthal, Johanson, & Johanson, 2014). Thus, Ex-Im exchanges evolve from arm's length transaction to highly integrated relationships, while they develop more efficient mechanisms of coordination, through relational flexibility norms (Bello, Chelariu, & Zhang, 2003). In this context, a high degree of flexibility will lead to less uncertainty and adaptation as changes in the market unfold, as well as to improvements in export performance (Kuhlmeier & Knight, 2010; Obadia & Vida, 2011; Skarmeeas, Katsikeas, Spyropoulou, & Salehi-Sangari, 2008). This is supported by the Relational View perspective where flexibility norms avoid transaction costs and create a framework for self-enforcement, rather than a third-party involvement, in order to gain relational rents (Williamson, 1989; Dyer & Singh, 1998). Furthermore, it will provide lower contracting, monitoring, adaption and re-contracting costs; and thus, generate value-creating initiatives (Dyer & Singh, 1998). Previous studies find that when relational flexibility norms improve the importer's performance, they also contribute to export performance by mitigating uncertainty in the relationship (Jean, Sinkovics, & Kim, 2010; Obadia, Bello, & Gilliland, 2015; Obadia, Vida, & Pla-Barber, 2017; Sinkovics, Jean, & Pezderka, 2010). Consequently, this study proposes the following hypothesis.

H1. Relational flexibility norms have a positive effect on SMEs' export performance. (See Figure 1)

2.1.2. Mediated effect of relational flexibility norms on export performance through relationship-building capabilities

Due to perceptual divergences inherent in Ex-Im dyads, relational flexibility norms allow the adjustment of the expected behaviour between the parties and facilitate their commercial exchanges (Andersen,

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3 Christensen, & Damgaard, 2009; Barnes, Leonidou, Siu, & Constantinos, 2015; Deligonul, Kim, Roath,
4 & Cavusgil, 2006; Vernon-Wortzel, Wortzel, & Deng, 1988). In consequence, relational flexibility
5 norms favour the continuation of commercial exchange and the formation of interdependencies that
6 evolve gradually, which links the organizations and implies a reciprocal commitment of relationship-
7 specific activities that allows the access and exploitation of the latter to the counterpart (Cavusgil,
8 Deligonul, & Zhang, 2004; Håkansson & Snehota, 1989). As exporting SMEs need to allocate their
9 limited resources efficiently, relational flexibility norms generate a long-term oriented environment that
10 guides the commitment of complementary resources and capabilities towards the relationship (Bello,
11 Chelariu, & Zhang, 2003; Lee & Jang, 1998). Under this context, transactions costs are avoided when
12 any uncertain circumstance arises, making the relationship stronger, as this relies on formal and informal
13 procedures to face them, the latter being promoted by the flexibility between exporter and importer
14 (Williamson O. , 1989; Dyer & Singh, 1998). While this relationship evolves, importers provide
15 recommendations or invest in the exporter's assets and capabilities; and vice versa (Mesquita, Anand,
16 & Brush H., 2008). Due to the efforts of both parties made on behalf of the dyad relationship, it will
17 work as a competitive advantage as it not only relies on the firm itself, but on the dyad. This is difficult
18 to imitate by other companies as most relationships are based on formal procedures (Dyer & Singh,
19 1998; Mesquita, Anand, & Brush H., 2008). Thus, relationships with lower relational flexibility norms
20 inhibit the development of close organizational ties in the Ex-Im dyad, while a higher degree of
21 relational flexibility norms foster the formation of relationship-building capabilities (Ahmed, 2009;
22 Bello, Chelariu, & Zhang, 2003; Matear, Gray, & Irving, 2000). Hence, the study proposes the following
23 hypothesis.

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38 **H2a.** Relational flexibility norms have a positive effect on SMEs' relationship-building capabilities.
39 (See Figure 1)
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42 While the RBV holds that the owner of the source of competitive advantage will attain superior
43 performance, in Ex-Im relationships, commitment shown towards the counterpart reduces the likelihood
44 of exporter substitution and ensures the continuation of exchanges, thus influencing performance
45 (Deligonul, Kim, Roath, & Cavusgil, 2006; Styles, Patterson, & Ahmed, 2008). As capability
46 commitments are relation-specific, they involve a sunk cost of operation, and motivate both parties to
47 capitalize on their allocation (Håkansson & Snehota, 1989; Leonidou, Samiee, Aykol, & Talias, 2014).
48 In this context, relationship-building capabilities allow for the adjustment and coordination of activities
49 according to changes in the competitive environment and the counterpart's requirements, and thus,
50 generate value in the Ex-Im dyad (Cheung, Myers, & Mentzer, 2010; Morgan, Vorhies, &
51 Schlegelmilch, 2006; Ural, 2009). Furthermore, as investment in dyad specific capabilities increase, so
52 will reliance on relational governance mechanisms (Mesquita, Anand, & Brush H., 2008). By doing so,
53 suppliers' building relationship capabilities allow knowledge transfer, anticipate buyer's needs and
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3 foresee future contingencies (Dyer & Singh, 1998). In the relational View perspective, these sharing
4 knowledge routines will succeed given the incentives there are to invest in this know-how sharing as it
5 serves as a mechanism to avoid opportunism and free riders (Szulanski, 1996). These capabilities are
6 rare and difficult to imitate as they not only rely on the firm itself, but in the dyad's relationship based
7 on trust and commitment which works as a base for future commercial interactions (Dyer & Singh,
8 1998). In consequence, relationship-building capabilities foster an effective coordination of activities
9 and goals between the parties, avoiding unwanted results, showing credible commitment to the
10 relationship, and improving compatibility and prospect for future orders affecting the export
11 performance positively. (Aykol & Leonidou, 2018). Likewise, it will create a framework which will
12 foster further investment in assets unavailable for outsiders; also, due to the high commitment and
13 investment provided by the parties, it will be difficult to find a partner similar to the ones involved in
14 the dyad as they help to reduce costs and speed access to markets (Williamson, 1989; Milgrom &
15 Roberts, 1992). Finally, specific capabilities will lead to a superior performance, because they will not
16 be able to replicate the commitments and efforts made in other relationships, as it remains inside the
17 dyad and other partners will not be able to comprehend the assets and capabilities developed (Mesquita,
18 Anand, & Brush H., 2008; Dyer & Singh, 1998; Simon, 1947). Thus, the following hypothesis is
19 proposed.

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22 **H2b.** Relationship-building capabilities have a positive effect on SMEs' export performance. (See
23 Figure 1)

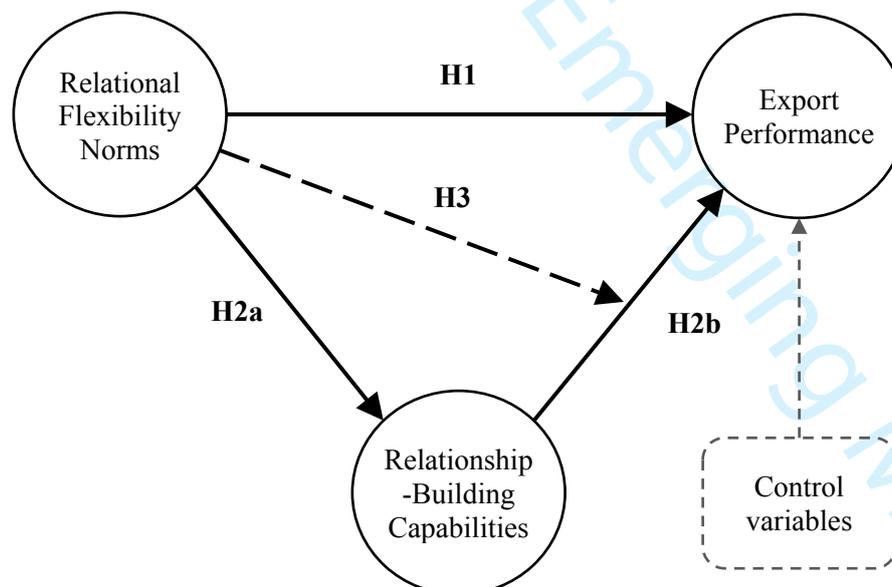
24 25 26 *2.1.3. Conditional indirect effect of relational flexibility norms on the export performance*

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Exporters face difficulties in developing relational norms with importers due to cultural, geographical
and commercial differences between their corresponding markets (Skarmas, Zeriti, & Baltas, 2016). In
this context, relational flexibility norms are developed gradually, via increasing market exchanges.
Further commercial interactions between the parties lead to coordination mechanisms that reduce
uncertainty, which increases commitment towards the relationship and reduces the likelihood of
substitution (Bello, Chelariu, & Zhang, 2003; Casson & Cox, 1993). As this process is dynamic, the
effectiveness of interrelated resources and capabilities are expected to vary depending on the state of the
relational flexibility norms (Racela, Chaikittisilpa, & Thourungrroje, 2007; Ulaga & Eggert, 2006).
Likewise, relational flexibility norms avoid transaction costs due to their informal nature and thus, rely
on goodwill and trust in order to solve future inconveniences as formal safeguards cannot foresee every
mishap (Williamson, 1989; Dyer & Singh, 1998; Simon, 1947). While these interactions occur
continuously inside the dyad, both parties will gather knowledge in future transactions and become
stronger by investing in relationship specific resources and capabilities (Mesquita, Anand, & Brush H.,
2008; Johanson & Vahlne, 2009). Hence, when exporting SMEs do not establish relational flexibility

norms, the interrelation of activities becomes onerous, as both parties must incur in monitoring and control costs, offsetting the benefits of developing relationship-building capabilities (Deligonul, Kim, Roath, & Cavusgil, 2006). On the contrary, when exporting SMEs develop adequate relational flexibility norms, uncertainty is reduced through higher tolerance limits, and the parties can focus on the coordination of tasks oriented to create value by meeting problems with solutions, and abilities with needs (Bello, Chelariu, & Zhang, 2003; Håkansson & Snehota, 1989; 2006; Matear, Gray, & Irving, 2000). In consequence, it is expected that, as relational flexibility norms develop progressively, the effect of relationship-building capabilities on export performance will vary significantly (Obadia, Vida, & Pla-Barber, 2017; Racela, Chaikittisilpa, & Thoumrungroje, 2007). Besides, these relationship specific capabilities are rare and difficult to imitate, and as pointed out by the Resource Based Theory, they provide superior value that cannot be replicated by any other company and will bring results that enhance competitiveness and thus, export performance (Mesquita, Anand, & Brush H., 2008; Dyer & Singh, 1998). Considering what have been mentioned before, this study proposes the following hypothesis.

H3. The positive effect of relationship-building capabilities on export performance increases as the relational flexibility norms of the exporting SMEs increase. (See Figure 1)

Figure 1. Conceptual conditional indirect effect model and hypotheses – relational flexibility norms, relationship-building capabilities and export performance in SMEs.



Note: dotted line represents the moderation effect of Relational Flexibility Norms.

3. Methodology

3.1. Research design and data collection method

In order to assess the conditional indirect effect of relational flexibility norms on export performance through relationship-building capabilities, as well as the multivariate nature of export performance, the study developed a quantitative, cross-sectional approach (Aykol & Leonidou, 2018; Chen, Sousa, & He, 2016).

Regarding the definition of an SME, the study followed the criteria of the European Commission (2005), and screened SMEs by their staff headcount (less than 250), and turnover (less than €50 million) or total balance sheet ceiling. Furthermore, in emerging economies, such as Peru, export industries relating to textiles, garments and agribusiness employ a high percentage of temporary/seasonal workers and create an upward bias in headcount measures. Accordingly, the study treated turnover as a more reliable criterion for SME classification (Agencia de Promoción de la Inversión Privada - Perú - PROINVERSION, 2013), as it is consistent with previous empirical studies in this context (e.g. (Peña-Vinces, Casanova, Guillen, & Urbano, 2017; Malca, Peña-Vinces, & Acedo, 2019))

Regarding the data collection process, the research team developed a questionnaire pre-test with officials from *Comisión de Promoción del Perú para la Exportación y el Turismo* (PROMPERU), a governmental trade promotion organization, industry representatives from the Lima Chamber of Commerce (CCL) and the Peruvian Exporters Association (ADEX), and three managers of exporting SMEs graduated from a Peruvian university that is internationally accredited in business education (Universidad del Pacífico). After the modification and validation of the questionnaire items, the study undertook the data collection process considering the low response rate in business-related studies in emerging economies (Harzing, Reiche, & Pudelko, 2013), as well as the potential bias arising from the use of a single questionnaire (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003). Accordingly, the study used the exporters directory from PROMPERU as the sampling frame after its cross-validation with the National Tax Administration (SUNAT) customs database. The study identified a sampling frame of 1500 exporting SMEs with an export continuity higher or equal to three consecutive years (Malca & Rubio, 2013), and 400 questionnaires were sent to the managers responsible for the export activity. A total of 106 questionnaires were gathered, from which 95 corresponded to usable responses. The sample size of the study is consistent with previous studies, where the average sample size is close to 100 firms (Chen, Sousa, & He, 2016; Ruppenthal & Bausch, 2009; Zou & Stan, 1998). Additionally, the study tested for systematic differences in item scores and firm characteristics attributable to the two data collection methods (i.e. 35 personal interviews and 60 telephone interviews) via the non-parametric Mann–Whitney U test. The study did not find statistically significant differences between the two

groups, thus failing to provide evidence of bias attributable to the data collection methods employed. Likewise, to demonstrate whether the sample size was correct with a 95% confidence level and a sampling error of 0.4, it was found that 96 samples with replacement and 91 without replacement were required, meaning that the 95 questionnaires collected met the required sample size.

Table 1 presents the sample characteristics.

Table 1. Sample characteristics – exporting SMEs

Industry	%	Experience exporting	%	Headcount	%
Agribusiness	58.9	<5 years	10.5	<10	16.8
Textiles/Garment	12.6	5-14 years	57.9	10-249	65.3
Other	28.4	≥15 years	31.6	≥250	17.9
Export Value	%	Export intensity (exports/total sales)		%	
<1 USD Million.	20.7	<30%		15.8	
1-9 USD Million	53.2	30%-70%		14.7	
≥10 USD Million	26.1	≥70%		69.5	
Education	%	Age	%	Company Years	%
MBA	6	<25	1	<10	31
Postgraduate	10	25-35	21	10-20	38
University	79	35-45	35	20-30	8
Uncompleted university	3	45-55	24	30-40	7
High School	1	>55	19	>40	16

3.2. Measurement scales

The study employed and adapted scales from previous studies in order to operationalize the variables in the conceptual model. Regarding the measurement of relational flexibility norms, the scales were adapted from the studies of Heide and John (1992), Navarro-García et al. (2016), and Zhang (1993). The construct was measured with three items and a 7-point response scale (i.e. 1: “Strongly disagree” – 7: “Strongly agree”). The concept of relationship-building capabilities was measured with three items and a 7-point response scale based on Leonidou et al. (2011), Kaleka (2002), and Morgan et al. (2006). Export performance was measured using the subscales of export objectives achievement and export performance satisfaction provided in Lages et al. (2008). The use of subjective measurements of export performance is preferred in the current research context given that objective measurements present limitations such as differences attributed to accountability practices between firms, difficulty in disclosure and their non-comparability across industries and product categories (Hult et al., 2008). Each subscale was measured with four items and a 7-point response scale (1: “very badly” – 7: “very well”).

Following Cuervo-Cazurra et al. (2016) guidelines regarding control variables, the empirical model accounted for variation in export performance attributable to firm size, international experience, and industry characteristics. Their inclusion in the analysis is based on previous comprehensive export performance models (e.g. Chen et al. (2016), Ruppenthal and Bausch (2009)), where both internal variables, such as firm characteristics and experience, and external variables, such as industry-level characteristics, are relevant antecedents. Additionally, their inclusion reduces the extent of rivaling explanations, and is consistent with previous studies (Antonakis et al., 2010; Peña-Vinces et al., 2017). Table 2 presents the items in each latent variable and table 3 displays the correlation matrix including the control variables.

3.3. Data analysis strategy

Considering the interrelationship between the latent variables under study, and the need to employ robust empirical methods in the export performance literature (Aykol & Leonidou, 2018; Chen, Sousa, & He, 2016) Structural Equation Modelling (SEM) was employed to test the research hypotheses (Kline, 2015). In this regard, the study employed the statistical package AMOS 24.0. Based on Rhemtulla et al. (2012), the estimation of the confirmatory factor analysis was performed via Maximum Likelihood since each scale had more than 5 thresholds (i.e. 7-point response scales). Tables 2 and 3 describe the convergent and discriminant validity of the measurement model respectively. Regarding convergent validity, both Cronbach alpha and composite reliability measurements showed adequate reliability levels. Additionally, the Average Variance Extracted from each factor is above 0.5, indicating that the majority of item variance is explained by the corresponding latent factors (Byrne, 2016). Table 3 shows that all factors meet the Fornell-Larcker criterion, which provides evidence of discriminant validity. While the confirmatory factor analysis yielded a statistically significant difference between the observed and expected covariance matrices, complementary absolute and relative fit measures show an adequate fit (Kline, 2015). Once convergent and discriminant validity were established, the study employed structural equation modelling to test the research hypotheses.

The study estimated the conditional indirect effect of relational flexibility norms according to the approach presented in Preacher et al. (2007), Preacher et al. (2006) and Little et al. (2007). First, considering the general structural equation model,

$$\eta = B\eta + \Gamma\xi + \zeta \quad (1)$$

where η is the vector of endogenous variables, ξ is the vector of exogenous variables, B and Γ are the vectors containing the regression coefficients between endogenous variables and between exogenous and endogenous variables respectively, and ζ is the error term. The mediation analysis (hypothesis 1 and 2a-b) is stated as

$$\eta_{(RBC)} = \gamma_{h2a}\xi_{(RFN)} + \zeta_{RBC} \quad (3)$$

$$\eta_{(EXP)} = \gamma_{h1}\xi_{(RFN)} + \beta_{h2b}\eta_{(RBC)} + \zeta_{EXP} \quad (4)$$

Where (*EXP*): export performance, (*RFN*): relational flexibility norms, (*RBC*): Relationship-building capabilities, and h_i is the relevant hypothesis being tested, where $i=1,2,3$. In order to include H3, the interaction term that denotes how an increasing level of relational flexibility norms strengthens the effectiveness of relationship-building capabilities on export performance (β_{h2b}), an orthogonalized interaction term is added in (4) in order to reproduce the moderated mediation analysis

$$\begin{aligned} \eta_{(RBC)} &= \gamma_{h2a}\xi_{(RFN)} + \zeta_{RBC} \\ \eta_{(EXP)} &= \gamma_{h1}\xi_{(RFN)} + \beta_{h2b}\eta_{(RBC)} + \gamma_{h3}W_{\{(RFN) \times (RBC)\}} + \zeta_{EXP} \end{aligned} \quad (5)$$

where W is the orthogonalized interaction term. The orthogonalized interaction term is obtained following Little et al. (2006) recommendation. This approach reduces multicollinearity between the latent interaction term and their constituent latent variables.

From (5), the conditional indirect effect is defined by the following equation

$$f(\theta | \xi_{(RFN)}) = \gamma_{h2a}(\beta_{h2b} + \gamma_{h3}X), \text{ where } \theta: (\gamma_{h2a}, \beta_{h2b}, \gamma_{h3}) \quad (6)$$

It is noted that, if the interaction term turns statistically insignificant, $\gamma_{h3} = 0$, the conditional indirect effect would collapse into the classical mediation effect case ($\gamma_{h2a} \times \beta_{h2b}$).

In order to test the statistical significance of the parameters, the study employed a bootstrapping procedure, due to issue that interaction terms present complex distributions that deviate from the parametric case (Kline, 2015). The use of SEM and the bootstrapping procedure is supported in the current sample considering the relatively large size of the loadings in the measurement model and simplicity of the structural model (Efron & Tibshirani, 1986; Guadagnoli & Velicer, 1988; Kline, 2015; Nevitt & Hancock, 2001). Furthermore, considering that the parameter value of the conditional indirect effect varies as Relational Flexibility Norms changes in value, a 95% confidence band was calculated to assess under which regions of the variable, the conditional indirect effect is statistically significant. Following Preacher et al. (2007), the equations for the second-order standard error and the Johnson-Neyman (1- α)% Confidence Bands are

$$SE_{(f(\theta | RFN))} \approx \sqrt{(\beta_{h2b} + \gamma_{h3}RFN)^2 s_{\gamma_{h2a}}^2 + (\gamma_{h2a}^2 + s_{\gamma_{h2a}}^2)(s_{\beta_{h2b}}^2 + 2s_{\beta_{h2b}, \gamma_{h3}}RFN + s_{\gamma_{h3}}^2 RFN^2)} \quad (7)$$

$$CB_{1-\alpha}: f(\theta | RFN) \pm Z_{\alpha/2} SE_{(f(\theta | RFN))} \quad (8)$$

Graphing the value of equations (6) as for each value of Relational Flexibility Norms and plotting the confidence bands provided in (8) gives the region where the conditional indirect effect is statistically significant from zero.

4. Results

4.1. Measurement model results

The study finds adequate absolute and relative fit measures from the CFA (χ^2 : 105.30, df: 68, χ^2 /df: 1.548, Sig.: 0.003, CFI: 0.963, TLI/NNFI: 0.950, IFI: 0.964, RMSEA (sig.): 0.076 (0.07)), and proceeds to the analysis of convergent and discriminant validity of the constructs. The study finds evidence of convergent validity, as composite reliabilities, factor loadings and average variance extracted (AVE) surpass the corresponding thresholds (Kline, 2015). Additionally, the CFA results support the presence of discriminant validity through the Fornell-Larcker (1981) criterion. These results are presented in tables 2 and 3.

Table 2. CFA results – items, scales reliability, and construct convergence validity

Construct/item	λ	Sig.	CR	AVE
Relational flexibility norms (a) Source. - Heide and John (1992) , Navarro-García et al (2016) , Zhang (1993)			0.798	0.569
Flexibility in response to requests for changes in the relationship is a characteristic between the parties (flex_1)	0.808	<0.001		
The parties expect are able to adjust the ongoing relationship and prior agreements upon each other's request (flex_2)	0.738	<0.001		
When some unexpected situation arises, the parties would rather work out a new deal than hold each other to the original terms (flex_3)	0.713	<0.001		
Relationship-building capabilities (a) Source. - Leonidou et al (2011)			0.756	0.511
Understanding overseas customer requirement (relcap_1)	0.771	<0.001		
Establishing business ties with other organizations in foreign markets (relcap_2)	0.612	<0.001		
Establishing and maintaining close supplier relationships (relcap_3)	0.751	<0.001		
Export performance (b) Source. - Lages et al (2008)			0.906	0.827
Export performance achievement (a)	0.890	<0.001	0.900	0.696
Achievement of the sales volume objective for the export venture (ach_1)	0.735	<0.001		
Achievement of the sales revenue objective for the export venture (ach_2)	0.947	<0.001		
Achievement of the profitability objective for the export venture (ach_3)	0.880	<0.001		
Achievement of overall performance objective for the export venture (ach_4)	0.756	<0.001		
Export performance satisfaction (a)	0.920	<0.001	0.910	0.722
Satisfaction with the sales volume results of the export venture (sat_1)	0.622	<0.001		
Satisfaction with the sales revenue results of the export venture (sat_2)	0.937	<0.001		
Satisfaction with the profitability results of the export venture (sat_3)	0.906	<0.001		
Satisfaction with the overall performance results of the export venture (sat_4)	0.896	<0.001		

Notes: (a) first-order construct; (b) second-order construct.; CFA assessment: χ^2 : 105.30, df: 68, χ^2 /df: 1.548, Sig.: 0.003, CFI: 0.963, TLI/NNFI: 0.950, IFI: 0.964, RMSEA (sig.): 0.076 (0.07).

Table 3. Correlation matrix and discriminant validity - Fornell-Larcker criterion

	1	2	3	4	5	6
1 Relational flexibility norms	0.754					
2 Relationship-building capabilities	0.431	0.715				
3 Export performance	0.226	0.532	0.910			
4 Headcount	-0.055	-0.142	0.032	-		
5 Agribusiness	0.071	0.210	0.050	-0.351	-	
6 Export experience	0.071	-0.059	-0.022	0.168	-0.187	-
Cronbach alpha	0.792	0.744	0.937	-	-	-
Composite reliability	0.798	0.756	0.906	-	-	-
AVE	0.569	0.511	0.827	-	-	-

Notes: in bold, correlation matrix main diagonal: \sqrt{AVE} ; off-diagonal elements: correlations between constructs. Control variables are direct measurements, thus not presenting reliability and AVE measurements.

4.2. Structural model results

Table 4 presents the SEM results, as well as the bootstrapped t-value and significance level (Efron & Tibshirani, 1986; Guadagnoli & Velicer, 1988; Kline, 2015; Nevitt & Hancock, 2001). Figure 2 presents the structural model parameters relating to the conceptual model and figure 3 graphically represents the significance of the conditional indirect effect for each value of the relational flexibility norms.

Regarding the hypothesis 1, the study finds a statistically non-significant effect between relational flexibility norms and export performance (H1: $\gamma = 0.011$, sig.: 0.927). Regarding hypotheses 2 and 3, that describe the process in which relational flexibility norms affect export performance through the development and commitment of relationship-building capabilities, the study finds statistically significant evidence in its support (H2a: $\gamma = 0.435$, sig.: 0.002; H2b: $\beta = 0.520$, sig.: <0.001). Furthermore, the study finds statistically significant evidence on the moderating effect that relational flexibility norms have over the impact of relationship-building capabilities on export performance in SMEs (H3: $\gamma = 0.279$, sig.: 0.010). Figure 3 shows that for all the positive values of Relation Flexibility Norms, the conditional indirect effect remains statistically significant.

Table 4. Structural model results and null-hypothesis significance testing

H ^o	Hypothesised relationships	Std. γ	Sig.	Bias-corrected Bootstrap	
				CI 95% [LB; UB]	Sig.
H1	Flexibility → Export performance	0.011	0.927 ^{ns}	[-0.272; 0.306]	0.728 ^{ns}
H2a	Flexibility → Relationship-building capabilities	0.435	0.002 ^{**}	[0.195; 0.639]	0.010 ^{**}
H2b	Relationship-building capabilities → Export performance	0.520	>0.001 ^{***}	[0.199; 0.868]	0.008 ^{**}
H3	Flexibility × Relationship-building capabilities → Export performance	0.279	0.004 ^{**}	[0.105; 0.506]	0.010 [*]
Control variables					
-	Headcount → Export performance	0.084	0.394 ^{ns}	[-0.139; 0.299]	0.420 ^{ns}
-	Agribusiness → Export performance	0.005	0.960 ^{ns}	[-0.247; 0.225]	0.960 ^{ns}
-	Export experience → Export performance	-0.037	0.691 ^{ns}	[-0.212; 0.125]	0.570 ^{ns}

Notes: $R^2_{(Export\ performance)}$: 0.36; χ^2 : 294.41, df : 277, **Sig.**: 0.226, χ^2/df : 1.06, CFI: 0.988, TLI/NNFI: 0.986, IFI: 0.988, RMSEA (**sig.**): 0.26 (0.96^{ns}); Bias-corrected percentile method for 95% Confidence Interval based on 5000 subsamples (Efron & Tibshirani, 1986); *ns*: not statistically significant ($p > 0.05$); * $p < 0.05$, ** $p < 0.01$; *** $p < 0.001$.

Figure 2. Structural equation model results – specification of the conditional indirect effect model according to Preacher et al. (2007).

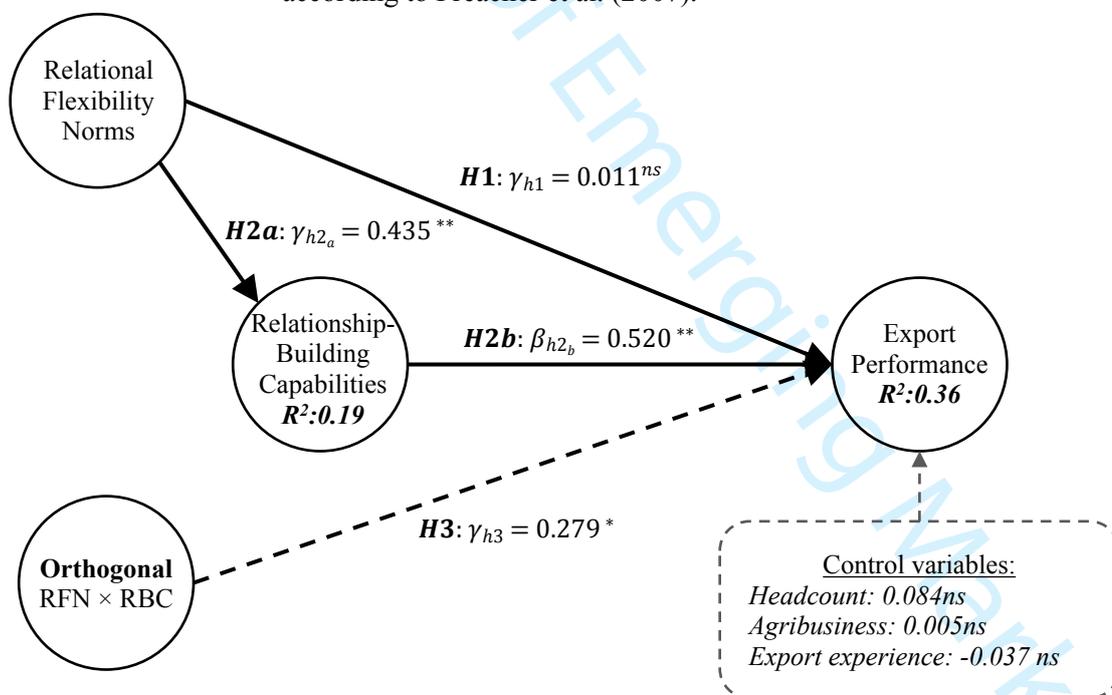
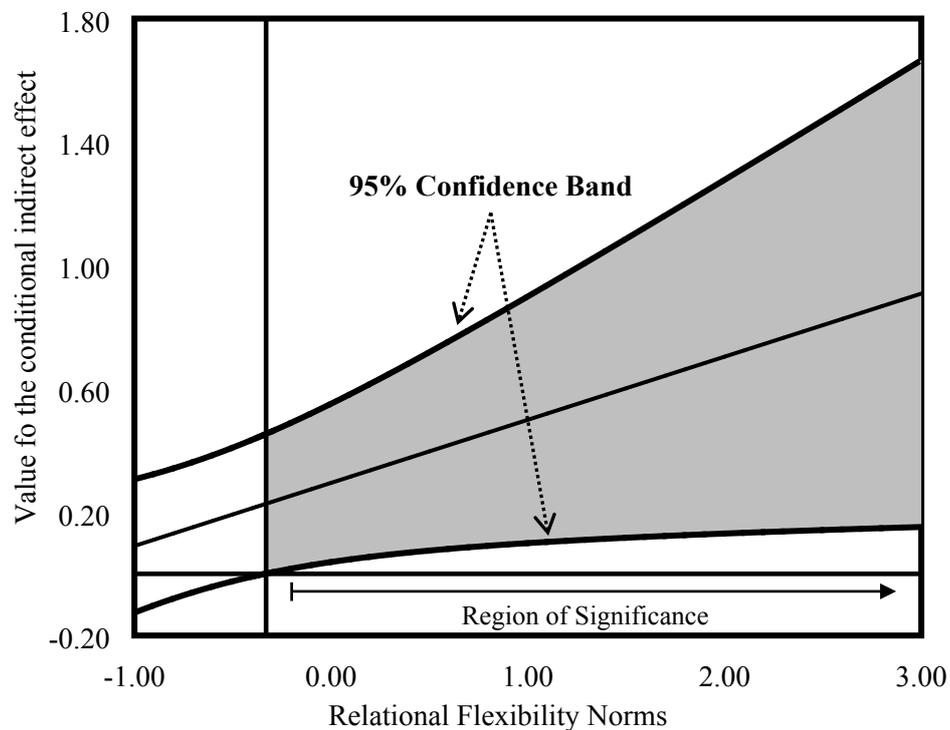


Figure 3. Plot of the conditional indirect effect of Relational Flexibility Norms on SMEs' Export Performance through Relationship-Building Capabilities with confidence bands. The horizontal line denotes an indirect effect of zero.



5. Discussion and conclusion

The main objective of the study was to analyse the mediated and moderating effects of relational flexibility norms on relationship-building capabilities and export performance in SMEs from an emerging economy. Results show that in this context, the impact of relational flexibility norms on export performance is mediated through the development of relationship-building capabilities. Additionally, the development of relational flexibility norms in the Ex-Im dyad moderates and positively affects the impact of relationship-building capabilities on export performance. Thus, emerging economy exporting SMEs that adequately manage their relational norms increase the effectiveness of the capabilities committed into the relationship; however, these results should be contrasted with longitudinal studies to see if the effects remain and even if there could be direct effects.

Several investigations have shown the positive direct effect of flexibility norms on the export performance (Bello & Gilliland, 1997; Navarro-García, Sánchez-Franco, & Rey-Moreno, 2016); while using the scale and theory provided by Heide and John (1992). However, the present research does not support this view and proves otherwise. Both perspectives provide a framework of discussion. The positive result applies in a developed market through the capitalization and strengthening of the long-

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3 term relationship that are reflected on the export performance. In contrast, our results are typical of small
4 emerging countries such as Peru.
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8 Furthermore, flexibility as a relational governance mechanism in emerging markets also supports the
9 effect in this relationship based on bilateral informal mechanisms and aligning the expected behavior
10 between the exporter and importer (Ju, Zhao, & Wang, 2014; Li & Ogunmokin, 2012). Therefore, the
11 present research contributes with mixed results contradicting the direct effect between these variables
12 and explaining it through the mediating effect of the relationship-building capabilities.
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17 Analysing the effect of relational flexibility norms on export performance in SMEs, the study does not
18 find a statistically significant effect, which provides empirical grounds for further investigation on this
19 relationship, specifically when cultural distance in the Ex-Im dyad is low/high (Durand, Turkina, &
20 Robson, 2016). Future investigations could also corroborate these results especially if the subject of
21 investigation is the importer, and check if the results of the investigation match the exporter's analysis.
22 Additionally, the result provides evidence on the importance of the development and maintenance of
23 Ex-Im relations, that not necessarily involves additional costs; and rather, research that analyses the
24 impact of relationship management on transaction costs and its impact on firms' export performance is
25 needed. Moreover, considering the non-significant effect of the flexibility relational norms over export
26 performance, it does not mean that it is not of importance to the company, since other areas of the
27 company can benefit from the development of such norms allowing greater management of long-term
28 relationships and the mitigation of uncertainty (Obadia, Vida, & Pla-Barber, 2017). Given the nature of
29 relational norms which are oriented to the long term (Deligonul, Kim, Roath, & Cavusgil, 2006; Roath
30 & Sinkovics, 2006), it is necessary to analyze it with longitudinal studies in order to give greater support
31 to the result of the studies in an investigation of this nature whose empirical results may question the
32 findings.
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44 The structural model results show that the mediated effect of relational flexibility norms on export
45 performance through relationship-building capabilities has a substantial explanatory power ($R^2: 0.36$;
46 $R_{adj}^2: 0.32$), and thus provide evidence of the hypothesised contingent organizational process. As a
47 consequence, the development of Ex-Im relations that lead to improvements on export performance
48 require the possession and commitment of relationship-building capabilities and soft skills to understand
49 the business partner (Aykol & Leonidou, 2018; Ford, 1984; Vernon-Wortzel, Wortzel, & Deng, 1988).
50 These results support the premise that the development of relational flexibility norms helps to overcome
51 perceptual divergences and negative expectations between the parties, which fosters a higher degree of
52 coordination and commitment of relation-specific activities, and improves export performance by
53 generating value to the dyad (Deligonul, Kim, Roath, & Cavusgil, 2006; Matear, Gray, & Irving, 2000).
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3 However, the findings of this research need to be corroborated both in another emerging country context
4 and, where possible, with longitudinal studies.
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8 The results of this research coincide with what is stated by Dyer and Singh (1998), in which the
9 development of relationships between Ex - IM constitute a source of competitive advantage,
10 highlighting that this is generated through the relationship-building capabilities, which ends up being
11 one of the main managerial capacities that companies and the State through Export Promotion
12 Programmes must strengthen, since it is a source of competitive advantage that contributes to improving
13 the export performance of the SME. Likewise, the findings confirm the mediating effect of the
14 relationship-building capabilities between relational flexibility norms and export performance; and it is
15 a contribution for emerging countries such as Peru, given that these capabilities are a condition for the
16 management of relationships between exporter and importer. Thus, our findings support that the
17 relational approach reveals the advantage of additional performance, as it contributes to reducing
18 transaction costs. (Mesquita, Anand, & Brush H., 2008)
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27 Finally, the study finds evidence of the moderating effect that relational flexibility norms have on the
28 effectiveness of relationship-building capabilities on export performance. Thus, as the exporting SME
29 improves its relational flexibility norms, the effectiveness of the capabilities committed to the
30 relationship increase significantly. This may be attributed to the fact that higher flexible norms and
31 tolerance limits contribute to the adaptive process between the parties to foster reciprocal knowledge
32 specific to the relationship, facilitating activity coordination and the resolution of problems, improving
33 the effectiveness of the resources committed to the relationship and its performance (Bello, Chelariu, &
34 Zhang, 2003; Håkansson & Snehota, 1989; 2006; Matear, Gray, & Irving, 2000). Likewise, in SMEs,
35 the performance of previous years (Malca, Peña-Vinces, & Acedo, 2019), as well as the information
36 obtained through the capacities to build relationships with the importer, would allow the SME to
37 increasingly capitalize on superior export performance. (Styles & Ambler, 1994)
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46 **5.1. Managerial implications**

47 The study found that emerging economy exporters must jointly develop relational flexibility norms and
48 relationship-building capabilities to improve their export performance. Thus, by developing flexible
49 relationships, control costs are lowered and both parties can focus on allocating complementary assets
50 and activities. This enables the emerging economy SME to efficiently assign its limited resources and
51 capabilities to sustain export performance. Furthermore, by clearly establishing export objectives, they
52 can identify matching importers to sustain a flexible relationship environment, which will lead to an
53 increased goal alignment and the development of trust, cooperation, and relation-specific knowledge
54 and resources (Aykol & Leonidou, 2018). Equally important, export managers should continuously
55 monitor their business contacts and relationships in order to develop relational norms that lead to mutual
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3 capability commitments, and thus, a higher degree of export performance. Also, proper relationship
4 management from the exporters' point of view would help the exporting SME to identify the best
5 customers, as well as facilitate them to obtain adequate information that would allow the exporters to
6 differentiate themselves from others in order to capture the largest percentage of the importers'
7 purchasing power.
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12 Regarding exporting SMEs in the Latin American context, the development of relational norms with
13 importers should be integrated in a progressive internationalization strategy, as evidenced in the Uppsala
14 model (Johanson & Vahlne, 2009). As cultural and geographical distance creates perceptual
15 divergences, SMEs must develop the capability to manage relationships. One option pointed out by the
16 Uppsala model for SMEs is that they start their management through geographically/culturally closer
17 markets and gradually develop relationship-building capabilities, as well as, improve the development
18 of relational flexibility standards given the low levels of intraregional trade. (Malca, 2016; Johanson &
19 Vahlne, 2009).
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27 Furthermore, based on the mediated process found, SMEs from emerging economies should prioritise
28 the development of relationship-building capabilities, as these capitalise on the transition from arm's
29 length transaction to continuous Ex-Im relationships. This insight is significant, as over 80% of Peruvian
30 exporting firms have a sporadic international presence, which limits their ability to exploit the sunk costs
31 of developing export market relationships (Malca & Rubio, 2013). Thus, focusing on the development
32 of relationship-building capabilities will enable exporting firms to acquire key export market knowledge
33 stemming from the Ex-Im dyad, and the construction on international business networks (Fletcher &
34 Harris, 2012; Styles & Ambler, 1994). Accordingly, the development of successful Ex-Im relationships
35 is crucial for the internationalization process of emerging economies exporters, as equity-based
36 strategies may be resource prohibitive.
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45 Finally, governmental efforts, instrumented through the development of export promotion programmes,
46 must focus on strengthening exporter relationship management capabilities, considering that it requires
47 a lower level of resource investment in comparison to other coordination and control mechanisms, and
48 are relevant when firms participate in trade mobility programmes (such as trade missions, international
49 trade fairs, among others that involve the interaction between exporters and importers) (Malca, Peña-
50 Vinces, & Acedo, 2019). Accordingly, the development of guides and training programmes that address
51 Ex-Im relationship management is relevant factor for exporting SMEs (Leonidou, Katsikeas, &
52 Hadjimarcou, 2002).
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6. Limitations and future research directions

The results uniquely portrayed the case of the Peruvian export sector, as an example of an emerging economy. Furthermore, the cross-sectional design limited the analysis to the short-term effects of relational norms, and thus, cannot assess the factors that drive evolution or impact over time. Additionally, the study focused on the mediating organisational process in which relational flexibility norms affect export performance via the development of relation-specific capabilities, and thus, it did not consider the effect of additional organizational characteristics that may affect export performance in SMEs, such as absorptive capacity, for example (Zahra & George, 2002). This capacity is important in dyadic and multiple interorganizational relationships because the first one relies on the decision of a firm to select a partner that will provide its knowledge (Lane & Lubatkin, 1998), and the latter one focuses in the way of acquiring knowledge from their networks, thus fostering the development of knowledge in a long term. (Caloghirou, Kastelli, & Tsakanikas, 2004; Apriliyanti & Alon, 2017)

Based on the contextual differences between developed and developing economies (Krammer, Strange, & Lashitew, 2018), future studies may consider the effect of key managerial cognitive capabilities, such as the global mindset (Levy, Beechler, Taylor, & Boyacigiller, 2007), in overcoming the detrimental effects of cultural distance on communication and quality in relationships (Nes, Solberg, & Silkoset, 2007). Additionally, given the challenge of SMEs to gather information from networks and relationships (Fletcher & Harris, 2012), future studies may undertake comparisons between emerging and developed economy Ex-Im dyads, in order to isolate the effect of cultural distance on the development of relational norms and export performance (Durand, Turkina, & Robson, 2016), as well as the effect of cultural distance on the relationship-building capabilities and how institutions support the strengthening of these capabilities (Zhang, Cavusgil, & Roath, 2003). This is especially important in the Latin American context, where most exporting SMEs present culturally distant partners, such as importers from Europe, the United States of America and China, among others.

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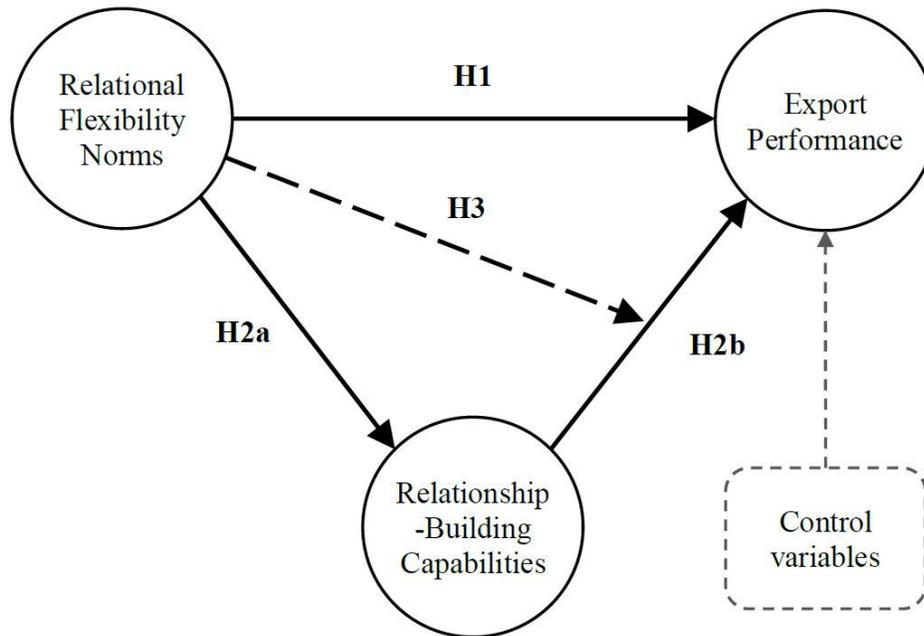
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Note: dotted line represents the moderation effect of Relational Flexibility Norms.

Figure 1. Conceptual conditional indirect effect model and hypotheses – relational flexibility norms, relationship-building capabilities and export performance in SMEs.

93x67mm (300 x 300 DPI)

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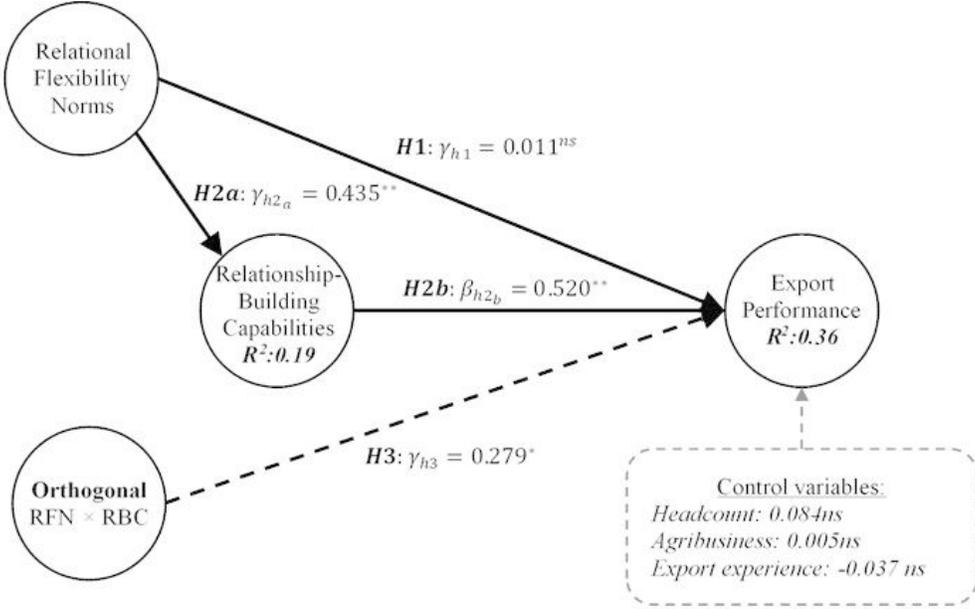


Figure 2. Structural equation model results – specification of the conditional indirect effect model according to Preacher et al. (2007).

59x37mm (300 x 300 DPI)

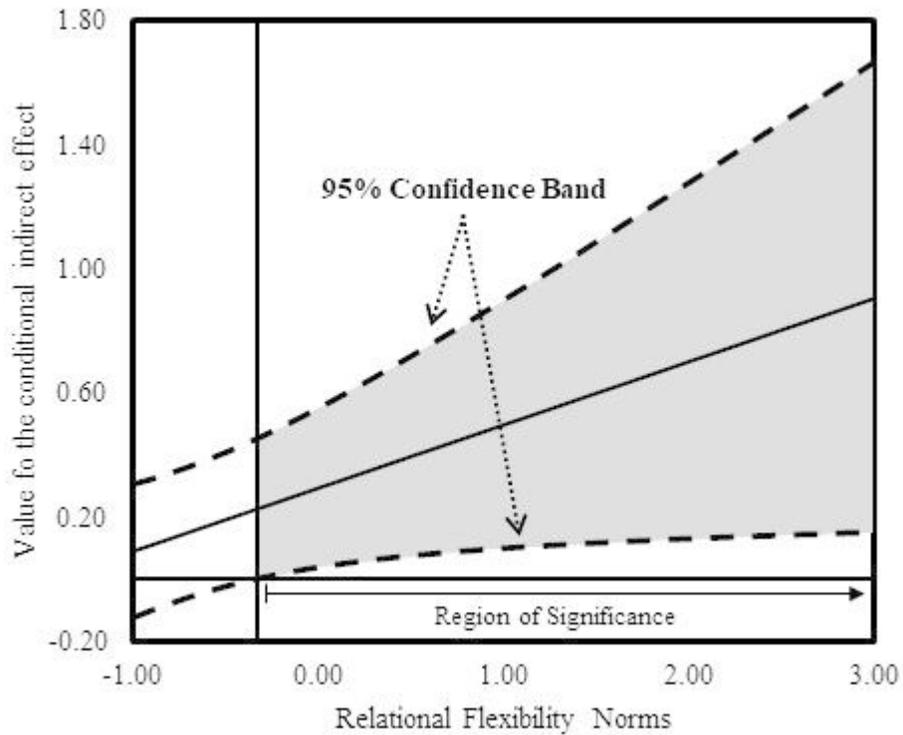


Figure 3. Plot of the conditional indirect effect of Relational Flexibility Norms on SMEs' Export Performance through Relationship-Building Capabilities with confidence bands. The horizontal line denotes an indirect effect of zero.

41x32mm (300 x 300 DPI)

Industry	%	Experience exporting	%	Headcount	%
Agribusiness	58.9	<5 years	10.5	<10	16.8
Textiles/Garment	12.6	5-14 years	57.9	10-249	65.3
Other	28.4	≥15 years	31.6	≥250	17.9
Export Value	%	Export intensity (exports/total sales)		%	
<1 USD Million.	20.7	<30%		15.8	
1-9 USD Million	53.2	30%-70%		14.7	
≥10 USD Million	26.1	≥70%		69.5	
Education	%	Age	%	Company Years	%
MBA	6	<25	1	<10	31
Postgraduate	10	25-35	21	10-20	38
University	79	35-45	35	20-30	8
Uncompleted university	3	45-55	24	30-40	7
High School	1	>55	19	>40	16

Table 1. Sample characteristics – exporting SMEs

182x109mm (120 x 120 DPI)

Construct/item	λ	Sig.	CR	AVE
Relational flexibility norms (a)			0.798	0.569
Source. - Heide and John (1992) , Navarro-García et al (2016) , Zhang (1993)				
Flexibility in response to requests for changes in the relationship is a characteristic between the parties (flex_1)	0.808	<0.001		
The parties expect are able to adjust the ongoing relationship and prior agreements upon each other's request (flex_2)	0.738	<0.001		
When some unexpected situation arises, the parties would rather work out a new deal than hold each other to the original terms (flex_3)	0.713	<0.001		
Relationship-building capabilities (a)			0.756	0.511
Source. - Leonidou et al (2011)				
Understanding overseas customer requirement (relcap_1)	0.771	<0.001		
Establishing business ties with other organizations in foreign markets (relcap_2)	0.612	<0.001		
Establishing and maintaining close supplier relationships (relcap_3)	0.751	<0.001		
Export performance (b)			0.906	0.827
Source. - Lages et al (2008)				
Export performance achievement (a)	0.890	<0.001	0.900	0.696
Achievement of the sales volume objective for the export venture (ach_1)	0.735	<0.001		
Achievement of the sales revenue objective for the export venture (ach_2)	0.947	<0.001		
Achievement of the profitability objective for the export venture (ach_3)	0.880	<0.001		
Achievement of overall performance objective for the export venture (ach_4)	0.756	<0.001		
Export performance satisfaction (a)	0.920	<0.001	0.910	0.722
Satisfaction with the sales volume results of the export venture (ach_1)	0.622	<0.001		
Satisfaction with the sales revenue results of the export venture (ach_2)	0.937	<0.001		
Satisfaction with the profitability results of the export venture (ach_3)	0.906	<0.001		
Satisfaction with the overall performance results of the export venture (ach_4)	0.896	<0.001		

Notes: (a) first-order construct; (b) second-order construct.; CFA assessment: χ^2 : 105.30, df: 68, χ^2/df : 1.548, Sig.: 0.003, CFI: 0.963, TLI/NNFI: 0.950, IFI: 0.964, RMSEA (sig.): 0.076 (0.07).

Table 2. CFA results – items, scales reliability, and construct convergence validity

94x84mm (300 x 300 DPI)

	1	2	3	4	5	6
1 Relational flexibility norms	0.754					
2 Relationship-building capabilities	0.431	0.715				
3 Export performance	0.226	0.532	0.910			
4 Headcount	-0.055	-0.142	0.032	-		
5 Agribusiness	0.071	0.210	0.050	-0.351	-	
6 Export experience	0.071	-0.059	-0.022	0.168	-0.187	-
Cronbach alpha	0.792	0.744	0.937	-	-	-
Composite reliability	0.798	0.756	0.906	-	-	-
AVE	0.569	0.511	0.827	-	-	-

Notes: in bold, correlation matrix main diagonal: $\sqrt{\text{variance}}$; off-diagonal elements: correlations between constructs. Control variables are direct measurements, thus not presenting reliability and AVE measurements.

Table 3. Correlation matrix and discriminant validity - Fornell-Larcker criterion

94x41mm (300 x 300 DPI)

H°	Hypothesised relationships	Std. γ	Sig.	Bias-corrected Bootstrap	
				CI 95% [LB; UB]	Sig.
H1	Flexibility → Export performance	0.011	0.927 ^{ns}	[-0.272; 0.306]	0.728 ^{ns}
H2	Flexibility → Relationship-building capabilities	0.435	0.002 ^{**}	[0.195; 0.639]	0.010 ^{**}
H3	Relationship-building capabilities → Export performance	0.520	>0.001 ^{***}	[0.199; 0.868]	0.008 ^{**}
H4	Flexibility × Relationship-building capabilities → Export performance	0.279	0.004 ^{**}	[0.105; 0.506]	0.010 [*]
Control variables					
-	Headcount → Export performance	0.084	0.394 ^{ns}	[-0.139; 0.299]	0.420 ^{ns}
-	Agribusiness → Export performance	0.005	0.960 ^{ns}	[-0.247; 0.225]	0.960 ^{ns}
-	Export experience → Export performance	-0.037	0.691 ^{ns}	[-0.212; 0.125]	0.570 ^{ns}

Notes: R²(Export performance): 0.36; χ^2 : 294.41, df: 277, Sig.: 0.226, χ^2 /df: 1.06, CFI: 0.988, TLI/NNFI: 0.986, IFI: 0.988, RMSEA (sig.): 0.26 (0.96^{ns}); Bias-corrected percentile method for 95% Confidence Interval based on 5000 subsamples (Efron & Tibshirani, 1986); ns: not statistically significant ($p > 0.05$); * $p < 0.05$, ** $p < 0.01$; *** $p < 0.001$.

Table 4. Structural model results and null-hypothesis significance testing

112x50mm (300 x 300 DPI)