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Moderation Effects of Government Institutional Support, Active and Reactive Internationalization Behavior on Innovation Capability and Export Performance

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Abstract: Although innovation capabilities are important drivers of export performance, few studies address how they influence export performance in the context of emerging economies. This paper evaluates the moderating effects of government institutional support and firms' active and reactive internationalization behaviors on the relationship between innovation capabilities and export performance. The sample analyzed is based on 250 Mozambican small and medium enterprises (SMEs). The results indicate that although innovation capabilities positively influence the export performance of Mozambican SMEs, the moderating effects of government institutional support and firms' active and reactive internationalization behaviors were not found to be statistically significant.

1. Introduction

Small and medium-sized enterprises (SMEs) represent over 96% of Mozambique's business population (Instituto Nacional de Estatística 2017), but their contribution in terms of gross domestic product (GDP) and employment is still relatively low. SMEs contribute 28% of GDP and 42% in formal employment, facing challenges at the business environment level, namely in terms of access to markets, access to finance, and coordination of support mechanisms (Ministério da Indústria e Comércio 2016). SMEs need to enhance their competitiveness to increase their economic contribution in emerging economies. Thus, product and process innovation can contribute to promoting structural change among developing countries and support the international competitiveness of SMEs (Ministério da Indústria e Comércio 2016).

It is important for SMEs to invest in their innovation capabilities (ICs), as they are considered important levers of product and process innovation (Blanchard 2020) and important sources of competitive advantage (Guan and Ma 2003; Knight and Kim 2009; Sen and Egelhoff 2000; Wang and Ahmed 2004), positively influencing the export performance of SMEs (Guan and Ma 2003; Oura et al. 2016; Ribau et al. 2017a). Based on the concept of dynamic capabilities, ICs are recognized as key drivers of business growth (Teece et al. 1997).

Government programs supporting internationalization play a primary role in the development of businesses, with positive consequences for national economies (Jalali 2012). These programs play an important role for SMEs, as they have some resource constraints,

especially when competing in international markets with larger and more experienced companies. Thus, it is not uncommon for SMEs to seek to explore international markets, even though they have many limitations on resources and skills and little international experience (Freixanet 2012; Ayob and Freixanet 2014). Government support, in these situations, is crucial for some SMEs to overcome their limitations and be able to compete in international markets. Take, for example, export support programs (Comi and Resmini 2020; Malca et al. 2020). Likewise, given that SMEs have a multifaceted role and are involved in increasing internationalization processes, international support programs have been of added value in allowing SMEs to adjust their resources to contexts in order to progress to broader international markets (Francis and Collins-Dodd 2004; Mota et al. 2021).

While there is empirical research on the determinants of export performance (Guan and Ma 2003; Vicente et al. 2015; Oura et al. 2016; Ribau et al. 2017a), there are some studies addressing export performance in the context of emerging economy environments (Guan and Ma 2003; LiPuma et al. 2013; Malca et al. 2020; Oura et al. 2016). In addition, the importance of dynamic capabilities and ICs in the context of emerging economies has been overlooked as there are few studies addressing the relationship between ICs and export performance (Guan and Ma 2003; Krammer et al. 2018; Oura et al. 2016). Moreover, government support to firms is expected to create differential value in export performance (Freixanet 2012). Indeed, if firms need institutional support to increase their competitiveness in foreign markets (Francis and Collins-Dodd 2004; Krammer et al. 2018) in emerging economies firms, due to the lack of proper resources, which normally depend on institutional support to increase their competitiveness in foreign markets (LiPuma et al. 2013; Yi et al. 2013).

Another aspect that influences export performance is the type of active/reactive internationalization (Westhead et al. 2004; Ribau et al. 2017b). Proactive stimuli can result from SMEs' behavior and a deliberate search for market opportunities abroad, with the external environment being the source of these stimuli (Westhead et al. 2004). Moreover, firms embracing active internationalization strategies experience better export performance than those implementing reactive internationalization strategies (Ribau et al. 2017b). However, little is known on how active/reactive internationalization strategies influence export performance among SMEs from emerging countries.

Based on the two gaps above referred, this paper seeks to add theoretical value by analyzing the influence of both government institutional support and active/reactive internationalization strategies in the relationship between innovation capabilities and export performance, in emerging economies, particularly in Mozambique. For this reason, we raise the following research questions: How do ICs affect export performance in SMEs? What is the moderating effect of institutional factors (relationship with government) on the relationship between ICs and export performance? What is the moderating effect of SMEs' proactive and reactive internationalization strategies on the relationship between ICs and export performance?

The paper is divided into six sections. After this introduction, Section 2 reviews the relevant literature including hypothesis development, in which we examine the relationships between ICs and export performance, and the moderating effects of relationship with government and proactive/reactive behavior of SMEs. The research methodology and model are discussed in Section 3. Section 4 reveals the discussion of the most significant results, while Section 5 details the main findings. Section 6 presents the limitations and future lines of research.

2. Literature Review and Formulation of Hypotheses

2.1. Innovation Capabilities

There is a variety of perspectives regarding innovation capabilities (Olsson et al. 2010), with multifaceted and inconsistent constructs (Lawson and Samson 2001; Guan and Ma 2003; Oura et al. 2016; Perdomo-Ortiz et al. 2006; Ribau et al. 2017a) based on the context and the characteristics of the companies, with implications for the methodologies used, as it is necessary to adapt the scales to the methodology (Yi et al. 2013; Vicente et al. 2015;

Ahmad and Lee 2016). From this perspective, a diversity of concepts about innovation capabilities was also found (see Table 1). For example, Lawson and Samson (2001) define ICs as the ability to continuously transform knowledge and innovative ideas into new products, production processes, and systems for the benefit of the firm and stakeholders. In the view of Guan and Ma (2003), ICs are firms' assets related to internal and acquired experiences. Akman and Yilmaz (2008) define innovation capabilities as organizational culture, promotional activities, and abilities to perceive and cope appropriately with the external environment. Hogan et al. (2011) and Saunila (2016) build on Lawson and Samson's (2001) concept of mainstream and newstream capabilities. However, we will consider the scales presented by Guan and Ma (2003) and use a scale suitable for Mozambican small and SMEs, which has been previously tested in China, Brazil, and Portugal (Guan and Ma 2003; Oura et al. 2016; Ribau et al. 2017a).

Table 1. Definitions and dimensions of innovation capability.

Definition	Dimension	Author
It is the 'ability to continuously transform knowledge and ideas into new products, processes and systems for the benefit of the firm and its stakeholders.'	Vision and strategy; harnessing the competence base; organizational intelligence; creativity and idea management; organizational structure & systems; culture and climate; and management of technology.	Lawson and Samson (2001)
It is a special asset of a firm. It is tacit and non-modifiable, and it is correlated closely with interior experiences and experimental acquirement.	Learning capability; R&D capability; manufacturing capability; marketing capability; organizational capability; resource exploiting; and strategic capability.	Guan and Ma (2003)
Innovative capability is defined as a crucial element that facilitates the organizational culture, the distinctiveness of in-house promotional activities and the ability to understand and respond appropriately to the external environment.	Organizational culture; knowledge from different resources for product development activities; reflect changes in market conditions on products and processes; support of product and process innovation development; new ideas that come from customers, suppliers, to include into product development activities; and adaptation to environmental changes.	Akman and Yilmaz (2008)
A firm's ability, relative to its competitors, to apply the collective knowledge, skills, and resources to innovation activities related to new products, processes, services, or management, marketing or work organization systems, in order to create added value for the firm or its stakeholders.	Client-focused innovation capability; marketing-focused innovation capability; and technology-focused innovation capability.	Hogan et al. (2011)
Innovation capability is defined in this study as an internal capability aiming to describe the determinants affecting an organization's ability to achieve innovations continuously and add value for the organization and its stakeholders.	Participatory leadership culture; ideation and organizing structures; work climate and well-being; know-how development; regeneration; external knowledge; and individual activities.	Saunila (2016)

2.2. Export Performance

In the international literature, export behavior is described as the result of numerous variables (Bonaccorsi 1992). The measurement of export performance suffers from some conceptual, methodological, and practical limitations. Despite the large number of different measures of export performance, few have been used frequently, such as export intensity, export sales growth, export profitability, export market share and overall satisfaction, export performance, and export success (Sousa 2004), mainly as a result of the difficulty of obtaining data and firm secrecy.

Export performance was measured as the share of export sales over total sales (Yi et al. 2013), and has also been measured using financial (e.g., export sales and profits) and non-financial

indicators, which include some strategy-based items (e.g., firms' export goals, satisfaction and perceived success) (Zou and Stan 1998; Ribau et al. 2017a).

Meanwhile, from a broader perspective, export performance can be divided into structural factors (size, age, management systems, technology, and R&D), firm management factors (export expectation, profitability, risk, costs, and experience), and incentives and obstacles in the internationalization process (Guan and Ma 2003). The scale used in this research is the result of an adaptation of several authors, namely Jantunen et al. (2005); Kuivalainen et al. (2007); Aulakh et al. (2000); Zou and Stan (1998).

2.3. Government Institutional Support

Government institutional support reflects the extent to which government institutions provide support to firms in order to reduce adverse market effects (Shu et al. 2019; Xin and Pearce 1996). This relationship is a key element of the institutional environment and shapes the relationship between innovation capabilities and export performance (Yi et al. 2013).

Yi et al. (2013) found that the relationship with the government has a positive and significant moderating effect on the relationship between ICs and export performance only in regions where the level of marketization is high. Conversely, Tian et al. (2019) concluded that firm–government relationships have a significant positive impact on firm innovation. Therefore, it is expected that the stronger the government–firm relationship, the greater the firm's innovation output, especially since public policy, often under the aegis of internationalization support programs, helps firms leverage their own resources.

According to Li and Atuahene-Gima (2001), government institutional support plays a significant role in increasing the effectiveness of firms' product innovation strategy. For Szeto and Kim (2018), government–firm relations can help firms access resources and improve their performance. Peng and Heath (1996) argued that government relations play a greater role in facilitating new initiatives, including exporting. Clearly, from a resource perspective, government institutional support is expected to help address the need for resources that many SMEs have (Mota et al. 2021).

The government–enterprise relationship ceases to make sense in regions where governments are corrupt (Qian 1996; Yi et al. 2013). This is what happens in developing and underdeveloped countries, which ultimately undermines the precious help that some SMEs need to bridge their internal resource needs, undermining the innovative development and competitive advantages of SMEs. Signs of good government functioning include lack of intervention, lower levels of regulation and bureaucracy, successful provision of public goods and services, and efficient spending (Porta et al. 1999). These attributes can provide services, resources, and other factors that help firms upgrade innovation capabilities and export their products to foreign markets (Yi et al. 2013).

2.4. Active/Reactive Internationalization Behavior

The internationalization of SMEs is a complex process that requires firms' active and reactive involvement and commitment (Ribau et al. 2017b). Active/reactive behaviors are related to endogenous or exogenous factors that affect firms' internationalization processes and their export performance (Bruyat and Julien 2001). Moreover, active stimuli can result from aggressive behavior by SMEs and a deliberate search for market opportunities abroad, the origin of these stimuli being the external environment (i.e., external proactive stimuli). Reactive motives may arise from within SMEs, but reflect involvement in international business as a reaction to certain internal conditions or events (i.e., reactive-internal stimuli). Alternatively, export motives may be the result of incidental circumstances or a response to environmental pressure (i.e., reactive-external stimuli) (Westhead et al. 2004).

More active firms tend to internationalize more quickly; in contrast, traditional firms tend to take a more ad hoc, reactive, and opportunistic approach to internationalization (Bell et al. 2003). On the other hand, SMEs with greater resources are more likely to actively

pursue market opportunities. SMEs that benefit from the munificence of local resources may therefore be able to proactively seek customers in foreign markets (Westhead et al. 2004).

Mediation effects between entrepreneurial orientation and export performance suggest that active firms are not only better at innovating, but also their entrepreneurial orientation capabilities sustain better performance in international markets when compared to firms that react to external stimuli (Ribau et al. 2017a). Likewise, Ribau et al. (2017a) confirm that innovative skills are not as powerful in reactive SMEs as in active SMEs. Reactive SMEs neither generate nor depend on innovation to compete in international markets, while active firms implement their ICs to successfully compete and sustain activities in international markets; reactive firms not only lack these innovation capabilities, but investment in these ICs may divert their scarce resources to riskier activities.

2.5. Development of Hypotheses

There is evidence that ICs positively influence export performance. For example, Guan and Ma (2003) consider the role of seven dimensions (learning, manufacturing, R&D, marketing, organizational, resources exploitation, and strategic capabilities) and three firm characteristics (domestic market share, firm size, and productivity growth rate) in determining the performance of 213 Chinese manufacturing firms. The results indicate that export growth is closely related to total improvement in the dimensions of ICs (except for manufacturing capability) and productivity growth. Conversely, there was no evidence that export performance depends on firm size or domestic market share. Moreover, core innovation skills (a set of R&D, manufacturing, and marketing capabilities) do not lead to sustainable export growth. On the contrary, supplementary ICs (learning, organizational, resources exploitation, and strategic capabilities) allow not only the integration of all capabilities, core and supplementary, but also enable a firm to gain sustainable international competitiveness.

Ribau et al. (2017a) assessed the impact of internal ICs on the export performance of 147 Portuguese SMEs in the plastics industry, with the mediating role of entrepreneurial orientation (EO) based on firms' proactive or reactive behavior in the face of external stimuli. The results show that ICs have a positive impact on export performance. However, the mediation effects of EO suggest that proactive firms not only are better innovators, but also their EO competencies sustain better performance in international markets when compared to firms that react to external stimuli.

Oura et al. (2016) investigated the impact of innovation capacities and international experience on the export performance of Brazilian manufacturing SMEs. Conversely, the research indicated that international experience has a greater impact on export performance than innovation capacities. On the other hand, Vicente et al. (2015) identified important dimensions to build a scale to measure ICs in exporting firms. The results reveal that a construct formed by four dimensions (product development capability, innovativeness, strategic capability and technological capability) positively affects export performance. Thus, we present the following hypothesis:

Hypothesis 1 (H1). *Innovation capabilities have a direct positive effect on the export performance of SMEs.*

According to Yi et al. (2013), the government relationship has a positive moderating effect on the relationship between innovative capabilities and export performance. Government institutional support can offset the negative effects of market imperfections by reducing transaction costs and enhancing the role of innovative skills in export performance. Government institutional support functions as an important formal regulatory mechanism that remedies the adverse effects of institutional voids and helps organize and direct effective business operations (Stephan et al. 2015). Export support programs are a clear example of how public policies can support firms in their competitive development (Mota et al. 2021; Malca et al. 2020). We thus argue that the government relationship

moderates the relationship between ICs and export performance. As such, it is possible to defend the following hypothesis:

Hypothesis 2 (H2). *Government institutional support positively moderates the relationship between innovation capabilities and the export performance of SMEs.*

SMEs' with proactive internationalization behavior, besides being better at managing their innovation processes, have entrepreneurial orientation capabilities that support better performance in international markets when compared to firms that react to external stimuli (Ribau et al. 2017a). On the other hand, proactive stimuli may result from SMEs' aggressive behavior and a deliberate search for market opportunities abroad (Westhead et al. 2004). Therefore, we argue that SMEs' active internationalization behavior positively moderates the relationship between innovation capabilities and export performance. Thus, it is possible to defend the following hypothesis:

Hypothesis 3a (H3a). *Proactive internationalization behavior positively moderates the relationship between SMEs' innovation capabilities and export performance.*

Reactive internationalization behaviors result from endogenous or exogenous factors that affect the firm's internationalization processes and export performance (Bruyat and Julien 2001; Westhead et al. 2004). Reactive internationalization behaviors can arise from within SMEs, but reflect involvement in international business as a reaction to certain external conditions or internal events (Westhead et al. 2004). Thus, we propose the following hypothesis:

Hypothesis 3b (H3b). *Reactive internationalization behavior positively moderates the relationship between ICs and export performance of SMEs.*
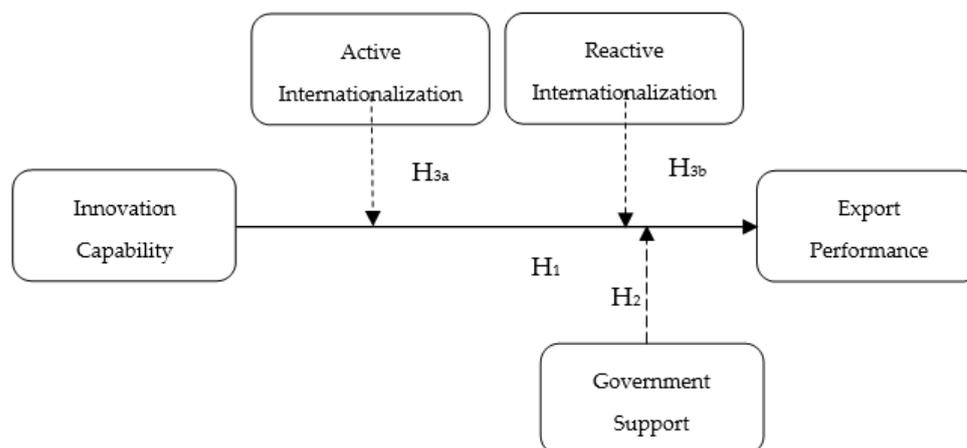
The proposed conceptual model is shown in Figure 1.

Figure 1. Proposed conceptual model.

3. Methodology

This study follows a quantitative methodology underpinned by the application of a questionnaire that was created as a result of a thorough literature review of different factors involving innovation capabilities, export performance, government support, and passive/active internationalization.

Data were collected using a questionnaire composed of scales adapted, validated, and published in previous research. We implemented a seven-point Likert-type scale in which respondents have the opportunity to agree or disagree and express the intensity of agreement (1 = Strongly disagree; 7 = Strongly agree). ICs were measured with a multidimensional scale developed by Guan and Ma (2003), the export performance scale

was adapted from Jantunen et al. (2005); Kuivalainen et al. (2007); Aulakh et al. (2000); Zou and Stan (1998). Relationship with government was adapted from Shu et al. (2019), and Li and Atuahene-Gima (2001), and active/reactive internationalization was adapted from Westhead et al. (2004).

The questionnaire was applied in Portuguese. As such, Brislin's (1971) recommendations were followed to avoid misunderstandings when translating the questionnaire from English into Portuguese and back to English. At the beginning of the questionnaire, respondents were shown a small introduction of what the questionnaire was about. For operational reasons, the questionnaire was divided into five different sections—one for each topic addressed: innovation capabilities, government institutional support, active/passive internationalization, and export performance—and a final one containing respondents' data.

The questionnaire was subjected to a pre-test conducted with a convenience sample of eight individuals (three university professors and five managers) in order to check the organization and formatting of the questionnaire, the correct wording, how the respondents understood the questions and the response time required, and to eliminate typos. As a result of the pre-test, some changes were made in the terminology to facilitate the respondents' understanding. In addition, the number of items per variable was reduced to a minimum to keep the questionnaire to an adequate size. The final version of the questionnaire was made available online to companies via Google Drive LimeSurvey for 4 months, finishing in March 2020 before the outbreak of COVID-19 pandemic in Mozambique. Several rounds of emails were sent to the firms, complemented with telephone calls, to increase the response rate.

This research is grounded on the information obtained with the help of the National Institute of Statistics of Mozambique and with the support of the Investment and Export Promotion Agency (APIEX) of Mozambique, which provided a database of 400 exporting SMEs. Over the course of the survey, 305 responses were obtained. However, 55 questionnaires with incomplete answers were excluded, and a set of 250 questionnaires with complete answers was obtained, constituting 62.5% of the total sample. The characteristics of the sample are presented in Table 2. The sample size is considered suitable for data analysis using partial least squares structural equation modeling (PLS-SEM) (Hair et al. 2011).

Table 2. Characterization of respondents.

	n	**%**
No. employees		
5–49	168	67.2
50–100	82	32.8
Sector		
Agro-industry	48	19.2
Wood processing	89	35.6
Fishing products	67	26.8
Agricultural products	46	18.4
Respondent		
Owner	163	65.2
Manager	79	31.6
Others	8	3.2

Source: Own preparation.

As this research is based on quantitative approaches, it needs to be supported with reliability and validity analysis to ensure replicability and generalizability. While reliability is concerned with the consistency of measurements, validity is related to the extent to which the study reflects the social phenomena being studied. With reliable and valid measurement, it is possible to replicate the study (Wahyuni 2012).

The statistical analysis of the data was carried out using partial least squares structural equation models (PLS-SEM), using SmartPLS 3.2. This methodology was justified because its results are robust and because PLS-SEM supports linear regression equations that explain both linear and moderation effects when researchers seek to test and validate exploratory models (Henseler and Chin 2010).

4. Results

The evaluation of the models was based on reliability, convergent and discriminant validity. Tables 3–6 present the factor loadings of the items, which were obtained through bootstrapping with 5000 interactions, the average variance explained (AVE), and composite reliability (CR) for the different constructs under analysis. All items have loadings equal to or greater than the recommended minimum threshold of 0.7 (Götz et al. 2010) and items below this were removed.

Table 3. Loadings, AVE, CR and Cronbach's alpha of export performance.

Questionnaire Item	Loading	AVE	CR	Cronbach Alpha
Exporting has contributed to the sales growth of our firm	0.871			
Exporting has improved our firm's market share	0.877			
Our export activity has made our firm more competitive	0.955			
Exporting has contributed to our Profitability	0.833	0.777	0.961	0.952
Exporting has contributed to enter in new markets	0.831			
Exporting has contributed to improve international image	0.923			
Exporting improves the development of our know-how	0.874			

Source: Own preparation. Scale adapted from Jantunen et al. (2005); Kuivalainen et al. (2007); Aulakh et al. (2000); Zou and Stan (1998).

Table 4. Loadings, AVE, CR and Cronbach's alpha of government institutional support.

Questionnaire Item	Loading	AVE	CR	Cronbach Alpha
Government provides technology information and support	0.826			
Government provides support to seek for financial resources	0.784	0.716	0.883	0.810
Government provides with direct tax reduction and subsidy	0.923			

Source: Own preparation. Scale adapted from Shu et al. (2019); Li and Atuahene-Gima (2001).

Discriminant validity is shown in Table 7 using the Fornell–Lacker criterion. It is clear that the square root of AVE is larger than the correlation values of the two variables under analysis (Hair et al. 2011).

In order to test the four hypotheses put forward, seven different modes were tested, as shown in Table 8, considering export performance as the dependent variable. Model 1 tests the direct effect of innovation capabilities on export performance. Models 2, 4, and 6 test government institutional support, reactive internationalization behavior, and active internationalization behavior as antecedents of export performance, respectively. Models 3, 5, and 7 test the moderating effects of government institutional support, reactive internationalization behavior and active internationalization behavior on the relationship between innovation capabilities and export performance.

Table 5. Loadings, AVE, CR, and Cronbach's alpha of first order innovation capability construct.

Questionnaire Item	Loading	AVE	CR	Cronbach Alpha
Learning capability				
Monitoring technology development trends	0.717			
Assimilating and absorbing ability	0.714			
Re-innovation ability facing international market	0.874	0.679	0.913	0.880
Learning from past experiences and failings	0.910			
Cultivating and investing on learning consciousness	0.884			
Manufacturing capability				
Technological level of manufacturing equipment	0.821			
Advanced manufacturing technology	0.864			
Equipment operating skill of personnel	0.918	0.747	0.936	0.915
Production regulations and system	0.875			
Total quality management	0.841			
Marketing capability				
Understanding subdivided market	0.866			
Monitoring the situation of market	0.853			
Controlling and managing distribution network	0.896	0.737	0.918	0.881
Improving brand name and firm repute	0.816			
Organizational capability				
Adjusting organization structure to innovation projects	0.872			
Centralizing resources on innovation activity quickly	0.858			
Adapting and responding to external environment	0.818	0.720	0.911	0.870
Information flow and interconnection between departments	0.843			
R&D capability				
Building organization to collect various innovation ideas	0.691			
Cross-functional project teamwork	0.895			
Facilitating communication among R&D personal	0.867	0.702	0.921	0.894
Communication between R&D and marketing department	0.860			
Harmonizing product and process innovation	0.859			
Resource exploitation capability				
Attaching importance to human resources	0.924			
Selecting key personnel in each functional department	0.861	0.740	0.895	0.822
Making fully use of external technologies	0.790			
Strategic capability				
Understanding technological goals of top management	0.864			
Entrepreneur spirit and intense innovation environnement	0.950	0.805	0.925	0.879
Knowing industry's technological development trend	0.875			

Source: Own preparation. Scale adapted from Guan and Ma (2003); Ribau et al. (2017b).

Table 6. Loadings, AVE, CR, and Cronbach's alpha of first order innovation capability construct.

Questionnaire Item	Loading	AVE	CR	Cronbach Alpha
Reactive				
We follow or meet the actions of our competitors	0.861			
To offset seasonal sales and reduce financial risks	0.805	0.650	0.847	0.734
Declining profits in domestic market	0.748			
Active				
Part of the intrinsic growth objective of the firm	0.848			
Export markets actively targeted by owner/manager	0.839			
Exporting seen as the easiest way to grow	0.778	0.562	0.863	0.802
Excess capacity 'pushed' the business into exporting	0.674			
Public agencies with contacts with overseas clients	0.572			

Source: Own preparation. Scale adapted from Westhead et al. (2004).

Table 7. Discriminant validity.

Variables	Correlations										
	1.	**2.**	**3.**	**4.**	**5.**	**6.**	**7.**	**8.**	**9.**	**10.**	**11.**
1. Export performance	**0.882**										
2. Government relationship	0.306	**0.846**									
3. Learning capability	0.514	0.198	**0.824**								
4. Manufacturing capability	0.373	0.192	0.802	**0.864**							
5. Marketing capability	0.417	0.098	0.653	0.793	**0.859**						
6. Organisational capability	0.572	0.260	0.720	0.809	0.823	**0.848**					
7. Proactive behavior	0.718	0.246	0.479	0.325	0.458	0.533	**0.749**				
8. R&D capability	0.277	0.122	0.733	0.576	0.519	0.508	0.307	**0.838**			
9. Reactive beahavior	0.603	0.078	0.554	0.410	0.435	0.504	0.543	0.309	**0.806**		
10. Resources exploitation capability	0.415	0.071	0.758	0.675	0.585	0.618	0.390	0.696	0.437	**0.860**	
11. Strategic capability	0.255	−0.062	0.534	0.366	0.308	0.405	0.256	0.640	0.247	0.416	**0.897**

Note: The values of the diagonal (in bold) are the square root of AVE.

Table 8. Summary of the regression analyses.

Variables	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7
Innovation capability	0.501 (0.000)	0.458 (0.000)	0.450 (0.000)	0.252 (0.000)	0.182 (0.004)	0.195 (0.000)	0.146 (0.005)
Government relationship		0.225 (0.000)	0.229 (0.000)				
Innovation capability × Government relationship			−0.042 (0.464)				
Reactive behavior				0.421 (0.000)	0.389 (0.000)		
Innovation capability × Reactive behavior					−0.228 (0.000)		
Active behavior						0.626 (0.000)	0.599 (0.000)
Innovation capability × Active behavior							−0.129 (0.001)
R^2	0.251	0.296	0.298	0.482	0.482	0.547	0.569

Source: Own preparation. Dependent variable: Export performance.

The results presented in Table 8 for model 1 indicate that the correlation coefficient is high (β = 0.501) and explains 25.1% of the export performance in model 1, i.e., (R^2 = 0.251), thus confirming previous literature (Guan and Ma 2003; Vicente et al. 2015; Oura et al. 2016; Ribau et al. 2017a) and hypothesis 1.

Model 2 in Table 8 measures the effect of government institutional support as an antecedent of export performance. The results indicate that the explanation of model 2 rises from 25.1% (R^2 = 0.251) to 29.6% (R^2 = 0.296), i.e., government institutional support plays an important role (β = 0.225) as an antecedent of export performance (Peng and Heath 1996; Szeto and Kim 2018).

Model 3 presents the mediating relationship of government institutional support in the relationship between innovative capabilities and export performance. A stagnation of the indicators can be noted with regard to the explanation of the models as R^2 presents a marginal increase from 29.6% to 29.8%, as presented in Table 8. Although Yi et al. (2013) and Stephan et al. (2015) advocate the importance of the role of government institutional support, the result of this research confirms that the moderating effect is almost null (β = −0.042) and is not statistically significant. Therefore, contrary to that expected, the moderating effect of SMEs' relationship with the government is non-existent. According to Yi et al. (2013), this effect is only positive and significant in contexts where the level of marketing activities among firms is high. In Mozambique, the marketing dimension is considered to be incipient, despite several firms already defining their target customers and adjusting products/services in response to the market (Ministério da Indústria e Comércio 2016). Meanwhile, it is confirmed that Mozambican SMEs are supported by the government. This is done either through the Institute for the Promotion of Small and Medium Enterprises (IPEME) through Decree no. 47/2008, of 3 December, as the public entity that has the responsibility not only to ensure the implementation of the Strategy for the Development, promotion and dynamization of Micro, Small and Enterprises (MSMEs), or by the Agency for the Promotion of Investment and Exports (APIEX), created through Decree no. 60/2016, of 12 December, the objective of which is to promote and facilitate private, public investment and exports, in accordance with the objectives and goals of the government's economic policy. However, this effort is not significant as SMEs still face problems such as regulatory barriers, lack of financing, high tax burdens and costs of procedures, and poor access to international markets.

On the other hand, this relationship ceases to make sense in regions where governments are corrupt (Qian 1996; Yi et al. 2013). Corruption in developing countries is a hindrance to the growth of SMEs. In Mozambique, in particular, SMEs are the most confronted with bribes and other corrupt practices because they are less equipped to defend themselves and or turn to politicians (Ministério da Indústria e Comércio 2016). Clearly, if the relationship with the government is far from ideal, which can be justified by the lack of resources of Mozambican SMEs, as well as the inadequacy of support for SMEs that have difficulty competing in international markets, then government institutional support is lost.

The result of the moderating effect of the mediation of government institutional support tested in model 3 is presented in Figure 2 where it can be seen that as the innovation capability increases the marginal increase in export performance of firms with lower and higher relationship with the government is practically null.

Models 4 and 5 present the relationship between reactive internationalization behavior, export performance, and the mediating effect of reactive internationalization behavior on the relationship between ICs and export performance, respectively.

The results of model 4 indicate that innovation capabilities and reactive internationalization behavior explain 48.2% (R^2 = 0.482) of export performance, and there is a positive and statistically significant relationship between reactive behavior and export performance (β = 0.421), confirming what is postulated in the literature (Bruyat and Julien 2001; Westhead et al. 2004; Ribau et al. 2017a).

Model 5 shows the moderating effect of reactive behavior between innovation skills and export performance, where it is found that the R^2 did not increase relative to model 4

(R^2 = 0.482) and that the moderating effect is negative and statistically significant (β = −0.228). Thus, as shown in Figure 3, although firms with weak innovation capacity increase their export performance as they react to requests from international markets, firms that are truly innovative end up not benefiting from their export potential, confirming the results presented by Ribau et al. (2017a), as reactive SMEs do not rely on innovation to compete in international markets.
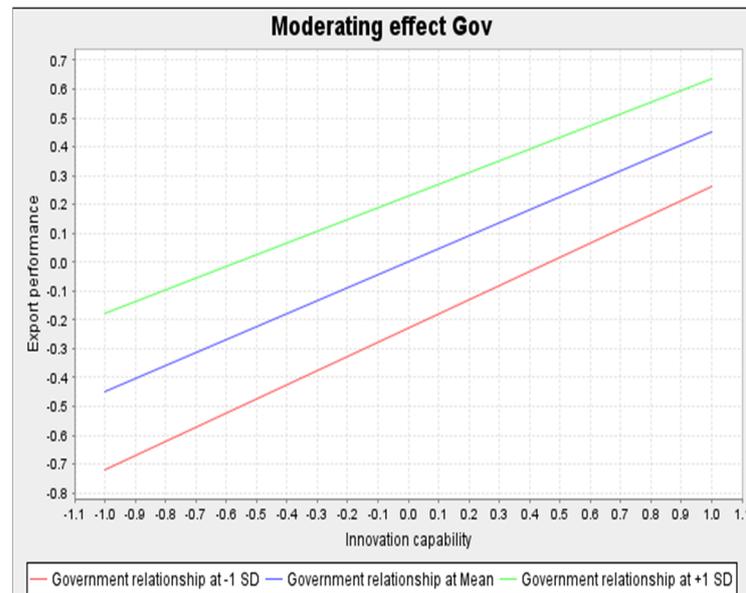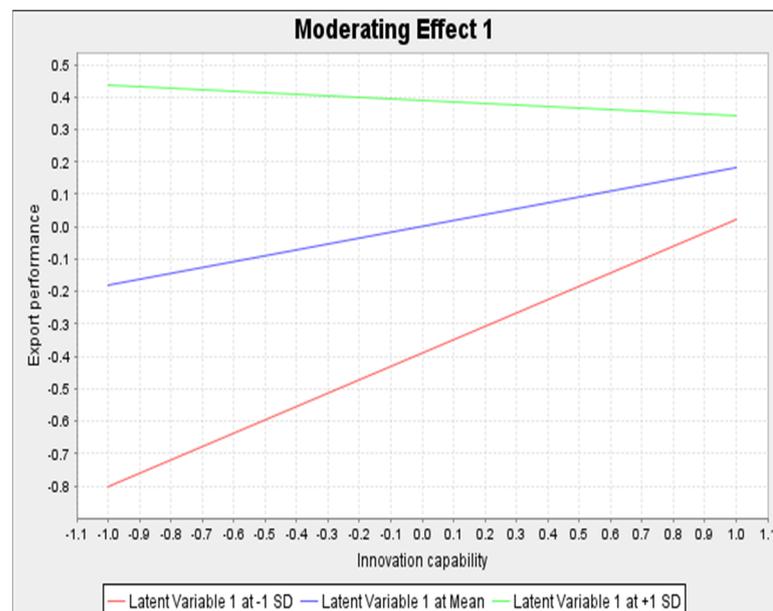

Figure 2. Graphic representation of the moderating effect of government institutional support on the relationship between innovation capabilities and export performance.

Figure 3. Graphic representation of the moderating effect of reactive internationalization strategy behavior on the relationship between innovation capabilities and export performance.

The results of model 6 indicate that the relationship between active internationalization behavior and export performance is positive and statistically significant (β = 0.547), so the higher the proactive internationalization behavior, the higher the export performance.

Therefore, the previous literature is confirmed (Bruyat and Julien 2001; Westhead et al. 2004; Ribau et al. 2017a).

The moderating effect of proactive behavior does not confirm the hypothesis 3b raised, since, although it is statistically significant, it has a negative effect on moderating the relationship between ICs and export performance ($\beta = -0.129$). Thus, as the innovation skills of Mozambican SMEs increase, as well as their proactive behavior, their export performance also increases. However, as shown in Figure 4, while firms with weak innovation skills increase their export performance by using active internationalization strategies, firms with higher innovation skills do not benefit from this active internationalization strategy.
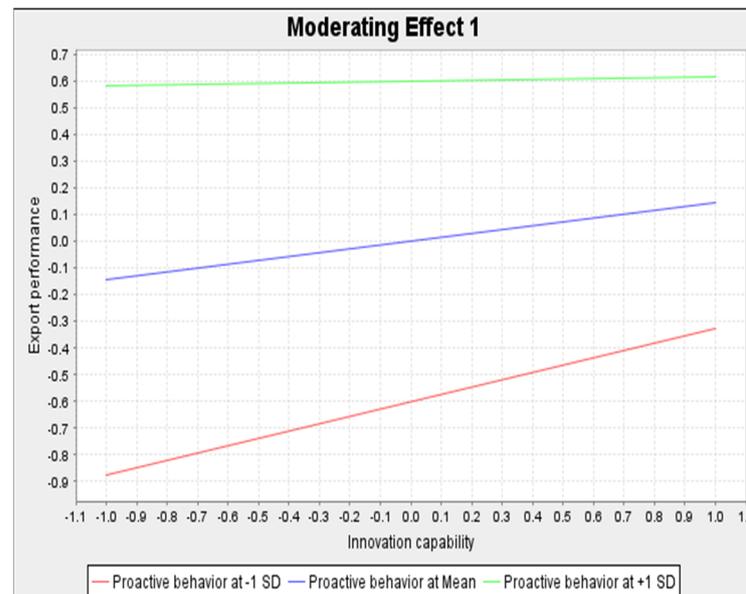

Figure 4. Graphic representation of the moderating effect of active internationalization strategy behavior on the relationship between innovation capabilities and export performance.

Table 8 presents the results of this research. The first hypothesis (H1) confirms that the direct effect between ICs and export performance is statistically significant ($\beta = 0.501$; $p < 0.000$). Thus, H1 is validated. Although the relationship between government institutional support and export performance is statistically significant, the moderating effect of government institutional support on the relationship between ICs and export performance was not shown to be statistically significant ($\beta = -0.042$; $p = 0.464$). Thus, the second hypothesis H2 cannot be validated. The third hypothesis (H3a) confirms that the moderating effect of reactive internationalization behavior between ICs and export performance is statistically significant, however, the sign is negative ($\beta = -0.228$; $p = 0.000$), thus rejecting hypothesis H3a. Finally, the fourth hypothesis (H3b) confirms that the moderating effect of proactive behavior between ICs and export performance is statistically significant, however, the sign is also negative ($\beta = -0.129$; $p = 0.001$), thus rejecting hypothesis H3b.

5. Discussion

The results of model 1 confirm the importance of ICs to Mozambican SMEs confirming previous studies (Guan and Ma 2003; Oura et al. 2016; Ribau et al. 2017a; Vicente et al. 2015). Thus, it is possible to state that exporting firms from emerging countries depend on their ICs to leverage their export performance. Another important aspect is that the moderating effect of government relationship, which is highly relevant in several contexts (Comi and Resmini 2020; Malca et al. 2020; Mota et al. 2021; Stephan et al. 2015; Yi et al. 2013), is not statistically significant, being close to zero ($\beta = -0.042$) in the Mozambican case. Thus, as presented in Figure 2, although export performance improves as innovation skills improve, the marginal difference in export performance is slightly lower

as innovation skills improve for higher levels of government relationship. As such, the effect of the government relationship on the relationship between innovation skills and export performance remains virtually unchanged for increasing levels of government relationship.

As seen in Figures 3 and 4 and models 5 and 7 in Table 8, the moderating effect of active and reactive internationalization behaviors of Mozambican firms on the relationship between ICs and export performance is negative and statistically significant. Thus, it can be stated that as innovation skills increase, export performance increases marginally, though much more for firms with relatively modest active strategies than for firms with high levels of active internationalization. This may indicate that Mozambican exporting firms that are more active in international markets face problems penetrating international markets and do not improve their performance as ICs increase. Similarly, with passive internationalization, it is found that with increasing innovation skills, the performance of Mozambican firms decreases with higher levels of reactive exporting strategies, although export performance increases with increasing innovation skills for low levels of reactive exporting behavior. This clearly indicates that Mozambican SMEs may not be benefiting from their innovation skills when trying to push their products into international markets with reactive strategies. Likewise, it can be seen that Mozambican SMEs have difficulty in implementing active internationalization strategies, which may indicate that international competitiveness is not properly assured, despite investment and effort put into improving their innovation capabilities.

One issue is clear: Mozambican SMEs face clear resource constraints to competing in larger international markets, especially because investment in innovation is much more risky and is clearly hampered by the lack of government aid.

6. Conclusions

This research analyzes the moderating effect of government support and active/reactive internationalization of Mozambican SMEs in the relation between ICs and export performance. The target population of the study, 250 Mozambican SMEs, contributed to the literature on SME internationalization in the context of an emerging country. This study was undertaken on the premise that in the context where SMEs carry out their activities, the support that the government provides and active/reactive behavior can influence the relationship between ICs and export performance. Its originality stems from the fact that it deals with how ICs impact export performance in emerging countries, and the effect of government support and active/reactive internationalization strategies on the relationship between ICs and export performance. Both aspects are novel among emerging countries, namely in Mozambique.

Although most Mozambican SMEs, as in other emerging economies, particularly in sub-Saharan Africa, have structural problems, low productivity levels, little modern technology and, as a consequence, low product/service quality, Mozambican exporting SMEs have shown that the use of ICs leads to good export performance.

Paradoxically, government support to SMEs is nonexistent, as is the moderating effect of the relationship of SMEs with the government, i.e., as this effort is not significant, SMEs continue to face problems such as regulatory barriers, lack of funding, high tax burden and cost of procedures, and poor access to international markets. As such, Mozambican SMEs, despite improving their ICs, are not able to leverage their innovation improvements with the government programs available to them. This ends up hindering the normal growth of SMEs, especially in emerging countries whose domestic resources are very limited.

The lack of resources is a general characteristic of SMEs. In the case of emerging economies, this lack of resources is even more prevalent. Although Mozambican SMEs invest in their innovation skills, these are not having the desired effect on export performance because, on the one hand, the lack of resources often makes active internationalization strategies impossible and, on the other hand, government support is non-existent, which does not benefit the internationalization effort undertaken by many companies. It is not enough just to develop internal ICs, it is also necessary to operationalize proactive strategies

so that SMEs can face international competitiveness, which requires clear and sustainable public policies and state support, able to make up for the companies' lack of pressing resources. However, the priority of governments in most emerging countries is oriented towards solving immediate socio-economic problems such as the percentage of the population with low survival rates and high corruption rates. In this context, SMEs aspiring to international business projects find themselves alone, relying on their own resources and capabilities, strangled by an unenthusiastic domestic market.

The proactive or reactive international strategy of Mozambican SMEs only benefits less innovative SMEs. In this context, it can be stated that Mozambican SMEs with high levels of innovation have some difficulty in competing internationally, not because of their lack of ICs, but because of the lack of resources, and perhaps because riskier investments are needed to compete within broader international horizons. This is possible only with effective public governmental business-support policies from the governments of emerging countries.

Clearly, at the government level, the challenge is clear: without governmental support, international business performance is compromised, especially because SMEs in emerging countries need to overcome the liability of newness that they face in international markets by increasing business risk, which ends up hindering active innovation development to implement internationalization strategies. On the other hand, the need for financial resources to adapt the firm's product portfolio may compromise the success in international competitive markets and relegate Mozambican and emerging countries' SMEs to the much less demanding domestic market, without solving the lack of competitiveness at the international level. Thus, the great challenge that many emerging economies have to overcome is to create clear government support for companies in order to support them to get to know and compete in international markets through support that increases their innovative capabilities.

At the business level, it is recommended that Mozambican SMEs, in particular, and those in emerging countries, in general, continue to invest in their ICs so that they can improve their internal processes and the development of new products and manufacturing skills, which will support them in marketing and implementing competitive strategies in wider markets. The development of ICs appears to be core to improving international competitiveness. They should also be more demanding of governmental institutions, demanding clear policies to support business competitiveness.

The main limitation of this study is that its content is based on the responses of 250 companies from a single emerging country, Mozambique, which could be complemented by samples from other emerging countries that could give a broader perspective. As it is a cross-sectional study, the intrinsic characteristics of a longitudinal research were not considered. The fact that only one informant per company was considered, and that it was not possible to compare several industrial sectors, may also be considered limitations. However, in the Mozambican context, this would be very difficult to implement. In addition to the limitations presented, future research should take into account the analysis of the context of the internationalization of Mozambican companies, especially their modes of entry and their main international competitors, as well as the qualifications of Mozambican managers and their degree of knowledge of the international context.

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