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St. MARY'S UNIVERSITY
SCHOOL OF GRADUATE STUDIES

**INFLUENCES OF CULTURAL ELEMENTS ON
EXPORT PERFORMANCE OF ETHIOPIAN
TEXTILE AND GARMENT EXPORTERS IN ADDIS
ABABA**

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ID:SGS/0068/2008A

AUGUST, 2020

ADDIS ABABA, ETHIOPIA

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A THESIS IS SUBMITTED TO St.MARY'S UNIVERSITY, SCHOOL OF
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AUGUST, 2020
ADDIS ABABA, ETHIOPIA

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DECLARATION

I, the undersigned, declare that this study entitled " Influences of Cultural Elements on Export Performance of Ethiopian Textile and Garment Exporters in Addis Ababa " is prepared with my own effort. I have made it independently with the close advice and guidance of my advisor.

Name : Yodit Getachew

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LIST OF ACRONYMS

AGOA	African Growth Opportunity Act
COMESA	Common Market for Eastern and Southern Africa
COVID-19	Corona Virus Disease 2019
DBE	Development Bank of Ethiopia
EBA	Everything But Arms
ECPGEA	Ethiopian Cotton Producers, Ginners and Exporters Association
EIC	Ethiopian Investment Commission
ETAPA	Ethiopian Textile and Apparel Professional Association
ETGAMA	Ethiopian Textile and Garment Manufacturers Association
ETIDI	Ethiopian Textile Industry Development Institute
EU	European Union
GDP	Gross Domestic Product
GTP	Growth and Transformation Plan
IBM	International Business Machines
ITC	International Trade Centre
NBE	National Bank of Ethiopia
OECD	Organization for Economic Cooperation and Development
OLS	Ordinary Least Square
REER	Real Effective Exchange Rate
SPSS	Statistical Procedure for Social Sciences
US	United States
USD	United States Dollar
USITC	United States International Trade Commission
WTO	World Trade Organization

ABSTRACT

A company's export operational successes can be identified by looking at its export performance in the international market. Ethiopian textile and garment industry has become the focus of the government and foreign investors in recent years which brought relatively better growth in export earnings, however; the growth is much lower than estimated by the government of Ethiopia and other partners. Several studies tried to identify the daunting internal and external factors that could be barriers to attaining the needed successes in export performance of the textile and garment industry. As one of the challenges in the activities of international market, this study examines influences of difference in cultural elements with destination countries/ companies on export performance of Ethiopian textile and garment companies located in Addis Ababa. Questionnaire and interviews were used as primary data collection instruments and literature and document reviews for secondary as well as the objective data. The sampling technique was non-probability purposive expert sampling and all 37 companies in the sampling frame were taken and 67 questionnaires were returned i.e. 90.5% response rate. The research design is mainly descriptive and based on those results, explanatory inferences are made. In addition, multidimensional export performance measures such as; international market share, market diversification, new market entry rate, export sales and volume were selected while difference in language, values, religion, communication, perception and negotiation were taken as influencing factors. The major findings of this study revealed that among the influencing cultural elements; difference in language, communication, negotiation and values exhibited strong negative association with export performance whereas, religion and perception showed moderate negative association. The implication is that the wider the difference in cultural elements the weaker the export performance of the firms and the country in this particular sector. Recommendations are forwarded based on findings; exporters should develop their cultural knowledge of countries/ companies where they export their products since that enables them to turn these barriers to competitive advantages.

Key Words: *Export performance, Cultural elements, Textile, Garment*

CHAPTER ONE

Introduction

1.1 Background

In this day of rapid globalization, international business has flourished due to high speed communication and internet technology (Amboni and Meyer 1999). According to Alder (2002), globalization is not a thing of the future but a reality today, and intercultural business transactions are necessities not options for companies that conduct business on the world stage. Along with these favorable conditions there are still existing barriers to successful business transactions at a global level, such as; difference in economic development, language, legal system, and ways of conducting business, preference and ethical issues. Cultural perspectives are decisive elements to analyze when venturing in to the global market. Not taking these variables into account can destroy the chance of the growth of businesses in other countries also the ability to be competitive outside of own country boundaries.

To warm into the variables involved in this paper some definitions of international business, export and culture are constituted. Starting with the definition of international business; according to Czinkota, Ribkainen and Moffet (2011),

“International business consists of transactions that are devised and carried out across national borders to satisfy the objectives of individuals, companies, and organizations. These transactions take on various forms, which are often interrelated”.(Czinkota, Ribkainen and Moffet, 2011)

The most common types of international business are export–import trade and (FDI) direct foreign investment. FDI is done in many forms, such as; wholly owned subsidiaries and joint ventures. Licensing, franchising, and management contracts are also ways of doing international business. According to the dictionary Export simply means an activity of sending goods to another country for sale.

There are more than one hundred sixty definitions of culture recognized by, A. L. Kroeber and Clyde Kluckhohn in 1952. As scholars in most social science flied come up

with their own meaning of culture based on the context they are studying. For G. Hofstede culture is the collective programming of the mind which distinguishes the members of one group/ category of people from another (Hofstede,1994). According to Kuazaqui (1999) it is a totality of behaviors, values, habits and symbols that are passed from generation to generation. Then again, Schein (1992) argues that culture can be studied as a phenomenon that involves everyone and is always there. Thus, culture is contentiously reinterpreted and created by people's interaction with each others.

According to Gelfand and Christakopoulou (1999), there is an increased need to understand how culture influences certain business behaviors. It is obvious that people from different nations perform tasks in their own ways and culture is one way of expressing those variations (Francesesco & Gold, 1998). Furthermore, international business is getting more challenging than before because of the increasing competitions on the world market. As culture continuously influence the characters and chooses of consumers and clients, companies should strive to meet their demands by understanding and adapting their goods and services to suit the targeted segment of customers. Most changes in promoting the product or service, its features, marketing, guarantee, technical support, and other significant alterations, are partially guided by cultural variations (Douglas and Craig, 1989). Export performance success depends on an understanding of the culture and competitors in the foreign market and the possession of positive perceptions towards customers/ companies in export destination (Bradley 2005). Alteren, G. (2007) states, in a research about the cultural response and its effects on business relationship particularly on exports confirmed that better understanding and flexibility to adapt to the cultural differences are decisive to the success of business conducted at international seating.

The start of modern Ethiopian textile and garment industry was in 1939 when Dire Dawa textile factory was established (Chemonics International, 1996). Currently, the number of textile and garment companies has grown to be 190 were 81 are manufacturing and exporting their various products at the international market (ETDI Company's profile, 2017). The Ethiopian textile and garment industry is one of the key industries lead and developed by the Ethiopian Investment Commission (EIC) which were established in

2009 (Oqubay, 2015). It has huge potential and has grown an average of 51% over the years 2010-2015 G.C (EIC, 2016). In order to attract Foreign Direct Investments (FDI) the government has opened up its textile and garment market to middle and large scaled foreign investors. (Staritz and Whitfield, 2017)

In this paper the researcher investigate how cultural differences with destination countries/ companies influence Ethiopian textile and garment exporters specifically, in terms of their export performance in the international market. Also asses the most common cultural challenges they encounter when they export their textile and garment products to other countries with the intention of taking account of their experiences and address the problems the industry is facing.

1.2 Statement of the Problem

According to Staritz and Whitfield (2017), the textile and garment export participation of locally owned companies in Ethiopia compared to most sub-Saharan textile and garment-exporting countries is very low and seems to be the domain of foreign-owned companies in recent years. The Ethiopian government facilitated incentives, such as loans from DBE(Development Bank of Ethiopia) for locally owned companies that export textile and garment but only six out of the fifteen firms that were direct result of it are operational in mid 2016 and just two of them exporting their whole production (Staritz and Whitfield, 2017). Carefully building and maintaining relationships with customers is essential factor for the locally owned firms that have managed to survive in the export market (Oqubay, 2017).

Export performances of some companies in the sector have shown promising growth through the years especially after the introduction of quota and duty free access to the US and EU markets due to the agreement with AGOA and EBA which gave them favorable and new export market (EIC, 2016; USITC 2014). The export performance of the industry grows for a few years, but the government's plan GTP I (2010-2015) and GTP II (2016-2020) to earn 1billion USD annually failed and never exceeded 100 million USD (MOFEC, 2019). Ethiopian textile and garment companies have difficulty to maintain export relationships (Oqubay, 2017). According to ICT report (2019) an Ethiopian textile

and garment company supplying exports to the same market for two consecutive years is about 42 %. Then it drops to less than 11 % for one more year, and becomes 0 % as the years continue (ITC, 2019). In addition to that, domestic textile and garment exporters are running out of the international market in recent years instead of flourishing under the best export policies the country have right now (Staritz and Whitfield, 2017). Lack of market diversification is also one of problems Ethiopian textile and garment companies have, more than 90 percent of their export is limited to only 9 countries of which the top two take up 60 percent (ITC, 2019). Several reasons have been forwarded as for the inconsistent and inadequate performance of the industry and the companies. In various researches the daunting internal and / or external challenges of the sector are investigated. The student researcher identified the gap in research that focuses on the issue of cultural elements such as language, values, communication, religion, negotiation style and perception, as one of the factors that enhance or deter export performance of Ethiopian textile and garment industry in general and the companies in particular. Therefore; this study stressed on these cultural elements and tried to identify and describe how the difference pervasively influence the company's export performance. Furthermore; it tried to differentiate the most prevailing cultural elements that hinder the companies taking the next step in to world market. Finally, the study also strives to to make a small contribution to fill the research gap that exist in this issue in the case of Ethiopian textile and garment export.

1.3 Research Questions

- ✓ How do cultural differences influence export performance of Ethiopian textile and garment exporters?
- ✓ What are the most common cultural elements that can be barriers to their export performance?
- ✓ What measures do the experienced textile and garment exporters took to overcome cultural barriers and survive and maintain the relationship in the export market?

1.4 Objective of the Study

1.4.1. General Objective

The general objective of the study is to investigate the influence of cultural elements on export performance of Ethiopian textile and garment exporters and measures they took to overcome the challenges and stay in the export business.

1.4.2. Specific Objective

- ✓ To identify and describe the influences of cultural elements such as; language, values, religion, perceptions, negotiation and communication on export performance of Ethiopian textile and garment exporters.
- ✓ To assess the strongest barriers among the ones taken under this study.
- ✓ To identify if there are other cultural elements that are strong barriers to their export performance.
- ✓ To determine how the textile and garment exporters deal with cultural difference.
- ✓ To assess how they maintain relationship with the importers.

1.5 Significance of the Study

The garment industry is one of investment opportunities which is observed to be on the fast track of development in Ethiopia (ETIDI, 2019). This paper tried to describe the problems Ethiopian textile and garment exporters experience due to the cultural difference with the host country in which they sell their products. In addition, it will try to identify the most common cultural problems they face while doing business in a different culture in terms of their export performance. Also assess the measures they took in order to resolve the problems. The results from this study would be relevant to business persons who would like to join the textile and garment export sector and expand their businesses to other countries. In addition, for those who are already in the export market it would

help them to identify and work on cultural knowledge of their business counterparts to enhance their export performance. Despite the importance of the issue there are no researches on the topic in Ethiopian context, so the researcher is hoping to make a small contributions to studies in the area. The findings may also be used as a source of reference for other researchers.

1.6 Scope of the Study

The Scope of the study was limited to Ethiopian Textile exporters found in Addis Ababa since it was convenient to make the face to face interview with in the selected companies as well as related institutions such as Ethiopian Exporters Commission, Ethiopian Textile and Garment Manufacturing Association, Ministry of Trade, and Ethiopian Investment Agency, etc.. Due to lack of time and available study materials in Ethiopian case, it will not cover all individual, government and companies that are part of the textile industry.

1.7 Limitation of the study

The greatest limitation of this paper was acquiring relevant literature on cultural elements as influencing factor on export performance of Ethiopian textile and garment export industry. It was also difficult to collect the given out questionnaires in time and reach the persons for interview due to the COVID-19 epidemic and the followed constraints to movement. Access to top management of companies like managing directors and most of general managers as well as employees in associations such as Ethiopian Textile and Garment Manufacturers Association (ETGAMA) was very difficult for the same reason. However; the student researcher was able to gather enough data from the respondents and was able to interview some sales managers, marketing managers and export section heads taking the necessary precautions.

1.8 Definition of Terms

Culture - is that complex whole which includes knowledge, belief, art, morals, law, custom, and any other capabilities and habits acquired by man as a member of society.

International business - consists of transactions that are devised and carried out across national borders to satisfy the objectives of individuals, companies, and organizations.

Export - is an activity of sending goods to another country for sale (Dictionary).

Textile and Garment exporters -manufacturers and exporters of materials composed of natural or synthetic fibers and those that are engaged in preparation of finished apparel.

Export Performance - is the extent to which a firm effectively uses its resources and capabilities for the international market that indicates the success of a firm's export performance.

1.9 Organization of the report

The thesis contains five chapters. Chapter one include the introduction and background part of the thesis, chapter two is dedicated to review of relevant literature for the study. In Chapter three methodologies that were adopted to achieve objectives of the study are presented. In Chapter four constitutes data analysis, results presentation and interpretation. The final Chapter is composed of summary of the findings, conclusions drawn and recommendations made based on findings.

CHAPTER TWO

Review of Related Literature

2.1. General Overview

To start with the history of international business, it all came to be with the formation of national borders. Individuals and nations have been engaged in international business ever since. After its starting point, it has been one of the most prevailing forces in shaping borders and turning world history for the better (Ajami, Cool, Goddard and Khambata, 2006). For instance, international business had an important part in the raise and decline of the Roman Empire, whose dominance throughout the world in terms of knowledge, thought and development can still be seen today. More than the military force they have used the Pax Romana, or Roman peace, to occupy and control the large sections of the world. The Pax enables merchants to travel safely and rapidly through out the regions of the Roman Empire. This was also true to the British Empire which came later on and through effective international business, free market policies and transportation systems was able to dominate the world. Since 1945 the world came under the leadership of the United states through Pax American, an American sponsored and enforced peace. This incorporate strong support of market-based business transactions which allow: the wide dissemination of ideas, goods, and services across national borders; and a spread of global communication and transportation. (Czinkota, Ronkainen and Moffett, 2009)

According to Ajami, Cool, Goddard and Khambata, (2006), for thousands of years international business has been going on and much later there was a great trade routes between the Greeks, the Mediterranean, the Phoenicians, and Mesopotamians. As complex trade methods emerged, smooth and fast exchange of goods, services and resources across nations developed. This development was enhanced during the colonization period. Furthermore; international business highly flourished in the time of the Industrial Revolution due to mass production, vast markets and efficient systems of raw materials utilization. As a result of the Industrial revolution there were new inventions and technological developments which allowed rapid and easy transfer of goods, services and capital between nations. At its climax in the 1880's production

increased so high that Europe and the United States manufactures were forced to look for new markets for their products in other countries. This is the start of multinational corporations (MNC).

There are many components involved in the definitions of international business but the main focus is that it involves transactions. That means doing business globally is an activity, not something we achieve by watching on the side lines. Based on this concept Czinkota, Ribkainen and Moffet (2011) define international business as follows;

“International business consists of transactions that are devised and carried out across national borders to satisfy the objectives of individuals, companies, and organizations. These transactions take on various forms, which are often interrelated”. (Czinkota, Ribkainen and Moffet2011)

The most common types of international business are export–import trade and (FDI) direct foreign investment. FDI is done in many forms, such as; wholly owned subsidiaries and joint ventures. Licensing, franchising, and management contracts are also ways of doing international business (Doole & Lowe 2008). For the past six decades international business and FDI have increased faster than the local investments. It helps the smooth flow of goods, services, knowledge and capital between nations. As a result, many innovations are made, rapid flow of products and information throughout the globe is made possible, human resource and financial managements have improved (Czinkota, Ronkainen and Moffett, 2009).

For Welch & Luostarinen, (1988) International business is any business activity with another country, which creates value for a company. Most domestic companies are entering in to the global market because of the fast spread of globalization of world trade (Leonidou, 2004). As a result nations are forced to include policies that focus on the international terms of business to encourage and protect their domestic companies when they decide to join the global market. International business is vital to the economic growth of countries. Countries benefit from the incoming financial flow as the companies engage in business with other firms in the world market. Furthermore, local firms ought

to be more competitive in order to keep their positions in the domestic market. International business also facilitate transfer of new technologies, gain international experience and increase market opportunities along with other benefits Zimmermann & Kattuman (2007).

2.2. Conceptual review on Culture

Culture is the other variable that needs to be discussed here and the most important literature on its concept are presented. All nations in the world have a culture that set them apart from others. As a result, each and every country even within itself has a specific culture which is unique to the regions when closely looked at and studied, Huntington (2003). He focuses on how people associate themselves in one or more cultural groups, such as tribes, ethnic groups, religious communities, countries and, in higher level, civilizations. According to Montana and Charnov (1987), there are large numbers of cultures in the world which differ in content and change over time. For that reason studying culture is complex and needs careful investigation to understand from the natives' point of view. The complexity requires an analysis of cultural elements to facilitate its understanding. It is expressed through its elements, such as language, attitudes and customs, music, arts, literature, principles and values seen in the behavior of social groups. Schein (1992) argues that culture can be studied as an event that involves everyone and ever exists. Thus, it is constantly reinterpreted and created by people's communication with each others.

2.2.1 Definitions

There are more than one hundred sixty definitions of culture recognized by, A. L. Kroeber and Clyde Kluckhohn in 1952. Thus, there is no unanimous definition of culture rather several authors' present different concepts of culture. Scholars in most social science field came up with their own meaning of culture based on the context they are studying. One of the earliest definitions is of Edward Tylor in the 19th century, culture as "that complex whole which includes knowledge, belief, art, morals, law, custom, and any other capabilities and habits acquired by man as a member of society". For Hofstede (1994) culture is the collective programming of the mind which distinguishes the

members of one group/ category of people from another. According to Kuazaqui (1999) it is a totality of behaviors, values, habits and symbols that are passed from generation to generation. Then again, Terpstra (1994) claims culture to be the integrated sum total of learned behavioral traits that are shared in society. Similarly, Griffin and Pustay (1999) present culture as a collection of values, beliefs, behaviors, by members of a habits and attitudes that differentiate societies. It is necessary to examine these elements that are part of a country's culture to understand how this culture influences the behavior of people and groups, as well as its impact on the international business activities. For Spencer (2008) culture is a loosely connected set of basic assumptions and values, life style, religion, policies, procedures and behavioral similarities shared by a social group, and that influence each individual's behavior and his/her interpretations of the 'meaning' of other people's behavior. Then he continues to explain important characteristics of culture as it learnt and not inherited and that it falls somewhere between individual personality and human nature because these two traits are unique for every individual, the behavior in-between these two extremes is identical to groups as it is learned and acquired through others. The other feature is that culture is "shared" by groups and societies, beliefs of an individual can be classified as "ideas" but do not necessarily form part of the overall culture. Collection of idea's however, if similar in nature, become components of a developing culture.

As we examine these concepts, it can be noticed that culture is something that exist in social groups with a crucial role in identifying themselves with a group of people or country. For this reason, it is important to understand it, so that it does not become a problem to conduct international business in other countries, Huntington (2003). According to Hill (2001), the biggest problem of companies that go into the world of international business is misinformation. In dealing with international businesses, to be misinformed about the other culture increases the probability of failure.

2.2.2 Cultural Dimensions and Elements

It is obvious that the international business environment is changing in several ways. There is significant changes in the cultural environment as well, which is one of the most challenging issues for most international trades. According to Rosenzweig (1994) in order to understand and influence consumers' wants and needs, foreign firms need to understand the cultural differences. International businesses, when strengthening their partnership with each other and when establishing themselves in other parts of the world, are subject to an increased influence of the cultural elements in their businesses. Hill (2001) stresses, international business is different from local business, exactly because nations and societies are different. These cultural differences make firms to try hard to understand other countries' cultures. As a result, they avoid cultural differences from becoming hindrance for business transactions around the world. Knowing and understanding the cultural differences are indispensable conditions for the success in international business. Many organizations learned this lesson by losing resources because they invested in enterprises without taking into consideration the local culture. Bateman and Snell (1998) state that the majority of people do not pay attention to the way culture influences their businesses and, for this reason, they tend to find themselves facing unique and unfavorable situations.

Hill (2001) argues that one of the important factors of success in international businesses is the cross-culture literacy. Similarly, Griffin and Pustay (1999) consider cross culture literacy to be a useful instrument in knowing and understanding the cultures of the countries where business takes place. Cross-culture literacy means the ability to understand how cultural differences between countries can influence the way businesses are dealt. That is business persons with cross culture literacy will have a better ability in understanding people and companies from other parts of the world, since he/she know how to understand cultural differences. This is certainly a good starting point in building successful businesses in the global market.

Many researchers have come up with the cultural dimensions with intentions to explain the differences between cultures. For example, Fons Trompenaars (1996) proposed seven

cultural dimensions, which are universalism vs. particularism, individualism vs. collectivism, neutral vs. affective, specific vs. diffuse, achievement vs. ascription, sequential time vs. synchronous time, and internal vs. external control. Another researcher, Shalom Schwartz, has also proposed the ten basic human values dimensions in his studies, which aim to explain that different cultures will have different values priorities.

2.2.2.1 Hofstede's cultural dimensions

Extensive study of culture in research and international business transactions in 1980s and after pilot study of Hofstede (1980-1983) in classification of national culture was published and was applied as a framework accepted in analysis of national cultures Nazarian, (2012). G. Hofstede's identified six cultural dimensions which he refined over several years of study and developed a model or framework that can be used in the study of cultural differences. He analyzed a large database of employee value scores collected within IBM, assuming that these results can give an overview of an entire country. He uses these dimensions to explain the overall cultural traits of a country. The six cultural dimensions are briefly stated below:

- Power Distance Index (PDI): Inequalities among people exist within every country, this dimension shows how much people within a society receive it. The value scored in this dimension let us understand if those people accept these inequalities or if they tend to equalize the distribution of power (Hofstede, 2001).

- Individualism vs. Collectivism (IDV): This dimension gives an idea of how people in a community relate each other. If people within a community like to constantly be in touch, for both work and friendship, the score will be high; instead, if they like to work alone or if they get in touch with others only for work purposes, the score will be low. That is culture that is universalistic believe what is true and good can be applied everywhere, whereas particular culture believe circumstances and relationships are more important in determining what is good and right (Hofstede, 2001).

- Masculinity vs. Femininity (MAS): Hofstede (2001) states that masculinity versus femininity describes the degree to which societies display the stereotype male female or related to division of emotional roles between men and women. In this dimension the

lifestyle is the topic; basing on what kind of ambitions people within a community have, the score will be high or low according with them. High scores lead to a Masculinity culture, meaning that tough ambitions are common in that country; on the opposite side, low scores lead to a Femininity culture, in which values like having an healthy life or harmony are felt very much.

- **Uncertainty Avoidance Index (UAI):** In this dimension, fear of uncertainty is calculated. People that are adverse to uncertainty will score high, meaning that they're constantly looking for something that is safe and stable, without changes. On the opposite side, low score means that people are constantly looking for changes, even if this could be risky (Hofstede, 2001).

- **Pragmatic vs. Normative (PRA) –** This dimension was firstly named “Long Term versus Short Term Orientation” and it deals with how much people are willing to live their lives day to day or if they prefer some sort of stability and plans for the future.

- **Indulgence vs. Restraint (IND):** This dimension deals with hedonistic behaviors; in other terms, how freely can people satisfy their basic needs and desires, how strict social norms are followed and gratification regulated.

Hofstede's work established a major research tradition in cross-cultural psychology and has also been drawn upon by researchers and consultants in many fields relating to international business and communication. The theory has been widely used in several fields as a Paradigm for research, particularly in cross cultural psychology and communication, as well as international management. It continues to be a major resource in cross-cultural fields. It has inspired a number of other major cross-cultural studies of values, as well as research on other aspects of culture, such as social beliefs. As Sousa and Bradley (2006) were pointing out that Hofstede's framework has been one of the most authoritative and widely used ones in international business studies. In addition, in their study Sousa and Bradley (2006) argued that cultural distance may influence psychic distance perception and used it as an important determinant of psychic distance.

2.2.2.2 Cultural Elements and International Business

Researchers Triandis (1989) and Markus & Kitayama (1991) states that, cultural differences are still key factors in the study of international business because cultural values and customs are dominant forces that form people's emotions, perceptions, and actions. There are several different elements that form the culture of a society or a nation over a long period of time. The differences in the cultural elements that exist within a social groups or countries have an influence on businesses conducted by people from different parts of the world Yaveroglu & Donthu (2002). According to Czinkota (2007), cultural factors have an important influence on the success of international business. Each society has its own elements of culture. These elements of culture are manifested through: Language (verbal and nonverbal), Religion, Values and Attitudes, Manners and Customs, Material elements, Aesthetics, Education, Social institutions, Artifacts, and underlining assumptions. The study of cultural elements must not stop at gathering the facts; these must also be interpreted in the proper way (Czinkota, 2007). The most important issue for a international firms is cultural analysis, which includes information that helps the company to take planning decisions. Similarly, for Griffin and Pustay (1999) there are six cultural elements in every country: social structure, language, communication, religion, values and attitudes. Foreign businesses need to adapt to these six cultural elements that exist within a nation. They also state that different countries have different negotiation style, work culture, dressing and time perceptions.

- **Social Structure:** specifies the role of individuals, its stratification and the movement in society. The role of family in society is the first level of social structure. For instance, in some countries the family mostly includes only the nuclear family (father, mother, and children) in other cultures the family is extended to include aunts, cousins and in-laws. Griffin and Pustay (1999) claims cultures also change in relation to the importance of the individual versus the group. Some societies are centered in individualism, such as the United States, while other societies are based in collective and group work, such as Israel and Japan. Rosenzweig (1994) states that in nations with individualist culture, people do not care much about the work of a colleague or the performance of the group. He also emphasizes that in collectivist cultures, people's work

performance seem to increase when they feel as part of a group trying to satisfy collective expectations.

- **Language:** is a cultural element which reflects the content and nature of the culture it represents and organizes the way members of a society see the world, probably the most obvious difference between cultures. In addition, language gives important clues about the cultural values of a society. (Frank Bradley, 1991). The presence of more than one language in a country is an indicator of diversity in the country's population. Although countries with the same language should not be seen as countries with the same culture. Griffin and Pustay (1999) state that linguistic similarities create important competitive advantages because the ability to communicate is very important in conducting business transactions. When examining the cultural elements, Hall (In: Rosenzweig, 1994) establishes the cultural dimensions. He identifies five silent languages that culture expresses itself through: time, space, property, friendship and agreements. Hall (1969) stresses the need for paying attention to culture's silent languages in order to better understand a culture and be able to work accordingly.

According to Usunier & Lee, (2005) language is one of the major features and mirror of culture. Mostly language is vital during the implementation period since it is largely based on communicating with others: customers, co-workers, subordinates, top management . Czinkota & Ronkainen, (1995) claim that a language defines a culture, i.e many different languages in a country shows the existence of several cultures. They gave Belgium as an example to illustrate this fact: the country has two national languages: French in the south and Flemish in the north. They have political and social differences that exist between them since the linguistic division started in the time of Julius Caesar.

- **Communication:** is an important factor to create understanding between people. The chances of people having difficulties in understanding each other are quite big in dealing with people from different cultures. In some cultures, high importance is given to interpersonal relations when doing business, such as in Saudi Arabia, in China and in Japan. In countries like United States and Great Britain legal terms are considered most important, where as interpersonal relations have a minor place. Great care should be taken during communication since a misunderstanding can led

to failure of a negotiation. Rosenzweig (1994) explains the importance of Hall's Space language to be important dimension and different in each culture as it shows the norms for social distance. That is, the physical space people keep between them when facing each other, which indicates the degree of formality, intimacy or friendship. Regarding contracts, Rosenzweig (1994) points out that Americans tend to be more precise on the legal details of the business contract and requiring longer contracts, with many terms. Other cultures which function on mutual trust are satisfied with shorter contracts with strong interpersonal relationship.

- **Religion:** the influence of religion in the business world differs from nation to nation, according to the legal system of each, the major religion of the countries and their tolerance with other religions. Religion creates attitudes and values among people which are effective on their consumption and purchase patterns. It also influences the kind of products acceptable by the society and the seasonality of some purchases. Religious restrictions affect individual's capacity for work as well as their availability for work travels. A person's culture, norms, and attitudes are closely associated with religion. From world history, we know that religion was a cause of a lot of conflicts and even wars between different culture groups. Religion highly influence the way people speak, communicate and interact, so misunderstandings among the various religion groups may arise and hinder the decision about the choice of a market (Shenkar, 2001). Religion is a major cultural factor and has significant if not often visible effects on marketing strategy. For example, the identification of scared objects and philosophical systems, beliefs and norms as well as taboos, holidays and rituals is critical for an understanding of a foreign market (Doole &Lowe, 2008).

- **Values and Attitudes:** for Griffin and Pustay (1999) values are the principles and patterns accepted by the members of a society, while attitudes are the actions, feelings and thoughts that are the outcome of those values. Different countries have different values and attitudes towards; time perception, age, color, negotiation style, gender, and dressing.

- **Perceptions:** Some countries value punctuality and high paced negotiation period established before hand, while in others these values are more relaxed and

meetings mostly start late. For instance; Morgan (1989) expressed Ethiopian culture to be where the time for decision making is directly related to its importance. This can be seen in the performance of lower level employees in Ethiopian organizations, who mostly prolong the time it takes in making decision, in order to enhance the prestige of their job. He also describes the time concept of the Arab nations to be dependent on the mediator. That is, relatives usually get faster services than people who are not relatives, as do important persons who seem to be treated more promptly. According to Hall's (1969), in certain nations, the time language is used as a linear relation, logical and reasonable. In other nations, the use of time is observed in a more flexible, fluid and permissive form. There are countries where being late and delayed for meetings, is unacceptable, where as in some they are well understandable and even expected.

- perception of Age: is the other cultural element as part of values and attitudes of which is differently considered depending on country. Griffin and Pustay (1999) pointed out that in some countries, like Asian societies, respect for age is stronger than in a country as the United States. For example, in Japanese corporate culture, age and the hierarchical position of the person in the firm are directly related. Because of this, many times, when US firms send young executives to negotiate with senior executives in countries like Japan, the negotiations are very difficult. All in all, international businesses can be successful when it is done based on trust and mutual respect. In order to reach this level of trust and mutual respect it requires some time, good amount of effort, patience and better understanding of the cultural context from both parties.

- Perception of Color: colors in different cultures convey different symbolic concepts and a company which wants international business should know of these cultural elements in the concept of colors to make desirable planning in the field of packaging and advertisement of products (Marek Kania, 2010). In a foreign market, selection of colors should be based on aesthetic sense of the purchaser's culture not seller's culture. For example, in Japanese and Thai culture the color white signifies purity, while in China it signifies funerals and mourning and should be avoided (Karimian, 2007).

Negotiation: negotiation is a process which is made between two or more parties and in order to reach an agreement on the interesting subjects of the parties. When negotiation is made with between people of two countries with different cultural history, failure to pay attention to this difference can bring offence on negotiation process and convert success to a barrier (Shahdadnejad and Nakhaie, 2011). According to Imai and Gelfand (2010), who made a research on cultural intelligence in relation to negotiation states that actually one of the predictors in negotiating successfully is intercultural negotiation.

In addition, the Terpstra and Sarathy Cultural Framework helps international marketers to assess the cultural elements of the international market. It uses very simple eight types of analysis which are language, religion, values and attitudes, education, social organization, technology and material culture, law and politics and aesthetics. Therefore; international companies and marketers need to consider the cultural elements that exist and guide in the countries they sell their products and services (Friesner, 2014).

2.3. Export and Cultural elements

The boundaries of international business are very wide, they constitute sales of goods and services, buying raw materials and supplies, products distribution, promotion and market research, licensing and technology transfer agreements, franchising and manufacturing activities, joint ventures, mergers and acquisitions, and so on (Cateora & Graham, 2007; Sirmon & Lane, 2004).

Export is the most common type of international business, especially for companies going global for the first time (OECD, 2009). According to Griffin and Ebert, (1995) export is an activity in which products are made or grown domestically but transported and sold in another country. Export is an activity of sending goods to another country for sale (Dictionary). In the past twenty years exporting has been one of the rapidly growing economic activities in the world. The growth can be expressed in terms of national economy, new jobs, people's standard of living in general and increases of company's profitability and competitiveness in particular. Cherunilam, (2005), claims that exporting helps companies in developing countries to expand their markets and take advantage of economies of scale. Pack (1993) also states that, exporting can be useful as a channel of

technology transfer. Exporting brings higher risk compared to selling in the local market since global market differ in terms of cultural, legal, political and economic environment (Aliand, 1991). People in other countries may perceive an imported item in a different way, that can affect the demand level, and the export strategy may become unprofitable. Because of these reasons it is critical to identify export challenges before entering in to the global market. Cultural Knowledge and understanding of host country helps to eliminate or minimize exporting challenges that can be a big threat to the firm's successful expansion into the world market (Rocha,2008).

2.3.1. Export Performance and Cultural Elements

When it comes to culture and market even local firms and traders take into consideration the cultural values of the domestic market while being at their home front. Therefore, an international company, needs to study the cultural elements of the target market for effectiveness of export performance (Sojka & Tansuhaj 1995). They are the means in which company's efficiently implement its export plans weather at entry stage or after that in international markets (Douglas and Craig 1983; Cooper and Kleinschmidt 1985).

According to Ewah & Osang, (2018) a firm or an exporter that has entered in international marketing needs to take in to account the cultural differences that exist between the host country and its own. In international market customers are different from each other in terms of test, values and perceptions and much more due to the apparent difference in cultural elements. Hence, it is very important to consider the cultural context of the host countries where a company is doing business with in order to build up and maintain company's brand and business relationship (Ewah & Osang, 2018).

Cateora & Graham (2002) cited Edward Hall (Anthropologist and business consultant) for his definition of cultural elements which is more appropriate to international marketing managers: "the people we were advising kept bumping their heads against an invisible barrier.... We knew that what they were up against was a completely different way of organizing life, of thinking, and of conceiving the underlying assumption about the family and the state, the economic system, and even man himself." The most important points in Hall's comments are that cultural differences are not usually visible,

and that if marketers don't give them enough attention they often hurt both companies and their jobs (Cateora & Graham 2002).

According to (Cavusgil, Zou and Naidu 1993 and Christensen, da Rocha Gertner 1987) international marketers have to consider all elements of culture before entering to any new market to launch their product or to operate their business. Exporters should be aware of some sensitive cultural elements such religion, language, values etc. Before the entrance to any new market or country, it is necessary to acquire vast knowledge regarding religion, social lifestyle, economic and political situation of that country, because the knowledge about culture will be more useful for undertaking their marketing operation in the foreign countries (Shoham, 1996).

Working in export markets constitute dealing with geographical distance together with psychic and familiarity differences in terms of export market culture, business practices, channel structure, communications infrastructure, value system, etc. (Bello and Gilliland 1997; Sousa and Bradley 2006). According to Kotler and Armstrong (2012), factors that prevent companies to invest in other countries are tariffs, language differences, cultural differences, currency exchange control and bribery. Schneiter (1982) believes the culture impact international marketing in a way that they want to enter into a market. Fulford (2001) argued culture affects the effectiveness of formulating an effective marketing message in any cross-cultural context. Marketing managers need to understand how different cultural background impact communication and exchange (Varey, 2002).

2.3.2. Ethiopian Textile and Garment Export

Ethiopia exports several kinds of items such as; coffee, oil seeds and spices, fruits and vegetables, flowers, textile, garment and leather, meat and live animals etc. to different countries in the world. According to the business opportunity report as commissioned by the Netherlands Embassy in Addis Ababa, of the various offerings from the Ethiopian market being exported, the textile and garment industry is one of them that is showing a promising development over the past years (Polls, 2015). Textile and Garment producing firms in Ethiopia are engaged in several activities which constitute knitting, spinning, weaving, sewing, embroidery, printing, finishing and other depending on the available

machines of the company. Several industries in Ethiopia have been increasing year to year with different capacity and product categories. This can be accredited to the government's effort to improve the manufacturing sector in the country by providing several financial and non-financial incentives for native and foreign investors (Mulu, 2016). As a result, the number of textile and garment manufacturing firms are increasing over time. Among the many comparative advantages the country provide the following are some of them; industrial parks, cheap human resources, availability of large area and suitable climate that is required for cotton plantation, accessibility to global market programs such as Everything But Arms (EBA), AGOA (African Growth and Opportunity Act), and COMESA (Common Market for Eastern and Southern Africa) that provide export opportunities for developing nations in Africa free of duty, ETIDI (2017). According to Ethiopian textile report (2017), there are governmental organs and non-governmental organizations that support in the development of the sector such as Ethiopian Textile Industry Development Institute (ETIDI), Ethiopian Textile and Garment Manufacturers Association (ETGAMA) Ethiopian Textile and Apparel Professional Association (ETAPA), Ethiopian Cotton Producers, Ginners and Exporters Association (ECPGEA), and Ethiopian Fashion Designers Association (EFDA), Ethiopian textile portal, (2017).

According to ETIDI reports the textile and garment producing companies that are currently operational reached 190 around the country and among those 115 companies include garment manufacturing in their business and 68 are involved in exporting their products. Textile and garment manufacturing exporters in Addis Ababa are 37 in number (ETIDI, 2017). The Ethiopian government made reforms on the business environment to support its export-led growth of the country (Oqubay, 2015). The government has been determined to diversify the exports starting with light manufacturing such as: textile and garment manufacturing. The sector is one of the sub-sectors given priority to be used as a vehicle in transforming Ethiopia's economy from traditional agriculture to modern industry. As a result, Ethiopia's textile and garment sector has experienced a boom in the past decade, and the sector has developed strong value addition throughout the whole value chain from cotton to textile and apparel products (ITC, 2016). Ethiopia has

comparative advantages in the areas of: low labour cost, cheap and sustainable electricity, preferential market access, and relative proximity to important markets, which is complemented with favorable incentives for local or foreign investors in the sector and rapid textile and garment export expansions was achieved in past few years (Staritz and Whitfield, 2017).

The Ethiopian textile and garment industry is one of the key industries lead and developed by the Ethiopian Investment Commission (EIC) which were established in 2009 (Oqubay, 2015). It has huge potential and has grown an average of 51% over the years 2010-2015 (EICA, 2016). In order to attract Foreign Direct Investments (FDI) the government has opened up its textile and apparel market to middle and large scaled foreign investors(Staritz and Whitfield, 2017). As a result, retailers like H&M, Primark and Tesco have established offices in 2012 and are buying clothing- finished products- from Ethiopian manufacturers and around 65 international textile investment projects have been licensed for foreign investors. The plan was a huge success when Ayka Addis, the Ethiopian subsidiary of the Turkish textile giant Ayka Textiles opened in 2010, at a cost of USD 140 million. Other investors in the textile- and apparel industry originated from India and Bangladesh. DBL group from Bangladesh is currently constructing a vertical integrated garment factory at an investment of USD 30 million, Dhyana van der Pols (2015).

As a result, significant growth has been attained, however Ethiopia's textile and garment industry continues to encounter several challenges. In particular, Ethiopian companies have difficulty to maintain export relationships. According to ICT report (2016) an Ethiopian textile and garment company supplying exports to the same market for two consecutive years is about 42 %. Then it drops to less than 11 % for one more year, and becomes 0 % as the years continue (ITC, 2016). In addition to that, Ethiopian textile and garment exporters are running out of the international market in resent years instead of flourishing under the best export policies the country have right now (Staritz and Whitfield, 2017). The country's export destinations are limited to few international markets for all products and it is the same when it comes to the textile and garment

sector. There are only nine major importers of Ethiopian textile and garment, the top five that constitute 84 percent of the total are; Germany, Turkey, USA, Italy and China.

2.4. Empirical literature review

This portion of the paper is allocated to previous works done by different scholars and researches on the topic of factors or elements that influence performance of business activities at the international level in general and textile and garment export in particular. Several researchers have used different methodologies and different factors to measure export performance and also to identify explanatory variables.

G. Hofstede's (1980-1983) made extensive study of cultural elements in relation to international business transactions. His research lasted for three years and later classification of national culture was published and applied as a framework accepted in analysis of national cultures Nazarian, (2012). He identified six cultural dimensions namely; Power Distance Index (PDI), Individualism vs. Collectivism (IDV), Masculinity vs. Femininity (MAS), Uncertainty Avoidance Index (UAI), Pragmatic vs. Normative (PRA), Indulgence vs. Restraint (IND). He refined them over several years of study and developed a model or framework that can be used in the study of cultural differences. He analyzed a large database of employee value scores collected from 60,000 IBM employees who work in 40 different countries, assuming that these results can give an overview of an entire country. He uses these dimensions to explain the overall cultural traits of a country.

Carneiro and Rocha (2011) studied the impact of the external environment, firm characteristics and firm strategy on export performance. They used a survey which was administered to 448 large Brazilian exporters of manufactured products. A structural equation modeling (SEM) approach was used to fit the conceptual model to empirical data. An extensive set of techniques for the validation of measurement models was used. The result identified that export performance shows a multidimensional structure and the model explained 76.6% difference in previous export revenues and 40.1% variance from past export profitability.

Wondu A. (2017) has investigated internal and external factors that affect export performance of Ethiopian textile and garment industry. He used both quantitative (OLS regression and Questionnaire) and qualitative (FGD) method of analysis. The study revealed that past years' economic growth measured by GDP, FDI and REER made positive impact on the export performance of the industry and the effect is also statistically significant. However, in terms of cost of exporting products to different market destinations is costly and because that the price they set at global market is less competitive. As a result of high and profitable domestic price for their product exporters prefer to sell their product at home than export to other countries. The study also indicate Price adaptation and capacity to offer lower prices positively affect the export performance of firms. Finally, he recommended to exporting companies to learn from successful domestic and international firms in their sector.

Neil B. and Linda C. (2019) presented a study with the title of 'Comparative country study of the development of textile and garment sectors; Lessons for Tanzania' in which they made case study of six countries selected from different continents. The countries involved are - Bangladesh, Cambodia, Ethiopia, India, Lesotho and Madagascar. The research focuses on identifying the main actors and factors essential to develop the textile and garment industry in the United Republic of Tanzania by taking to account various experiences of those countries in terms of requirements needed to establish an integrated value chain, from cotton to clothing, and increase domestic ownership of textile and garment manufacturing. They state that specifying a single model to success is impossible but they were able find out six useful lessons that can facilitate the development of Tanzania's textile and garment industry from the experiences of the countries under study.

2.5. Export Performance measurements

The importance of measuring export performance can be understood by the number of researches done and published on the topic over the past decades. However, despite and the existence of several literature, the elements affecting export performance are in many ways fragmented and even contradictory, the major reason presented is disagreement among researchers on conceptualization and operationalization of export performance (Carneiro, Rocha and Silva, 2017; Beleska-Spasova, 2014; Sousa, 2004; Zou and Stan, 1998; Cavusgil and Zou 1994).

According to Sousa (2004), analysis of empirical literature on the issue of export performance measurements there are around 50 performance indicators used to study the matter. Among the main categories used to measure export performance are objective and subjective measures.

Objective measures of export performance rely on absolute values such as export sales volume growth, export sales growth, export profit margin, market share growth and so on. These measures could be self-reported by managers or secondary sources that does not affect the outcome of the study (Carneiro, Rocha and Silva, 2007). Among many objective measures the sales-related indicators are the most used and it includes export intensity, export intensity growth, export sales growth, export sales volume and export sales efficiency. Profit-related measures are also used but not so often and they include export profitability, export profit margin and such. In addition, market related measures such as export market share, export market share growth and market diversification (Sousa, 2004).

Subjective indicators on the other hand, relay on perceptual values of persons such as manager's expectation of success and satisfaction with export marketing share growth. Unlike objective measurements, these ones employ perceptual values to measure export performance rather than absolute values (Beleska-Spasova, 2014). In the same sense, Sousa (2004) defined subjective measures as comprising of those indicators that measure opinion or perceptual data about export performance. In his analysis of empirical studies made on measurements of export performance most of them, around 78 percent were based on subjective measurements.

In contrast, Woodcock(1994) also states that applying objective measures to measure export performance could be difficult in cases where the data needed are not available or lack of accuracy of information, and where managers are unwilling to give financial information which the company consider confidential, also when there are challenges to analyze financial data because of exchange rate deviations or variances in financial reporting between origin and host nations. The data collected can be based upon primary sources such as self-judgment by the respondent, competitor assessment, or evaluated by external experts, or from secondary sources such as written documents. Since they are reports from personal opinion or perception of the respondent, they may differ based on the source of information (Carneiro, Rocha and Silva, 2007).

Taking in to account the above points, it is clear that the two measurements are complementary to each other. Because of that reason most studies include both objective and subjective measures in their research (Sousa, 2004). To obtain more accurate outcomes of researches and capture the construct as well as ope-rationalize export performance, it is preferable to use several measures together (Shoham, 1998). In this paper, objective and subjective measures of export performance are employed to take advantage of both measures and to produce more accurate results.

2.6. Export performance of Ethiopian textile and garment industry

As stated above, to ensure the reliability of export performance measurement it needs to be multidimensional (Beleska-Spasova, 2014). For that purpose the objective data are presented here whereas the subjective one will be discussed in chapter 4. Ethiopian textile and garment export earnings have been fluctuating for the past five years. The table below summarizes export earnings in US dollars from 2014 to 2018 G.C. and the annual change in percentage for the same time interval.

Table 2.1. Ethiopian Textile and Garment industry Earnings (000 USD)

Variables	2014(G.C)	2015(G.C)	2016(G.C)	2017(G.C)	2018 (G.C)
Textile & Garment-Export	82,493	98,673	77,022	99,434	60,174
Growth rate	-7.37	19.61	-21.94	29.10	-39.48

Source- own computation based on ITC database.

2.7. Literature Gaps

There are several studies done on the topic of export performance in many sectors including the textile and garment industry which is the focus of this thesis. Most of the researches strive to identify internal and external factors that affect or influence export performance, (Zou and Stan, 1998; Beleska-Spasova, 2014; Carneiro, Rocha and Silva, 2011). Internal factors such as; management characteristics, organizational capabilities regarding appropriate export strategy, marketing mix elements, technology firm characteristics. While external factors could be Export market characteristics, environmental hostility, political condition, distribution channel accessibility, cultural factors and government policies (Beleska-Spasova, 2014). There are several such studies in the Ethiopian context; Daniel (2016) identified internal factors that determine export performance of textile and garment sector such as; labor skill and cost, capital of firms, the choice of marketing mix elements, technology, and managerial capability. Another study done by Wonda (2017), investigated both external indicators in terms of economic growth measured such as GDP, FDI and REER and internal factors; export marketing strategies, firm characteristics, market knowledge and the like.

Although; there are many studies done on the topic of factors affecting export performance of Ethiopian textile and garment industry, the factors related to culture were not the focus of the studies except mentioned as one of the subjects raised together with other sub topics like market research. As a result, there is a gap in literature concerning cultural elements as one of external factors that impose on export performance of Ethiopian textile and garment companies in particular and the countries export performance in general. Therefore; this study focus on investigating how difference in cultural elements influence export performance of Ethiopian textile and garment exporters operating in Addis Ababa.

2.8. Conceptual Framework

The conceptual framework is developed by considering all the data in the aforementioned literature reviews. The figure illustrates the influencing factors which are cultural elements such as; language, values, communication, negotiation style, religion and perception as independent variable which are adapted from Terpstra and Sarathy (2000) and export performance as dependent variables. The export performance will be measured in terms of growth in export volume, export sales, rate of new market entry and export market share which are adapted from Katsikeas (2000) and export market diversification which is adopted from Sousa (2004). The framework postulates, based on the literature reviews, cultural elements stated above influence export performance of companies involved in exporting their products to the global market.

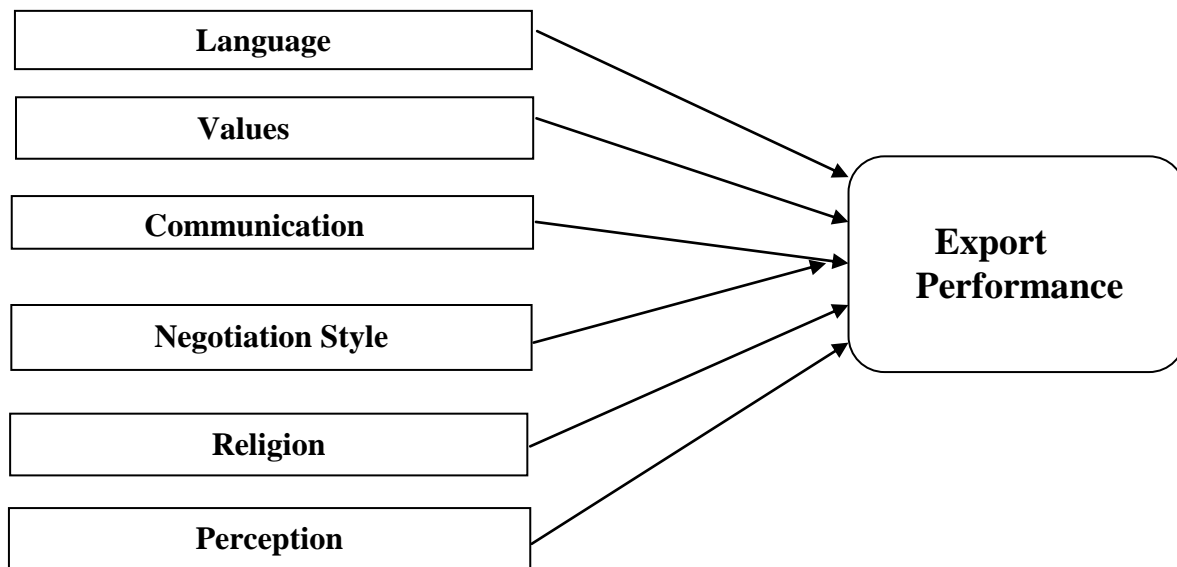


Figure 1: Conceptual Framework of dependent and independent variables (Terpstra & Sarathy 2000).

CHAPTER THREE

RESEARCH METHODOLOGY

3.1. Research approach

The research approaches is quantitative and qualitative method (mixed research approach) and data were gathered through the use of questionnaires and interviews based on structured or semi-structured questions. Quantitative research is thereby often connected with questionnaires and graphs or statistics, while qualitative is a synonym for in-depth data collection, like interviews (Saunders et al., 2012). Many scholars such as (Bryman, 2004 and Creswell, 2009) have brought forth the notion of combining qualitative and quantitative approaches. The purpose of using both approaches is to preserve the strengths and reduce the weaknesses of each method.

3.2. Research Design

A descriptive, survey research design is used to investigate the influences of cultural elements on export performance of Ethiopian textile and garment companies. Descriptive survey research design is suitable for describing the existing situation narrating facts and investigating phenomena in their natural setting.(Koul, 1997). Thus, descriptive survey was employed in the study of the qualitative parts and explanatory method is applied to study the quantitative data. They are used to describe analysis and interpret the nature of the problem under study based on the data collected from both primary and secondary sources.

3.3. Target Population and Sampling Frame

The target population used in this study are those companies that are involved in manufacturing and exporting of textile and garment products to the global market found in Ethiopia. As a result, based on the list of Ethiopian Textile Industry Development Institute 81 companies are identified that manufacture and export their product to the international market (ETIDI companies profile, 2017). The number of firms that are

engaged in the manufacturing of textile and garment located in Addis Ababa are 37 and for the purpose of this study that was taken as a sampling frame.

3.4. Sample size and Sampling Techniques

According to Creswell(2003), the sample should not be too large to be economical and shouldn't be too small to keep the validity of findings. The sample size for the study was all 37 textile and garment manufactures and exporters which are included in the sampling frame and are located in Addis Ababa. Considering the census method to be employed, sampling procedure is not required. The sampling technique was non-probability purposive expert sampling. Purposive sampling is a non-probability sampling method and it is used when "*elements selected for the sample are chosen by the judgment of the researcher*". Researchers often believe that they can obtain a representative sample by using a sound judgment, which will result in saving time and money". (Black, 2010: 225). The researcher selected the sample based on who the researcher thinks would be appropriate for the study. According to Kumar (2005), the primary consideration in purposive sampling is the judgment of the researcher as to who can provide the best information to achieve the objectives of the study.

3.5. Source of data collection

Data were collected from both primary and secondary sources. the primary data were collected through formal survey.

3.5.1 Primary source

For the purpose of collecting primary data the study used self-administered structured and semi structured questionnaire that was submitted to 2 respondents of each companies. The respondents were purposely selected for their expertise and position to reply the questions, who could be general manager, assistant manager, marketing manager, sales manager, export manager or other expert level individuals in the company. Primary data is highly important for the study as it is the way to identify about the company practice and performance from responsible personnel which is imperative to obtain sufficient data

for conclusion. In addition to the questionnaire interview was conducted for deeper understanding of the relationship between the variables.

3.5.2. Secondary source

The secondary source of information is necessary to have adequate data to identify and assess the influence of cultural elements on export performance of Ethiopian textile and garment industry. It also help for triangulation purpose by considering the respondents perspective and secondary data regarding export performance. The secondary data are gathered from related published and unpublished materials, books, journals, manuals, various research papers, government publications, web sites and report from different related agencies such as ETIDI, ITC, NBE, EIC and etc.

3.6. Data collection instruments

3.6.1. Questionnaire

The data collection instrument employed to study the influence of cultural elements on export performance of Ethiopian textile and garment manufactures and exporters located in Addis Ababa were structured and semi structured questionnaire as well as interviews. The questionnaire was adopted from Moghaddam *et al* (2011) for measuring the influence of cultural elements on export performance while export measurement models are adopted from Katsikeas (2000) and Sousa (2004).

3.6.2. Interview

Interview was conducted to gathering information from selected managers of different departments to grasp deeper insights in to the topic and develop follow up questions. This tool is appropriate for such purposes.

3.7. Procedures of Data Collection

The data was collected by the researcher herself. Visits and interviews were conducted to the various companies and institutions mostly through telephone due to the current situation in the country, COVID-19. At the start of the study the student researcher

conducted interview with some textile and garment managers which helped in sorting out the kind of elements to include in the questionnaire and interview questions and in that process also identified the personnel that are appropriate to be respondents. In this light, management and expert level employees such as; Managing directors, General managers, Assistant managers, Marketing managers, Sales managers, and Export managers. Then 74 questionnaires were distributed to respondents of 37 textile and garment companies, 2 questionnaires for each to make the data more reliable and diverse. For the reason mentioned above collecting the questionnaires in time and making face to face interview were difficult but after re-contacting the respondents, 69 were collected and from that 2 were taken out since many of the answers were missing which make them inadequate for analysis The total number of questionnaire used for analysis were 67 that means the response rate was 90.5 %. In addition, information is gathered from literature to augment the data collected to address some objectives.

3.8. Reliability and Validity of the Instrument

3.8.1 Reliability

One of the common methods to test the reliability and validity of data collected through questionnaire is using Cronbach's alpha coefficient. Lee Cronbach (1951) defines reliability as an attribute of an instrument used to measure consistency. Consistency indicates that an instrument has constructive value it used to measure. According to Gliem and Gliem, (2003), internal consistency is acceptable when Cronbach's alpha is closer to 1. An instrument is said to be internally consistent when Cronbach's alpha is greater than 0.7 or 70 percent (George and Mallery, 2003). However; when it is below 0.7, that item needs to be taken out of the instrument to avoid inconsistency and assure reliability. For this study reliability value is done to each variable, the below table is for total items and it shows 93.5%, the rest of test are attached as appendix C, and all are >0.7 which is acceptable and reliable to continue the analysis.

Table.3.1.Reliability Statistics for all Items

Cronbach's Alpha	N of Items
0.935	46

3.8.2. Validity

To achieve the validity of data, the study identifies the indicators to be measured with consultations of the adviser. The validity of the research was assured through designing appropriate questions for interviews and questionnaires by adapting standard measurement methods, guide lines and past literature.

3.9. Methods of Data Analysis

Data collected from 67 respondents have been analyzed using SPSS (version 23) by applying descriptive statistics (mean, standard deviations, frequency and percentage). The data analysis is based on 5-point liker scale ranging from 1 “Strongly Disagree” to 5 “Strongly Agree”. For the data gathered using structured and semi structured questionnaire. Response from positive statements were recorded as negative on the coding process (Bredl & Higgins, 1996). The recoded responses were question (L7,R7,V7,C7,P7,N7).

Correlation has been used to assess the relationship between influencing factors (cultural elements) and export performance.

3.10. Ethical Research Consideration

The research was first approved by St.Mary’s University School of Graduate Studies, department of MBA General. The management personnel of textile and garment exporters who participated in the study were informed about the research objective and that their names and company information will be anonymous. Informal consent from the responding individuals was obtained.

CHAPTER FOUR

Data Presentation, Analysis and Interpretation

This part of the study is reserved for presentation of findings and interpretation of results. Based on those results interpretations and appropriate inferences are made with the help of reference to literature that were included in the study.

4.1 Data Result Presentation

To collect primary data 74 questionnaires were distributed to respondents of 37 textile and garment companies 2 questionnaires for each to make the data more reliable and diverse. Out of those, 69 were collected and from that 2 were taken out since many of the answers were missing which make them inadequate for analysis. The total number of questionnaire used for analysis were 67. Summary of survey results from 67 questionnaire respondents are presented using tables.

4.1.1 General company information

General company information of textile and garment manufacturing and exporting companies located in Addis Ababa are presented here. It constitutes items such as; Educational level, Work Experience, Position held, Age, Gender of the respondents and type of investment legal formation and the like of the companies.

The student researcher purposely distributed the questionnaire to those who are considered to be well versed and knowledgeable on factors or elements that challenge and influence export performance of textile and garment companies. Therefore; the high level management personnel are deliberately selected and requested to participate in the survey. The results showed; 14 General Managers, 23 Marketing Manager, 20 Sales Manager and 10 Export Managers have returned the distributed questionnaire with a very relevant information used as an input for the analysis. The general background of respondents and their respective companies are summarized and presented in the following tables.

Table 4.1. Respondent’s Education, Position and Work Experience

Variables		Frequency	Percent
Education	College Diploma	11	16.4%
	First Degree	41	61.2%
	Masters & above	15	22.4%
	Total	67	100%
Position	General Manager	14	20.9%
	Sales Manager	20	29.9%
	Marketing Manager	23	34.3%
	Export Manager	10	14.9%
	Total	67	100%
Work Experience	1-5 Years	17	25.4%
	5-10 Years	34	50.7%
	10 Years and above	16	23.9%
	Total	67	100%

Source: Owen analysis drawn from respondents information

The summarized data in the above table reveals more than 83% that is, 56 out of the total 67 of respondent’s educational levels to be bachelor and masters degrees while the minimum 16.2% i.e. 11 being college diploma holders. That indicates the participants are well involved in the exporting process of the company and the information they provide for the researcher is reliable and valid for the analysis and draw conclusions. The next relevant data extracted from the table is positions held by the respondents in their companies which are all top managerial ranks starting from 21% of whom are General managers, 34% Marketing managers, 30% Sales managers and 10% Export managers. The other variable closely which seems to be related with education and position of

respondents is work experience for the most part falls in the range of 5 < 10 years (51%) to ≥ 10 years (24%) it means 75% of the respondents accumulated enough knowledge and experience about exporting textile and garment and factors related to them. The rest 25% or 17 respondents also have sufficient amount of years ($1 \leq 5$) working at their position to be considered knowledgeable in the sector.

Table 4.2. Respondent's Gender, Age and Nationality

Variables		Frequency	Percent
Gender	Male	48	71.6%
	Female	19	28.4%
	Total	67	100%
Age	18-29	16	23.9%
	30-39	46	68.7%
	40-49	5	7.5%
	Total	67	100%
Nationality	Ethiopian	62	92.5%
	Foreigner	5	7.5%
	Total	67	100%

Source: Owen analysis drawn from respondents information

One of the variables included in table 4.2 is gender distribution of respondents where around 72% that is 48 are male while 28% or 19 are female which means the sector's higher position are dominated by male managers, at least specifically to the ones in Addis Ababa. Most of the respondents 69% (46) are between the age of 30-39 followed by the ones in their twenties about 24% (16) and 7% or 5 of them are in the range of 40-49 years of age. Nationality of respondents is obviously dominated by Ethiopians 92% (62) and around 8% or 5 in number are foreigners.

Table 4.3. Company Legal Formation and Investment Type

Variables		Frequency	Percent
Legal Formation	Sole Proprietorship	3	4.5%
	PLC	58	86.6%
	Share Company	6	9.0%
	Total	67	100%
Investment	Domestic Investment	44	65.7%
	Foreign Investment	23	34.3%
	Total	67	100%

Source: Owen analysis drawn from respondents information

The majority of textile and garment exporting included in this study are private limited companies (PLCs) where 87% or 58 of the respondents work, while 9% (6) of them are Share Companies followed by 5% (3) are sole proprietorship companies. When it comes to investment type of the companies, domestic investments are almost double the foreign ones, 66% and 34% respectively.

4.2. Cultural Elements' influence on Export Performance

This part of the paper contains the respondent's perception on the influence of cultural elements on export performance of Ethiopian textile and garment industry in general and their own respected companies in particular. It is descriptive analysis of the study on the perceptions of the respondents with regard to the dependent variable (export performance) and independent variables (Language, Value, Religion, Communication, Perception and Negotiation style) is presented. The mean, standard deviation, frequency and percentage for all variables were computed. The mean is the average value and the standard deviation expresses how much deviated the values are from the mean. A mean score of 3.80 and higher are considered to show high level of agreement, those between 3.40 and 3.79 moderate agreement and a mean of 3.39 and below means low level of agreement (Akmaliah, 2014; as cited by Muhumed and Ssekajugo, 2015).

4.2.1. Influence of Language on Export Performance

The first set of questions are used for the analysis of influence of language difference on export performance of textile and garment sector according to respondent's perception or judgement. Seven questions were asked with respect to influence of language difference on market share, rate of new entry, market diversification, export sales, export volume and whether it affects their export performance or not. A five point Likert scale, 1, 2, 3, 4, and 5 represent the five agreement levels starting from; strongly disagree, disagree, neutral, agree and strongly agree respectively. They are abbreviated as follows to be economical with space in the table.

SD: Strongly Disagree, D: Disagree, N: Neutral, A: Agree, SA : Strongly Agree

Table 4.4. Language related results

Language	Mean	St.D	SD	D	N	A	SA
Language difference negatively influences our export performance	3.8	.790	-	5 (7%)	12 (18%)	39 (58%)	11 (16%)
Language difference has a negative effect on our company's international market share	3.8	.723	-	4 (6%)	13 (19%)	42 (63%)	8 (12%)
Language difference with host country negative influence our company's rate of new market entry	3.8	.808	-	6 (9%)	12 (18%)	39 (58%)	10 (15%)
Language difference is a barrier to our company's market diversification	3.7	.763	-	5 (7%)	18 (27%)	37 (55%)	7 (10%)
Language difference with the host country/company negative influences our export sales	3.7	.808	-	7 (10%)	16 (24%)	37 (55%)	7 (10%)
Language difference with the host country/company negative influences our export volume	3.6	.735	-	5 (7%)	20 (30%)	37 (55%)	5 (7%)
Language difference positively influence on our export performance	4.0	.866	23 (34%)	32 (48%)	7 (10%)	5 (7%)	-
Total	26.3						
Overall Mean	3.8						

Source: Owen analysis drawn from respondents information

Most of the respondents consider the language difference as influencing element on their company's export performance which can be observed by 58 percent or 39 respondent's agreement and another 16 percent or 11 respondent's strong agreement to the first question. While 18 percent or 12 respondents remained neutral, 7 percent or 5 in number disagreed. The mean value of respondent's agreement level to this particular question is 3.8 which is greater than the likert mean value of 3 and it implies that most of them believed that language difference with host country/company to influence export performance of their firms.

The 75 percent that is 50 participants agreed (63%) and strongly agreed (12%), language difference with host country to have effect on their company's international market share. The rest 25 percent were either neutral (19%) or disagreed (6%) i.e 13 and 4 participants respectively. The mean of respondent's answer for this individual question is 3.8 which is also higher than the likert mean value of 3, that means grater number of the participants agreed that the indicator language difference to have influence on market share of their companies.

The third factor included under language is whether language difference has an effect on new market entry rate of textile and garment exporters. More than 70 percent i.e, 49 of the respondents agree (39) and strongly agree (10) with the suggestion while 18 percent or 12 were neutral and the rest 9 percent, 6 respondents disagreed. The mean value here is again 3.8 still grater than the likert mean value 3, which indicates most of the respondent's agreement to the fact that language difference negatively affecting new market entry rate of their companies.

To the statement, 'Language difference is a barrier to our company's market diversification', 55 percent or 37 participants agreed and 10 percent or 7 respondents strongly agreed. The rest 27 percent I.e 18 participants have no opinion and 7 percent or 5 of them disagreed. The mean value here is 3.7 still higher than the likert mean value 3 which means greater number of the respondents consent language difference with the destination country/ company can be a barrier to market diversification of their companies.

About 65 percent (44) of the respondents, have indicated their agreement with above mentioned cultural element related to the effect of language difference on export sales of their respected firms. In contrast to this about 10 percent (7) have indicated their disagreement and 24 percent (18) of the respondents preferred to be neutral which can be associated with the misunderstanding of the listed element and/or openness to explain the circumstance in their company. The mean value for this factor is 3.7, greater than the likert mean value 3, that indicates the agreement of most participants to the existence of certain negative influence on their company's export sales by language difference.

Another item included here is whether language difference influence export volume of textile and garment companies. The data shows that 42 (62%) of respondents agreed to it and 20 (30%) remained neutral which can be for the reason suggested to the above group. A few of them 5 (7%) disagreed. Mean value here is 3.6 which can be interpreted as most of participants in the study accept the unfavorable effect of language difference on export volume of their firms.

Majority of respondents 55 (82%) believe that language difference with destination country is a barrier to export performance of their companies. Very small number of participants, 5 (7%) disagree with it and this can be seen by observing the mean value which is 4.0(reverse coded) that shows the influence of language difference is negative one rather than positive.

Lastly, the overall mean value of responses for this indicator is calculated to be 3.8 that is higher than the point of central opinion of respondents regarding language difference as negatively influencing factor to export performance of their companies. It would be safe to state that larger number of the respondents have high level of agreement on language difference with destination country being disadvantageous to export performance of their respected companies in particular and the sector in general.

4.2.2. Influence of Values and Norms on Export performance

Values and norms of each country is different from others, thus the way they conduct their businesses are different. The below table shows to what extent respondents agree to the fact that having difference of values and customs with destination countries hinder

their export performance in terms of international market share, market diversification, rate of new market entry, export sales and export volume. A five point Likert scale, 1, 2, 3, 4, and 5 represent the five agreement levels starting from; strongly disagree, disagree, neutral, agree and strongly agree respectively. They are abbreviated as follows to be economical with space in the table.

Table 4.5. Value related results

Value	Mean	St.D	SD	D	N	A	SA
The values and norms of host country/company negatively influence our export performance	3.6	.711	-	3 (3%)	24 (36%)	34 (51%)	6 (9%)
Difference in values and norms of host country/company negatively influences our international market share	3.5	.726	-	5 (7%)	28 (42%)	30 (45%)	4 (6%)
Difference in values and norms with host country/company negatively affects our company's new market entry rate	3.6	.693	-	2 (3%)	27 (40%)	32 (48%)	6 (9%)
Difference in values and norms with host country/company negatively affects our company's new market diversification	3.5	.682	-	5 (7%)	28 (42%)	32 (48%)	2 (3%)
Difference in values and norms with host country/ company negatively influences our company's export sales	3.4	.676	-	4 (6%)	35 (52%)	25 (37%)	3 (4%)
Difference in values and norms negatively influence our company's textile and garment export volume	3.4	.676	-	4 (6%)	35 (52%)	25 (37%)	3 (4%)
Host country's/ company's values and norms positively influence our export performance	4.0	.747	14 (21%)	39 (58%)	11 (16%)	3 (4%)	-
Total	25.0						
Overall Mean	3.6						

Source: Owen analysis drawn from respondents information

According to the responses of the participants, 40 of them (60 percent) have agreed that those factors identified in relation to values and norms of host country/ company creating a barrier to their export performance. Whereas, about 34 percent has neutral reaction to

the variables. Very few (3 percent) seem to disagree with the notion. Looking at the mean value 3.6, greater than the likert average 3, which means based on respondents opinion having different values with destination countries to negatively influence the performance of their company's textile and garment export.

Around 51 percent (34) agreed to the statement, 'Difference in values and norms of host country/company negatively influences our international market share'. Significant number of respondents, 42 percent remain neutral while the rest 7 percent did not think having different values create problems on market of their companies in the global market. The mean value is 3.5 higher than the likert mean value 3, that shows more than half of the respondents tend to agree to not be able to identify and adapt to destination countries values might hinder the increase in market share of their companies.

Looking at the third item in this category, 57 percent i.e 38 of the participants in the study Agreed and strongly agreed that value disparity with importing country/ company puts them to disadvantage in terms of new market entry rate. Whereas, 40 percent stayed undecided which led the researcher to think, they did not identified it as a problem that might have negative influence on entry to new markets. Only 2 percent expressed their disagreement. The mean value here is 3.6 also higher than the likert mean value 3, based on participants opinion, value and custom differences with host country/ company have considerably challenging on rate of new market entry for their companies.

More than 50 percent of respondents agreed on hindering impact of difference in values and norms with importing counties or companies on market diversification their company's textile and garment products. While 7 percent disagree, a significant number of participants, 42 percent did not side either ways. The mean value for this variable is 3.5, which indicates still higher number of respondents agreement but the ones who stayed neutral pulled it towards the likert average value 3.

About the same percent of respondents (41%) agreed to the opposing effect of disparity on values and norms with destination countries on both export sales and volume of their respected companies. However; most of the respondents (52%) choose to be neutral to these variables' influences while the 7% disagreed all together. The mean values are the same too (3.4) for each, which is a bit greater than where the central opinion falls an

indication of the respondents neutral attitude towards the suggested negative influence of value difference on export sales and volume.

As for the last counter statement that states difference in values and norms with destination countries imposing positive influence on export performance of textile and garment firms, the majority of respondents 79 percent stated their disagreement while 16 percent remained neutral. But, 4 percent seem to believe the disparity could even led to better export performance. The mean value is 4.0 (reverse coded) which simply mean value difference is more of a barrier than a positive influence on the company's performance.

The grand mean for the value and norm variables is 3.6 that implies moderate level of agreement by the respondents to the opposing influence disparity between Ethiopian's values and norms against the ones in the host countries on the out comes of their export performance.

4.2.3. Influences of Religion on Export Performance

In many countries religious believes and rules dictate the societies way of thinking, speaking, dressing, and preferences on various aspects of life. Not only the way of life but also the way business transactions are conducted and which products are accepted could be oriented according to prevailing religion of that particular nation. The following table shows respondents opinion on, whether religious difference with destination countries hinder or promote their export performance in terms of international market share, market diversification, rate of new market entry, export sales and export volume. A five point Likert scale, 1, 2, 3, 4, and 5 represent the five agreement levels starting from; strongly disagree, disagree, neutral, agree and strongly agree respectively. They are abbreviated as follows to be economical with space in the table.

Table 4.6. Religion related results

Religion	Mean	St.D	SD	D	N	A	SA
Religious values of host country/ company negatively influence our company's textile and garment export performance	3.1	.815	1 (1%)	12 (18%)	34 (51%)	17 (25%)	3 (4%)
Prevailing Religion of host country/ company negatively influence our company's international market share	3.1	.814	2 (3%)	11 (16%)	38 (57%)	13 (19%)	3 (4%)
Difference in religion with destination country negatively influence our company's new market entry rate	3.2	.833	2 (3%)	10 (15%)	31 (46%)	22 (33%)	2 (3%)
Difference in religious rules with host country/company negatively influence our company's textile and garment market diversification	3.1	.837	2 (3%)	12 (18%)	32 (48%)	19 (28%)	2 (3%)
Religious holiday seasons in host country/company negatively influence our company's textile and garment export sales	3.1	.814	2 (3%)	12 (18%)	35 (52%)	16 (24%)	2 (3%)
Religious holiday seasons in host country/company negatively influence our company's textile and garment export volume	3.1	.793	2 (3%)	10 (15%)	37 (55%)	16 (24%)	2 (3%)
Religious differences with destination country/ company positively influence our export performance	3.66	.789	9 (13%)	29 (43%)	27 (40%)	1 (1%)	1 (1%)
Total	22.1						
Overall Mean	3.2						

Source: Owen analysis drawn from respondents information

For the first question under this variable, most respondents around 51 percent choose to be indifferent and 29 percent agreed that difference in religious rules imposing unfavorable impact on export performance of their companies. The rest 19 percent disagreed. Majority of participants, 57 percent has neutral opinion on prevailing religion of the destination country/ company as a barrier to international market share increase of their textile and garment firms. While 19 percent of participants disagree, 21 percent expressed their agreement. When it comes to religious difference negatively influencing new market entry rate of exporting companies, 46 percent remained undecided while 36 percent agreed to the idea. Some of the participants that is 18 percent all together disagreed with the statement. In relation to religious rules to market diversification 48 percent of the respondents attitude lie towards neutral position and another 21 percent disagreed, while 31 percent stated their agreement. As to the opposing influence of religious holidays seasons on export sales and volume, 52-55 percent of the participants

remained neutral and around 27 percent agree to the seasonal impact. Then the rest 18-21 percent stated their disagreement. The last item is, whether religious differences enhance the export performance of this sector for which most respondents, 56 percent expressed disagreement whereas 40 percent stayed neutral.

All individual mean values (3.1-3.2) for each question as well as the overall mean value (3.2) are very close to the likert mean value 3, which means respondents did not consider either negative or positive impacts of religious elements on export performance of their companies. The mean to the last question of the group is 3.66(reverse coded) also conform the respondents neutrality on the positive influence of religion on export performance.

4.2.4. Influence of Communication on Export Performance

In this part of analysis presentation about the influence of communication, five point Likert scale was used ranging from strongly disagree having a score of 1 to strongly agree with a score of 5. This variable includes the difference in communication channels and methods oppressing or enhancing effect on export performance of Ethiopian textile and garment exporting companies, according to respondents opinion.

Table 4.7. Communication related results

Communication	Mean	St.D	SD	D	N	A	SA
Communication style difference with host country/company negatively influences our export performance	4.3	.701	-	1 (1%)	6 (9%)	31 (46%)	29 (43%)
Difference in communication method with host country/company negatively affects our company's international market share	4.3	.845	1 (1%)	2 (3%)	5 (7%)	29 (43%)	30 (45%)
Communication based on mutual trust with the host country/company enhances our company's market diversification	4.3	.746	-	2 (3%)	6 (9%)	32 (48%)	27 (40%)
Communication channels difference negatively affect our company's textile and garment new market entry rate	4.2	.775	-	2 (3%)	8 (12%)	30 (45%)	27 (40%)
Difference in communication methods with host country/company negatively affects our company's export sales	4.2	.723	-	1 (1%)	9 (13%)	33 (49%)	24 (36%)
Communication channels negatively affect our company's textile and garment export volume	4.1	.702	-	1 (1%)	9 (13%)	36 (54%)	21 (31%)
Communication channels difference positively influence our export performance	4.2	.633	21 (31%)	38 (57%)	8 (12%)	-	-
Total	29.6						
Overall Mean	4.23						

Source: Owen analysis drawn from respondents information

The majority of the respondents believe difference in communication style with host country/ company to have opposing impact on export performance, 60 (89%) respondents out of the total 67 agreed and strongly agreed. Some of the respondents i.e. 6(10%) remain neutral while only 1 (1%) disagreed to it. For the next statement most of the participants about 88% also agreed/ strongly agreed that difference in communication methods hinder the increase in their international market share. While 7% were neutral, 5% disagreed. The same amount of agreement were recorded for the impact of communication difference on market diversification of the companies. In fact, for this category respondents showed high level of agreement all more than 88 percent, except the last question which is an opposite to the others. Almost all of the participants gave their consent that communication difference imposing unfavorable effect on their company's export sales and volume in addition to the above mentioned.

The mean for the six items under this variable is 4.1-4.2 far from the likert mean 3. This mean value is the highest among all the variables used here and the overall mean is also at 4.23 which means there is a high agreement level on the important place communication occupy in facilitating export successes and the lack of it becoming a barrier to a better export performance to all sectors in general and the textile and garment industry in particular. The seventh question is reverse coded during analysis, it's mean value 4.2 shows high disagreement to the positive question.

4.2.5. Influence of Perceptions on Export performance

The perception of people about time, colors and aesthetics differ from country to country and even among different groups. As a result, if not careful it could be a barrier to successful business transactions. The table below shows participants opinion on the variable's opposing influence on export performance. A five point Likert scale, 1, 2, 3, 4, and 5 represent the five agreement levels starting from; strongly disagree, disagree, neutral, agree and strongly agree respectively. They are abbreviated as follows to be economical with space in the table.

Table 4.8. Perception related results

Perception	Mean	St.D	SD	D	N	A	SA
Difference in perceptions in host country/company negatively affects market share of our textile and garment product	3.5	.841	2 (3%)	2 (3%)	33 (49%)	23 (34%)	7 (10%)
Difference in perception of textile and garment color of host country/ company has negative influence on our market diversification	3.5	.822	1 (1%)	4 (6%)	33 (49%)	22 (33%)	7 (10%)
Difference in perception of time in host country/ company negatively influences our company's new market entry	3.5	.745	-	2 (3%)	35 (52%)	22 (33%)	8 (12%)
The aesthetic values of host country/ company negatively affects our company's export sales	3.5	.725	-	2 (3%)	39 (58%)	19 (28%)	7 (10%)
Difference in perception of host country/ Company negatively influences our company's export volume.	3.4	.719	-	2 (3%)	43 (64%)	15 (22%)	7 (10%)
Difference in aesthetic with host country/ company positively affects our export performance	3.5	.859	7 (10%)	27 (40%)	26 (39%)	6 (10%)	1 (1%)
Total	20.9						
Overall Mean	3.5						

Source: Owen analysis drawn from respondents information

About 44 percent of respondents agreed and strongly agreed to the first statement which suggests perception difference is a barrier to export performance, while 49 percent stayed neutral and remaining 7 percent disagreed to it. In general, respondents gave similar agreement level to all included here, the percentages ranging from 33 percent to 44 percent and most of their opinion is close to neutral which covers 50 percent and some 3-6 percent disagreed all together. The mean value for each is 3.5 except for the fifth question (3.4), that says difference in perception with destination country/ company being a barrier to export volume increase. For this the majority of respondents (64%) expressed neutral attitude while (33%) showed agreement, and the mean here is 3.4 still higher than the likert mean value but closer to it than the others which supports what the percentage showed. As for the positive influence perception difference might impose, some respondents (11%) agreed whereas half of them (50%) disagreed and strongly disagreed. Significant number of participants (39%) remained neutral. The mean value 3.5(reverse coded) shows most of respondents consider the variable's influence as a barrier than an advantage. The grand mean is at 3.5 which means respondents' moderate agreement to

the variable's negative influence on export performance of their companies and/or the sector.

4.2.6. Influence of Negotiation style on Export performance

Negotiation process is necessary to convey the interest of oneself and find out the what the others party wants, and in business terms that is when relationships can be build and offers are presented. Negotiation style as one of important cultural element that can help or deter international business transactions is included in the study and presented below according to respondents opinion collected through the questionnaire. Five point likert scale was used ranging from strongly disagree having a score of 1 to strongly agree with a score of 5.

Table 4.9. Negotiation style related results

Negotiation	Mean	St.D	SD	D	N	A	SA
Difference in negotiation style negative affects our export performance	3.5	.765	1 (1%)	2 (3%)	30 (45%)	28 (42%)	6 (9%)
Difference in negotiation style has a negative effect on our international market share	3.5	.746	1 (1%)	2 (3%)	31 (46%)	28 (42%)	5 (7%)
We adapt to negotiation style of the host country/ company to increase market diversification	3.5	.726	1 (1%)	1 (1%)	34 (51%)	26 (39%)	5 (7%)
Negotiation style of host country/ company negatively influence our company's new market entry	3.4	.818	1 (1%)	4 (6%)	36 (54%)	19 (28%)	7 (10%)
Difference in negotiation style has negative effect on our export sales	3.4	.735	1 (1%)	3 (4%)	37 (55%)	22 (33%)	4 (6%)
Difference in negotiation style negatively affects the company's export volume	3.3	.735	1 (1%)	4 (6%)	41 (61%)	17 (25%)	4 (6%)
Difference in negotiation styles positively influence our export performance	3.9	.724	13 (19%)	38 (57%)	14 (21%)	2 (3%)	-
Total	24.5						
Overall Mean	3.5						

Source: Owen analysis drawn from respondents information

Considering negotiation style difference as a barrier to export performance, 51 percent of the respondents agreed and around 45 percent chose the neutral option while 4 percent disagreed to it. 49 percent agreed to unfavorable influence of difference in negotiation style impose on their gaining more ground in the international market. Significant number of participants remained neutral, 46 percent and the rest 5 percent stated their disagreement. Around 46 percent agreed to the statement, 'We adapt to negotiation style

of the host country/ company to increase market diversification' while 51 percent were undecided. The mean values for the above three is 3.5 higher than the likert mean average 3, meaning there is a moderate level of agreement for the statements.

According to 38 percent of respondents difference in negotiation style being a barrier to new market entry of their companies. But most of them i.e. 54 percent were neutral and some 7 percent disagreed. The next one here is whether difference in negotiation style hinder the growth of export sales, 39 percent agreed but 55 percent were neutral and the rest 5 percent disagreed to it. The mean value is 3.4 showing a moderate level of agreement to the influence of difference in negotiation style on export sales. About 31 percent of respondents agreed, that difference in negotiation style negatively influence export volume while, 61 percent remained neutral. The mean value is 3.3 greater but close to the Likert mean value it means respondents' agreement level is low to this particular question. Looking at the last item here based on participant response, 76 percent disagreed or strongly disagreed to negotiation style differences enhancing their company's export performance and 21 percent stayed neutral. The mean is 3.9 (reverse coded) which implies respondents' consider difference in negotiation style to be a barrier to their company's export performance than an advantage. The overall mean is 3.5 that means according to respondents' opinion with moderate level of agreement they accepted difference in negotiation style to negatively influence export performance of their companies.

4.2.7. Measurements of Export Performance

Export performance is measure by growth in export volume, export sales, rate of new market entry and export market share which are adapted from Katsikeas (2000) and export market diversification which is adopted from Sousa (2004). A five point Likert scale, 1, 2, 3, 4, and 5 represent the five agreement levels starting from; strongly disagree, disagree, neutral, agree and strongly agree respectively.

Table 4.10. Export Performance Measurements

Export Performance	Mean	St.D	SD	D	N	A	SA
International Market share of our textile and garment products in foreign market has been growing for the past 5 years	2.7	.975	4 (6%)	24 (36%)	30 (45%)	3 (4%)	6 (9%)
Market diversification for our textile and garment products has been growing over the past 5 years	2.8	.903	2 (3%)	23 (34%)	32 (48%)	5 (7%)	5 (7%)
The rate of new market entry of our company has been growing over the past 5 years	2.9	.883	1 (1%)	20 (30%)	36 (54%)	4 (6%)	6 (9%)
Our company's export sales has been increasing over the past 5 years	3.4	.868	-	10 (15%)	29 (43%)	21 (31%)	7 (10%)
Our company's export volume has been growing over the past 5 years	3.4	.870	-	10 (15%)	28 (42%)	22 (33%)	7 (10%)
Total	15.2						
Overall Mean	3.05						

Source: Owen analysis drawn from respondents information

At this portion of the paper the dependent variable and its measurements are presented based on respondents opinion. The first one is whether their company's international market share grow over the past 5 years, 42 percent disagreed and 45 percent chose to stay neutral. Only 13 percent agreed to it. Respondents' opinions are expressed with mean value of 2.7 which means cultural elements included in the study impose low level of opposing influence on the growth of international market share of textile and garment exporting firms, thus minimal influence on their export performance. Next is about the growth of their market diversification over the past five years which 38 percent disagreed and most of the respondents, 48 percent were neutral, while 14 percent of the companies were able to expand their market diversification. The mean value here is 2.8, this implies some of elements have stronger influence as a barrier to the success of export market diversification when the others have insignificant influence for that reason the mean value is closer to average. The respondents' thought on this were, cultural elements such as religion and perception imposing minimal negative influence on their company's export performance in terms of market diversification. Probably, it can be one of the reasons to lack of market diversification in Ethiopian textile and garment export industry. As for the increase of new market entry rate 54 percent of the participants were neutral whereas 31 percent stated that their company's new market entry rate did not change over the past five years. The rest 15 percent were successful in that area. Looking at the mean

value 2.9, respondents seem to be more undecided on the hindering influence of some of the cultural elements have on new market entry rate of their companies. According to 41 percent of respondents, their companies export sales has been growing over the past five years. Whereas, 43 percent were undecided 15 percent claimed it was not growing. The mean value 3.4, also supports the moderate level of agreement respondents had about some of the variables opposing influence on export sales of their companies, thus their export performance. Similarly, around 43 percent of respondents said their company's export volume has been growing for the past five years and 42 percent remained neutral. The rest 15 percent expressed the lack of growth in their company's export volume. The mean is same as export sales 3.4, which shows moderate level of agreement by the respondents. The overall mean value 3.05, reflects the status of export performance of textile and garment companies in Addis Ababa according to respondents' opinions.

4.3. Relationships between Cultural Elements and Export Performance

4.3.1. Correlation Analysis

In order to identify the relationships between dependent and independent variables correlation analysis is done. Correlation measures relationships existing between variables, and does not particularly imply causal connections. Pearson correlation was used to analyze relationships between individual set of many variables that influence Ethiopian textile and garment companies, in this case cultural elements; language, values, religion, communication, perceptions and negotiation style with measures of export performance. Furthermore; the sign of correlation coefficient determines whether the correlation is positive or negative. The degree of strength of association is determined by the magnitude of the correlation coefficient. Correlation coefficients that falls on 0.70 and higher are said to have strong association whereas those between 0.50-0.69 have substantial association, those between 0.30-0.49 have moderate association, 0.10-0.29 have low association and those having 0.09 and below are considered to have negligible association (Akmaliah, 2014; as cited by Muhumed and Ssekajugo, 2015).

Table 4.11. Correlation Analysis

Independent Variable	Language	Value	Religion	Communication	Perception	Negotiation	Export Per.
Language	1	.966	.884	.229	.243	.991	-.992
Values	.966	1	.930	.145	.535	.962	-.795
Religion	.884	.930	1	-.215	.824	.917	-.392
Communication	.229	.145	-.215	1	.085	.147	-.926
Perception	.243	.535	.824	.085	1	.132	-.473
Negotiation	.991	.962	.917	.147	.132	1	-.990
Export Performance	-.992	-.795	-.392	-.926	-.473	-.990	1

(Pearson Correlation)

** . Correlation is significant at the 0.01 level (2-tailed)

* . Correlation is significant at the 0.05 level (2-tailed).

Applying the above mentioned range of correlation coefficients; language, communication, negotiation and value displayed strong inverse association with export performance having correlation coefficient of -0.992, -0.926, -0.990, and -0.795 respectively. Whereas religion with correlation coefficient of -0.392 and perception having correlation coefficient of -0.473 have moderate inverse association with export performance.

4.4. Data Result Interpretation

This part of the paper is allocated to data result interpretation based on all the information and analysis presented so far with respect to the main research questions raised for investigation. The main objective of the study is to investigate the influence of cultural elements on export performance of Ethiopian textile and garment exporters and measures they took to overcome the challenges and stay in the export business. To meet the

objective, different instruments were applied to collect the primary data such as; questionnaire and interview. The secondary data was collected through document reviews.

Ethiopian textile and garment industry is one of the most promising sector in promoting economic and social development to the country (Polls, 2015). The Ethiopian government also recognized the potential of the sector and established ETIDI in 2009 to achieve better export earnings through textile and garment exporting (Oqubay, 2015). Several incentives were set to action to encourage local investors and attract foreign companies. Despite all that, the expected growth in export earnings and export performance of the industry still have a huge gap to fill. Many reasons have been suggested to the inconsistent and inadequate export performance such as; economic, infrastructural, marketing, technology and others. However; the focus of this study is the cultural dimension as pervasive influencing factor, in addition to all the others, on the export performance of Ethiopian textile and garment exporting companies. According to Bradley (2005), export performance success depends on an understanding of the culture and competitors in the foreign market and the possession of positive perceptions towards customers/ companies in export destination. With these as a background, each research question is discussed as follows;

RQ1. How do cultural differences influence export performance of Ethiopian textile and garment exporters?

Most of the respondents agreed that cultural elements to be barrier to their company's export performance. As can be referred to literature, the difference that exists among countries / companies in terms of cultural factors if not taken into consideration and solutions are incorporated success in the international market will be difficult to achieve. Based on respondents answers among the cultural elements language difference is strong hindrance to their company's export performance.

Language

Participants in the study gave this variable high scores for being a barrier to each of the measurements of export performance. Majority of the respondents, 75 percent stated that language difference hinder their companies from gaining more international market. Their opinion is the same for all of the measurements that language difference having opposing influence on market diversification, new market entry rate, export sales as well as export volume. The overall mean value at 3.8 reveals most of them consider language difference as a barrier to their company's export performance. In addition, the correlation coefficient -0.992 conforms the negative strong association between language difference and export performance. The wider the language difference the harder it is for companies to overcome the barrier and succeed in the international market. Interview with some of managers the student researcher was able to learn that, English is the common language they use to communicate with their business counterparts in host countries. But even then most of the time interpreters are needed from one or both sides during negotiations and document exchange in which costs are incurred. According to Griffin and Pustay (1999), linguistic similarities create important competitive advantages because the ability to communicate is very important in conducting business transactions.

Values and Norms

More than half of the participants in the study (60%) agreed that difference in values and norms with destination countries/companies imposing a negative influence on their company's export performance in general. The mean values for the variable ranges 3.4 to 4.0 which is higher than the Likert mean value 3 implying, most of the respondents agreement on the opposing impact it impose on the growth of international market share, market diversification, new market entry rate, export sales and volume. Similarly, the grand mean is 3.6 which means there is moderate level of agreement the influences of this variable on respondents company's export performance. Furthermore; the correlation coefficient -0.795 shows the strong but negative association between the national/company values and export performance.

Religion

Looking in to difference in religion and related matters like religious holidays as a barrier to better export performance of textile and garment companies in Ethiopia, respondents' opinion fall close to the neutral area. More than 50 percent expressed their neutrality on the the hindering influences of religion difference on their company's export performance measured by; international market share, market diversification, new market entry rate, export sales and volume. As a result, the mean values are around 3.1 and 3.2 which is a little more than the likert mean. The correlation analysis revealed moderate negative association between the dependent variable (export performance) and independent variable (religion) with correlation coefficient of -0.392, the least of all the variables. The reason might be found in the responses of some of the managers, who said they mostly not consider religion as strong challenge to their exporting business and the destination countries/ companies are not religion sensitive. However; religion highly influence the way people speak, communicate and interact, so misunderstandings among the various religion groups may arise and hinder the decision about the choice of a market(Shenkar, 2001).

Communication

This variable was given the highest scores and around 90 percent of respondents recognize it as a barrier to each of the export performance measures used in the study. According to respondents as well as managers the student researcher interviewed, communication difference in channels and methods impose strong influence and it is very important to find and use opportunities in the global market. The mean value of each item under this variable range from 4.1-4.3 and the overall mean is 4.2, greater than the likert mean 3, which indicates high level of agreement of respondents to the opposing impact of communication difference on their export performance in terms of international market share, market diversification, new market entry rate, export sales and export volume. Similarly, the correlation assessment showed strong negative association with coefficient -0.926 between dependent and independent variables. According to Rosenzweig (1994), when communicating in some cultures, high importance is given to interpersonal

relations when doing business, such as in Saudi Arabia, China and Japan. Whereas, in the United State and England formal and contractual communication are preferred. Interview with managers also conformed that communication difference to be the most challenging cultural element.

Perception

When it comes to difference in perception or aesthetics, 45 percent of the respondents believe that it negatively influence international market share, market diversification and new market entry rate while more than 50 percent were neutral. In addition to that around 60 percent marked neutral for difference in perceptions' hindering impact on export sales and volume whereas, around 38 percent agreed. All in all, it all adds up to a grand mean of 3.5 which indicate respondents' moderate agreement to the variable's negative influence on export performance of their companies and/or the sector. To see the degree of relationship, correlation analysis was run and the result showed a correlation coefficient -0.473 which can be interpreted to a moderate negative/ inverse association exists between the variables. In fact, some of the marketing managers expressed how important it is to take into account cultural perceptions of time such as; punctuality for meetings and responding for emails or phone calls could change the tone of relationship and trust. They also said, they need to be conscious of colors when branding, packaging and the seasons of the destination country since the colors of textile and garments needed differ from season to season. Several literature supports this concept one of them is Karimian (2007), who states that, in foreign market selection of colors should be based on aesthetic sense of the purchaser's culture not seller's culture.

Negotiation

Negotiation style difference, though very important in the global market the participants in the study were mostly neutral to its negative influences on export performance of their companies. Around 51 percent agreed that it is a barrier to increasing international market share, market diversification and new market entry rate while 40 percent believed the variable hinders the growth of export sales and volume. In addition, the grand mean 3.5

also shows the moderate agreement level respondents gave to the negative impact of negotiation style difference on export performance of their companies. However, the correlation assessment revealed strong negative association between difference of negotiation style with destination country/ company and export performance. The coefficient is -0.990 the strongest among the variables. According to the information from managers, they use intermediaries and agents to go through the process of negotiation, otherwise, the CEO and managing directors deals with the long process. Shahdadnejad and Nakhaie, (2011), claim when negotiation is made between people of two countries with different cultural history, failure to pay attention to this difference can bring offence on negotiation process and convert success to a barrier.

Export performance

Considering the responses of the participants to their company's export performance in terms of the five measures applied to this study, most opinions were rather neutral. Specially to the growth of the rate of new market entry (54%), international market share (45%) and market diversification (48%). The mean values for these are 2.9, 2.7 and 2.8 respectively, below the Likert mean which means in respondents' opinion their textile and garment companies have not shown much growth. In contrast, the mean values for export sales and volume are 3.4 that indicates the companies have been showing relatively better growth in these areas. The over all mean is 3.04 which means from respondents' perspective the textile and garment firms have not been achieving a consistent growth in their export performance.

The results are supported by the objective data exhibited in table 2.1 about the high fluctuation of export earnings in US dollars from years 2014-2018 G.C. of Ethiopian textile and garment industry.

RQ2. What are the most common cultural elements that can be barriers to their export performance?

According to respondents' answer, interview and review of all secondary data, the most common cultural elements that are barriers to export performance of Ethiopian textile and garment companies in Addis Ababa are; communication, language, values and negotiation with grand mean value of 4.2, 3.8, 3.6 and 3.5 respectively. This was supported by the managers and key informant interviewed during the course of the study, beside these they added other cultural elements such as; educational distance and technological advances that make the communication methods and channels difficult among other things. According to Kotler and Armstrong (2012), factors that prevent companies to invest in other countries are tariffs, language differences, cultural differences, currency exchange control and bribery.

RQ3. What measures do the experienced textile and garment exporters took to overcome cultural barriers and survive and maintain the relationship in the export market?

The interviews with different managers who work in textile and garment companies provided the answer to this question. The student researcher selected the ones with more than 5 years experience in exporting business. Most of them said, closely working with intermediates not only help them to access the foreign market and get the products to reach the destination but maintain continuous relationship with importers and all parties in the value chain. In addition to that, they participate in international trade fairs to introduce their products and connect with importers as well as other stakeholders. Carefully building and maintaining relationships with customers is essential factor for the locally owned firms that have managed to survive in the export market (Oqubay, 2015).

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATION

5.1 SUMMARY

The study investigated how cultural elements influence the export performance of Ethiopian textile and garment companies located in Addis Ababa. The study tried to find out the influence of differences in language, values, religion, communication, perception, and negotiation style have on export performances of Ethiopian textile and garment companies. In order to accomplish the task all 37 textile and garment firms were included and respondents were selected through purposive expert sampling method which the researcher thought best to collect reliable data relevant for the study.

Although export is the simplest form of international business, measuring export performance has not been easy. Thus, multidimensional measurements were preferred, here both objective and subjective were applied. For the purpose of measuring export performance; international market share, market diversification, rate of new market entry, export sales and export volume were used. Primary data were collected through structured and semi-structured questionnaire and interviews while, for secondary data several documents were reviewed.

Results showed that among the dependent variables, communication, language and value difference with destination countries or importing companies were considered strong barriers to export performance of Ethiopian textile and garment companies. Negotiation and perception differences were taken moderately influential elements. The influence of difference in religion received low level of agreement from respondents. The correlation coefficients revealed strong inverse association between independent variables; communication (-0.926), language (-0.992), negotiation (-0.990), value (-0.795) and the dependent variable; export performance. Whereas; moderate negative association were found between religion (-0.392) and perception (-0.473) with export performance.

Generally speaking, findings indicate that export performance of Ethiopian textile and garment companies under the study to be highly inconsistent over the past five years. This character was evident in the fluctuating nature of textile export earnings in foreign currency (USD) from the year 2014 to 2018 (G.C).

Based on the findings companies which are exporting constantly and for a longer time, were able to achieve it by maintaining strong relationship with intermediary firms and importers of their products. In addition, they exploit all incentives provided by Ethiopian government and taking part in international trade fairs prepared for textile and garment related sectors to connect with representative of companies who can be future business partners. However; only few are able to take advantage of all these opportunities which indicates the inconsistent and poor growth of the sector.

5.2 CONCLUSIONS

Ethiopian textile and garment industry have a tremendous potential but, there are several barriers that prevent it from performing as much as expected in the international market. Cultural elements are one of the fundamental influencing factors underlining any activity done by human beings and international business activities are no exceptions. Export is the simplest form of international business and highly suitable to developing countries like Ethiopia to enter in to and gain from the global market; especially, when the sector is textile and garment. Studies showed that most developing countries are benefiting from this industry since they have competitive advantages such as; large and cheap man power, simple machinery it requires and availability of raw material. For these reasons, the Ethiopian government considered the textile and garment industry as one of the priority manufacturing sectors to help the development of the country's economy. It also provided several incentives to attract domestic as well as foreign investors. As a result, the sector has shown better growth in export earnings but not as much as expected. The industry's inadequate and inconsistent export performance could be due to many factors one of them being differences with destination countries or companies in cultural elements such as; language, values, religion, communication, perception and negotiation style, which are the focus of this study. Findings indicated that all the independent variables taken here showed negative moderate to strong association with export performance which means the wider the cultural difference or lack of cultural knowledge of destination country/ company, the less successful the export performance. In addition, there are other cultural elements that were not included here but were identified during the research like education and technology. Therefore; Ethiopian exporters need to incorporate the knowledge of cultural elements within their strategic plans because only then, they can turn these barriers to their competitive advantage in the world market.

5.2. Recommendations

Relaying on the research findings some recommendations are presented below:

❖ Exporters should give more consideration to cultural elements of destination countries when they conduct market research for their products. Cultural knowledge helps to understand the target customers, thus enables the exports to meet their preferences and increase market share.

❖ Exporters should develop language and communication capability and strive to advance to other parts of the world market. They need to be more proactive in finding new markets instead of just using what the government and intermediary firms provide to them.

❖ Exporters should build trust during the negotiation process by identifying and adapting to it so that the business relationship would continue for a long time. That in turn would open opportunities for more orders.

❖ Learning values of host countries can benefit exporters when making decisions on product quality and for smooth negotiation.

❖ Exporters should know perception of their business counterparts on time i.e punctuality to meetings as well as delivery of products. Perception of quality, color (different meanings in different nations), even age of executives sent to negotiate should be considered because in some countries hierarchy of age is very important it shows respect or brings offence thus lose of deal.

❖ Exporters should beware of religious holiday seasons which they can take advantage of to increase export sales and volume beside other factors.

❖ Exporters surly benefit from knowledge of cultural factors of other countries to increase new market entry rate. They should look in to these elements before making other decisions.

❖ All in all, exporters need to be conscious and integrate cultural factors with economic, marketing, managerial, policy, production and others that can enhance their export performance in the international market.

5.3. Further suggestion for future research

The significance of research in export performance of various industries and export items (products) will help improve on company competitiveness and eventually achieve the necessary outcomes that benefit the companies and the country. The findings of this study therefore need to be built upon by other studies in order to strengthen the generalization of findings. Researchers may expand the context of the study to include other sectors since this one is limited to the textile and garment companies in Addis Ababa.

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APPENDIXS

APPENDIX A

QUESTIONNAIRE ST. MARY'S UNIVERSITY SCHOOL OF GRADUATE STUDIES MBA PROGRAM

Dear respondent,

I am a graduate student at St. Mary's University in the department of general MBA (Masters' in Business Administration). This questionnaire is to gather data for the research entitled "Influences of Cultural Elements on Export Performance of Ethiopian Textile and Garment Exporters in Addis Ababa". The study is conducted as a partial fulfillment for the requirement of masters' degree in Business Administration. Please be sincere in your responses knowing that the information you provide will only be used for research purpose. Kindly complete all the questions as it is very important for analysis which will be done on aggregates.

Thank you in advance!

I. General Information

- A. Gender: Male Female
- B. Age: 18-29 years old 30-39 years old
 40-49 years old 50 years old and above
- C. Nationality: Ethiopian Foreigner
- D. Highest Educational Level:
 Below 10 Grades 10th/12th Complete
 College Diploma First Degree
 Masters & above
- E. Formal position in the company:
 Managing Director General Manager
 Sales manager Marketing Manager
 Export manager Other _____
- F. How many Years of experience do you have on the same position?
 Less than 1 year 1-5 years
 5-10 years 10 years and
- G. Legal formation of the Firm:
 Sole Proprietorship PLC
 Joint Venture Share Company
 Government/Public
- H. Nature of investment:
 Foreign investment Domestic investment
 Both

I. Year of Establishment _____

J. How many employees (both permanent and temporary) does the company has currently?_____

II- Please respond to the following questions by giving a check mark(√) on the space provided according to your choice. Kindly make sure you respond to all the questions.

	Influencing factors	Five scale Likert (measure level of agreement)				
No	Sub parameters	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1.	Language					
1.1.	Language difference negatively influences our export performance					
1.2.	Language difference has a negative influence on our company's international market share					
1.3.	Language difference with host country negatively influence our company's rate of new market entry					
1.4.	Language difference is a barrier to our company's market diversification					
1.5.	Language difference with the host country/company negatively influences our export sales					
1.6.	Language difference with the host country/company negatively influences our export volume					
1.7.	Language difference positively influence our export performance					
2.	Value					
2.1.	The values and norms of host country/company negatively influence our export performance					
2.2.	Difference in values and norms of host country/company negatively influences our international market share					
2.3.	Difference in values and norms with host country/company negatively affects our company's new market entry rate					
2.4.	Difference in values and norms with host country/company negatively influences our company's market diversification					
2.5.	Difference in values and norms with host country/ company negatively					

	influences our company's textile and garment export sales					
2.6.	Difference in values and norms negatively influence our company's textile and garment export volume					
2.7.	Host country's/ company's values and norms positively influence our export performance					
3	Religion					
3.1.	Religious values of host country/company negatively influence our company's textile and garment export performance					
3.2.	Prevailing Religion of host country/company negatively influence our company's international market share					
3.3.	Difference in religion with destination country negatively influence our company's new market entry rate					
3.4.	Difference in religious rules with host country/company negatively influences our company's textile and garment market diversification					
3.5.	Religious holiday seasons in host country/company negatively affects our company's textile and garment export sales					
3.6.	Religious holiday seasons in host country/company negatively affects our company's textile and garment export volume					
3.7.	Religious differences with destination country/company positively influence our export performance					
4	Communication					
4.1.	Communication style difference with host country/company negatively influences our export performance					
4.2.	Difference in communication method with host country/company negatively affects our company's international market share					
4.3.	Communication based on mutual trust with the host country/company enhances our company's market diversification					
4.4.	Communication channels negatively affect our company's textile and garment new market entry rate					
4.5.	Difference in communication methods					

	with host country/company negatively affects our company's export sales					
4.6.	Communication channels negatively affect our company's textile and garment export volume					
4.7.	Communication channels difference positively influence our export performance					
5	Perception					
5.1.	Difference in perceptions in host country/company negatively affects market share of our textile and garment product					
5.2.	Difference in perception of textile and garment color of host country/ company negatively influence our market diversification					
5.3.	Difference in perception of time in host country/ company negatively influences our company's new market entry rate					
5.4.	The aesthetic values of host country/ company negatively affects our company's export sales					
5.5.	Difference in perception of host country/company negatively influences our company's export volume					
5.6.	Difference in aesthetic with host country/ company positively affect our export performance					
6.	Negotiation					
6.1.	Difference in negotiation style negatively affects our export performance					
6.2.	Difference in negotiation style negatively affect our international market share					
6.3.	We adapt to negotiation style of the host country/ company to increase market diversification					
6.4.	Negotiation style of host country/ company negatively influence our company's new market entry					
6.5.	Difference in negotiation style negatively influence our company's export sales					
6.6.	Difference in negotiation style negatively affects our company's export volume					
6.7.	Difference in negotiation styles positively influence our export					

	performance					
7	Export Performance					
7.1.	International Market share of our textile and garment products in foreign market has been growing for the past 5 years					
7.2.	Market diversification for our textile and garment products has been growing over the past 5 years					
7.3.	The rate of new market entry of our company has been growing over the past 5 years					
7.4.	Our company's export sales has been increasing over the past 5 years					
7.5.	Our company's export volume has been growing over the past 5 years					

APPENDIX B

INTERVIEW GUIDE FOR MANAGERS AND KEY INFORMANTS IN TEXTILE AND GARMENT COMPANIES IN ADDIS ABABA

Company status:

1. Company name
2. Years of business

Interviewee Information:

1. Years of Experience
2. Position in the company

Topic: The influence of cultural elements on export performance in the case of Ethiopian textile and garment exporters.

1. Do you consider culture has a significant factor that can affect export performance?
2. Is host country/ company you send your textile and garment products culture sensitive?
3. How much does language influence effectiveness of your textile and garment export performance?
4. Do you use agents or brokers to communicate and negotiate in the export market? If you do, would you please explain how it affects export performance of the company?
5. Do you train your marketers about cultural knowledge of the host country/ company? Does that make a difference on your company's export performance?

6. Does religious orientation of destination countries/companies influence your company's export sales and volume?
7. Does language impose any barriers to expand to other export destinations where you think demand for your textile/garment may exist?
8. Which cultural elements are most influential when dealing with foreign markets?
9. Have you ever experienced failed business deal due to lack of cultural knowledge of the host country/ company?
10. Do you think there are other cultural factors that have more effect on your export market than the ones here?
11. Do you have any more comments on the issues?

APPENDIX C

Lee Cronbach's Reliability Estimation Table

Cronbach's alpha	Internal consistency
$\alpha \geq 0.9$	Excellent
$0.8 \leq \alpha < 0.9$	Good
$0.7 \leq \alpha < 0.8$	Acceptable
$0.6 \leq \alpha < 0.7$	Questionable
$0.5 \leq \alpha < 0.6$	Poor
$\alpha < 0.5$	Unacceptable

Cronbach's Alpha	N of Items
0.935	46

Reliability Statistics for Language	
Cronbach's Alpha	N of Items
.811	7

Reliability Statistics for Value	
Cronbach's Alpha	N of Items
.871	7

Reliability Statistics for Religion	
Cronbach's Alpha	N of Items
.864	7

Reliability Statistics for communication	
Cronbach's Alpha	N of Items
.840	7

Reliability Statistics for Perception	
Cronbach's Alpha	N of Items
.788	6

Reliability Statistics for Negotiation	
Cronbach's Alpha	N of Items
.889	7

Reliability Statistics for Export performance	
Cronbach's Alpha	N of Items
.907	5

