University of Sussex

Imprinting Effects, Managerial Knowledge and the Internationalisation of Small and Medium Size Enterprises from Emerging Economies

Sushma Kumari

Thesis submitted for the Degree of Doctor of Philosophy

September 2019

UNIVERSITY OF SUSSEX

SUSHMA KUMARI

DEGREE OF DOCTOR OF PHILOSOPHY

Imprinting Effects, Managerial Knowledge and the Internationalisation of Small and Medium Size Enterprises from Emerging Economies

SUMMARY

This thesis examines the internationalisation behaviour of small and medium size enterprises (SMEs) from emerging economies. In summary, the thesis comprises of five chapters: First, Chapter 1 provides a brief introduction to the full thesis. Chapter 2 systematically reviews 55 selected articles, first examining the underlying reasons why SMEs in emerging markets internationalise, followed by their corresponding barriers. Concurrently, by examining theories that have been used to study the internationalisation of SMEs from emerging markets, findings from the literature are analysed. Findings suggest that through collaborations, in the form of networks, these SMEs have been able to indulge their resources, and in turn benefit from superior impacts on their overall performance. The management of information, knowledge and collaboration is therefore re-emphasised in this review, to ensure the success of emerging markets SMEs' internationalisation. The analysis on this review provides valuable input on research suggestions and directions for future work in this area. Next, Chapter 3 discusses the issue of whether a firm's 'home' environment influences SMEs' scope of internationalisation.

This chapter uses institutional and organisational imprinting theories to argue that emerging market SMEs born during the market liberalisation period are likely to have a greater scope of internationalisation than those founded in other periods. It also argues that this effect is moderated by the SMEs' size, its dispersed ownership structure, and its geographical diversification. Hypotheses are tested using a sample of 177 Indian SMEs collected using secondary data from the Bureau Van Dijk's ORBIS database. Results support the hypothesis on the relationship between home-market liberalisation imprinting and SMEs' scope of internationalisation. Findings also support that the moderating effect of SMEs' size, geographical diversification and ownership dispersion reduces the imprinting effect of the above relationship. Chapter 4 is about the relationship between SMEs' managerial knowledge (i.e., foreign institutional knowledge, foreign business knowledge, foreign supply chain knowledge, and internationalisation knowledge) and their financial and non-financial performance. It examines the above link based on data collected from questionnaire survey responses of 295 SMEs from India involved in internationalisation. Research findings suggest that (1) SMEs' managerial knowledge has a direct impact on their financial and non-financial performance, and that (2) SMEs financial performance plays a mediating role between their managerial knowledge and their non-financial performance. Hypotheses are based on the knowledge-based view of internationalisation, and the chapter provides deeper insights into the role of managerial knowledge on emerging-market SMEs' internationalisation performance. Finally, Chapter 5 includes a discussion and conclusions of research findings from the PhD study. First, it describes how the research questions mentioned in the introduction chapter were addressed. Second, some suggestions and recommendations are given for continuation of the work presented in this thesis.

Acknowledgements

This PhD has been a life-changing experience for me. First, I would like to express my sincere gratitude to my mentor and supervisor, Dr Vikrant Shirodkar, for his continuous guidance and mental support of my research during these years, for his motivation and immense knowledge. I am grateful to Professor Steven McGuire for giving me the opportunity to pursue a career in the UK. My sincere thanks also go to the University of Sussex for the funding received during my PhD. I would also like to thank the examiners Professor Pavlos Dimitratos and Dr. Shova Thapa Karki for their comments and suggestions, especially in reference to Chapter 2 of the thesis. In particular, I would also like to thank my husband, Nishikant Mishra, who has been by my side during the solitary and difficult years of this PhD, living every single day of it. Last, but not least, I am grateful to my lovely daughter, Navya, my parents, Hare Ram Dubey and Aarti Dubey, my sisters and brother for always believing in me and encouraging me to follow my dreams. I would not have had the courage to embark this journey without the genuine love, encouragement, and support from my family.

Table of Contents

List of Tables

List of Figures

Chapter 1: Introduction

1.1 Background

Considered pivotal contributors to the economy through their achievement in reducing unemployment, Small and Medium-Sized Enterprises (SMEs) have been identified as an important driver of inclusive sustainable economic growth (2012). By developing new and niche sectors in the economy, SMEs have allowed diversification, particularly in the context of emerging markets (Keskin, 2006, Thai and Chong, 2008). Excluding the agricultural sector, 90% of listed companies in emerging markets are either SMEs or micro-enterprises (Lukács, 2005), contributing up to 60% of total employment (Ayyagari et al., 2003, Govori, 2013) and up to 40% of gross domestic product (GDP). When ‘informal’ SMEs are included, these numbers increase drastically.

Following the world population growth, it is estimated that 600 million jobs will be required to accommodate the global workforce within the next 15 years, predominantly in the Asian and Sub-Saharan African continents (Njoh, 2003, Losch, 2012). In emerging markets, formal employment is primarily generated by SMEs, creating four out of five jobs available in the market. Through globalisation, firms from emerging markets are offered easy access to new state-of-the-art technologies, and, together with their ability to embrace risks and uncertainty, these firms are capable of exploiting their human and entrepreneurial capabilities, adding to their capability by grasping new business opportunities in challenging environments (Zain and Ng, 2006, Hoskisson et al., 2000a, Khanna and Palepu, 1997).

SMEs from Brazil, China, India, Indonesia, Mexico, Poland, Russia, South Korea and Turkey occupy a third of the 25 largest world economies (Kiss et al., 2012). Considered as the new engine of economic development, the potential of these SMEs (if integrated within the global business market) is seen to be more capable of increasing employment opportunities, reducing regional income disparities and, ultimately, reducing poverty when compared to SMEs from developed countries.

Albeit the current trend, it should be noted that the current line of research on the internationalisation of SMEs is primarily focused on SMEs located in developed countries. Very few studies (yet an increasing number of studies) have focused on the internationalisation of SMEs based in the context of emerging markets, even less so those from India (Javalgi and Todd, 2011b, Baffour Awuah and Amal, 2011). SMEs in general are known to have scarce resources. However, it is well known that developed countries differ significantly from emerging economies in regard to the nature of institutions – with emerging economies characterized by weaker institutions and institutional 'voids' - these distinct institutional characteristics can distinguish the behaviour of emerging-market SMEs' internationalization compared to that of SMEs from developed countries. In line with this, (Laufs and Schwens, 2014) advocated for the need of further research in the area of 'home country institutional factors' of emerging economies that might further impact the resource constraints faced by its SMEs. Studies on the internationalization of SMEs based in developed countries have found that managerial international experiential knowledge impacts SMEs' performance in international markets (Zhou, 2007, Johanson and Vahlne, 1977) by reducing the liability of foreignness (Hymer, 1960) and the liability of outsidership (Johanson and Vahlne, 2009).. Due to the importance of managerial knowledge to SMEs in undertaking internationalization, further research can also benefit by studying the impact of managerial experiential knowledge to SMEs from emerging economies. Overall, I suggest that due to the socio-economic differences between developed and developing nations, existing theories on the internationalisation of SMEs cannot be straight-forwardly applied to those based in the context of emerging markets (Burgess and Steenkamp, 2006, Ibeh and Kasem, 2011). Therefore, adjusting and re-contextualising existing theories of internationalisation to the context of emerging markets and conducting empirical investigations to test these theories will add value to existing research.

In addition, existing literature regarding foreign direct investment (FDI) and internationalisation strategies (Javalgi and Todd, 2011b, Baffour Awuah and Amal, 2011, Ganesh, 1997, Ji et al., 2016) has provided little consideration when it comes to SMEs in the context of India. Most research on outward FDI from India has focussed on large firms, and has found that firms affiliated to business groups and from high technology sectors (such as IT, pharmaceuticals etc.) have been engaging in greater levels of internationalization. These firm-level characteristics cannot be used to explain SME internationalization from India. Prior research (Gunasekaran et al., 2011, Burgess and Steenkamp, 2006, Ibeh and Kasem, 2011, Javalgi and Todd, 2011b) have therefore called for more theoretical and empirical research of businesses based in SMEs in India, due to the lack of sufficient research from this context; this is despite India's growth as an emerging economy.

Therefore, taking these identified research gaps into consideration, this PhD project aims to contribute to the current literature on the internationalisation of SMEs. This thesis utilises the perspective of imprinting theory (Stinchcombe, 1965) and knowledge-based view (Grant, 1996a) in order to analyse emerging market SMEs' internationalisation and their effect on financial and non-financial performances in the context of the emerging market of India.

1.2 Theoretical Rationale for Study

Strategic choices that are made by SMEs located in emerging countries are highly dependent upon the environmental factors of their home country; these include country-level political, social and government policies (Holburn and Zelner, 2010, Shirodkar et al., 2017, Shirodkar and Konara, 2017, Brouthers, 2002). When compared to SMEs from developed countries, Indian SMEs can be considered as latecomers in the international market. When India gained its independence in 1947, the philosophy of all economic policies was that the individual is not to blame, the collective has to do it; government was responsible for all the decisions made, it was not in the hand of individual businessmen. During that period, products manufactured by SMEs were sold and distributed largely within domestic markets. The culmination of domestic success has encouraged SMEs to engage solely in local networking, and the interest in seeking foreign opportunities was therefore abandoned. Some SMEs that were involved in international markets usually followed a gradual and logical step-by-step internationalisation process. The trade liberalisation in 1991, coupled with the reforms in Industrial Policy, has induced an industrial shift by allowing a flow of inward FDI, facilitating international R&D and introducing new forms of human capital (Ikiara, 2003). This shift has also performed an important role in the diffusion of technologies that were necessary for local firms for their production, marketing, product design and productive assets (Ikiara, 2003). In this thesis, I firstly suggest that this would have had a deep positive impact on the internationalisation of SMEs from India.

A significant amount of research has been conducted to examine the impact of local institutional conditions on Multinational Enterprises (MNEs) local and foreign performances (Shirodkar et al., 2017, Estrin et al., 2009, Meyer et al., 2011). However, only a few studies have attempted to address the issue of institutional influence on the internationalisation-based growth of SMEs in emerging markets, particularly in India, (e.g., (Estrin et al., 2013, Tonoyan et al., 2010, Cieslik and Kaciak, 2009, Bruton et al., 2009, Cheng and Yu, 2008, Peng and Heath, 1996). Having that in mind, the first part of this thesis will be dedicated to the examination of the imprinting effect of home market liberalisation on SMEs scope of internationalisation.

Over a century ago, organizational imprinting theory initially emerged from the studies of animal behaviour. The concept of imprinting was first introduced, almost 50 years ago, to organisational research by (Stinchcombe, 1965), when he described how organisations take on elements from their founding environments, and how these elements persist well after their inception. Stinchcombe (1965) further suggested that the conditions that are "imprinted" will not only affect the specificity of particular goods or services that an organisation may require, but will also affect the strategies that the organisation may initiate to obtain them.

Secondly, gaining access to global markets allows SMEs to develop niche markets and expand their businesses with high growth prospects. However, this opportunity also exposes SMEs to highly complex and risky business environments. Studies on SMEs in developed countries have found that managerial international experiential knowledge, which includes foreign institutional knowledge (knowledge about a foreign country's local government, laws, culture, norms, etc.), foreign business knowledge (knowledge related to market and customer requirements, etc.), foreign supply chain knowledge (knowledge related to logistics' facilities, packaging, warehousing, etc.), and internationalisation knowledge (the knowledge a firm gains after expanding in global markets), impacts directly on a firm's performance in international markets (Zhou, 2007, Johanson and Vahlne, 1977).

Managerial knowledge helps SMEs to reduce perceived ambiguity such as the liability of foreignness (Hymer, 1960) and the liability of outsidership (Johanson and Vahlne, 2009) when they further plan to expand in foreign markets (Johanson and Vahlne, 1977). By reducing the liability of foreignness, SMEs face less uncertainty compared to local SMEs in overseas markets. Strong networks with foreign managers and business personnel help SMEs to reduce the liability of outsidership. However, similarities of financial structures and investment return drivers between SMEs in developed and developing countries are of limitations, particularly in India. Therefore, the second of part of this thesis examines the impact of managerial knowledge on SMEs financial and non-financial performances in international markets.

Furthermore, the results of this study provide implications for managers and policy makers in the coherence of strategy implementations and policies that could help improve Indian SMEs to gain competitive advantages. Since definitions of "emerging markets" and "SMEs" varies within the literature, in the next section, I will describe the concept of emerging markets; the thesis will then define SMEs in the context of India with their uniqueness in detail.

1.3 The Context of Emerging Markets and its SMEs internationalisation process

The process of market liberalisation and privatisation has opened the doors for firms from many emerging market countries to compete in the global marketplace (Peng et al., 2008). This phenomenon is represented by a number of events that have occurred around the globe. For example, in order to attract foreign investment, China has introduced an opendoor policy (Sandberg and Jansson, 2014); countries in Latin America, such as Argentina, Brazil and Mexico, established a similar policy; the pronounced fall of the Berlin wall in 1989 and the breakdown of the Soviet Union in 1991 have opened up opportunities for the formally enclosed Central and East European countries. In a similar fashion, in the 1990s, the reform established in India by deregulating industries was aimed towards the establishment of foreign investors (Sandberg and Jansson, 2014), and during the recent period of the late 2000s, a few African countries have also begun to open themselves, reaching the same growth level of several Asian countries such as India and China (Sandberg and Jansson, 2014). Although these countries are commonly called "emerging markets", some are also known as "transition economies" and "developing" or "transition countries" (Roztocki and Roland Weistroffer, 2008, Berglöf and Claessens, 2006, Berglöf and Von Thadden, 1999). Their characteristics are, however, similar; these countries are moving away from their traditional agriculture-based economy and the reliance on raw material exports. As leaders of developing countries aim for the nations' prosperity and the betterment of life for their people, policies are made pointing towards the free market and mixed economy to rapidly enhance industrialisation (Hoskisson et al., 2000b).

Emerging markets are generally known as countries with rapid economic growth based on their economic liberalisation policies, and where the population has a relatively low income. Global companies from emerging markets could be defined as multinational enterprises from developing economies or emerging market multinationals (Mathews, 2006, Mathews, 2002, Ghoshal and Bartlett, 1990). As these two definitions are too broad and ambiguous to provide any further measurement and guidelines, I have taken the definition of "emerging markets" provided by three prevalent institutions; the World

Bank, Organisation for Economic Cooperation and Development (OECD), and the United Nations Conference on Trade and Development (UNCTAD).

According to the World Bank, any market who's Gross National Income (GNI) per capita is within the range from middle to low is classified as an emerging market economy. Moreover, emerging markets can also be classified from the list of countries that are recorded in the FTSE All-World index and/or the Dow Jones Global 2500.1 The classification of emerging and transition economies listed by the OECD differs from the World Bank; these are based on the participants in the OECD Forum on Agricultural Policies of Non-Member Economies23. Finally, the classification by UNCTAD is based on the Emerging Market Index (MSCI EM Index) produced by Stanley Capital International4.

1.3.1 SMEs Internationalisation Process

Internationalization of firms can be defined as the sequential process where firms gradually increase their international involvement whilst making adjustments to the changing conditions of the firm and also of its external environment (Johanson and Vahlne, 1977). The primary presumption is that internationalization can be achieved by the sequence of cumulative decisions whilst also by having the scarcity of both resources and knowledge as the most significant hindrance (Johanson and Wiedersheim-Paul,

[1] Countries that are considered emerging markets are Argentina, Chile, Colombia, Egypt, India, Malaysia, Mexico, Peru, Poland, South Africa, Turkey, Brazil, China, Czech Republic, Hungary, Indonesia, Morocco, Pakistan, Philippines, Russia, Thailand, and Venezuela.

[2] Argentina, Brazil, Chile, China, Czech Republic, Hungary, India, Korea, Mexico, Poland and South Africa.

[3] Transition economics include Albania, Belarus, Bulgaria, Croatia, Estonia, Kazakhstan, Latvia, Lithuania, Romania, Russia, Slovak Republic, Slovenia, and Ukraine.

[4] The 25 emerging markets listed in 2007 are Argentina, Brazil, Chile, China, Taiwan Province, Columbia, Czech Republic, Egypt, Hungary, India, Indonesia, Israel, Jordan, Korea, Malaysia, Mexico, Morocco, Pakistan, Peru, Philippines, Poland, Russia, South Africa, Thailand and Turkey.

1975). This is especially true for SMEs, where although strategic resources can be attained through the option of internationalization (Mesquita and Lazzarini, 2008), it is also difficult for SMEs to manage an effective internationalization process with lack of resources and capabilities in hand.

Scholars (Costa et al., 2016) have emphasized the importance of understanding the role of information, knowledge and collaboration management, as these aspects are seen to be of direct influence on how SMEs can manage internationalization effectively. Information and knowledge are paramount for SMEs to be able to make rational decisions when entering a new foreign market and initiating their strategies. Whilst these decisions should also take account the risks and uncertainties within the complexity of international markets. From another standpoint, collaboration has also been seen as a facilitator in supporting the internationalization process of SMEs (Hutchinson et al., 2007). Collaborative network relationships can benefit SMEs by helping them gain initial credibility, access to additional relationships and established channels and lowering costs and reducing risks (Zain and Ng, 2006).

In addition to knowledge and information, institutional factors can also be of prime important to the internationalization of SMEs from emerging economies. Due to the socio-economic differences between developed and developing nations, existing theories on the internationalization of SMEs cannot be straightforwardly applied to those based in the context emerging markets (Burgess and Steenkamp, 2006, Ibeh and Kasem, 2011). Access to finance, lack of expertise, and barriers to cross-border trade stemming from the home institutional environment are few of the unique and major challenges faced by SMEs from emerging markets in the process of internationalization. In comparison to developed nations, publicly funded schemes to support SMEs in undertaking internationalization are rarely found in emerging market countries: therefore the external capital restrictions are dominant in these circumstances (Cziráky et al., 2005). In the process of internationalization, SMEs from emerging market also face much greater liability of smallness, liability of foreignness and liability of outsidership as compared to SMEs from developed countries. Studies suggest that, due to a lack of foreign market knowledge and appropriate research and technological development infrastructures, SMEs from emerging markets face challenges to survive in the global market. However, due to institutional changes resulting from pro-market economic liberalisation, SMEs from emerging markets have reaped great benefits to accelerate their international growth (Hoskisson et al., 2000a), and their growth rates are seen to exceed those of SMEs based in developed economies (Julian Marr and Reynard, 2010, Gupta et al., 2004). One third of all world SMEs are from Brazil, China, India, Indonesia, Mexico, Poland, Russia, South Korea and Turkey (Kiss et al., 2012).

1.4 SMEs in the Context of India

The OECD (OECD, 2005) states that there is no single universal definition of SMEs, although, in general SMEs can be defined as non-subsidiary firms that should not exceed a given value of certain indicators, such as number of employees or turnover. Indeed, these vary among countries (Loecher, 2000). In India, the definition of SME came along in 2006. The Micro, Small and Medium Enterprises Development (MSMED) Act in 2006 gave a definition of Micro, Small and Medium Enterprises (MSMEs) on the basis of an enterprise’s capital investment made in plants, including their machinery; however, this excludes capital investment in both land and buildings.

The 2006 definition of MSMEs posits that any manufacturing unit having an investment below Rs 25 lakh (up to US$62,500) are considered to be a Micro Enterprise, any of those between Rs 25 lakh and Rs 5 crore (US$62,500 to US$1.25 million) are considered to be a Small Enterprise, and lastly, those who acquire Rs 5 crore to Rs 10 crore (US$1.25 million to US$2.5 million) are Medium Enterprises. Similarly, for service units, the corresponding investment thresholds are, firms up to Rs 10 lakh (US$25,000) are considered Micro, between Rs 10 lakh to Rs 2 crore (US$25,000 to US$0.5 million) are Small, and lastly, between Rs 2 crore to Rs 5 crore (US$0.5 million to US$1.5 million) are Medium. However, over the years, the continued value erosion of the Indian Rupee has made the threshold impractical and irrelevant.

Industrial sectors where SMEs have invested substantial shares include, but are not limited to, pharmaceutical, auto-component and food processing. These SMEs have demanded an increase in investment limits that are needed in order to be compliant to the new mandatory and industrial standards. Moreover, this investment-based definition of SMEs has also created an uneven field for older enterprises vis-à-vis new enterprises. Hence, as a comparison, the set up required to produce a similar product unit with similar quality today would require an investment several times more when compared to the cost that was required 10 or 20 years ago.

Table 1 Definition of SMEs in the Indian Context

Manufacturing Enterprises – Investment in Plant & Machinery		
Description	INR	USD($)
Micro Enterprises	Up to Rs. 25 Lakhs	Up to $62,500
Small Enterprises	Between Rs. 25 Lakhs-Rs. 5 Crores	Between $62,500-$1.25 million
Medium Enterprises	Between Rs. 5 Crores-Rs. 10 Crores	Between $1.25-$2.5 million
Service Enterprises – Investment in Equipment		
Description	INR	USD($)
Micro Enterprises	Up to Rs. 10 Lakhs	Up to $25,000

Small Enterprises	Between Rs. 10 Lakhs-Rs. 2 Crores	Between $25,000-$0.5 million
Medium Enterprises	Between Rs. 2 Crores-Rs. 5 Crores	Between $0.5-$1.5 million

Source: Devised by author

Table 2 Definition of SMEs in the European Union Context

Enterprise Category	Headcount: Annual work unit (AWU)	Annual turnover OR Annual Balance sheet total	
Micro Enterprises	<10	≤ €2 million	≤ €2 million
Small Enterprises	<50	≤ €10 million	≤ €10 million
Medium Enterprises	<250	≤ €50 million	≤ €50 million

Source: Devised by author

In 2018, the government of India therefore made a change in the definition of MSMEs. The definition turned away from the criteria of investment, rather it proposed to utilise annual sales turnover to define MSMEs. The distinct definition between manufacturing and service sectors were also removed. The new threshold of MSMEs are now up to Rs 5 crore (US$1.5 million) for Micro enterprises, up to Rs 75 crore (US$12.5 million) for Small enterprises, and up to Rs 250 crores (US$60 million) for Medium enterprises. However, since this new definition is still informal, as it is still waiting for governmental approval, I have chosen to collect data based on the definition of SMEs that can be seen in Table 1.1.

Out of 633.88-projected number of MSMEs, 51.25% were in rural area and 48.75% were in the urban areas as shown in figure 1.1. Male owners in both urban and rural areas dominate propriety of MSMEs. 79.63% of enterprises is owned by male and remaining 20.37% by female. According to National Sample Survey (NSS) for the period 2015-16, 31% MSMEs were involved in Manufacturing activities, 36% in Trade and 33%

in Other Services as shown in figure 1.2. In last five years one third of the country's total Manufacturing GVO4 (Gross Value of Output) is coming from manufacturing MSMEs.

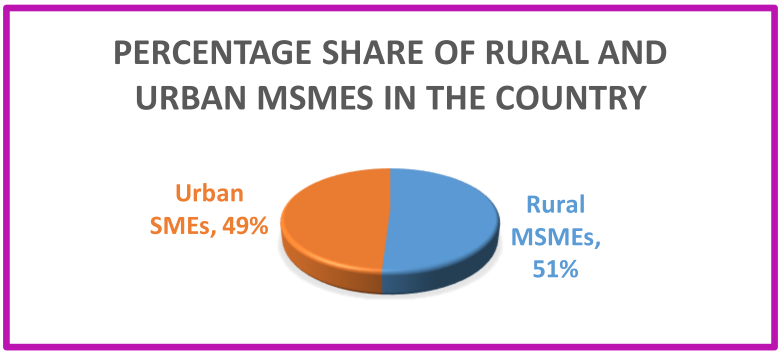

Figure 1 Percentage share of rural and urban MSMEs in the country

Source: India National Sample Survey (NSS)

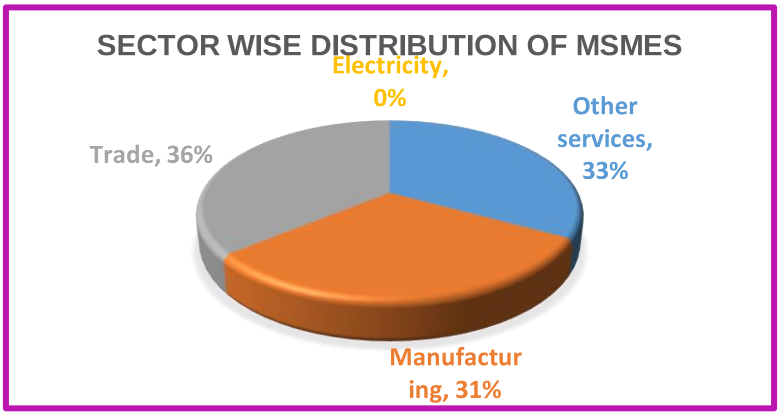

Figure 2 Percentage share of MSMEs based on sector in the country

Source: India National Sample Survey (NSS)

Since their independence, small scale industries have remained the backbone of India's economic development strategy. Since then, high priority policies have been made to support SMEs vibrant growth; this has led them to contribute the majority of national GDP. Nonetheless, despite the continuous support, protection and policy measures, SMEs still remain small-scaled, lack competitiveness and are even backwards in terms of technological advancement (Wijesinghe, 2012, Hoskisson et al., 2000a).

The 1990s were characterised by changes of policies, both nationally and internationally. Three levels of changes took place during that period that made major implications on the functionality of Indian small industries, together with their performances at the global, national and sectoral levels. First, these policies minimised various protective measures for small scale industries. Second, they also marked the promotion of competitiveness by addressing basic concerns of these small scale industries (e.g., finance, marketing and technology). These measures have led to a radical change of the functioning environment for small industries. This manifestation can be seen in the decline of the exclusively reserved items for small industries; a decline from 842 in 1991 to 239 in 2007 (Raju, 2008, Ray, 2015).

Nonetheless, during the recent past, SMEs have outperformed many of their larger counterparts. For example, during the years 2001 to 2006, companies with net turnovers of Rs 1-50 crore (US$0.25-12.5 million) acquired higher growth rates of 701%; this is compared to large companies with net turnovers of Rs 1,000 crore (US$250 million), which only acquired growth rates of 169%. After a steep fall of the production sector between 1991 and 2000, there has been continuous gradual rise in the number of units of production, employment, and exports within the sector. Today, the contour of Indian SMEs has been completely transformed. The SME sectors have adjusted to meet the needs and requirements of both local and global multinational enterprises as being either or both suppliers and partners (Krywulak and Kukushkin, 2009, Hamill and Gregory, 1997). Some of these SMEs have also begun to invest in R&D activities to enhance their competitiveness, and some have even acquired international companies, adhering to the process of globalisation (Dickson et al., 2006, Suh and Kim, 2012).

Due to their significant contribution to the national economic development in terms of output, exports and employment, SMEs now hold a strong strategic position in India. Small-scale industry accounts for more than 40% of India's gross industrial value and over 50% of the total manufacturing exports (Jeswal, 2012, Mohan, 2002). Furthermore, there are approximately 30 million SMEs spread across India with over 8,000 different types of products; these start from very basic materials to highly sophisticated products. Providing more than 60 million jobs and adding over 1.3 million jobs per annum, SMEs have become the largest provider of India's employment (Mohan, 2002, Jeswal, 2012). Looking at the positive outlook for the Indian economy, SMEs are planning to increase their capital expenditure together with the recruitment of mass manpower in the coming months. Moreover, there is also an increasing number of SMEs that are considering performing offshore businesses to expand their businesses further (Zain and Ng, 2006, Sinha et al., 2011).

1.5 Research Questions and structure of thesis

The main objective of this research is, 'to explain how the imprinting effect of trade liberalisation and SMEs managerial knowledge would impact the internationalisation of SMEs from emerging markets'. During the study, existing literature associated with the internationalisation of SMEs, particularly emerging market literature, was thoroughly investigated. The thesis aims to address the following research objectives:

Chapter 2: To review the extant literature on the antecedents, barriers, challenges and complexity associated with emerging market based SMEs' internationalization. To achieve above objective, below two sub research questions have been examined:

- What are the various motivations for SMEs from emerging markets to internationalize and what are the corresponding barriers?
- What are the main theoretical lenses used to analyze the role of information and knowledge in the internationalization processes of SMEs from emerging markets and to ensure their financial and non-financial performance outcomes?

Chapter 3: To theoretically and empirically explain the imprinting effect of home market liberalization on SMEs scope of internationalization. To achieve above objective, below two sub research questions have been examined.

- To what extent does home-market liberalisation imprinting affect SMEs' scope of internationalisation?
- To what extent does SMEs' size, dispersed ownership and geographic diversity moderate the relationship between home-market liberalisation imprinting affect and SMEs' scope of internationalisation.

Chapter 4: To examine the effect of micro managerial knowledge on SMEs' financial and non-financial performance in international markets. The following sub-questions further clarify this.

- How does the managerial knowledge (related to internationalisation) affects the financial and non-financial performance of emerging-market SMEs?

- How does financial performance mediate the relationship between managerial knowledge and the non-financial performance of emerging-market SMEs?

The research questions have been addressed in the various chapters of the thesis as described below:

Chapter 2: The internationalisation of emerging market SMEs: A systematic literature review: This chapter systematically reviews 55 selected articles, first examining the underlying reasons for SMEs in emerging markets to internationalise and the corresponding barriers. Concurrently, by examining theories that have been used within the chosen SMEs' internationalisation in emerging markets literature, it was found that managerial international knowledge, foreign market knowledge, institutional knowledge, foreign supply chain related knowledge, and foreign business knowledge are pivotal components that can help these SMEs to overcome not only their liabilities of smallness but also institutional conditions. Moreover, it was also found that, through collaborations in the form of networks, these SMEs have been able to indulge their resources, and, in turn, give superior impacts on their overall performances. The management of information, knowledge and collaboration is therefore re-emphasised in this review, to ensure the success of emerging markets SMEs' internationalisation. The analysis on this review provides valuable input on research suggestions and directions for future work in this area.

Chapter 3: Home-market liberalisation imprinting and SME internationalisation: The issue of whether a firm's 'home' environment influences SMEs' scope of internationalisation is a topic of debate in the international business literature. However, only a few studies have attempted to address the issue of institutional influence on the internationalisation-based growth of SMEs from emerging markets. In this paper, I use institutional and organisational imprinting theories to argue that emerging market SMEs born during the market liberalisation period are likely to have a greater scope of internationalisation than those founded in other periods. I also argue that this effect is moderated by the SMEs' size, its dispersed ownership structure, and its geographical diversification. I test my hypotheses using a sample of 177 Indian SMEs collected using secondary data from Bureau Van Dijk's ORBIS database. My results support my hypothesis on the relationship between home-market liberalisation imprinting and SMEs' scope of internationalisation. My findings also support that the moderating effect of SMEs size, geographical diversification and ownership dispersion reduces the imprinting effect of the above relationship.

Chapter 4: Internationalisation performance of SMEs from emerging economies: Does managerial knowledge make a difference?: Prior studies on the internationalisation of SMEs from emerging markets have focused on the role of their strategic planning, ownership structure, entry mode, and innovation on their performance in international markets. However, the relationship between SMEs' managerial knowledge (i.e., foreign institutional knowledge, foreign business knowledge, foreign supply chain knowledge and internationalisation knowledge) (Autio et al., 2000, Yli-Renko et al., 2001, Ericksson et al., 1997) and their financial and non-financial performance has been rather ignored. In this study, I examine the above link based on data collected from questionnaire survey responses of 295 SMEs from India involved in internationalisation. My research findings suggest that (1) SMEs' managerial knowledge has a direct impact on their financial and non-financial performance, and that (2) SMEs financial performance plays a mediating role between their managerial knowledge and their non-financial performance. My hypotheses are based on the knowledge-based view of internationalisation, and my chapter provides deeper insights into the role of managerial knowledge on emerging market SMEs' internationalisation performance.

Chapter 5: Conclusions and Future Research Work: In this chapter, a discussion and conclusion of research findings from the PhD study are presented. First, I describe how the research questions mentioned in the introduction chapter were addressed. Second, some suggestions and recommendations are given for the continuation of the work presented in this thesis.

Chapter 2: The Internationalisation of Emerging Market SMEs: A Systematic Literature Review

Abstract

The current global economy has shown a shift towards the active role that is being played by emerging market SMEs. When compared to SMEs from developed markets, SMEs located in emerging countries may possess different fundamental characteristics and constraints. However, the current literature is still unclear about the differences between these two contexts, including what are the differing aspects that could enable SMEs in emerging economies to internationalise and achieve better financial and non-financial performances. This chapter systematically reviews 55 selected articles, first examining the underlying reasons for SMEs in emerging markets to internationalise and the corresponding barriers. Concurrently, by examining theories that have been used within the chosen SMEs' internationalisation in emerging markets literature, it was found that home institutional condition, information and managerial knowledge are pivotal components that can help these SMEs to overcome not only their liabilities of smallness but also home environment conditions. Moreover, it was also found that through network-based collaborations, emerging market SMEs gain knowledge which in make them capable of indulging their resources, which is also seen to impact their overall performance positively. The analysis on this review provides valuable input on research propositions and guidelines for impending work in this area.

2.1 Introduction

Over the past decade, a significant amount of study in the field of internationalisation has shifted its focus towards understanding the unique aspects of SMEs. SMEs and large firms not only differ in size but also in positions of their ownership structures, management and latitude of operations (Zhang et al., 2014). Despite the increasing attention on the studies of SMEs' internationalisation, it is also clearly evident that much literature in this field has tended to rely on SMEs that are located in developed countries, and the internationalisation of smaller firms from emerging markets has not been receiving required consideration (Amal and Rocha Freitag Filho, 2010, Bangara et al., 2012).

Nevertheless, studies on emerging market SMEs' internationalisation have just begun to gain momentum. There are possibly two main reasons that could underlie this current new line of interest. First, small firms are becoming the backbone of the socio-economic development of their emerging market country by generating employment and fostering entrepreneurial spirit (Tiwari et al., 2016). Second, the global economic shift that has occurred due to the positive role of home countries in terms of providing financial aid has proven the importance of emerging market SMEs that are currently playing an active role within the global market (Lu and Beamish, 2001, Knight, 2001). In some parts of the world, SMEs are also moving towards internationalisation because they want to escape their home market to avoid greater competition from larger firms generated due to liberalisation. Therefore, the exploration of factors that will enable smaller firms from emerging markets to flourish in foreign markets has gained a higher degree of importance. In addition, performing international operations will not only allow the generation of growth for firms (Kuuluvainen, 2012), but will also place SMEs in a superior position when competing within their home markets (Filipe Lages and Montgomery, 2004).

However, different from developed countries, emerging markets SMEs may suffer from notable unique liabilities during their internationalisation. It is then debated that SMEs face additional internal and external limitations when it comes to their process of internationalisation. For instance, external constraints can be seen from the higher degree of 'liability of foreignness' faced in host countries (Zhang et al., 2014). When compared to larger firms within the same country or SMEs from developed nations, due their country of origin these SMEs also suffer higher transaction costs (Zaheer, 1995). For example, the interpretation of market ambiguity among emerging market SMEs will lead to cost inefficiency (Martinez and Dacin, 1999); other factors, such as discrimination hazards, will also lead to greater costs of gaining legitimacy and trust in the host environment (Zhang et al., 2014). On the other hand, internal constraints can refer to the 'liability of smallness' that SMEs may experience. Due to their internal resource limitations and lack of managerial capabilities, SMEs may also struggle to maximise the key benefits of internationalisation because they are not capable of achieving economies of scale (Qian, 2002). Moreover, several authors have also agreed that the debate on whether internationalisation could hamper benefits for smaller firms, especially in emerging markets, can still be regarded as a dubious topic (Lu and Beamish, 2001, Thomas and Eden, 2004).

It can also be argued that emerging market SMEs view internationalisation differently. Most SMEs are increasingly willing to enter foreign markets because of price based competition together with limited growth in the home market (Coviello and Munro, 1997, Karagozoglu and Lindell, 1998). Therefore, unlike larger firms, SMEs do not initiate international operations in order to exploit existing resources, but conversely, small firms from emerging countries approach internationalisation as a strategic option to acquire non-financial outcomes; these include new technologies and management capabilities (Guillén and García-Canal, 2009). By exploiting new opportunities abroad, SMEs could therefore surpass their local market competition (Filipe Lages and Montgomery, 2004); this, in turn, will be reflected in its financial performances (e.g., firm performance, growth, sales and profitability).

Political, social and cultural factors are often treated as factors of the indirect environment, or the macro-level environment of a firm, which influences its micro-level environment and, consequently, its strategic behavior. Scholars acknowledge that the institutional conditions experienced by firms (both large and small) at the specific time of their conception often determine the strategic actions they employ in the future (Kriauciunas and Kale, 2006, Stinchcombe, 1965, Polischuk, 2001). The role of the state in forming the institutional environment is central in this process, because only the state is able to initiate market reforms with fundamental changes in the role of institutions at all levels and to establish new forms of governance (Smallbone et al., 2010).

Although it is clearly evident that the literature has pointed out that SMEs in emerging markets face different characteristics and constraints when compared to developed countries, no study has yet provided a clear comprehensive review of academic studies focused on the internationalisation of emerging market based SMEs. Therefore, the purposes of this thesis are threefold. First, because emerging market SMEs operate in a different environment from that of firms in developed countries, this review will aim to pinpoint different triggering factors that have led smaller firms from emerging economies to internationalise. It will simultaneously explore the barriers that correspond to these factors. Second, because the study of SMEs' internationalisation within emerging markets has just begun to emerge, this systematic literature review will identify existing theories that have been used within the literature. Using the work of (Ruzzier et al., 2006) on the identification of SMEs' internationalisation theories in developed markets as a basis, I then further expand the theoretical usage within the context of emerging markets. Therefore, it is possible to extract and discuss the importance of home institution environment, information, managerial knowledge and collaboration that will enable SMEs in emerging markets to internationalise and also achieve better financial and non-financial outcomes. Finally, the discussion section will also provide a meaningful contribution on future research suggestions in this area. In addition, aspects that are seen useful for managerial implications will also be explored.

2.2 Methodology

This chapter is based on a systematic literature review approach as defined by (Tranfield et al., 2003, Wong et al., 2012). This review follows the five-step approach that consists of question design, finding articles/studies, selection and assessment, combination analysis, and, finally writing and using the outcomes. A database of articles was constructed where thereafter it was evaluated to provide insights with regards to the research questions.

2.2.1 The systematic literature review protocol

As this literature review utilised the ABS journals list, a review of the main topics of the journals was first conducted. This resulted in the selected three main subject areas where international business studies lies: Entrepreneurship and Small Business Management, International Business, and Area Studies and Strategy.

First, to ensure the quality of articles examined, only peer-reviewed journals that are 4* and 3* were considered for this study available on SCOPUS, Google scholar, Elsivier, Science Direct . However, because of the limited number of articles that only focus on the context of emerging markets, other journals (such as those with ABS 1 and 2 rating) were also considered within the search. For the second step of this literature review, a search was conducted within the "Title" and "Abstract" fields of each journal with the combination of search strings: "Internationalisation", "Small Medium Enterprises", "SME", "Small Businesses", "Emerging Markets", "Emerging Economies", "Developing Countries", and "Developing Markets". A timeline search of 20 years (1999-2019) was also inserted in order to understand the recent topics covered within the internationalisation of SMEs. The timescale was also used with the intention of reviewing the recent set of studies on this topic more rigorously, and also due to the fact that most emerging markets liberalized their home markets post 1990. The liberalization regime enabled SMEs to internationalize from these countries, leading to the publication of relevant academic studies in this time period. This resulted in a total of 107 articles. The third step included the elimination of journal duplication. According to (Denyer and Tranfield, 2009), pre-specified relevance and quality selection should be conducted within a systematic literature review in order to select articles that are relevant to the research questions. These research questions are:

- What are the reasons for SMEs' internationalisation in emerging markets, and what are the corresponding barriers of its processes?
- How have theories been used to analyse the roles of home institution environment, information and managerial knowledge in the internationalisation processes of SMEs in emerging markets to ensure their financial and non-financial outcomes?

Further selection criteria was applied as follows:

- Articles that included both empirical tests (qualitative, quantitative or mixed methods), and theory building articles;
- Articles had to be focused on management studies;
- Articles should specifically focus on the management of SMEs; internationalisation in emerging markets.

Overall, after applying all the criteria, a total number to 55 relevant articles were reviewed. Tables 2.1, 2.2, 2.3 and 2.4 show the list of articles based on journals, methods used, year of publication, and focused countries respectively.

Table 3 Number of Studies Based on Journals

Journals	Number of studies
Global Business and Organizational Excellence	1
International Business Review	3
International Journal of Management Prudence	1
International Small Business Journal	1
Journal of International Business Studies	1
Journal of Small Business Strategy	1
Management International Review	1
South Asian Journal of Management	1
Asia Pacific Journal of Management	1
Asian Business & Management	1
Business History	1
Canadian Journal of Administrative Science	1
Competition & Change	1
Critical perspectives on international business	1
European Business Review	1
European Journal of Business and Economics	1
Frontiers of Business Research in China	1
Global Journal of Flexible Systems Management	1
Human Resource Management	1
Industrial Marketing Management	1
International Business Review	1
International Marketing Review	4

Journal of Business & Industrial Marketing	1
Journal of Business Research	5
Journal of Developmental entrepreneurship	1
Journal of East-West Business	1
Journal of Global Entrepreneurship Research	1
Journal of International Business Studies	1
Journal of International Entrepreneurship	7
Journal of Small Business and Enterprise Development	1
Journal of Small Business Management	1
Journal of World Business	1
Journal Pengurusan (UKM Journal of Management)	1
Multinational Business Review	1
Resource	1
South African Journal of Economic and Management Sciences	1
South Asian Journal of Management	1
The International Journal of Entrepreneurship and Innovation	1
Thunderbird International Business Review	2
Vikalpa	1
Total	55

Source: Devised by author

Table 4 Number of Studies Based on Methods

Methods	Number of studies
Empirical Qualitative	11
Empirical -Quantitative	34
Literature Review and Conceptual	8
Mixed method	2
Total	55

Source: Devised by author

Table 5 Number of Studies Based on Number of Studies per year from 2004-2019

Years	Number of studies
2004	1
2005	1
2006	2
2007	1
2008	0
2009	5
2010	4
2011	6
2012	1
2013	5
2014	4

2015	9
2016	7
2017	2
2018	6
2019	1
Total	55

Source: Devised by author

Table 6 Number of Studies Based on Focused Country

Research Context (country focus)	Number of studies
Baltic countries	1
Brazil	2
Brazil and Chile	1
China	14
China, India, Mexico, and South Africa	1
Columbia	3
Egypt	1
Ghana	1
India	9
India, China, and South Africa	1
Korea	1
Latin America	1
Malaysia	5
Nepal	1
North Africa	1
Peru	1
Poland	1
Russia	1
Thailand	1
Turkey	2
Vietnam	1
Multi	5
Total	55

Source: Devised by author

To classify the articles into different titles for the purpose of analysing trends and research gaps, a Microsoft Excel database was created. With regards to the classification framework, a conceptual model that was grounded on the conceptualisation of (Costa et al., 2016, Ruzzier et al., 2006) was initially used to underpin the headings of findings. The model was developed from the previous work of (Antoncic and Hisrich, 2000), who incorporated the new international start-up ventures with the traditional modes of internationalisation. Ruzzier et al. (2006) redeveloped the conceptual model by integrating the various theories into the emerging area of international entrepreneurship. Although the conceptual model by Ruzzier et al. (2006) considered the recent phenomena of globalisation, a review of a similar construct is needed to explore the recent issues and topics covered within the study of SMEs' internationalisation. Therefore, articles have been divided into different clusters associated with antecedents of internationalisation, barriers of internationalisation and theories used to underpin the analysis and form the predetermined analytical framework for a systematic literature review to reveal problems, weaknesses, contradictions and controversies (Frank and Hatak, 2014). A database of articles was constructed and evaluated to provide insights with regards to the research questions.

2.3 Outcome

To better understand existing literature, the selected and reviewed articles were grouped into three categories: (i) antecedents of internationalisation; (ii) barriers of internationalisation; (iii) theories of internationalisation management in emerging markets.

2.3.1 Antecedents of emerging market SMEs' internationalisation

Antecedents or the triggering factors that motivate SMEs to internationalise can be classified into the proactive category (that discusses the aggressive approach of firms to acquire a novel market), and the reactive category (that refers to the passive behaviours of firms looking for foreign opportunities when entering a new market) (Czinkota, 2002). Etemad (2004) also proposed a different classification that involves the interaction of push and pull factors that permit the decision to enter a new foreign marketplace. Push factors can be indicated through internal characteristics of the firm itself, such as the strategy that a firm employs, and characteristics of key decision makers, innovation and technological change. Pull factors include the external conditions where firms are performing their operational activities, such as economic liberalisation, improvements in information technologies, desirability and resources of allies, transportation, meeting buyers' and sellers' global prerequisites. In addition, according to Littunen and Tohmo (2003) the interaction of both push and pull factors in a positive situational business environment will result in the internationalisation of SME drivers.

Nonetheless, given the different environmental circumstances, the underlying reasons why SMEs from developing countries internationalise differ from those residing in developed markets. To better analyse the findings of this systematic literature review, the main drivers that enforce emerging market SMEs to enter a foreign market are divided into the two following sections; internal and external antecedents of internationalisation.

2.3.1.1 Internal Antecedents

It is generally established that a firm's distinctive resources surface as the main driver of international expansion. As stated by Gupta et al. (2010), firms are more likely and willing to engage in international expansion if they possess rich internal resources that are suitable for international activities. These internal factors comprise of firm's characteristics, such as the competencies and resources they possess, whilst also taking account of the behaviour and entrepreneurial orientation of the key decision makers of the firm. A firm's characteristics (for example, firm's age) will define the speed of internationalisation, and a firm's size will affect its internationalisation behaviour (Zahra and George, 2002, Olivares-Mesa and Cabrera-Suarez, 2006).

Among emerging market-based SMEs, the size limitation of SMEs has led to the increasing importance of individualistic key personnel decision making capabilities, including their perception and orientation within internationalisation. Drawn from the international entrepreneurship theory, based on Columbian SME data, it was found that these key personnel's abilities will influence SMEs' initial decision to internationalise (Fabian et al., 2009); it will also minimise the need for such complex organisational systems, so that decision making activities regarding their internationalisation will be made more rapidly. Here, key personnel include firm owners, decision-makers or founders of the firms. Moreover, individual aspects of key personnel, such as their personal characteristics, philosophical view, social capital and human capital, will act as underlying components that will influence the internationalisation processes (Gupta et al., 2010). These aspects will then shape manager's behaviour towards internationalisation.

The combination of management conduct, and the cardinal operating viewpoint of the firm, will therefore regulate the firm's entrepreneurial orientation to enter foreign markets (Covin and Slevin, 1989). Innovativeness, reactiveness, and risk taking approach are the three dimensions that are generally used to define entrepreneurial positioning (Wiklund and Shepherd, 2003). Evidence from India, the mixture of a firm's entrepreneurial orientation and management commitment, moderated by market turbulence have shown to have a positive impact on firms' internationalisation process (Javalgi and Todd, 2011b). Dung and Janssen (2015) have also found that a manager's actual behaviour that is influenced by their characteristics, including, age, gender, professional and international experiences, will shape the decision of a firm's foreign market entry.

These internal factors then act as an impulse for SMEs to recognise international options to market their product (Chittoor, 2009). Small firms from emerging countries approach internationalisation as a strategic option to acquire non-financial outcomes; these include new resources and capabilities (Guillén and García-Canal, 2009). Accordingly, by gradually engaging themselves within different levels of international operations, firms will then be able to accumulate and build up their specialised skills regarding their foreign market knowledge.

2.3.1.2 External Antecedents

SME internationalisation is also affected by external factors. These could be categorised based on the push and pull factors of the external environments that have triggered SMEs to internationalise.

First, push factors can refer to the oscillating conditions of the emerging market environment, where SMEs are performing its local operations, that cause SMEs to prefer internationalisation over local expansion within the home market (Jones and Coviello, 2005). Domestic market constraints, such as local institutions and bureaucracy, could generate triggers in favour of internationalisation (Narasimhan et al., 2015). Emerging market SMEs' internationalisation is also motivated by the entrance of foreign companies into local markets that may overtake their current market share or opportunities (Fabian et al., 2009). For example, SMEs have been seen to respond positively towards the institutional domestic pressure of an emerging market, thus adopting strategies to accelerate their internationalisation processes (Cheng and Yu, 2008). Fabian et al. (2009) also explored the emerging market condition of Colombia in terms of its economic and legal aspects. They pointed out that market uncertainty in an emerging market may consist of economic strains that include the increasing unemployment rates, poor infrastructure and immature financial markets.

Moreover, the inadequacy of a domestic legal framework that cannot protect business interests from rising drug related crimes, terrorism and corruption, are additional aspects that could shape market uncertainties. These factors have then induced a psychological push to managers and owners of SMEs in emerging markets to internationalise, migrating to a safer country to create venues of new opportunities (Fabian et al., 2009). Pradhan and Das (2015) have advocated that the rising export activities of SMEs in India are only restricted to a few regions or states. A Regional Export Advantage (REA) framework was constructed and empirically tested across technological subcategories; this has highlighted the regional availability of skills and ports, trained technical personnel, urban regions and FDI stocks as vital aspects that define SMEs' state export share. Nevertheless, it is important to note that the magnitude and complexity of local demand still remain as the important factors that determine states' efforts to increase SMEs' export intensity.

Second, pull factors could refer to foreign market attractiveness (Etemad, 1999). A study based on foreign SMEs in Malaysia has found that foreign markets will become more attractive to SMEs when the option of lower transaction costs is available, and when the market can provide linkages to suitable partners in order to leverage their capabilities that can support their exporting activities (Senik et al., 2011). Reddy and Naik (2011) have also explored the factors that relate to the internationalisation entry behaviour of 200 SMEs based in India. They find nine determinants of SMEs' internationalisation that are associated to the pulling host country factors. These include demand intensity from the foreign market, advanced economic development, better country regulation, and lower political risks. These factors have not only been seen as a motivational driver for SMEs to enter new foreign markets, but also will determine its mode of entry choices (Reddy and Naik, 2011).

Although the main antecedents of SMEs internationalisation in emerging markets could be divided into internal and external factors, some authors have also emphasised that the driving forces are, in fact, dynamic in nature, consisting of interplays between the two categories (Narasimhan et al., 2015, Littunen and Tohmo, 2003). It is the combination between push and pull factors that initiate the internationalisation efforts. Organisational learning is shaped by the oscillating interplay between internal and external variables that are embedded within the market and firm contexts, and acts as the central mechanism that will shape the favourable attitude and propensity to internationalise (Narasimhan et al., 2015).

Table 7 Studies Based on Antecedents of SMEs Internationalisation

Antecedents				
Internal Antecedents				
Authors and Year	Methods	Country focused	Theories	Key Findings
Narasimhan, R., MV, R.K. and Sridhar, M.K., 2015	Qualitative	India		In technology based firms, the domestication and initiation stages act as the antecedents of an effective internationalisation process
Kocak, A. and Abimbola, T., 2009	Qualitative	Turkey	Born global, RBV, KBV	Organisational structure, the entrepreneurial processes adopted in creating firms, as well as marketing and learning orientation are all crucial ingredients in the successful early internationalisation of

				enterprises from emerging economies.
Javalgi, R.R.G. and Todd, P.R., 2011.	Quantitative	India	Human capital theory	Entrepreneurial orientation, a commitment to internationalisation, and the ability to leverage human capital influence the international success of Indian SMEs
Dung, N.V. and Janssen, F., 2015.	Quantitative	Vietnam		Entrepreneurs' actual behavioural controls and organisational factors are determinants of Vietnamese SMEs' export mode choice while psychic distance has no influence
Zhang, X., Ma, X., Wang, Y. and Wang, Y., 2014.	Quantitative	China	Contingency theory	Strategic flexibility helps emerging market SMEs benefit from their internationalisation, but that operational flexibility weakens the main effect, while structural flexibility has no significant influence on the internationalisation-performance relationship.
Bianchi, C., Carneiro, J. and Wickramasekera, R. 2018	Quantitative	Brazil and Chile	Resource based view	Managers' perceptions of firm resources and capabilities are significant drivers of internationalisation commitment in both countries
Filatotchev, I., Liu, X., Buck, T. and Wright, M., 2009.	Quantitative	China	Institution theory, RBV and KBV	SMEs export orientation and performance are positively associated with the presence of a ‘‘returnee’’ entrepreneur.

Tarek, B.H., Adel, G. and Sami, A., 2016	Quantitative	North Africa		Relationship between business intelligence and the international competitiveness of SMEs is both mediated and moderated by innovation and the protection of information assets
Khavul, S., Benson, G.S. and Datta, D.K., 2010	Quantitative	India, China, and South Africa		Internationalisation by entrepreneurial firms in emerging markets is associated with developing HRM practices
Ivanauskiene, N., Auruskeviciene, V., Ramoniene, L. and Skudiene, V., 2015	Quantitative	Baltic countries		E-marketing strategy and e-marketing tactics related factors (firm's web characteristics and firm's orientation toward technologies) are the drivers for the success of internationalisation process
Zhang, X., Ma, X. and Wang, Y., 2012	Quantitative	China	Social capital theory	Entrepreneurial orientation and social capital of entrepreneurs in facilitating SMEs internationalisation efforts.
Falahat, M., Knight, G. and Alon, I., 2018	Quantitative (SEM)		Born global	Foreign market performance is affected by entrepreneurial orientation and marketing strategy.
Garg, R. and Kumar, D.K., 2014.	Review		RBV and dynamic capabilities theory,	Resource capabilities as the central capability for SMEs in a growing economy, like India or South Africa, etc.
External Antecedents				
Authors and Year	Methods	Country focused	Theories	Key Findings

Ciravegna, L., Lopez, L. and Kundu, S., 2014	Mixed method	Latin America	Institutional theory, International theory	Size, wealth and institutional development of the economy where firms are based may influence their internationalisation path less than other factors, such as whether they are SMEs or large firms, or the type of industry in which they operate.
Javalgi, R.R.G., Todd, P. and Granot, E., 2011.	Quantitative	India		Market orientation and international orientation are positively related to export performance and is moderated by market turbulence.
Reddy, Y.V. and Naik, S.S., 2011	Quantitative	India	International new venture theory and stage theory	Goan SME managers make entry mode choices based on consideration of firm context and host country factors that provide the SMEs competitive advantage in the target foreign market and also enhance their resources.
Gupta, R., Chowdhry, D.G. and Gupta, S.N.P., 2010	Qualitative	India	Dunning's Eclectic paradigm, RBV	Network relationships trigger the SMEs internationalisation, Internal and external factors trigger SMEs to internationalise, Internal and external barriers' factors foster and/or impede SME internationalisation.
Zhou, L., Wu, W.P. and Luo, X., 2007.	Quantitative	China	Social network theory	Home-based social networks play a mediating role in the relationship between inward and outward internationalisation and firm performance

Amal, M. and Rocha Freitag Filho, A., 2010	Qualitative	Brazil	Network theory	The importance of entrepreneurs and network relationship are important factors for the understanding of the internationalisation's pattern of SMEs
Senik, Z.C., Scott-Ladd, B., Entrekin, L. and Adham, K.A., 2011	Qualitative	Malaysia	Network theory	Accomplishment of internationalisation requires cohesion among the myriads of networking sources (government institutions, business associates, and personal relationships) and operating agencies
Veronica, S., Shlomo, T., Antonio, M. P. and Victor, C. 2019	Qualitative	China	Behavioural theory	Local government supports the launch of social SMEs but this is limited to their growth stage
Ciszewska-Mlinaric, M., Obloj, K. and Wasowska, A., 2018	Quantitative	Poland	Imprinting theory	Institutional conditions at a firm's birth influence the internationalisation paths of emerging market firms in terms of speed, direction and degree of internationalisation
Volchek, D., Henttonen, K. and Edelmann, J., 2013	Quantitative	Russia	Neo-institutional theory, theory of conductivity, and cultural dimensions theory	Political instability, corruption, bounded cognition, over-patriotism, and high power distance act as the main constraints, while demands for new knowledge and funding are identified as the main drivers for internationalisation
Wood, E., Khavul, S., Perez-Nordtvedt, L., Prakhya, S., Velarde Dabrowski, R.	Quantitative	China, India, Mexico, and South Africa	Institutional theory	Strategic early internationalisation accounts for over half of the explained variance in international sales

and Zheng, C., 2011.				intensity and either fully or partially mediates the effects of managerial knowledge and market orientation on international sales intensity.
Pradhan, J.P. and Das, K., 2015	Quantitative	India		Regional stock of technological knowledge, availability of skill, port facilities, urban areas and foreign direct investment stocks are crucial factors determining states' share in SME exports across technological subcategories
Cardoza, G. and Fornes, G., 2011	Quantitative	China		Support from the state in the form of funds is helpful in the first stages of the expansion (regional level) and the funds from private sources are key to cross the country's boundaries.
Deng, P. and Zhang, S., 2018	Quantitative	China	Institution theory	Institutional quality is negatively associated with the propensity of SMEs to go overseas but positively associated with their overseas sales growth
Kazlauskaitė, R., Autio, E., Gelbūda, M. and Šarapovas, T., 2015.	Review		RBV	Feteman Internationalisation of SMEs from emerging economies is more likely to be driven by the exploitation of cost advantage, and motivation to gain new knowledge that is unavailable domestically and enhance their domestic market reputation.

Zhu, H., Hitt, M.A. and Tihanyi, L., 2006	Review			Incumbent SMEs can increase their internationalisation capabilities by using their embedded networks with local governments and business groups. Entrepreneurial start-ups in emerging economies may develop new capabilities by learning from foreign firms and business groups.

Source: Devised by author with the help of existing literature

2.3.2 Barriers of emerging market SMEs internationalisation

Internationalisation of SMEs from emerging markets is generally associated with their involvement in foreign markets through their mode of exporting, although SMEs are known to use various other entry modes in a sequential manner. Nevertheless, the complexity of internationalisation processes, including exporting, have brought many issues and challenges to SMEs (Coviello and McAuley, 1999). This is because internationalisation involves many variables from different actors, such as key decision makers across parties, unfamiliar regulations and policies within the foreign market, and the institutional conditions in both their home and host markets. It is noted that emerging market SMEs present differences in their structures of organisation, resource commitment, ownership, and management systems (Pangarkar, 2008). Resources and capabilities limitation also have been thought to be one of the few critical underlying reasons that have constrained SMEs from entering foreign markets (Coviello and McAuley, 1999).

It is clear, therefore, that the obstacles that SMEs face during their process of internationalisation differs from larger sized companies. Put succinctly, emerging market SMEs are not a smaller version of multinational companies or SMEs from developed countries (Welsh and White, 1981). In fact, from the systematic literature review performed in this work, it was found that, although in general studies of SMEs internationalisation barriers are distinguished into internal and external factors, each study found different unique variables that fall into each category.

2.3.2.1 Internal Barriers

Although, in general, emerging market SMEs have been found to have a lack of capability and resources to compete on equal terms with large enterprises, individual studies have discussed different internal barriers of emerging market SMEs across the reviewed articles. Nevertheless, the composition of internal barriers is often related to variables that are associated with the company's resources and products.

Company related variables encompass the insufficiency of resources that are needed to support export marketing, such as the poor organisation of export departments, including inadequate personnel to conduct exporting activities (Filatotchev and Toms, 2006). For example, Adu-Gyamfi and Korneliussen (2013), based on SMEs from Ghana, identified that a lack of skill in the appropriate exporting and marketing knowledge has prevented emerging markets SMEs from achieving better export performance. As companies begin to perform international operations, a qualified labour force is needed to perform complex tasks related to international operation activities. Furthermore, a deficiency in a skilled labour force has led to a lack of managerial time devoted to strategies foreign operations, resulting in the de-optimisation of performance (Javalgi and Todd, 2011b). Within the emerging region of East Asia, it has been found that not only the lack of resources and economies of scale serve as drawbacks of internationalisation for smaller firms, but also that high operation costs, market structure and extreme competition with other local counterparts have also played a part (Harvie, 2008).

Uner et al. (2013) found that SMEs in Turkey are facing issues related to information impediment that have resulted in the incapability to initiate any encounter with market customers, thus serving as a blockage for companies to analyse and identify foreign markets. It was also found that SMEs are also struggling to develop and adapt to foreign operational requirements, such as quality, design and packing standards (Uner et al., 2013). Other operational barriers that were found also include the difficulties of getting payments from customers (Uner et al., 2013), complexity of foreign distribution channels, warehousing and transportation problems (Adu-Gyamfi and Korneliussen, 2013), and capital goods import restrictions, documentation problems, and the adjustment of export promotion activities (Volchek et al., 2013). Moreover, Volchek et al. (2013) further emphasised that SMEs in general, but particularly in emerging markets, are lacking the market power and resources needed to engage in institutional change practices in the host country. Uner et al. (2013) also found that SMEs in Russia are struggling to influence or even adapt to different market demands and structure in the host country (Volchek et al., 2013).

Financial related capabilities have also been found as another source of obstruction for SMEs to enter a global market. In developing countries, SMEs have greater dependency on their internal financial capabilities in order to capitalise their international operations. Therefore, companies that have a high financial performance will have a tendency to pursue exporting activities. On the other hand, companies that have a low financial performance will restrict themselves to only engaging in local markets (Ayob et al., 2015). Nevertheless, to an extent, decision makers also play a significant role in their "perception" of the firm's internal financial capital. High operational costs and low capital perception by managers will depict a significant attribute to what firms face as barriers in foreign operations (Ayob et al., 2015). However, at the same time, favourable views of a managerial risk aversive attitude also prevail. Some authors have also argued that high cost interpretation by managers could lead to a realistic anticipation (Tan et al., 2007). Furthermore, financial related barriers have also been linked to product pricing, such as the difficulty of offering satisfactory prices to customers, difficulty in matching competitors' prices, and excessive prices regarding distribution and insurance purposes (Uner et al., 2013).

2.3.2.2 External Barriers

A firm's external barriers to internationalisation, as described by Leonidou (1995) can be referred to as the barriers that stem from the home and host environments where the firm performs its operations. There is, therefore, a strong correlation between external barriers and government structures, also infrastructural facilities, both locally and globally.

In particular, it has been acknowledged that the emerging markets' local environment conditions have a higher degree of uncertainty; these oscillating political conditions have often been referred to as institutional voids (Narooz and Child, 2017). Pro-market liberalisation facilitates SMEs from emerging markets to accelerate their international growth (Hoskisson et al., 2000a), and such growth rates are seen to exceed those of SMEs based in developed economies (Julian Marr and Reynard, 2010, Gupta et al., 2004). Empirical studies have found that liberalisation facilitates international R&D collaboration, introducing new forms of human capital (Ikiara, 2003). It usually plays an important role in the diffusion of the technologies needed by local firms for their production, marketing, product design and productive assets (Ikiara, 2003). Collaborating with multinational firms during liberalisation also helps SMEs to build professional networks that are important to the success of their own future ventures (O'malley and O'gorman, 2001, Mahutga and Bandelj, 2008). For example, Volchek et al. (2013) constructed five pillars of the institutional environment of Russia, including political instability, corruption, bounded cognition, over-patriotism, and high power distance. These have been acknowledged to be the major regulatory barriers for the internationalisation of its SMEs. In line with this finding, political instability in Malaysia has resulted in the resistance of foreign partners to perform mergers and acquisitions and establish joint ventures with local companies (Senik et al., 2014). A cross-case study analysis by Narooz and Child (2017), comparing the emerging market of Egypt and the developed market of the United Kingdom, has further explored that there are specific cultural traditions that are still embedded within emerging market countries that have raised a higher degree of environmental uncertainty. For example, it is found that in Egypt, due to collectivism (or the “who I know” culture) there is an inequality of institutional rules and procedures (Narooz and Child, 2017).

In addition, to construct a robust internationalisation strategy, it is suggested that SMEs should strongly consider seeking external capital support (Vos et al., 2007). However, SMEs are found to have difficulty in obtaining external funds within emerging economies, which in consequence hamper their opportunity to perform international activities (Beck et al., 2006, Bernard and Jensen, 2004). A lack of home governmental assistance and incentive, and unfavourable home rules and regulations, have also been found to be factors that hinder SMEs in receiving external funding. This scarcity of support from local governments is echoed in the outward financing deficiency from different financial institutions, such as banks, in emerging market countries (Ayob et al., 2015). The existence of a monopolistic attitude in emerging market financial institutions has increased borrowing costs for firms, leading to limited external financial aid (Ayob and Freixanet, 2014). Contrasting with developed nations, publicly funded schemes are rarely found in emerging market countries: therefore the external capital restrictions are dominant in these circumstances (Cziráky et al., 2005).

It also appears that weak institutions in emerging markets have led to a higher degree of ownership concentration that serves as a protection scheme for the interest of firm's stakeholders. Although high ownership concentration acts as a controlling and coordinating role for firms (Perotti and Von Thadden, 2006), it has also led to the risk of an aversive character of managers that has resulted in poor international opportunity seeking behaviour (Salas and Deng, 2017). However, within the literature, contrasting results have been found regarding the correlation between high ownership and export propensity. For example, Lu et al. (2009) found that in a positive institutional setting, firms are likely to have a higher degree of internationalisation, but higher ownership will diversify the goals that are determined by managers within firms. Therefore it also implies that, although internationalisation may be proven to bring fruitful profits for firms, it does not necessarily mean that firms will pursue international activities, rather they would also initiate different goals based on their prioritisation.

With the use institutional perspectives, an empirical study by Salas and Deng (2017) in Peru also showed that high ownership concentration has indulged the risk aversion attitude towards internationalisation. This means that managers will try to protect the firm by downgrading overly confident foreign opportunity seeking activities (Salas and Deng, 2017), resulting in lower export performances. Simultaneously, foreign host market environmental conditions may not always be advantageous for smaller firms to initiate foreign operations. Barriers such as political instability in the foreign market, strict rules and regulations, higher tariffs, the deterioration of economic conditions abroad, and foreign currency exchange risks have also been found as aspects that prohibit small firms in emerging markets from deciding to internationalise (Ismail and Kuivalainen, 2015).

Table 8 Studies Based on Barriers to SMEs' Internationalisation

Barriers				
Authors and Year	Methods	Country focused	Theories	Key Findings
Volchek, D., Henttonen, K. and Edelmann, J., 2013	Quantitative	Russia	Neo-institutional theory, theory of conductivity, and cultural dimensions theory	Political instability, corruption, bounded cognition, over-patriotism, and high power distance act as the main constraints, while demands for new knowledge and funding are identified as the main drivers for internationalisation
Singh, R.K., Garg, S.K. and Deshmukh, S.G., 2005	Quantitative	India		Government support, customer support and poor financial conditions are major hindrance in SMEs internationalisation
Uner, M.M., Kocak, A., Cavusgil, E. and Cavusgil, S.T., 2013.	Quantitative	Turkey		Perceived barriers differ mainly for firms in the domestic marketing stage, pre-export stage and for born global firms.
Roy, A., Sekhar, C. and Vyas, V., 2016	Quantitative	India	RBV and Network theory	External factors, procedural and currency barriers showed the highest obstacle for SMEs in their pursuit for internationalisation followed by task and socio-cultural factors
Rajendran, R., 2015	Quantitative	India		Information systems and strategic orientation could not only facilitate SMEs to overcome their

				internationalisation export barriers, but also enable them to become internationally competitive in emerging economies.
Mac, L. and Evangelista, F., 2016	Quantitative	China	Institutional theory and theory of organisational ambidexterity	Intensity and diversity interact negatively with export performance, whereas the use of export agents registered a positive effect
Gonzalez-Perez, M.A., Manotas, E.C. and Ciravegna, L., 2016	Quantitative	Columbia		Even though the value of foreign sales shrinks, the number of export events grows

Source: Devised by author with the help of existing literature

2.3.3 Theories used in the analysis of emerging market SMEs' internationalisation

Various theories have attempted to explain the internationalization process of firms – including SMEs. These consist of the stage approach (e.g., the Uppsala Model and Innovation Related Models), the network approach, the resource-based approach, and, finally, the international entrepreneurship approach to internationalisation. In this part, I first explain the theory briefly and then explain how this theoretical lens has been used to study the internationalization of emerging market SMEs in the prior literature.

The theories have emphasised the importance of information, knowledge, and collaboration but also the achievement of better financial and non-financial outcomes in SME internationalization. Table 2.7 lists all the theories that have been used in the emerging market perspective

Table 9 Studies Based on Theories Applied

Theories				
	Author and Year	Method	Country Focus	Key Findings

Behavioural theory	Veronica, S., Shlomo, T., Antonio, M. P. and Victor, C., 2019	Qualitative	China	Local government supports the launch of social SMEs but this is limited to their growth stage
Born Global	Kocak, A. and Abimbola, T., 2009	Qualitative	Turkey	Organisational structure, the entrepreneurial processes adopted in creating firms, as well as marketing and learning orientation are all crucial ingredients in the successful early internationalisation of enterprises from emerging economies.
	Falahat, M., Knight, G. and Alon, I., 2018	Quantitative (SEM)		Foreign market performance is affected by entrepreneurial orientation and marketing strategy.
Contingency theory	Zhang, X., Ma, X., Wang, Y. and Wang, Y., 2014.	Quantitative	China	Strategic flexibility helps emerging market SMEs benefit from their internationalisation, but that operational flexibility weakens the main effect, while structural flexibility has no significant influence on the internationalisation-performance relationship.
Dunning's Eclectic paradigm	Gupta, R., Chowdhry, D.G. and Gupta, S.N.P., 2010	Qualitative	India	Network relationships trigger the SMEs internationalisation, Internal and external factors trigger SMEs to internationalise, internal and external barriers' factors foster and/or impede SME internationalisation.
	Lee, H., Lee, K. and Kwak, J., 2013	Qualitative	Korea	Internationalisation has been sequential, reflecting the higher resource constraints facing SMEs in

				comparison with large firms. SMEs tend to proceed from a product-based to a value chain-based division of labour, and finally to a market-based division of labour between the parent firm and its local subsidiaries.
	Ji and Dimitratos (2013)	Quantitative	China	Confucian dynamism of individual decision-makers negatively affects the adoptionof equity modes (direct association); and lessens the effects of ownership and location advantages on the adoptionof equity modes
Resource Based view	Gupta, R., Chowdhry, D.G. and Gupta, S.N.P., 2010	Qualitative	India	Network relationships trigger the SMEs internationalisation, Internal and external factors trigger SMEs to internationalise, internal and external barriers' factors foster and/or impede SME internationalisation.
	Kocak, A. and Abimbola, T., 2009	Qualitative	Turkey	Organisational structure, the entrepreneurial processes adopted in creating firms, as well as marketing and learning orientation are all crucial ingredients in the successful early internationalisation of enterprises from emerging economies.
	Bianchi, C., Carneiro, J. and Wickramasekera, R., 2018	Quantitative	Brazil and Chile	Managers' perceptions of firm resources and capabilities are significant drivers of internationalisation commitment in both countries
	Filatotchev, I., Liu, X., Buck, T.	Quantitative	China	SMEs export orientation and performance are

	and Wright, M., 2009.			positively associated with the presence of a ‘‘returnee’’ entrepreneur.
	Ismail, N.A. and Kuivalainen, O., 2015	Quantitative	Malaysia	Combined effect of internal capabilities, external environment, and geographical scope on international performance of these firms
	Roy, A., Sekhar, C. and Vyas, V., 2016	Quantitative	India	External factors, procedural and currency barriers showed the highest obstacle for SMEs in their pursuit for internationalisation followed by task and socio-cultural factors
	Garg, R. and Kumar, D.K., 2014.	Review		Resource capabilities as the central capability for SMEs in a growing economy, like India or, South Africa etc.,
	Kazlauskaitė, R., Autio, E., Gelbūda, M. and Šarapovas, T., 2015.	Review		Internationalisation of SMEs from emerging economies is more likely to be driven by the exploitation of cost advantage, and motivation to gain new knowledge that is unavailable domestically and enhance their domestic market reputation.
Knowledge based view	Tiwari, S. K. and Korneliussen, T., 2018	Case study	Nepal	Internationalisation of resource-poor EMMFs relies on the entrepreneurs’ experiential knowledge, which is mainly acquired through prior experience, social networks and participation in international trade-fairs.

	Kocak, A. and Abimbola, T., 2009	Qualitative	Turkey	Organisational structure, the entrepreneurial processes adopted in creating firms, as well as marketing and learning orientation are all crucial ingredients in the successful early internationalisation of enterprises from emerging economies.
	Filatotchev, I., Liu, X., Buck, T. and Wright, M., 2009.	Quantitative	China	SMEs export orientation and performance are positively associated with the presence of a ‘‘returnee’’ entrepreneur.
Network theory	Zain, M. and Ng, S.I., 2006.	Case study	Malaysia	Network relationships trigger and motivate SMEs to internationalise, influence their markets selection decision and mode-of-entry decision, help them gain initial credibility, allow access to additional relationships and established channels, help in lowering cost and reducing risk, and influence their internationalisation pace and pattern
	Xie, Y.H. and Amine, L.S., 2009	Qualitative	China	None of these theories yet adequately identifies and includes all factors affecting the internationalisation process for firms beyond those of Western Europe and North America.
	Amal, M. and Rocha Freitag Filho, A., 2010	Qualitative	Brazil	The importance of entrepreneurs and network relationship are important factors for the understanding of the internationalisation's pattern of SMEs

	Senik, Z.C., Scott-Ladd, B., Entrekin, L. and Adham, K.A., 2011	Qualitative	Malaysia	Accomplishment of internationalisation requires cohesion among the myriads of networking sources (government institutions, business associates, and personal relationships) and operating agencies
	Senik, Z.C., Isa, R.M., Sham, R.M. and Ayob, A.H., 2014	Qualitative	Malaysia	Suggested new model for emerging market SMEs internationalisation
	Kujala, I. and Törnroos, J.Å., 2018	Qualitative + case study	Ghana	SMEs from unstable or changing institutions, in-stability, and weak infrastructure, succeed through processes that would be considered poor management methods from a modern strategic and planning perspective
	Zhou, L., Wu, W.P. and Luo, X., 2007.	Quantitative	China	Home-based social networks play a mediating role in the relationship between inward and outward internationalisation and firm performance
	Roy, A., Sekhar, C. and Vyas, V., 2016	Quantitative	India	External factors, procedural and currency barriers showed the highest obstacle for SMEs in their pursuit for internationalisation followed by task and socio-cultural factors
Human capital theory	Javalgi, R.R.G. and Todd, P.R., 2011.	Quantitative	India	Entrepreneurial orientation, a commitment to internationalisation, and the ability to leverage human capital influence the international success of Indian SMEs
Institutional theory	Narooz, R. and Child, J., 2017	Comparative qualitative	Egypt	The Egyptian SMEs generally had a greater

				dependency on institutional agencies than did their UK counterparts. Egyptian firms tended to have fewer non-institutional network ties to rely on as alternative sources of information and support.
	Ciravegna, L., Lopez, L. and Kundu, S., 2014	Mixed method	Latin America	Size, wealth and institutional development of the economy where firms are based may influence their internationalisation path less than other factors, such as whether they are SMEs or large firms, or the type of industry in which they operate.
	Filatotchev, I., Liu, X., Buck, T. and Wright, M., 2009.	Quantitative	China	SMEs export orientation and performance are positively associated with the presence of a ‘‘returnee’’ entrepreneur.
	Mac, L. and Evangelista, F., 2016	Quantitative	China	Intensity and diversity interact negatively with export performance, whereas the use of export agents registered a positive effect
	Wood, E., Khavul, S., Perez-Nordtvedt, L., Prakhya, S., Velarde Dabrowski, R. and Zheng, C., 2011.	Quantitative	China, India, Mexico, and South Africa	Strategic early internationalisation accounts for over half of the explained variance in international sales intensity and either fully or partially mediates the effects of managerial knowledge and market orientation on international sales intensity.
	Ismail, N.A. and Kuivalainen, O., 2015	Quantitative	Malaysia	Combined effect of internal capabilities, external environment, and geographical scope

				on international performance of these firms
	Deng, P. and Zhang, S., 2018	Quantitative	China	Institutional quality is negatively associated with the propensity of SMEs to go overseas but positively associated with their overseas sales growth
Newness theory	Baimai, C. and Mukherji, A., 2015	Quantitative	Thailand	In SMEs International Entrepreneurial Culture (IEC) affects strategy formulation and strategy implementation in a consequential manner, although it is not directly influential in international performance
Imprinting Theory	Ciszewska-Mlinaric, M., Obloj, K. and Wasowska, A., 2018	Quantitative	Poland	institutional conditions at a firm's birth influence the internationalisation paths of emerging market firms in terms of speed, direction and degree of internationalisation
International new venture theory	Reddy, Y.V. and Naik, S.S., 2011	Quantitative	India	Goan SME managers make entry mode choices based on consideration of firm context and host country factors that provide the SMEs competitive advantage in the target foreign market and also enhance their resources.
Stage theory	Senik, Z.C., Isa, R.M., Sham, R.M. and Ayob, A.H., 2014	Qualitative	Malaysia	Suggested new model for emerging market SMEs internationalisation
	Reddy, Y.V. and Naik, S.S., 2011	Quantitative	India	Goan SME managers make entry mode choices based on consideration of firm context and host country factors that provide the SMEs competitive

				advantage in the target foreign market and also enhance their resources.
Principal-agent theory	Salas, W.G.V. and Deng, Z., 2017	Quantitative	Peru	High ownership concentration has a negative relationship with export intensity
Social capital theory	Zhang, X., Ma, X. and Wang, Y., 2012	Quantitative	China	Entrepreneurial orientation and social capital of entrepreneurs in facilitating SMEs internationalisation efforts.
Transaction cost theory	Ayob, A.H., Ramlee, S. and Rahman, A.A., 2015	Quantitative	Malaysia	Exporters perceive higher internal financial resources and fewer constraints in accessing external capital. They also perceive higher export costs than non-exporters

Source: Devised by author with the help of existing literature

2.3.3.1 The Stage Approach of Internationalisation

The stage approach of internationalisation could be primarily divided into two models, the Uppsala Model (U-Model) and the Innovation-related models (I-Models).

First, the most influential behavioural stage model of internationalisation (Johanson and Vahlne, 1977, Johanson and Wiedersheim-Paul, 1975), known as the U-Model, is widely used across the SME internationalisation processes' literature. The central idea of the model explains that a firm's internationalisation decisions will be based on the existing foreign market knowledge that is embedded within the firm. Therefore, the commitment decisions will reshape the activities performed by acquiring new knowledge and, in turn, will enhance the firm's market decisions. Johanson and Vahlne (1977) emphasise that market specific knowledge can only be acquired through incremental experience in a foreign market. The process models have undoubtedly provided a focal point to understand the dynamics of internationalisation on understanding how a firm learns and interacts with its environment. It therefore tries to explain how limited market knowledge and resources in the early stages of internationalisation are seen as constraints.

Second, according to Gankema et al. (2000) the term “innovation-related” model is derived from the work of (Rogers, 1962), where it is emphasised that the stages of internationalisation are a form of innovative activities performed by firms (Cavusgil, 1980). Moreover, the I-Model also focuses on export development of smaller firms. As noted from Leonidou and Katsikeas (1996), the stages of internationalisation varies between these I-Models. However, the generic stages of these theories can be clustered into the pre-export stage, initial export stage, and advance export stage (Leonidou and Katsikeas, 1996). The difference between the U-Model and the I-model can be distinguished between the operational level of their strategic choices and organisational forms. The complexity of the U-Model has resulted from the multiple judgmental factors on which it is based, whilst the I-Model is somewhat more grounded in the operational level via the ratio of export and total sales (Uner et al., 2013). Therefore, this model is usually used in the discussion of “born global” SMEs in emerging markets (e.g., (Gonzalez-Perez et al., 2016, Mac and Evangelista, 2016)). Nonetheless, the two types of models described above (U-Model and I-Model) possess the same thrust on the nature of internationalisation that is incremental and based on both a firm’s activity and available resources.

As the stage-based approaches (U-Model and I-Model) are based on characteristics of the firm (such as knowledge and innovative capability) alongside its management and the market environment, they have been utilised to deduce hypotheses to explain the internationalization of emerging market firms. Studies based on these stages based models, however, do not highlight any significant differences between the internationalization process of emerging market SMEs and developed country SMEs. For example, Reddy and Naik (2011), based on research on SMEs from India suggested that a firm's size, experience, and political risks, together with its regulations, can increase the international activities of SMEs. Uner et al. (2013) also used the stage model of innovation proposed by Cavusgil (1980) in conjunction with the born global perspective to analyse the barrier variations across different stages of SMEs' internationalisation in Turkey. These stage models were also used to emphasise the importance of early market knowledge and, in turn, will lead to a faster internationalisation decision by SMEs in emerging markets (e.g., (Dung and Janssen, 2015). Only two of the 55 articles have used the stage model from the perspective of emerging market SMEs from Malaysia and India (Senik et al., 2014, Reddy and Naik, 2011). The model was used to understand the entry mode of SMEs based on factors that provide them with a competitive edge in a host country environment. These suggest that SMEs from emerging markets gain internationalization knowledge via exporting (as the first stage) and use this knowledge to enter via higher-commitment entry modes (such as joint ventures and wholly owned subsidiaries) at later stages.

Although the stage models have had a considerable influence on the study of SMEs' internationalisation in general, criticisms of these theories have also prevailed. First, if researchers are to follow the stage approach of internationalisation, the fundamental aspect of individuals' strategic choices are then to be disregarded. Therefore, these stage models have been criticised as being too deterministic (e.g., (Andersson, 2000, Reid, 1981, Chetty, 1999). In particular, studies in emerging markets have suggested the importance of managerial characteristics as an inertial factor for SMEs to internationalise. Another criticism of this approach is related to timing. Although the U-Model and the related stage theories have emphasised the need for knowledge and information regarding the host market environment, they also highlight that this knowledge can only be gained through "stages" of international involvement. This implies that a company will only decide to perform international operations after going through phases of knowledge gathering, and therefore will not decide to internationalise from inception. This has brought challenges to the new phenomena of internationalisation of smaller firms that does not follow the gradual and incremental pattern of internationalisation (Madsen and Servais, 1997, Oviatt and McDougall, 1994).

2.3.3.2 The Network Approach to Internationalisation

Another way that has been used to analyse SMEs' internationalisation is through examining their "social networks" to initiate their foreign market operations (Ferro et al., 2009, Xie and Amine, 2009). As an attempt to fill the stage models' gap, this view of internationalisation can be described as a process of initiating and developing relationships in order to establish a position in a foreign market network. Johanson and Vahlne (1990) revisited their stage model and declared changes to answer some of the deficiencies of the model; they did this by extending their model with its application through a network perspective. The assumption is that every business, either local or international, will not exist by itself. Rather, there is a set of two or more connected business relationships, where these relationships can be regarded as collective actors (Emerson, 1981). The two types of relationships are a dyad (which is a direct relationship between a firm and its customers or suppliers), or a triad (which includes a third party intermediary). Where networks are embedded within these relationships, firms encounter other different actors, such as customers, competitors or other firms from different industries. Coordination within these different network relationships can be seen as an integration, and therefore it can be argued that a firm will also internationalise when their business partners are doing so (Matlay et al., 2006).

It has been acknowledged that the internationalisation complexity of SMEs from emerging markets arises from their poorly structured processes, and as a solution to reduce difficulties, these processes are also heavily influenced by networks (Crick and Jones, 2000). Therefore, it is deemed appropriate to evaluate how SMEs in emerging markets proceed to international activities by looking through the lens of a network perspective. For example, Ferro et al. (2009) examined how social networks contributed to the success of high technological SMEs in Colombia. They found that social networks play an important role in ensuring the success of SMEs' internationalisation by, first, opening up new opportunities whilst at the same time reducing uncertainty by gaining relevant information. Second, faster decision making processes regarding internationalisation could be made, and finally, social networks can also play a leveraging role during acquisition and the development of new resources. Using a multisite case study method, Zain and Ng (2006) also found that network relationships play a facilitating role towards SMEs' internationalisation in Malaysia. Evidence from three software firms have shown that network relationships will motivate SMEs to internationalise, help them gain initial credibility by allowing access to additional networks, and will support them in terms of cost and risk minimisation.

Since emerging market countries are known to have weak governmental and institutional assistance to support SME efforts to internationalise, this network perspective has been used extensively to explore informal ties created by firms to overcome these constraints. For instance, several studies in China have explored the usage of home-based social networks, commonly referred to as Guanxi, for internationalisation performances. Zhou et al. (2007) found that these networks were found to be a mediator for SMEs' both inward and outward internationalisation performances. They also found how the creation of networks has benefitted companies as part of information gathering processes, such as, knowledge of foreign market opportunities, advice and experiential learning, and referred trust and solidarity. In line with this finding, Xie and Amine (2009) also found that Guanxi, as a cultural and ethnic factor, plays a crucial role in ensuring SMEs' successful internationalisation processes. Similarly, Ferro et al. (2009) also discussed how the incumbent social networks in Colombia played three roles that have enhanced the informational capacity of SMEs to internationalise; these roles are linked to opportunities, visions and uncertainty. Zain and Ng (2006) also emphasised how SMEs in Malaysia successfully used their network relationships to facilitate their internationalisation processes. They did this by influencing their market selection decisions, helping them to gain initial credibility, and helping them as an extra hand for cost reduction.

To summarise, social networks in emerging markets have been found to give fruitful linkages and information that will help SMEs to flourish when they initiate internationalisation processes (Senik et al., 2011, Ferro et al., 2009, Wu and Zhou, 2018, Zain and Ng, 2006). However, SMEs from both developed countries and emerging economies use networks as a basis for further internationalization. As such this theory also does not distinctively explain the internationalization of emerging market SMEs in particular. Nonetheless, the network perspective is only able to explore the possibility of how these personal and inter-organisational arrangements and connections have allowed

SMEs to overcome the liabilities of smallness and foreignness (Coviello, 2006). Although this perspective has indulged the stage models with its exploration of social capital generation through the use of networks, it cannot fully explain the individual aspects of decision makers as resources that can be utilised as a firm's specific attribute in accordance to internationalisation.

2.3.3.3 The Resource-Based Approach to Internationalisation

Next, the Resource Based View (RBV) arguments have also been used to explain the internationalisation process of emerging economy SMEs, in a similar vein as to explain the internationalization of developed country SMEs. RBV theory explains that the differences in a firm's' competitive position could be understood from the firm's specific resources and capabilities (Barney, 1991, Grant, 1991). The theory also considers a firm as a bundle of resources, where, in order to create a sustainable competitive advantage, these resources should posit several characteristics (valuable and non-substitutable, socially complex or rare), whilst also being tacit at the same time (Barney, 1991). Using RBV as a basis theory, a firm's unique bundle of resources surface as the main driver of international expansion. As stated by Gupta el al. (2010), firms are more likely and willing to engage in international expansion if they possess rich internal resources that are suitable for international activities. These resources include tangible assets, such as differentiation competencies that can be measured through export propensity and intensity (Gao et al., 2010) and innovativeness of products (Kocak and Abimbola, 2009). They also include intangible resources, such as human and social capital, reputation and governance monitoring mechanisms. Therefore, RBV is mostly used in underpinning the reasons "why" SMEs in emerging markets internationalise.

Kazlauskaite et al. (2015) build on a systematic literature review to explore the motives and enablers of SMEs' internationalisation in emerging economies. They concluded that, differing from developed countries, emerging market SMEs are driven to internationalise to exploit cost advantage opportunities that are not available in local environments, and the motivation to gain market knowledge. At the same time, this also enhances their local market credibility. Furthermore, Kuemmerle (2002) suggests that the application of RBV in the context of internationalisation is underlined with the distinction between the home-base exploitation and home-base extension logics. These posit that firms in emerging economies could either create internationalisation processes using the back source of their existing home market capabilities, or they can use internationalisation to create resource-based advantages abroad (Wright et al., 2005).

However, RBV is not sufficient to explain why firms create a sustainable advantage in this new globalised and dynamic market (Garg and Kumar, 2014). Therefore, scholars have extended RBV into dynamic capabilities of firms (Teece et al., 1997). Studies in emerging markets have also highlighted the importance of developing their dynamic capabilities in terms of their internationalisation strategies and organisational form (Zhang et al., 2014). From this perspective, small size can enable firms to increase their flexibility in terms of adopting certain unexpected changes and uncertainty in their operating environment (Adu-Gyamfi and Korneliussen, 2013, Singh et al., 2005, Kontinen and Ojala, 2011).

With their relatively small size, SMEs are inherently able to respond to the changes in external environment. This agility within a firm's organisational structure will enable them to adapt their long term strategic goals more easily (Zhang et al., 2014). In addition, the ability of firms to be flexible will allow them to recognise international business opportunities and respond to market needs (Zhang and Chen, 2014).

Resource-based capabilities and dynamic capabilities suggest that networks are important in smaller firms as they provide social capital (Davidsson and Honig, 2003). These partnerships may be especially important within emerging markets as they enable firms with relatively weak internal resources to access complementary resources and capabilities within the wider network. It is also suggested that network related factors play an important role for firms within their internationalisation decisions and performances.

Therefore, it can also be argued that both the resource-based approach and network approach seem to complement one another. Both theories argue that the availability of internal and external resources of firms is seen as the total set of strategic resources. These strategic resources can be gained from either vertical cooperation with partners or horizontal collaboration with competitors, in order to enter new foreign markets. Nonetheless, although this perspective has brought new insights into how a firm's resources play a pivotal role on internationalisation decisions of SMEs in emerging markets, it cannot explain why some SMEs have initiated international operations from their inception.

2.3.3.4 The Born Global Approach to Internationalisation

Within the conservative explanations of internationalisation described earlier, internationalisation was thought to be an aftermath of a domestic establishment, enriched with resources that therefore expands itself to foreign markets; however, this cannot fully explain the rise of 'born global' firms (Cavusgil and Knight, 2015). Therefore, this new emerging research stream seeks to explain the phenomena of smaller firms that do not follow sequential path dependent stages of internationalisation. These firms are often referred to as “Born Globals” (Knight and Cavusgil), “Global Startups” (Oviatt and McDougall, 1994), or International New Ventures (McDougall et al., 1994). This entrepreneurial perspective has then been used largely to study new technological and service-based firms in emerging economies (Lin et al., 2016, Narasimhan et al., 2015, Ivanauskiene et al., 2015, Dib et al., 2010). But, can emerging market SMEs be born global?

It is known that emerging market SMEs are internationalizing faster than SMES from developed countries to ‘catch up’ with them. Shrader et al. (2000) associated the phenomena of rapid internationalisation with “international entrepreneurship”, described as the process of gaining competitive advantages within a process of exploiting and discovering opportunities outside the domestic boundaries of the firm. This line of research is focused towards SMEs that are usually limited in tangible resources, but are distinctive in their intangible resources. Entrepreneurs are seen as the enabler of these leapfrogging activities, being the intermediary of decisions taken by firms. Entrepreneurs in born global firms are usually experienced internationally and therefore possess unique competencies, knowledge and networks from their former activities; this will allow the establishment of cross-border activities (McDougall et al., 1994). In line with the logic of RBV, this perspective also posits that not all entrepreneurs possess the same sets of capabilities (Ruzzier et al., 2006). Therefore, it is also essential that entrepreneurs should be able to combine their resources across borders to form a base of international operations that will form a set of competitive advantages. As such, this approach can also be seen as the combination of several theories, including, the resource and knowledge based view of the firm and the network approach, in order to understand SMEs "leapfrogging" orientation to internationalisation.

For example, a comparative exploratory study between born global and non-born global firms in China was conducted by (Lin et al., 2016). With the combination of born global and network perspectives, it was found that the two most important aspects that differ between born global and non-born global firms are related to managerial capabilities and the networks that they possess. It was proven that lack of knowledge and resources for international development can be diminished by how managers leverage their linkage to attain external resources; this resulted in the rapidity of their internationalisation process (Lin et al., 2016).

Another comparative study was conducted within the emerging market of Brazil (Dib et al., 2010). Although it was also found that managers' entrepreneurial attitude is a central component of internationalisation activities, such as its rapidity and choices of entry modes, social networks on the other hand do not significantly differ from traditional SMEs. These findings are somewhat in conflict with other studies that have found networking to be a pivotal aspect that will ensure the rapid internationalisation process of SMEs in emerging markets (e.g. (Lin et al., 2016, Ferro et al., 2009).

Innovation has also been seen as an integral component of entrepreneurial activity. As an extension of the innovation process model by Reid (1983), the new notion is that to be able to succeed in international business, innovation should not only be invented but also introduced in international markets. To be able to compete in global competition as a born global SME, innovation within products, including their processes, is needed in emerging market regions, such as Asia, Africa and Latin America (Coombs and Metcalfe, 1998). Nonetheless, in order to perform innovation actions, knowledge and tangible assets have become crucial aspects (Garg and Kumar, 2014). Moreover, according to Miller (1987), the combination of a firm's innovativeness, proactiveness and risk taking will construct the entrepreneurial orientation of firms and it is more likely that they will approach a market as a born global. Therefore, a firm that is innovative in terms of their products, proactively seeking new opportunities and is also able to take risks to exploit discovered opportunities, is more likely to engage in international operations as a born global (Zhang et al., 2012, Falahat et al., 2018).

2.3.3.5 The Role of Home Market Condition on Approach to Internationalisation

Over a century ago, the 'imprinting' theory initially emerged from the studies of animal behaviours. The term "imprinting" was seen as a process whereby, during a short time of susceptibility, traits that represent prominent environmental characteristics within a given entity continue to persist in the following phases, despite any important environmental modifications that occur. The concept of imprinting was first introduced to organisational research by Stinchcombe (1965), over 50 years ago, where he described how organisations take on elements from their founding environments and how these elements persist well after their inception. The environmental conditions of the existing industry where the organisations were first established are then seen as "imprinted" to these organisations. Stinchcombe (1965) further suggests that the conditions that are "imprinted", will not only affect the specificity of particular goods or services that an organisation may require, but will also affect the strategies that the organisation may initiate to obtain them.

Due to its uniqueness, this concept has attracted a considerable amount of work within various of fields research. These include ecology, institutional theory, network analysis, career research, etc. (Carroll and Hannan, 1989, Swaminathan, 1996, Johnson, 2007, Marquis and Huang, 2010, McEvily et al., 2012, Higgins, 2005), and has also been applied to different units of analyses, from micro (individual) to macro (industry). As such, “imprinting” theory provides a new nuance to organisational research, stressing the importance of past historical events. An important aspect of imprinting theory that should be noted is that, during sensitive periods, some core features of the environment will ignite significant influence on the focal entity.

In the case of organisations, Carol and Hannan (1989) give an example that “mapping of an environmental condition onto the organization” takes place at this time (p. 206). These conditions may include features of economical, technological, and institutional contexts, together with the “logistics of organising” on which the founders rely during the creation of the new organisation (Baron et al., 1999). The organizational imprinting theory can be used to uniquely explain the internationalization of emerging market SMEs. When major market liberalization reforms occur in emerging economies, these bring improved policy infrastructures for SMEs enabling them to better internationalize. These include, for instance, reduced tax and development of export processing zones where SMEs are encouraged by the government to engage in manufacturing that exclusively contributes to exporting and financial support for creating subsidiaries in foreign countries. This creates a spill over effect on the domestic SMEs specifically by promoting a strong industrial base (Aggarwal, 2006), reducing red tape, reshuffling the economic structure, improving the social and physical infrastructure (Shah, 2009), thus helping them to import raw and intermediate inputs and capital goods needed for production at lower cost. Given the above-mentioned institutional changes during pro-market liberalization in emerging markets, SMEs founded during this time can be argued to have significantly different mental models in the context of internationalization behavior as compared to SMEs founded in the earlier socialist eras. SMEs founded before liberalization have a rather socialist imprinting effect -a mental block that internationalization may not be desirable for them even in the future after liberalization occurs.

A more recent study in organisational research can be seen from the work of Ciszewska-Mlinaric et al. (2018) that utilised imprinting theory in order to broaden the understanding of how the changing institutional conditions affect the internationalisation process of Polish firms founded in different institutional contexts (i.e., under the communist regime before 1990, in the transition period of 1990-2003, and in the post-transition period from 2004 and after). From this research, Ciszewska-Mlinaric et al. (2018) found three aspects of internationalisation paths that have been influenced by the founding institutional conditions; these include speed, direction and degree of internationalisation.

2.4 Findings and Discussion

Based on above review of studies, two key themes emerge that can be used to uniquely explain the internationalisation of emerging market SMEs. The first theme is related to 'information, knowledge and collaboration'. This theme, majorly drawing from the internal antecedents and barriers, the stages models of internationalisation and from the resource based view (particularly, knowledge based view), suggests that SMEs in emerging markets (as compared to their developed country counterparts) lack the necessary knowledge and networks useful for internationalization. Whilst developed country SMEs also face barriers from the lack of this knowledge, emerging market SMEs can be argued to be further resource constrained to develop this knowledge effectively, and therefore face comparatively greater barriers. Overall, it seems that the sources of information and their characteristics, the development of knowledge through effective management processes and the characteristics of decision makers (e.g. managers) are quite different in developed countries as compared to in emerging economies, and these can present impacts on SME internationalization.

The second important theme that emerges is the role of the 'home institutional environment', which uniquely acts as an important barrier for emerging market SMEs due to the weaker institutional systems existing in emerging markets. This includes the lack of direct support to SMEs in emerging markets such as financing schemes as well as other information asymmetries that can make it difficult for SMEs to internationalise. However, some home institutional factors (particularly, market liberalization) are also known to be important drivers for emerging market SMEs to internationalize, although this has been only in the more recent times (last 20-30 years). The overall findings from the review of studies were categorized into two separate headings as below.

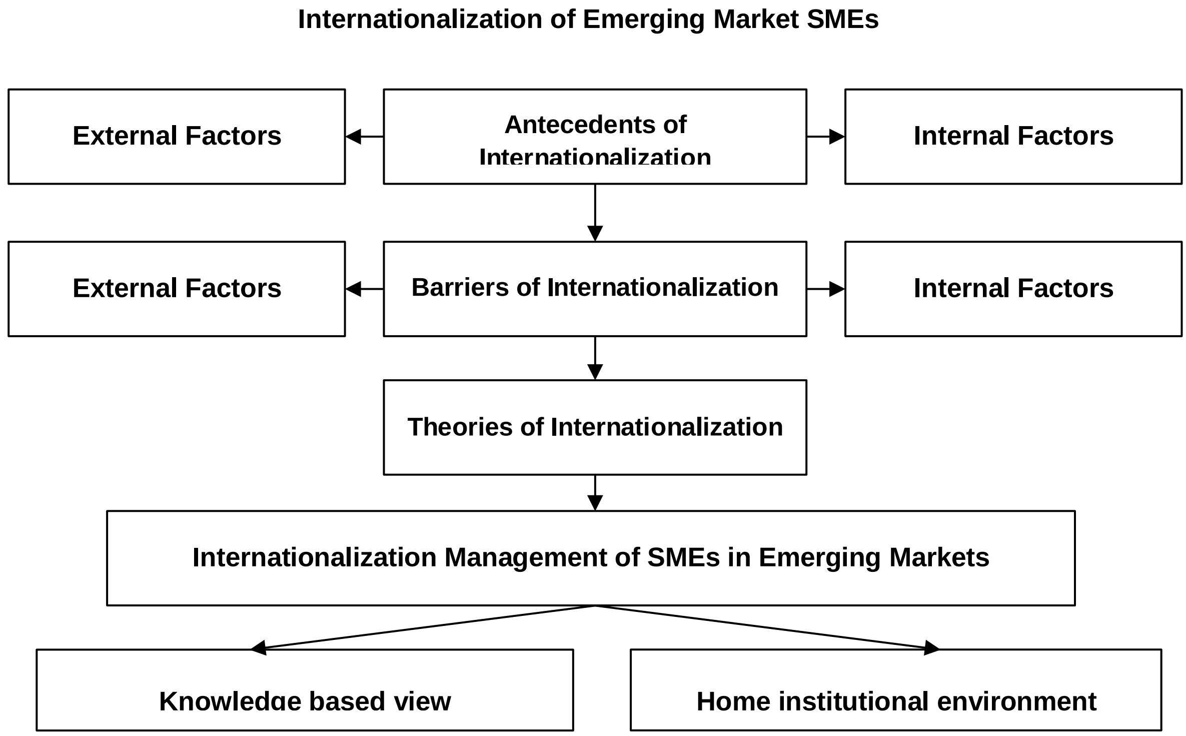

Figure 3 Theoretical Framework (based on Literature Review)

Source: Devised by author

2.4.1 The role of information and knowledge management processes

Empirical evidence from developed market SMEs has shown that with the reduction of foreign market risks, ambiguity could be managed through the use of information and knowledge (Hsu and Lim, 2013, Nguyen et al., 2006). Therefore, this has also been considered as a key aspect to overcome barriers and obstacles that have prevented the decision for SMEs to internationalise. To a greater extent, however, the effectiveness of internationalisation processes are determined by the capabilities of decision makers to acquire knowledge that is obtained through information identification and processing

(Child and Hsieh, 2014, Hsu and Lim, 2013, Hsu et al., 2013). Concurrently, information and knowledge can serve as a catalyst to the creation of foreign market opportunities awareness for firms (Zhou et al., 2007).

The discussion of theories above has also implicitly highlighted the importance of knowledge and information in emerging market SMEs' internationalisation processes. Moreover, information and knowledge are also essential elements for any internationalisation strategy within emerging markets. Much of the literature has attempted to analyse the relationships of information and knowledge related strategies to the international competitiveness of SMEs from emerging markets. The ability of firms to flourish in foreign markets is interpreted through their financial performance outcomes, such as export intensity (e.g., (Tarek et al., 2016, Zhang et al., 2014, Filatotchev et al., 2009), sales growth (Zhou et al., 2007), revenue and profitability. It is also interpreted through non-financial outcomes, such as gaining initial credibility, allowing access to additional relationships, and a more rapid internationalisation process (Zain and Ng, 2006).

2.4.1.1 Information sources, information subject and information sharing

The analysis of the literature review has shown that there are different sources of information that are used by SMEs in emerging markets; these range from business or social relationships, government institutions and the prior experience of decision makers (Senik et al., 2011). Nevertheless, it is recognised that SMEs in developing countries depend highly on their networks to gather relevant foreign market information and opportunities. For example, Ferro et al. (2009) have identified three roles played by social networks in high technology SMEs in Colombia; informational linked to opportunities, the creation of a firm's vision, and a better management of risks and uncertainties.

Networks therefore play a leveraging role in advancing the internationalisation process during the acquisition and development of tangible and intangible resources. These include market credibility, development of marketing skills, networking capabilities, knowledge of new markets, and the technical skills that are needed to develop new innovative products. Information acquired from networks plays a catalytic role in decision making processes through a better understanding of foreign market opportunities. At the same time, networks also play a mediating role in decision making processes, as some decisions are taken in an evolving manner in order to make the most of opportunities and to manage unforeseen risks and issues.

As most emerging markets face the unpredictability of government actions, home-grown social networks are seen as a determinant to acquire market information and facilitate economic transactions (Xie and Amine, 2009, Zhou et al., 2007, Zain and Ng, 2006). From the perspective of institutional theory, such mechanisms can be seen as a strategic response to overcome the lack of institutional support. For example, the social networks of guanxi in China have been explored in several studies; it has been proven to be able to provide unique value and opportunities arising from the transmission of information and knowledge through social knowledge (Mac and Evangelista, 2016, Xie and Amine, 2009, Zhou et al., 2007). Through the use of guanxi, firms are then able to make strategic, competitive and marketing decisions to reduce physic distance of foreign markets and are therefore able to enter new foreign markets and compete within global markets (Xie and Amine, 2009).

In line with this finding, it was also found that SMEs in the emerging market of Brazil that have better international performance rely heavily on the ability of companies to relate innovative and proactive international behaviour to learning process through the maintenance of not only international networks, but also national networking capabilities (Filho, 2009). Evidence from Colombia shows that entrepreneurs have made extensive use of social networks to develop rich and specialised relationships that have enabled them to gain, first, relational trust and, second, technical trust (credibility) based on their competencies (Ferro et al., 2009). Through these networks, confidence, pride and trustworthiness are developed; this is common in Latin America countries and is commonly known as personalismo (Brasch, 1973).

It was also emphasised that the creation of trust is important in emerging market countries as it will nourish inter-organisational collaboration, thus creating their cooperation in general. The myriad of networking sources and operating agencies will allow the integration of coordination, facilitation and monitoring of internationalisation processes of SMEs (Senik et al., 2011). Monitoring can be seen as a function that will collect useful relevant information from the operating agencies as inputs into the management of the systems and thus the information will be distributed to firms. Furthermore, within emerging market countries, information could also be found from informal social connections. For example, in Egypt, it was found that the assistance from institutional agency officers can assist SMEs to acquire additional information, and at the same time will also allow the forging of network ties of a business kind; this lowers transaction costs and reduces the perceived risk of internationalisation (Narooz and Child, 2017).

Although foreign market information is still regarded as pivotal for seeking opportunities abroad, SMEs in emerging markets also have the need to acquire information regarding their own local domestic situations. Ayob et al. (2015) suggest that one of the critical sources of growth for SMEs' internationalisation is the ability to acquire external capital. Therefore, in order to do so, SMEs should be able to access local government information regarding external funding schemes. Furthermore, financial consideration on costs will invoke the attitudinal commitments of firms seeking more information. As information is a highly valuable aspect for the successfulness of internationalisation strategies, the protection of the specific information that SMEs hold is also seen as important, especially for emerging market firms. With the use of networks, information could be protected within the inner circular relationships among firms (Narooz and Child, 2017). Networking serves as trust generation within collaboration, where it could help SMEs to engage in higher commitment entry modes (establishment of a sales subsidiary). Networks are also used by SMEs to smooth processes when dealing with government officials at times where different business norms arise (Zain and Ng, 2006).

2.4.1.2 Importance of decision makers' characteristics in information management

Studies have shown that the characteristics of decision makers also play an important role in how information is accepted and processed. More specifically, a manager's characteristics will influence the perceptions of information towards opportunities and risks regarding internationalisation of SMEs, and thus will shape the orientation of firms. Table 2.8 summarises the different characteristics that were found within the analysis of this review.

Table 10 Decision Makers' Characteristics

Characteristics	References	Findings
Proactiveness	Amal and Filho, 2009	Proactive posture in search of opportunities and growth methods in the domestic markets and development of exportation based activities based on managers own effort. Interest in innovation,

		initiatives of calculated risks will result to the transformation of visions and strategic planning into real opportunities in foreign markets.
Information processing capabilities	Javalgi and Todd, 2010	Internationally oriented decision makers, that are able to seek and process information into innovativeness and risk reduction management, will lead the firm under constantly changing and complex condition thus leading towards a positive internationalisation performance.
International Experiences	Adu-Gyanfi and Komeliessen, 2013 Ayob, Ramlee and Rahman, 2015	Prior experience in international ventures and marketing experience are singled out as important determinants of export performances. Managers that have been exposed to international operations will render export cost perception as it is the manifestation of special managerial interests or aspiration in the internationalisation readiness process
Level of Human Capital	Dung and Janssen, 2010	The manager's human capital level such as higher level of education and higher level of international exposure will lead toward a positive internalisation performance.

Source: Devised by author

2.4.1.3 Knowledge management process and the need for knowledge

Knowledge has been considered a key element for SMEs in emerging markets to help them manage their internationalisation process. Some studies found in the literature review have also empirically tested the relevance of knowledge that can be acquired through the certain type of networks that will help SMEs in emerging markets to enhance their financial capabilities (such as export intensity, sales and profit), and their non-financial capabilities (such as gaining new resources and capabilities). The importance of knowledge within the internationalisation of SMEs in emerging markets can also be seen from the underlying theory of the Uppsala model (Johanson and Vahlne, 1977) together with the other process models, international entrepreneurship theory (Shrader et al., 2000), and the RBV of the firm (Barney, 1991), as discussed in the previous sections.

In order to overcome their liability of smallness, it is essential that SMEs in emerging markets capitalise greatly on their foreign market knowledge and technological knowhow. Cost related variables, such as export transactions and foreign operations, can be lowered only if firms acquire an appropriate level of foreign market knowledge (Kazlauskaitė et al., 2015). Foreign market opportunities can be created, discovered and further exploited through the knowledge and capabilities that are embedded in managers' previous experiences. This kind of knowledge is usually obtained through the international experience of a manager in the form of education and work experience abroad (Dung and Janssen, 2015, Adu-Gyamfi and Korneliussen, 2013, Filatotchev et al., 2009). Managers that have experienced high international exposure will also have the tendency to view internationalisation positively. Filatotchev et al. (2009) referred to this previous managerial experience as episodic knowledge; this knowledge could further enhance a firm's reputation, availability of financial aids and access broader social and business networks.

Returnee entrepreneurs/managers have been seen as an impactful component within the establishment of SMEs in emerging markets. It has been seen that with previous episodic international experience, these managers will utilise their foreign market knowledge and technological knowhow to enhance SMEs' partnerships with foreign customers (Saxenian, 2007, Saxenian, 2006). Therefore, returnee entrepreneurs act as promoters of a firm's internationalisation, and, in turn, of their knowledge and experience abroad. It is easier for SMEs to then structure better organisational strategies, such as a better exporting strategy, resulting in better internationalisation outcomes (Adu-Gyamfi and Korneliussen, 2013). Firm specific knowledge within MNEs that were absorbed by employees, will act as a spillover effect whereby technology, management skills and international marketing skills can be transferred to local firms through labour mobility.

Network relationships can also be used by SMEs in emerging markets to acquire additional knowledge that will result in better international performances and superior position locally. Social networks have been seen as a crucial knowledge creation mechanism that attributes to three knowledge related benefits: knowledge of foreign market opportunities; advice and experiential learning; and referral trust and solidarity (Zhou, 2007, Zhou et al., 2007). In order to broaden the range of opportunities and capacity building, SMEs in emerging markets are also found to adopt multiple strategies in their network-support mechanisms, such as the usage of not only business relationships but also previous colleagues and even casual encounters (Ciravegna et al., 2014).

2.4.1.4 Knowledge types

It was found that there are different types of knowledge used within the internationalisation decision of SMEs in emerging markets that will enable them to succeed in global competition, therefore leading to superior financial performances and the acquisition of resources and capabilities. Table 2.9 summarises the types of knowledge that were identified throughout the review.

Table 11 Knowledge Types

Knowledge Types	References	Description

Market knowledge/institutional knowledge	Narooz and Child, 2017, Kazlauskaite et al., 2015, Fabian, Molina and Labianca, 2009, Wood et al., 2011	Foreign market knowledge and specific country information should be harnessed by managers, particularly when SMEs are somewhat limited in their resources and skills. Institutional knowledge of both local and foreign markets are also important in order to smoothen foreign market entry.
Internationalisation knowledge	Senil et al., 2011, Fabian, Molina and Labianca, 2009, Ismail and Kuivalaninen, 2015	Internationalisation knowledge represents the accumulated internationalisation experience gained by the managers in previous exposure of conducting international operations.
Network Knowledge	Narooz and Child, 2017, Dung and Janssen, 2010, Ferro, Prefontaine and Skander, 2009, Zain and Ng, 2006, Zhou, Wu and Lu, 200)	The ability of managers and entrepreneurs to develop network: personal, business, or transactional and informational will provide reliable information thus will stimulate rapid learning and will lead towards a more informed decisions.
Technological knowledge	Kazlauskaite et al. 2015, Ivanauskiene et al., 2015, Wood et al., 2011, Lin, Mercier-Sousa and Salloum, 2016	Innovative products or services derived from unique knowledge assets such as technology will drive early internationalisation. Proprietary technology and strong R&D programme will reduce the probability of successful imitation by competitions and enable firms to maintain leadership through rapid innovation.
Generic knowledge	Wood et al., 2011, Filatotchev at al., 2009	Relevant generic knowledge such as sensitivity to cross cultural differences that can be acquired through

		educational experience can help firms to internationalise.
Marketing Knowledge	Adu-Gyamfi and Komeliussen, 2013, Rajendran, 2015, Kocak and Ambinbola, 2009	Firm's internal capability to develop marketing strategy such as the knowledge to provide appropriate design and image to support export marketing will result to the increasing export activities.

Source: Devised by author

2.4.2 Institutional Environmental Characteristics

The other important aspect that differentiates the internationalization of SMEs from developed countries with that of SMEs from emerging economies is the impact of the home institutional environment.

2.4.2.1 The general institutional environment

With regard to the factors defining a firm's strategic choices, several studies have investigated the interactions between institutions, organizations and strategic choice (Teegen et al., 2004, Peng, 2003). These studies demonstrate that in emerging economies the lack of strong formal institutions is evident, and, as (Peng et al., 2008) claim, in such conditions the key question for both national and foreign firms is how to play the game when the rules are changed constantly and are never fully known. In transition economies after 20 years of reforms and steps towards a new political and economic order, the transformation process is still continuing. The shift from a centrally planned to a market economy involves not only economic change but also social and political change, which represents a challenge for all countries in transition. The role of the state in forming the institutional environment is central in this process, because only the state is able to initiate market reforms with fundamental changes in the role of institutions at all levels and to establish new forms of governance (Smallbone et al., 2010).

Comparing to other aspects of internationalization, studies on the impact of the domestic (or home) institutional environment on the internationalization of SMEs from emerging economies still remains surprisingly limited. Nonetheless, the domestic institutional environment has proven to have a significant role in encouraging local firms, especially SMEs to decide to internationalize its operations. As emerging economies lack strong institutions, this would be expected to have an impact on SMEs' internationalization from these countries. See table 2.7 for the set of studies based on the institutional theory in general. For example the uncertainty and information asymmetries in emerging markets' arising from institutional voids (Narooz and Child, 2017) has also been argued to adversely impact SME internationalisation. Likewise, in another study (Shirokova and Tsukanova, 2012), a significant negative impact has also been found between institutional hostility – defined as weaker institutional systems with greater levels of corruption, instability and bureaucracy, and the internationalization of SMEs from Russia. They found that local tax legislation, the judicial system, corporate tax, corruption and political instability that compose institutional hostility have encouraged firms to venture internationally. While the overall negative perception of attaining permits also hamper firms' internationalization. Finally, Tovstiga et al (2004) find that institutional weaknesses in regards to intellectual property rights, international trade regulation and warranties, along with customs and tariffs result in obstacles for innovative SMEs from Russia to internationalize.

2.4.2.2 The market liberalization regime and its imprinting effect

A specific factor within the context of emerging markets that could define the unique characteristics of emerging market SMEs is the 'liberalization regime' and its potential imprinting effect.

SMEs founded prior to the liberalization era in emerging markets would have a strong impact of 'socialist' or 'communist' imprinting (Dai et al., 2018) that would lead to different mental models among SME-managers insofar as the attitude towards internationalization is concerned. As socialist policies favor protectionism and emphasize that imports must be substituted by locally produced goods and services, such a negative attitude towards importing, exporting and foreign investment is likely to be deeply ingrained among SMEs that were founded in the pre-liberalisation era in emerging markets (Ciszewska-Mlinaric et al., 2018). In China, for instance, during the communist era, individuals (who later became entrepreneurs) became members of the Chinese Communist Party (CCP) wherein they spent a considerable amount of time socializing with strongly communist leaders at a sensitive age of their life. This led to a deep communist ideological imprint among them as they became entrepreneurs during the post-liberalisation period – many of them even hired workers with shared communist ideologies, and thus had negative perceptions about entering foreign markets for a long time (Marquis and Qiao, 2018).

The era of market liberalization in most emerging economies has focussed on the development of positive mental models about internationalisation among SME managers. This has been facilitated not only through improved policy infrastructures for SMEs that support foreign investment (Bustos, 2011), but also reduced tax and development of export processing zones where SMEs are encouraged by the government to engage in manufacturing that exclusively contributes to exporting to foreign countries. At the same time, trading and collaborating with foreign partners was seen as leading to improved levels of economic growth, poverty alleviation and other development prospects, resulting in greater confidence in liberalization. A study by (TEIXEIRA, 2014) argues that although the government made public policies like liberalisation plays an active role in promoting SMEs internationalisation (Lederman et al., 2010, O'Gorman and Evers, 2011), in most countries efforts to boost SME internationalisation actually occurs at the micro level (local authorities). From their sample of Portuguese SMEs, the results revealed that local municipalities with a higher budget per capita that are located in regions with higher purchasing, tend to assign more human resources to SMEs internationalisation. Thus, the findings indicate that only regions that are more resourceful will help promote the internationalisation of SMEs.

2.5. Conclusions

This paper presents a systematic literature review on the identification of antecedents and barriers of the internationalisation of SMEs in emerging markets, whilst also taking into account the different theories that have been used to study their internationalisation process. In addition, this systematic review also explored the use of information and knowledge, usually through the use of social networks, towards their successful initiation and internationalisation processes of emerging market SMEs. This section will discuss some important issues that have emerged from the review. In addition, a number of gaps have been identified throughout the analysis, thus providing valuable input for the development of research suggestions and directions for future work in this area.

What concerns the decision to internationalise by SMEs in emerging markets are found under two categories, internal and external antecedents.

First, it seems that the studies of internationalisation drivers have put more attention on the external drivers that have led SMEs in emerging markets to internationalise. The push and pull factors that have been identified are based on rigorous internationalisation theories that have been combined in order to explain the differing conditions from developed nations. However, regarding internal drivers, there seems to be two opposing schools of thought that were found within this systematic review. Some authors have argued that the underlying reason for emerging market SMEs to internationalise is so that they can acquire new resources and capabilities that are not available domestically; it is then possible for SMEs to strengthen their non-financial outcomes and therefore will place them in a superior position within its emerging market origin (e.g., (Guillén and García-Canal, 2009, Filipe Lages and Montgomery, 2004, Qian, 2002)).

At the same time, however, others have also argued that SMEs are likely to engage in international expansion only when rich internal resources that are suitable for international activities pre-exists within the organisation (Gupta et al., 2010, Olivares-Mesa and Cabrera-Suarez, 2006, Zahra and George, 2002). For example, studies that have used the RBV of the firm have tended to conclude that SMEs in emerging markets decide to internationalise in order to acquire valuable, non-substitutable, rare and tacit resources from abroad. On the contrary, the utilisation of international entrepreneurship and born global theory has led to the conclusion that a firm's entrepreneurial orientation will lead to SMEs' decision to internationalise. Moreover, surprisingly, there are only two qualitative inductive studies that have explored internal drivers of SMEs that are located within an emerging market. More attention should also be made into qualitative studies that could help the exploration of specific internal characters that have led SMEs in emerging markets to internationalise.

Nevertheless, during internationalisation, barriers that correspond to these processes also prevail. The complexity of internationalisation processes have brought many issues and challenges to SMEs as it involves many variables from different actors, such as key decision makers across parties, unfamiliar regulations and policies within the foreign market, also the institutional condition in their home markets. It is noted that companies in emerging markets present differences in their organisational structures, resource commitment, ownership, and management systems. This has brought to fore that SMEs in emerging markets inherit a liability of smallness in terms of their size and resources; this can, therefore, be concluded as an internal barrier that has prevented these firms from performing international operations.

Although some studies have explored the correlation between, for example, firm size and SMEs' internationalisation behaviour (Olivares-Mesa and Cabrera-Suarez, 2006) or between a firm's age and the speed of internationalisation (Zahra and George, 2002), it is still not clear what are the specific elements that constitute claimable "limited resources and capabilities" that have prohibited SMEs in emerging markets. This could therefore be an area of further research.

As described by Leonidou (1995) a firm's external barriers can be referred to as the barriers that stem from the home and host environments where the firm performs its operations. Therefore, there is a strong association between external barriers and government structures, also infrastructural facilities both locally and globally. Therefore, this will shape the obstacles derived from the foreign markets, such as economic, political and sociocultural obstacles, where the firm performs its operations. The rapidity of these external barriers incorporates high levels of uncertainty that affect these barriers, and usually falls beyond the control of individual firms.

However, empirical findings within the SMEs' internationalisation literature have provided knowledge limited to a certain specific country scope that corresponds to external barriers. Many of the studies have explored the emerging markets that are based in India and China. Out of 55 studies, 20 have focused on China and India. One of the reasons for this could be the availability of data. However, only a few samples try to touch South American countries such as Peru and the South East Asia region, such as Malaysia. Therefore, it is suggested that further studies should spread the sample density into other existing emerging markets within Asia and South America. Furthermore, one comparative study between Egypt and the United Kingdom (Narooz and Child, 2017) was found to provide useful insights into the SMEs' internationalisation literature by comparing the environmental difference between an emerging market country and a developed one. Further studies should therefore also explore the possibility of conducting a cross-case comparative study to undermine the specific differences between the external condition of emerging and developed countries.

As far as methodologies are concerned, around 60% of studies are based on quantitative data analysis, which were mostly performed on primary data collected from surveys. One of the reasons for this could be that there is no good source of secondary data available for the emerging market countries. In addition, very few studies have focused on qualitative data analysis. There are only two studies that have used a mixed method approach. There is lot of scope for studies using secondary data as a source or a qualitative approach.

Although research gaps are identified within the discussion of antecedents and barriers, it is also important to clarify that the findings within the literature have provided useful insights to my understanding of SMEs in emerging markets unique differences when it comes to their internationalisation. However, in terms of theoretical foundations, it could be seen that the theories used to review and interpret the internationalisation of SMEs in emerging markets still stem from theories that were derived from studies that try to explain the existence of international trade and multinational enterprises. For example, the use of the stage models, including the Uppsala Model, the Innovation Model, and the Resource Based View (RBV) of the firm. These theories have been useful to form the basis of the importance of knowledge and information during any stage of the internationalisation process. Studies in emerging markets have also incorporated network theories in order to give a rich understanding on the importance of collaboration and social networks to gain access to this knowledge and information. The international entrepreneurship and born global theories are also utilised, but are only useful to explain new technological or service firms from emerging markets. Due to the socio-economic differences between developed and developing nations, existing theories on the internationalization of SMEs cannot be straight-forwardly applied to those based in the context emerging markets (Burgess and Steenkamp, 2006, Ibeh and Kasem, 2011).Therefore, adjusting and re-contextualizing existing theories of internationalisation to the context of emerging markets and conduct empirical investigations to test these theories will add value to existing research. Therefore, findings from the empirical studies have been limited to its generalisability.

It should be pointed out that in order to understand these new phenomena and provide more rigorous, general findings in a more holistic view, further studies should not only limit their usage of one theoretical perspective. Garg and Kumar (2014) have also emphasised that although SMEs in emerging markets have high potential to grow enormously, they are still having difficulties harnessing advantages of internationalisation; this is because studies of emerging market SMEs are lacking a fitting framework that is exclusively built for their specific conditions. One exception found in this literature review was the work conducted by Senik et al. (2014) that incorporated the theoretical foundation of RBV, the Uppsala Model and the networking view of internationalisation in order to understand the internationalisation process of SMEs in the emerging market of Malaysia. It was, however, still limited to theory building from a qualitative study perspective. Therefore, it is important that more quantitative empirical studies are undertaken to verify holistically built models of internationalisation.

Chapter 3: Home-market liberalisation imprinting and SME internationalisation: Evidence from India

Abstract

The issue of whether institutional conditions within a country at the time of a firm's founding inspires the internationalisation behaviour of small and medium enterprises (SMEs) originating from the country is gaining attention in the international business literature. In my study, based on institutional and organisational imprinting theories, I argue that emerging market SMEs founded during the market liberalisation period are likely to have a greater scope of internationalisation than those founded in other periods. I also argue that this effect is moderated by the SMEs' size, their dispersed ownership structure and their geographical diversification. I find support for my imprinting-based hypothesis using data from 177 Indian SMEs. I also find that the moderating effect of SMEs' size and ownership dispersion reduces the imprinting effect of the above relationship; however, the moderating effect of geographical diversification is not supported.

Keywords: SMEs, Liberalisation, Organisational Imprinting, Internationalisation

3.1 Introduction

Scholars acknowledge that the institutional conditions experienced by firms (both large and small) at the specific time of their conception often determine the strategic actions they employ in the future (Kriauciunas and Kale, 2006, Stinchcombe, 1965, Polischuk, 2001). The effects of MNEs' home-country institutional conditions on their local and foreign performance have received large-scale attention in the literature (Chao and Kumar, 2010, He et al., 2015, Martin, 2014). However, much less is known about how institutional conditions impact the internationalisation-based growth of SMEs from emerging economies (Estrin et al., 2013, Tonoyan et al., 2010, Cieslik and Kaciak, 2009, Bruton et al., 2009, Cheng and Yu, 2008, Peng and Heath, 1996).

Generally, SMEs have limited resources, and socio-political conditions during their founding periods have longer lasting effects on their operating practices and strategies (Kriauciunas and Kale, 2006, Bamford et al., 2000, Boeker, 1989, Kimberly, 1979, Schein, 1983). Studies suggest that, due to a lack of foreign market knowledge and appropriate research and technological development infrastructures, SMEs from emerging markets face challenges to survive in the global market. However, due to institutional changes resulting from pro-market economic liberalisation, SMEs from emerging markets have reaped great benefits to accelerate their international growth (Hoskisson et al., 2000a), and their growth rates are seen to exceed those of SMEs based in developed economies (Julian Marr and Reynard, 2010, Gupta et al., 2004). One third of all world SMEs are from Brazil, China, India, Indonesia, Mexico, Poland, Russia, South Korea and Turkey (Kiss et al., 2012).

Empirical studies have found that liberalisation facilitates international R&D collaboration, introducing new forms of human capital (Ikiara, 2003) . It usually plays an important role in the diffusion of the technologies needed by local firms for their production, marketing, product design and productive assets (Ikiara, 2003). Collaborating with multinational firms during liberalisation also helps SMEs to build professional networks that are important to the success of their own future ventures (O'malley and O'gorman, 2001, Mahutga and Bandelj, 2008). SMEs founded during a liberalisation period, have been argued to have an imprinting effect (Marquis and Tilcsik, 2013, Stinchcombe, 1965) because of the way they deal with the institutional changes at that stage. It also persuade their innovative conduct at a later stage. In biology, imprinting is defined as:

> “a process whereby, during a brief period of susceptibility, a focal entity develops characteristics that reflect prominent features of the environment, and these characteristics continue to persist despite significant environmental changes in subsequent periods” (Marquis and Tilcsik, 2013).

In this article, I first suggest that ‘organisational imprinting’ (Stinchcombe, 1965) perspectives could be an approach to understand how an SMEs’ home-country institutional environment affects its internationalisation activities. In this respect, the first research question is to examine:

> RQ1: to what extent does home-market liberalisation imprinting affect SMEs’ scope of internationalisation?

Second, this chapter attempts to investigate the moderating effects of three key variables, drawn from organisational imprinting logics, on the direct association between home-market liberalisation imprinting and emerging-market SMEs’ internationalisation. In this context, included is a key moderating variable – SMEs ‘size’. Firm size is an important proxy for the availability of resources within an organization, and is widely used in the analysis of internationalization (Pedersen and Petersen, 1998). Larger firms will have better capabilities in terms of their bargaining power and also risks absorption capacity when compared to smaller SMEs (Erramilli and Rao, 1993). Imprinting theory also suggests that the imprinting effects on an organisation could vary by the size of the firm, because smaller firms can more adaptive to institutional changes such as market liberalization whereas larger firms tend to be more rigid (Freeman et al., 1983). I argue that larger SMEs have higher absorbent capacity (i.e., the ability to absorb spill-over of knowledge and new technologies from foreign firms) as well as facing fewer competitive pressures compared to smaller SMEs. Resource limitations, shortage of experience, information, finance and time management among relatively smaller SMEs would result in higher vulnerability when faced with changing environmental conditions, and a lesser capability to absorb the threats of risk and competition in domestic markets generated after liberalisation (Castrogiovanni, 1996, Sapienza et al., 2006, Bell et al., 1992, D'aveni and Ravenscraft, 1994, Buckley, 1989, Etemad, 1999).

Further, I also suggest that emerging market SMEs' 'dispersed ownership' can moderate the effect of home-market liberalisation imprinting on their scope of internationalisation. Previous research suggests that a dispersed ownership structure influences managers' risk-taking propensity (Eisenhardt, 1989, Zajac and Westphal, 1994) and the resultant willingness to assume the risks associated with internationalization. Research also indicates that senior managers change their behavior in the presence of a large number of investors or shareholders that signifies a dispersed ownership (e.g., (Gedajlovic and Shapiro, 2002). In the context of imprinting theory, studies suggest that the imprinting effect of external institutions on firms is reduced when firms are owned by a larger number of shareholders (Aguilera and Jackson, 2003, Deeg and Hardie, 2016), as compared to firms having a concentrated ownership where the owner can tightly control the manager and thus cause the imprinting effect to have a greater impact on managerial decision-making. Related to this, past studies also suggest that firms are more risk averse when there are a larger number of shareholders (Beatty and Zajac, 1994, Denis et al., 1999), as managers can take decisions in a more professional manner. I therefore expect emerging-market SMEs' extent of dispersed ownership to moderate the imprinting effect of home market liberalisation on the internationalisation of emerging market SMEs.

Finally, I suggest that emerging market SMEs' 'geographical diversity' can also moderate the effect of home market liberalisation imprinting on their scope of internationalisation. SMEs usually depend extensively on network relationships and a degree of geographic diversity (Coviello, 2006, Zahra, 2005). Based on organisational imprinting theory, an important attribute that can reduce imprinting effects is a greater level of diversification. Studies on the role of networks indicate that diversified firms are often able to overcome resource constraints and capability limitations as they are in a position to tap into networks that provide them with access to ''external'' resources (Aldrich et al., 1987, Jarillo, 1988). Geographic diversity may therefore help SMEs to overcome the obstacles associated with their home institution that may affect foreign-market entry decisions and manage the challenges and risks related with the home country (Chetty and Campbell-Hunt, 2004, Johanson and Vahlne, 2003, Oviatt and McDougall, 1994). This would reduce the imprinting effect of home market liberalisation on the internationalisation of SMEs. Based on the above, my second research question is:

RQ2: to what extent does SMEs' size, dispersed ownership and geographic diversity moderate the relationship between home-market liberalisation imprinting affect and SMEs' scope of internationalisation?

The primary contribution of this study lies in examining the imprinting effect of pro-market liberalisation within home institutions on the scope of internationalisation for SMEs based in emerging economies. By combining the institutional imprinting effect with organisational imprinting theory, I complement the existing literature on SMEs' scope of internationalisation that has previously focused on various other aspects of internationalisation. Specifically, I examine the imprinting effect of the Indian liberalisation regime on Indian SMEs' subsequent internationalisation. I have tested my hypotheses using a sample of 177 Indian SMEs that have internationalised via foreign direct investment, i.e., via the creation of subsidiaries in foreign countries. In doing so, I also contribute to the SME internationalisation literature that has largely focused on exporting as the primary method of internationalisation, and respond to a greater call for studies on this issue (Stoian et al., 2018).

In the following sections, I discuss literature related institutional factors affecting SMEs and pro-market liberalisation in India. In the next section, I discuss my theoretical background and formulate my hypotheses. I then describe my data and present my findings. Finally, I discuss results and conclude the paper by highlighting my contributions and limitations, and suggesting worthwhile avenues for future research.

3.2 Literature Review: Institutional Factors Affecting SMEs Growth

A number of recent studies have examined the extent to which institutional conditions in a country can impact the growth and performance of SMEs operating in the country. Various studies suggest that when emerging economy governments facilitate trade liberalisation, there is greater scope of growth for its SMEs to internationalise. Sun and According to Sun and Heshmati (2010) and Kutlay (2011), augmented involvement in global trade encouraged rapid SMEs growth in China and Turkey. In a study conducted by Rahmaddi and Ichihashi (2011) between 1971-2008, they found that export and SMEs growth play a significant role in Indonesian economy. To conclude, Rahmaddi and Ichihashi (2011) also studied the Indian market and found a symmetry relationship between foreign trade and SMEs' growth.

While the above studies focus on liberalisation-driven international trade and SME growth, some studies also focus on changes in the political landscape and internationalisation behaviour of SMEs. For example, Cieslik and Kaciak (2009) suggest that the speed of internationalisation of SMEs from Poland grew after communism fell and the transition towards free market economy was made. The transition to a free market economy phase created an entrepreneurial event (Shapero and Sokol, 1982) changing the perceptions of desirability among SME managers, and led to greater and faster exports by Polish SMEs during the transition period. Likewise, in another study by Shirokova and Tsukanova (2012), a significant negative impact was found between institutional hostility defined as weaker institutional systems with greater levels of corruption, instability and bureaucracy), and the internationalisation of SMEs from Russia. They found that local the tax legislation, judicial system, corporate tax, corruption and political instability that compose institutional hostility encouraged firms to venture internationally, while the overall negative perception of attaining permits also hamper firms' internationalisation. Finally, Tovstiga et al. (2004) also found that institutional weaknesses in regards to intellectual property rights, international trade regulation and warranties, together with customs and tariffs, result in obstacles for innovative SMEs from Russia to internationalise.

3.3 Pro-Market Liberalisation In India

In 1947, India became independent from British colonial rule. The independence arguably marked the beginning of socialism-based economic policies in India that deterred international trade and foreign investment; these policies were based on ‘self-sufficiency’ (Kochanek and Hardgrave, 2007). Economic nationalism and political independence were seen to be the central idea for India not to become a victim of another economic imperialism (Kochanek and Hardgrave, 2007, Weintraub, 2002). The aim was, therefore, to revitalise India’s economy, and yet to be self-sufficient by adopting ‘import substitution’ based industrialisation, meaning imports and exports of production activities would be undertaken largely when country-level economic and political needs had been met (Aghion et al., 2008). The assumption made by the government was that, by undertaking this policy, nation-wide prosperity and the abolishment of poverty could be attained. This planned approach to managing the economy has been argued to increase India’s GDP growth in the 1950s. Later, however, these growth rates seemed insufficient for poverty eradication, employment generation and other economic development initiatives. A few years afterwards, the neighbouring countries of Singapore, China and Hong Kong enjoyed a GDP growth of 7% due to the adoption of less controlling and market friendly economic policies (Drysdale and Huang, 1997).

Although not fully, India then proceeded to an economic liberalisation together with booming government spending in the 1980s, where a big portion of funding was aided by foreign borrowing, which was ill-suited for the longer term. About 10 years later, within the era of Prime Minister Narasimha Rao, there was a new wave of liberalisation characterised by high levels of privatisation, removal or reduction of tariffs on many imports, membership of the World Trade Organisation (WTO) and supportive regulations for inward and outward foreign investment. The government budget and the industrial policy in 1991 allowed investment in various private sectors. The government also alter its Foreign Exchange Regulation Act, by liberalising exchange control and also ease the process of lending money. With the abolishment of License Raj, private sectors expanded to all industrial sectors, paving the way to access the latest technologies and innovations. The period after 1991 marked the beginning of the pro-market liberalisation era in India, and has provided various supportive conditions for SMEs, including lower interest rates on loans, and incentives for exporting.

3.4 Theoretical Background and Hypotheses

Insights combined from institutional theory and organisation imprinting have been utilised to develop my hypotheses. Institutional theory is the most natural theoretical basis for studying the internationalization of SMEs from transition economies, because, in contrast to large established companies, emerging market based SMEs are exposed to stronger pressure from the institutional environment due to their limited internal resources and capabilities. Institutional theory suggests that a firm's strategic choices, such as resource-access mechanisms, the decision to expand locally or internationally, and product development, are based on "regulatory, normative and cognitive" features of institutions (Brouthers, 2002, Chan et al., 2008, Gaur et al., 2007, Jackson and Deeg, 2008, Kostova et al., 2008, Peng, 2003, Peng et al., 2008, North, 1990). Known to have limited resources and capabilities, SMEs should therefore make strategic choices in terms of their scope and scale of foreign operations. In this context, the attractive external environmental condition, such as economic liberalisation, advances in communication and transport technologies, and niche opportunities to collaborate with buyers and suppliers, are seen to be important factors facilitating SME internationalisation.

Second, Stinchcombe (1965) argues that the external conditions at the time of an organisation's "founding" will have further implications for their future actions. With the term "organisation imprinting theory", it is asserted that these surrounding external environments are "stamped" onto organisational behaviours, and will remain intact despite any subsequent future environmental changes (Eisenhardt and Schoonhoven, 1990, Kriauciunas and Kale, 2006, Marquis and Tilcsik, 2013, Shinkle and Kriauciunas, 2012). It is suggested that in common conditions of uncertainties, firms are likely to develop common "mental models" when it comes to environment interpretations and the actions that need to be taken (Denzau and North, 1994). In our context, the liberalization of the home market forms a 'sensitive period' that would present common external opportunities as well as constraints that emerging-market-based SMEs would face within their home environments. This would have a deep impact on SMEs founded during this period. In contrast, SMEs founded prior to the liberalization era in emerging markets would have a strong impact of 'socialist' or 'communist' imprinting (Dai et al., 2018) that would lead to different mental models among SME-managers insofar as the attitude towards internationalization is concerned. Subsequently, being founded in the pre and post market-liberalization periods is known to have lasting effects on SMEs' attitudes, orientations and capabilities (Mathias et al., 2015) that we expect to have an impact on their internationalization behavior. In this context, what is called home-institutional imprinting refers to the common external constraints that SMEs face within their home environments. This includes levels of licensing, protectionism, import tariff and trade barriers (Holburn and Zelner, 2010). Subsequently, these aspects will have lasting effects on firms' capabilities in dealing with uncertainties.

3.4.1 The effect of home-market liberalisation imprinting on SMEs scope of internationalisation

Combining institutional theory and organisation imprinting perspectives described above, I first argue that SMEs in emerging economies founded during the pro-market liberalisation period are more likely to internationalise in the future than those founded during other periods. The reasons for this are discussed below.

First, when major market liberalisation reforms occur in emerging economies, these bring improved policy infrastructures for SMEs, enabling them to better internationalise. These include, for instance, reduced tax and the development of export processing zones; in these zones, SMEs are encouraged by the government to engage in manufacturing that exclusively contributes to exporting and financial support for creating subsidiaries in foreign countries. This creates a spillover effect on the domestic SMEs specifically by promoting a strong industrial base (Aggarwal, 2006), reducing red tape, reshuffling the economic structure, improving the social and physical infrastructure (Shah, 2009), therefore helping them to import raw and intermediate inputs and capital goods needed for production at a lower cost.

Second, during pro-market liberalisation periods, there is an increased inflow of foreign investment into the country, leading to spillovers of knowledge and technology to local SMEs through linkages with foreign firms. For example, with the help of collaboration between technology partners, FDI played a significant role in the development of the ‘high tech’ cluster in Bangalore, India. It helped Indian SMEs to enhance the quality of their products, human capital through training, and technical assistance provided by MNEs. Further, it has also helped local SMEs to adopt new technologies for the better utilisation of resources and reduction of inefficiency (Tantri, 2011).

Third, during pro-market liberalisation periods, competition for local SMEs also increases due to foreign entrants. Large MNEs have greater capital outlays, advanced technologies, skilled manpower and vast experience with which local SMEs cannot compete. This may force local SMEs to internationalise, i.e., to ‘escape’ to countries that offer attractive markets vis-à-vis the local market, yet where competition levels may be lower.

Given the above-mentioned institutional changes during pro-market liberalisation in emerging markets, SMEs founded during this time can be argued to have significantly different mental models in the context of internationalisation behaviour compared to SMEs founded in the earlier socialist eras. SMEs founded before liberalisation have a rather socialist imprinting effect, a mental block that internationalisation may not be desirable for them even in the future after liberalisation occurs. Under socialism, government policies favour protectionism, and place a strong emphasis on Import substitution. Industrialisation occurs under state monitoring, and there is state intervention at the micro level in all businesses. Under socialism, SMEs are encouraged by the government as a means to overcome the shortages of essential domestic commodities. In the context of India, the central pillar of the foreign trade policy prior to the pro-market liberalisations of the 1990s was ’import substitution‘(rather than export promotion). Import substitution beliefs in relying on internal market, this acceptance was influenced by socialism and experience generated by colonial exploitation.

In contrast, SMEs founded during and after pro-market liberalisation would have a rather positive mental view about internationalisation. The external institutional infrastructures supportive for exporting and other forms of international expansion for SMEs, as well as the competitive forces that drive SMEs to internationalise, are likely to create a lasting impact on SMEs to internationalise in the future, even when domestic policies change.

Following organisational imprinting logics, and for the above reasons, I expect that SMEs founded during and after the pro-market liberalisation eras would be more likely to develop internationalisation capabilities, and these would have a lasting impact on their organisational behaviour. Therefore even after the liberalisation period ends (or matures), such SMEs would continue to internationalise at a greater scope relative to those SMEs founded outside the liberalisation period.

> H1: Emerging market SMEs founded during the market liberalisation period are likely to have a greater scope of internationalisation than those founded in other periods.

3.4.2 The moderating effect of SMEs' size

According to imprinting theory, the effect of the external environment engraved on firms' behaviour may also vary by the size of the SMEs (Felin and Zenger, 2009, Hsu and Lim, 2013). Greater size usually provides firms with resources that are generally not available to smaller firms, and the capability to take risks and initiate changes. Taking this argument into account, I argue that the imprinting effect of home-market liberalisation on SMEs' scope of internationalisation reduces with the size of the SMEs. The reasons for this are discussed.

Generally, larger SMEs have more financial and human resources compared to smaller SMEs, and they use them as a proxy for risk absorption when compared to smaller SMEs (Pedersen and Petersen, 1998, Erramilli and Rao, 1993). Larger local SMEs are also likely to have better cutting-edge technologies than smaller SMEs; this makes them a better option for multinational companies to establish local collaborations. In turn, this allows larger SMEs to penetrate locally instead of escaping to foreign markets in the event of intense competition from incoming foreign firms during a pro-liberalisation period (Rodriguez-Clare, 1996).

In contrast, the external institutional infrastructures and competitive pressures faced during pro-market liberalisation make smaller SMEs' survival difficult in domestic emerging markets. Resource limitations of small SMEs result in higher vulnerability when faced with such changing environmental conditions as they have less ability to absorb the threats of exploring essentially risky and competitive domestic markets, therefore leaving internationalisation as a good option (D'aveni and Ravenscraft, 1994, Castrogiovanni, 1996, Buckley, 1989, Sapienza et al., 2006). Although these smaller SMEs also have quality assets (tangible/intangible) such as niche products and better technologies, these may not be enough to survive in an intensely turbulent institutional environment caused by liberalisation; therefore, they choose internationalisation as a path to survival and growth. For these reasons, the imprinting effect of home-market liberalisation on internationalisation is therefore likely to be greater among smaller SMEs relative to larger SMEs. Based on this, I propose the hypothesis below:

H2: The imprinting effect of home-market liberalisation on SMEs' scope of internationalisation reduces with the size of the SME.

3.4.3 The moderating effect of SMEs' dispersed ownership structure

Previous research suggests that different types of ownership structures impact managers' levels of risk-taking ability related with internationalisation (Eisenhardt, 1989, Zajac and Westphal, 1994). Dispersed ownership is when the ownership of the SME (at the board level) is indicated by a large number of shareholders, and no single shareholder dominates (Pedersen and Thomsen, 1997). In organisational imprinting logics, dispersed ownership characterises a more market-oriented (rather than socialist) approach to board composition that would lead to a greater separation of control and ownership between management and shareholders. It is suggested that the type of ownership will influence the investments and the strategies pursued (Shrader and Simon, 1997, Hoskisson et al., 2002, Goranova et al., 2007, Musteen et al., 2009). I argue that the imprinting effect of home-market liberalisation on SMEs' scope of internationalisation reduces with greater dispersed ownership of the SMEs. The reasons for this are discussed below.

As mentioned above, SMEs having dispersed ownership have management structures that are more market-oriented (rather than socialist) in comparison to SMEs having more dominant ownership structures where few individuals own the SME. This means that among SMEs with dominant ownership (e.g., as characterised among family firms), there is lesser (short-term) pressure to maximise shareholder value or profits, as compared to firms with dispersed ownership (Aguilera and Jackson, 2003, Deeg and Hardie, 2016). In SMEs with dominant ownership structures, therefore, one could expect the SME to be more strongly embedded within the external institutional context, thus enhancing the imprinting effect of external institutions on their strategic decision-making.

In contrast, among SMEs characterised by greater dispersed ownership, managers are more likely to act in the shareholders' interest (i.e., profit maximisation), and will aim to maximise profitability as well as avoid taking risks. Such firms are therefore likely to develop internal capabilities that buffer them from changes in the external institutional context, leading to a lesser imprinting effect of pro-market liberalisation on their internationalisation behaviour. From the discussion above, I propose the following hypothesis:

> H3: The imprinting effect of home-market liberalisation on SMEs' scope of internationalisation reduces with greater dispersion in ownership.

3.4.4 The moderating effect of SMEs' geographical diversification

In order to minimise the risk and improve return on investment, companies expand an investment portfolio in various geographic regions, known as geographical diversification. It is a strategy employed by SMEs to reduce business and operational risks. According to Imprinting theory the effect of the home institution environment on firms' behaviour may usually vary by the extent to which a firm is geographically diversified (Wadhwa et al., 2017, Ghemawat and Khanna, 1998, Wu and Zhou, 2018). In particular, geographical diversification achieved by firms is likely to reduce the imprinting effects of home institutions. I argue that the imprinting effect of home-market liberalisation on SMEs' scope of internationalisation would decrease with the SMEs' geographical diversification. The reasons for this are discussed below.

Geographical diversification of SMEs, characterised by the number of countries in which they operate, helps them to identify new international prospects for their product offering and that best match their competitive abilities. During and after pro-market liberalisation, and due to their international networks, geographically diversified SMEs have greater capabilities to face the competitive pressures within their domestic market (Donckels and Fröhlich, 1991, de Vries, 1993). Geographic diversification allows them to leverage their unique resources and competitive advantages in the home market to remain sustainable in the longer run amidst the institutional changes, therefore enhancing their confidence and ability to manage their operations at home (vis-à-vis pursuing more internationalisation). Owners of geographically diversified SMEs have a better understanding of the foreign market condition; this assists them in capitalising on the necessities and requirements of foreign companies as suppliers, enhancing their probability of survival and success (Manolova and Yan, 2002).

By contrast, SMEs who are less geographically dispersed are more likely to globalise their activities during and after pro-market liberalisation; this is because it is the only way to survive in the long term. Pro-market liberalisation of the home market would have exposed them to fiercer international competition, enhancing the home institutional imprinting effects faced during this time period (Aldrich et al., 1987, Jarillo, 1988). Based on above discussion, I formulate my fourth hypothesis.

H4: The imprinting effect of home-market liberalisation on SMEs' scope of internationalisation reduces with geographical diversification.

3.5 Methodology

3.5.1 Research context and sample

India has been chosen as the research context for this study. The introduction of new industrial, fiscal and trade policies in 1991 marked a pro-liberalisation period within India that resulted in the dominance of a large private sector comprising of both local and foreign firms through FDI, and through the decline of public sector (DANIRODRIK, 1996, Ahluwalia, 2002). Liberalisation, characterised by high levels of privatisation, supportive government policy, end of 'license raj', removal or reduction of tariffs on many imports, membership of the World Trade Organisation, and supportive regulations for inward and outward foreign investment, have allowed investment in the private sector. This planned approach helped to increase India's GDP. Since then, in emerging markets, SMEs are increasingly considered to be the engine of economic growth and employment.

In my study I have analysed the impact of this pro-market liberalisation on Indian SMEs' scope of internationalisation. I collected my firm-level data from Bureau van Dijk's ORBIS database. ORBIS is an extensive database of Bureau van Dijk on millions of enterprises; it also provides financial data on enterprises.

The definition of SME differs in various parts of the world (Storey, 1994), based on size, shape and capital employed. In Europe, SMEs are defined based on employee numbers, such as micro (0-9 employees), small (10-99), and medium (100-499), while in China companies employing fewer than 200 employees are considered SMEs. In Japan SMEs are defined as those with 300 or fewer employees, while the US does not have any specific definition of SMEs. In India according to the Micro, Small and Medium Enterprises Development Act, 2006, micro, small and medium enterprises are defined based on their investment in plant and machinery. This type of measurement is difficult to use in the context of ORBIS data.

According to the literature, companies with 500 or fewer employees are considered to be SMEs (Bacon and Hoque, 2005). Therefore, in my dataset, I have chosen companies operating in India with fewer than 500 employees. After applying this criterion of SME selection, I searched for Indian SMEs that have at least one foreign subsidiary overseas. I was not able to include Indian SMEs who export in foreign markets from the ORBIS database because of lack of data. Since having a subsidiary operation in a foreign country is a greater degree of commitment towards internationalisation, the search yielded a list of 207 firms who are operating in India with at least one foreign subsidiary and have data listed in the ORBIS database. After accounting for all missing values for other variables, the final sample size reduced to 177 SMEs.

3.5.2 Measures

The key dependent variable is SMEs' scope of internationalisation, which is measured by the ratio of foreign subsidiaries to total subsidiaries (FB). Such scope metrics have been used by (Zahra et al., 2000, Lu and Beamish, 2001, Kedia and Mozumdar, 2003, Morck and Yeung, 1991, Delios and Beamish, 1999, Pantzalis, 2001). According to (1971), setting up foreign subsidiaries is a noteworthy assurance to foreign operations. Firms export when no adaptation is required and they reach economies of scale. They operate a foreign subsidiary when the firm's economical advantage is exemplified by their R&D and managerial expertise.

Our key independent variable is home-market liberalisation imprinting. India's economic liberalisation refers to the country's economic policies that were reformed in 1991, expanding private and global investment and making the economy more market oriented. In the given dataset, I have SMEs that started both before and after 1991. To account for the effect of home-market liberalisation imprinting, I have used a dummy variable that takes the value 1 if the SME was founded after 1991 and 0 otherwise.

Based on previous literature, I have incorporated several control variables, some of which are used to test the moderating effects. First, I measured SMEs' size by the logarithm of total assets. I could have measured SMEs' size based on number of employees or their sales volumes; however, this resulted in a lot of missing data, which would have further reduced the sample size. Also, according to past research, SMEs' assets signifies their capability and resources (Hillman and Wan, 2005), and many past studies have used total assets as the measure of size (Voulgaris et al., 2004, Shen et al., 2009, Sogorb-Mira, 2005).

I have used the industry sector as a control variable and measured it by a dummy variable that takes the value 1 for manufacturing and 0 for other sectors. According to (Ruzzier et al., 2006) large international corporate sectors were less affected by globalisation compared to SMEs; this makes the SME sector choice a more profound control variable.

I also control SMEs dispersion of ownership, which is measured by calculating the number of shareholders. Research suggests that manager's risk-taking capability associated with internationalisation is dependent on an equity ownership structure (Zajac and Westphal, 1994, Eisenhardt, 1989).

The next control variable I have used in my study is independence level of SMEs. I have calculated this based on the ORBIS SMEs indicator, which ranges from (A+, A, A-, B+, B, B-, C and D). A+ stands for highly independent firm and so on. Large firms and SMEs have different characteristics. For example, SMEs are mainly independent, largely local, internally financed, multitasking and flexible, and based on informal associations both inside and outside the firm (Russo and Perrini, 2010). I have also included the logarithm of sales (Size) to examine the link between growth and firm size (Evans, 1987, Lu and Beamish, 2006b).

I have also included the SMEs' geographical diversification as one of the control variables; this is calculated based on the number of countries in which the SMEs are operating. According to (Musteen et al., 2010) SMEs sometimes also use their geographically dispersed networks to explore international opportunities through access to information of potential opportunities (Burt, 1992).

The baseline specification takes the following form:

SME_SCOPE = β0 + β1DUM_LIB + β2SECTOR_MANU + β3LOG(Asset) + β4SHRHLDRS +β5INDEP_HOM + β6LOG(SALES) +β7GEOG_DIV

In the above equation, SME_SCOPE stands for SMEs' scope of internationalisation and DUM_LIB is home_ institutional imprinting of the SMEs. This is a dummy variable to capture whether the SME was founded before 1991 (DUM_LIB=1) or after 1991 (DUM_LIB=0). SECTOR_MANU is again a dummy variable to capture its field of operation, whether it is operating in the manufacturing sector or non-manufacturing sector. Where manufacturing is (SECTOR_MANU=1) or non-manufacturing sector (SECTOR_MANU=0). LOG(ASSET) stands for SMEs' total assets; it is a log value. SHRHLDRS stands for number of shareholders the SME has, and INDEP_HOM shows its independence status. LOG(SALES) stands for SMEs total sales;, again, this is a log value. GEO_DIV indicates its geographical intensity, i.e., how many countries they are operating in.

Table 12 Means and Correlations

	Means	SD	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Internationalisation_scope_(1)	0.51	0.339	1							
Liberalisation_(2)	0.48	0.50	0.104	1						
Manufacturing_dummy_(3)	0.46	0.49	.193**	-0.104	1					

Log_Assets_(4)	7.82	0.769	-.209**	0.106	-0.044	1				
Dispersed_Ownership_(5)	15.81	10.28	-.196**	0.005	0.095	.361**	1			
Independence_(6)	3.38	2.55	-.0.073	0.041	-0.025	0.063	-.329**	1		
Log_Sales_(7)	7.51	.865	0.072	0.072	0.082	.287**	0.115	0.021	1	
Geographic_Diversification_(8)	2.28	3.30	0.154*	0.048	0.049	.228**	0.091	0.009	0.022	1

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

Source: Devised by author

Table 3.1 provides the means and correlations of all the variables included in the study. To study the probable degree of collinearity among dependent and independent variables, I have attained the correlation matrix of variables shown in Table 3.1. According to Table 3.1, there are no collinearity problems in the regressions because correlation coefficients are not adequately large.

Table 13 OLS Regression results with dependent variable Internationalisation Scope

	Model 1	Model 2	Model 3	Model 4
C	1.556508*** (0.000)	1.032366*** (0.0066)	1.492757*** (0.000)	1.565572*** (0.0000)
Liberalisation	0.105720** (0.0164)	0.939037*** (0.0326)	0.198816*** (0.0065)	0.164265*** (0.0032)
Liberalisation*Log_Assets		-0.046064*** (0.0490)		
Liberalisation*Dispersed_ Ownership			-0.005826*** (0.0963)	
Liberalisation*Geographic _Diversification				-0.026439*** (0.0175)
Manufacturing_dummy	0.153697*** (0.0009)	0.150030*** (0.0012)	0.153288*** (0.0009)	0.154412*** (0.0008)
Log_Assets	-0.112241*** (0.0000)	-0.082469*** (0.0002)	-0.112016**** (0.0000)	-0.113542*** (0.0000)
Dispersed_Ownership	-0.006337*** (0.0079)	-0.006527*** (0.0046)	-0.003802* (0.2260)	-0.005929** (0.0129)
Independence	-0.020469** (0.0230)	-0.020850** (0.0217)	-0.020090** (0.0251)	-0.019509** (0.0290)
Log_Sales	0.057595*** (0.0000)	0.057135*** (0.0000)	0.058528*** (0.0000)	0.055434*** (0.0001)

Geographic_Diversification	0.023967*** (0.0024)	0.023885*** (0.0013)	0.024624*** (0.0018)	0.043528*** (0.0000)
Adj-Rsquare	0.281732	0.289607	0.285432	0.291108
F-Statistics	10.86201*** (0.0000)	9.968756*** (0.000000)	9.787838*** (0.0000)	10.03436*** (0.000000)
Observations	177	177	177	177

Note 1: Standard errors are white heteroskedasticity-consistent standard errors

Note 2: ***, **, * denotes significance at 1%, 5% and 10% significance levels

Source: Devised by author

Table 3.2 provides the OLS regression results. The regression results provide evidence in support of hypothesis H1, that the 1991 liberalisation had a positive effect on internationalisation by small and medium firms in India. The results indicate that firms that were established on or after 1991 are more likely to internationalise than firms that were established before liberalisation. Specifically, Model 1 in Table 3.2 shows that the coefficient on the liberalisation dummy is positive and statistically significant. The value of the coefficient implies that the share of foreign subsidiaries in total subsidiaries for firms established after 1991 were, on average, 0.11 percentage points higher than that of firms established before 1991. The coefficients on the main variables of interest, together with the control variables, have expected signs and are statistically significant. Among the control variables in this model, it can be seen that manufacturing firms are more likely to internationalise, smaller firms (in terms of assets) are less likely to internationalise, firms with a higher number of shareholders are less likely to internationalise, independent firms are more likely to internationalise, firms with a higher presence in foreign country are less likely to internationalise (see Table 3.2).

In the second specification (Model 2), I test for the moderation effect of SME size on the liberalisation-imprinting and internationalisation relationship (see Model 2 in Table 3.2). The negative sign for the interaction term between the liberalisation variable and the SME size variable indicates that the imprinting effect of liberalisation on internationalisation is less for smaller sized SMEs. The results indicate that for SMEs founded in the pre-liberalisation period, a 1% increase in a typical firm's assets resulted in a negligible 0.0008 percentage points decline in its share of foreign subsidiaries in total subsidiaries. For SMEs founded in the post-liberalisation period, this negative effect of size increases to 0.001, i.e., a 1% increase in a firm's assets results in a 0.001 percentage points decline in its share of foreign subsidiaries in total subsidiaries on average. The coefficients on log of assets, as well as on the interaction term, are statistically significant at 5% and 1% significance levels, respectively. This clearly provides evidence on the hypothesis that there is a moderation effect between liberalisation and firm size on internationalisation, albeit the magnitude of the effect is small. The coefficients on the other variables of interest, including the control variable, have the right signs and are statistically significant as in specifications 1 and 2 (see column 2 in Table 3.2).

In the next specification, I test for moderation effect of dispersed ownership on the liberalisation-imprinting and internationalisation relationship (see Model 3 in Table 3.2). The negative sign for the interaction term between liberalisation and dispersed ownership (number of shareholders) shows that the liberalisation effect on internationalisation diminishes for SMEs with a higher number of shareholders. The coefficients of the other variables of interest, including control variables, have the right signs and are statistically significant, as in the previous specifications.

In the final specification (Model 4), I test for the moderation effect of geographical diversification on the association between liberalisation and internationalisation (see Model 4 in Table 3.2). The negative sign for the interaction terms suggests that the imprinting effect is reduced for geographically diversified firms. Among firms founded in the pre-liberalisation period, there was a higher effect of operating in an additional country on internationalisation, i.e., the share of the firm's foreign subsidiaries in total subsidiaries increased by 0.04 percentage points. Among firms founded in the post-liberalisation period, this effect decreased to 0.02 percentage points, both effects being statistically significant. The coefficients of the other variables of interest, including control variables, have the right signs and are statistically significant, as in the other model specifications.

3.6 Discussion

Our empirical results provide support for all my hypotheses. First, regarding the role of the home market liberalisation imprinting effect on SMEs' scope of internationalisation, I had argued that due to the imprinting effect of the pro-liberalisation reforms occurring in emerging markets, these have a rather permanent impact on the internationalisation of SMEs founded during and after the era. My results support my institutional-imprinting-based argument, that such pro-liberalisation economic reforms in the home country caused SMEs to internationalise in foreign markets even beyond the period (Blomström and Kokko, 1998, Buckley et al., 2002, Driffield and Love, 2007, Haskel et al., 2007, Rodriguez-Clare and Alfaro, 2004, Kathuria, 2001, Lipsey, 2002, Görg and Greenaway, 2004, Wei and Liu, 2006). From the case of Indian SMEs, I confirm that pro-market liberalisation has an imprinting effect on the mental models of SMEs founded during this time, such that these SMEs founded during this time are more likely to internationalise in the future than those founded before the liberalisation period.

In this context, my chapter contributes both theoretically and empirically by arguing that the imprinting effect of liberalisation of the home country provides a positive mental state for SMEs to flourish, especially in foreign markets. Using institutional imprinting theory, this study also provides better insight into the literature on the internationalisation of SMEs from emerging countries (Estrin et al., 2013, Tonoyan et al., 2010, Cieslik and Kaciak, 2009, Bruton et al., 2009, Cheng and Yu, 2008, Peng and Heath, 1996). Here, my results support my imprinting-based arguments that firms established after 1991 in India (i.e., during and after the pro-market liberalisation period), are likely to have a greater scope of internationalisation than those founded earlier (Freeman et al., 1983, Carroll and Hannan, 1989).

Second, my results support my arguments with regard to the moderating effect of SMEs' size on the relationship between home-market liberalisation imprinting and SMEs' scope of internationalisation. In this context, my results support my Hypothesis 2, in which I argue that the size of SMEs reduces the effect of home institutional imprinting on SMEs' scope of internationalisation. Larger SMEs have higher observant capacity (i.e., the ability to observe new knowledge or technology spillover from foreign firms) than smaller firms, and they can work closely with MNCs to meet their demand for downstream and upstream services and goods to penetrate remote and underdeveloped markets (Rodriguez-Clare, 1996, Markusen and Venables, 1999, Smarzynska Javorcik, 2004). In contrast, larger SMEs have size-related advantages that enable them to more effectively engage in MNCs' operations in the home country (Markusen and Venables, 1999). "Firm size might allow an organization access to resources denied to smaller firms and thereby help organizations take risks, withstand setbacks, and initiate changes. Increased size provides more market power to an organization to deal with its stakeholders in technical as well as institutional environment" (Rodriguez-Clare, 1996).

With regards to the moderating effect of dispersed ownership on the relationship between home-market liberalisation imprinting and SMEs' scope of internationalisation, I have found that dispersed ownership of SMEs also reduces the effect of home institutional imprinting on SMEs' scope of internationalisation. In this context, my results support my Hypothesis 3. SMEs with a more dispersed ownership, characterised by a larger number of shareholders, would make an SME more risk averse from the forces of competition faced during a pro-market liberalisation period, as compared to SMEs with fewer shareholders. This would make SMEs with fewer shareholders more prone to escaping the competitive market at home via internationalising. The capability so developed would be imprinted on the SME during later periods (Wadhwa et al., 2017, Ghemawat and Khanna, 1998, Wu and Zhou, 2018).

As far as my fourth hypothesis is concerned, which talks about the moderating effect of geographical diversification on the relationship between home-market liberalisation imprinting and SMEs' scope of internationalisation, my findings suggest that geographical diversification reduces the home-market liberalisation imprinting effect on SMEs' scope of internationalisation, and support my Hypothesis 4. SMEs that were geographically diversified had a lesser imprinting effect because they were less dependent on local markets for skills and technological knowhow. Geographical diversification reduces the risk from local competition that was being experienced by SMEs during the time of liberalisation. With greater diversification, SMEs were able to expand within their home market by drawing in resources and technological knowledge from diverse sources, rather than moving towards foreign countries as in the past.

3.7 Conclusions

The key motivation and contribution of this chapter lies in explaining the imprinting effect of home-institutions on the internationalisation behaviour of SMEs from emerging economies. Using insights from institutional imprinting theory (Stinchcombe, 1965) and recent works on SME internationalisation, I explain that business strategies employed by SMEs in the future are affected by their home institutional conditions at the time of their founding. Specifically, I argue that since emerging economies go through a pro-market liberalisation process, the institutional changes occurring during this period can have a lasting positive impact on SMEs internationalisation, such that SMEs founded during this period internationalise to a much greater extent than those founded prior to the liberalisation period, despite the fact that all SMEs would benefit from pro-liberalisation reforms.

The pro-liberalisation period facilitates various international R&D collaborations, introducing new forms of human capital (Ikiara, 2003), and therefore plays an important role in the diffusion of technologies that were needed by local firms to their production, marketing, product design and productive assets (Ikiara, 2003). These new and differing types of technology have helped to promote entrepreneurship, skills, innovative capacity, and managerial, organisational and exporting know-hows. By collaborating with multinational firms, SMEs in emerging economies are able to develop the professional networks vital to the success of their own future ventures (O'malley and O'gorman, 2001, Bandelj, 2008). As new skills and knowledge, including managerial knowledge, are released into the SME sector through the birth of new firms, this increases the scope of internationalisation (Görg and Strobl, 2005, Blalock and Gertler, 2008, Blalock and Simon, 2009, Haskel et al., 2007, Keller and Yeaple, 2009). After economic liberalisation, emerging economy governments often provide various incentives for SMEs to internationalise. For example, in June 2011, the Reserve Bank of India (RBI) asked banks to ensure a decent pace of SME lending. Instructions were given to banks to include credit lending to micro and small units up to 55% of SMEs total financing by 2012, and up to 60% by 2013. This further helped Indian SMEs to flourish in the international market.

Several implications for managers of SMEs and policy makers have also been derived from the study, especially within the context of emerging economies, and particularly India. After economic liberalisation, the Indian domestic market is no longer an insulated-controlled zone of the economy but is catching up to the exhaustive free market economy. Multinational companies from all around the globe have been engaging with Indian SMEs in the post-1991 period. The findings from the chapter suggest that the Indian government should provide a policy support structure for local SMEs, to ensure that SMEs are aware of the requirements when dealing with foreign companies and in order to support their internationalisation processes. Moreover, in order to meet the demands of foreign companies, SMEs are still in need of enhancing their technological capabilities. Local smaller SMEs may also not possess the appropriate resources to engage with foreign partners. They also lack information when it comes to available opportunities and, frequently, they are not fully aware of how to deal and engage with foreign companies.

Public policy makers at both the national and regional level should organise FDI-SME linkage programmes to facilitate business linkages between smaller SMEs and multinational companies. I also recommend that regional FDI-SME linkages should not be limited to manufacturing sectors; government should open opportunities for other sectors. Given the importance of international networks, the government should organise trade fairs where small businesses have the opportunity to facilitate international links to different geographical locations that best match their product offering and competitive abilities.

Several limitations are also identified in this study, providing an avenue for further research opportunities. Although I have provided strong and solid evidence of analysis on the linkage between liberalisation and SMEs' scope of internationalisation, the set of hypotheses that have been constructed can be seen as less comprehensive. For example, the relationship between regional level inward and outward FDI has not been examined. Due to data limitations, I have also not examined whether SMEs use exporting and licensing as a first step to internationalisation to investigate if there is a market for their products. In future it is also vital to study how SMEs can learn to undertake economic reform from foreign firms in their home region.

Chapter 4: Internationalisation performance of SMEs from emerging economies: Does managerial knowledge make a difference?

Abstract

Prior studies on the internationalisation of SMEs from emerging markets have focused on the role of their strategic planning, ownership structure, entry mode and innovation on their performance in international markets. However, the relationship between SMEs' managerial knowledge (i.e., foreign institutional knowledge, foreign business knowledge, foreign supply chain knowledge and internationalisation knowledge) and their financial and non-financial performance has been rather ignored. In this study, I examine the above link based on data collected from survey responses of 295 SMEs from India involved in internationalisation. Research findings suggest that, (1) SMEs' managerial knowledge has a direct impact on their financial and non-financial performance, and that (2) SMEs financial performance plays a mediating role between their managerial knowledge and their non-financial performance. My hypotheses are based on the knowledge-based view of internationalisation, and my study provides deeper insights into the role of managerial knowledge on emerging-market SMEs' internationalisation performance.

Keywords: Small and Medium Enterprises; Export performance; Non-financial Performance; International Business; Managerial Knowledge;

4.1 Introduction

A large body of prior research on the internationalisation of emerging-market firms has focused on large firms and those affiliated to business groups or state-owned enterprises (AthreYe and KaPur, 2009, Child and Rodrigues, 2005, Duysters et al., 2009). In emerging markets, SMEs are increasingly considered to be the engine of economic growth and employment. Small businesses often have an important social and political role in national economic development. Because of the importance of SMEs in creating economic growth, emerging economies are increasingly interested in finding ways to stimulate the presence of their SMEs in international markets (OECD, 2004). However, the internationalisation of SMEs from emerging economies is a relatively less understood phenomenon.

Emerging market SMEs are latecomers in the international market compared with SMEs from developed countries; therefore, they use international expansion to gain strategic non-financial resources (such as knowhow, technologies), and to escape from their institutional and market constraints at home (Mesquita and Lazzarini, 2008). SMEs are known to have limited financial and non-financial resources, and any erroneous decisions by managers can create a serious impediment to their international presence. Pertinent managerial knowledge at the correct time has an impact on the manager's notion of internationalisation, can help emerging market SMEs to manage their business operations more efficiently in a foreign market (Ericksson et al., 1997), and benefit in terms of greater financial and non-financial performance from their international operations. Particularly among emerging-market SMEs, which are further constrained in resources compared with their developed country counterparts, the effectiveness of internationalisation processes and their financial and non-financial performance has a greater dependency on their development of knowledge, information and network-based collaboration (Costa et al., 2016).

Knowledge is divided into various types, primarily objective knowledge and experiential knowledge (Kor and Mahoney, 2004). From internationalisation point of view, objective knowledge can be acquired through market research. It can be easily conveyed to other nations and simulated by other businesses. According to internationalisation literature, objective knowledge play less significant role in firm's internationalisation process (Ayal and Zif, 1979, Denis et al., 1999, Denis and Depelteau, 1985, Reid, 1983, Mejri and Umemoto, 2010). In comparison, experiential knowledge play a major role in internationalisation process (Johanson and Vahlne, 1977). Experiential knowledge can be gained in various ways, such as via long-term operations in a host country, or by managers through their informal networks, or from institutional agencies that support the internationalisation of SMEs (Musteen et al., 2010). In this context, 'managerial knowledge' has been defined as a combination of foreign business knowledge, foreign institutional knowledge, internationalisation knowledge and supply chain knowledge embedded in SMEs' managers (Yli-Renko et al., 2001, Eriksson et al., 1997, Autio et al., 2000). Specifically, this knowledge involves developing expertise in foreign languages and norms, foreign business laws and regulations, about host government agencies, about foreign competitors, the needs of foreign clients/customers, about effective marketing techniques, about distribution and storage facilities, regional supply chains, different outsourcing facilities in foreign countries, and managing international operations in general. Such knowledge features as a central component in reducing risks and uncertainties that enable better decision-making choices while initiating internationalisation processes for emerging market SMEs (Nguyen et al., 2006).

For example, in Egypt, it was found that the assistance from institutional agencies (such as export promotion agencies) greatly assisted SMEs to acquire such important knowledge, and at the same time also allowed the SME to forge network ties that lowered transaction costs and reduced the perceived risk of internationalisation (Narooz and Child, 2017). However, although it is well established that managerial knowledge is one of the most important factors contributing to SMEs' internationalisation, there is less research as to how such knowledge could impact the international performance of SMEs coming from emerging markets.

In light of the above, the key research questions of this study are:

- How does managerial knowledge affect the financial performance of emerging market SMEs?;
- How does managerial knowledge (related to internationalisation) affect the non-financial performance of emerging-market SMEs?;
- How does the financial performance relate to the non-financial performance of emerging-market SMEs?; and
- How does financial performance mediate the relationship between managerial knowledge and the non-financial performance of emerging-market SMEs?

My data were obtained from questionnaire survey responses of 295 manufacturing SMEs from India. Although historically India has been supportive towards SMEs, in recent years the Indian government has increasingly granted rights to manufacture certain goods and provide certain services to SMEs. Since the Indian liberalisation regime that started in the 1990s, Indian SMEs have faced tough competition from foreign firms entering India; this has driven Indian SMEs to expand overseas via exporting and foreign investment (Todd and Javalgi, 2007). In 2001, Indian SMEs accounted for 95% of industry output in India, contributed to 40% of the manufacturing output in India and 33% of Indian exports. By 2009, Indian SMEs' share of manufacturing output had risen to 45% and the share of exports to 40% (Coad and Tamvada, 2012). Indian SMEs are also increasingly partnering with foreign firms located close to their key markets: for example, an Indian leather garment producer SME has partnered with an Italian firm, Ultima Italia Srl, based in Milan. The leather garments are designed in Milan, manufactured in India and exported back to Europe. This example reflects the state of internationalisation of most Indian manufacturing SMEs. Therefore, India provides an ideal research context for my research questions.

The key contribution of this study lies in extending the literature on emerging market SMEs by understanding the role of managerial knowledge on the financial and non-financial performance of SMEs. Prior studies have emphasised the role of managerial knowledge on the development of SMEs' assets, such as production plants, sales networks, etc., in overseas markets at fairly low costs (Oviatt and McDougall, 1997, McDougall et al., 1994), and in the efficient utilisation of other human and capital resources (Penrose, 1959, Grant, 1996b). The impact of knowledge on a firm's international expansion is also evident in the theory about firms pursuing a sequential internationalisation process, mentioned in the Uppsala model (Johanson and Vahlne, 1977, Bilkey and Tesar, 1977). This has also been found to be applicable to small sized, high tech companies (Autio et al., 2000), although predominantly, the Uppsala theory has been found to apply to large multinational enterprises (MNEs). Overall, the knowledge acquired by firms (including SMEs) by actively operating in overseas markets can impact their capability to investigate, examine, and efficiently act on global business issues. The application of managerial experiential knowledge is also significant in identifying glitches and taking preventive measures during internationalisation.

In the following sections, I review some of the important studies on the barriers to internationalisation among emerging-market SMEs, followed by a background of the theory. This is then followed by my hypotheses. I then describe my data and present my findings. This is followed by discussion and conclusion, where I highlight my contributions and suggest some avenues for further research.

4.2 Literature Review

4.2.1 The internationalisation of emerging-market SMEs

It has been argued that emerging market SMEs face distinct barriers to internationalisation. First, firm-related variables (acting as barriers to internationalisation among emerging-market SMEs) include the poor organisation of their export departments, including inadequate personnel involved in conducting exporting activities (Filatotchev and Toms, 2006). For example, Adu-Gyamfi and Korneliussen (2013) work, based on SMEs from Ghana, suggest that the lack of qualified personnel with the appropriate exporting and marketing knowledge has hindered SMEs in achieving better financial performance. As companies begin to perform international operations, qualified human resources are needed to perform complex tasks that are related to international operation activities. However, it has been argued that the lack of such personnel results in sub-optimal performance of emerging market SMEs (Javalgi and Todd, 2011a).

Second, emerging market SMEs face stiff product-related and operational barriers during internationalisation. For example, Uner et al. (2013) found that SMEs from Turkey faced issues related to information impediments that resulted in their incapability to initiate any encounters with target customers, subsequently resulting in problems in analysing and identifying suitable foreign markets. It was also found that Turkish SMEs struggled to develop and adapt to foreign operational requirements, such as quality, design and packing standards (Uner et al., 2013). Other unique operational barriers among emerging-market SMEs included difficulties in getting payments from customers (Uner et al., 2013), the complexity of foreign distribution channels, warehousing and transportation problems (Adu-Gyamfi and Korneliussen, 2013), capital goods import restrictions, documentation problems, and the adjustment of export promotion activities. For example, Volchek et al. (2013), in their work based on SMEs from Russia, found that Russian SMEs lacked the market power and resources needed to engage in institutional change practices in the host country.

Third, financial capabilities have also been found to be another source of barrier for SMEs to enter a foreign market. In emerging markets, SMEs have greater dependency on their internal financial capabilities to fund their international operations. Therefore, better financial performance has been found to increase the tendency to pursue further exporting activities and vice versa, whilst on the other hand, companies that have low financial performance will restrict themselves to only engage in local markets (Ayob et al., 2015). Furthermore, financial related barriers have also been linked to product pricing, such as the difficulty of offering satisfactory competitive prices to customers, difficulty in matching prices from competitors, and excessive prices regarding distribution and insurance purposes (Uner et al., 2013).

Fourth, it has also been argued that weak institutions in emerging markets deter their SMEs from internationalising (Narooz and Child, 2017). Narooz and Child (2017) compared the internationalisation behaviour of SMEs from Egypt (an emerging market) with that of SMEs from the United Kingdom; they found that institutional characteristics of emerging markets (such as greater bureaucracy, corruption, etc.) deter SMEs from internationalising. A lack of home government assistance and incentives, and unfavourable rules and regulations, have also been found to be factors that hinder SMEs from receiving funding for internationalisation activities. Furthermore, the existence of monopolistic attitudes in emerging markets' financial institutions increase borrowing costs for SMEs, leading to limited external financial borrowing (Ayob and Freixanet, 2014). Finally, Narooz and Child (2017) also explored whether specific cultural traditions embedded within emerging market countries act as barriers to internationalisation. For example, it was found that, in Egypt, a higher degree of collectivism places more importance on private social networks in conducting internationalisation activities, and the lack of such networks may act as barriers to internationalisation (Narooz and Child, 2017).

Generally, studies indicate that managerial knowledge forms an important basis of internationalisation among emerging market SMEs to achieve better financial and non-financial related performance. For example, Ferro et al. (2009) examined how information gained from social networks contributes to the success of high-technological SMEs from Colombia. They found that social networks provided information about new opportunities in foreign markets, helped in reducing uncertainty by gaining relevant information, enabled faster decision-making processes regarding internationalisation and lastly, leveraged the process of the acquisition of new knowledge and resources in internationalisation.

4.3 Theoretical Background and Hypotheses

4.3.1 The 'knowledge based view' of internationalisation

I use the knowledge based view (KBV) (Grant, 1996b, Gassmann and Keupp, 2007, Westhead et al., 2001, Yli-Renko et al., 2002) to develop my hypotheses on the link between managerial knowledge and the financial and non-financial performance of SMEs from emerging economies. In KBV theory, knowledge is considered as a strategically important intangible resource for a company. It advocates that knowledge-based resources are generally challenging to replicate and socially complicated. Therefore, SMEs' knowledge and proficiency are dominant determinants of sustainable and exceptional performance. SMEs gain knowledge about the international market through various sources, such as policies, documents, routines, bureaucratic culture and identity, system and workforce. This perspective is derived from strategic management literature on resource-based views; these were originally advocated by (Penrose, 1959) and then developed by distinguished academicians (Barney, 1991, Wernerfelt, 1984, Conner, 1991). KBV suggests that firms should be scrutinized based on their knowledge resources (Grant, 1996a). The KBV was deemed as most appropriate due to its ability to explain the existence of firms as a result of their effective use of knowledge (Blome et al., 2014). As such, knowledge represents itself in the form of information and know-how, and a firm's ability to create and transfer this knowledge can yield competitive differentiation (Kogut and Zander, 1992). According to the KBV, knowledge needs to be formulated following a rigorous process. However, not every process is able to effectuate valuable knowledge, and thus, organizing principles underlying the creation of knowledge can provide for inimitable resources. This notion refers to the resource-based view of the firm (Wernerfelt, 1984), which can be regarded as the foundation for the KBV. Among various other aspects of knowledge, Drucker (1993) referred to ‘managerial knowledge’ as the most precious and logical asset of an organisation; it has also been found to have a significant impact on the performance of SMEs, if not their survival (Toffler, 1990, Quinn, 1992). According to Nonaka (1991), knowledge is a firm’s most reliable asset and can provide long lasting competitive advantage over its competitors. In order to build a vying leverage, SMEs have to extract and exploit knowledge (Grant, 1996b). Nonaka and Takeuchi (1995) suggest that the capability of an organisation to efficiently harvest and administer knowledge distinguishes success from failure. Acknowledging the significance of knowledge, various scholars have advocated for a “knowledge-based view of a firm”, proposing that the major task of a company is to generate, accumulate and implement knowledge, despite merely curtailing transaction costs (Grant, 1996b, Conner and Prahalad, 1996, Kogut and Zander, 1992). Considering the relative lack of resources among SMEs, their accumulation of pertinent knowledge plays a key role in their successful overseas operations (Douglas et al., 1982).

The importance of ‘managerial knowledge’ has been discussed in various studies in international business (e.g., (Eriksson et al., 1997, Eriksson and Chetty, 2003, Blomstermo et al., 2004, Chetty et al., 2006). Managerial knowledge is divided into three sub-categories: business market knowledge, institutional knowledge, and internationalisation knowledge. Together with these previously identified three knowledge factors, I also consider SMEs’ ‘supply chain knowledge’ in this chapter. This is because supply chain knowledge is a distinct form of knowledge and is important to emerging market SMEs. For example, Ling-yee and Ogunmokun (2001) identified that supply-chain management expertise in the area of export-related activities provide firms competitive advantages by making it low-cost and high-differentiation company. They also argue that supply chain managers, through their specific knowledge, can find striking sources of supply locations and will be able to turn them into a firm's value creation. This will then lead to an effective supply chain network that disperses its supply locations to create minimal operating costs when compared to SMEs that do not possess any superior supply chain knowledge. Overall, therefore, supply chain knowledge consists of information specifically related to logistics operations and facilities, distribution and storage facilities available in international markets, and its linkage to the external operations of suppliers, customers and other channel members: I suggest that this is of crucial importance to the success of emerging market SMEs' internationalisation.

In the following sections, I argue that the various sources of knowledge combined together into my term, 'managerial knowledge', can be associated with greater financial performance and non-financial performance.

4.3.2 The effect of managerial knowledge on the financial performance of emerging-market SMEs

In line with the KBV, managerial knowledge forms an important resource that contributes to the competitive advantage of SMEs, enabling them to perform better. Conceptually, with greater managerial knowledge (i.e., a combination of business market knowledge, institutional knowledge, internationalisation knowledge and supply chain knowledge), SMEs can be argued to achieve several economic benefits. first, in terms of business market knowledge, (Kogut and Singh, 1988) found that with experiential knowledge of customers or business partners and by knowing the demand patterns, emerging market SMEs can easily minimise uncertainty and exploit business opportunities in overseas markets.

Second, as the internationalisation framework is built on the presumption of incomplete knowledge on behalf of decision makers in the internationalisation mechanism, scarcity of institutional knowledge is a matter of concern. The inadequacy of institutional knowledge makes it challenging for the SME to accumulate essential awareness of technical, corporate laws and regulations applicable in overseas markets. Conversely, greater institutional knowledge involves in-depth knowledge of laws and regulations and of the norms of doing business in the host country. It also includes knowledge of tariffs, provincial taxes, imports and exports of materials and services, and natural conditions in the market, as well as associated issues and proposals that are important for financial performance.

Third, the level of internationalisation is not only associated with knowledge of overseas business and institutions, it is also engaged with the knowledge of establishing and administering various operational aspects during internationalisation (Terpstra and Yu, 1988, Ball and Tschoegl, 1982). In this context, organisational procedures, customs and their structure are crucial determinants for disciplined behaviour in organisations, including among SMEs (March and Simon, 1958, March and Cyert, 1963). During the process of entering overseas markets, experiential knowledge regarding international business is attained and cached in company routines and affairs (Nelson and Winter, 1982). It can be foreseen that the less exposure a company has to international business, the more limited knowledge it will have on methods to manage overseas enterprises subsequently (Madhok, 1996).

Finally, with the core assumption of supply chains being the networks of an organisation, the idea is that SMEs do not compete in isolation but rather a network of competition alongside their upstream suppliers and downstream buyers (Spekman et al., 1998, Hall, 2000). Likewise, the process of a firm's internationalisation will also include a network of relationships between buyers and suppliers (Johanson and Mattson, 1988). The increasing importance of the effectiveness of supply chains have been well recognised within both within academia and in practice. Within the KBV of the firm, the knowledge of the supply chain itself can be regarded as a distinct competency that would enable SMEs to achieve a competitive advantage (Piercy et al., 1998). They also argue that the ability of managers to create value from choosing optimal locations of networks will be based on the superiority of the decision makers supply chain knowledge. From the resource-based point of view, differentiation-based advantages could also be gained by SMEs from the effectiveness of supply chain managers that could enable multi-directional information flows and network collaborations (Hyun, 1994). Consequently, achieving a competitive advantage by providing value to customers can lead to sustained superior long term financial performances (Bharadwaj et al., 1993).

As discussed above, a firm's foreign market knowledge, institutional knowledge, internationalisation knowledge and supply chain knowledge, play an important role in the level of financial performance in the context of internationalisation. Managers with global experience are more conscious of knowledge gaining opportunities in overseas markets; more intensively accept these opportunities, and achieve more benefit from information than managers with relatively less exposure. Therefore, the above discussion leads to the following hypothesis:

Hypothesis 1: Managerial knowledge has a positive impact on the financial performance of emerging market SMEs gained through internationalisation.

4.3.3 The effect of managerial knowledge on the non-financial performance of emerging-market SMEs

Non-financial performance in internationalisation includes various aspects such as new product introduction, reduction of inefficiencies, product defects and consumer complaints, and new technological know-how (Perera et al., 1997). Although recent studies have shown that there is a positive correlation between different types of knowledge that SMEs possess to benefit their overall business financial performance, (e.g., (Stewart, 1997), financial performance itself cannot be seen as a standalone parameter to indicate the success of SMEs. Relationships between managerial knowledge and non-financial performance (Perera et al., 1997, Fullerton and Wempe, 2009) are usually neglected when it comes to evaluating the overall business performances of a firm. In this section, I suggest that emerging market SMEs' managerial knowledge related to internationalisation positively impacts their non-financial performance. The reasons for this are discussed below.

Via greater development of managerial knowledge described above, SMEs are able to gain feedback from foreign customers and improve their products, services and practices. Managerial knowledge can also help in the better understanding of the bargaining power of suppliers and customers located in foreign markets (Knight and Cavusgil, 2004, Baird and Thomas, 1985). Developing this knowledge can help SME managers to absorb new information, generate rich and complex ideas for problem-solving, and initiate novel and presumably risky developments for innovating new products and services (Kimberly and Evanisko, 1981, Bantel and Jackson, 1989, Barker III and Mueller, 2002).

In many cases of emerging market SMEs, the development of managerial knowledge in the international context is known to enable them to develop incremental innovations by identifying and solving problems in existing products that are being sold in international markets. However, managerial knowledge can also potentially help SMEs to develop radical innovations, especially if the SMEs have operational structure to support this type of innovation. Top management teams, especially in SMEs from emerging markets where managers have past internalisation experience and exposure to overseas markets, may have a high level of confidence in the ability and credibility of non-financial investments that will be valuable to customers in the future (Prieto and Revilla, 2006). Overall, therefore, SME managers' global experiences and knowledge can be argued to enable them to gain various non-financial benefits via their managerial knowledge, to improve their current product offering, and build a portfolio of new and unique product offerings (Knight and Cavusgil, 2004). From the discussion above, I can derive my second hypotheses:

> Hypothesis 2: Managerial knowledge has a positive impact on the non-financial performance of emerging-market SMEs gained through internationalisation.

4.3.4 The mediating effect of financial performance on the link between managerial knowledge and non-financial performance

In addition to the direct effect of managerial knowledge on the non-financial performance of SMEs that internationalise from emerging markets, I also argue that emerging market SMEs' financial performance will act as a mediator on this link. The reasons for this are discussed below.

Combining insights from KBV with real options theory (Childs et al., 1998, Ekholm and Wallin, 2006), it can be argued that when emerging market SMEs' managerial knowledge of internationalisation generates improved financial returns, these returns form an important driver in the development of non-financial performances as described above, such as new product innovations. Strong financial background upsurges the likelihood of innovation activity (Savignac, 2008) and increases investment in those attributes associated with SMEs' non-financial performances (Mohnen et al., 2007). For example, profits generated from internationalisation (e.g., via greater exporting out of a manufacturing facility) help companies to introduce new products and building flexible operational structure to meet changing market condition.

SMEs miss most of the R&D projects due to financial constraints. (Czarnitzki and Hottenrott, 2011). SMEs irrespective of nature of product/services they provide, size and age are not able to focus on R&D investment because of the inability to finance. It hinders their innovation activity (Mohnen et al., 2008, Hyytinen and Toivanen, 2005). In previous studies, it was also found that SMEs with better financial condition and mainly those operating in manufacturing, or high technology industries, are more inclined towards innovation and introduce more innovative products which enhances their lifeblood (Kanter, 1985). Therefore, in the absence of good financial performance, it may be difficult to invest in product innovation among emerging market SMEs as they are likely to have greater resource constraints. Overall, when an SME has a good managerial knowledge base pool and is performing well financially, they tend to invest more on R&D capabilities to create new innovative products to enter and penetrate a foreign market (Kuemmerle, 1999).

As discussed above, with greater managerial knowledge and better organisational sales, SMEs invest more in non-financial activities; in the long run, therefore, SMEs benefit with substantial profitability. Based on above argument, I derive the third hypothesis:

Hypothesis 3: The impact of managerial knowledge on the non-financial business performance of emerging market SMEs gained through internationalisation is mediated by their financial performance.

4.4 Methodology

4.4.1 Sample and procedure

I have focussed on India as the context of my study, and a questionnaire survey strategy was adopted for this study. Survey strategy consists of:

"a cross-sectional design in relation to which data are collected predominantly by questionnaire or by structured interview on more than one case and at a single point in time in order to collect a body of quantitative or qualitative data in connection with two or more variables, which are then examined to detect patterns of association" (Bell et al., 2018), p. 63).

The survey is an effective tool to get opinions, attitudes, and descriptions, as well as testing cause and effect relationships (Ghauri and Grønhaug, 2005). Using a survey strategy allows the researcher to collect a large amount of quantifiable data from a sizeable population in a cost effective manner. It can be used to address causal relationships and validate a research hypothesised model. The data collected may range from beliefs, attitudes and behaviours to general background information.

In order to develop a sampling frame from which a research sample can be drawn, a great deal of time and effort was spent in searching the official Indian websites (such as 'SME Chamber of India', 'India SME Forum') and contacting people who work and have knowledge about the manufacturing industry in India. A sampling frame was collected through the 'Emerging SMEs of India' website; this website includes large number of manufacturing firms. The questionnaire for this study was pilot-tested by 20 operations managers who were professional in the Indian manufacturing and non-manufacturing sector. The 20 participants were appropriate because of their higher-level education, expertise and knowledge in the operation of SMEs. All participants were asked to complete the questionnaire and provide constructive feedback related to the clarity of questions and instructions, time to complete the questionnaire, ease of answering the questions, layout and flow of questions, and the need to add, delete or modify some items in the questionnaire (Bell, 2014). Important feedback was received from participants in this pilot study and the questionnaire was modified accordingly for its final version.

The questionnaire was then sent to senior-level managers of SMEs in India, such as their Chief Executive Officer (CEO), managing directors, and operations/production managers. It was believed that people in these job titles are able to offer valid, honest and complete the answers asked in the questionnaire. Completing the questionnaire relied on a single informant per firm. This method is very common in SMEs' internationalisation literature. A total of 750 questionnaires were distributed to the targeted participants over a period of approximately five months (April 2016 to August 2016). A total of 360 questionnaires were obtained, resulting in a response rate of 48%. Out of the 360 remaining questionnaires, 65 were not usable because of an excessive amount of missing data, leaving a final usable total of 295.

4.4.2 Measures

In developing the research questionnaire, multi-item scales used in previous empirical studies were identified and adapted to fit the context of the current study. The questionnaire consisted of four parts; these included 38 items intended to measure 6 main constructs. The first four constructs were related to ‘managerial knowledge’ (i.e., institutional, business, internationalisation, and supply chain knowledge), and the remaining two constructs were linked to two types of ‘business performance’ (i.e., financial and non-financial performance).

The first part of the questionnaire was devoted to gaining the demographical background of the firm and the respondent. This part included information about size, age, industry sector, type of ownership, foreign entry mode and barriers to internationalisation of the SMEs that were contacted.

The second part was intended to assess the level of ‘managerial knowledge’ – my key independent variable. This comprised of four distinct elements:

- foreign institutional knowledge;
- foreign business knowledge;
- internationalisation knowledge; and
- foreign supply chain knowledge.

In total, 16 measurement items were used to assess the implementation of 4 main knowledge constructs. The 16 items were measured using a 5-point Likert scale, ranging from “Strongly agree” (1) to “Strongly disagree” (5). Details of all six constructs are given below.

Foreign institutional knowledge (FIK) was measured using three statements. All three items were adapted from past studies (Zhou, 2007, Eriksson et al., 1997, Autio et al., 2000, Hadley and Wilson, 2003), and included: “our top managers’ knowledge about foreign language and norms”, “our top managers’ knowledge about foreign business laws and regulations", and "our top managers' knowledge about host government agencies" (Cronbach alpha =0.853).

Foreign business knowledge (FBK) was measured using four statements. All the four items were adapted from past studies (Zhou, 2007, Eriksson et al., 1997, Autio et al., 2000, Hadley and Wilson, 2003), and included: "our top managers' knowledge about foreign competitors", "my top managers' knowledge about the needs of foreign clients/customers", "our top managers' knowledge about foreign distribution channels" and "knowledge about effective marketing in foreign markets" (Cronbach alpha = 0.769).

Internationalisation knowledge (IK) was measured using four statements. All the four items were adapted from past studies (Zhou, 2007, Eriksson et al., 1997, Autio et al., 2000, Hadley and Wilson, 2003), and included: "our top managers' international business experience", "our top managers' ability in determining foreign business opportunities", "our top managers' experience in dealing with foreign business contacts" and "our top managers' capability for managing international operations" (Cronbach alpha = 0.780).

Finally, supply chain knowledge was measured using five statements and included: "our top managers' information on logistic processes and facilities in foreign countries", "our top managers' information of standard on packaging and labelling regulation in foreign countries", "our top managers' information on distribution and storage facilities in foreign countries", "our top managers' information related to regional supply chain set-ups in foreign countries", and "our top managers' information related to different outsourcing facilities available in foreign countries" (Cronbach alpha = 0.823).

My dependent variable, financial performance, was measured using ten statements. All the ten items were adapted from past studies (Papadopoulos and Martín, 2010, Filipe Lages and Montgomery, 2005), and included: “profit margin has increased compared to last year”, “market share has increased compared to last year”, “our financial sales growth this year has been outstanding compared to last year”, “our export profitability has increased”, “customers are satisfied with my company’s response to sales enquiries”, “diversify customers”, “company has gained a foothold in the export market”, “awareness about my products/company has increased”, and “company has expanded strategically into foreign markets” (Cronbach alpha = 0.801).

Finally, non-financial performance was measured using five statements. All the five items were adapted from past studies (Papadopoulos and Martín, 2010, Filipe Lages and Montgomery, 2005), and included: “investments in R&D aimed at new innovations”, “capacity to develop a unique competitive profile”, “new product/service development”, “market development”, and “market orientation” (Cronbach alpha = 0.844).

Based on previous literature, I have incorporated several control variables. First, I have tried to measure SMEs’ size based on total number of employees. According to past research, this signifies their capability and resources (Perrini et al., 2007). Second, I also control for the industry sector in which the SME was operating. From the data collected from the survey response, I divided the industry sector into two categories, manufacturing and non-manufacturing sector. A dummy variable was created, where 1 = manufacturing sector and 0 = non-manufacturing sector. According to Ruzzier et al. (2006) exceedingly internationalised large industries are less affected by globalisation’s compared to SME sector, which makes SME sector the choice as a more profound control variable. Third, I control SMEs’ ownership based on number of owners. I divided this into two categories, single owner and multiple owners. A dummy variable was created, where 1 = single owner and 0 = multiple owners. According to past literature, managers’ risk taking ability is highly influenced by ownership style and the resultant readiness to accept the risks accompanied by internationalisation (Eisenhardt, 1989, Zajac and Westphal, 1994). Finally, I also control for the age of the SME, which in prior research has been argued to impact internationalisation as well as financial and non-financial performance outcomes.

4.4.3 Descriptive statistics and correlations

The data were analysed through successive stages of analysis: preliminary analysis (screening data prior to analysis), followed by descriptive analysis, and finally, multivariate analysis using Structural Equation Modelling (SEM). The purpose of preliminary analysis in this study was to establish/test the necessary conditions prior to multivariate analysis. In the preliminary analysis, I investigated important issues such as addressing missing data, dealing with outliers, and testing the normal distribution of variables. The next stage was concerned with some descriptive analysis.

Descriptive analysis has multiple benefits: first, to explain the characteristics of the sample; second, to test the variables for any violation of the assumptions underlying the statistical techniques that were used to address the research questions (Pallant, 2013). These descriptive analyses include frequency, percentage, central tendency measure (such as mean); variability (dispersion) measures (such as standard deviation and maximum and minimum scores), and some information concerning the distribution of scores (skewness and kurtosis) (Tabachnick and Fidell, 2013). The frequency and percentage tables provide the number of individuals belonging to each of the categories for the variable in question, and can be used in relation to all of the multiple types of variable (Sanders et al., 2016).

One of the most common central tendency measures established in the current study was the mean. The mean is simply the average, which is the sum of all the scores in a distribution divided by the number of scores (Hinton and Collaboration, 2004) The mean was calculated for all interval/ratio variables in this study because it is a common measure used for this type of variable (Sanders et al., 2016). The clearest technique of measuring dispersion is by the range (Sanders et al., 2016). Range means the difference between the highest (maximum) and lowest (minimum) data values (Hinton and Collaboration, 2004). Another measure for dispersion is the standard deviation, which is the most frequent way of measuring variability of a set of data as it gives a good picture of how the data are spread; however, it is still influenced by extreme scores (outliers) (Bell, 2014).

Additionally, the descriptive analysis also provides information about the distribution of scores (skewness and kurtosis). These two components refer to the statistical method used to assess the normality of variables, because screening interval variables for normality is an important early step in each multivariate analysis (Tabachnick and Fidell, 2013). Therefore, testing normality was conducted in the preliminary analysis. Skewness gives an indication of the symmetry of the distribution: it is used to describe the balance of the distribution. If the distribution is unbalanced, it is skewed either positively (a distribution shifted to the left) or negatively (shifted to the right) (Hair et al., 2010). Kurtosis refers to the “peakedness” or “flatness” of the distribution, if the distribution is more peaked then the normal distribution is called leptokurtic, while if the distribution is flatter it is called platykurtic (Hair et al., 2010). The means and correlations of all the variables included are shown in Table 4.1.

Table 14 Descriptive and correlations

	N	Mean		Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Std. Error	Statistic	Statistic	Std. Error	Statistic	Std. Error
firmage	295	1.3366	.03308	.47370	.697	.170	-1.530	.338
sectortype	295	4.7268	.23414	3.35242	1.118	.170	1.550	.338
ownershiptype	295	1.3415	.03320	.47536	.674	.170	-1.562	.338
sizeoffirm	205	1.8293	.07400	1.05956	.946	.170	-.489	.338
IKLave	295	3.9707	.05741	.82195	-.480	.170	-.269	.338
FIKave	295	3.8195	.06035	.86410	-.793	.170	1.251	.338
SCKave	295	2.8878	.07391	1.05816	.026	.170	-.530	.338
FBKave	295	3.4098	.07146	1.02321	-.253	.170	-.573	.338
ExPerave	295	3.8878	.05498	.78721	-.468	.170	-.012	.338
BPerave	295	4.1171	.04870	.69730	-.513	.170	.335	.338
Valid N (listwise)	282							

Source: Devised by author

4.4.4 Assessment, reliability and validity of measures

The measures of managerial knowledge were positively correlated with the measures of SMEs' financial and non-financial business performance, with correlation coefficients ranging from 0.09 to 0.33 for types of managerial knowledge.

An examination of the construct reliability and convergent validity have been conducted via testing the internal consistency (Cronbach's alpha), composite reliability (CR), and the standardised regression weights for all items (Anderson and Gerbing, 1988). As seen in Table 4.2 the Cronbach's alpha (α) for all remaining four constructs are above the recommended level (0.70) (Nunnally, 1978). Indeed, the CR is acceptable (0.832).

Table 15 Construct Reliability and Convergent Validity

Higher order construct	First order factors	Std regression weights	t-value	α	CR
Managerial Knowledge	FIK	0.77	-----*	0.853	0.832
	FBK	0.74	5.898***	0.769	
	IK	0.76	5.773***	0.780	
	SCK	0.71	5.768***	0.823	
Financial Performance	ExPer	0.723	8.613***	0.801	0.803
Non-Financial Performance	BPer	0.723	7.286***	0.844	0.882

Source: Devised by author

I also performed six-factor confirmatory factor analysis (CFA) on all the constructs (Anderson and Gerbing, 1988) to check their validity. All the indices in my construct met the criteria ($p<0.001$; NFI=0.846 ; CFI= 0.921; RMSEA= 0.065), as shown in Table 4.3; this shows good convergent validity.

Table 16 Confirmatory Factor Analysis

			Estimate	S.E.	C.R.	P	Label
FIK	<---	Knowledge	.819	.204	5.508	***	
IK	<---	Knowledge	.763	.195	5.507	***	
FBK	<---	Knowledge	.715	.224	5.612	***	
SCK	<---	Knowledge	.672				
FBK4	<---	FBK	.807				
FBK3	<---	FBK	.597	.108	8.113	***	
FBK2	<---	FBK	.631	.101	8.633	***	
FBK1	<---	FBK	.814	.092	10.964	***	
FIK3	<---	FIK	.669				
FIK2	<---	FIK	.857	.111	9.484	***	
FIk1	<---	FIK	.721	.119	8.657	***	

			Estimate	S.E.	C.R.	P	Label
IK3	<---	IK	.747				
IK2	<---	IK	.669	.104	7.422	***	
IK1	<---	IK	.511	.123	6.053	***	
SCK3	<---	SCK	.570				
SCK2	<---	SCK	.946	.181	8.899	***	
SCK1	<---	SCK	.882	.164	8.860	***	
ExPer1	<---	ExPer	.720				
ExPer2	<---	ExPer	.811	.098	10.192	***	
ExPer3	<---	ExPer	.546	.111	7.119	***	
ExPer4	<---	ExPer	.751	.099	9.614	***	
BPer1	<---	BPer	.823				
BPer2	<---	BPer	.821	.077	13.044	***	
Bper3	<---	BPer	.756	.075	11.746	***	
BPer4	<---	BPer	.791	.077	12.375	***	
BPer5	<---	BPer	.670	.080	9.939	***	

($p<0.001$; NFI=0.846 ; CFI= 0.921; RMSEA= 0.065)

Source: Devised by author

I also look at Average variance extracted (AVE). Generally all factor loadings should be >=0.50 and AVE should be >=0.50. Table 4.4 represents AVE value, together with the square of the correlations between each construct and the others. The AVE value for knowledge is 0.554, financial performance is 0.510, and for non-financial business performance is 0.559, which are well in range. According to (Hair et al., 2006), AVE of all the constructs should be greater than their corresponding inter-construct squared correlations. With the help of CFA and variance analysis, I can conclude that all the construct of my study are unique.

Table 17 AVE Value, Together with the Square of the Correlations between each Constructs

	CR	AVE	MSV	MaxR(H)	Knowledge	ExPer	BPer
Knowledge	0.832	0.554	0.504	0.841	0.744		
ExPer	0.803	0.510	0.504	0.909	0.710	0.714	
BPer	0.882	0.599	0.421	0.947	0.600	0.649	0.774

Knowledge=0.744; Financial performance=0.714; Non-financial performance = 0.774, no validity concern

Source: Devised by author

4.4.5 Assessment of common method bias

I also performed endogeneity biases (Abdallah et al., 2015, Qin, 2015, Hamilton and Nickerson, 2003) to check common- method variance and measurement error. To avoid common-method variance prior to conducting the survey (i.e., ex-ante), I made sure that all the measures were used from literature and were reliable. They were also refined by performing EFA analysis. The use of negative words were avoided so that it did not influence the respondent (Podsakoff et al., 2003). To avoid single informant bias, top level managers, CEOs and owners were used to collect data. Statistically, after the survey responses were received (i.e., ex-post), Harman's one-factor test; helped to explain better variance compared to a single factor solution or combinations. In addition, the latent factor approach did not show any issues (Malhotra et al., 2006). To deal with measurement errors, I used structural equation modelling with the maximum likelihood estimate and a multiple indicator approach; this is correct for 'the biasing effects of random measurement errors' (Frone et al., 1994).

4.4.6 Analysis technique

Structural equation modelling (SEM) was conducted to investigate the direct and indirect effects between the variables of the study's proposed model. For this type of analysis, SEM has been recommended as the most appropriate analytical strategy (Byrne, 2013). SEM is one form of multivariate analysis that entails the simultaneous analysis of three or more variables. Multivariate analysis refers to "all statistical techniques that simultaneously analyse multiple measurements on individuals or objects under investigation" (Hair et al., 2010). Therefore, SEM is a: "collection of statistical techniques allow a set of relationships between one or more independent variables, either continuous or discrete, and one or more independent variables either continuous or discrete, to be examined" (Ullman and Bentler, 2003).

Both independent and dependent variables can be either measured variables (directly observed) or latent variables (unobserved) (Hair et al., 2010). SEM is also referred to as causal modelling, causal analysis, covariance structure analysis, latent variable analysis, path analysis or confirmatory factor analysis (CFA) (Hair et al., 2010, Ullman and Bentler, 2003). Sometimes SEM is called by the software package used such as AMOS or LISREL (Hair et al., 2010). Shah and Goldstein (2006) defined SEM as a technique to specify, estimate and evaluate models of linear relationships among a set of observed variables with a fewer number of unobserved variables.

SEM has two goals: understanding the patterns of correlations/covariance among a number of variables, and explaining as much of their variance as possible with the model specified (Suhr, 2006). SEM differs from other multivariate techniques in a number of ways (Hair et al., 2010, Ullman and Bentler, 2003): it helps to define a model to explain the whole set of relationships. Meditational processes can be tested, and information related to the adequacy of the modifications can be included in the analysis. SEM is considered a unique combination of interdependence and dependence techniques because it lies in two major multivariate methods: factor analysis and multiple regression analysis (Hair et al., 2010). In other words, SEM is composed of the measurement model and the structural model (regression or path analysis) in a simultaneous statistical test (Hair et al., 2010). The purpose of developing a measurement model is to conduct a Confirmatory Factor Analysis (CFA). CFA is conducted to assess the 'fit' of the indicators representing the latent variable. There are five basic elements in CFA:

- latent variable (LVi), which represents theoretical constructs that cannot be observed directly;
- measured variable (indicator Xi), which are observed variables and represent the measured score from the instrument;
- the item loadings (regression weights) on specific constructs (λ);
- the relationship (covariance) between constructs (Φ), which is represented by the two headed arrow; and
- error for each indicator (ei) (Byrne, 2013, Kline, 2005).

4.5 Results

Standardised results of all the three hypotheses have been shown in Figures 1.1 and 2.1. In my Hypothesis 1, I suggested that managerial knowledge would positively impact the financial performance of SMEs gained through internationalisation. My SEM results $p<0.01$ and with $\beta = 0.70$ support this hypothesis.

In my Hypothesis 2, I proposed that managerial knowledge would have a positive impact on the non-financial business performance of SMEs gained through internationalisation. My results, i.e., $p<0.01$ with $\beta = 0.60$, support this hypothesis.

In my Hypothesis 3, I proposed that financial performance would mediate the impact of managerial knowledge on the non-financial business performance of SMEs gained through internationalisation. To check the mediating effect of financial performance, I used the causal-steps approach (Baron and Kenny, 1986). According to the casual-step approach, an independent variable (availability of information) significantly affects the dependent variable (non-financial business performance) with $p<0.0$, $t=6.70$, $\beta = 0.57$. Managerial knowledge also significantly affects the mediating variable (financial performance) with $p<0.01$, $t= 6.98$, $\beta = 0.71$. In addition, the mediating variable (financial performance) significantly affects the dependent variable (non-financial business performance) with $p<0.01$, $t= 6.45$, $\beta = 0.45$.

When I calculated the relationship between the availability of information on non-financial business performance considering mediator (financial performance), the previous relationship (between availability of information and non-financial business performance) was reduced to ($\beta = 0.28$ and $t = 5.10$ at $p < 0.001$) but significant, which supports partial mediation (shown in Figures 4.1 and 4.2). A summary of the test results is shown in Table 4.5.

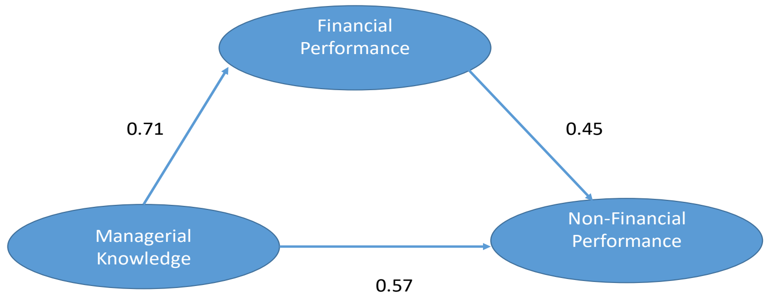

Figure 4 Base model without mediation

Source: Devised by author

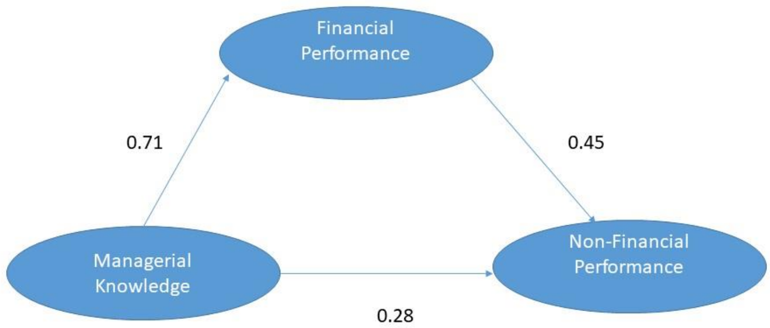

Figure 5 Financial performance as mediator

Source: Devised by author

Table 18 Summary of SEM Results

Hypothesis	Hypothesised direct relationship		Standard regression weight	p-value	Outcome
H1	Availability of information	Financial performance	0.71	0.000 (p<0.05)	Supported
H2	Availability of information	Non-financial performance	0.57	0.000 (p<0.05)	Supported
H3 Mediated by financial performance	Availability of information	Non-financial performance	0.28	0.002 (p<0.05)	Partial indirect mediation

Source: Devised by author

4.5.1 Robustness tests

The robustness of this relationship was also checked by performing OLS regression using control variables. Table 4.6 shows the relationship between managerial knowledge and SMEs' financial performance, and highlights the relationship between managerial knowledge and SMEs' non-financial performance: both these relationships are controlled by ownership type, age, sector and size. The p value is 0.10 and 0.16 ($p<0.05$), which means relationships are significant.

Table 19 Robustness test

	Model 1	Model 2
C	0.442	0.427
IKLave	0.068	0.066
FBKave	0.055	0.053
FIKave	0.069	0.067

SCKave	0.061	0.059
firmage	0.107	0.104
sectortype	0.037	0.036
sizeoffirm	0.150	0.145
ownershiptype	0.107	0.103
Adj-Rsquare	0.289	0.281
F-Statistics	10.207 (0.0000)	5.250 (0.0000)
Observations	181	181

a. Dependent Variable: BPerave

b. Predictors: (Constant), ownershiptype, sectortype, firmage, sizeoffirm

c. Predictors: (Constant), ownershiptype, sectortype, firmage, sizeoffirm, FBKave, IKLave, FIKave, SCKave

Source: Devised by author

4.6 Discussion and Conclusions

The aim of this study was to assess the relationships between managerial knowledge and the financial and non-financial business performance of emerging market SMEs during internationalisation. I found that managerial knowledge gained during internationalisation is positively associated with emerging market SMEs' financial and non-financial business performance. Additionally, financial performance plays a mediating role between SMEs' managerial knowledge and non-financial performance. My results from the context of India support my theoretical framework underpinned by the hypothesis development.

The study contributes to the existing literature in a number of ways. Mainly, it suggests that managerial knowledge is a key source of sustainable competitive growth for emerging market SMEs and enables them to gain not only better financial performance outcomes but also promotes various aspects such as new product introduction, reduction of inefficiencies, product defects, consumer complaints, and new technological know-how (Perera et al., 1997, Stewart, 1997). The study contributes to existing notions of experiential learning; this perceives internationalisation as an important form of innovation development (e.g., via technological and research development) whilst also gradually learning and adapting to new market environments (Johanson and Vahlne, 2003).

This is an important point that distinguishes between the degree of importance of the non-financial business performances of the internationalisation of SMEs in emerging countries compared to developed markets. For example, while collecting survey data, when I was talking to the owner of an Indian SME - XYZ Limited (name changed) (who previously worked in an MNC in Singapore for 10 years), he asserted that his foreign market and institutional knowledge helped him to design new products that could match customer expectations. Hence, the study emphasises that any emerging market SME that possess managerial knowledge will be able to respond to market queries better, faster, and even at lower costs than competitors (Prieto and Revilla, 2006). With the existing available knowledge, it is more plausible that SMEs will secure financial performances, such as sales growth and increased profit margins. Therefore, the availability of information provided by experienced managers will enable an increase in financial performance in the short run. In effect, non-financial performances in terms of R&D, innovation and competitive advantages within new foreign markets could be achieved.

4.6.1 Theoretical implications

Findings contribute to the ongoing research on the financial and non-financial business performance of SMEs in international markets that have, so far, focused on understanding the role of strategic planning (McKiernan and Morris, 1994, Terziovski, 2010, Miller and Cardinal, 1994), ownership structure (Arosa et al., 2010, Lu and Beamish, 2001, Zhou, 2007, Randøy and Goel, 2003), entry mode (Brouthers and Nakos, 2004, Rasheed, 2005), ownership and entry mode strategies (Brouthers et al., 2015, Lu and Beamish, 2006a), and innovation (Terziovski, 2010). I extend this research by examining the impact of micro level managerial knowledge and core competencies to enhance the financial and non-financial performance of SMEs. I particularly examined the effect of top-level managers' micro level knowledge of foreign institutions, foreign business, foreign supply chains, and internationalisation on SMEs' performance in international markets.

I additionally contribute to the existing literature on SMEs' performance (cite) by specifically examining the relationship between financial and non-financial business performance of SMEs. I studied not only the link between managerial knowledge on non-financial business performance, but also the managerial knowledge and financial performance that partially mediate the correlation between managerial knowledge and non-financial business performance of SMEs. These findings have a significant impact on KBV theory. Past studies on KBV mainly focused on knowledge of organisational culture and identity, policies, routines, documents and systems (Martín-de Castro et al., 2013, Atiku and Fields, 2016, Carayannopoulos and Auster, 2010). However, studies on KBV failed to examine the role of unit level human capital knowledge on SMEs' performance, which my study has helped to investigate. My research therefore provides a deeper insight into the mechanisms provided by KBV by analysing knowledge rooted at micro level human capital. In particular, I found that managerial skills, past knowledge, experience and competencies play a vital role in enhancing SMEs' performance in foreign markets, different from past literature.

4.6.2 Managerial and policy implications

Our study provides several implications for SMEs involved in international business. Managerial knowledge is an aspiring tool for gaining competitive advantages and improving performance. For successful business, small firms need to be well informed not only with respect to the nature of knowledge needed and its associated depth, but also about the most reliable sources of knowledge and clear insights into the methodology to capture and manage and disseminate this knowledge. For example, managers' foreign market and customer knowledge usually help SMEs to enhance R&D capabilities that could lead to a sustainable competitive advantage (Anand and Kogut, 1997). Our study shows that SMEs which have good organisation structure, along with management support have a higher company reputation that could minimise the risk of introducing new products, especially in foreign markets (Anderson et al., 1994).

Foreign institutional knowledge helps SMEs to exploit their intellectual capital effectively by the exchange of tangible and intangible resources in dynamic global value chain networks outside their home enterprise borders. It helps companies to understand general information about foreign markets, including, institutional norms, cultural values, folklore, process, standards, and systems to lessening uncertainties and risks, consequently allowing them to achieve project potentials more precisely.

SMEs having better foreign supply chain knowledge establish inter-firm cooperation more efficiently compared to their counterparts. Foreign supply chain knowledge has a significant positive impact on storage of goods, in-process inventory, finished materials, and information flow. It serves as a foundation and guidepost for developing new products, providing customer service, and optimising business strategies.

SMEs should develop a mechanism to efficiently manage and disseminate knowledge gained from their current activities and through commitment decisions made in the past within the organisation. This will help them to enhance their financial and non-financial performance in the long term. To preserve knowledge effectively and to learn from past experience, SMEs need to organise regular mentoring and inter-firm collaboration and training programmes to bridge the knowledge gap between their more experienced counterparts and younger employees. For example, Zeng et al. (2010) said that inter-firm cooperation training and mentoring has positive impact on effective knowledge management and innovative performance of SMEs.

The outcome of this research also has implications for policy makers. Governments take a lot of initiative to help SMEs in sustainable growth through financial and technical assistance, SME friendly procurement practices, ease of engagement, and so on. Governments should take positive steps to form a National Innovation System (NIS); this includes private enterprises, universities, public research institutions, and government agencies. The NIS helps government to effectively allocate resources to foster innovation. However, my findings suggest that the above initiative should be accomplished by nurturing micro level managerial skills to improve the financial and non-financial performance of SMEs in international markets.

4.6.3 Limitations and future research

My study has some limitations that can be addressed in future research. First, the SMEs included in this study are mostly from the manufacturing sector. For SMEs that are into technology and research intensive business, managerial knowledge will play a different role in their financial and non-financial performance. The knowledge acquisition processes of manufacturing SMEs are different from technology intensive SMEs.

Manufacturing SMEs mainly rely on international trade fairs and other government programmes to acquire knowledge, while technology intensive SMEs invest more on internal R&D (Bruton et al., 2009) for knowledge acquisition.

Second, I analysed managerial knowledge based on (Ericksson et al., 1997) model, which only considers three types of managerial knowledge (foreign business knowledge, foreign institutional knowledge, internationalisation knowledge) together with foreign supply chain knowledge, omitting managerial ties. In future, I need to study managerial competencies and skills in more detail.

Third, in my research I chose one respondent (firm owner or top manager) per firm to analyse the firm's financial and non-financial performance, together with managerial knowledge. In future studies, one can have a detailed group discussion or one-to-one interviews with mangers handling different operations of the firm.

Chapter 5: Conclusions and Future Research Work

5.1 Overall theoretical contributions

The study contributes to the current literature on the internationalisation of emerging market based SMEs. Emerging market SMEs face greater liability of foreignness (Hymer, 1960) and the liability of outsidership (Johanson and Vahlne, 2009) when they plan to expand in foreign markets (Johanson and Vahlne, 1977). A significant amount of research has been conducted to examine the impact of local institutional conditions on Multinational Enterprises (MNEs) local and foreign performances (Shirodkar et al., 2017, Estrin et al., 2009, Meyer et al., 2011). However, only a few studies have attempted to address the issue of institutional influence on the internationalisation-based growth of SMEs in emerging markets, particularly in India, (e.g., (Estrin et al., 2013, Tonoyan et al., 2010, Cieslik and Kaciak, 2009, Bruton et al., 2009, Cheng and Yu, 2008, Peng and Heath, 1996). Institutions in emerging markets differ significantly from those in developed countries and hence have both a direct impact (e.g. through incentives provided by the government with regard to market liberalization) as well as a indirect impact (e.g. through imprinting based factors and by impacting managerial knowledge development). Whist past research has paid attention to the direct impact of liberalization based incentives, much less is known on these indirect factors.

The study contributes to existing literature in a number of ways. Mainly, by utilising knowledge based theory, it suggests that managerial knowledge is a key source of sustainable competitive growth for emerging market SMEs and enables them to gain not only better financial performance outcomes but also in promoting various aspects such as new product introduction, reduction of inefficiencies, product defects, consumer complaints, and new technological know-how (Perera et al., 1997, Stewart, 1997). Studies on SMEs in developed countries have found that managerial international experiential knowledge, which includes foreign institutional knowledge, foreign business knowledge, foreign supply chain knowledge, and internationalisation knowledge, impacts directly on a firm's performance in international markets (Zhou, 2007, Johanson and Vahlne, 1977). The study contributes to existing notions of experiential learning, which perceives internationalization as an important a form of innovation development (e.g. via technological and research development) whilst also gradually learning and adapting to new market environments (Johanson and Vahlne, 2003).

Another important general contribution of this study is to develop an understanding regarding the imprinting effect of trade liberalisation on SMEs' internationalisation – and I do so by studying this within the context of the emerging market of India. It is well documented in the internationalisation literature that institutional home environments and experiential managerial knowledge impact directly on a firm's internationalisation process and their international performance (Chao and Kumar, 2010, He et al., 2015, Martin, 2014) (Johanson and Vahlne, 1977). On this basis, the contribution of this report will be of great benefit to SME owners and SME associations, as well as policy makers. Prior research has highlighted how market liberalization in emerging markets has directly benefited SMEs' internationalization. Post-liberalization many emerging market governments provided direct benefits to SMEs to internationalize through the development of export processing zones, incentives on exporting and by providing a favourable formal institutional environment overall. However, whether and how SMEs founded prior to liberalization could benefit from these incentives is rarely studied. This is important because the socialist or communist institutions that existed in emerging markets for a long time prior to internationalisation might have affected the mental models of SME-managers that would have deterred their internationalization behaviour. The study highlights that this type of knowledge imprinted from the institutions also forms an important basis of emerging market SMEs internationalization.

5.1.1 Chapter 2 contribution

In Chapter 2 (systematic literature review), first, this chapter contributes by examining the antecedents, barriers, challenges and the complexity associated with emerging market SMEs' internationalisation processes. Although it is well noted in existing literature that SMEs in emerging markets possess different characteristics and constraints when compared to those residing in developed countries, there seems to be an absence of a clear comprehensive review of SMEs dedicated solely in the context of emerging markets.

As an outcome of the literature review, I pinpoint different triggering factors that have led emerging market SMEs to internationalise, and simultaneously explore the barriers that correspond to those factors. Thereafter, I also examine the identification of pronounced internationalisation theories of SMEs in developed markets and draw their applicability in the context of emerging markets. In agreement with other research (e.g., (Ibeh and Kasem, 2011, Burgess and Steenkamp, 2006), it was also found that, due to socio-economic differences between emerging and developed countries, assumptions made by prior theories cannot be directly translated and applied to the context of emerging markets.

5.1.2 Chapter 3 contribution

The main contribution of Chapter 3 lies in the uniqueness of utilising the imprinting theory in examining the effect of home market liberalisation on the scope of SMEs' internationalisation based in emerging economies. This report then examined the imprinting effect of the Indian liberalisation regime during the period 1990-2000 on SMEs' internationalisation. The imprinting effect of trade liberalisation has not been definitive (Johanson and Vahlne, 1977), but, to some extent, the effect very much depends on the home country institutional conditions.

With regards to the theoretical contribution, I enhance the nuances of SMEs' internationalisation literature by complementing institutional imprinting theory with the "liabilities of newness" (Freeman et al., 1983), whilst also combining the merger with organisational theory to their usage within SMEs' internationalisation of an emerging economy. By doing so, I examine the effect of economic liberalisation on the scope of SMEs' internationalisation. Using insights from institutional imprinting theory (Stinchcombe, 1965) and recent works on SMEs' internationalisation, I thoroughly explore and explain that institutional conditions of an SME's home country very much influences and affects business strategies that SMEs choose to deploy.

On the basis of a sample comprising of 177 SMEs that are operating in India, and listed in the ORBIS database, my analysis revealed that newer firms that were founded after 1991 acquire greater imprinting effects compared to older firms (Carroll and Hannan, 1989, Freeman et al., 1983). Inward investments from large multinational companies from developed countries have helped the diffusion of technologies that are needed by local firms for their product design, production and marketing (San and Tsai, 1990). By learning from foreign investors, whilst also taking into account the rapid economic growth in the Asia-Pacific region, Indian firms have then become more effective and efficient with their process of internationalisation.

Furthermore, I have also taken into account the moderating effect of firm size, dispersed ownership and geographical diversification on SMEs' scope of internationalisation. It is found in this study that SMEs' size reduces the effect of home institutional imprinting on their scope of internationalisation. As larger SMEs possess higher absorbent capacity, after liberalisation these SMEs have begun to establish relationships with MNCs by working closely, meeting MNCs' demand for upstream goods and services, helping them to penetrate remote and underdeveloped markets (Rodriguez-Clare, 1996, Markusen and Venables, 1999, Smarzynska Javorcik, 2004). On the other hand, smaller SMEs have lower absorbent capacity to explore volatile and competitive domestic markets that are inherited by liberalisation due to their limited resources and capabilities (D'aveni and Ravenscraft, 1994, Castrogiovanni, 1996, Buckley, 1989, Sapienza et al., 2006).

My empirical findings also suggest that SMEs' dispersed ownership reduces the effect of home institutional imprinting on their scope of internationalisation. SMEs with dispersed ownership tend to be more risk averse than SMEs with fewer stakeholders. They are also more prone to escape from their competitive home market due to the imprinting effect of trade liberalisation through internationalisation. Moreover, concerning the moderating effect of geographical diversification on SMEs' scope of internationalisation, I found a negative correlation of home market liberalisation on SMEs' scope of internationalisation. SMEs that diversify themselves geographically have a greater possibility of closing personal ties; in turn this helps them to reduce the risk of local competition that was being experienced by SMEs during the period of liberalisation.

5.1.3 Chapter 4 contribution

Finally, in Chapter 4, I further examined the relationship between SMEs' managerial knowledge (i.e., foreign institutional knowledge, foreign business knowledge, foreign supply chain knowledge, and internationalisation knowledge) and their financial and non-financial performance. My analysis revealed that managerial knowledge gained during internationalisation is positively associated with emerging market SMEs' financial and non-financial performances. My empirical analysis also shows that emerging market SMEs' financial performance is positively correlated to their non-financial performance. In addition, the financial performance of these SMEs also plays a mediating role between their managerial knowledge and non-financial performances.

Valuable top management knowledge of foreign law and regulations, foreign competitors, and their ability in seeking foreign business opportunities supports SMEs in terms of increasing profit margins, sales growth and customer satisfaction. This then links further in influencing their non-financial business performance that could be indicated by their R&D investment, new product and service development, market development and orientation.

Research findings from this chapter provide a deeper insight to the utilisation of the RBV of the firm by analysing knowledge that is inherently rooted within the micro level of human capital. In contrast with past studies, my study revealed that managerial skills, past knowledge, experience and competencies play a pivotal role in the enhancement of SMEs' performance in foreign markets.

Findings from this research are highly relevant and could be of high interest to both SME owners and policy makers. It is greatly recommended that a certain mechanism should be developed for SMEs to efficiently manage and disseminate knowledge from current activities and through commitment decisions, previously made within the organisation. This mechanism will further endorse their capabilities to gain long-term financial and non-financial performances. On the other hand, an initiative in nurturing micro-level managerial skills of SME managers, also creating favourable procurement practices for the ease of engagement, should also be taken into consideration by the government in order to sustain the growth of SMEs.

Further implications of this research could also be of importance to policy makers. Although it is evident that governments have launched various initiatives in endorsing sustainable growth of SMEs (e.g., financial and technical assistance, friendly procurement practices, ease of engagement, etc.), my findings suggest that these initiatives should be accomplished by taking a more rooted approach of nurturing micro-level managerial skills in order to improve SMEs' financial and non-financial performances in international markets.

5.2 Limitations and Future Research

Like all academic studies, despite my contributions, there are several limitations that can provide a worthwhile basis for future research. I point to the main limitations in my empirical chapters as below.

First, the hypotheses developed in Chapter 3 - about the imprinting effect of market liberalization on emerging market SMEs internationalisation, can be generally seen as less comprehensive, and several further moderating factors could be argued to impact the effect of market liberalization on emerging market SMEs internationalization. For example, the relationship between regional level inward and outward FDI could have been examined, however, due to my data limitations, I have been unable to do so. In addition, due to data limitations, I have not examined whether SMEs use exporting or licensing as a first step of internationalisation to investigate if there is a market for their products. I focus rather directly on their FDI based internationalization behaviour. Overall, this chapter can also benefit by including a greater number of home countries.

In Chapter 4, about the impact of managerial knowledge on the internationalization performance of SMEs, the SMEs included in the study are mostly from the manufacturing sector, and this can be regarded as a minor limitation. Although this allows the study to focus on one industry, for firms that are into other sectors – such as technology- and research-intensive businesses, managerial knowledge might potentially play a different role in their financial and non-financial performance. This is, however, subject to future research. Second, I have analysed managerial knowledge based on Erricson's (1997) model, which only considers three types of managerial knowledge (foreign business knowledge, foreign institutional knowledge, internationalisation knowledge) together with foreign supply chain knowledge, omitting managerial ties. There could other types of knowledge that can be explored in further research. Finally, a methodological limitation is that in my research I have chosen one respondent (firm owner or top manager) per firm to analyse the firm's financial and non-financial performance together with managerial knowledge. In future studies, one can have a detailed group discussion or one-to-one interviews with managers handling different operations of the firm.

Despite these limitations, I believe that my study makes worthwhile contributions to the field of internationalization of SMEs.

References:

ABDALLAH, W., GOERGEN, M. & O'SULLIVAN, N. 2015. Endogeneity: How failure to correct for it can cause wrong inferences and some remedies. British Journal of Management, 26, 791-804.

ADU-GYAMFI, N. & KORNELIUSSEN, T. 2013. Antecedents of export performance: the case of an emerging market. International Journal of Emerging Markets, 8, 354-372.

AGGARWAL, A. 2006. Special economic zones: revisiting the policy debate. Economic and Political Weekly, 4533-4536.

AGHION, P., BURGESS, R., REDDING, S. J. & ZILIBOTTI, F. 2008. The unequal effects of liberalization: Evidence from dismantling the License Raj in India. American Economic Review, 98, 1397-1412.

AGUILERA, R. V. & JACKSON, G. 2003. The cross-national diversity of corporate governance: Dimensions and determinants. Academy of management Review, 28, 447-465.

AHLUWALIA, M. S. 2002. Economic reforms in India since 1991: Has gradualism worked? Journal of Economic perspectives, 16, 67-88.

ALDRICH, H. E., ROSEN, B. & WOODWARD, B. 1987. The impact of social networks on business foundings and profit: a longitudinal study. Frontiers of entrepreneurship research, 154-168.

AMAL, M. & ROCHA FREITAG FILHO, A. 2010. Internationalization of small-and medium-sized enterprises: a multi case study. European Business Review, 22, 608-623.

ANAND, J. & KOGUT, B. 1997. Technological capabilities of countries, firm rivalry and foreign direct investment. Journal of International Business Studies, 28, 445-465.

ANDERSON, E. W., FORNELL, C. & LEHMANN, D. R. 1994. Customer satisfaction, market share, and profitability: Findings from Sweden. Journal of marketing, 58, 53-66.

ANDERSON, J. C. & GERBING, D. W. 1988. Structural equation modeling in practice: A review and recommended two-step approach. Psychological bulletin, 103, 411.

ANDERSSON, S. 2000. The internationalization of the firm from an entrepreneurial perspective. International studies of management & organization, 30, 63-92.

ANTONCIC, B. & HISRICH, R. D. 2000. Intrapreneurship modeling in transition economies: A comparison of Slovenia and the United States. Journal of Developmental Entrepreneurship, 5, 21.

AROSA, B., ITURRALDE, T. & MASEDA, A. 2010. Ownership structure and firm performance in non-listed firms: Evidence from Spain. Journal of Family Business Strategy, 1, 88-96.

ATHREYE, S. & KAPUR, S. 2009. The internationalization of Chinese and Indian firms: trends, motivations and policy implications.

ATIKU, S. O. & FIELDS, Z. 2016. The relationship between entrepreneurial culture and sustainable competitive advantage in the banking sector. Journal of Economics and Behavioral Studies, 8, 26-39.

AUTIO, E., SAPIENZA, H. J. & ALMEIDA, J. G. 2000. Effects of age at entry, knowledge intensity, and imitability on international growth. Academy of management journal, 43, 909-924.

AYAL, I. & ZIF, J. 1979. Market expansion strategies in multinational marketing. Journal of marketing, 43, 84-94.

AYOB, A. H. & FREIXANET, J. 2014. Insights into public export promotion programs in an emerging economy: The case of Malaysian SMEs. Evaluation and program planning, 46, 38-46.

AYOB, A. H., RAMLEE, S. & RAHMAN, A. A. 2015. Financial factors and export behavior of small and medium-sized enterprises in an emerging economy. Journal of International Entrepreneurship, 13, 49-66.

AYYAGARI, M., DEMIRGÜÇ-KUNT, A. & BECK, T. 2003. Small and medium enterprises across the globe: a new database, The World Bank.

BACON, N. & HOQUE, K. 2005. HRM in the SME sector: valuable employees and coercive networks. The International Journal of Human Resource Management, 16, 1976-1999.

BAFFOUR AWUAH, G. & AMAL, M. 2011. Impact of globalization: The ability of less developed countries'(LDCs') firms to cope with opportunities and challenges. European Business Review, 23, 120-132.

BAIRD, I. S. & THOMAS, H. 1985. Toward a contingency model of strategic risk taking. Academy of management Review, 10, 230-243.

BALL, C. A. & TSCHOEGL, A. E. 1982. The decision to establish a foreign bank branch or subsidiary: an application of binary classification procedures. Journal of financial and Quantitative Analysis, 17, 411-424.

BAMFORD, C. E., DEAN, T. J. & MCDOUGALL, P. P. 2000. An examination of the impact of initial founding conditions and decisions upon the performance of new bank start-ups. Journal of Business Venturing.

BANDELJ, N. 2008. Economic objects as cultural objects: discourse on foreign investment in post-socialist Europe. Socio-Economic Review, 6, 671-702.

BANGARA, A., FREEMAN, S. & SCHRODER, W. 2012. Legitimacy and accelerated internationalisation: An Indian perspective. Journal of World Business, 47, 623-634.

BANTEL, K. A. & JACKSON, S. E. 1989. Top management and innovations in banking: does the composition of the top team make a difference? Strategic management journal, 10, 107-124.

BARKER III, V. L. & MUELLER, G. C. 2002. CEO characteristics and firm R&D spending. Management Science, 48, 782-801.

BARNEY, J. 1991. Firm resources and sustained competitive advantage. Journal of management, 17, 99-120.

BARON, J. N., BURTON, M. D. & HANNAN, M. T. 1999. Engineering bureaucracy: The genesis of formal policies, positions, and structures in high-technology firms. Journal of Law, Economics, and Organization, 15, 1-41.

BARON, R. M. & KENNY, D. A. 1986. The moderator–mediator variable distinction in social psychological research: Conceptual, strategic, and statistical considerations. Journal of personality and social psychology, 51, 1173.

BEATTY, R. P. & ZAJAC, E. J. 1994. Managerial incentives, monitoring, and risk bearing: A study of executive compensation, ownership, and board structure in initial public offerings. Administrative Science Quarterly, 313-335.

BECK, T., DEMIRGÜÇ-KUNT, A., LAEVEN, L. & MAKSIMOVIC, V. 2006. The determinants of financing obstacles. Journal of International Money and Finance, 25, 932-952.

BELL, E., BRYMAN, A. & HARLEY, B. 2018. Business research methods, Oxford university press.

BELL, J. 2014. Doing Your Research Project: A guide for first-time researchers, McGraw-Hill Education (UK).

BELL, J., MURRAY, M. & MADDEN, K. 1992. Developing exportise: an Irish perspective. International Small Business Journal, 10, 37-53.

BERGLÖF, E. & CLAESSENS, S. 2006. Enforcement and good corporate governance in developing countries and transition economies. The World Bank Research Observer, 21, 123-150.

BERGLÖF, E. & VON THADDEN, E.-L. The changing corporate governance paradigm: implications for transition and developing countries. Conference Paper, Annual World Bank Conference on Development Economics, Washington DC, 1999.

BERNARD, A. B. & JENSEN, J. B. 2004. Why some firms export. Review of economics and Statistics, 86, 561-569.

BHARADWAJ, S. G., VARADARAJAN, P. R. & FAHY, J. 1993. Sustainable competitive advantage in service industries: a conceptual model and research propositions. Journal of marketing, 57, 83-99.

BILKEY, W. J. & TESAR, G. 1977. The export behavior of smaller-sized Wisconsin manufacturing firms. Journal of international business studies, 8, 93-98.

BLALOCK, G. & GERTLER, P. J. 2008. Welfare gains from foreign direct investment through technology transfer to local suppliers. Journal of international Economics, 74, 402-421.

BLALOCK, G. & SIMON, D. H. 2009. Do all firms benefit equally from downstream FDI? The moderating effect of local suppliers' capabilities on productivity gains. Journal of International Business Studies, 40, 1095-1112.

BLOME, C., SCHOENHERR, T. & ECKSTEIN, D. 2014. The impact of knowledge transfer and complexity on supply chain flexibility: A knowledge-based view. International Journal of Production Economics, 147, 307-316.

BLOMSTERMO, A., ERIKSSON, K. & SHARMA, D. D. 2004. Domestic activity and knowledge development in the internationalization process of firms. Journal of International Entrepreneurship, 2, 239-258.

BLOMSTRÖM, M. & KOKKO, A. 1998. Multinational corporations and spillovers. Journal of Economic surveys, 12, 247-277.

BOEKER, W. 1989. STRATEGIC CHANGE: THE EFFECTS OF FOUNDING AND HISTORY. Academy of Management Journal, 32, 489-515.

BRASCH, J. J. 1973. Trade credit and personalismo in Latin America. Journal of International Business Studies, 4, 31-41.

BROUTHERS, K. D. 2002. Institutional, cultural and transaction cost influences on entry mode choice and performance. Journal of international business studies, 33, 203-221.

BROUTHERS, K. D. & NAKOS, G. 2004. SME entry mode choice and performance: A transaction cost perspective. Entrepreneurship theory and practice, 28, 229-247.

BROUTHERS, K. D., NAKOS, G. & DIMITRATOS, P. 2015. SME entrepreneurial orientation, international performance, and the moderating role of strategic alliances. Entrepreneurship Theory and Practice, 39, 1161-1187.

BRUTON, G. D., AHLSTROM, D. & PUKY, T. 2009. Institutional differences and the development of entrepreneurial ventures: A comparison of the venture capital industries in Latin America and Asia. Journal of International Business Studies.

BUCKLEY, P. J. 1989. Foreign direct investment by small-and medium-sized enterprises: the theoretical background. The Multinational Enterprise. Springer.

BUCKLEY, P. J., CLEGG, J. & WANG, C. 2002. The impact of inward FDI on the performance of Chinese manufacturing firms. Journal of international business studies, 33, 637-655.

BURGESS, S. M. & STEENKAMP, J.-B. E. 2006. Marketing renaissance: How research in emerging markets advances marketing science and practice. International Journal of Research in Marketing, 23, 337-356.

BURT, R. 1992. Structural Holes. Contemporary Sociological Theory, 204.

BUSTOS, P. 2011. Trade liberalization, exports, and technology upgrading: Evidence on the impact of MERCOSUR on Argentinian firms. American economic review, 101, 304-40.

BYRNE, B. M. 2013. Structural equation modeling with Mplus: Basic concepts, applications, and programming, Routledge.

CARAYANNOPOULOS, S. & AUSTER, E. R. 2010. External knowledge sourcing in biotechnology through acquisition versus alliance: A KBV approach. Research Policy, 39, 254-267.

CARROLL, G. R. & HANNAN, M. T. 1989. On using institutional theory in studying organizational populations. American Sociological Review, 54, 545-548.

CASTROGIOVANNI, G. J. 1996. Pre-startup planning and the survival of new small businesses: Theoretical linkages. Journal of management, 22, 801-822.

CAVES, R. E. 1971. International corporations: The industrial economics of foreign investment. Economica, 38, 1-27.

CAVUSGIL, S. T. 1980. On the internationalization process of the firm. European research, 6, 273-281.

CAVUSGIL, S. T. & KNIGHT, G. 2015. The born global firm: An entrepreneurial and capabilities perspective on early and rapid internationalization. Journal of International Business Studies, 46, 3-16.

CHAN, C. M., ISOBE, T. & MAKINO, S. 2008. Which country matters? Institutional development and foreign affiliate performance. Strategic Management Journal, 29, 1179-1205.

CHAO, M. C. H. & KUMAR, V. 2010. The impact of institutional distance on the international diversity-performance relationship. Journal of World Business.

CHENG, H. L. & YU, C. M. J. 2008. Institutional pressures and initiation of internationalization: Evidence from Taiwanese small- and medium-sized enterprises. International Business Review.

CHETTY, S. & CAMPBELL-HUNT, C. 2004. A strategic approach to internationalization: a traditional versus a “born-global” approach. Journal of International marketing, 12, 57-81.

CHETTY, S., ERIKSSON, K. & LINDBERGH, J. 2006. The effect of specificity of experience on a firm's perceived importance of institutional knowledge in an ongoing business. Journal of international business studies, 37, 699-712.

CHETTY, S. K. 1999. Dimensions of internationalisation of manufacturing firms in the apparel industry. European Journal of Marketing, 33, 121-142.

CHILD, J. & HSIEH, L. H. 2014. Decision mode, information and network attachment in the internationalization of SMEs: A configurational and contingency analysis. Journal of world Business, 49, 598-610.

CHILD, J. & RODRIGUES, S. B. 2005. The Internationalization of Chinese Firms: A Case for Theoretical Extension? 1. Management and organization review, 1, 381-410.

CHILDS, P. D., OTT, S. H. & TRIANTIS, A. J. 1998. Capital budgeting for interrelated projects: A real options approach. Journal of Financial and Quantitative Analysis, 33, 305-334.

CHITTOOR, R. 2009. Internationalization of emerging economy firms-need for new theorizing. Indian Journal of Industrial Relations, 27-40.

CIESLIK, J. & KACIAK, E. 2009. The Speed of Internationalization of Entrepreneurial Start-Ups in a Transition Environment. Journal of Developmental Entrepreneurship.

CIRAVEGNA, L., LOPEZ, L. & KUNDU, S. 2014. Country of origin and network effects on internationalization: A comparative study of SMEs from an emerging and developed economy. Journal of Business Research, 67, 916-923.

CISZEWSKA-MLINARIC, M., OBLOJ, K. & WASOWSKA, A. 2018. Internationalisation choices of Polish firms during the post-socialism transition period: The role of institutional conditions at firm's foundation. Business History, 60, 562-600.

COAD, A. & TAMVADA, J. P. 2012. Firm growth and barriers to growth among small firms in India. Small Business Economics, 39, 383-400.

CONNER, K. R. 1991. A historical comparison of resource-based theory and five schools of thought within industrial organization economics: do we have a new theory of the firm? Journal of management, 17, 121-154.

CONNER, K. R. & PRAHALAD, C. K. 1996. A resource-based theory of the firm: Knowledge versus opportunism. Organization science, 7, 477-501.

COOMBS, R. & METCALFE, S. Distributed capabilities and the governance of the firm. CRIC Discussion Papers, 1998. Citeseer.

COSTA, E., SOARES, A. L. & DE SOUSA, J. P. 2016. Information, knowledge and collaboration management in the internationalisation of SMEs: a systematic literature review. International Journal of Information Management, 36, 557-569.

COVIELLO, N. & MUNRO, H. 1997. Network relationships and the internationalisation process of small software firms. International business review, 6, 361-386.

COVIELLO, N. E. 2006. The network dynamics of international new ventures. Journal of international Business studies, 37, 713-731.

COVIELLO, N. E. & MCAULEY, A. 1999. Internationalisation and the smaller firm: a review of contemporary empirical research. MIR: management international review, 223-256.

COVIN, J. G. & SLEVIN, D. P. 1989. Strategic management of small firms in hostile and benign environments. Strategic management journal, 10, 75-87.

CRICK, D. & JONES, M. V. 2000. Small high-technology firms and international high-technology markets. Journal of international marketing, 8, 63-85.

CZARNITZKI, D. & HOTTENROTT, H. 2011. R&D investment and financing constraints of small and medium-sized firms. Small Business Economics, 36, 65-83.

CZINKOTA, J. A. I. A., R. 2002. International Business. 4th ed. Harcourt Brace and Company.

CZIRÁKY, D., TIŠMA, S. & PISAROVIĆ, A. 2005. Determinants of the low SME loan approval rate in Croatia. Small Business Economics, 25, 347-372.

D'AVENI, R. A. & RAVENSCRAFT, D. J. 1994. Economies of integration versus bureaucracy costs: does vertical integration improve performance? Academy of management Journal, 37, 1167-1206.

DAI, W., LIU, Y., LIAO, M. & LIN, Q. 2018. How does entrepreneurs' socialist imprinting shape their opportunity selection in transition economies? Evidence from China's privately owned enterprises. International Entrepreneurship and Management Journal, 14, 823-856.

DANIRODRIK, B. 1996. Understanding economic policy reform. Journal of economic Literature, 34, 9-41.

DAVIDSSON, P. & HONIG, B. 2003. The role of social and human capital among nascent entrepreneurs. Journal of business venturing, 18, 301-331.

DE VRIES, M. F. K. 1993. The dynamics of family controlled firms: The good and the bad news. Organizational dynamics, 21, 59-71.

DEEG, R. & HARDIE, I. 2016. What is patient capital and who supplies it? Socio-Economic Review, 14, 627-645.

DELIOS, A. & BEAMISH, P. W. 1999. Geographic scope, product diversification, and the corporate performance of Japanese firms. Strategic management journal, 20, 711-727.

DENIS, D. J., DENIS, D. K. & SARIN, A. 1999. Agency theory and the influence of equity ownership structure on corporate diversification strategies. Strategic Management Journal, 20, 1071-1076.

DENIS, J.-E. & DEPELTEAU, D. 1985. Market knowledge, diversification and export expansion. Journal of International Business Studies, 16, 77-89.

DENYER, D. & TRANFIELD, D. 2009. Producing a systematic review. The Sage handbook of organizational research methods, 671-689.

DENZAU, A. T. & NORTH, D. C. 1994. Shared mental models: ideologies and institutions. Kyklos, 47, 3-31.

DIB, L. A., DA ROCHA, A. & DA SILVA, J. F. 2010. The internationalization process of Brazilian software firms and the born global phenomenon: Examining firm, network, and entrepreneur variables. Journal of international entrepreneurship, 8, 233-253.

DICKSON, P. H., WEAVER, K. M. & HOY, F. 2006. Opportunism in the R&D alliances of SMES: The roles of the institutional environment and SME size. Journal of Business Venturing, 21, 487-513.

DONCKELS, R. & FRÖHLICH, E. 1991. Are family businesses really different? European experiences from STRATOS. Family business review, 4, 149-160.

DOUGLAS, S. P., CRAIG, C. S. & KEEGAN, W. J. 1982. Approaches to assessing international marketing opportunities for small-sized and medium-sized companies. Columbia Journal of World Business, 17, 26-32.

DRIFFIELD, N. & LOVE, J. H. 2007. Linking FDI motivation and host economy productivity effects: conceptual and empirical analysis. Journal of international business studies, 38, 460-473.

DRUCKER, P. F. 1993. The rise of the knowledge society. The Wilson Quarterly, 17, 52-72.

DRYSDALE, P. & HUANG, Y. 1997. Technological catch-up and economic growth in East Asia and the Pacific. Economic Record, 73, 201-211.

DUNG, N. V. & JANSSEN, F. 2015. Entrepreneur's actual behavioral controls, psychic distance stimuli, and export mode choice. Journal of Developmental entrepreneurship, 20, 1550013.

DUYSTERS, G., JACOB, J., LEMMENS, C. & JINTIAN, Y. 2009. Internationalization and technological catching up of emerging multinationals: a comparative case study of China's Haier group. Industrial and Corporate Change, 18, 325-349.

EISENHARDT, K. M. 1989. Agency theory: An assessment and review. Academy of management review, 14, 57-74.

EISENHARDT, K. M. & SCHOONHOVEN, C. B. 1990. Organizational growth: Linking founding team, strategy, environment, and growth among US semiconductor ventures, 1978-1988. Administrative science quarterly, 504-529.

EKHOLM, B.-G. & WALLIN, J. 2006. Flexible budgeting under uncertainty: a real options perspective.

EMERSON, R. M. 1981. 'Social Exchange Theory'. In Rosenberg, M. and

Turner, R. (Eds), Social Psychology: Sociological Perspectives. New

York:Basic Books.

ERICKSSON, K., JOHANSON, J., MAJKGARD, A. & SHARMA, D. 1997. Experiential knowledge and cost in the internationalisation process. Journal of International Business Studies, 28, 337-360.

ERIKSSON, K. & CHETTY, S. 2003. The effect of experience and absorptive capacity on foreign market knowledge. International business review, 12, 673-695.

ERIKSSON, K., JOHANSON, J., MAJKGÅRD, A. & SHARMA, D. 1997. Experiental Knowledge and Costs in the Internationalization Process.

ERRAMILLI, M. K. & RAO, C. P. 1993. Service firms' international entry-mode choice: A modified transaction-cost analysis approach. Journal of marketing, 57, 19-38.

ESTRIN, S., BAGHDASARYAN, D. & MEYER, K. E. 2009. The impact of institutional and human resource distance on international entry strategies. Journal of Management Studies, 46, 1171-1196.

ESTRIN, S., KOROSTELEVA, J. & MICKIEWICZ, T. 2013. Which institutions encourage entrepreneurial growth aspirations? Journal of Business Venturing.

ETEMAD, H. 1999. Globalization and the small and medium-sized enterprises: search for potent strategies. Global Focus, 11, 85-104.

ETEMAD, H. 2004. Internationalization of small and medium-sized enterprises: a grounded theoretical framework and an overview. Canadian Journal of Administrative Sciences/Revue Canadienne des Sciences de l'Administration, 21, 1-21.

EVANS, D. S. 1987. The relationship between firm growth, size, and age: Estimates for 100 manufacturing industries. The journal of industrial economics, 567-581.

FABIAN, F., MOLINA, H. & LABIANCA, G. 2009. Understanding decisions to internationalize by small and medium-sized firms located in an emerging market. Management International Review, 49, 537.

FALAHAT, M., KNIGHT, G. & ALON, I. 2018. Orientations and capabilities of born global firms from emerging markets. International Marketing Review, 35, 936-957.

FELIN, T. & ZENGER, T. R. 2009. Entrepreneurs as theorists: on the origins of collective beliefs and novel strategies. Strategic Entrepreneurship Journal, 3, 127-146.

FERRO, L. M., PRÉFONTAINE, L. & SKANDER, D. 2009. How do social networks make a difference in the internationalization of high-tech SMEs? The case of Colombia. The International Journal of Entrepreneurship and Innovation, 10, 201-212.

FILATOTCHEV, I., LIU, X., BUCK, T. & WRIGHT, M. 2009. The export orientation and export performance of high-technology SMEs in emerging markets: The effects of knowledge transfer by returnee entrepreneurs. Journal of International Business Studies, 40, 1005-1021.

FILATOTCHEV, I. & TOMS, S. 2006. Corporate governance and financial constraints on strategic turnarounds. Journal of Management Studies, 43, 407-433.

FILHO, A. A. R. F. 2009. Internationalization of small- and medium-sized enterprises: a multi case study. European Business Review.

FILIPE LAGES, L. & MONTGOMERY, D. B. 2004. Export performance as an antecedent of export commitment and marketing strategy adaptation: Evidence from small and medium-sized exporters. European Journal of Marketing, 38, 1186-1214.

FILIPE LAGES, L. & MONTGOMERY, D. B. 2005. The relationship between export assistance and performance improvement in Portuguese export ventures: An empirical test of the mediating role of pricing strategy adaptation. European Journal of marketing, 39, 755-784.

FRANK, H. & HATAK, I. 2014. Doing a research literature review. How to get published in the best entrepreneurship journals, 94-117.

FREEMAN, J., CARROLL, G. R. & HANNAN, M. T. 1983. The liability of newness: Age dependence in organizational death rates. American sociological review, 692-710.

FRONE, M. R., RUSSELL, M. & COOPER, M. L. 1994. Relationship between job and family satisfaction: Causal or noncausal covariation? Journal of Management, 20, 565-579.

FULLERTON, R. R. & WEMPE, W. F. 2009. Lean manufacturing, non-financial performance measures, and financial performance. International Journal of Operations & Production Management, 29, 214-240.

GANESH, S. 1997. Who is afraid of foreign firms? Current trends in FDI in India. Economic and Political Weekly, 1265-1274.

GANKEMA, H. G., SNUIF, H. R. & ZWART, P. S. 2000. The internationalization process of small and medium-sized enterprises: an evaluation of stage theory. Journal of Small Business Management, 38, 15.

GAO, G. Y., MURRAY, J. Y., KOTABE, M. & LU, J. 2010. A "strategy tripod" perspective on export behaviors: Evidence from domestic and foreign firms based in an emerging economy. Journal of International Business Studies, 41, 377-396.

GARG, R. & KUMAR, D. K. 2014. An exposition of resource capabilities for SMEs in the emerging markets. South African Journal of Economic and Management Sciences, 17, 310-318.

GASSMANN, O. & KEUPP, M. M. 2007. The competitive advantage of early and rapidly internationalising SMEs in the biotechnology industry: A knowledge-based view. Journal of World Business, 42, 350-366.

GAUR, A. S., DELIOS, A. & SINGH, K. 2007. Institutional environments, staffing strategies, and subsidiary performance. Journal of Management, 33, 611-636.

GEDAJLOVIC, E. & SHAPIRO, D. M. 2002. Ownership structure and firm profitability in Japan. Academy of Management Journal, 45, 565-575.

GHAURI, P. N. & GRØNHAUG, K. 2005. Research methods in business studies: A practical guide, Pearson Education.

GHEMAWAT, P. & KHANNA, T. 1998. The nature of diversified business groups: A research design and two case studies. The Journal of Industrial Economics, 46, 35-61.

GHOSHAL, S. & BARTLETT, C. A. 1990. The multinational corporation as an interorganizational network. Academy of management review, 15, 603-626.

GONZALEZ-PEREZ, M. A., MANOTAS, E. C. & CIRAVEGNA, L. 2016. International SMEs from emerging markets—Insights from the Colombian textile and apparel industry. Journal of International Entrepreneurship, 14, 9-31.

GORANOVA, M., ALESSANDRI, T. M., BRANDES, P. & DHARWADKAR, R. 2007. Managerial ownership and corporate diversification: A longitudinal view. Strategic Management Journal, 28, 211-225.

GÖRG, H. & GREENAWAY, D. 2004. Much ado about nothing? Do domestic firms really benefit from foreign direct investment? The World Bank Research Observer, 19, 171-197.

GÖRG, H. & STROBL, E. 2005. Spillovers from foreign firms through worker mobility: An empirical investigation. Scandinavian Journal of Economics, 107, 693-709.

GOVORI, A. 2013. Factors affecting the growth and development of SMEs: Experiences from Kosovo. Mediterranean Journal of Social Sciences, 4, 701.

GRANT, R. M. 1991. The resource-based theory of competitive advantage: implications for strategy formulation. California management review, 33, 114-135.

GRANT, R. M. 1996a. Prospering in dynamically-competitive environments: Organizational capability as knowledge integration. Organization science, 7, 375-387.

GRANT, R. M. 1996b. Toward a knowledge-based theory of the firm. Strategic management journal, 17, 109-122.

GUILLÉN, M. F. & GARCÍA-CANAL, E. 2009. The American model of the multinational firm and the “new” multinationals from emerging economies. Academy of Management Perspectives, 23, 23-35.

GUNASEKARAN, A., RAI, B. K. & GRIFFIN, M. 2011. Resilience and competitiveness of small and medium size enterprises: an empirical research. International journal of production research, 49, 5489-5509.

GUPTA, R., CHOWDHRY, D. G. & GUPTA, S. 2010. A scaffold for accepting SMEs Internationalization: Views from Indian Experts. International Journal of Management Prudence, 1, 126.

GUPTA, V., MACMILLAN, I. C. & SURIE, G. 2004. Entrepreneurial leadership: developing and measuring a cross-cultural construct. Journal of business venturing, 19, 241-260.

HADLEY, R. D. & WILSON, H. I. 2003. The network model of internationalisation and experiential knowledge. International Business Review, 12, 697-717.

HAIR, J. F., BLACK, W. C., BABIN, B. J. & ANDERSON, R. E. 2010. Multivariate data analysis: Global edition. Pearson Higher Education Upper Saddle River, NJ.

HAIR, J. F., BLACK, W. C., BABIN, B. J., ANDERSON, R. E. & TATHAM, R. L. 2006. Multivariate data analysis (Vol. 6). Upper Saddle River, NJ: Pearson Prentice Hall.

HALL, J., MATOS, S., SHEEHAN, L. & SILVESTRE, B. 2012. Entrepreneurship and innovation at the base of the pyramid: a recipe for inclusive growth or social exclusion? Journal of Management Studies, 49, 785-812.

HALL, S. 2000. Umkämpfte Identitäten–neue Politik in der Repräsentation: das Lokale und das Globale: Globalisierung und Ethnizität. Rassismus und kulturelle Identitäten. Ausgewählte Schriften, 2, 44-65.

HAMILL, J. & GREGORY, K. 1997. Internet marketing in the internationalisation of UK SMEs. Journal of Marketing Management, 13, 9-28.

HAMILTON, B. H. & NICKERSON, J. A. 2003. Correcting for endogeneity in strategic management research. Strategic organization, 1, 51-78.

HARVIE, C. 2008. SMEs in regional trade and investment development. Tran Van Hoa and C. Harvie, Regional Trade Agreements in East Asia, 149-186.

HASKEL, J. E., PEREIRA, S. C. & SLAUGHTER, M. J. 2007. Does inward foreign direct investment boost the productivity of domestic firms? The review of economics and statistics, 89, 482-496.

HE, X., ZHANG, J. & WANG, J. 2015. Market Seeking Orientation and Performance in China: The Impact of Institutional Environment, Subsidiary Ownership Structure and Experience. Management International Review.

HIGGINS, E. T. 2005. Value from regulatory fit. Current directions in psychological science, 14, 209-213.

HILLMAN, A. J. & WAN, W. P. 2005. The determinants of MNE subsidiaries' political strategies: evidence of institutional duality. Journal of International Business Studies, 36, 322-340.

HINTON, J. A. & COLLABORATION, H. 2004. The status of the HESS project. New Astronomy Reviews, 48, 331-337.

HOLBURN, G. L. & ZELNER, B. A. 2010. Political capabilities, policy risk, and international investment strategy: Evidence from the global electric power generation industry. Strategic Management Journal, 31, 1290-1315.

HOSKISSON, R. E., EDEN, L., LAU, C. M. & WRIGHT, M. 2000a. Strategy in emerging economies. Academy of Management Journal.

HOSKISSON, R. E., EDEN, L., LAU, C. M. & WRIGHT, M. 2000b. Strategy in emerging economies. Academy of management journal, 43, 249-267.

HOSKISSON, R. E., HITT, M. A., JOHNSON, R. A. & GROSSMAN, W. 2002. Conflicting voices: The effects of institutional ownership heterogeneity and internal governance on corporate innovation strategies. Academy of Management journal, 45, 697-716.

HSU, D. H. & LIM, K. 2013. Knowledge brokering and organizational innovation: Founder imprinting effects. Organization Science, 25, 1134-1153.

HSU, W.-T., CHEN, H.-L. & CHENG, C.-Y. 2013. Internationalization and firm performance of SMEs: The moderating effects of CEO attributes. Journal of World Business, 48, 1-12.

HUTCHINSON, K., ALEXANDER, N., QUINN, B. & DOHERTY, A. M. 2007. Internationalization motives and facilitating factors: qualitative evidence from smaller specialist retailers. Journal of International Marketing, 15, 96-122.

HYMER, S. 1960. The international operations of national firms: A study of direct investment. Boston MIT Press.

HYUN, J.-H. 1994. Buyer-supplier relations in the European automobile component industry. Long Range Planning, 27, 66-75.

HYYTINEN, A. & TOIVANEN, O. 2005. Do financial constraints hold back innovation and growth?: Evidence on the role of public policy. Research Policy, 34, 1385-1403.

IBEH, K. & KASEM, L. 2011. The network perspective and the internationalization of small and medium sized software firms from Syria. Industrial Marketing Management, 40, 358-367.

IKIARA, M. M. 2003. Foreign Direct Investment (FDI), Technology Transfer, and Poverty Alleviation: Africa's.

ISMAIL, N. A. & KUIVALAINEN, O. 2015. The effect of internal capabilities and external environment on small-and medium-sized enterprises' international performance and the role of the foreign market scope: The case of the Malaysian halal food industry. Journal of International Entrepreneurship, 13, 418-451.

IVANAUSKIENE, N., AURUSKEVICIENE, V., RAMONIENE, L. & SKUDIENE, V. 2015. The relationship among e-marketing strategy and success of internationalization process of the SMEs in emerging economies. European Journal of Business and Economics, 10.

JACKSON, G. & DEEG, R. 2008. Comparing capitalisms: Understanding institutional diversity and its implications for international business. Journal of International Business Studies, 39, 540-561.

JARILLO, J. C. 1988. On strategic networks. Strategic management journal, 9, 31-41.

JAVALGI, R. R. G. & TODD, P. R. 2011a. Entrepreneurial orientation, management commitment, and human capital: The internationalization of SMEs in India

Journal of Business Research, 64, 1004-1010.

JAVALGI, R. R. G. & TODD, P. R. 2011b. Entrepreneurial orientation, management commitment, and human capital: The internationalization of SMEs in India. Journal of Business Research, 64, 1004-1010.

JESWAL, R. Role of SME in Indian economy. National Conference on Emerging challenges for sustainable business, 2012. 289-310.

JI, J. & DIMITRATOS, P. 2013. Confucian dynamism and Dunning's framework: Direct and moderation associations in internationalized Chinese private firms. Journal of Business Research, 66, 2375-2382.

JI, J., DIMITRATOS, P. & HUANG, Q. 2016. Problem-solving dissension and international entry mode performance. International Marketing Review.

JOHANSON, J. & MATTSON, L. 1988. Internationalization in industrial systems–a network approach. In: N. Hood & J.-E. Vahlne (eds), Strategies in global competition. Croom Helm.

JOHANSON, J. & VAHLNE, J.-E. 1977. The internationalization process of the firm—a model of knowledge development and increasing foreign market commitments. Journal of international business studies, 8, 23-32.

JOHANSON, J. & VAHLNE, J.-E. 1990. The mechanism of internationalisation. International marketing review, 7.

JOHANSON, J. & VAHLNE, J.-E. 2003. Business relationship learning and commitment in the internationalization process. Journal of international entrepreneurship, 1, 83-101.

JOHANSON, J. & VAHLNE, J.-E. 2009. The Uppsala internationalization process model revisited: From liability of foreignness to liability of outsidership. Journal of international business studies, 40, 1411-1431.

JOHANSON, J. & WIEDERSHEIM-PAUL, F. 1975. The internationalization of the firm—four swedish cases 1. Journal of management studies, 12, 305-323.

JOHNSON, M. 2007. The meaning of the body. Developmental perspectives on embodiment and consciousness. Psychology Press.

JONES, M. V. & COVIELLO, N. E. 2005. Internationalisation: conceptualising an entrepreneurial process of behaviour in time. Journal of International Business Studies, 36, 284-303.

JULIAN MARR & REYNARD, C. 2010. Investing in Emerging Markets — The BRIC Economies and Beyond. Controlling & Management, 54, 294-294.

KANTER, R. 1985. Supporting innovation and venture development in established companies. Journal of business venturing, 1, 47-60.

KARAGOZOGLU, N. & LINDELL, M. 1998. Internationalization of small and medium-sized technology-based firms: An exploratory study. Journal of small business management, 36, 44.

KATHURIA, V. 2001. Foreign firms, technology transfer and knowledge spillovers to Indian manufacturing firms: a stochastic frontier analysis. Applied Economics, 33, 625-642.

KAZLAUSKAITĖ, R., AUTIO, E., GELBŪDA, M. & ŠARAPOVAS, T. 2015. The resource-based view and SME internationalisation: An emerging economy perspective. Resource, 3, 53-64.

KEDIA, S. & MOZUMDAR, A. 2003. Foreign currency–denominated debt: An empirical examination. The Journal of Business, 76, 521-546.

KELLER, W. & YEAPLE, S. R. 2009. Gravity in the weightless economy.

KESKIN, H. 2006. Market orientation, learning orientation, and innovation capabilities in SMEs: An extended model. European Journal of innovation management, 9, 396-417.

KHANNA, T. & PALEPU, K. 1997. Why focused strategies may be wrong for emerging markets. Harvard business review, 75, 41-43.

KIMBERLY, J. 1979. Issues in the creation of organizations: initiation, innovation, and institutionalization. Academy of Management journal. Academy of Management.

KIMBERLY, J. R. & EVANISKO, M. J. 1981. Organizational innovation: The influence of individual, organizational, and contextual factors on hospital adoption of technological and administrative innovations. Academy of management journal, 24, 689-713.

KISS, A. N., DANIS, W. M. & CAVUSGIL, S. T. 2012. International entrepreneurship research in emerging economies: A critical review and research agenda. Journal of Business Venturing.

KLINE, R. 2005. Methodology in the social sciences.

KNIGHT, G. & CAVUSGIL, T. T. 1996. The born global firm: a challenge to traditional internationalization theory, Advances in International Marketing, 11-26.

KNIGHT, G. A. 2001. Entrepreneurship and strategy in the international SME. Journal of international management, 7, 155-171.

KNIGHT, G. A. & CAVUSGIL, S. T. 2004. Innovation, organizational capabilities, and the born-global firm. Journal of international business studies, 35, 124-141.

KOCAK, A. & ABIMBOLA, T. 2009. The effects of entrepreneurial marketing on born global performance. International Marketing Review, 26, 439-452.

KOCHANEK, S. A. & HARDGRAVE, R. L. 2007. India: Government and politics in a developing nation, Cengage Learning.

KOGUT, B. & SINGH, H. 1988. The effect of national culture on the choice of entry mode. Journal of international business studies, 19, 411-432.

KOGUT, B. & ZANDER, U. 1992. Knowledge of the firm, combinative capabilities, and the replication of technology. Organization science, 3, 383-397.

KONTINEN, T. & OJALA, A. 2011. Network ties in the international opportunity recognition of family SMEs. International Business Review, 20, 440-453.

KOR, Y. Y. & MAHONEY, J. T. 2004. Edith Penrose's (1959) contributions to the resource-based view of strategic management. Journal of management studies, 41, 183-191.

KOSTOVA, T., ROTH, K. & DACIN, M. T. 2008. Institutional theory in the study of multinational corporations: A critique and new directions. Academy of management review, 33, 994-1006.

KRIAUCIUNAS, A. & KALE, P. 2006. The impact of socialist imprinting and search on resource change: A study of firms in Lithuania. Strategic Management Journal.

KRYWULAK, T. & KUKUSHKIN, V. 2009. Big gains with small partners: What MNCs look for in their SME suppliers.

KUEMMERLE, W. 1999. The drivers of foreign direct investment into research and development: an empirical investigation. Journal of international business studies, 30, 1-24.

KUEMMERLE, W. 2002. Home base and knowledge management in international ventures. Journal of Business Venturing, 17, 99-122.

KUTLAY, M. 2011. Economy as the'practical hand'of'new Turkish foreign policy': a political economy explanation. Insight Turkey, 13, 67-88.

KUULUVAINEN, A. 2012. How to concretize dynamic capabilities? Theory and examples. Journal of Strategy and management, 5, 381-392.

LAUFS, K. & SCHWENS, C. 2014. Foreign market entry mode choice of small and medium-sized enterprises: A systematic review and future research agenda. International Business Review, 23, 1109-1126.

LEDERMAN, D., OLARREAGA, M. & PAYTON, L. 2010. Export promotion agencies: Do they work? Journal of development economics, 91, 257-265.

LEONIDOU, L. C. 1995. Export barriers: non-exporters′ perceptions. International marketing review, 12, 4-25.

LEONIDOU, L. C. & KATSIKEAS, C. S. 1996. The export development process: an integrative review of empirical models. Journal of international business studies, 27, 517-551.

LIN, S., MERCIER-SUISSA, C. & SALLOUM, C. 2016. The Chinese born globals of the Zhejiang Province: A study on the key factors for their rapid internationalization. Journal of International Entrepreneurship, 14, 75-95.

LING-YEE, L. & OGUNMOKUN, G. O. 2001. Effect of export financing resources and supply-chain skills on export competitive advantages: implications for superior export performance. Journal of World Business, 36, 260-279.

LIPSEY, R. E. 2002. Foreign direct investment, growth, and competitiveness in developing countries. The global competitiveness report, 2003, 295-305.

LITTUNEN, H. & TOHMO, T. 2003. The high growth in new metal-based manufacturing and business service firms in Finland. Small Business Economics, 21, 187-200.

LOECHER, U. 2000. Small and medium-sized enterprises–delimitation and the European definition in the area of industrial business. European Business Review, 12, 261-264.

LOSCH, B. 2012. Crisis prevention in sub-Saharan Africa. Agriculture: the key to the employment challenge. Perspective-Cirad, 1-4.

LU, H., HUANG, H. & DEVA, S. 2009. Unraveling the Puzzle of Differing Rates of FDI and FVCI in India and China. Asian Journal of Comparative Law, 4, 1-31.

LU, J. W. & BEAMISH, P. W. 2001. The internationalization and performance of SMEs. Strategic management journal, 22, 565-586.

LU, J. W. & BEAMISH, P. W. 2006a. Partnering strategies and performance of SMEs' international joint ventures. Journal of Business Venturing, 21, 461-486.

LU, J. W. & BEAMISH, P. W. 2006b. SME internationalization and performance: Growth vs. profitability. Journal of international entrepreneurship, 4, 27-48.

LUKÁCS, E. 2005. The economic role of SMEs in world economy, especially in Europe. European integration studies, 4, 3-12.

MAC, L. & EVANGELISTA, F. 2016. The relative impact of market orientation and entrepreneurship on export performance: do we really know enough? Journal of Global Marketing, 29, 266-281.

MADHOK, A. 1996. Crossroads—the organization of economic activity: Transaction costs, firm capabilities, and the nature of governance. Organization Science, 7, 577-590.

MADSEN, T. K. & SERVAIS, P. 1997. The internationalization of born globals: an evolutionary process? International business review, 6, 561-583.

MAHUTGA, M. C. & BANDELJ, N. 2008. Foreign investment and income inequality: The natural experiment of Central and Eastern Europe. International Journal of Comparative Sociology, 49, 429-454.

MALHOTRA, N. K., KIM, S. S. & PATIL, A. 2006. Common method variance in IS research: A comparison of alternative approaches and a reanalysis of past research. Management science, 52, 1865-1883.

MANOLOVA, T. S. & YAN, A. 2002. Institutional constraints and entrepreneurial responses in a transforming economy: The case of Bulgaria. International Small Business Journal, 20, 163-184.

MARCH, J. G. & CYERT, R. M. 1963. A behavioral theory of the firm, Englewood Cliffs, NJ: Prentice-Hall.

MARCH, J. G. & SIMON, H. A. 1958. Organizations John Wiley & Sons. New York.

MARKUSEN, J. R. & VENABLES, A. J. 1999. Foreign direct investment as a catalyst for industrial development. European economic review, 43, 335-356.

MARQUIS, C. & HUANG, Z. 2010. Acquisitions as exaptation: The legacy of founding institutions in the US commercial banking industry. Academy of Management Journal, 53, 1441-1473.

MARQUIS, C. & QIAO, K. 2018. Waking from Mao’s dream: Communist ideological imprinting and the internationalization of entrepreneurial ventures in China. Administrative Science Quarterly, 0001839218792837.

MARQUIS, C. & TILCSIK, A. 2013. Imprinting: Toward a multilevel theory. Academy of Management Annals, 7, 195-245.

MARTÍN-DE CASTRO, G., DELGADO-VERDE, M., NAVAS-LÓPEZ, J. E. & CRUZ-GONZÁLEZ, J. 2013. The moderating role of innovation culture in the relationship between knowledge assets and product innovation. Technological Forecasting and Social Change, 80, 351-363.

MARTIN, X. 2014. Institutional advantage. Global Strategy Journal, 4, 55-69.

MARTINEZ, R. J. & DACIN, M. T. 1999. Efficiency motives and normative forces: Combining transactions costs and institutional logic. Journal of Management, 25, 75-96.

MATHEWS, J. A. 2002. Competitive advantages of the latecomer firm: A resource-based account of industrial catch-up strategies. Asia Pacific journal of management, 19, 467-488.

MATHEWS, J. A. 2006. Dragon multinationals: New players in 21 st century globalization. Asia Pacific journal of management, 23, 5-27.

MATHIAS, B. D., WILLIAMS, D. W. & SMITH, A. R. 2015. Entrepreneurial inception: The role of imprinting in entrepreneurial action. Journal of Business Venturing, 30, 11-28.

MATLAY, H., RUZZIER, M., HISRICH, R. D. & ANTONCIC, B. 2006. SME internationalization research: past, present, and future. Journal of small business and enterprise development.

MCDOUGALL, P. P., SHANE, S. & OVIATT, B. M. 1994. Explaining the formation of international new ventures: The limits of theories from international business research. Journal of business venturing, 9, 469-487.

MCEVILY, B., JAFFEE, J. & TORTORIELLO, M. 2012. Not all bridging ties are equal: Network imprinting and firm growth in the Nashville legal industry, 1933–1978. Organization science, 23, 547-563.

MCKIERNAN, P. & MORRIS, C. 1994. Strategic planning and financial performance in UK SMEs: does formality matter? British Journal of Management, 5, S31-S41.

MEJRI, K. & UMEMOTO, K. 2010. Small-and medium-sized enterprise internationalization: Towards the knowledge-based model. Journal of International Entrepreneurship, 8, 156-167.

MESQUITA, L. F. & LAZZARINI, S. G. 2008. Horizontal and vertical relationships in developing economies: Implications for SMEs' access to global markets. Academy of Management Journal, 51, 359-380.

MEYER, K. E., MUDAMBI, R. & NARULA, R. 2011. Multinational enterprises and local contexts: The opportunities and challenges of multiple embeddedness. Journal of management studies, 48, 235-252.

MILLER, C. C. & CARDINAL, L. B. 1994. Strategic planning and firm performance: A synthesis of more than two decades of research. Academy of management journal, 37, 1649-1665.

MILLER, D. 1987. The structural and environmental correlates of business strategy. Strategic management journal, 8, 55-76.

MOHAN, R. 2002. Small-scale industry policy in India. Economic policy reforms and the Indian economy, 213.

MOHNEN, P., PALM, F. C., VAN DER LOEFF, S. S. & TIWARI, A. 2008. Financial constraints and other obstacles: are they a threat to innovation activity? De Economist, 156, 201-214.

MOHNEN, P., TIWARI, A., PALM, F. & SCHIM VAN DER LOEFF, S. 2007. Financial constraint and R&D investment: Evidence from CIS. United Nations University-Maastricht Economic and Social Research Institute ….

MORCK, R. & YEUNG, B. 1991. Why investors value multinationality. Journal of Business, 165-187.

MUSTEEN, M., DATTA, D. K. & HERRMANN, P. 2009. Ownership structure and CEO compensation: implications for the choice of foreign market entry modes. Journal of International Business Studies, 40, 321-338.

MUSTEEN, M., FRANCIS, J. & DATTA, D. K. 2010. The influence of international networks on internationalization speed and performance: A study of Czech SMEs. Journal of World Business, 45, 197-205.

NARASIMHAN, R., MV, R. K. & SRIDHAR, M. 2015. Internationalization of Technology-based SMEs in India: Critical Factors of Transformation. South Asian Journal of Management, 22.

NAROOZ, R. & CHILD, J. 2017. Networking responses to different levels of institutional void: A comparison of internationalizing SMEs in Egypt and the UK. International Business Review, 26, 683-696.

NELSON, R. R. & WINTER, S. G. 1982. The Schumpeterian tradeoff revisited. The American Economic Review, 72, 114-132.

NGUYEN, T. D., BARRETT, N. J. & FLETCHER, R. 2006. Information internalisation and internationalisation—Evidence from Vietnamese firms. International Business Review, 15, 682-701.

NJOH, A. J. 2003. Urbanization and development in sub-Saharan Africa. Cities, 20, 167-174.

NONAKA, I. 1991. Models of knowledge management in the West and Japan.

NONAKA, I. & TAKEUCHI, H. 1995. The knowledge-creating company: How Japanese companies create the dynamics of innovation, Oxford university press.

NORTH, D. C. 1990. A transaction cost theory of politics. Journal of theoretical politics, 2, 355-367.

O'GORMAN, C. & EVERS, N. 2011. Network intermediaries in the internationalisation of new firms in peripheral regions. International Marketing Review.

O'MALLEY, E. & O'GORMAN, C. 2001. Competitive advantage in the Irish indigenous software industry and the role of inward foreign direct investment. European Planning Studies, 9, 303-321.

OECD, W. 2005. Organisation for Economic Development and Co-operation: OECD Health Data 2005: Statistics and Indicators for 30 Countries. Paris, France: OECD Publishing.

OLIVARES-MESA, A. & CABRERA-SUAREZ, K. 2006. Factors affecting the timing of the export development process: does the family influence on the business make a difference? International Journal of Globalisation and Small Business, 1, 326-339.

OVIATT, B. M. & MCDOUGALL, P. P. 1994. Toward a theory of international new ventures. Journal of international business studies, 25, 45-64.

OVIATT, B. M. & MCDOUGALL, P. P. 1997. Challenges for internationalization process theory: The case of international new ventures. MIR: Management International Review, 85-99.

PALLANT, J. 2013. SPSS survival manual, McGraw-Hill Education (UK).

PANGARKAR, N. 2008. Internationalization and performance of small-and medium-sized enterprises. Journal of world business, 43, 475-485.

PANTZALIS, C. 2001. Does location matter? An empirical analysis of geographic scope and MNC market valuation. Journal of International Business Studies, 32, 133-155.

PAPADOPOULOS, N. & MARTÍN, O. M. 2010. Toward a model of the relationship between internationalization and export performance. International Business Review, 19, 388-406.

PEDERSEN, T. & PETERSEN, B. 1998. Explaining gradually increasing resource commitment to a foreign market. International business review, 7, 483-501.

PEDERSEN, T. & THOMSEN, S. 1997. European patterns of corporate ownership: A twelve-country study. Journal of International Business Studies, 28, 759-778.

PENG, M. W. 2003. Institutional transitions and strategic choices. Academy of management review, 28, 275-296.

PENG, M. W. & HEATH, P. S. 1996. The growth of the firm in planned economies in transition: Institutions, organizations, and strategic choice. Academy of Management Review.

PENG, M. W., WANG, D. Y. & JIANG, Y. 2008. An institution-based view of international business strategy: A focus on emerging economies. Journal of international business studies, 39, 920-936.

PENROSE, E. T. 1959. The theory of the growth of the firm: Oxford University Press. New York.

PERERA, S., HARRISON, G. & POOLE, M. 1997. Customer-focused manufacturing strategy and the use of operations-based non-financial performance measures: a research note. Accounting, Organizations and Society, 22, 557-572.

PEROTTI, E. C. & VON THADDEN, E.-L. 2006. The political economy of corporate control and labor rents. Journal of Political Economy, 114, 145-175.

PERRINI, F., RUSSO, A. & TENCATI, A. 2007. CSR strategies of SMEs and large firms. Evidence from Italy. Journal of business ethics, 74, 285-300.

PIERCY, N. F., KALEKA, A. & KATSIKEAS, C. S. 1998. Sources of competitive advantage in high performing exporting companies. Journal of World Business, 33, 378-393.

PODSAKOFF, P. M., MACKENZIE, S. B., LEE, J.-Y. & PODSAKOFF, N. P. 2003. Common method biases in behavioral research: A critical review of the literature and recommended remedies. Journal of applied psychology, 88, 879.

POLISCHUK, L. 2001. Small businesses in Russia: Institutional environment. University of Maryland, Iris Working Paper, 240.

PRADHAN, J. P. & DAS, K. 2015. Regional export advantage of rising power SMEs: Analytics and determinants in the Indian context. Critical perspectives on international business, 11, 236-258.

PRIETO, I. M. & REVILLA, E. 2006. Learning capability and business performance: a non-financial and financial assessment. The learning organization, 13, 166-185.

QIAN, G. 2002. Multinationality, product diversification, and profitability of emerging US small-and medium-sized enterprises. Journal of business Venturing, 17, 611-633.

QIN, D. 2015. Time to demystify endogeneity bias. SOAS Department of Economics Working Paper.

QUINN, J. B. 1992. Intelligent Enterprise: A Knowledge and Service Based Paradigm for Industr, Simon and Schuster.

RAHMADDI, R. & ICHIHASHI, M. 2011. Exports and economic growth in Indonesia: A causality approach based on multi-variate error correction model. Journal of International Development and Cooperation, 17, 53-73.

RAJU, D. K. 2008. Small and Medium Enterprises (SMEs) in India: Past, Present and Future.

RANDØY, T. & GOEL, S. 2003. Ownership structure, founder leadership, and performance in Norwegian SMEs: implications for financing entrepreneurial opportunities. Journal of business venturing, 18, 619-637.

RASHEED, H. S. 2005. Foreign entry mode and performance: The moderating effects of environment. Journal of Small Business Management, 43, 41-54.

RAY, P. 2015. The Ascent and Decline of Reservation in Indian Small Scale Industries: Evolution of the Policy Environment.

REDDY, Y. & NAIK, S. S. 2011. Determinants of Goan SME firms going global: Theoretical and empirical approach. Vikalpa, 36, 45-58.

REID, S. 1983. Firm internationalization, transaction costs and strategic choice. International marketing review, 1, 44-56.

REID, S. D. 1981. The decision-maker and export entry and expansion. Journal of international business studies, 12, 101-112.

RODRIGUEZ-CLARE, A. 1996. Multinationals, linkages, and economic development. The American Economic Review, 852-873.

RODRIGUEZ-CLARE, A. & ALFARO, L. Multinationals and linkages: an empirical investigation. 2004 Meeting Papers, 2004. Society for Economic Dynamics.

ROGERS, E. M. 1962. Diffusion of Innovations. Free Press, New York.

ROZTOCKI, N. & ROLAND WEISTROFFER, H. 2008. Information technology in transition economies. Taylor & Francis.

RUSSO, A. & PERRINI, F. 2010. Investigating stakeholder theory and social capital: CSR in large firms and SMEs. Journal of Business ethics, 91, 207-221.

RUZZIER, M., ANTONČIČ, B. & KONEČNIK, M. 2006. The resource-based approach to the internationalisation of SMEs: Differences in resource bundles between internationalised and non-internationalised companies. Zagreb International Review of Economics & Business, 9, 95-116.

SALAS, W. G. V. & DENG, Z. 2017. High ownership concentration and exporting of emerging market firms: evidence from Peru. Frontiers of Business Research in China, 11, 17.

SANDBERG, S. & JANSSON, H. 2014. Collective internationalization–a new take off route for SMEs from China. Journal of Asia Business Studies.

SANDERS, J. I., HANGYA, B. & KEPECS, A. 2016. Signatures of a statistical computation in the human sense of confidence. Neuron, 90, 499-506.

SAPIENZA, H. J., AUTIO, E., GEORGE, G. & ZAHRA, S. A. 2006. A capabilities perspective on the effects of early internationalization on firm survival and growth. Academy of management review, 31, 914-933.

SARBAPRIYA, R. 2011. Explaining Cointegration and Causality between Foreign Trade and Economic Growth: Econometric Evidence from India‖. International Journal of Contemporary Business Studies, 2.

SAVIGNAC, F. 2008. Impact of financial constraints on innovation: What can be learned from a direct measure? Econ. Innov. New Techn., 17, 553-569.

SAXENIAN, A. 2006. International Mobility of Engineers and the Rise of Entrepreneurship in the Periphery, Research Paper, UNU-WIDER, United Nations University (UNU).

SAXENIAN, A. 2007. The new argonauts: Regional advantage in a global economy, Harvard University Press.

SCHEIN, E. H. 1983. The role of the founder in creating organizational culture. Organizational Dynamics, 12, 13-28.

SENIK, Z. C., ISA, R. M., SHAM, R. M. & AYOB, A. H. 2014. A model for understanding SMEs internationalization in emerging economies. Jurnal Pengurusan (UKM Journal of Management), 41.

SENIK, Z. C., SCOTT-LADD, B., ENTREKIN, L. & ADHAM, K. A. 2011. Networking and internationalization of SMEs in emerging economies. Journal of International Entrepreneurship, 9, 259-281.

SHAH, J. 2009. Supply chain management: Text and Cases, Pearson Education India.

SHAH, R. & GOLDSTEIN, S. M. 2006. Use of structural equation modeling in operations management research: Looking back and forward. Journal of Operations management, 24, 148-169.

SHAPERO, A. & SOKOL, L. 1982. The social dimensions of entrepreneurship. Encyclopedia of entrepreneurship, 72-90.

SHEN, Y., SHEN, M., XU, Z. & BAI, Y. 2009. Bank size and small-and medium-sized enterprise (SME) lending: Evidence from China. World development, 37, 800-811.

SHINKLE, G. A. & KRIAUCIUNAS, A. P. 2012. The impact of current and founding institutions on strength of competitive aspirations in transition economies. Strategic Management Journal, 33, 448-458.

SHIRODKAR, V. & KONARA, P. 2017. Institutional distance and foreign subsidiary performance in emerging markets: Moderating effects of ownership strategy and host-country experience. Management International Review, 57, 179-207.

SHIRODKAR, V., KONARA, P. & MCGUIRE, S. 2017. Home-institutional imprinting and lobbying expenditure of foreign firms: moderating effects of experience and technological intensity. British Journal of Management, 28, 589-608.

SHIROKOVA, G. & TSUKANOVA, T. 2012. The influence of institutional environment on the degree of SMEs internationalization from transition,'Vestnik of Saint Petersburg State University', Management series. Saint Petersburg State University, Saint Petersburg.

SHRADER, R. C., OVIATT, B. M. & MCDOUGALL, P. P. 2000. How new ventures exploit trade-offs among international risk factors: Lessons for the accelerated internationization of the 21st century. Academy of Management journal, 43, 1227-1247.

SHRADER, R. C. & SIMON, M. 1997. Corporate versus independent new ventures: Resource, strategy, and performance differences. Journal of Business Venturing, 12, 47-66.

SINGH, R. K., GARG, S. K. & DESHMUKH, S. 2005. Development of flexible strategies by Indian SMEs in electronics sector in emerging economy. Global Journal of Flexible Systems Management, 6, 15-26.

SINHA, P., AKOORIE, M. E., DING, Q. & WU, Q. 2011. What motivates manufacturing SMEs to outsource offshore in China? Comparing the perspectives of SME manufacturers and their suppliers. Strategic Outsourcing: An International Journal, 4, 67-88.

SMALLBONE, D., WELTER, F., VOYTOVICH, A. & EGOROV, I. 2010. Government and entrepreneurship in transition economies: the case of small firms in business services in Ukraine. The service industries Journal, 30, 655-670.

SMARZYNSKA JAVORCIK, B. 2004. Does foreign direct investment increase the productivity of domestic firms? In search of spillovers through backward linkages. American economic review, 94, 605-627.

SOGORB-MIRA, F. 2005. How SME uniqueness affects capital structure: Evidence from a 1994–1998 Spanish data panel. Small business economics, 25, 447-457.

SPEKMAN, R. E., KAMAUFF JR, J. W. & MYHR, N. 1998. An empirical investigation into supply chain management: a perspective on partnerships. Supply Chain Management: An International Journal, 3, 53-67.

STEWART, G. 1997. Supply-chain operations reference model (SCOR): the first cross-industry framework for integrated supply-chain management. Logistics information management, 10, 62-67.

STINCHCOMBE, A. L. 1965. Organizations and social structure. Handbook of organizations, 44, 142-193.

STOIAN, M.-C., DIMITRATOS, P. & PLAKOYIANNAKI, E. 2018. SME internationalization beyond exporting: A knowledge-based perspective across managers and advisers. Journal of World Business, 53, 768-779.

STOREY, D. 1994. Understanding the Small Business Sector. Routledge, London, UK: London: Thompson.

SUH, Y. & KIM, M. 2012. Effects of SMEs' collaboration on service R&D in open innovation. Innovation: Management, Policy & Practice, 14, 350-64.

SUHR, D. D. 2006. Exploratory or confirmatory factor analysis?

SUN, P. & HESHMATI, A. 2010. International trade and its effects on economic growth in China.

SWAMINATHAN, A. 1996. Environmental conditions at founding and organizational mortality: A trial-by-fire model. Academy of management journal, 39, 1350-1377.

TABACHNICK, B. G. & FIDELL, L. S. 2013. Using multivariate statistics, 6th edn Boston. Ma: Pearson.

TAN, T. Z., QUEK, C. & NG, G. S. 2007. BIOLOGICAL BRAIN-INSPIRED GENETIC COMPLEMENTARY LEARNING FOR STOCK MARKET AND BANK FAILURE PREDICTION 1. Computational Intelligence, 23, 236-261.

TANTRI, M. L. 2011. Trade Performance of SEZs in India: A Disaggregated-level Analysis. Margin: The Journal of Applied Economic Research, 5, 267-288.

TAREK, B. H., ADEL, G. & SAMI, A. 2016. The relationship between 'competitive intelligence'and the internationalization of North African SMEs. Competition & Change, 20, 326-336.

TEECE, D. J., PISANO, G. & SHUEN, A. 1997. Dynamic capabilities and strategic management. Strategic management journal, 18, 509-533.

TEEGEN, H., DOH, J. P. & VACHANI, S. 2004. The importance of nongovernmental organizations (NGOs) in global governance and value creation: An international business research agenda. Journal of international business studies, 35, 463-483.

TEIXEIRA, W. B. 2014. Presença e Funções do Espanhol no Alto Rio Negro/Am: considerações políticas e históricas.

TERPSTRA, V. & YU, C.-M. 1988. Determinants of foreign investment of US advertising agencies. Journal of International business studies, 19, 33-46.

TERZIOVSKI, M. 2010. Innovation practice and its performance implications in small and medium enterprises (SMEs) in the manufacturing sector: a resource-based view. Strategic Management Journal, 31, 892-902.

THAI, M. T. T. & CHONG, L. C. 2008. Born-global: The case of four Vietnamese SMEs. Journal of international entrepreneurship, 6, 72.

THOMAS, D. E. & EDEN, L. 2004. What is the shape of the multinationality-performance relationship? Multinational Business Review, 12, 89-110.

TIWARI, S. K., SEN, S. & SHAIK, R. 2016. Internationalization: A study of small firms from emerging markets. The Journal of Developing Areas, 50, 355-364.

TODD, P. R. & JAVALGI, R. G. 2007. Internationalization of SMEs in India: Fostering entrepreneurship by leveraging information technology. International journal of emerging markets, 2, 166-180.

TOFFLER, A. 1990. Powershift: Knowledge. Wealth and Violence at the Edge of the 21st Century.

TONOYAN, V., STROHMEYER, R., HABIB, M. & PERLITZ, M. 2010. Corruption and Entrepreneurship: How Formal and Informal Institutions Shape Firm Behavior in Mature and Emerging Market Economies. Entrepreneurship: Theory and Practice.

TOVSTIGA, G., DEN HAMER, P., POPOVA, V. A., EFIMOV, I. P., MOSKALEV, S. V. & BORTNIK, I. M. 2004. Preparing Russian small innovative enterprises for international competitiveness: a scoping study. Journal of International Entrepreneurship, 2, 89-108.

TRANFIELD, D., DENYER, D. & SMART, P. 2003. Towards a methodology for developing evidence-informed management knowledge by means of systematic review. British journal of management, 14, 207-222.

ULLMAN, J. B. & BENTLER, P. M. 2003. Structural equation modeling. Handbook of psychology, 607-634.

UNER, M. M., KOCAK, A., CAVUSGIL, E. & CAVUSGIL, S. T. 2013. Do barriers to export vary for born globals and across stages of internationalization? An empirical inquiry in the emerging market of Turkey. International Business Review, 22, 800-813.

VOLCHEK, D., HENTTONEN, K. & EDELMANN, J. 2013. Exploring the role of a country's institutional environment in internationalization: strategic responses of SMEs in Russia. Journal of East-West Business, 19, 317-350.

VOS, E., YEH, A. J.-Y., CARTER, S. & TAGG, S. 2007. The happy story of small business financing. Journal of Banking & finance, 31, 2648-2672.

VOULGARIS, F., ASTERIOU, D. & AGIOMIRGIANAKIS, G. 2004. Size and determinants of capital structure in the Greek manufacturing sector. International Review of Applied Economics, 18, 247-262.

WADHWA, P., MCCORMICK, M. & MUSTEEN, M. 2017. Technological innovation among internationality active SMEs in the Czech economy: Role of human and social capital of CEO. European Business Review, 29, 164-180.

WEI, Y. & LIU, X. 2006. Productivity spillovers from R&D, exports and FDI in China's manufacturing sector. Journal of international business studies, 37, 544-557.

WEINTRAUB, E. R. 2002. How economics became a mathematical science, Duke University Press.

WELSH, J. A. & WHITE, J. F. 1981. Small business ratio analysis: A cautionary note to consultants. Journal of Small Business Management (pre-1986), 19, 20.

WERNERFELT, B. 1984. A resource-based view of the firm. Strategic management journal, 5, 171-180.

WESTHEAD, P., WRIGHT, M. & UCBASARAN, D. 2001. The internationalization of new and small firms: A resource-based view. Journal of business venturing, 16, 333-358.

WIJESINGHE, J. M. C. 2012. Evidence of Strategic Behaviour: An Empirical Study of Management Practice in Sri Lankan Manufacturing Sector Small and Medium Enterprises (SMEs). Swinburne University of Technology.

WIKLUND, J. & SHEPHERD, D. 2003. Knowledge-based resources, entrepreneurial orientation, and the performance of small and medium-sized businesses. Strategic management journal, 24, 1307-1314.

WONG, C., SKIPWORTH, H., GODSELL, J. & ACHIMUGU, N. 2012. Towards a theory of supply chain alignment enablers: a systematic literature review. Supply Chain Management: An International Journal, 17, 419-437.

WRIGHT, M., FILATOTCHEV, I., HOSKISSON, R. E. & PENG, M. W. 2005. Strategy research in emerging economies: Challenging the conventional wisdom. Journal of management studies, 42, 1-33.

WU, A. & ZHOU, L. 2018. Understanding earliness of internationalization and its impact on postentry geographic diversity of international young ventures. Journal of International Marketing, 26, 62-79.

XIE, Y. H. & AMINE, L. S. 2009. Social networks and the internationalization of Chinese entrepreneurs. Global Business and Organizational Excellence, 29, 61-78.

YLI-RENKO, H., AUTIO, E. & SAPIENZA, H. J. 2001. Social Capital, Knowledge Acquisition, and Knowledge Exploitation in Young Technology-Based Firms. Strategic Management Journal, 22, 587-613.

YLI-RENKO, H., AUTIO, E. & TONTTI, V. 2002. Social capital, knowledge, and the international growth of technology-based new firms. International business review, 11, 279-304.

YLI-RENKO, H., AUTIO, E. & SAPIENZA, H. J. 2001. Social capital, knowledge acquisition, and knowledge exploitation in young technology-based firms. Strategic management journal, 22, 587-613.

ZAHEER, S. 1995. Overcoming the liability of foreignness. Academy of Management journal, 38, 341-363.

ZAHRA, S. A. 2005. A theory of international new ventures: a decade of research. Journal of International Business Studies, 36, 20-28.

ZAHRA, S. A. & GEORGE, G. 2002. Absorptive capacity: A review, reconceptualization, and extension. Academy of management review, 27, 185-203.

ZAHRA, S. A., IRELAND, R. D. & HITT, M. A. 2000. International expansion by new venture firms: International diversity, mode of market entry, technological learning, and performance. Academy of Management journal, 43, 925-950.

ZAIN, M. & NG, S. I. 2006. The impacts of network relationships on SMEs' internationalization process. Thunderbird international business review, 48, 183-205.

ZAJAC, E. J. & WESTPHAL, J. D. 1994. The costs and benefits of managerial incentives and monitoring in large US corporations: When is more not better? Strategic management journal, 15, 121-142.

ZENG, S. X., XIE, X. M. & TAM, C. M. 2010. Relationship between cooperation networks and innovation performance of SMEs. Technovation, 30, 181-194.

ZHANG, J. & CHEN, L. 2014. The review of SMEs open innovation performance. American Journal of Industrial and Business Management, 4, 716.

ZHANG, X., MA, X. & WANG, Y. 2012. Entrepreneurial orientation, social capital, and the internationalization of SMEs: Evidence from China. Thunderbird International Business Review, 54, 195-210.

ZHANG, X., MA, X., WANG, Y. & WANG, Y. 2014. How can emerging market small and medium-sized enterprises maximise internationalisation benefits? The moderating effect of organisational flexibility. International Small Business Journal, 32, 667-692.

ZHOU, L. 2007. The effects of entrepreneurial proclivity and foreign market knowledge on early internationalization. Journal of World Business, 42, 281-293.

ZHOU, L., WU, W.-P. & LUO, X. 2007. Internationalization and the performance of born-global SMEs: the mediating role of social networks. Journal of international business studies, 38, 673-690.