

THE INTERNATIONALISATION DECISION OF THE ENDOWED SME

HEBA YOUNIS

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I am sitting on a branded Fendi soft leather sofa in the reception lounge of the company, where the floor is made of marble and mahogany wood, and an enormous crystal chandelier is hanging from the high ceiling. This was my third interview with the founder of the Small Medium Enterprise (SME) since embarking upon the PhD journey. One Tagalog tea girl came to ask, “*What would you like to drink, Madame?*” I asked for a glass of water; she came back with water in a crystal Bohemian glass served on a nice silver tray. She then asked, “*Madame, would you like some dates?*” She came back with a big tray of dates dipped in Swiss chocolate. She smiled, and bowed so I could take one, before putting the tray on the coffee table.

This was the setting of my PhD empirical fieldwork examining the internationalisation decisions of SMEs established and operating in the State of Qatar.

To my late father

Abstract

To date the prevailing view on SME internationalisation assumes that SMEs operate under resource-constraint limitations. To some extent, the development of knowledge is hindered by this generally accepted assumption. This research aims to contribute to knowledge by offering an understanding of how resource-abundant rather than resource-constraint conditions affect Small- and Medium-sized Enterprises' (SMEs) internationalisation decision. This is achieved by examining eight SMEs operating in a munificent business context, specifically, the State of Qatar, which is one of the richest if not the wealthiest country in the Arab Gulf region. More specifically, the case study research investigates how operating in resource-abundant conditions affects specific aspects of the internationalisation decision such as selection of market, entry modes and internationalisation approach. The findings come from a qualitative cross-sectional study. The data collection methods comprise 38 semi-structured interviews.

Based on interpretivist epistemology, the research pays specific attention to how SMEs identify and define munificence in the context of their internationalisation and how munificence influences SMEs' internationalisation decision. The present research extends the previous work on how resources influence SMEs' internationalisation and on the role of context on SMEs' internationalisation. It contributes to knowledge by providing a novel synthesis of munificence by confirming the financial-market related parameters of the construct and recognising the influence of the formal and informal dimensions of the home market institutional context in extending the financial-market dimension of munificence. Additionally, it advocates that there is an intangible dimension of munificence, which is co-created by the interrelationship dynamics between the formal and informal dimensions of the institutional context and the founder's domestic social and symbolic capitals in the home country. The research illustrates how the different dimensions of munificence influence SMEs' socially constructed realities in the context of their internationalisation.

To this end, the present case study research establishes the significance of context on SMEs' internationalisation decision and the findings highlight the instrumentality of munificence in enabling initial internationalisation yet limiting and constraining progressive internationalisation. It also establishes that resource-abundant conditions prompt the development of early internationals and 'born regional' SMEs that adopt low-commitment entry modes to regional markets with low psychic distance. Furthermore, the research establishes a link between the formal dimension of the institutional context and manufacturing SMEs' deliberate accumulation of operational slack resources and highlights that SMEs internationalizing from munificent business environment structure resource portfolios which does not rely on deploying technological resources or innovative capabilities.

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The PhD would never have been completed if it had not been for the loving and unconditional support of my family. My mother and my sister have always been by my side and graced me with their faith in times when I doubted myself. I am indebted to my husband, who has been the most wonderful and supportive partner I could ever ask for. For his care and encouragement, I will remain ever grateful. I want to thank my loving and caring son for his patience and understanding. Although he was only nine years when I started my PhD, he understood that his mum was a student and tried to be as independent as possible to ‘free’ his mum to be able to ‘study’.

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List of Abbreviations

SMEs Small and Medium sized Enterprises

RBV Resource Based View

SCT Social Capital Theory

IBV Institutional Based View

IMF International Monetary Fund

GEM Global Economic Monitor

QDB Qatar Development Bank

FDI Foreign Direct Investment

CHAPTER ONE: INTRODUCTION

1.1 Introduction

It is observed that Small- and Medium-sized Enterprises (SMEs) play a significant role in both developed and developing economies, and have a central position on policy agendas (OECD, 2017). It is not surprising; therefore, that research on the internationalisation of SMEs has captured the growing interest of scholars (Terjesen et al., 2016). It is arguably one of the most profound business phenomena of the 20th century (e.g., Oviatt and McDougall, 1994; Knight and Cavusgil, 2004; Rialp et al., 2005; Cavusgil and Knight, 2015; Child et al., 2017).

While there is voluminous literature on SME internationalisation in International Business (IB) and International Entrepreneurship (IE) disciplines (see reviews by Jones et al., 2011; Terjesen et al., 2016; Elbanna et al., 2017; Kiss et al., 2017), the overriding standing proposition of the literature compiled to date establishes that SMEs are marginally resourced entities (Oviatt and McDougall, 2005; Zahra, 2005; Coviello and Cox, 2006; Jones et al., 2011; Finchelstein, 2017). It is suggested that SMEs also face difficulties acquiring resources; therefore, resource-constraint considerations limit their internationalisation (Bacq et al., 2017; Finchelstein, 2017). To some extent, the development of knowledge is hindered by the generally accepted assumption that SMEs operate under resource-constraint limitations (see reviews by Laufs and Schwens, 2014; Terjesen et al., 2016; Akbar et al., 2018).

As several economic reports on entrepreneurship, economic development and SME internationalisation in Asia and the Middle East reflect, SMEs in these business contexts do not operate under resource-constraint conditions (GEM, 2017; IMF, 2016). In the context of this research, an endowed SME is an organisation that employs between 10 and 250 employees and its turnover does not exceed EUR 50 mln, it derives at least 10% of its total sales from international business. The minimum paid-up capital is USD 1 mln (QAR 3.6 mln). SMEs in these contexts operate knowing they have relatively easy and guaranteed access to resources, including credit finance, government subsidies and grants, as well as advisory, technical and, at times, managerial support.

Although IB scholars have, over the past few decades, offered explanations about factors that may either impede or induce internationalisation (Paul et al., 2017; Narooz and Child, 2017), the field still anchors on the same proposition: that SMEs operate within resource-constraint parameters. An emergent dialogue within the IB and IE literatures has

started to address the role of resources in shaping SME internationalisation. Nevertheless, this stream mainly captures the role of knowledge resources in triggering early internationalisation (Oviatt and McDougall, 1994, 2005; Cavusgil and Knight, 2015). A more holistic approach emphasising the significance of resources and context in shaping internationalisation decision is needed (Elbanna et al., 2017). Therefore, the present research aims to answer the following research question: How do resource-abundant conditions affect the internationalisation decision of SMEs? It is expected that examining the internationalisation decisions in munificent business contexts will contribute to the discussions on SMEs' internationalisation and, more importantly, challenge existing theorising.

This research is informed by the view that the success of an SME's internationalisation is linked to that SME's resources (Knight and Kim, 2009; Bacq et al., 2017) and advances that the internationalisation process does not unfold in a vacuum but is rather influenced by the environmental context surrounding the SME (Shepherd and Rudd, 2014; Child et al., 2017). The research aims to contribute to knowledge by challenging the dominant standing proposition that SMEs are marginally resource entities and, rather than examining the internationalisation decision of SMEs in resource-scarce conditions, examine them instead in resource-abundant conditions. The literature review in later chapters outlines the theoretical basis in resource and internationalisation theories. The findings provide a new synthesis of how SMEs identify and define munificence in the context of their internationalisation and how resource-abundant conditions affect an SME's internationalisation decision.

It was therefore necessary to select a country or a region that reflects these conditions of munificence. The Arab States of the Persian Gulf, which includes Saudi Arabia, the United Arab Emirates (UAE), Kuwait, Oman, Bahrain and Qatar, were identified as a suitable context in which to conduct the empirical investigation. They were selected because they are high-income economies, which generate significant revenues from the sale of oil and gas. Furthermore, recent economic reports indicate they achieved reasonable progress in diversifying their economies from reliance on hydrocarbon revenues through developing and fostering SMEs and small businesses (IMF, 2018). The Gulf region is alluring and attractive due to its pool of natural resources, economic attractions and its new and modern infrastructures (Ronen and Shenkar, 2017). They are Arab Islamic countries ruled by hereditary monarchies; they have – with some inter-country differences – vast natural resources of oil and gas (IMF, 2016). With the economic prosperity that ensued from the discovery of oil, the region's economies witnessed structural changes and a major drive to build up infrastructure and oil and

gas industries. The Gulf countries are projected to grow even further as an economic and trading hub and the GDP of the Gulf countries is expected to hit USD 2 trillion in 2020 (Sidani and Al Ariss, 2014).

The State of Qatar was identified as one of the wealthiest economies in the world based on gross domestic per capita income, ranking between fifth and seventh in the world for 2015 and 2016, thus rendering it the ideal placement for this empirical study, it is identified as the richest country in the Arab cluster (Ronen and Shenkar, 2017). Moreover, the State of Qatar is undergoing an aggressive strategy to expand the SME sector in order to achieve its objectives to diversify its economy away from the hydrocarbon revenues. Recent reports indicate that the Qatari government has recently invested an amount in excess of USD 850MM to establish new industrial zones and extend start-up grants and subsidies to eligible national SMEs (IMF, 2018).

Examining SME internationalisation literature indicates that the majority of research relies on collating feedback from a single respondent, particularly, the entrepreneur. This approach was recently criticised (Jones et al., 2011; Nummela et al., 2014) for its biased findings, and therefore the present thesis is designed to interview multiple participants from each SME case through an embedded case research design (Yin, 2017). Incorporating collective feedback is considered knowledge and a methodological contribution since there is scarcity in research exploring SME internationalisation decisions from multiple perspectives (Scholes et al., 2016). A detailed presentation of the research methodology is presented in Chapter Four: Research Methodology.

1.2 SME Internationalisation in Context

Large, medium and small organisations endure exogenous pressures and endogenous constraints when they wish to internationalise. Compared to large organisations, SMEs have limited resources, which impedes them from engaging in international operations as they will suffer from liability of smallness (Coviello and Murno, 1997; Rugman and Verbeke, 2007; Chetty and Agndal, 2007) and liability of newness (Han, 2006). The dominant view in the literature establishes that the SME's or, more precisely, the entrepreneur's international network relationships and his/her innovative capabilities are the fundamental resources for an SME's internationalisation (Coviello, 2006; Narooz and Child, 2017; Francioni et al., 2017).

Large and small organisations operate in the ambit of an environment (Knight and Liesch, 2016). As Sadler (1996) put it, organisations must bow to the constraints and opportunities imposed by their external environment to accommodate environmental stress.

Outcomes are not solely dependent on an organisation's resources; outcomes depend on the extent to which resources fit with the external environment (Sirmon et al., 2007). As the explanatory power of internationalisation paradigms extensively depends on environmental contexts (Zahra and George, 2002), there exist several ways of characterising and describing business environments. Following Whetten and Aldrich (1999), Dess and Beard (1984) and Castrogiovanni (1991), the three main dimensions are: dynamism, munificence and complexity. Of particular relevance to the present thesis is the dimension of munificence, which captures the extent to which critical resources are available to firms in their environments, and the ability of the business environment to sustain an organisation's growth (Dess and Beard, 1984; Castrogiovanni, 1991). Research on the internationalisation of SMEs has primarily focused on the absolute levels of resources and has barely addressed the idiosyncrasies of operating in munificent contexts with access to a pool of resources (Brouthers et al., 2015; Bacq et al., 2017).

Institutions constitute an important component of the SME's external business context as it affects their sense making of the opportunities available (Finchelstein, 2017). In fact, *"institutions directly determine what arrows a firm has in its quiver as it struggles to formulate and implement strategy"* (Ingram and Silverman, 2002: 18). In the IB literature, a few studies already address the importance of institutions in SME internationalisation (Chittoor et al., 2008; Guar et al., 2014). However, capturing the specific mechanisms by which governments can decisively influence internationalisation for SMEs is still under-developed (Finchelstein, 2017) and a comprehensive examination of the interaction between organisations and institutions is overlooked (see critique by Narayanna and Fahey, 2005). Although the literature traditionally establishes that an organisation's embeddedness in the domestic context and location within the social structure may allow it to benefit from an array of opportunities (Nahapiet and Ghoshal, 1998; Adler and Kwon, 2002; Kiss and Danis, 2010), the SME internationalisation literature still primarily focuses on examining founder's international relationships (Love and Roper, 2015).

It was necessary to locate a theory that would allow the empirical investigation to challenge a dominant standing proposition in the SME internationalisation literature, and explain the different aspects of SME internationalisation when pursued under resource-abundant rather than resource-constraint conditions. Resource Based View (RBV) along with internationalisation theory were initially identified. As the thesis examined configuration of resources at the firm's level and transitioned the unit of analysis to the broader context, the

RBV on its own did not provide holistic account of the SME internationalisation phenomenon in munificent business context. The internationalisation phenomenon in munificent context had to be co-examined with both the Institutional Based View (IBV) and social capital theorising. The two views allowed the present research to conceptualise the research's knowledge contribution because their theoretical underpinnings transitioned the analysis from the firm's level to the broader context. The theoretical underpinnings of social capital theory and IBV captured the micro and macro dimensions of munificence. The macro dimension resides within the institutional context in which the SME operates while the micro level emanates from the founder's domestic social capital and status in the home market. The two dimensions interacted and co-created munificence that influenced SMEs in the context of their internationalisation and as earlier identified the foundations of the RBV did not provide a comprehensive account to explain how SMEs identified munificence in the context of their internationalisation. In the literature review chapters, theoretical underpinnings and gaps will be explored and discussed. The next section outlines the thesis's research question, aims and objectives, and then presents the research strategy of the empirical investigation.

1.3 Research Question

The main aim of this thesis is to contribute to the IB and IE literatures by challenging the dominant standing proposition that SMEs are marginally resourced entities (Zahra, 2005; Paul et al., 2017) by identifying in which way munificent context may affect SME internationalisation decisions. Specifically, the research question the present thesis addresses is: How do resource-abundant conditions affect SMEs' internationalisation decision?

The main objectives of the present research are:

1. To explore the types of resources available to SMEs operating in munificent business environments when they undertake an internationalisation decision.
2. To explore the nature of munificence affecting SMEs' internationalisation decision.
3. To investigate and describe the internationalisation modes SMEs emanating from a munificent business environment pursue, and specifically explain why they opt for these particular modes.
4. To explore which international markets SMEs emanating from a munificent business environment venture to and why.

5. To explore the internationalisation approach SMEs emanating from a munificent business environment adopt and investigate the relevant antecedents behind the selected approach. The examination of SME's approach involves identifying whether the SME was reactive or proactive when deciding on internationalisation and the timing (lateness/earliness) of SME's internationalisation.

1.4 An Overview of the Research Approach and Empirical Investigation

Given the limited theory about how endowed SMEs internationalise and how munificence affects internationalisation decisions, an inductive multiple-case study research was adopted (Eisenhardt, 1989; Eisenhardt, and Graebner, 2007; Yin, 2017). The present research adopts a qualitative research strategy and an interpretative epistemology to examine SMEs' internationalisation decision in resource-abundant conditions. The multiple case study research draws on eight SMEs operating in the State of Qatar. Employing multiple-case study research enabled the thorough investigation of findings (Yin, 2017) to challenge the predominant assumption that SMEs are marginally resourced (Coviello and Munro, 1997; Oviatt and McDougall, 2005; McDougall-Covin et al., 2014).

The purposeful sample identified a set of firms that met certain criteria. These were, firstly, size (the firm selected should employ between 10 and 250 employees) and turnover (not larger than EUR 50 mln) to ensure it falls into the EU SME category (European Commission, 2015). Thirdly, the minimum paid-up capital is USD 1 mln (QAR 3.6 mln). An embedded approach to case study research (Yin, 2017) was adopted, interviewing middle- and top-level managers involved in the SME's internationalisation decision. The selected SME should have been operating in overseas markets for a period of at least two years, to allow for the examination of their completed internationalisation decision.

The main method of data collection was semi-structured interviews, which were conducted with the senior decision-maker and members of the top- and middle-level management who were involved in the planning and implementation of the SME's identified internationalisation decision. Participants were required to discuss retrospectively an internationalisation decision that was not more than two years old to minimise retrospective bias (Yin, 2017). The decision was identified and selected by the most senior manager, typically the CEO or Chairman of each case, and then the participants in subsequent interviews of the same case were asked to relate to the same particular decision and respond to the

questions. The focus on a single decision facilitated the collection of detailed and comprehensive data and minimised participants' distraction. The methodology literatures establish that focusing on a single event enables the rich description of a phenomenon, while collecting evidence from multiple participants mitigates the risk of bias (Eisenhardt, 1989; Eisenhardt et al., 2016).

There has been a tendency in the IB and IE to focus on high-tech companies (such as software and bio-tech firms), which usually specialise in a narrow market niche and follow an accelerated internationalisation. The present thesis incorporates SMEs from different sectors to allow sufficient variation to examine how different categories of resources and exposure to the same business context influence their internationalisation decisions. The selected cases included both manufacturing and service SMEs. This variation facilitated the examination of internationalisation decisions when SMEs adopt different business models (Child et al., 2017).

In consultation with the CEO in each SME, the internal and external stakeholders were identified for the following interviews (Wales et al., 2013). Participants were deliberately selected because they were familiar with, and aware of, the details of the internationalisation decision and overall internationalisation strategy of the organisation. The participants were of different nationalities, citizens and non-citizens of Qatar. The sample included participants working at different management levels in the SME organisations, in both client-facing and back-office roles. Such diversity in the participants' job responsibilities facilitated exploration of the different operational and non-operational perspectives.

Data analysis was supported by the use of NVivo10 software, which facilitated the data analysis at different levels of abstraction and aided the synthesis and management of voluminous data. The process involved thematic analysis, followed by a comparative analysis between the cases in order to figure out similarities, while at the same time highlighting differences and providing explanations for these differences. The thematic analysis was initially guided by the extant literature, but was also open to reflect on new and emergent findings and themes.

The next section presents an overview of the national chosen context of the State of Qatar. It starts by highlighting why context is important and presents an overview of the Arab cluster, to which Qatar belongs. Then, it presents a brief description of Qatar's economic and wealth indicators and why the country was chosen for the research. It then outlines Qatar's location, geography and demography, followed by a brief historical note, ethnic relations,

language, religion, political regime and government's social welfare programmes. It then progresses to shed some light on gender roles, status, kingship and, finally, social stratification.

1.5 Why is Context Important?

Yanow and Schwartz-Shea (2015) suggest that the most important aspect when crafting research design strategies is to be precise about the context of the research. The key question should not be: what is the research plan? It should rather be where am I going to look for answers to the research question, and what are the implications of my choice? The use of context-specific measures ultimately generates rich and insightful results and hence more theoretical rigour (Castrogiovanni, 1991; Welter, 2011). A contextualised view on internationalisation decision should add to our knowledge of IB literatures (Zahra et al., 2014) because there is an increasing recognition that economic behaviour can be better understood within its context, especially the social context (Granovetter, 1992; D'Angelo et al., 2016). Furthermore, scholars tend to over-emphasise the influence of internal factors and underestimate the effects of external factors, while external factors or the 'context' set the boundaries; therefore, context may constitute an opportunity or a threat to individuals and organisations (Welter, 2011).

The State of Qatar was chosen as it is the wealthiest state in the Gulf region with the highest GDP per capita (USD, 67k) and it is one of the top expanding emerging economies (World Bank, 2017). Scholars suggest that emerging economies are suitable laboratory settings for the validation of theories and development of emergent knowledge given their unique social, political and economic contexts and consequently the unique characteristics of the organisations established and operating in these economies (Wright et al., 2005).

1.5.1 *The Arab Global Cluster*

Qatar is one of the countries in the Arab global cluster. The Arab cluster is comprised of eight countries: Bahrain, Egypt, Kuwait, Morocco, Oman, Saudi Arabia and the United Arab Emirates in addition to Qatar, countries in this cluster score high on the cohesive measure of Ronen and Shenkar's (2017) clustering index despite their fragmented origin. This cohesiveness is the result of similarity among the countries in their religion and culture. Countries in this cluster are considerably wealthy, with the exception of Egypt and Morocco – the two countries that are based in Africa (IMF, 2016). The Arab cluster is mostly located around the Persian Gulf and North Africa. The Arabic language is spoken by 100% of its members, Islam is the dominant religion in this cluster and it is the home of approximately

10/17th of the Muslim population around the world (Ronen and Shenkar, 2017), countries in this cluster enjoy medium levels of economic and political freedom and account for almost a third of the world's autocracies (Chaney, 2012).

In the Arab cluster, the group is the focal actor, they are characterised by high intolerance to ambiguity and high gender marking. Furthermore, the cluster scores on team-oriented leadership is low: members of the Arab cluster prefer individualistic and centralised leaderships; in fact, Qatar of all the measured countries is the one with the lowest score (Ronen and Shenkar, 2017). The systems emphasise centralised top authority, family and tribal faithful devotion and adherence to top-down strict control mechanisms with limited delegation of authority (Ronen and Shenkar, 1985; Kabasakal and Bodur, 2002; Mellahi et al., 2011). Reliance on strong social norms and unwritten rules to conduct formal and informal economic and social exchanges is extensive among members of this cluster (McPherson, et al., 2001; Mellahi et al., 2011). In fact, affiliation with powerful business or political parties is essential for successful business operations as it represents an insurance policy that shields business parties against opportunism and benefits parties who have access to scarce and valuable resources (Mellahi, 2007; Rettab et al., 2009; Mellahi et al., 2011; Budhwar and Mellahi, 2016).

Furthermore, members of this cluster exhibit high levels of loyalty towards their leaders, organisations and societies; there is a widespread reliance on beliefs about what is 'right' and what is 'acceptable' (Ronen and Shenkar, 2017). This tendency is captured in the culture literature as 'conservatisms' and correlates with a member's societal embeddedness and power distance within the social structure (McPherson et al., 2001). Additionally, the Arab cluster scores high on humane orientation: societies in this cluster reward individuals for friendly, generous and caring behaviours, and are tolerant of mistakes (House et al., 2002).

1.5.2 Economic and Wealth Indicators

Qatar gained its independence from Britain in 1971; it is a high-income economy backed by the world's third-largest natural gas reserves and oil reserves. Oil and natural gas account for more than 70% of total government revenues, more than 60% of gross domestic product and roughly 85% of export earnings, and GDP growth is estimated at approximately 9% (World Bank, 2017). Qatari nationals are either the richest or the second richest in the world; they were the world's richest in GDP per capita terms in 2016. This means that the economy produced \$98,900 for each Qatari citizen. This is twice as much as the US (\$48,300) and over 10 times the level seen in China (\$8,400). Qatar's wealth is heavily concentrated

among its citizens (World Bank Report, 2017). To put this figure into a simple perspective and to gain a sense of how rich and affluent the domestic market and the Qatari citizens are, it is useful to relate it to purchasing power parity. According to 2015 figures (IMF, 2016), if we say that a US citizen has a purchasing power of 100, then a Qatari will have 187.1 times as much. In fact, in Ronen and Shenkar's (2017) clustering of the Arab region, Qatar was removed in the calculations of GDP per capita of the Arab cluster, as it was an 'outlier'. There was an excessive gap between it and other members of the Arab cluster, although other countries such as Saudi Arabia and Kuwait are wealthy nations (IMF, 2018).

Qatar has transformed itself over the past two decades from a relatively unknown Gulf State to a prominent player on the world stage. Exploiting its significant oil and gas reserves, it has embarked on one of the largest and most ambitious infrastructure programmes in the world with a projected spend of around USD 200bn to deliver its 2030 Qatar National Vision (focused on economic, social, human and environmental development) and the 2022 FIFA World Cup. Large-scale infrastructure projects include Lusail City, the three-line, 81-station Doha Metro system, the New Hamad Port and major road construction (UK Gov, 2017). The IMF released figures in October 2017 that forecast Qatar's growth as 2.5% in 2017, 3.1% in 2018 and 3.2% in 2019 (IMF, 2018).

The government is implementing reforms to diversify the economy away from oil and gas, through promoting the role of the private sector and SMEs. It aims to create a more balanced economy for the hydrocarbons-rich state. Their efforts include the recent launch of the \$27.4M Qatar Business Incubation Centre, which is reportedly the largest mixed-business incubator in the Middle East and North Africa (MENA) region (QDB website), and the establishment of three economic zones (Ministry of Development Planning and Statistics, 2018). The benefits of nurturing Qatar's SME sector and the potential of it contributing to the national economy through direct internationalisation modes such as exporting seem to be well understood by the current government and this is reflected in its planning and articulated vision. The efforts are slowly coming to fruition, non-mining activities contribution to GDP increased from 55% in 2010 to 63% in 2014 (Ministry of Development Planning and Statistics, 2018).

Despite Qatar's high ranking of 13 in the Global Competitiveness Index (the highest in the region), the SME sector in Qatar contributes only 10% to GDP, compared to the MENA average of around 30% (IMF Report, 2016). To boost the SME sector's contribution, the state-owned Qatar Development Bank (QDB) provides direct project finance and raw material loans

to start-ups and existing businesses at competitive interest rates. Applicants to QDB can secure up to 85% - 95% of the requested amount to establish their businesses (in case of new start-ups) and up to 75% - 85% of amounts required for expansion and growth in the case of existing companies (QDB 2018). In recent research, the government financial support and private banks loans to SMEs were found to significantly accelerate the SME sector's performance in the Gulf Cooperation Council (GCC); in Qatar, the sector's growth was approximately 8% (Emine, 2012). In a recent report by QDB (The government's arm extending financial and non-financial support to SMEs), it was reported that 37% of the sampled SMEs are involved in international business, and derive less than 20% of their revenues from international operations. Their markets are concentrated in the MENA and Gulf countries (QDB Publications - The State of SMEs in Qatar, 2016). The influence of the government's institutional support programme and enacted subsidies scheme will be discussed in the presentation of findings section. While the first part of this section provided relevant information about the SME sector in Qatar, in the remaining part, the social and cultural aspects of the domestic community will be presented to highlight the business and cultural idiosyncrasies of the research's context.

1.5.3 Location, Geography and Demography

Qatar is a small peninsula on the western shore of the Arabian Gulf; its area spans approximately 6,000 square kilometres, its neighbouring countries are Bahrain, Iran, the United Arab Emirates, and Saudi Arabia in the south. In 2016, the population was estimated at 2.57M (World Bank, 2017). The majority of the statistics indicate that about 20% of the population are native citizens, known as Qataris, while the remainder are foreign expatriate workers (Ministry of Development Planning and Statistics, 2018). The population increased more than threefold between 1975 and 2005 because of a high rate of fertility and labour importation (Budhwar and Mellahi, 2016).

Although most foreign workers are recruited from their home countries for fixed-term assignments, it is common that they stay and choose to renew their contracts. Some expatriate workers have been in the Gulf for more than 10 years; others have spent their entire lives in Qatar, with no formal procedure for naturalisation (Nagy, 2006). No confirmed published statistics on the composition of the foreign population exist, but it is estimated that approximately 45% are Asians and 20% are other Arabs, with the remaining being Europeans and Americans (Nagy, 2006).

The national citizens of Qatar can be divided into three groups: the Bedouin, Hadar and Abd. The Bedouin are descendants of the nomads of the Arabian Peninsula while the Hadars are the settled town dwellers. Abds, which literally means 'slaves', are the descendants of slaves brought from East Africa. All three groups identify themselves as Qatari and their right to citizenship is not challenged, but subtle sociocultural differences among them are recognised and acknowledged. Bedouin followed by Hadar families are usually wealthier and are more prominent than the Abds. In general, Qatar has one of the highest averages of population education among Arab countries (Masters and Sergie, 2012). Furthermore, its citizens have been described in the extant literature as diverse and complex, as stated by Nagy (2006: 121): *"The Qatari citizenry are more complex group than they seem, they are differentiated along axes of family, geographical origins and social status"*.



Figure 1.1: Map of the State of Qatar

1.5.4 History and Ethnic Relations

The nation's emergence can be traced to the 1760s when members of the Al-Khalifa of the Utub tribe migrated to Qatar from central Arabia and established a pearling and commercial base in the north. From there, the Al-Khalifa expanded their territory by occupying Bahrain, which they have ruled ever since and the Al-Thani, the current ruling family of the State of Qatar, established themselves after years of contention with the Al-Khalifa. In 1867, Britain recognised Mohammad bin Thani as the representative of the Qatari people (Abdalla and Al-Homoud, 2001). In 1916, Abdullah bin Qasim Al-Thani entered an agreement with Britain that effectively established the Al-Thani as the ruling family. That agreement provided for British protection and special rights for British subjects and ensured that Britain would have a say in

Qatar's foreign relations. The economic and political relationships between the two governments have been expanding and growing ever since. In fact, as will be reported in the findings chapter of this thesis, Qatari SMEs may consider internationalisation opportunities in the UK and select it as a preferred international market. Their choice is influenced by their home government's foreign direct investments as they feel that the initial due diligence has already been performed.

The increase in state income from oil concessions has strengthened the Al-Thani's position ever since. When Britain announced its intention to withdraw from the region, Qatar adopted a constitution declaring independence in 1971. The constitution states that the ruler will always be chosen from the Al-Thani family and will be assisted by a council of ministers and a consultative council. However, the consultative council has never been elected; instead, there is an advisory council appointed by the ruler (Abdalla and Al-Homoud, 2001)

1.5.5 Language and Religion

Qatar's linguistic affiliation and official language is Arabic; however, English, Farsi and Urdu are also widely spoken. Arabic is closely associated with the Islamic faith; thus, its use reinforces the Islamic identity of the nation and its citizens (Jacoby and Yavuz, 2008). The Qatari dialect of Arabic is similar to the form spoken in the other Gulf States and is called Khaleeji (Arabic of the Gulf). This dialect distinguishes citizens of the six Gulf States from North African and Levantine Arabs (Oetzel, 1998).

The majority of the citizens and the ruling family are Sunni Muslims, specifically Wahhabis, which are members of the strict orthodox Sunni Muslim faith that was adopted by the founder, Sheikh Muhammad ibn Abd al-Wahhab (1703–92). This approach advocates and supports a return to the early Islam of the Quran (Muslim Bible) and Sunna (Actions of Prophet Mohamed), rejecting later innovations (Kabasakal and Bodur, 2002). It is widely adopted by the people of Saudi Arabia, but is not entirely popular in other Gulf countries. These distinctions and beliefs are rarely discussed openly or shared with foreigners or people they do not know.

1.5.6 Architecture and the Use of Space

Doha's cityscape represents an attempt to fuse the modern with the traditional. At the start of the building boom in the 1960s, the objective was to build as quickly as possible. As the pace of development slowed, more consideration was given to choosing designs that

symbolise Qatar's new urban character. The selected designs applied modern technologies to evoke the nation's past. For example, the buildings of Qatar University have cube-shaped towers on the roof that are covered with stained glass and geometric gratings; these towers are a modernist version of traditional wind towers. These examples are highly evocative of Qatar's commitment to the lifestyles of the past while encouraging economic and technological development (Sobh and Belk, 2011). Similar examples are found in government and private buildings. Many building designs incorporate architectural elements resembling desert forts and towers or have distinctively Islamic decorative styles executed in modern materials (Ajaj and Pugnaroni, 2014).

Qatari nationals receive land grants from the government to build their houses if they intend to get married. The land grant houses differ from those available to the majority of non-Qataris by “*virtue of size, location and style*” (Nagy, 2006: 124). Land grant houses are constructed as two-storey villas which are self-contained and designed to limit visual access and increase privacy (Sobh and Belk, 2011). Homes also symbolise people's identities. The homes of Qatari citizens are distinct from the residences of foreign workers: they are much larger, designed to accommodate a large number of family members, where each bedroom is typically designed as an en-suite to allow for privacy and to reflect luxury and status (Sobh and Belk, 2011). Attached to each room is a large dressing area customarily made to allow for long abayas and traditional male dresses to be displayed. The kitchen and laundry areas are typically huge and are located outside the house along with separate accommodation halls for cooks, drivers and domestic helpers. The common preference among Qataris is to live with or at least near the members of the husband's family; this intention is primarily achieved by means of a single extended household family compound, sometimes containing separate houses.

The Qatari houses are designed to include spacious separate spaces for male and female seating areas called majlis; this segregation reflects the relevance of gender roles and emphasises the significance of privacy and status in the domestic community (Sobh and Belk, 2011). The majlises' floors are finished in rosewood and marble stone with areas covered in silk carpets. The sofas are upholstered in silk fabrics and are usually low with many cushions on the sides (traditional Arabic seating areas but finely made with expensive limited-edition silks imported from Italy and France). These majlises are mainly for networking and socialising purposes and are full on a daily basis with visitors, family members and friends. Traditional food, Arabic coffee, expensive selections of stuffed dates and Swiss chocolate are typically served in the majlises (Sobh and Belk, 2011). The government provides citizens with interest-

free loans to build homes in areas reserved for low-density housing. Foreign workers live in rental units or employer-provided housing and dormitories. The research participants indicated that business leads, introductions and referrals for international opportunities and domestic dealing are generated during these informal gatherings and it is the role of the expatriate senior manager to pick-up on the introduction and attempt to materialise and act on it thereafter.



Figure 1.2: Modern and Classic Architecture in Qatar

1.5.7 Political Life, Government and Social Welfare

The Qatari government is technically an ‘Emirate’, ruled by an emir. Since independence, the country's rulers have been of one particular family, the Al Thani. The emir and many of the cabinet of ministers, as well as other high-ranking officials, are members of the Al Thani family (kin group) and are overwhelmingly male. The Qatari government is an Emirate with 35 members in its legislature. Executive elections are held every year; Qatar's present representative government has none of its seats filled by women; however, in 2013

there was a female minister, Dr. Hassa Al Jaber, who was the Minister of Communication for more than one year (Ministry of Foreign Affairs, Qatar, 2017).

After its independence in the early 1970s, Qatar developed extensive social welfare programmes, including free healthcare, education through university, housing grants and subsidised utilities. Improvements in utility services, road networks, sewage treatment and water desalination have resulted in a better quality of life. In recent years, institutions have been established to support low-income families and disabled individuals through educational and job training programmes (Scott-Jackson, and Michie, 2017.).

1.5.8 Gender Roles, Statuses, Marriages and Kinship

Division by gender is reflected within the Qatari society, for example, schooling is gender segregated throughout primary, secondary and high school years and in the public university (Sobh and Belk, 2011). After completing schooling, men and women can obtain employment in government agencies or private enterprises. Qatari women tend to take government jobs, particularly as teachers or administrators in health and social affairs organisations; senior management positions are predominantly occupied by men (Jolo, 2017). The gender roles are fairly distinct within the domestic community. Women have access to schooling and employment and have the right to drive and travel outside the country. However, social norms influenced by Islam and historical precedent limit women's presence in public places and men are typically more engaged in the public sphere (Ronen and Shenkar, 2017).

Most marriages are arranged through the mothers and sisters of a groom. Marriages between Qataris and other Gulf Arabs are common, but the government discourages marriage to non-Gulf citizens. One must obtain official permission to marry a non-citizen, and the citizen may have to give up the promise of government employment and other benefits. The concept of family within the domestic community refers to a group larger than the domestic unit and includes first- and second-degree relatives (El Guindi, 1999). Descent is reckoned through the male; therefore, each citizen is a member of his or her father's lineage, a woman before marriage is a member of her father's lineage and maintains close ties to that lineage. After marriage, she remains a member of her father's lineage but is partially integrated into the lineage of her husband and children (Ronen and Shenkar, 2017).

1.5.9 Etiquette and Social Stratification

The typical social behaviour revolves around respectful manners such as family privacy, hospitality, conservative behaviour and public separation of genders (Sobh and Belk, 2011). It is rude not to accept the hospitality offered; likewise, it is considered rude not to extend hospitality to strangers. Tea, coffee, food and a cool place to sit should be offered to any visitor (Farah and Klarqvist, 2001). The society is diverse, for example: a range of clothing styles is seen in restaurants, public and private organisations and all public spaces; the clothing ranges from Indian saris to business suits, jeans and the Arab white national dress (Nagy, 2006). Consequently, administrative and public services are designed to cater for the multicultural cosmopolitan context and address the needs of the different nationalities since the society is diverse (Nagy, 2006).

As for social stratification, the primary axes for differentiation are nationality and occupation (Nagy, 2006). It is a common practice to hire foreign workers for certain occupations or roles; therefore, such practice has created a system where salaries differ depending on nationality. Despite this inequality, the atmosphere is one of comfortable and tolerant residence. Foreign workers retain their national dress and their children can attend school with instruction in their native languages (Nagy, 2006; Jolo 2017). Markets carry a broad range of international foods, music and films. Foreigners are permitted to practise their religion publicly, and many expatriate religious institutions sponsor community activities and services. As for Qataris, and as in all countries within the Arab cluster, their social stratification is primarily based on factors such as tribal affiliation, religion, and relational and historical links with specific families or tribes (Ronen and Shenkar, 2017).

This section has served two main purposes. First, it acquaints the reader with the unique business and social context in which the present research was conducted; second, it highlights key influencing dimensions that affect the SME's internationalisation decision. The information presented in this chapter will be useful to link the findings and the discussion of the research's results later on.

As the present thesis suggests that the cultural and business context influence SMEs' internationalisation decision, therefore, identifying and describing the economic, historical and cultural contexts were fundamental when exploring the internationalisation context of the selected SMEs. The main takeaways from exploring the national context indicate that hierarchy, tribal devotion, status, societal rankings and embeddedness were recognised as key

elements influencing an SME's access to international referrals and opportunities. Additionally, wealth and income differentials are based on hierarchical considerations and are justified and accepted by society members in the societies of the Arab cluster (Ronen and Shenkar, 2017) including Qatar; therefore, founders provide varying levels of status and wealth to their SMEs. Furthermore, affiliations and power are major determinants of the level of wealth of each family, tribe or individual access. Moreover, the dominance of religious rule made Islamic interpretations integral to the business context. The high regard for power is a behavioural norm and is completely accepted by members of the society. The hierarchical structure in the chosen context represents a source and a resource in itself. Members of the society accept and acknowledge that ranking in the social structure correlates with wealth accumulation and access to endowments and benefits (Weber, 2009; Ronen and Shenkar, 2017). The next subsection presents an outline of the thesis's structure.

1.6 Structure of the Thesis

The thesis is divided into five main parts, as shown in Figure 1.3. The first part contains a brief introduction, then follows with a brief discussion about the debates in the SME internationalisation literature. This is to address in brief the most relevant gaps in the literature and the theoretical underpinnings related to the thesis's research questions, aims and objectives. The first part concludes with an overview of the research approach, empirical investigation and the national context.

The second part, which comprises chapters 2 and 3, introduces the theoretical background that guided the development of the thesis's framework. Chapter 2 introduces relevant definitions of SME internationalisation and the fundamental internationalisation theories, and then progresses to discuss resources and slack theorising, linking them to the extant literature on SME internationalisation. The chapter concludes by introducing the classical views on munificence and connecting them to current debates on the influence of business context on SME internationalisation. As the SME internationalisation literature draws theoretical insights from different strands of literatures such as internationalisation, resource, social and institutional theorising, the literature review chapters touch on these disciplines which are placed at an interface with IB literature. Chapter 3 starts by introducing the fundamentals of social capital theory and IBV, the introduction was fundamental, as RBV does not provide a holistic view of SME's internationalisation in munificence context. The two theories enabled the present research to provide a new synthesis of munificence in the context of SME internationalisation. The chapter continues to highlight the theoretical foundations

linking institutional context, social capital and SME's internationalisation decision and concludes by reviewing the literatures on the influence of munificence on specific dimensions of SME's internationalisation decision such as entry modes, markets selection, timing and SME's reactiveness or pro-activeness towards internationalisation.

The third part comprises chapter 4, which presents the details of the research's methodology and epistemological orientation. The fourth part presents the key empirical findings in chapters 5, 6 and 7. Finally, in the fifth part, the discussion of key findings, conclusion and contributions to theory and practice as well as future directions for research are presented in chapters 8 and 9. Chapter 8 presents the conceptualisation of the discussion points to map the research's aims and objectives. The discussion of findings is juxtaposed with previous literature on the topic. Finally, Chapter 9 draws conclusions, outlines contributions and highlights limitations of the study and avenues for future research.

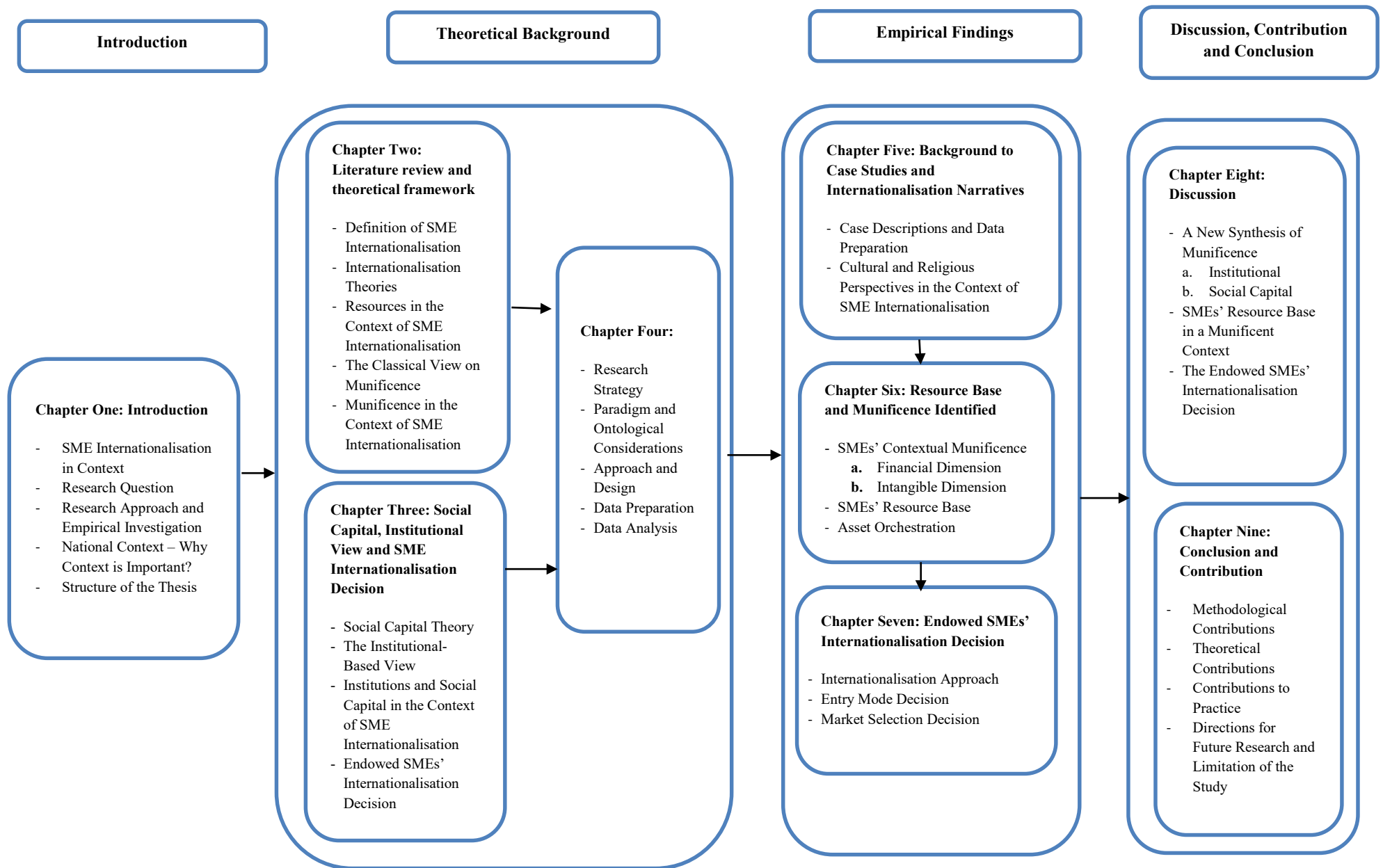


Figure 1.3: Thesis Structure

CHAPTER TWO: LITERATURE REVIEW AND THEORETICAL FRAMEWORK

Introduction

As indicated in the introduction, there is extensive literature on SME internationalisation that can be traced back to the 1970s; however, most of the studies establish that SMEs are marginally resourced entities that frame their internationalisation decisions and operate under resource-constraint conditions (Oviatt and McDougall, 2005; Zahra, 2005; Jones et al., 2011; Bacq et al., 2017). Interestingly, studies on mature and well-established multinational giants still dominate the IB literature (Miesenbock, 1988; Buckley et al., 2016). Additionally, the IB and IE literatures have been inattentive to specific elements of internationalisation such as resource heterogeneity and asset orchestration during SMEs' internationalisation (Ruzzier et al., 2006; Al-Aali and Teece, 2014). In chapters 2 and 3, the focus will be on reviewing the different streams of literature and theories informing the present research. These are primarily internationalisation, resource, social capital and Institutional-Based View (IBV). The literature review in this chapter presents the debates and knowledge gaps in relation to the research question the present case study research aims to address and informs the development of the generic priori framework that guided the empirical investigation.

This chapter starts with a summary of key definitions and meanings of internationalisation and presents the key internationalisation theories in the field. Having considered the multiple understandings and approaches to SME internationalisation, the chapter turns to discussing the economic and behaviour perspectives on internationalisation. The chapter then progresses to discuss resource and slack theorising and presents the relevant gaps that inform the present research in relation to the influence of resources on SME internationalisation. As the present research concurs with the view that SMEs do not operate in a vacuum and that internationalisation decision is influenced by surrounding business context (Zahra and George, 2002; Elbanna et al., 2017), it was necessary to discuss the theoretical underpinnings of munificence and highlight the fundamental debates in relation to the influence of business context on SME internationalisation. The chapter concludes with a summary of fundamental literature gaps around the influence of resources, context and SME internationalisation.

2.1 Definition of SME Internationalisation

This section and the following one do not aspire to compile a comprehensive list of internationalisation definitions and theories. Rather, they focus on a selection of definitions and perspectives that share the same approach to SME internationalisation as the one chosen in this research. The purpose is to show the varying scope and focus of the definitions and to delineate the here-adopted stance to SME internationalisation. All the definitions come from scholars whose voices have contributed to advance knowledge and discussions on internationalisation and hence are equally valuable.

Internationalisation is a synonym for the geographical expansion of economic activities over a national country's border (Ruzzier et al., 2006). The terminology started to be used when internationalisation replaced imperialism as the dominant organisation principle framing economic cross-border interaction between market economies in the 1920s, and internationalisation definitions started to emerge extensively with the emergence of globalisation (Gjellerup, 2000). It developed as a field of study in the late 1960s to investigate the occurrence of intentional cross-border involvement of organisations upstream, with their suppliers, and downstream, with their external clientele and stakeholders (Pugh and Plath, 2003). In the late 1980s, Welch and Luostarinen (1988) argued that internationalisation is a process of inward and outward movements between organisations; subsequently, they conceptualised internationalisation as the dynamic process by which an organisation increases its level of involvement in foreign markets over time (Welch and Luostarinen, 1993). Undoubtedly, the internationalisation phenomenon specifically in reference to geographic expansion into foreign markets has been extensively defined (Buckley, 2002).

It is evident that some scholars have shifted their attention from international activities and modes of operation towards the resources needed for internationalisation; they began to recognise the importance of acquiring and deploying resources in the internationalisation process when framing their definitions and conceptualisation. For example, Covin and Slevin's (1991) definition was one of the first to suggest that internationalisation is the aggregate behaviour of innovativeness and proactive risk-taking initiatives to create value offerings across borders. In the 1990s, scholars called for the integration of views from the resource-based perspective to define SME internationalisation (Ahokangas, 1998; Johnson and Matteson, 1994). They based their argument on the premise that SMEs must acquire, deploy, accumulate, redeploy and often shed resources to realise their internationalisation plans. Ahokangas (1998) identified internationalisation as the process of mobilising, accumulating

and developing resource stocks for international activities; accordingly, internationalisation is conceptualised as a process of adapting an organisation's strategy, structure and resources to international environments (Johanson and Mattsson, 1994; Andersson and Mattsson, 2006). Recently, scholars have advanced definitions which recognise internationalisation as a dynamic and multidimensional process that involves decisions and events over time (Jones and Coviello, 2005; Welch and Paavilainen-Mantymaki, 2014), and these approaches implicitly identify that SMEs must make resource trade-off decisions. Therefore, the recent conceptualisations of internationalisation capture internationalisation as an entrepreneurial process of value-creating events (Jones and Coviello, 2005) and recognise the significance of an SME's activities in acquiring, bundling, deploying and often orchestrating resources (Al-Ali and Teece, 2014). These definitions reason well with the thesis's objectives to explore the role of resources and munificent business context in shaping an SME's internationalisation decision.

For the purpose of the present research, the most suitable definition of SME internationalisation is a combination of the elements put forward by Ahokangas (1998), Jones and Coviello (2005) and the recent perspectives of Welch and Paavilainen-Mantymaki (2014) that internationalisation is a process that involves a set of decisions. These definitions make a clear reference to the approach of internationalisation in this research. The table below summarises the key internationalisation definitions used in the literature.

Table 2.1: Definition of SME Internationalisation

Scholar(s)	Definition
Johanson and Valhne (1990)	A cumulative process, in which relationships are continuously established, developed, maintained and dissolved in order to achieve the firm's objectives.
Beamish (1990)	The process by which firms both increase their awareness of the direct and indirect influence of international transactions on their future, and establish and conduct transactions with other countries.
Johanson and Mattsson (1994)	The process of adapting the firm's operations (in terms of strategy, structure and resources) to international environments.
Welch and Luostarinen (1993)	The outward movement of the firm's international operations.
Ahokangas (1998)	The process of mobilising, accumulating and developing resource stocks for international activities.
Calof and Beamish (1995)	The process of increasing involvement in international operations.

So far, I have discussed the internationalisation definitions used by different scholars. The next section discusses the different models and theories of internationalisation, and outlines their weaknesses and theoretical underpinnings.

2.2 Internationalisation Theories

Theories explaining an organisation's internationalisation are classified into two main categories: economic (Hymer, 1960, 1976; Anderson, 2000) and behavioural (Johanson and Vahlne, 1990). The economic perspective argues that internationalisation is reflected in an organisation's discrete events, which primarily aim at maximising economic rents to achieve competitive advantages. The roots of this theory date back to Hymer's (1960, 1976) writings about the multinational corporation from an economic perspective. The behavioural theories, on the other hand, position internationalisation as a path-dependent learning process designed to achieve a defined goal (Johnson and Vahlne, 1990; Oviatt and McDougall, 1994, 2005). While the two perspectives offer rich insights into the entrepreneurship and IB disciplines, scholars contend that the internationalisation literature is still to be filtered to resolve controversial debates and call for views that integrate the two streams (Cavusgil and Knight, 2015). Table 2.2 briefly compares the economic theories elucidating the phenomenon of internationalisation.

Table 2.2: Internationalisation Theories – Economic Perspective

	Theoretical roots	Main premise
Monopolistic Advantage Theory	Hymer (1960, 1976) Caves (1985)	Firms possess superior advantages, which can be exploited at no additional costs. Transaction cost economies are of prime concern. Explains internationalisation behaviour of MNCs.
Product Life Cycle	Vernon (1979)	Different phases of product life cycle explain FDI behaviour.
Oligopolistic Reaction Theory	Knickerbocker (1973) Friedman (1982)	Imitation behaviour among firms explains their FDIs. Competitive interaction among the leading firms entices them to similar international behaviour.
Internalisation Theory	Buckley and Cassen (2009) Hennart (1982) Rugman (1985) Buckley (1988)	Cost considerations trigger FDI abroad. Firms chose the lowest-cost location for their production activities. Internalisation benefits trigger an organisation's growth.

While the above theories emphasise the economic dimensions of the internationalisation decision, a distinct stream of research has emerged that adopts the process and gradual approach to internationalisation identified as the Uppsala theory – U Model (Johanson and Vahlne, 1994). Additionally, industrial marketing scholars advanced the literature on SME internationalisation by emphasising the role of networks in a company's international ventures (Johnson and Mattsson, 1994). A distinct stream of research emerged to explore the early and accelerated internationalisation of SMEs and they were called the 'born global' companies. This stream emerged in the early 1990s from several scholars such as Oviatt and McDougall (1994, 1995), Autio et al. (2000), Knight and Cavusgil (2004), Cavusgil and Knight (2015). The two streams are discussed in the next sub-sections.

1. The Stage Theory of Internationalisation – 'The Uppsala Model'

The theoretical roots of the theory can be traced to Penrose's (1956; 2009) work on the growth theory of firms and to the behavioural theory of the firm (Cyret and March, 1963; Aharoni, 1966). Johanson and Vahlne (1977) advocated the theory; it is framed in the literature as the 'Uppsala Model of Internationalisation'. The theory assumes that organisations should become established and successful in their own domestic territories before venturing into new, distant markets. The main premise of the theory ascertains that organisations must evolve from a stage of domestic maturation and home market saturation before internationalising (Caves, 1985). The process is prescribed as a gradual, reactive progression where an organisation's gradual involvement in internationalisation is facilitated by an increase in exporting knowledge and markets, languages and foreign cultures. It is claimed that organisations tend to prefer this path as it reduces uncertainty as a result of encountering liability of foreignness (Zaheer, 1995) and may increase the probability of the organisation's success overseas (Zhou and Gullien, 2015). The theory was criticised due to its lack of analogy between theory and practice after the emergence of an increased wave of new internationalising firms (Cavusgil and Knight, 2015).

Some studies supported the gradual process of internationalisation (Crick and Jones, 2000) and argued that SME internationalisation is deterministic and path dependent (Bell, 1995). Conflicting evidence emerged in parallel with the work of Oviatt and McDougall in the early 1990s, which aimed to explain the nascent emerging phenomenon of small organisations internationalising at an early stage after their inception. Moreover, process theories of

internationalisation were criticised because they do not recognise the role of context in shaping a venture's internationalisation (Forsgren, 2016).

2. A New Paradigm: Early – Accelerated Internationalisation

While the traditional Nordic perspectives of internationalisation theorising describe international expansion as a cautious incremental process that occurs relatively at later stages of the organisation life cycle (Johanson and Vahlne, 1990), accelerated views of internationalisation theory emerged to challenge the process theory ability to explain the early international expansion of small young ventures (Oviatt and MacDougall, 1994). Furthermore, the presence of global smaller firms was empirically substantiated (Dimitratos, et al., 2010). In fact, the influential work of Oviatt and McDougall (1994) to define IE as an emerging field of study at the interface between IB and entrepreneurship and the subsequent introduction of their theoretical framework marked the birth of the new IE scholarly field. The theory integrates views of the transaction cost economics, the market failures perspective and the economic internalisation of transactions and simultaneously included visions from the new entrepreneurship theory and strategic management outlooks on competitive advantages. IE theorising emphasises the role an entrepreneur plays in shaping an SME's internationalisation (Ruzzier et al., 2006; Fiol and Romanelli, 2012), particularly on how s/he creates a fit between the firm's strengths and weaknesses and its external opportunities and threats (Hitt et al., 2006); additionally, it signifies the relevance of identifying and exploiting opportunities (Cavusgil and Knight, 2015).

The framework establishes that entrepreneurial organisations are constrained in resources due to their novel inception and small size. They succeed in international markets because they possess innovation capabilities and intangible assets, which enable them to compete in the international arena. A priori, these organisations skip the sequential stages of internationalisation as proposed by the process Uppsala model (Johanson and Vahlne, 1990), and rely on their founding partner or partners' cognitive structural frames of mind as well as their prior experience to expand to international markets (Arenius, 2002; Shane and Vankatarman, 2000). The theory responds to scholars' calls to allow for a prescriptive rather than descriptive approach when examining internationalisation (Burt, 2010). Furthermore, it highlights that embeddedness in networks plays a crucial role and may act as a source of competitive advantage (Uzzi, 1997, 1999; Zahra, 2005; Rialp et al., 2005; Ojala, 2009).

In relation to the present research, the framework establishes and recognises the role of ‘unique resources’ on SMEs’ internationalisation. The framework also highlights the important roles of management teams and entrepreneurs in expanding to international markets; it advances the view of entrepreneurial internationalisation (Jones and Coviello, 2005; Jones and Casulli, 2014) and the significance of recognising opportunities through individuals’ recognition (Alvarez et al., 2013; Jones and Casulli, 2014). Table 2.3 contrasts the process and new venture theorising perspectives and identifies the differences between IB and IE perspectives on internationalisation.

Table 2.3: Nordic and International New Venture Theorising

	Uppsala Nordic Models	International New Venture
Theoretical Roots	Behavioural theory of firm (Cyert and March, 1963; Ahokangas, 1998); and Penrose's theory of knowledge and change in organisations (1959).	Entrepreneurship and resource-based view (Jones et al., 2011; Jones and Coviello, 2005; Zahra and George, 2002).
Main Premise	Managers tend to avoid uncertainty.	Entrepreneur’s unique set of resources (knowledge, relationships, experience and ability to coordinate resources) are the main reasons these firms succeed.
Unit of Analysis	Firm and Environment	Mainly the entrepreneur
Approach	Reactive	Proactive
Triggers to Internationalisation	Market knowledge and experiential learning.	Entrepreneurial vision
Time & Speed	Late	Early
Entry Mode	Process and stage chain, starting with direct exporting or/and agents, then increased commitment of resources once market knowledge is accrued.	Mixed modes
Role of Networks	Does not exist.	Entrepreneur accesses networks to access and leverage resources.
Markets	Prefers low psychic distance.	Distant markets
Internationalisation	Risk averse	Entrepreneurial (Jones et al., 2011; Coviello, 2015)

Sources: Arenius (2002), Ruzzier et al. (2006)

In summary, SME internationalisation models are viewed from three different perspectives: the market, firm or entrepreneurs (Ahokangas, 1998). While the market perspective is deeply rooted in economic perspectives and explains the internationalisation of large multinationals (Dunning, 1988), the stage model focuses on the firm level (Johnson and Vahlne, 1977). The entrepreneurship perspective has recently emerged in the works of scholars such as Oviatt and McDougall (1994, 2005) and emphasises the role of the entrepreneurs, innovation and network relationships in shaping the international realities of SMEs (Jones and Coviello, 2005; Jones and Casulli, 2014).

The first two sections of the literature review discussed the internationalisation perspectives, theories and definitions. The review will now progress to explore the impact of resource theorising foundations on internationalisation, as both management and IB literatures establish that organisation resources play a crucial role in the survival and growth of large and small organisations (Wernerfelt, 1984; Barney, 1991; Peteraf, 1993), not least in terms of SME internationalisation (Zahra, 2007; Sui and Baum, 2014).

2.3 Resources in the Context of SME Internationalisation

The RBV captures firms as bundled combinations of resources that are tied ‘semi-permanently’ to the organisation (Barney, 1991). Assets are either appropriable, such as physical capitals, or are less tangible, such as organisation routines and capabilities (Teece, 2014). Resources should generate Richardian benefits that eventually lead an organisation to develop a competitive advantage (Combs and Ketchen, 1999; Hart and Dowell, 2011). Based on this argument, the RBV offers a suitable framework to analyse the inter-variations in performance and competitive advantage among different organisations (Barney et al., 2011). Following Barney (1991), resources must be Valuable, Rare, Inimitable and Non-Substitutable – VRIN. The RBV establishes that the tangible and intangible resources of an organisation are influential in shaping that organisation’s performance and competitive advantage (Wernerfelt, 1984; Barney, 1991; Barney et al., 2011; Nason and Wiklund, 2018); hence, the influence of resource theory on entrepreneurship and IB literatures is of significance to the present research.

As entrepreneurial opportunities emerge when certain individuals have insights into the value of resources that others do not (Kloosterman, 2010), the RBV can theoretically inform and advance discussions on internationalisation (Peng, 2001). It influences the cognition, discovery and understanding of entrepreneurial opportunities and threats and could explain why inputs become heterogeneous outputs (Alvarez and Busenitz, 2001; Helfat and Peteraf,

2015). To advance discussions in the IB literature, the RBV is believed to have been particularly helpful in explaining how large and small organisations overcome the liability of foreignness and is a useful lens to investigate the resources required for international diversification (Barney et al., 2011). Additionally, RBV explains how significant international experience by top managers represents firm-specific tacit knowledge in SME internationalisation (Reuber and Fischer, 1997; Lu and Beamish, 2001; Cavusgil and Knight, 2015). RBV further contributes to discussions on foreign entry mode studies by suggesting that different strategies require varying levels of resource commitments and are pulled by the resource capabilities that represents a firm's specific advantages (Lu and Beamish, 2004; Chiao et al., 2006; Laufs and Schwens, 2014). Moreover, research applying the RBV perspective explains early internationalisation (Sui and Baum, 2014). Furthermore, the RBV perspective was applied to explain the role of network ties in the internationalisation process theory and early international ventures. Both theories recognise the role of an SME's networks as a form of intangible resource (Narooz and Child, 2017). Therefore, RBV is regarded as a 'theoretical innovation', which has proved useful in explaining internationalisation trajectories (Loane and Bell, 2006; Barney et al., 2011).

Although RBV did not provide sufficient explanation as to why some organisations maintain their competitive advantages in dynamic and turbulent business contexts, it was extended to discussions about how organisations should bundle and re-bundle their resource base to remain competitive based on Penrose's (1956) principles, which emphasise the significance of resource deployment and redeployment to sustain growth. There is a strong emphasis that organisations and SMEs should acquire, detach, coordinate and reconfigure their resource base to create value (Sakhartov, and Folta, 2014; Sok et al., 2016). Although the SME internationalisation literature establishes the importance of resource theorising in shaping's an organisation's strategic posture and the significance of 'configuring' and 'redployment' of resources to adapt to environmental dynamics. The literature is silent and the RBV does not provide an explanation when it comes to capturing resource configuration in munificent and resource-abundant condition; a gap that the present thesis aims to address. Recent assessments of RBV research strongly urge us not to consider resources in isolation, but rather to investigate combinations of resources to solve empirical inconsistencies (Kraaijenbrink et al., 2010; Barney et al., 2011).

The RBV sees organisation resources, both tangible and intangible, as holding the potential to influence the organisation's international growth (Calof and Beamish, 1995).

Heterogeneity among firms in owning and controlling key resources is a fundamental driver behind firms pursuing different internationalisation routes (Sirmon et al., 2011; Bacq et al., 2017). Management's role in deploying and redeploying tangible and intangible resources to shape an organisation's growth is significant, especially in the context of SMEs (Bell et al., 2003; Sapienza et al., 2006; Sui and Baum, 2014) as they enable SMEs to shield the liability of foreignness and smallness when crossing national borders (Zahra, 2005).

The extant literature provides useful yet controversial debates as to why different resource categories may or may not influence internationalisation (Kraatz and Zajac, 2001; Baum et al., 2011; Teece, 2014). At one end of the continuum, there stands the view that pursuing different internationalisation strategies entails resource-commitment decisions; therefore, resources are critical for SME internationalisation (Fernández-Olmos and Díez-Vial, 2013; Sui et al., 2013). Resource dependency scholars supports this view and advocate that access to resources enable organisations to cope with problematic interdependencies and potential liabilities of smallness and foreignness in the host international markets (Brouthers et al., 2015). However, several scholars advance the opposite view. They ascertain that access to excessive resources may foster a culture of waste, inefficiencies and increased mortality rates among firms (Tan and Peng, 2003; Bradley et al., 2011; Kiss et al., 2017).

Therefore, it is clear that the extant literature establishes that resources and context surrounding SMEs enhance international prospects (Nummela et al., 2005; Tan and Mathews, 2015). Therefore, the availability of resources is perhaps the most important constraint of firm-level international expansion, and hence an SME's assessment of resource availability affects its international growth (Brown and Kirchhoff, 1997; Bacq et al., 2017; Finchelstein, 2017). Several resource categories were identified in the IB literature to affect SME internationalisation: (1) financial capital (Tihanyi et al., 2003), (2) relational ties and social networks (Kiss and Danis, 2010), and (3) the SME's human capital (Herrmann and Datta, 2005). Furthermore, it is suggested that organisations depend on different sets of resources such as innovation and technology (Knight and Cavusgil, 2004; Cavusgil, and Knight, 2015) and management team's international orientations to navigate multiple cultural and institutional contexts during their internationalisation (Terjesen and Elam, 2009; Brouthers et al., 2015). The next sub-sections examine the different views on the different categories of resources, which influence SMEs in the context of their internationalisation.

2.3.1 Financial Resources

SMEs often face problems in accessing external finance due to the viability and legitimacy concerns associated with smaller firms (Westhead et al., 2001; Riding et al., 2012). SMEs and entrepreneurial ventures secure their investments from the founding partners and often from investors, with banks being the least preferred options. An SME's financing structure typically includes a combination of debt and equity shares (Manolova et al., 2014). In reality, SMEs are financed through borrowing from suppliers and non-equity funds from network relationships (Brancati, 2015). Bootstrapping financing is a creative way of acquiring resources without borrowing or raising equity (Winborg, 2015), and relies extensively on an SME's network relationships, it reflects SME's entrepreneurial spirit (Jones and Jayawana, 2010; Zhang et al., 2016).

There are different views in the internationalisation literature on how financial resources influence SMEs in the context of their internationalisation. One view suggests that access to financial resources allows investments on research and development efforts; therefore, enhancing an SME's ability to offer innovative new products to international markets (Anon Higón and Driffield, 2011; Efrat and Shoham, 2013; Manolova et al., 2014). Moreover, when SMEs secure finance, they are able to bear the initial sunk costs of low commitment entry modes such as exporting (Spence and Crick, 2006; Love and Roper, 2015). Interestingly, the extant literature establishes the role of entrepreneur's network relationships in securing finance (Jones and Jayawarna, 2010; Manolova et al., 2014) and does not account for SME's access to financial resources through its own sources.

The discussions about the influence of resources on internationalisation and the later introduction and discussions of the role of munificence on SMEs' internationalisation decision led the present thesis to review literature on a related theoretical construct, organisation slack, for two reasons. Firstly, environmental dimensions including munificence have been identified as one of the antecedents that enable an organisation to accumulate slack resources (Sharfman et al., 1988), a point that will be discussed in detail later in this chapter when reviewing the literature on munificence. Secondly, as the present thesis aims to examine and investigate how resource-abundant conditions affect SMEs' internationalisation decision, it is vital that we examine 'excess and ample resource' theorising, which is formally known in the literature as slack (Bourgeois, 1981; Voss et al., 2008; Kiss et al., 2017). Therefore, the next sub-section outlines the meaning of organisation slack, how it accumulates, different arguments in the

literature about an organisation's accumulation of slack resources and, finally, the different classification of slack resources.

2.3.2 Slack Resources: Definition and How Slack is Generated

Slack is defined as incomes or possessions that exceed what is required to reward the dominant alliance that manages the organisation; it is a 'cushion' resource at an organisation's disposal that allows it to adapt successfully to internal or external pressures (Cyert and March, 1963; Bourgeois, 1981). The general concept of organisation slack, and its causes, has been a subject of ongoing discussions and debates (Bourgeois, 1981; Sharfman et al., 1988; George, 2005; Vanacker et al., 2017). On the one hand, organisation theory suggests that slack has a positive impact on an organisation's adaptive behaviour and experimentation by serving four functions (Bourgeois, 1981): (1) as inducement for organisation members to remain within the system; (2) as a resource for conflict resolution; (3) as a buffer; and, finally, (4) as a facilitator. On the other hand, agency theory suggests that slack is wasteful and inefficient, and accumulates due to the self-serving interests of managers. Therefore, slack is captured as both an outcome and a cause of agency problems (Jensen and Meckling, 1976).

In the 1990, scholars started to expand the identification of slack resources to include all types of excess resources such as surplus cash reserves, raw materials, excess production and un-utilised capacities during a specific planning cycle (Nohria and Gulati, 1996). Other forms of slack identified in the literature include customer relational slack, operational slack, human resources slack and financial slack (Voss et al., 2008). Slack resources are seen as a promising construct to explain organisation change, especially change that has proven difficult to predict from other theories, such as organisation innovation (Covin and Lumpkin, 2011; Vanacker et al., 2017). Since slack interacts with other variables to impact organisation decision-making, future work seems likely to focus on establishing how slack interacts with other variables such as management international experience and institutional contexts to influence an organisation's strategies (Guar et al., 2014; Kiss et al., 2017).

Environmental conditions lead to the development of different forms of slack (Sharfman et al., 1988). To link discussion about munificence and slack's effect on SME internationalisation, reference is made to Sharfman et al.'s (1988) work on the antecedents of slack accumulation within organisations. Three general sets of conditions – specifically: environmental conditions, organisation characteristics and the beliefs of the dominant coalition – were identified as fundamental in enabling organisations to accumulate slack. Their argument

anchors on organisation theory, which establishes that, as the level of resources in a specific business context increases, the environment will be considered munificent and therefore is expected to attract new entrants (Dess and Beard, 1984; Aldrich, 1999; Pfeffer and Salancik, 2003). Consequently, organisations will be forced and expected to stockpile extra resources – accumulate different forms of slack – as the specific resources they may need later on may not be available as competition intensifies between existing and new entrants to the market.

The Controversial Debates about Slack

Examining the literature reveals a controversial debate about slack. At one end of the scale, it is regarded as a relief, releasing management from inadequacy concerns and prompting decision-makers to increase resource allocation to growth strategies and innovations (Bourgeois, 1981; Nohria and Gulati, 1995; Kraatz and Zajac, 2001). Daniel et al. (2004) argue that slack resources are likely to improve a firm's financial performance, while George (2005) emphasises the importance of organisation slack in safeguarding the organisation against environmental shocks and facilitating discretion. Additionally, organisation slack enables an organisation to weather unexpected disturbances (Bradley et al., 2011) and allows it to buffer against disruptions (Chopra and Sodhi, 2004; Hendricks and Singhal, 2009). The RBV suggests that slack resources can facilitate strategic behaviours, innovation and performance (Nohria and Gulati, 1996; Lin, 2014).

Other scholars challenge the optimistic argument and associate slack with risk aversion and inefficiencies (Tan and Peng, 2003). This argument emerged in Leibenstein's (1973) work when he coined the terminology of the 'X-inefficiency' to flag slack as a sign of wastefulness in organisations. Mosakowski (2002) and Bradley et al. (2011) also believed that large resource endowments might hinder corporate entrepreneurship because they impair a firm's ability to identify new business opportunities. Opponents are resolute that managers frequently tend to direct slack resources towards experiences of the past guaranteed success rather than exploring emergent growth potentials (Leibenstein, 1973; Levinthal and March, 1993; Tan and Peng, 2003; Katila and Shane, 2005; Paeleman et al., 2017).

Furthermore, lean management practices research highlights that trimming excess resources and reducing waste enhance financial performance and hence does not tolerate a view that argues for the positive effects of slack on fostering innovation or acting as a buffer (Dutta et al., 2016). At high levels of slack resources, two forms of bias may occur (George, 2005). The first is the planning fallacy (Buehler et al., 1994) and the second is the escalation of

commitment (Ross and Staw, 1993). The planning fallacy is an example of overconfidence in the duration and viability of projects, while the escalation of commitment involves defending and continuing a course of action in spite of its visible potential negative outcomes. Therefore, it seems that there is still a tenacious debate regarding whether resource constraints or excessive depositories of slack lead to organisation ingenuity and increased ability to innovate (Lampel et al., 2014).

Categories of Slack Resources

Few studies have articulated a rationale for the classification of slack resources (Bourgeois, 1981; Bourgeois and Singh, 1983; Sharfman et al., 1988; Nohria and Ghulati, 1997; George, 2005; Voss et al., 2008). Slack was often classified based on managerial discretion, which parallels Penrose's (1959) notion of resource 'stickiness', while in Bourgeois and Singh (1983), slack was classified based on ease of recovery dimension. Although several classifications of slack are observed in the organisation studies and economic literatures, the review below identifies the categorisation that is relevant to the present research when slack is assessed on two dimensions: rareness and absorption. The two dimensions are adopted from Voss et al.'s (2008) study on the different categorisation of slack resources.

Framing the effects of slack resources on organisation performance should be made in reference to the effect of environmental contexts on the allocation decisions (Voss et al., 2008); hence, slack should be related to two dimensions: resource rarity and resource absorption. The rarity construct relates to the extent a resource is either generic or commonly available versus being rare and of ultimate value. This classification anchors on the theorising principles of RBV from Barney (1991), as earlier discussed. Resource absorption or allocation relates to the extent to which a resource is already committed to organisation processes and the extent to which it may be easily re-allocated. The four categories identified are financial slack (low in resource rarity and easily re-allocated), customer relational slack (high in value and can be easily re-allocated). Operational slack in the form of excessive production inventories and capacities (resource is not rare but absorbed into and allocated to organisation processes) and, finally, the human resources slack (resource is of value to an organisation and once committed cannot be easily re-allocated). Figure 2.2 below sketches the categorisation.

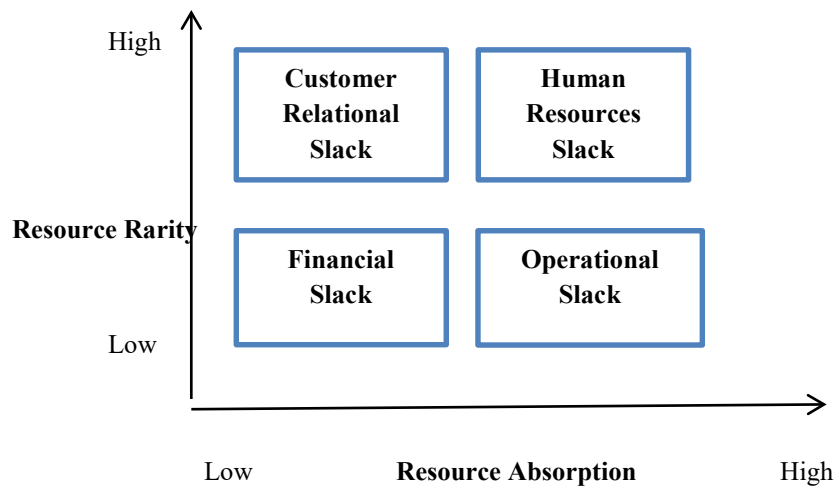


Figure 2.1: Categorization of Slack Resources – Source: Voss et al. (2008)

Out of the four categories above, operational slack resource which is generic and absorbed (Voss et al., 2008) is the relevant category in relation to the present research. Operational slack is defined in terms of the organisation's un-utilised production capacity (Bourgeois, 1981). Operational slack can take the form of surplus capacity (Bourland and Yano, 1994), excess labour time (Steele and Papke-Shields, 1993) or extra physical inventory (Voss et al., 2008). In other words, operational slack can take the form of temporal, labour or physical excesses accumulated and accrued during the manufacturing process (Azadegan et al., 2013).

Operational slack is not a rare resource and can be regenerated or stopped if an organisation wishes to comply strictly with efficient production strategies. Operational slack resources is already allocated and embedded in specific structural mechanisms therefore it directs organisations to exploitation rather than exploration expansion strategies (Voss et al., 2008). Operational slack is typically examined within the domain of operations management research (Hendricks et al., 2009; Azadegan et al., 2013), and is usually studied in relation to its negative impact on financial performance (George, 2005) and the negative costs associated with its accumulation (Kovach et al., 2015). Nevertheless, operations management research has explored the practical applications of operational slack to mitigate supply chain disruptions (Kleindorfer and Saad, 2005).

Therefore, it seems that there is split evidence on both the positive and negative effects of operational slack on the relationship with venture survival, growth and performance (Kiss et al., 2017). Furthermore, although operational slack can be conceptually summed under the

broader concepts of buffering, flexibility or redundancy, it can be conceptualised as a distinct construct. Interestingly, it has been rarely studied in SME internationalisation literature (Azadegan et al., 2013; Kiss et al., 2017).

The review above provides useful insights about the theoretical underpinnings of slack in the extant literature; however, it indicates that exploration of the slack-internationalisation link especially for SMEs is still limited and primarily examined in developed economies settings (see reviews by Jones et al., 2011; Terjesen et al., 2016; Elbanna et al., 2017).

2.2.3 International Network Relationships

Entrepreneur's or/and SME's international relationships may facilitate the SME's access to other resources that are essential for both survival and growth in national and international markets and which the SME lacks (Lloyd-Reason et al., 2005; Coviello, 2006; Welter and Smallbone, 2011). The use of an SME's or entrepreneur's personal networks for resource acquisitions has often been merged with discussions of the role of social capital in triggering internationalisation (Coviello and Cox, 2006), a phenomenon recognised as the SME's or entrepreneur's financial networks (Manolova et al., 2010; Manolova et al., 2014). The benefits of network relationships in SME's internationalisation discussion emphasise an SME's reliance on domestic and international networks to leverage its resources (Knight and Cavusgil, 2004; Coviello, 2006; Terjesen and Elam, 2009). The core insight of this stream of research is that network relationships constitute an important resource for the conduct of business relationships in the social affair context (Uzzi, 1999; Burt 1997; Nahapiet and Ghoshal 1998), enabling members of the social network to collectively access a shared pool of commonly owned capital which entitles them to credit (Bourdieu, 1986). Moreover, the early entrepreneurship research focused on the characteristics of the single entrepreneur (Slotte-Kock and Coviello, 2010) and the entrepreneurial processes were examined as a part of social phenomena (Hoang and Antoncic, 2003).

An impressive volume of evidence supports the benefits of network relationships (Portes and Vickstrom, 2011; Kwon and Adler, 2014). Inter alia, SMEs that access social capital and network of international relationships are able to secure resources (Nahapiet and Ghoshal, 1998; Huggins and Thompson, 2015; Wadha et al., 2017). In parallel, other scholars identified a number of negative effects for network relationships in the context of internationalisation (Locke et al., 1999; Adler and Kwon, 2002; Kwon and Adler, 2014). However, this opposing work has lacked theoretical depth, relative to the substantial body of

work examining the positive effects of SMEs' social capital (Zahra, 2010; Pillai et al., 2017). Ojala's (2009) and Hessels and Terjesen's (2010) are among the early scholarly works which aimed to examine the negative effects of network relationships in SME internationalisation literature. Management scholars advance a number of perspectives in an attempt to account for the 'dark' side such as social liability arguments and cognitive lock-in assertion (Grabher, 2002; Westlund and Bolton, 2003). For example, path dependencies that arise from trust in business relationships lead to the development of spatial traps hindering economic development (Fazio and Lavecchia, 2013). Therefore, scholars call for future studies to adopt an integrative and multi-level approach to studying SMEs' international networks rather than examining causation relationships (Slotte-Kock and Coviello, 2010; Coviello, 2015).

The extant literature suggests that SME's relationships in the host country are relevant and important; however, little is known about how network relationships in the domestic context either facilitate or hinder SMEs in venturing overseas (Fernhaber et al., 2008; Prashanthan et al., 2015). Some scholars argue for the positive influence of domestic relationships on SME internationalisation (Prashantham and Birkinshaw, 2015), while others have found that the same can impede internationalisation (Milanov and Fernhaber, 2014). It is recognised that the local milieu yields valuable network benefits to early internationalising firms (Chetty and Agndal, 2007; Zahra, 2010); however, research on the effect of home-country relationships on firm internationalisation is scarce, although interest in this topic is growing (Musteen et al., 2014; Prashantham et al., 2015). The present thesis aims to contribute to a discussion of how domestic relationships may facilitate or impede SME internationalisation. Additionally, much of the work that has been conducted is on firms internationalising from developed economies. If IB and IE literatures are to keep up with practice, additional research efforts should be diverted to developing and undeveloped economies (Yamakawa et al., 2008), which is what the present research intends to examine.

2.3.4 Human Resources

There has been a proliferation of studies examining the influence of human resources on organisation processes, strategies and outcomes since Hambrick's (1989) advocacy of the importance of putting top managers back in the management and strategy literatures and the significance of the role played by the walking assets in framing decisions to realise competitive advantage plans (Spar, 1997). The early work of Cooper et al. (1994) emphasised the role of an SME's management teams in predicting international venture performance, and is aligned

with both the resource dependency perspective (Hambrick and Mason, 1984) and the strategic choice view on the role of power-holders in shaping an organisation's choices, goals, domain and structures (Child, 1972).

Senior management demographic characteristics such as age, years of prior professional international experience and knowledge of foreign languages affect SMEs' international business (Westhead et al., 2001; Fernández-Olmos and Díez-Vial, 2013; Gashi et al., 2014; Oehme and Bort, 2015), as they act as 'catalysts' to induce internationalisation decisions (Chen et al., 2016). However, access to human resources is not always associated with favourable internationalisation outcomes (Almodóvar and Rugman, 2014; Onkelinx et al., 2016). Other studies, though, have concluded that Top and Middle Team (TMT) characteristics may not influence internationalisation decision-making or that their impact is dwarfed compared to other context characteristics (e.g., Goll and Rasheed, 2005; Bromiley and Rau, 2016; Simsek et al., 2015).

The influence of diversity in the management team is an emergent stream of research in the internationalisation literature. Diversity in groups and teams is portrayed as a positive force leading to effective functioning of the group/team as it leads to greater variance in ideas, creativity and innovation (Cox et al., 1991). Diversity, though, has its costs. It makes communication more difficult and increases conflict and political behaviour (Elbanna, 2016). In the popular press, diversity is usually synonymous with gender or ethnic diversity. Research on organisation work groups, however, has focused on other forms of diversity including differences in age, education, firm tenure, and functional or technical background (Jackson et al., 2003). Diverse teams, for example, are by definition designed with deliberate differences in demographic diversity and technical specialisation (Ancona and Caldwell, 1992).

Diversity in the present research context refers to team members coming from different countries and having different backgrounds and demographic characteristics. TMT diversity may affect the firm's growth strategies and performance. No precise argument has been established in the literature; in fact, top- and middle-level demographic diversity was found to be both positively and negatively associated with performance and often non-significant (Finkelstein et al., 2009).

The literature provides considerable evidence of the direct contribution of workforce, managerial and marketing skills to low commitment internationalisation modes such as exporting in particular, but the literature on SMEs is specifically limited (Leiponen, 2005; Love

and Roper, 2015). Furthermore, there is no established consensus on whether human resources trigger, facilitates or inhibits an SME's internationalisation when the decision is pursued in munificent business conditions.

So far, the resource theorising in the management literature have been discussed and the theoretical underpinnings, primary concepts and limitations were identified. The meaning of munificence and the influence of the surrounding business context will be discussed next.

2.4 The Classical View on Munificence

Large and small organisations operate in the ambit of an environment (Knight and Liesch, 2016). The environmental determinisms perspective recognises the role of the external environment and its characteristics in shaping an organisation's decision-making (Child, 1972; Dimitratos et al., 2004; Elbanna and Child, 2007; Elbanna and Gherib, 2012). Environmental characteristics may refer to the market or the industry in which an organisation operates or can be represented by the societal, economic, political and/or geographical conditions influencing it (Wejnert, 2002). Additionally, the environment can be defined along three dimensions of munificence, hostility and dynamism (Dess and Beard, 1984; Randolph and Dess, 1984; Aldrich, 1999). Dynamisms refers to the degree of turbulence and change, hostility indicates unfavourable external forces in a firm's business environment which may be in the form of strict regulations, competitive pressures or intense rivalry (McArthur and Nystrom, 1991) while munificence is the scarcity or abundance of resources (Dess and Beard, 1984). The thesis's literature review will explore munificence-related literature as it is closely linked to the thesis's research question.

Munificence demarcates the accessibility and availability of resources in the environment and refers to the environment's ability to sustain an organisation's growth and accept new entrants (Dess and Beard, 1984). Munificent business environments are characterised by high growth rates and ease of access to resources, while organisations operating in low munificent business environments are challenged with increased competition for a thin array of opportunities (Castrogiovanni, 1991). Munificence is defined in terms of environmental parameters such as the quantity of resources in a particular context and the environment's ability to sustain an organisation's growth (Dess and Beard, 1984; Aldrich, 1999; Pfeffer and Salancik, 2003;). In other words, munificence is typically captured in the extant literature from a financial perspective that addresses environmental, market and industry parameters.

Furthermore, munificence is recognised as a heterogeneous construct that can be assessed from three main dimensions: environmental capacity, growth/decline and availability of opportunities/threats. While environmental capacity pertains to the pool of resources available in a specific environmental context (Aldrich, 1999), growth/decline perspective pertains to the change in capacity and level of competition (Zammuto, 1988); furthermore, opportunity/threat perspective relates to the extent to which a certain industry is un-utilised and underexploited (Porter, 1986). Organisations will be exposed to additional business prospects when the environment around them is munificent. It is worth noting that resource management in high versus low munificent markets is different (Rajagopalan et al., 1993) because, under low munificent conditions, resources are managed effectively and efficiently, and organisations are expected to exhibit a high degree of selection in bundling and structuring their resource portfolios (Sirmon et al., 2007).

The initial stream of research on munificence explored its impact on organisations and reported that firms operating in hostile or less munificent environments are more inclined to commit illegal acts (Staw and Swajkowski, 1975), and tend to change their organisation structures to centralise operating decisions (Yasai-Ardekani, 1989); the studies suggest that organisations tend to adopt mechanistic structures and formal administrative systems (Koberg, 1987). Moreover, munificence affects entrepreneurial set up, and entrepreneur's self-efficacy (Tang, 2008). A parallel stream of research linked munificence to the organisation's ability to accumulate excess resources, which is referred to in the extant literature as organisation slack (George, 2005; Fadol et al., 2015; Kuusela et al., 2017).

Operating in a munificent business environment influences entrepreneurs' entrepreneurial munificence (Tang et al., 2010; Bacq et al., 2017). The conceptualisation in this line of thinking relates entrepreneurial intentions to the presence of and access to family businesses, role models and diversified economies with incentives to start business and establish that an entrepreneur's sensation of entrepreneurial munificence influences his/her opportunity recognition (Naffziger et al., 1994; Bacq et al., 2017). Although this stream of research is helpful in focusing on the cognitive perspectives of entrepreneurs, it ignores an organisation level of analysis to explain how context influences internationalisation decisions.

Furthermore, it is advocated that the role of context in IB, IE and strategic management literatures have been confined to taking stock of what is known (see review of Elbanna et al., 2017 on the role of context in decision-making). In relation to the extant literature on the

munificence-hostility dimension of the environment, the context factor is either captured as the input/independent variable which is logically connected to the output/dependent variable (Wan and Hoskisson, 2003; Shephard and Rudd, 2014) or as the input which is connected to the outputs through mediating variables in causal relations. This conception dominates the existing literature (McArthur and Nystrom, 1991; Goll and Rasheed, 1997; Elbanna and Child, 2007; Elbanna, 2009; Elbanna et al., 2013). Studies examining the context factor as an ongoing phenomenon or event are very scarce (Elbanna et al., 2017). Furthermore, a major literature gap in the literature on munificence indicates that it is captured predominately in moderating relationships and there is limited research that examines munificence in either an explanatory (which the present thesis is posited to address) or process developmental capacity (Elbanna et al., 2017).

The extant literature mainly examines contexts which are not munificent; therefore, empirical evidence collated from a munificent context will provide useful insights to explain how resource-abundant conditions affect SMEs' internationalisation, which is what the present research attempts to undertake. Furthermore, examining the debates about munificence indicated that over-abstraction of munificence in the extant literature resulted in ambiguity and descriptive studies (Castrogiovanni, 1991; Estrin et al., 2017). Consequently, future research must recognise that the environment is both multilevel and multidimensional and therefore dimensions of environments, including their munificence, should be assessed at least among two of the five levels of: macro-environment, aggregation environment, task environment, sub-environment and resource pool (Castrogiovanni, 1991). The present research recognises this gap and aspires to build on it.

In summary, although the influence of the 'environment' on organisations is substantiated in the literature (Cavusgil and Knight, 2015), it is restrictively captured on the task dimension, which mainly focuses on the financial parameters of market demand and industry change (Dess and Beard, 1984; Tang et al., 2010). Furthermore, there is a scarcity of research investigating the effect of munificence on organisations in general and on SME internationalisation in particular and the conception does not explore the influence of munificence on SMEs' internationalisation decision (see reviews by Ruzzier et al., 2006; Jones et al., 2011; Shepherd and Rudd, 2014; Terjesen et al., 2016). The present research recognizes the financial and market dimensions of munificence (Dess and Beard, 1984; Goll and Rasheed, 2005; Bacq et al., 2017) but further build on them to expand our understanding of how munificence shapes SMEs' internationalisation decision.

2.5 Munificence in the Context of SME Internationalisation

As identified earlier, munificence demarcates the accessibility and readiness of resources in the environment and refers to the environment's ability to sustain the organisation's growth (Dess and Beard, 1984). Of particular relevance to the discussion is the role of low munificence-hostility conditions in depriving internationalising firms of valuable resources (Wales et al., 2013). The extant literature suggests that environmental contingencies can either provide the stimuli or set the constraints for different organisation activities. Organisations that are able to match their strategies to the surrounding business context achieve comparative advantages (Child, 1972; Jones, 1999) compared to organisations that do not. In developing such a fit, organisations assess their actual external context and match it to perceived levels. The present research adopts this view to examine how SMEs' assessment of the external context influenced their internationalisation (Tang et al., 2010). Studies introducing the construct of munificence to SME internationalisation are scarce (Westhead et al., 2004; Rasheed, 2005; Bacq et al., 2017) although the later in terms of entrepreneurial intentions.

Additionally, munificence has typically been captured and defined from an environment dimension perspective (industry and market growth rates), as introduced earlier. In fact, internationalising ventures' local milieu is recognised to affect their access to resources or competition for resources; this condition may either facilitate or hinder their decision to internationalise (Fernhaber et al., 2008). Additionally, a country's specific resources can be distinguished as either factors (physical infrastructure) or institutions (regulative and legal systems) (Wan and Hoskisson, 2003). Variations in factors and institutions provide organisations with opportunities and constraints, and hence adopting an institutional-based perspective to define and identify munificence represents a novel theoretical argument to SME internationalisation literature, as will be presented later, in the discussion section.

It follows that, because the pursuit of internationalisation involves substantial resource-commitment decisions and has significant long-term consequences, additional discretionary resources, which can be generated from the external context, can act as a buffer to shield the firm from the risk and uncertainty. Moreover, because a high level of resources can be applied to a wide variety of situations (Sharfman et al., 1988), it is inferred that resource-abundant conditions allow SMEs to undertake a broad array of entrepreneurship and internationalisation activities. Thus, organisations operating in low munificent business contexts will have to focus on only a few routines, and hence develop a narrow and simple domestic repertoire (Miller et

al., 2008). Conversely, when resources are viewed as abundant, available, visible and employable in the future, they might prompt managers to deviate from the single-minded focus on efficiency and loss-aversion – what Staw et al. (1981) refer to as ‘dominance of efficiency’ concerns – for new ways of doing things, a process Levinthal and March (1981) refer to as ‘slack search’.

In other words, operating in a munificent business context and securing exogenous resources support SME internationalisation and represent a cushion. In fact, Sharma (2000) shows that abundance of even one category of resource enables managers to frame environmental issues as opportunities as it increases their perceived controllability of threats. Despite these enabling arguments, some have attempted to reconcile the contrasting position on agency views about resource-abundant conditions by theorising a curvilinear, inverted U-shaped relationship (Tan and Peng, 2003; George, 2005; Tang et al., 2010).

The present research advances the view that a munificent business context is likely to affect the way an endowed SME internationalises. Scholars have recently started to introduce a similar argument in SME internationalisation literatures, examining low munificent-hostile business contexts (Oon et al., 2015) as a moderator in internationalisation studies. Moreover, there has been a uniform capturing of the surrounding business context in the internationalisation literatures, although different types of economies (emerging, developed and institutionally driven) should be conceptualised differently as they provide dissimilar resource environments, factors and regulating institutions to organisations (Wan, 2005). Providing a holistic view may limit understanding of how SMEs practically internationalise. Additionally, the current work on the influence of a country’s specific context on firm internationalisation does not pay much attention to the domestic environment (Leonidou and Katsikeas, 1996; Oon et al., 2015). There is therefore a need for research to examine how these forces influence the resources available to organisations and the effect on internationalisation.

While the extant literature on slack and organisation performance is instructive, limited research has examined the influence of munificence on the internationalisation decisions per se – with the possible exception of a few efforts such as the study by Nohria and Gulati (1996) examining exploration and exploitation, Tang et al.’s (2010) examination of how industrial munificence influences proactive internationalisation and Bacq et al.’s (2017) examining entrepreneurial munificence – leaving this relationship an open question in the literature.

2.6 Concluding Remarks: Resources, Context and Internationalisation

This chapter identified the literature gaps the present research aims to address and discussed the different definitions and theories on internationalisation. The discussion was supplemented with a review of the existing research on resources, munificence and internationalisation. Resource theorising and management (Barney, 1991; Barney et al., 2011) were found to represent a useful theatrical lens to explain SME internationalisation in munificent resource-abundant contexts. The resource-based view serves as a fundamental platform because it can explain how SMEs either capitalise on their existing resource base or access alternative sources to supplement their thin resource base (Barney et al., 2011).

The review demonstrates that there is a considerable body of work on SME internationalisation; however, the standing proposition has established that SMEs are marginally resourced entities (Oviatt and McDoughal, 1994, 2005; Jones et al., 2011; Bacq et al., 2017) and indicates that, although the influence of resources on SME internationalisation has been established, the discussion is hindered by conflicting views as to why different resource categories may or may not influence internationalisation (Kraatz and Zajac, 2001; Baum et al., 2011; Teece, 2014). Additionally, the extant literature primarily focuses on specific categories of resources such as technological resources (Knight and Cavusgil, 2004; Cavusgil and Knight, 2015), international network relationships and management international experience and there has been often negligence in determining the influence of other categories of resources on internationalisation (Jones et al., 2011; Terjesen, et al., 2016). The main premise in the accelerated internationalisation literature in particular focuses on exploring the role of innovative culture and technological capabilities of born global businesses in explaining their early and accelerated internationalisation (Knight and Cavusgil; 2015). The present thesis draws on different streams of literature to explore SMEs' internationalisation decisions in resource-abundant conditions and aims to identify the resource categories that were fundamental in the context of their internationalisation. The present review establishes that little is known about how SMEs emanating from munificent business environments internationalise and what resources are fundamental to their decision, and emphasises that specific resources such as operational slack have hardly been examined in the IE literature (Azadegan et al., 2013).

Furthermore, the present review indicates that munificence is captured from an environmental and market perspective, and, although this caption provides useful insights, its application in SME internationalisation literature has been limited (Terjesen et al., 2016;

Elbanna et al., 2017). Although four decades have passed since Staw and Sz wajkowski (1975) argued that environmental munificence is an important variable affecting organisations and that lack of munificence can impede an organisation's growth, more research examining munificence is scarce compared to research examining other dimensions of the environment such as dynamism and hostility (Elbanna et al., 2017). The studies that have emerged since then continue to capture munificence from market perspectives, such as competitiveness or industry growth rates (Dess and Beard, 1984; Sharfman et al., 1988; Aldrich, 1999; Goll and Rasheed, 2005; Tang et al., 2010, Bacq et al., 2017; Estrin et al., 2017). The present research recognises the financial and market dimensions of munificence and attempts to expand our understanding of how SMEs identify and define munificence in the context of their internationalisation.

Based on the review of resources and munificence, it became clear that a comprehensive and holistic understanding of the SME internationalisation in the endowed context is warranted. In addition, understanding how SMEs respond to resource-abundant rather than resource-constraint conditions is crucial. In summary, this introductory review of the literature has provided a general understanding of the theoretical constructs and theories applied to develop the theoretical model of the present research and identified the conceptual underpinnings and foundations that were used to propose the generic theoretical framework, which guided the empirical investigation.

The next chapter reviews literatures and the theoretical underpinnings of social capital and institutional theories. Both perspectives are established to inform SME internationalisation literature (Hoang and Antoncic, 2003; Kiss and Danis, 2010; Huggins and Thompson, 2015). Social capital may either enhance or hinder entrepreneurial activity. In a similar vein, the institutional environment constitutes an important component of the surrounding external context for SMEs and is fundamental in affecting strategic behaviour (Wright et al., 2005; Finchelstein, 2017). Based on these foundations, social capital and institutional theories are discussed in the next sections because they are relevant to the argument put forward in the discussion chapter on how SMEs identified and defined munificence in the context of their internationalisation. In the next chapter, the two strands of the literature will be examined and the chapter will provide an overview of the debates in relation to SMEs' internationalisation decision. This approach resonates with suggestions from IB scholars that employing multi-theoretical perspectives in research generates richer and more comprehensive insights (Sullivan and Daniels, 2008).

CHAPTER THREE: SOCIAL CAPITAL, INSTITUTIONAL VIEW AND SME INTERNATIONALISATION DECISION

Introduction

This chapter reviews literatures that inform the discussions on the key contextual factors shaping SMEs' perception and identification of munificence in the context of their internationalisation. It starts by discussing the theoretical underpinnings of Social Capital Theory (SCT) and its related dimensions as proposed by Nahapiet and Ghoshal (1998) and then progresses to examine the formal and informal dimensions of the Institutional-Based View (IBV) in accordance with North (1991) and Scott (2001, 2013). While the previous chapter sketches the main constructs of the priori generic model and outlines that a firm's specific resources and operating in a munificent context are suggested to influence its internationalisation decision. This chapter identifies how SCT and IBV literatures provide useful theorising explanations to develop our understanding of how SMEs perceived and identified munificence given the findings collated from the empirical investigation. Additionally, the chapter identifies the fundamental debates in relation to the different dimensions of the SMEs' internationalisation decision such as approach, market and entry mode decisions. The first sections examine the main theoretical underpinnings of the two theories and identify how they inform the internationalisation literature. The last sections examine the various debates about SME internationalisation decision.

3.1 Social Capital Theory

Background and Theoretical Foundation

The theoretical foundation of Social Capital Theory (SCT) is rooted in the work of sociologists such as Bourdieu (1986) and Coleman (1988). The former was a pioneer and offered a detailed definition of social capital: *"it is the aggregate of the actual or potential resources which are linked to possession of durable networks of institutionalised relationships that is based on mutual acquaintance or recognition"* (Bourdieu 2011: 248).

The central proposition behind SCT is that network relationships constitute a valuable resource that entitles their owners to privileges in the various senses of the word (Bourdieu; 1986). It was rephrased differently by Coleman (1988: 100) as *"who you know affects what you know and what you get"*. Social capital is confined in relationships, which are embedded in social structures to serve a purpose (Coleman, 1988; Portes, 1998; Burt, 1997). Unlike other

forms of capital, it is jointly owned by parties involved in a relationship and no party is capable of claiming exclusive ownership of it and it is not traded (Burt, 2017). Social capital it is not as easily alienable as financial capital nor is it as mobile and transferable as human capital (Coleman, 1988; Bourdieu, 2011). The core intuition guiding social capital is that the goodwill that others have towards us is a valuable resource (Adler and Kwon, 2002; Lin, 2014; Dubos, 2017). Prior studies demonstrate that networks generated from social capital serve as conduits for resource access (Cao et al., 2006; Musteen et al., 2010) and enable its owners accrue socio-relational benefits such as legitimacy and status (Simsek et al., 2015; Wadha et al., 2017).

Burt (1992) introduced a different perspective to social capital as he built his work on the conceptualisation of weak ties in line with Granovetter's (1983) studies when he introduced the conceptualisation of structural holes (Burt, 1992, 1997). Structural holes occur when a party is connected to a group who are not connected to one another and acts as a broker to bring the social worlds of these distant participants together (Burt, 1997). Burt's theorising captures social networks as disperse networks, while the views of Coleman and Bourdieu discuss the importance and relevance of dense networks to realise gains. The common theme among the three scholars, though, is that social capital allows organisations and individuals to leverage their resource base through their formal and informal relationships. Although these scholars agree on the fundamental importance of network relationships as a resource, they lack consensus on the precise definition of social capital. The present thesis adopts the definition of Nahapiet and Ghosal (1998) as it recognises the role of the entrepreneur or the SME founder in utilising a repository of network relationships to generate resource benefits and capture social capital as the sum of actual and potential resources that are embedded within and are derived from a network of relationships possessed by an actor or a social unit (Nahapiet and Ghosal, 1998). Furthermore, their definition recognises the structural and relational dimensions of social capital, and further recognises the potential influence of cultural and context factors in enhancing individuals' access to or depriving them from accessing specific levels of social capital. In relation to the present research, this conceptualisation is integral because it allows us to comprehensively explore and examine the influence of the different aspects of social capital on SMEs' internationalisation decision.

Social capital is criticised for being an umbrella and all-encompassing concept (Hirsch and Levin, 1999; Lins et al., 2017). Nevertheless, the breadth of social capital identifies that ties of one kind (e.g., friendship) often can be used for different purposes (e.g., moral and material support, work and non-work advice). Coleman (1988), quoted in Kwon and Adler

(2002), refers to this characteristic and names it the ‘appropriability’ of social capital. It has been argued that social capital can be viewed as a public or private good (Ratten and Suseno, 2006). The private good focuses on the individual’s perspective and recognises the benefits accruing to the person who possesses it. Alternatively, social capital can be a public good to benefit an organisation or a society. Social capital as a public good is identified in organisation studies literature as an organisation resource that benefits an organisation and consists of a set of social relationships within a particular entity (Ratten and Suseno, 2006). The present research identifies that social capital is a public good, which may or could benefit SMEs when framing international business decisions.

Examining social capital literatures inevitably leads to the discussion of networks. Networks allow an actor to connect with one or more actors within a given collectivity in order to gain access to needed resources. The connection could be a micro-level connection, which focuses on the dyadic level and connection between two actors whereas the macro-level connection focuses on several social actors. Micro- and macro-level connections are embedded in social structures in which actors share common understanding, beliefs and values and this gives rise to considerations of embeddedness (Nahapiet and Ghoshal, 1998; Kwon, 2014 and Adler). Social capital allows its holder to access instrumental and embedded ties (Uzzi, 1999); embedded ties facilitate commercial transactions through social exchanges during the course of social-informal attachments, while instrumental ties are arm’s length and involve formal exchanges (Arenius, 2002; Cao et al., 2006). In the next section, the theoretical underpinnings in relation to the different dimensions of social capital are discussed.

The Dimensions of Social Capital

Nahapiet and Ghoshal (1998) identified three main dimensions of social capital, specifically, structural, relational and cognitive dimensions. The structural dimension refers to actual configurations of the network, number of ties and other structural aspects. The relational dimension refers to the nature of relationships such as trust and cohesion, identification and respect (Tsai and Ghoshal, 1998). The cognitive dimension refers to the set of resources that provides common meaning and understanding to network members, such as shared goals and norms, and shared language (Nahapiet and Ghoshal, 1998; Inkpen and Tsang, 2005; Musteen et al., 2010), the three dimensions are interrelated (Nahapiet and Ghosal, 1998; Doornich, 2018).

The distinction between the structural and relational dimensions of social capital was drawn upon from Granovetter's (1983) discussion of structural and relational embeddedness. Structural embeddedness refers to configurations of linkages between people and organisations and is reflected in the pattern of relationships (Burt, 2017) and associated with the presence of network ties (Scott, 2013). Network configurations are based on hierarchy, density and connectivity (Tichy et al., 1979; Lin, 2017). Through this theoretical conceptualisation the literature on social capital was linked to network theorising (Adler and Kwon, 2002; Kwon and Adler, 2014; Burt, 2017). On the other hand, relational embeddedness emanates from interactions. It is through ongoing relationships that people develop trust and prestige (Granovetter, 1983; Stam et al., 2014). The relational dimension relates to behavioural rather than structural relationships; it mirrors what Snehota and Hakansson (1995) refer to as 'actor bonds'. The key facets of the relational dimension of social include trust, norms, sanctions, obligations, expectations, identity and identification (Coleman, 1988; Putnam, 1993; Stam et al., 2014).

Uzzi (1996, 1997) outlines that it is the quality of the social relationship that determines which resources will be accessed and the extent of benefits realised. Relationships could either be arm's length relationships or close relationships (Lin, 2017) and thus demonstrate the 'durability' and 'lasting' arguments advocated by Bourdieu (1986) in determining the real value of social capital. The relational dimension is crystallised in legitimacy, power, status, prestige, honour and influence, which provide boundaries to decision-making and actions (Snehota and Hakansson 1995). The third dimension is the cognitive dimension, which refers to shared representations, interpretations and common beliefs and belongings (Nahapiet and Ghoshal, 1998; Lin, 2017). The facets of the cognitive dimension include shared language, norms, beliefs, backgrounds and shared narratives (Orr, 1990) and this dimension is reinforced by common language, codes and shared narratives such as myths, stories and metaphors (Nahapiet and Ghoshal, 1998).

The dimensions of social capital are likely to be interrelated in complex ways (Nahapiet and Ghoshal, 1998). For example, particular structural configurations may be the result of strong and symmetrical relational facets that emanate from trust or interpersonal effects (Granovetter, 1983). Additionally, scholars often highlight the interdependency between social identification and the structural position of social players in relation to belonging to a specific group or sharing common vocabulary and norms (Mael and Ashforth, 1995; Ronen and

Shenkar, 2013). The next sub-section discusses debates on whether social capital is a form of Capital or Resource.

Is Social Capital a 'Capital'?

The term capital is associated with the conceptualisation of benefits and surplus (Lin, 2017). First, like other forms of capital, social capital is a resource that could be invested to realise future uncertain gains (Araujo and Easton, 1999). Like all forms of capital, it should yield benefits. Second, like other forms of capital, it is 'appropriable' (Coleman, 1988) and can be converted from one form to another (Bourdieu, 1986). Conversion of social capital carries economic and/or non-economic benefits (Adler and Kwon, 2002), after all, it is "*investments in social relationships with expected returns*" (Lin, 2017:30).

Third, like other forms of capital, it can be a substitute. For example, social actors compensate for the lack of a specific category of resource by capitalising on their social network relationships and superior connections (Lazerson, 1995). Fourth, like human resources, social capital requires maintenance and is built up through social bonds, which need to be periodically renewed, strengthened, and assessed (Adler and Kwon, 2002). Additionally, social capital is not confined in one particular party, it is not exclusively claimed, and it is embedded in a relationship between two or more parties (Burt, 2000); hence, it is an asset for a particular organisation. The sources of social capital are the social structure, which include, market, social and hierarchical relations (Adler and Kwon, 2002), and it involves symmetric and asymmetric exchanges to create value (Adler and Kwon, 2002). Moreover, social capital could escalate or depreciate, like most forms of assets (Prashantham and Dhanaraj, 2010). In sum, social capital falls into the category of rare, heterogeneous and un-imitable resources (Shahzad et al., 2016) and this theoretical underpinning renders social capital a resource that is particularly idiosyncratic to an organisation operating in a particular business setting.

The Dual Role of Social Capital

While some recommendations argued for a conceptualisation of social capital that identifies its positive outcomes, others saw this position as extremely reductionist and overlooking its versatile nature (Kwon and Adler, 2014). The current debates argue for a balanced view for the following reasons: (1) investments in social capital are expensive if reversed; therefore, unbalanced or overinvestments can transform a productive asset or an opportunity into a constraint (Gabbay and Leenders, 1999; Tasavori et al., 2018); (2) although social capital may carry benefits to one social actor, it can have negative consequences to other

actors; (3) social capital is an asset, and therefore may carry a 'liability' in another respect (Adler and Kwon, 2002; Kwon and Adler, 2014). While a large body of literature focuses on the benefits of social capital, studies examining its risk are scarce (Wincent et al., 2016).

Of relevance to the present research is the role of social capital in facilitating SME internationalisation (Coviello, 2006; Prashantham and Dhanaraj, 2010; Ellis, 2011; Tasavori et al., 2018). It is identified that social capital leads to the identification of new internationalisation opportunities in international markets through formal and informal linkages across borders (Chetty, and Agndal, 2007; Bika and Kalantaridis, 2017; Wadha et al., 2017). Establishing and developing network relationships through founder's or entrepreneur's or manager's social capital is an integral aspect of the internationalisation process (Zhou et al., 2007; Wadha et al., 2017); moreover, informal social networks influence the performance of SMEs during the internationalisation process (Bika and Kalantaridis, 2017). The role of informal social capital (such as Guanxi in China, Kankei in Japan or blat in Russia) has been recognised in shaping internationalisation outcomes (Zhou et al., 2007; Tian et al., 2017) and the informal mechanisms are suggested to offer significant contributions to SMEs' internationalisation strategies and explain the early and accelerated internationalisation of these SMEs (Rialp et al., 2005; Coviello, 2015).

Therefore, it is identified that social capital is fundamental to internationalisation for the following reasons: SMEs can benefit from strong and weak linkages in international markets (Chetty and Agndel, 2007). Additionally, social capital is often serendipitous and, through serendipity, benefits may be realised (Nahapiet and Ghoshal, 1998). Furthermore, as SMEs often suffer from liability of newness and smallness in international markets, previous research has established that an entrepreneur's or manager's international social relationships are an important mechanism helping the organisation encounter these liabilities (Stuart and Sorenson, 2005; Narooz and Child, 2017). Social capital allows SMEs to access a totality of the persons connected by social relationships in a specific population (Uzzi, 1997) and, through social interactions, economic exchanges may develop (Kiss and Danis, 2008; Lin, 2017). Furthermore, the role of international social capital in identifying international opportunities attracted scholars' interest (Blomstermo et al., 2004; Loane and Bell, 2006; Kwon and Adler, 2014). This stream of research allowed scholars to challenge traditional stage theories of internationalisation and highlighted the diminishing role of geographic or psychological proximity in explaining accelerated early internationalisation (Bell, 1995; Coviello, 2015). In

our view, this view is reductionist, as it does not take account of an SME's domestic social capital.

On the other hand, social capital has risks that may outweigh its benefits (Gabbay and Leenders, 1999; Adler and Kwon, 2002; Kwon and Adler, 2014). There is the cost and time involved in maintaining relationships (Prasthantham and Dhanaraj, 2010). There is also the risk of closure, which means that the focal actor becomes blinkered within his/her closely-knit network and becomes unable to recognise or access new sources of information (Adler and Kwon, 2002). Closely-knit networks create redundant ties (Burt, 1997). Another set of costs would involve the leakage of learning referred to by Hamel (1991) when the critical capabilities of an organisation diffuse into a partnership arrangement and are transferred to the other partner. Moreover, solidarity benefits may backfire to cause inertia, as articulated by Powell and Smith-Doerr (1994); the ties, which may 'bind', may turn into ties that 'blind', and embeddedness in tight-knit networks and societies may hinder entrepreneurship and encourage free riding (Uzzi, 1997; Portes, 1998), as organisations become 'relief organisations' rather than efficient entities.

Therefore, it is crucial that both the costs and benefits of social capital are simultaneously considered and one aspect is not overlooked for another (Parker et al., 2016). In the internationalisation literature, the primary focus has been on international social capital, while the effect and influence of domestic repository has been overlooked (Terejsen et al., 2016); furthermore, examining the benefits of social capital far outweighs the examination of its risks (Kwon and Adler, 2014) and focuses on examining the role of international network relation in opportunity identification, start-ups, resource mobilisation and acquiring tacit knowledge of SMEs in their international markets (Davidsson and Honig, 2003; Bika, and Kalantaridis, 2017). Therefore, in the context of SME internationalisation, social capital is an enabler because it serves as a substitute for resources which the SME or the entrepreneur may lack (Zhou et al., 2007; Chetty and Agndal, 2007).

The extent to which entrepreneurs rely on social capital varies across countries and institutional contexts, such that entrepreneurs from countries with lower levels of institutional development, such as transition or emerging economies, tend to rely heavily on social networks than do those from developed markets (Letaifa and Goglio-Primard 2016). Networking activity also is more intense in environments in which formal institutions are unstable or weak (Batjargal, 2003); consequently, connections and relationships with people within the political

bureaucracy grants an SME information access rights (Rona-Tas, 1994). The review now shifts to discussing the theoretical parameters of the institutional theory and highlights the gaps and debates in relation to the present research.

3.2 The Institutional-Based View (IBV)

Background and Theoretical Foundation

Institutional theory attempts to understand organisations as a product of social rather than economic parameters and it has proved to be a popular perspective because it could explain behaviours that defy economic rationality (Suddaby, 2010). Institutional theory is concerned with how organisations secure their legitimacy by conforming to the rules and norms of the institutional environment (Scott, 2001) and attribute an organisation's behaviour to the rules set up by the regulatory structures, governmental agencies, laws, courts, professions and scripts as well as other societal and cultural practices that exert conformance pressures (DiMaggio and Powell, 1991).

The roots of institutional theory are traced to the concept of bureaucracy introduced by Max Weber's (1946) essays in sociology; his work on bureaucracy and bureaucratic behaviour was further developed by Merton (1936). Merton argued that formal and rigid rules and formal procedures could hinder the achievement of an organisation's goals, giving rise to bureaucratic dysfunctions. This perspective and the neo-institutional view of IBV are relevant to the discussion about how an SME's context may influence the different dimensions of its internationalisation decision. North (1990) is the major contributor here, arguing that economic exchange depends on the institutional and governing framework surrounding business organisations. In his view, organisations are embedded in and affected by a particular institutional framework and the 'rules of the game' creates the boundaries within which human and economic interactions take place (North, 1990; Scott, 2001).

Employing the neo-institutionalism approach suggests that organisations in a particular population should develop a fit between their internal characteristics and the external environment if they are to survive (Scott, 2001). Organisations usually develop internalised routines and procedures that become a form of institutionalisation (Scott, 2001). The influence of the 'environment' on organisations is substantiated in the literature however; it has been captured on the 'task' dimension (Elbanna et al., 2017). Scholars usually looked at the task dimension of the environment and overlooked the interaction between organisations and institutions (critique by Narayanna and Fahey, 2005).

Institutions matter because mature and well-developed institutions act as enablers for organisations to conduct efficient business activities; un-developed institutions create higher transaction costs and make market exchanges inefficient (Peng et al., 2008; Finchelstein, 2017). Scholars are recognising that institutional context is not a background condition (Oliver, 1997; Finchelstein, 2017). Instead, "*institutions directly determine what arrows a firm has in its quiver as it struggles to formulate and implement strategy*" (Ingram and Silverman, 2002: 358). The institutional context has been captured in relation to its dimension. The next sub-section captures the discussions in this regard.

The Dimensions of the Institutional Context

The institutional context encompasses norms, rules and cognitive structures which overall set the rules of the game and define the framework for market transactions (Scott, 1995). We follow Scott (2001: 33) in defining institutions as "*social structures that have attained a high degree of resilience*" that are "*composed of cultural-cognitive, normative, and regulative elements that, together with associated activities and resources, provide stability and meaning to social life.*" Institutional contexts "*prescribe and proscribe organisation alternatives*" (Greenwood and Hinings 1988: 299). Decisions are made on many criteria that include economic and technical considerations, and also on the basis of what is acceptable and legitimate within a particular environment or 'organisation field' (Scott, 2001). This conceptualisation outlines the significant role of the institutional context in affecting an SME's domestic and international operations and shall provide a basis to define how the explored cases in the present thesis identified and described the surrounding business context by relating it to the institutional dimensions.

According to North (1990), institutions consist of two main pillars: formal and informal dimensions. Scott (2001), on the other hand, regards institutions as relatively stable entities, which consist of three main pillars: regulatory, normative and cognitive-cultural, which are present at the micro and macro levels. To distinguish between formal and informal classifications of institution, we should envisage a continuum. At one extreme lie the formal institutions that include formal rules, bylaws and contracts, constitutions defining the formal mechanisms governing the boundaries for a specific transaction or exchange between two or more parties (North, 1990; Scott, 2001). At the other end of the spectrum lie the informal institutions. These are the codes of conduct, norms, behaviours and informal conventions (North, 1990). Informal institutions are often not as obvious and clear as formal institutions.

Informal institutions reflect the culture of a specific business context (North, 1990). Moreover, informal institutions are ‘expectations’, ‘norms’ which govern social and economic practices (Scott, 2001). While the terms may differ, North’s (1990) definition of the formal and informal rules of the game matches Scott’s (2001) view about the three dimension of IBV theory. Please refer to Table 3.1 below for illustration. Regulative mechanisms are not different from the formal institutions and informal institutions mirror the normative-cultural dimensions of the institutional framework (Scott, 2001).

Table 3.1: Dimensions of Institutional-Based Theory

Degree of Formality (North 1990)	Examples	Supportive Pillars Scott (1995)
Formal Institutions	Rules	Regulative
	Regulations	
	Law	
Informal Institutions	Norms	Normative
	Culture	Cognitive
	Ethics	

Source: Peng et al. (2009)

It is identified that regulatory/formal institutional are tangled with informal institutional mechanisms; moreover, the cultural and cognitive dimension recognises the role of symbols and values in shaping the informal institutional framework which eventually shapes individuals’ and organisations’ behaviour (Scott, 2001). Over time, informal dimensions become internalised and embedded in societies’ structures, forming part of the cultural heritage of countries and communities (Scott, 2001).

Informal institutions in Scott’s (2001) terms include cultural-cognitive and normative dimensions which involve the diffusion of knowledge, values and norms from one generation to another through the process of copying and instructing (North, 1990). Shared understandings and norms constitute the governing framework through which individuals and organisations make rational decisions and decide on an action. Normative values, on the other hand, are values related to moral obligations and desirable courses of actions, such as specific religious behaviours or actions or a common practice by members of a professional body. The normative dimension of the institutional framework outlines and defines appropriate courses of action and whether a specific behaviour or action will be ‘certified’ or ‘accredited’ (Scott, 2013). Therefore, institutions consist of two main pillars: formal and informal dimensions. Informal

institutions are expectations and norms, which govern social and economic practices and reflect cultural setting, while the formal dimensions designate the formal regulative institutions and mechanisms governing economic and social transactions in a particular context (North, 1991; Scott, 2005, 2013). Adopting the neo-institutionalism approach suggests that an organisation in a particular population develops a fit between its internal characteristics and the external environment if it is to survive.

The theoretical foundation presented earlier establishes that institutions constitute a fundamental contextual dimension for SME internationalisation, and identify that the institutional context with its two dimensions cannot be compartmentalised from social and societal exchanges. Therefore, the next section aims to integrate the common theoretical foundations between the three constructs, and highlights the current debates in the relevant literatures.

3.3 Institutions and Social Capital in the Context of SME Internationalisation

The literature establishes that formal institutions affect a firm's strategy and performance (Suddaby et al., 2015). In relation to the internationalisation literature, governments monitor the potential contribution of the SME sector to a country's economic performance and take an active role in taming the surrounding institutional context through effective policy measures (Peng et al., 2008; Buckley et al., 2016; Flinchelstein, 2017). Mature and well-developed institutions act as enablers for organisations to conduct efficient business activities; un-developed institutions create higher transaction costs and make market exchanges inefficient. Therefore, the institutional context is significant for internationalising SMEs and is recognised as the third tripod beside corporate strategy and market (Gao et al., 2010).

Countries differ in their level of institutional development. This disparity has implications for the extent to which entrepreneurial behaviour is encouraged or restricted. In addition, relationships are context specific and are embedded within the players' local context (Kiss and Danis, 2008; Jones et al., 2011). This means that the country's level of institutional development is likely to determine the extent to which SMEs or entrepreneurs will rely on their repository of social capital to internationalise and whether the institutional frameworks, both formal and informal, will encourage or discourage internationalisation. In such contexts, entrepreneurs and small business owners tend to have strong inter-personal relationships within key networks embedded in their domestic institutions as an alternative route to enact and

implement contracts and sometimes even to impose ‘sanctions on violators’ (Bruton et al., 2005; Oparaocha, 2015; Narooz and Child, 2017).

The lower the institutional level of development, the more likely it is that firms will rely on personal social capital and network relationships to counterbalance the negative effects of institutional voids (Narooz and Child, 2017). Similarly, the higher the level of institutional development, the more they will rely on weak ties and revert to formal functioning mechanisms (Kiss and Danis, 2008). Table 3.2 provides an overview of existing studies that capture the different ways the institutional dimensions enhance or impede SME internationalisation.

Table 3.2: Low versus High Institutional Development and Institutional Dimensions

Dimension	Conceptualisation	Institutional Context
Regulatory	Relates to governmental policies and regulations that govern a firm's intended international activities. (Busenitz et al., 2000). It includes other formal institutions that offer support to firms wishing to internationalise, such as banks, government agencies and capital markets (Kiss and Danis, 2008; Makhmadshoev et al., 2015).	Low institutional development: mechanisms impede internationalisation; high levels of institutional voids and bureaucracy are encountered (Zhu et al., 2006; Oparaocha, 2015)
		High institutional development: favourable business mechanisms reflected in well-regulated markets and enforcement of laws – conducive business environment facilitating internationalisation (Bruton et al., 2005; Schwens et al., 2011; Finchelstein, 2017).
Normative	Standards and values shared by members of a group or organisation regarding the preferable way to do business (Scott 1995, 2001; Kiss and Danis, 2008)	Low institutional development: societal values do not support internationalisation or entrepreneurial risk-taking behaviour (Xu et al., 2004; Hessels and Terjesen, 2010).
		High institutional development: entrepreneurial activities and international orientation are encouraged (Dhanaraj, 2007; Hernández and Nieto, 2015).
Cognitive/Cultural	How values of trust, openness and credibility are valued in the business context (Bruton et al., 2005; Kiss and Danis, 2008).	Low institutional development: personal relationships are more important than doing business. Hence, strong ties are crucial for doing business (Dodd and Patra, 2002; Hohentha et al., 2014).
		High institutional development: focus on weak ties and aim to develop mutual long-term relationships

Sometimes, institutional contexts are described as void when they are dysfunctional or corrupted; in this case, institutional voids are seen as one of the main obstacles hindering SMEs' internationalisation (Child and Roderiguz, 2004; Musteen et al., 2014; Narooz and Child, 2017). In emerging economies, markets are usually undeveloped and SMEs are pressured to internationalise to alleviate the pressure on their weak domestic operations (Cheng and Yu, 2008; Narooz and Child, 2017). External institutional barriers and bureaucratic regulations and the misalignment between institutional infrastructure and development programmes are the prime causes of SMEs encountering institutional voids (Cahen et al., 2016; Kahiya and Dean, 2016, Narooz and Child, 2017). Governments often undergo major reforms

to provide institution-based advantages to large and small organisations to internationalise (Hoskisson et al., 2000; Wright et al., 2005; Gaur et al., 2014; Makhmadshoev et al., 2015) and these reforms may require massive public investment in infrastructure and entail allocating provisions to extend monetary subsidies (Suddaby et al., 2015; Söderblom et al., 2015). Subsidies schemes result in positive behaviour changes; for example: receiving grants or subsidies was found to act as an information signal to external investors and financiers (Coeurderoy and Murray, 2008; Banno et al., 2014; Stephan et al., 2015). Additionally, they elevate recipient SMEs to a halo status (Hewitt-Dundas and Roper, 2011; Pradhan and Das, 2015; Buckley et al., 2016). Having discussed the current state of knowledge in IBV, the next section shows how the institutional theory is positioned to inform discussions on SME internationalisation.

Future Directions in the Context of Institutional Theory and SME Internationalisation

The purpose of this section is not to identify an all-inclusive list of all the literature gaps in the study and examinations of SME internationalisation through the theoretical lens of IBV, but rather to pinpoint a few directions that seem relevant to the examination of SME internationalisation in resource-abundant conditions.

The extant literature establishes the significance of institutions in enabling SME internationalisation (Greenwood and Suddaby, 2006; Suddaby et al., 2013; Suddaby et al., 2015). Despite the recognisable role of institutions in shaping the transaction-cost economies and managerial cognition of internationalising SMEs (Marano et al., 2016; Bruton et al., 2017), the literature captures the institutional context as a given exogenous fixed factor and hardly examine how the institutional context may be deliberately modified to enable SME internationalisation (Oparaocha, 2015).

There remain two broad formulations of institutional theory (DiMaggio, 1994): the first is derived from sociology and organisation theory, while the second is grounded on economics and political science (North, 1990). The two branches share a common notion that humans are limited in their cognition, yet are goal oriented and therefore employ heuristics in decision-making. However, the two approaches adopt different views about institutions. The sociology perspective argues that organisations interact with institutional context to attain legitimacy and stability (Zucker, 1991), while the economic/political branch, as advanced by North (1990), establishes that formal and informal governance structures and incentives shape an organisation's dealings. The entrepreneurship literature primarily draws on the organisation

perspective of the institutional theory and studies fail to acknowledge or integrate the existence of the other stream of research and do not recognise the different assumptions behind each (Bruton et al., 2010). Calls for studies recognising the difference between the two perspectives are encouraged (Musacchio et al., 2015), and studies should aim to establish the linkage and dynamics between the formal and informal dimensions of institutions (Holmes et al., 2013). Finally, institutional theory has opened up several rich new avenues in entrepreneurship and IB research, but institutions have been typically conceptualised at the macro level (Holmes et al., 2013; Suddaby et al., 2015). As the institutional theory influences the micro-level behaviour of individuals and small organisations; therefore, future research should expand the use of this theory to examine issues at both the macro and micro level (Bruton et al., 2010; Oparaocha, 2015).

The previous sections identified and discussed the current state of knowledge in relation to the two main theories employed to discuss the present research's empirical findings. In the next sections, the review shifts to examine the debates in the IB and IE literatures in relation to the different dimensions of the SME's internationalisation decision, specifically, the SME's internationalisation approach, entry mode and market selection decisions.

3.4 Endowed SMEs' Internationalisation Decision

3.4.1 SMEs' Entry Mode Choice: Resource Commitment and Risk Considerations

Once a firm decides to enter a foreign market it has to choose an entry mode, which designates the institutional arrangement for organising and conducting its international business transactions (Root, 1994; Shrader, 2001). The international entry mode decision is critical because it allows internationalising firms to set the correct boundaries in the international market to influence performance (Brouthers et al., 2009) and therefore is a critical international business decision (Anderson and Gatignon, 1986; Hollender et al., 2017). Large organisations and SMEs choose from three main entry mode categories: export, contractual and equity (Root, 1994; Knight and Liesch, 2016). Equity entry modes involve direct investments into the international markets such as joint venturing, wholly or partially owned subsidiaries, while non-equity entry modes involve direct and indirect exporting as well as contracting agreements such as licensing and franchising (Pan and David, 2000). Equity mode choices allow organisations to be close to their foreign clients (Zahra, 2005), but entail significant commitment in terms of managerial and financial resources (Sharma and Erramilli, 2004), while non-equity modes expose organisations to minimal risks (Yeoh, 2004).

The extant literature captures the entry mode decision as a dichotomous choice between equity and non-equity entry modes, where equity modes entail a high level of resource commitment, risk and control over the foreign subsidiary compared to non-equity modes (Maekelburger et al., 2012). Empirical studies establish that entry mode choice is a metric with varying degrees of resource commitment, risk and control (Pan and David, 2000; Ripolles et al., 2012). Table 3.3 summarises the different foreign entry modes captured in the IB literature.

Table 3.3: Foreign Entry Modes – Control and Resource Commitment Perspective

Entry Mode	Form	Control	Relational Friction	Commitment
Wholly Owned Subsidiary	Independent	High	Low	High
Partially Owned Subsidiary	Minority/majority ownership or affiliate	High/moderate	Low/moderate	High/moderate
Contract/Alliances	Relationship	Moderate	High/moderate	Low
Exporting	Independent	High	Low	Low

Source and modified: Erramelli and Rao (1993)

The internationalisation and IB literatures establish that SMEs have special characteristics that differentiate their entry mode and market selection decisions from their large counterparts. SMEs are captured as organisations with limited financial resources (Brouthers et al., 2009); hence, resource constraints hinder their ability to commit to foreign markets through high commitment modes like acquisitions (Ripolle et al., 2012): they have to evaluate their options, as they cannot match large organisations in terms of their level of commitment to the foreign markets, or their ability to encounter risks in the host markets (Hollender et al., 2017). Furthermore, SMEs' tolerance to risks is limited because of their liabilities of foreignness and smallness; therefore, they tend to commit to low commitment modes (Cheng and Yu, 2008). SMEs also are different from large organisations in terms of their ownership structures and decision-making because they are structured as family businesses or as small organisations with flexible structures; therefore, they are usually reluctant to share control with overseas partners (Fernandez and Nieto, 2006). The extant literature provides conflicting evidence on whether SMEs choose high or low commitment entry modes. Furthermore, although it is established that SMEs differ from large organisations, the same theories were employed to examine entry mode decisions of small and large organisations (Laufs and Schwens, 2014; Hollander et al., 2017) and entry mode research has focused mainly on multinational enterprises (Bruneel and De Cock, 2016). Different perspectives and theories are employed to examine the entry mode decision in the extant

literature (Laufs and Schwens, 2014; Bruneel and De Cock, 2016). The next sub-section provides an overview of some of the different perspectives adopted in examining SMEs' entry mode decisions and the review informs the discussion chapter.

Theories Explaining SMEs' Foreign Entry Mode

1. Transaction Cost Economy (TCE)

TCE has been extensively used to examine the international entry mode decisions of SMEs (Brouthers and Hennart, 2007; Schwens et al., 2011; Yasmeen and Viswanathan, 2017). According to this perspective, an SME will choose the organisation structure that minimises its controlling and monitoring costs. The theory draws on three main dimensions: asset's specificity, environmental and behaviour uncertainty, and transaction and market costs frequency (Williamson, 1988). The general premise is that the higher the asset specificity, the higher the commitment mode to ensure a firm does internalise the commitment risk. When environmental uncertainty is high, low commitment will be preferred, because it allow the organisation to develop efficiency mechanisms and reduce monitoring costs (Dyer, 1997).

2. Institutional-Based View

The institutional theory is adopted to explain foreign market entry modes and what markets SMEs select (Laufs and Schwens, 2014). According to this view, as SMEs must abide by the rules of the games because uncertainties arising from host-country dynamics are often stressful for SMEs due to their resource constraints (Yiu and Makino, 2002; Laufs et al., 2016). Studies grounded on the institutional perspective indicate that high commitment modes such as greenfield acquisitions and joint ventures may enhance an SME's ability to encounter institutional challenges (Rasheed, 2005; Hollender et al., 2017). Scholars call for future research to examine the challenges that arise from the domestic institutional context which may influence an SME's foreign market entry (Lauf and Schwens, 2014). However, to the best of my knowledge, there exists limited research that addresses how well functioning formal and informal institutional mechanisms in the domestic market can direct SMEs to adopt one mode over another.

3. Social Capability/Network Theory

As indicated earlier, the SCT identifies an organisation's ability to acquire resources from its network relationships (Chetty and Agndal, 2007; Kontinen and Ojala, 2011; Wadha et al., 2017; Bika and Kalantaridis, 2017). Social capital in the international host markets is seen

as a mechanism to reduce risks and legitimise presence in foreign markets (Prashanthan et al., 2015). The main gap in relation to the present research identifies that the focus is on exploring international relationships in the host countries (Musteen et al., 2010; Musteen et al., 2014), rather than the influence of an SME's domestic social capital in triggering mode choice decisions (Bruneel and De Cock, 2016).

4. Psychic Distance and SME's Mode Decision

The psychic distance concept originated in the literature on international trade to explain obstacles to international trade (Beckerman, 1956). To the international business community, the psychic distance concept was introduced by the Uppsala school to explain export market selection (Johanson and Vahlne, 1977). It has been a useful theoretical perspective in strategy and organisation behaviours for three decades; it has found its loyal following in IB and is used to explain foreign direct investment decisions and headquarter-subsidiary relations (Ronen and Shenkar, 1985; Buckley et al., 2016). Psychic distance defines “*the sum of factors preventing the flow of information to and from the market*” (Johanson and Vahlne, 1977: 24). Psychic distance continued to attract attention (Hakanson et al., 2016) and is defined as a barrier to understandings about foreign environments or international market's uncertainty or as the perception of understanding regarding cultural and business differences between countries (Hakanson and Ambos, 2010).

Psychic distance emphasises the extent to which differences such as language, geographic disparity and cultural differences between home and host countries can inhibit information flow and restrict an organisation's learning in these markets (Dikova, 2009; Ojala, 2015). High psychic distance barriers influence foreign entry mode choice and may direct organisations to low commitment modes (Hollander et al., 2017). The literature substantiates the influence of psychic distance in terms of cultural or geographic distance or both on an SME's foreign market entry (Erramilli and D'Souza, 1993; Laufs and Schwens, 2014; Ojala, 2015). Furthermore, institutional distance and similarity in cultural contexts often lead to SMEs preferring a non-equity-based entry mode (Del Giudice et al., 2017).

Entry Mode Decision in the Context of SME Internationalisation

The main proposition in the internationalisation literature establishes that SMEs prefer low commitment modes such as exporting and licensing when psychic distance is high in order to shelter themselves against high risk and to avoid costly resource losses in case of failure

(Hernández and Nieto, 2015; Ojala, 2015). An SME's lack of resources is captured as the main reason behind its inclination to adopt low commitment modes (Erramilli and D'Souza, 1993; Erramilli, 1996; Puthusserry et al., 2014) and, for the same reasons; an SMEs' sequence of foreign markets is progressive from countries with low psychic to high psychic distance (Johnson and Vahlne, 1977; Puthusserry et al., 2014). Additionally, the literature establishes that entry mode choices and change are influenced by internal and external triggers and constitute a part of an adaptation process to organisation learning (Jones and Coviello, 2005). The literature examines several factors such as: host market considerations (Ojala and Tyvrainen, 2006; Zain and Ng, 2006), home market factors (Lu and Beamish, 2004; Hennart et al., 2017), psychic distance (Nakos and Brouthers, 2002; Carlos Pinho, 2007; Ojala, 2015), industry-specific factors and firm age at the time the entry mode decision is made (Shrader et al., 2000; Laufs et al., 2016; Hollander et al., 2017).

Furthermore, SMEs encounter conflicting factors when selecting their entry mode; for example, they may face dissemination risk if their business model extensively relies on their knowledge and innovation capabilities. Therefore, they will be inclined to adopt a high commitment mode, which does not involve developing business relationships to share their core capabilities (Gleason and Wiggenhorn, 2007). The same SME may suffer from resource constraints; this combination manoeuvres them towards low commitment modes although they prefer high commitment modes (Gabrielsson et al., 2008; Hollander et al., 2017). Similar findings from Freeman et al. (2006) indicate that lack of resources motivates SMEs to form alliances to compensate mainly for the lack of financial resources. However, some SMEs were found to opt for a high commitment entry mode such as acquisitions due to their prior international experience although they lacked access to finance (Maekelburger et al., 2012). To date, there is conflicting influence and limited insights on how SMEs undertake their foreign market entry modes (Brouthers et al., 2008; Hollander et al., 2017). This limitation is problematic because evidence gained from studies exploring large multinationals cannot be replicated in the context of SME internationalisation (Shuman and Seeger, 1986; Laufs and Schwens, 2014). Additionally, despite the importance of resources in SME entry mode choice, reviews and recent research reveal a scarcity of research examining the entry mode choice through an RBV theoretical lens (Laufs and Schwens, 2014; Hollander et al., 2017).

The most commonly studied home markets are the US, Spain and Greece, the UK and China; some studies have investigated Sweden, Norway, Malaysia and India (Lu and Beamish, 2006; Cheng, 2008). There are very limited research findings related to emerging economies

(Laufs and Schwens, 2014), and the Middle East region is particularly omitted. Future research should aim to capture entry modes to one foreign market to be able to examine the formal and informal dimensions of the host-country institutional context, as it may affect the SME's foreign market entry mode (Schwens et al., 2011; Laufs and Schwens, 2014).

To contribute and resolve inconsistent findings, scholars began to examine the influence of context as a moderating influence on market entry mode choices (Shrader, 2001; Rasheed, 2005; Hollander, 2017). While these studies provide useful insights regarding the boundary conditions of entry mode decisions, there remains a need to contextualise the influence of environment on entry modes, especially, the influence of SMEs' access to resources to advance existing theorising regarding SMEs' entry mode choice (Crook et al., 2008; Laufs and Schwans, 2014; Hollander et al., 2017). There will never be one best performing mode choice, otherwise all organisations would follow it, and managers should make contingency mode-based choices based on the context in which they operate. Future research investigating SMEs' entry choice should therefore align this decision with contextual influences (Brouthers, 2013; Hollander et al., 2017). The next section identifies the knowledge gaps in relation to the market entry mode choice in relation to the present research question.

Overview of Literature Gaps on SME Foreign Market Entry Mode

Despite the significant differences between SMEs and large multinational corporations, the majority of foreign entry mode literature that examines large multinationals and the current state of knowledge regarding SMEs' foreign market entry mode is equivocal (Laufs and Schwens, 2014; Laufs et al., 2016). Additionally, the literature seems to be completely silent in differentiating how resource-thin and resource-rich SMEs choose their foreign entry mode (Laufs and Schwens, 2014; Hollander et al., 2017; Fleinschtein, 2017) and on the influence of domestic social capital in SMEs' entry mode choice. The majority of the studies substantiate the significance of SMEs' international network relationships in the host target markets on influencing low and high commitment modes and minimising institutional and high psychic distances (Kiss and Danis, 2008; Musteen et al., 2010; Kiss and Danis, 2010; Musteen et al., 2014; Zhang et al., 2016; Bruneel and De Cock, 2016). The role of SMEs' domestic social capital remains overlooked (Terejsen et al., 2016; Bika and Kalantaridis, 2017). Based on this review, it is clear that the literature does not provide clear evidence on the factors that direct SMEs towards specific markets or to choosing particular modes. It may be expected that an SME's possession of resources and operating within an endowed context may direct it towards

high-commitment, high-risk equity modes. It may also be expected that access to resources may enable SMEs to endure the risks associated with venturing to psychically and geographically distant international markets.

Additionally, studies that examine how public subsidies support programmes in domestic markets influence an SME's foreign market entry mode are all but absent, apart from the influence of the R&D subsidies on enhancing an SME's exporting (Guler and Guillen, 2010) or FDI (Bannò et al., 2014). It is recommended that future research examines how home-country public subsidies and enacted support programmes affects the SME's entry mode (Laufs and Schwens, 2014), which is what the present research aims to contribute to given the limited findings in relation to emerging economies (Laufs and Schwens, 2014), and the Middle East region is particularly omitted.

In summary, the findings regarding how SMEs choose their foreign entry mode remain inconclusive (Laufs and Schwens, 2014; Hollander et al., 2017; Schwens et al., 2016). Furthermore, the extant literature on foreign market entry mode is characterised by theoretical paucity, as most of the scholars select very limited theories such as TCE or refrain from drawing on a specific theoretical perspective when examining the SME's foreign market entry mode and international market selections (Laufs and Schwens, 2014). Furthermore, some theories such as RBV and social capital theorising are rarely used to examine SMEs' internationalisation choice despite their useful theoretical underpinnings (Hennart and Slangen, 2015; Hollander et al., 2017). There is a need to investigate the influence of context on entry modes, especially, the influence of SMEs' access to resources, to advance existing theorising regarding SMEs' entry mode choice (Crook et al., 2008; Laufs and Schwens, 2014). In the next section, the review will progress to reviewing literature on SMEs' internationalisation approach since this dimension constitutes an integral aspect of the SMEs' internationalisation decision.

3.4.2 SMEs' International Market Selection Decision

International Market Selection (IMS) is considered as one of the most central decisions in the internationalisation strategy (Papadopoulos and Heslop, 2002); however, IMS is often examined in the internationalisation literature through what Hymer calls the liability of foreignness (Hymer, 1976). This view links with the psychic distance theory discussed earlier in the chapter when discussing SMEs' entry mode choice. This view has been criticised for its deterministic and path dependency perspectives (Magnani et al., 2018). Consequently, the IE theory emerged to establish that some organisations can target international markets with high

psychic distance due to their advanced technological capabilities (Autio, 2017). However, the current state of knowledge does not identify the influence of other categories of resources in affecting SMEs' IMS decision.

In the context of market selection decision, SMEs tend to account for the variable of 'distance' that encompasses many dimensions such as geographical, cultural and economic distances (Ghemawat, 2010). Distance can be either objective or subjective and is affected by the decision-maker's perceptions, and prior international experience in target markets (Zaheer et al., 2012). Therefore, SMEs assess different types of distances when deciding on their market selection (Ellis, 2000). Economic distance assesses a market's economic potential and identifies the significance of a country's economic indicators such as market size, purchasing power and customer demand (Ellis 2011; Hutzschenreuter et al., 2016). Geographic distance, on the other hand, relates to spatial distance between countries, and higher distance impedes international trade (Berry et al., 2010). Institutional distance, on the other hand, refers to the similarity and differences in the institutional profiles of two countries (Ferner et al., 2005) and is suggested to influence bilateral trade relationships (Puthusserry et al., 2014) and implicitly recognises the dimension of administrative distance (Ghemawat, 2010). In contrast, cultural distance relates to differences in the system of collective shared values, communication and stereotypes (Ojala, 2015). These aspects also affect entry mode decisions (Meyer et al., 2009) and it is often difficult to segregate discussion on entry mode and international market selection (Hennart and Slangen, 2015).

The extant literature accounts for how SMEs overcome physical and psychic distance barriers given their resource limitations (Sapienza et al., 2006; Autio et al., 2011); however, it identifies that SMEs do not adopt a systematic approach to IMS and their approach is irrational due to their resource limitation considerations (Musso and Francioni, 2012). This view was challenged because SMEs were found to target international markets for strategic choice considerations (Melin, 1992; Finchelstein, 2017). Overall, studies employing the different dimensions of distance in market selection decision have reported mixed results, and internationalisation and IE literature is still to provide a different explanation of internationalisation process (market selection, entry mode, etc.) apart from reliance on psychic distance (Magnani et al., 2018) and SME's innovation. An account of a firm's strategic choice may establish useful insights to explain SMEs' IMS (Love and Roper, 2015; Autio, 2017). In the next section, the literature review progresses to examine the current debates in relation to SMEs internationalisation approach.

3.4.3 The SME Internationalisation Approach

SMEs may follow a cautious incremental internationalisation path in line with the process theorising thinking (Johnson and Vahlne, 2009), and choose to internationalise gradually to international markets after accumulating experiential knowledge of the targeted host countries (Wright et al., 2012; Vahlne and Johanson, 2017). This approach, often referred to as the Uppsala Model of internationalisation (Johanson and Vahlne, 2009), recognises the significance of the decision-maker's bounded rationality and inclination towards uncertainty avoidance, a view classically established by Penrose (1956) and her colleagues Cyert and March (1963). Alternatively, SMEs may choose to embark on accelerated internationalisation and undertake a proactive and rapid internationalisation right after inception (Oviatt and McDougall, 1994; Fernhaber et al., 2008; Cavusgil and Knight, 2015; Love et al., 2016). There has been a recent call to redefine conceptualisation on born global and accelerated internationalisation of small firms to, micro-multinationals (Dimitratos et al., 2003) 'global smaller firms' (Dimitratos et al., 2010) and 'early internationals' (Coviello, 2015). These views collectively enhance our understanding of how SMEs differ in choosing various approaches in the context of their internationalisation, and explicitly identify that SMEs adopt a proactive rather than an incremental reactive approach to internationalisation (Johnson and Vahlne, 2009; Dimitratos et al., 2010; Forsgren, 2016).

Proactive international strategies are typically self-initiated by large multinationals; however, SMEs often act on transactions with international business partners (Agndal and Chetty, 2007; Knight and Cavusgil, 2015). Early internationalisation is facilitated by strategic resources such as management international experience (Reuber and Fischer, 1997; Sapienza et al., 2006) and networks (Zucchella et al., 2007; Musteen et al., 2014; Cavusgil and Knight, 2015). SMEs pursuing proactive international strategies are often gatekeepers who capitalise on benefits from international markets (Wach, 2015). Entrepreneurial opportunity development for proactive internationalising SMEs depends on the contextual idiosyncrasies to which they are exposed (Dimov, 2007). Accelerated internationalisation requires the SME to continuously develop and reinvent its resource base (Oviatt and McDougall, 1994; Love et al., 2016). This perspective of the significance of resources on influencing an SME's internationalisation approach caused Johnson and Vahlne in 2009 to revisit the process-gradual theory to identify the significance of the SME's network relationships in triggering internationalisation. Their revised argument identified the liability of outsider-ship and the benefits of insider-ship incurred by SMEs as they become embedded in business network relationships as a prime

resource enabling and facilitating internationalisation (Johanson and Vahlne, 2009). Unfortunately, the existing perspectives on internationalisation approaches do not recognise the role of an SME's domestic social capital in shaping its internationalisation path and rather emphasise the significant role of an SME's international network relationships (Forsgren, 2016) and strategic alliances (Brouthers et al., 2015). The next section identifies the relevant knowledge gaps in relation to the internationalisation approach.

Overview of Literature Gaps in the Internationalisation Approach Literature

Theory and research on accelerated internationalisation remain underdeveloped and disjointed (Jones et al., 2011; De Clercq et al., 2012; Coviello, 2015). The majority of the research is exploratory and descriptive (Keupp and Gassmann, 2009; Terjesen et al., 2016). Knowledge remains limited on numerous issues such as the influence of domestic context on triggering process or accelerated internationalisation, or the influence of resources apart from knowledge resources in triggering SMEs towards accelerated internationalisation and often born global strategies or early internationals (Coviello, 2015). Further research work on the internationalisation approach should rely on more exhaustive explanations other than an SME's technological capabilities (Jones and Coviello, 2005; Terjesen et al., 2016).

The current state of knowledge identifies that there is a gap in relation to how the discussions on early internationalisation do not fully account for context, which is fundamental in international research (Knight and Liesch, 2016; Child et al., 2017). Contextual variables such as economic conditions, culture, institutional environment and market-level variables are likely to influence the earliness, speed and degree with which firms can internationalise. Differences between nations need to be brought into the discussions and to the development of theoretical frameworks explaining early internationalisation (Knight and Liesch, 2016) as entrepreneurs increasingly focus on the differences in business context. The differences reflected in differences in economic, cultural and political conditions magnify the role of context in exploring an SME's choice towards reactive or proactive internationalisation and affect the timing of internationalisation (Cavusgil and Knight, 2015; Coviello, 2015; Knight and Liesch, 2016).

Secondly, SME internationalisation enquiry establishes that SMEs are increasing their order activities although they do not have the resources of their large counterparts; however, they pursue accelerated internationalisation. The existing explanations attribute SMEs' proactive and accelerated internationalisation to their technological resources and innovative

capabilities. This view is restrictive and rather reductionist as it ignores the influence of other forms of resources in directing SMEs towards proactive internationalisation. It has resulted in a plethora of publications that report fragmented and unsystematic research which is lacking clarity and is non-commutative (Keupp and Gassmann, 2009; Jones et al., 2011; Laufs and Schwens, 2014; Knight and Liesch, 2016).

3.5 Conclusion: Literature Review

The literature review identifies a few theoretical gaps, which are relevant to the present research: firstly, the extant literature presents conflicting views with regard to the effect of resources on SME internationalisation. Additionally, there is a plethora of research that emphasises the influence of specific categories of resources such as management international experience, technology and innovation over other resource categories to explain SME internationalisation (see reviews by Jones et al., 2011; Love and Roper, 2015; Terjesen et al., 2016). Secondly, although decades have passed since Staw and Sz wajkowski (1975) argued that environmental munificence is an important variable affecting organisations and that more research examining munificence is needed, studies that have emerged since then have captured munificence from strict market and financial perspectives, such as competitiveness or industry growth rates (Dess and Beard, 1984; Sharfman et al., 1988; Goll and Rasheed, 2005; Tang et al., 2010; Bacq et al., 2017). Although this research provides useful insights, it generated ambiguity and over-abstraction of the construct and hence limited insights were drawn (Catostorvengi, 1991; Sullivan and Daniels, 2008; Bacq et al., 2017). Thirdly, the effect of informal institutional context remains an under-researched area in SME internationalisation (Wadhwa et al., 2017). Fourthly, the extant literature extensively focuses on the role of international social capital in SMEs internationalisation and overlooks the role of SME's domestic social capital (Laufs and Schwans, 2014; Terjsen et al., 2016). Last, the existing literature offers limited insights on how resource-abundant rather than resource-constraint conditions affect SME's internationalisation decision and the RBV does not provide a holistic account of the internationalisation phenomenon in munificent business contexts.

The literature review identifies several gaps in relation to the different aspects of SMEs' internationalisation decision, which the present research aims to address. The extant literature does not differentiate between resource-thin and resource-rich SMEs' choice of entry modes (Laufs and Schwnes, 2014; Hollander et al., 2017; Fleinschtein, 2017). Furthermore, the majority of research substantiates the significance of an SME's international network relationships in the host target markets on influencing entry mode decision (Musteen et al.,

2010; Kiss and Danis, 2010; Musteen et al., 2014; Zhang et al., 2016; Bruneel and De Cock, 2016) and the role of domestic networks on mode choice remains overlooked. Additionally, the dominant view attributes market selection decision to the prior international experience of the decision-maker in the target market (Love and Roper, 2015). Studies on IMS and entry mode choice consider these two processes as distinct (Musso and Francioni, 2012) although in the context of SME's internationalisation, the two are interrelated (Meyer et al., 2009). Moreover, the examination of the literature identifies that further research work on internationalisation approach should rely on more exhaustive explanations other than SMEs' technological capabilities (Jones and Coviello, 2005). The present research aims to contribute to the discussion on the influence of resources and context on SME internationalisation by examining internationalisation decision in munificent rather than hostile contexts. The next chapter is devoted in its entirety to present the research methodology.

CHAPTER FOUR: RESEARCH METHODOLOGY

Introduction

This chapter describes the methodology applied in the present research and outlines the techniques that guided the empirical investigation. It starts by presenting the epistemological and ontological considerations, and the theoretical orientation, and then describes the qualitative research strategy and the data collection methods. Finally, it describes the data preparation process and concludes by presenting the data structure.

4.1 Research Philosophy – Epistemological and Ontological Considerations

The research's objectives develop from an underlying perspective on epistemology and ontology. Epistemology is the study of what constitutes acceptable knowledge, whereas ontology is the study of the nature of reality (Bryman, 2008). Different views and positions in epistemology and ontology direct the research's methodology and elucidation (Bryman, 2008).

Identifying a relevant philosophical foundation is an essential task for a researcher. The decision influences the overall orientation of the research and the methods applied in collecting and analysing data (Van de Ven, 2007). The adopted research philosophy determines the core assumptions the researcher applies when viewing the world and the same conventions directly affect the research design and data collection methods. Therefore, explicitly or implicitly, researchers rely on philosophies in the way they explore the constructs they wish to investigate and consequently in interpreting the meanings, logical foundations and consequences that underlie observations and statements (Saunders and Lewis, 2012). The methodology literature identifies two contrasting epistemologies: interpretivist and positivist paradigms (Yin, 2017).

Challenging a standing proposition and investigating the reality within a specific context requires an interpretivist epistemological orientation because this position enables the thorough investigation of the phenomenon. The interpretivist paradigm was justified for the present case study research for three reasons. First, the paradigm allowed for the co-production of knowledge as the researcher and the objects were closely linked. Engagement with the research objects was of paramount importance since because it facilitated the exploration, investigation and description of how SMEs perceived munificence in the context of their internationalisation. Secondly, the data collection methods enabled the identification and contextualisation of findings, and allowed for sourcing detailed insights and thorough feedback from study participants. Therefore, collating qualitative data by conducting semi-structured

interviews was deemed suitable (Yin, 2017). Thirdly, an interpretivist approach facilitated the explanation and clarification of the explored decision within its real business context.

4.2 Philosophical Orientation

Methodology is typically defined as the “*the articulated and theoretically informed approach to the production of data*” (Ellen, 1984: 9). The methodology applied in the present research was designed to solicit information, data and responses from participants. It fundamentally aimed at providing the opportunity for the discovery of emergent knowledge about SMEs’ internationalisation decisions. This approach contrasts with other positivist methods that aim primarily at testing and validating a priori or previously formulated hypotheses, as discussed above.

The main philosophical orientation of this research recognises that the researcher is dealing with a phenomenon (internationalisation of SMEs) which is strongly influenced by the real experiences of the research participants. Their real experiences include the actual internationalisation decisions undertaken and the influence of different resources and contextual factors on these internationalisation decisions. IB and Entrepreneurship scholars argue that understanding real experiences requires the researcher to adopt an interpretivist position (Coviello, 2005; Coviello, 2015) as the literature is dominated by quantitative positivist research (Coviello, 2015; Terjesen et al., 2016). In contrast, many scholars exploring SME internationalisation adopt a more focused, well-defined view and select pre-determined variables to explore internationalisation decisions. They are more inclined towards the positivist stance.

The research journey started with an interpretivist position, viewing the world as socially constructed. The views are constructed by actors’ experiences, perceptions and descriptions. For example, the internationalisation of the SMEs emanating from the State of Qatar is influenced by a unique set of opportunities and challenges that are idiosyncratic and real to the specific context. One SME can perceive a particular resource as an opportunity, yet the same resource may represent a threat or challenge to another decision-maker working in another SME. It is well established that the Qatari business context is an endowed one, but how the decision-maker(s) in each SME case perceive the challenges and the opportunities and interpret the meaning of munificence needs to be revealed. Their perceptions are socially constructed by their own interpretations and actual experiences in planning and implementing their SME’s internationalisation decisions.

The decision-makers in each SME were subjective and interpretative. They were influenced by a set of impelling criteria guiding their decisions and actions to decide on the different aspects of their respective SME's internationalisation. Therefore, the most suitable approach to the thesis methodology was to adopt an interpretivist paradigm and a qualitative approach, which enabled the decision-makers' voices to be heard. This orientation enabled the present research to elaborate on existing theory because during the different stages of this research, a balanced approach to the significance of existing theory and context was adopted (Ketokivi and Choi, 2014). The chapter progresses in the next sections to discuss the research strategy of the research.

4.3 Research Strategy

A research strategy is the framework that guides the data collection and completion of a piece of research (Churchill et al., 2002). A well-thought research strategy ensures the researcher collects relevant evidence to answer the research question in a convincing way (De Vaus and de Vau, 2001). The methodology literature outlines two main research strategies: quantitative and qualitative.

A 'quantitative' research strategy tends to fall under the umbrella of the positivist paradigm. It emphasises the use of measurements and the quantification of data to measure cause, affect relationships and achieve statistical generalisation (Bell and Bryman, 2007). It examines concepts in terms of their frequency, intensity and amount in order to develop generalizable propositions (Ketokivi and Choi, 2014). By contrast, qualitative research tends to focus on processes and non-quantifiable data, through theory building rather than theory testing. It focuses on the "*ways individuals make sense of their social world*" (Bell and Bryman, 2007: 67).

The present research adopts a qualitative research strategy to explore the research question; as Spender (1989: 66) points out, the purpose of non-positivistic interpretivist qualitative-based research is "*to elicit unfamiliar meaning-structures rather than to extend familiar ones*". It is believed that a qualitative research design will encourage novel understandings and the development of creative science from an empirical phenomenon (Glaser and Strauss, 1967); in this research context, the internationalisation of SMEs emanating from munificent business environments. The qualitative methodology relied on conducting semi-structured interviews with participants from eight SME cases. The chosen strategy is justified for the following reasons. Firstly, as an exploratory study, there was a need to examine

thoroughly the phenomenon through in-depth semi-structured questioning of participants, which was appropriate for drawing themes and developing a thorough understanding (Legard et al., 2003). Secondly, the profound topic was best examined by the qualitative method of open-ended questions as it allowed me to adopt lines of enquiry and further probe to delve deeper when necessary. As Ritchie et al. (2003: 32) state: “*There are other factors ... that will necessitate a qualitative form of research. These [include] ... subject areas in which the phenomena that need to be studied will be deeply set within the participants' personal knowledge or understanding...*” Thirdly, there is a clear interrelationship between qualitative methods and the interpretivist paradigm adopted in the present research. Fourthly, the internationalisation literature is at present largely dominated by quantitative methodology (Terejesen et al., 2016); therefore, adopting qualitative methods has the potential to bring new insights to research questions, debates and literature gaps that are currently under-explored.

The core of qualitative research entails the desire to expose the human part of the story and to introduce the story-telling aspect to the research design (Jacob and Furgerson, 2012). The qualitative research design acted as a blueprint to identify what questions to ask and how to pause the interview questions to allow the participants to expand on their current and previous responses. Furthermore, it affected the data collection and the analysis to infer conclusions. The main justification behind choosing qualitative research was to explore specific instances from the general context to generate knowledge from the research’s specific context. It was crucial to develop a research strategy that answers the following research question: **How do resource-abundant conditions affect SMEs’ internationalisation decision?** It was additionally important that this strategy could address the research’s objectives:

1. To explore the types of resources available to SMEs operating in munificent business environments when they undertake an internationalisation decision.
2. To explore the nature of munificence affecting SMEs’ internationalisation decision.
3. To investigate and describe the internationalisation modes SMEs emanating from a munificent business environment pursue, and specifically explain why they opt for these particular modes.

4. To explore which international markets SMEs emanating from a munificent business environment venture to and why.
5. To explore the internationalisation approach SMEs emanating from a munificent business environment adopt and investigate the relevant antecedents behind the selected approach. The examination of SME's approach involves identifying whether the SME was reactive or proactive when deciding on internationalisation and the timing (lateness/earliness) of SME's internationalisation.

The present research applied a research strategy that included lengthy engagement in the research, a consistent and uniform approach to field notes, and recording and transcribing of the conducted interviews (Bryman and Bell, 2015). The thesis followed an inductive logic of enquiry due to the epistemic uncertainty surrounding the research question (please refer to the literature review section); the present research started with an observation that SMEs in a munificent business context may or may not internationalise in the same way as SMEs operating in resource-constraint conditions. Then, the research explores the research question to find a grounded empirical explanation by adopting case study research and analysis. Given the limited generalisation from case study research, researchers make interpretations specific to the situations that they examine; therefore, what was previously recognised as a weakness should be viewed as an opportunity for learning and advancing knowledge (Weick, 1975). The present research recognises that learning from particular case(s) within the boundary of a specific context should be considered a strength rather than a weakness (Dubois and Gadde, 2002).

4.3.1 Case Study Research

A case study is an 'empirical' enquiry that attempts to investigate a contemporary phenomenon in depth and within its real-life context, especially when the boundaries between the phenomenon and the context are not distinguished or evident. Case study research is to be used for interpretive sense making and contextualisation (Welch et al., 2011). As the present study aims to elaborate on existing theory and contribute to the discussion on SME internationalisation and the influence of context on the different dimensions of each SME's internationalisation decision, it was imperative that the study explores real-life examples to develop and advance knowledge (Glasser and Strauss, 1967).

In the present research, the questions asked are primarily of a how and why nature; therefore, a case study approach was deemed appropriate and in line with Yin's (2017) guiding principles for designing a qualitative research strategy. Should the researcher have chosen a survey strategy, for example, this would have been of limited use to capture the processes and actions embedded within the participants' statements when describing the internationalisation decision and narrating the influence of the surrounding context. In order to understand the internationalisation decisions undertaken by the endowed SMEs, a retrospective approach was used based on each key participant's memory and recall of each company's internationalisation decision.

Due to the exploratory nature of the research, a multiple case method was selected to answer the research question (Eisenhardt, 1989; Yin, 2017). Exploring the phenomenon through studying multiple cases enabled the exploration of the pattern of a single case then drawing common patterns among cases (Eisenhardt, 1989), additionally, exploring multiple cases is preferred as it facilitates comparative research (Yin, 2017). When examining multiple cases, it is crucial to ensure that the same methodology is adopted across the cases to generate rigorous findings (Yin, 2017). The present thesis examined eight SME cases to understand the particular phenomenon of SMEs' internationalisation when they emanate from munificent contexts. As the present research examines the internationalisation decisions undertaken in a particular context, the contextual idiosyncrasies were expected to influence SMEs' internationalisation decisions; hence, adopting multiple case study research was appropriate.

Following Eisenhardt (1989) and Eisenhardt and Garbner (2007), the research question was initially defined to aid in data collection in a systematic way. This practice provided a focused approach to data collection, as it is easy to become overwhelmed with data when conducting qualitative research (Mintzberg, 1979; Eisenhardt, 1989). The initial focus of the question facilitated the identification of the theoretical constructs and the theoretical sampling (as will be discussed in the next section) allowed for flexibility. Furthermore, while crafting the research instrument, there was always an emphasis on exploring divergent perspectives and new developing themes, making adjustments to data collection and taking advantage of the newly emerging insights. Later, during the data interpretation, it was useful to compare supporting and conflicting literatures to build internal validity and refine the theorising of the explored constructs.

4.3.2 Selection of Case Organisations

Exploring multiple cases enables evaluations that clarify whether an emergent finding is simply idiosyncratic to a single case or can be generalised and replicated by several; it also allows the development of theoretical paradigms and propositions from empirical evidence (Eisenhardt, 1989; Ott and Eisenhardt 2017). A minimum of four cases and a maximum of eight to 10 should be explored in qualitative research (Eisenhardt, 1989; Eisenhardt et al., 2016). An embedded approach to case study research was adopted, interviewing multiple participants from the same SME, and multiple case studies were examined (Bryman, 2008; Yin, 2017). A total of 36 participants from these eight SMEs were interviewed and 38 interviews were conducted. This apparent discrepancy is because there was one follow-up interview with one participant from the first case, and there was an interview with the external stakeholder of the second case that was initially conducted during the summer of 2016 and then, due to his limited time, it was rescheduled to be completed upon his return from travel. To capture the wide views of different stakeholders involved in the internationalisation decision, the internal and external stakeholder involved in the planning and implementation of the SME internationalisation decisions were interviewed. Internal stakeholders included top- and middle-level managers, while external stakeholders included banking consultants, finance relationship managers and legal consultants. Out of the 38 interviews, 28 were conducted with internal stakeholders and 10 were conducted with external stakeholders.

The cases were selected from the population of SMEs established and operating in the State of Qatar. SMEs represents 79% of all establishments (77,766 organisations – Ministry of Planning and Statistics 2018) and accounts for 42% of the workforce, in terms of a sector-wise split of the number of establishments, the trading sector accounts for a majority (57%) of SMEs, followed by the services sector (35%), and subsequently followed by the manufacturing sector (10%) (Ministry of Planning and Statistics, 2018). The SME sector continues to expand, in 2017 SMEs secured QR700m (\$192.3m) in public procurement contracts out of a total of QR2.5bn (\$686.8m), more than double the QR300m (\$82.4m) posted in 2016 (Ministry of Planning and Statistics). Recent economic reports indicate that approximately 37% of SMEs internationalise through exporting and joint venturing (Qatar Development Bank Publication, The State of SMEs in Qatar, 2016).

An organisation will be classified as an SME if it employs 10 - 250 employees. As there is no official definition of SME in the State of Qatar, the EU definition was adopted; this

definition of SME is also comparable to the definition adopted in the United Arab Emirates, which is an adjacent Gulf Sovereign State to Qatar with comparable business environment conditions. The definition adopted in the United Arab Emirates captures an organisation as an SME if it employs less than 250 employees (Department of Economic Development, UAE; 2017). Three SME cases from the eight approached were identified and approached through my personal contacts in the Qatari business community, while the remaining five cases were identified and selected in agreement with the Head of SME Development and Exporting at Qatar Development Bank (QDB). The criteria for including or omitting specific SME cases were discussed with QDB officials. The following points were agreed on:

1. Size: The firm selected should employ between 10 and 250 employees and its turnover should not exceed EUR 50 mln to ensure it falls into the EU SME category (European Commission, 2015).
2. The SME had to derive at least 10% of its total sales from international business.
3. The minimum paid-up capital of the selected SME should not be less than USD 1 mln (QAR 3.6 mln).
4. The SME should have been incorporated for at least two years; they were required to discuss retrospectively an internationalisation decision that was not more than two years old to minimise retrospective bias (Yin, 2017). The decision was identified by the most senior manager; the CEO or Chairman of each case. Participants in subsequent interviews were asked to relate to this particular decision. The focus on a single decision facilitated the collection of detailed and comprehensive data and minimised participants' distraction. Focusing on a single event enables the rich description of a phenomenon, while collecting evidence from multiple participants mitigates the risk of bias (Eisenhardt, 1989).

The SMEs were contacted initially by email describing the purpose of the study and requesting their participation. Interviews were conducted during the period from October 2015 to March 2017.

4.3.3 Theoretical Sampling

Theoretical sampling occurs when the units for exploration and investigation are deliberately selected according to a particular criterion or purpose. It results in a heterogeneous sample, therefore allowing the generation of rich data from targeted respondents (Ritchie et al., 2003). It is crucial that units/respondents/participants are deliberately chosen based on specific

criteria to reflect particular features or for a specific reason within the sampled population (Bryman and Bell, 2015).

The present research relied on theoretical sampling because the cases were specifically chosen for theoretical not statistical reasons once they satisfied a certain criterion. The findings section details the description of cases and the business activities of each case. It will be gathered that the selected cases were diverse in their business activities and that the cases overall varied between manufacturing and service SMEs. A few were recently established while others have been operating domestically and internationally for more than 10 years. The diversity enabled the replication and extension of emerging knowledge. This variation facilitated the examination of internationalisation decisions when SMEs adopt different business models (Miller et al., 2008; Child et al., 2017). The cases were not randomly selected, which is neither necessary nor preferable in qualitative research (Eisenhardt, 1989). As suggested by Pettigrew (1990, 2001), it makes sense to ensure a certain level of observable differences and to choose cases that are likely to replicate or extend the emergent theory. Theoretical sampling is believed to focus the researcher's efforts on 'theoretically useful' cases (Eisenhardt, 1989).

Cautious efforts were exercised to comply with ethical issues when approaching the participants. Information and consent sheets were mailed and emailed prior to the interview, the contact details were provided, and participants were encouraged to contact the researcher or the supervisory team in case of questions and concerns. Participants were informed that there is no obligation for them to participate and that the researcher can stop the interview at any point of time in case they are not comfortable or later wish to withdraw.

4.3.4 Unit of Analysis

The research started by planning the research design then designing a strategy through a linear iterative process. The boundaries for each selected SME case were understood and identified within the complexity of the bounded environments in which it operates. The primary objective was to gain insights and knowledge about the overall internationalisation for each of the explored cases and then to delve into one particular internationalisation decision. Participants were made aware that the selected decision was chosen by the senior management and that they were identified for further discussion and elaboration. The selected decision had to be less than two years old in order to minimise retrospective bias. This criterion was clearly

communicated and explained to the research participants and the same was typed in bold in the interview protocol text and confirmed with each participant.

Initially discussing the SME's overall internationalisation journey and thereafter focusing on a specific internationalisation decision provided a magnificent opportunity to thoroughly examine the details and fine-tune the discussion, and allowed for the extraction and examination of additional information through the probes. The focus on a single decision facilitated the collection of detailed and comprehensive data and minimised participants' distraction. As suggested in the methodology literature, focusing on a single event enables the rich description of a phenomenon, while collecting evidence from multiple participants is preferred in research strategies that attempt to draw theory from case studies because it mitigates bias risk (Eisenhardt, 1989).

4.3.5 Research Participants

As the present thesis adopts an embedded approach to case study research, multiple participants from each SME case; either internally associated with the SME (middle and top management) or externally associated with it as financial advisors and legal consultants. The adopted approach deviates from the standard norm adopted in IB and IE studies and represents a methodological contribution, as it does not rely on the single lens of the entrepreneur. The present research therefore responds to scholars' calls to examine a phenomenon, from multiple perspectives rather than relying on a single perspective (Nummela et al., 2014).

The 'key informant method' was followed in this research to ask the senior decision-maker (usually the CEO or the Chairman) in each SME case to identify the participants for the following interviews (Jantunen et al., 2005). Participants were deliberately selected because they were familiar with and aware of the details of the internationalisation of the company they work for or owned. This is often referred to in the methodology literature as 'symbolic representation'. The sample unit is chosen because it 'represents' and 'symbolises' important characteristics that are pertinent to the investigation (Bryman, 2008). To minimise the potential bias, participants were asked to identify additional contacts; in several cases, additional participants were secured from the same case through this approach.

The approached members included both males and females, but male participants dominated the sample. The participants were of different nationalities: they were from Qatar, the US, UK, Lebanon, Egypt and Syria and were both citizens and non-citizens of Qatar. The

sample included participants working at different levels in the SME organisations, specifically, top and middle management levels that were identified by the decision-maker for each SME case as having a direct or indirect ‘say’ in the SME’s internationalisation decision. Finally, individuals in both client-facing and more back-office roles were included; such diversity in the participants’ job responsibilities facilitated the deep investigation and exploration of the different operational and non-operational perspectives, and facilitated the identification and description of what constituted a munificent context pertinent to the internationalisation decisions undertaken. Access to the research participants was gained through the senior management of each SME case identified. During the first interview, the key decision-maker identified the management team and designations of participants in the interview exercise and provided access to their email contact. The participants were employed on a full-time basis by each of the SMEs and were at different career stages.

Views about the appropriate number of participants in qualitative research vary among scholars. Recommendation for qualitative studies suggests a range from 20 to 50 participants (Creswell, 2003), while Ritchie et al.’s (2003) rule of thumb entails a sample of less than 50 participants. As Guest et al. (2006) note, suggestions for sample sizes are proposed without evidence. The practice regarding sample size is diverse, as reported by Mason (2010), who searched sample sizes among 560 PhD students and reported a mean of 31 respondents for qualitative studies. Guest et al. (2006) adopt this view and advocate 12 interviews as sufficient for qualitative studies but caution that 12 will not suffice if the purposive sampling efforts result in a widely heterogeneous sample.

In light of the various recommendations in the methodology literature and practices among scholars and PhD students and to ensure that the sample is heterogeneous, the initial plan was to select six SME cases and to interview six to seven participants from each to reach a total of 42 participants. However, when starting the data collection, eight cases that fitted the selection criteria were identified and approached. They all expressed their willingness to participate in the research; therefore, the sample included eight not six SME cases as originally planned – the increased number ensured saturation. Table 4.1 below identifies the participants from each SME case.

Table 4.1: Internal and External Stakeholder Participants

Semi-structured Interviews with Case Studies: Eight SME Companies in the State of Qatar				
	Case One	Case Two	Case Three	Case Four
Internal respondents	- Managing Partner - International Sales Manager - Chief Financial Officer - Assistant Sales Manager – International Division	- Chief Executive Officer - Chairman - Finance Manager	- Chief Executive Officer - Chairman - Operations Manager	- Managing Director - Business Development Manager - Senior Partner - Local Partner and Sponsor
Total internal respondents	4	3	3	4
External respondents	- Legal Consultant - Relationship Manager – Bank	- Legal Advisor - Relationship Manager – Bank - Board Member	Head of Exporting – State Development Bank	- Assistant Vice President – Exporting Services – State Development Bank - Legal Advisor
Total external respondents	2	3	1	2
Total respondents in SME	6	6	4	6
	Case Five	Case Six	Case Seven	Case Eight
Internal respondents	- Chairman - Chief Executive Officer - Chief Operating Officer	- Chief Executive Officer - General Manager - Accounts Head	- General Manager - Plant Manager - Accounts and Collection Manager - Export Manager	- General Manager - Production Manager - Managing Director
Total internal respondents	3	3	4	3
External respondents	Unit Head – Corporate Banking		Relationship Manager – Corporate Banking	
Total external respondents	1	0	1	0
Total respondents in SME	4	3	5	3

4.3.6 Data Collection

Interpretive approaches rely on naturalistic methods (interviewing and observation and analysis of existing texts) because these methods guarantee a sufficient dialogue and allow for the generation of ample evidence between the researchers and participants. This engagement allows them to construct collaboratively a meaningful reality (Creswell, 2003). Having decided that a qualitative research strategy was the most suitable plan to address the research question, it was decided to administer a semi-structured interview protocol. This approach was justified because it would enable a ‘detailed’ and ‘thorough’ exploration of each participant’s insights and views about the internationalisation decisions. Additionally, it would facilitate a deep understanding of the context in which the research subject is ‘located’. Furthermore, interviewing multiple participants from each case allowed the researcher to probe further (Bryman, 2008) into emerging ideas and themes, which was particularly critical when narrating the internationalisation decisions of the explored cases. Reliance on other qualitative methods such as observation would have not been feasible as there are many aspects of the decisions – such as choosing one particular mode over another, preferences, intentions, previous encounters, etc. – that cannot be assessed through observations (Hsieh, and Shannon, 2005) and it was vital to explore these to generate the answer to the research’s question.

In summary, the data for the present research include semi-structured interviews with the top and middle management teams and external stakeholders, corporate documents related to the internationalisation decision undertaken, and (from the SME cases) photos of companies’ quality awards for manufacturing SMEs, samples of their products and promotional materials (corporate gifts) given to international clients, and exporting memos from one particular case (Case Three) which was newly established and was proud to share details of its early exporting orders. This strategy was selected for the following reasons:

- 1- Communication has the advantage of providing versatility, which allow collating data related to participants’ opinions and knowledge, etc. (Churchill and Iacobucci, 2002). This was a fundamental aspect for the present research.
- 2- Investigation of corporate documents provided indirect evidence that supported the confirmation of data obtained from participants throughout the course of the interviews (Eisendhardt and Bourgeois, 1988).

- 3- Observation as a method of data collection may not provide relevant data or insights to explore an SME's internationalisation decision and may not be feasible as a data collection strategy. As outlined earlier, time and budget constraints deemed longitudinal research infeasible for this research.

4.3.7 Semi-structured Interviews

The conversations, which took place during the fieldwork, were useful in gaining profound understandings of the internationalisation decisions discussed and the role of context in the decision-making process. In general, interviewing is a fundamental method in qualitative studies because it facilitates the opportunity to explore individuals' viewpoints (Weiss, 1995). An interview protocol was administered during the course of semi-structured interviews. Semi-structured interviews offer the opportunity for a comprehensive investigation while simultaneously allowing the flexibility to explore emergent issues as and when required. The approach is regarded as a purposeful conversation (Legard et al., 2003), i.e., a conversation around topics of interest and aimed at knowledge construction.

The interviews were conducted in the natural settings of the SMEs to ensure that situational- and contextual-specific data were generated. A semi-structured approach to interviews therefore combines structure with flexibility. Open and free-flowing conversations with the participants were encouraged by asking open-ended questions. The aim was to foster a dialogue between us, which was critical and mandatory to generate useful insights. The interview protocol was prepared in both Arabic and English and interviews were conducted in both languages as a choice of the participant in order to facilitate the most accurate exchange between the interviewer and the interviewee.

An interview lasted between 60 – 120 minutes (90 minutes on average) and was audio-recorded after obtaining the interviewee's consent; written notes were recorded during each interview. Transcripts and data analysis took place within 48 – 72 hours to ensure important information are recalled. This practice is consistent with recommendations in the literature (Eisenhardt and Bourgeois, 1988; Gioia and Thomas, 1996). The respective interview notes were carefully read and reviewed after transcription to ensure all data pertaining to the specific interview were duly retrieved and that small details were not overlooked. After transcription, a second listening was conducted to ensure agreement between what was recorded and what was later transcribed. This step enhanced the authenticity and reliability of the collected data and it helped to increase familiarity with the data.

The interviews were conducted between October 2015 and March 2017 in the offices and often at the factories of the SMEs in Doha City (capital of the State of Qatar) and the New Industrial Zone near the border with Saudi Arabia. Overall, the selected interviewees were eager to participate, as it is not a very common practice to elicit feedback in the Gulf region for academic-related research. Participants commented that the majority of the data collection efforts in the Gulf region either entail completing marketing-related surveys or, alternatively, human resources mentoring and coaching exercises.

Of course, there are limitations to interviews and challenges in administering them. For example, among others, interviews are interactional in nature and the skill of the interviewer is instrumental in the success of an interview (Patton, 2002). One of the main criticisms of interviews is that they are not really ‘naturally occurring settings’ and the interviewees are aware of the purpose of the interview, and are conscious that their statements are recorded. Another challenge is that the interviewees may respond to questions according to what they think is ‘desirable’ (Ackroyd, 1992). Participants in the present research were enthusiastic and proud of their participation in the research and were keen to over-emphasise the details and the success of their internationalisation. These limitations can be minimised with good preparation and practices in place. This risk was recognized and addressed through objective assessment and adding focused probes during the course of the interview. Additionally, interviewing various stakeholders of the decision both internally and externally facilitated triangulation of data.

4.3.7 Interview Preparation and Organisation

An interview protocol was approved by the University’s Research Ethics Committee prior to starting the data collection. The details of the used protocol will be addressed in the next section, but, overall, the interview protocol assisted in organising the limited interview time and enabled the systematic and consistent collection of data from each SME case.

The interviews were scheduled by initially sending an email outlining the purpose of the research and attaching the participant information sheet approved by the University’s Research Ethics Committee and the consent form, which clearly listed the researcher’s contact details and the email addresses and contact details of the two supervisory team at the time and University’s Research Ethics Officer. A time frame of four to six days was allowed before sending a reminder email or making another phone call. In all cases, all the information regarding the purpose of the requested interview, the time required (1.5 – 2 hours) and ethical

considerations were provided in the form of a Participant Information Sheet before the interviews were arranged. This practice was well received by a number of the recipients, especially the senior decision-makers, who referred to the practice as ‘professional’ and not ‘standard’ practice in this part of the world.

All interviews took place in a private meeting room or in the participant’s dedicated offices. None took place in an open-plan office or in any informal settings such as restaurants or cafes. The researcher received an invitation from the owner of Case Two to visit his farm on a Friday (the Holy Day for Muslims) but no interview took place there. The interviews were conducted on site as per the procedures and good practices outlined in the methodology literature (Eisenhardt, 1989; Wright et al., 2005; Yin, 2017). Among others, at the start of each interview, the purpose of the study was communicated and the participant was briefed about the research background. The consent form was then handed to the participants, who were given enough time to read the document. The researcher waited to answer their queries. All confidentiality and data protection clauses were properly communicated to the participants verbally and in writing. Additionally, it was emphasised and confirmed again that they had the choice to participate or not to participate in the interview, and that they could withdraw prior to starting the interview or at any time during the interview if they wished to. This particular information was communicated twice to each participant.

The overall physical conditions of the meeting rooms were monitored to ensure it was comfortable. Several practices were adopted to ensure an uninterrupted flow of conversation; these included: switching off mobile phones, comfortable lightning and air-conditioning settings, and ensuring the audio-recording batteries were fully charged and having spare batteries and power switches. As earlier indicated, all the interviews were audio-recorded and then transcribed within 48-72 hours of the interview by the researcher. Thorough and careful review and reading of the transcripts and notes was also conducted. The services of any professional transcribing services were not used while conducting this research as the researcher transcribed and translated all the interviews. This step facilitated engagement and familiarity with the data and was fundamental to the data analysis stage.

After transcribing the interviews, the collected primary data were analysed using NVivo10 qualitative software. The transcription was used to construct a history (for the overall internationalisation stories) and data biography for each SME approached and specific internationalisation discussed. In line with Pettigrew (2001), these records for each SME case

facilitated the deep investigation of the phenomenon explored in the present research. The interview description of the SMEs' internationalisation behaviour and actions taken was used to eventually identify common themes and patterns. Figure 5.1 below outlines the interview process in line with the methodology literature recommendation of Kvale and Brinkmann (2009). The two-way arrows in the illustrative diagram indicate flexibility and the continuous review of the interview instrument to include important comments and suggestions that unfolded when conducting the interviews, especially the first few interviews at the very early stage of the data collection. Emergent comments proved to be useful in directing the research to focus on specific themes or aspects but without jeopardising the flexibility of allowing research participants to express unexpected thoughts.

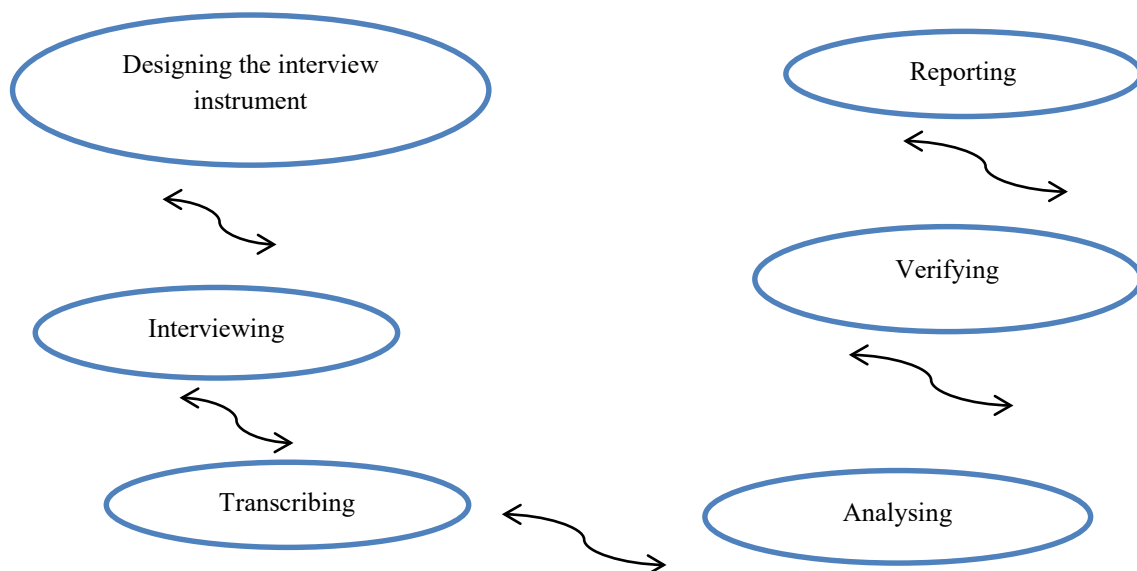


Figure 4.1: Interviewing Process – Source: Kvale and Brinkmann (2009)

4.3.8 Managing the Interviews

Interview management involves three main stages: the opening part of the interview, the main content and the closing stage. During the three stages, the interviewer (researcher) should ensure that participants are at ease and are focusing on the specific topic discussed (Legard et al., 2003). In the first stage of the interview, it is important to develop a rapport and a degree of comfortableness as this will allow the participants to talk freely. As the interview protocol did not cover any personal sensitive topics that relate to feelings or personal past experience, it was presumed that the participants would feel comfortable, and they did all seem to. In addition, informal rapport started by briefly talking about the experience pursuing a PhD at Oxford Brookes University and prior experiences living in Dubai and thereafter in Doha.

The interviewees were briefed that they are expected to discuss their company's overall internationalisation and the specific decision earlier identified by the senior decision-maker. Participants were re-assured that confidentiality and anonymity would be maintained while disclosing the findings. Most of the participants who were senior decision-makers expressed interest in seeing the outcome and receiving a copy of the executive report of the research.

The interview examined emerging themes through probes. Probing was critical to further examine additional insights (Legard et al., 2003). Interviews were ended by a debriefing summary about the key points discussed and highlighted, and then the interviewee was given the opportunity to identify and discuss any issues or topics that were not raised during the course of the interview. These practices are recommended in the methodology literature and identified with good practices for conducting interviews (Kvale and Brinkmann, 2009).

4.3.9 Interview Protocol

The interview instrument was designed by including open-ended questions. However, it was more than a set of questions; it entailed the interviewing procedures. It included a script of what the research was all about, and then the text progressed to provide prompts. In general, interview protocols are procedural guides to direct the qualitative researcher during the course of the interview (Fontanna and Frey, 2000). The interview protocol was prepared in advance of the interviews in July 2015, prior to obtaining approval from the University's Research Ethics Committee, and it was duly approved in October 2015.

It is worth noting that, prior to starting full-scale data collection, four interviews with two SME cases (two participants from each case) were conducted as pilot interviews. The main objective of conducting pilot interviews was to test out the developed protocol to enhance and refine the developed instrument and conduct a test run of the interview technique prior to launching the data collection phase. This practice is considered one of the good practices for conducting qualitative studies (Arthur and Nazroo, 2003). After conducting the pilot interviews, the protocol was slightly modified and a new version was applied from December 2015 onwards. Further revisions to reflect emerging themes from the data collection happened in July 2016 and October 2016. Examples of the revisions include: adding a question about the SME's overall internationalisation narrative and efforts in the first section. Following the four pilot interviews, it became evident that SMEs start to give details and discuss their overall internationalisation prior to engaging in the discussion about a specific decision. Furthermore, this overall description of their internationalisation efforts provided valuable insights and

additional information on their resource base, and overall internationalisation strategy. Second, the earlier version included words such as internationalisation modes, and participants were not sure about the meaning; hence, the probes included examples, such as exporting, joint venturing partnerships, when asking the question. Third, when asking about the specific decision, the initial version had one question, which was stated as: *Looking back at the decision we have just identified, can you tell the story of this internationalisation decision?* Asking about all this in one question confused the participants, and often they discussed some aspects and overlooked others. Therefore, in the revised revision, the question was divided into three sub-sections. The rephrased question read as follows: *a) In your opinion, operating within the Qatari context may or may not have provided opportunities to your international business, what is your say on that? (a) Can you tell me how operating within the Qatari context influenced your choice of the international markets to serve? (b) How about your choice of internationalisation mode (and I state the selected mode), has this decision been influenced by operating within the Qatari context as such?*

Open-ended questions suffer from some difficulties, as the process requires more effort and time to collect and code different responses. However, this type of questioning in a qualitative study is preferred as it does not require specific answers compared to quantitative study (Bryman and Bell, 2015). In order to increase the validity of measures, interview questions were tested on one academic and one practitioner to avoid any leading and ambiguous questions.

The University's Research Ethics Committee recommended drafting a separate and brief interview protocol for external stakeholders. The recommendation was taken on board and a short instrument was developed that asked the external stakeholders to firstly elaborate on their role in the SME's internationalisation and what type(s) of support they extended to their clients. The second question started by briefing the participant on the selected decision and emphasising that it was selected by the SME's senior decision-maker, then asking their views about the specific competencies and resources pertinent to their client that shaped their internationalisation strategy, mode, partner selection or any other aspect they wished to discuss. The last section gave the participants the opportunity to elaborate on any additional aspect that they wished to which was not raised during the discussion. It is worth noting that interviews with external stakeholders were shorter in duration, on average lasting for not more than 60 minutes, and that all these interviews were conducted in the stakeholders' own offices rather than those of their clients. This practice is believed to enhance the generation of real, unbiased

data and the free disclosure of thoughts and opinions. All external interviews were arranged directly by me, not through the SMEs' own teams. The administration team in each SME case provided the contacts.

The guide used to interview the internal stakeholders (top and middle management team members in each case) was divided into three main sections: (1) the background information and the overall internationalisation story of each SME case, (2) questions related to one particular decision, asking about what constitutes a munificent context for them, internationalisation approach, entry modes, partner and market selection, and, finally, (3) the last section, which required participants to describe how their internationalisation journey has worked over time, to highlight any hindrances they encountered when internationalising and to state whether there were any aspects that were not covered during the interview that they wished to elaborate on. Within each section, various questions were listed along with the probes that covered details related to each SME's resource base, resources deployed during their internationalisation, the modes they chose, the market they selected, the relevant criteria for selecting partners and the antecedents for each aspect in relation to the context they operate within. The order of questions was listed in a way to commence with general questions about their company's overall internationalisation story, and then the protocol progressed to delve into details and particular antecedents related to a specific decision and the impact of the surrounding context on the SME's international ventures.

The interview instrument was designed to be of a reasonable length to avoid participants' fatigue; this practice complies strictly with methodology literature recommendations. For example, Bryman (2008) argues that long questionnaires and interview protocols are rarely useful, while Churchill and Iacobucci (2002) articulate that data collection instruments should be made as short as possible. It is worth noting again that, at the beginning of each interview, the consent form was read to the participant to secure their approval both verbally and in writing to proceed prior to engaging in any dialogue or discussions.

Since qualitative researchers hope for the materialisation of unexpected data from participants, writing expansive elaborative questions is recommended since it allows the participant to take the conversation in several directions (Jacquob and Furgerson, 2012). This recommendation was adopted and the questions started by writing an introduction related to the question before delivering the main question. Additionally, the probes kept the conversations on track. The questions in the interview protocol were mainly phrased as

“How...?” and “Can you tell me...?” to facilitate the development of a free dialogue and to establish rapport with the interview participants. During the course of interviews at the SME’s corporate offices, the participant was observed and notes were recorded as the conversation progressed. Steering the conversations with appropriate probes kept the dialogue flowing. The interview guide was not considered a rigid and slavish script; on the contrary, it was utilised to focus the data collection and to keep the conversation flowing.

Care was exercised to ensure that interviewees were allowed to express their opinions in the most optimal way and to facilitate the in-depth exploration of the internationalisation decision discussed. For example, the cultural norms in the Gulf region require the interviewer to be consistently engaged in the conversation and, if the researcher does not express an opinion nor engage in the conversation, the participant may hold back information. This is not in line with the Western cultural norms, which, as a matter of courtesy and politeness, require the researcher to remain strictly silent when the other participant is talking. Table 4.2 maps the main the research’s objectives to the questions included in the research protocol.

Table 4.2: Mapping Research Objectives and Protocol Questions

Research Objective(s)	Protocol Question(s)
Introduction: Information on SME’s corporate background.	1. Can you tell me when the company was established and, if there is a story behind the establishment, please feel free to share? 2. I checked the company’s website and have a pretty good idea about what it offers, but if I may ask you to give more information about your company’s products, especially the products or services you sell overseas? 3. What is the total number of employees in the company? 4. If I ask that you describe the top- and middle-level managers, what will you say about them? 5. What is the company’s approximate annual turnover?
1. To explore the types of resources and to investigate the nature of munificence affecting SME’s internationalisation.	1. In your opinion, what is the most important capability/capital/ resource your company has access to? 2. Can you tell me the history of your company’s internationalisation starting from the time your company decided to internationalise? 3. Can you tell me how your company’s access to special competence(s) influenced its international business? 4. In your view, how is this context/environment different and distinguished from other business environments/contexts? 5. In your opinion, operating within the Qatari context may or may not have provided opportunities to your international business, what is your say on that? If they answered Yes, then I would progress and ask: Can you tell me how/in which ways? (probe – , helped, didn’t - why?)
Based on your earlier answer describing the history of the company’s overall internationalisation, may I please ask that you choose one outward internationalisation decision that is not more than two years old and is already implemented . If you wish, I can assist you in choosing the decision.	

Please state the selected internationalisation decision we will discuss: _____ Now, I will start asking questions and if you can please provide your answers in relation to this specific decision, are you OK to proceed? Can you tell me the story/details of this chosen decision in particular?	
2. To describe the internationalisation entry modes SMEs emanating from a munificent business environment pursue, and specifically explain why they opt for these particular modes.	In your opinion, operating within the Qatari context may or may not have provided opportunities to your international business, what is your say on that? If they answer Yes, I would then say – in which ways? How has operating in Qatar influenced the selection of your specific internationalisation mode (and I state the selected mode) over any other mode?
3. To explore which international markets SMEs emanating from a munificent business environment venture to and investigate the relevant criteria for their market selection decisions.	Can you tell me how operating in this country influenced the market selection decision? Why did you choose this market? How was the decision influenced by your company's resource access or/and context?
4. To explore and investigate the SME's strategy (reactive-versus proactive as well as timing... late/early)	1. In relation to the same internationalisation decision, can you describe your SMEs approach (reactive-proactive-serendipitous, luck? 2. How has operating in this environment influenced your company's selected approach? Timing (early/late) 3. Why your company did choose this approach?
Overall reflection	1. Is there anything else you think you can share with me to help me better understand your company's internationalisation decision? 2. Have there been any ways in which your organisation's internationalisation has been hindered by operating in a rich home business environment? 3. Can you tell me how your internationalisation efforts have worked over time?

4.3.10 Compilation and Review of SMEs' Corporate Documents

The use of other sources of primary data is important for the following reasons: (1) it facilitates the elaboration and explanation of verbal data (Krippendorff, 1980), (2) the literature recommends this approach for theory building and elaboration from case study research (Easterby-Smith and Thorpe, 2012) and (3) it facilitates the data analysis collated through the embedded approach to case study research (Holsti, 1969).

Unfortunately, whilst the SMEs were cooperative in sharing 'discussions' and 'talks' about the documents, this was not the case when it came to providing actual copies of their corporate documents and memos, except for a few cases, for example, Case Three, which was a young internationalising SME. However, SMEs were generous in giving copies of their ISO9000 and ISO14000 certification and quality awards, which reflect their products'

standards. Additionally, they allowed taking photos of their reception lounges and their photos with the ruling families in formal and informal settings. It is worth noting that one particular case, Case One, gave a sample of the branded promotional gifts they give to their clients. The item was checked then returned to the company.

The background information about the sampled SMEs enriched understandings of the nature, practices and trends of SMEs operating in the State of Qatar. This information constituted a complimentary data source to the primary data collected during the course of the interviews. No systematic approach was employed to collect the corporate information. The primary source was internet searches and information shared with the external stakeholders such as financial advisors and legal consultants, along with public information disclosed about each particular family in the business community through local and often regional and international newspapers. Data were obtained from other sources such as firms' websites, newspapers, industry reports and press releases. The use of multiple sources of evidence enhances the richness of the data and facilitates detailed investigation, and should ultimately aid in the triangulation of data (Eisenhardt, 1989; Yin, 2017).

4.3.11 Data Analysis

As Miles and Huberman (1994:431) have noted, qualitative studies typically “*have a peculiar life cycle*” in that they typically entail simultaneous data collection and analysis. Data analysis is then best thought of as embedded in the whole research process rather than confined to a distinctive period of time which follows the fieldwork and precedes the ‘writing up’. Qualitative data analysis entails three main procedures: (1) summarising and becoming familiar with the data, (2) coding, and (3) displaying and drawing of conclusions (Miles and Huberman, 1994; Spencer et al., 2003). Data analysis of interviews commences with transcription because the researcher starts to get an initial grasp of the collected data and gains an understanding of the interviews (Braun and Clark, 2006). The transcription was a good opportunity to gain initial insights about the collated findings.

Qualitative data analysis involves transforming a large mass of data, refining and processing it analytically to meaningful interpretations (Eisenhardt et al., 2016). There are two approaches to data analysis: the first just emphasises ‘rigour’ in sorting and indexing data (Miles and Huberman, 1994; Ritchie, et al., 2003) to perform content analysis; the second approach, on the other hand, places more emphasis on the generation of meanings (De Fina and Georgakopoulou, 2012). The present research embraced the two approaches by firstly

adopting rigour in the identification and analysis of themes; at the same time, a strong focus was exercised to capture participants' reflections, insights and the reasons behind undertaking the internationalisation decision in a specific way.

The first step in the data analysis involved the verbatim transcription of all the audio-recorded interviews. The transcription was used to list information and construct a history for each of the approached SMEs. In line with Yin (2017) and Pettigrew et al. (2001), such depiction and listing of data for each SME enables the deep investigation of the phenomenon explored. The data analysis stage was aided by the use of NVivo10 software. Scholars have different perspectives when it comes to using software packages for qualitative data analysis (Bazeley and Jackson, 2013). The use of this particular software is deemed useful for the following reasons: (1) the software enables and facilitates data analysis at different levels of abstraction; (2) it aids the synthesis and management of voluminous data; (3) it reduces the requirement for verbatim transcription since audio files can be uploaded and analysed (however, this feature was not used in the present thesis); (4) it facilitates coding and ordering of data; and, finally, (5) it permits comparison within and between cases. The last feature was not applied in the present research, as the cross-case analysis was conducted by myself.

4.3.12 Summarising and Familiarity with the Data

Individual case histories including interview and observational data (Eisenhardt, 1989; Yin, 2017) were written for each SME case. This step embraces Pettigrew's (1990) recommendation that case histories and summaries aid in the generation of theoretical insights. During this stage, interview transcripts were repeatedly listened to and reviewed. NVivo10 allowed the organisation of the cases into sources and node poles. The categorisation of the research SME cases and the subsequent filtering of the data to sources and nodes on NVivo10 was reviewed by an NVivo professional in the Faculty of Business at Oxford Brookes University, Alex Friend. The review ensured consistency and avoided duplicate listing of data.

4.3.13 Thematic Analysis

Identification of themes and thematic analysis are the core of qualitative research (Bazeley, 2009). Thematic analysis remains more convincing than merely descriptive reporting when it comes to writing discussions and findings from qualitative research. The present research identified themes across the cases by visiting the collated data several times until a point of theoretical saturation was reached. As thematic analysis is not directly linked to or

associated with specific rigid epistemological or ontological considerations, it was considered an appropriate approach to adopt given the interpretative, exploratory nature of the present thesis. In fact, thematic analysis is considered a ‘flexible’ approach to qualitative data analysis that can fit a wide spectrum of frameworks (Willig, 2013).

The present thesis relied primarily on thematic analysis to structure the raw data. According to Willig (2013), a theme equates to a pattern inside a data set and such themes should convey a meaning or an interpretation to assist the researcher in answering the research question; thematic analysis should facilitate the structuring of large volumes of raw data (Pope et al., 2007). The present research identified several themes among internationalising SME cases such as: a relational and social capital perspective on how SMEs interpreted munificence, an institutional view of the business environments, SMEs’ internationalisation to distant markets through the long jumps to novel regions, and the internationalisation to Muslim markets to develop intra-Muslim internationalisation.

A major criticism against thematic analysis involves the risk of generating descriptive texts rather than (analytical) meanings (Braun and Clarke, 2006). Given the interpretative epistemology of the present research, meaningful interpretations and explanations were very important. Adopting an embedded approach to case study research and exploring multiple cases facilitated my effort in this regard. After completing the description and analysis of each case, comparative analysis between cases was undertaken to figure out similarities while at the same time highlighting differences and providing an explanation for these differences. Table 4.3 lists an example of how one of the cases described their resource base and internationalisation decision.

Table 4.3: Exemplar of an SME's Resources and Internationalisation Decision Coding – Case Three

Code	Description	Example
Social and symbolic capitals	This could be a relationship, an external or internal connection with government or non-government official. Family acquaintances, friendship, kinship, formal or informal introductions for business purposes. Position of the family in the society. Extent of relational embeddedness in the domestic community.	The Chairman was a seasoned entrepreneur who enjoyed long-standing relationships in the business community and well-developed relationships with QDB. Mid-upper-class family with reasonable access to network relationships. Not high profile.
Financial resources	Access to personal wealth, access to bank loans through domestic goodwill and family goodwill.	Management did not rely on personal monies and preferred to apply for government loans, as they were eligible SMEs.
Operational slack resources	Factories capable of producing massive quantities, economies of scale, mass production.	The SME applied for multimillion lending tickets to finance their purchase of machinery lines, which are designed to produce massive quantities.
Human resources	Management teams, hired consultants, knowledge, experience.	Not applicable – no evidence.
	International orientation.	Extensive, as demonstrated by the CEO and Chairman's commitment to exporting from day no. 1 after incorporation. Embracing government's vision to diversify the economy.
Institutional resources	Extension of government subsidies in the form of low-interest loans, subsidised utility rates, technical support, land grants.	Case Three extensively relied on this form of support to enhance its resource and repository of fixed assets.
Why they chose the market	Reasons for chosen target market	Dubai, regional hub, SME accumulates initial experiential learning in exporting. Test the water in similar markets
Mode – why?	Exporting, JV, reasons	Low risk, distribute and sell massive production quantities in the warehouse
Approach	Proactive, early, planned	Advance plans to export, proactive not reactive

One of the issues in the application of thematic analysis is the extent to which themes are driven by existing theory or emerging data. In the present thesis, it seemed more appropriate to perform thematic analysis in a way, which is guiding, yet open to reflect new and emergent findings. Despite the research team's consideration of adopting alternative approaches such as template analysis or grounded theory, adopting thematic analysis was preferred. It enabled and facilitated analysis of the data generated from the narratives of the explored SME cases with

regard to their different internationalisation aspects such as market selection, adopting late versus early internationalisation, and the influence of the SMEs' resource base and surrounding context on the decision. Although the thesis was examining some aspects that are already reflected in the literature, it was challenging a predominant assumption that SMEs are marginally resourced. Therefore, allowing for new insights, explorations and investigations to emerge was crucial to answer the research question. Additionally, as the research approached eight SME cases, thematic analysis enabled familiarity and control of the data. As the present research aimed to elaborate on existing theory of SME internationalisation literature by examining new boundary conditions through case study research (Ketokivi and Choi, 2014), hence, the general theory and the context were examined simultaneously in a balanced manner to reconcile the general with the particular. The general theoretical logic was applied to the identified themes to generate a set of propositions that should guide further research works aiming at examining the influence of munificence on SME internationalisation.

As the present research did not aim to test an existing theory, it encountered what Merton (1957) called the significance of serendipity in qualitative research. During the data analysis, unanticipated findings were welcomed and through the disciplined iteration between the existing literatures, identified knowledge gaps and the empirical data, emergent themes were further developed, examined and finally formulated as propositions during the interpretation of findings stage. This process was facilitated by the adoption of inductive reasoning to synthesise the established internationalisation theorising to the contextual idiosyncrasies. By adopting the inductive reasoning approach (Ketokivi and Choi, 2014), the present research found that social capital dimensions and the formal and informal dimensions of the institutional context influence SMEs' internationalisation decision and participants' identification of munificence – a detailed presentation of findings and discussion will be presented in the next chapters. Figure 4.4 reflects the thematic analysis conducted, and first- and second-order codes identified (Gioia et al., 2013).

First Order Concepts

Second Order Themes

Aggregate Dimensions

- SMEs do not compete with their counterparts to acquire resources.
- SMEs are not restricted in acquiring financial capital; they do not operate within resource-constraint conditions.
- SMEs access financial capital through both internal and external sources. Internal sources include owners' personal wealth, retained earnings or generous paid-up capital. Financial capital externally sourced through public and private banks.
- SMEs amply access specific factors of production such as labour, energy, and financial capital.
- Affluent domestic demand in home market reduces SMEs sense of hostility and competition.



The business environment in the home country is not hostile, resources are ample.



Financial dimension of munificence

- The government enacts a bundle of financial schemes to develop the SME sector and encourage entrepreneurship. Additionally, it extends business advisory, sales and technical support to applicant SMEs.
- SMEs are aware of the implemented scheme in the home country and particularly appreciate the financial subsidies, land grants, low interest-loans.
- Accessing the subsidised raw materials, water, electricity and energy rates enables SMEs to incur low/minimum operating costs.
- The scheme is 'generous' and 'accessible'.



SMEs' internationalization enhanced through the formal dimension of the institutional context

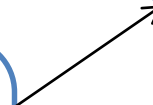


Institutional dimension of munificence

- The application process to secure the grants and the subsidies is simple and streamlined.
- The application process is transparent and the rules and regulations are laid and equally applicable to all applicant SMEs.
- All national SMEs are eligible to apply and will be approved to secure the grants and subsidies. Not competitive process
- The business culture encourages international growth and regards growth within domestic market as 'less desirable'.
- Government vision towards economic diversification through manufacturing and entrepreneurship
- Culture = encourage + empower
- SMEs do not suffer from lengthy or bureaucratic application process.



The informal dimension of the institutional context enhances SME's constructed reality



First Order Concepts

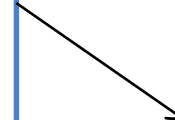
Second Order Themes

Aggregate Dimensions

- The SME founder's embeddedness and domestic goodwill reflect on his SME corporate identity.
- The founder = SME; in other words, the founder and the SME identities are not separate. Personal identity affects business identity and vice versa.
- Access to high-profile relationships through hierarchical status in the domestic society allows access to international referrals and minimises risk perception in overseas markets.
- Access to insider's information as a result of hierarchical ranking in the society.



Structural dimension of founder's social capital enhances SME's opportunities

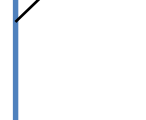


Social capital perspective on munificence

- Long-term relations generate benefits and privileges to complement the benefits generated through status and hierarchical ranking in the society.
- Trust and long tenure are key for the founder and subsequently the SME to develop high-profile relationships.
- Access to high-profile relationships allows SMEs to identify international business opportunities and minimises SMEs' perception of international risk because the opportunities are identified by trusted relationships.



Relational dimension of founder's social capital enhances SME's business context and sense making of internationalisation



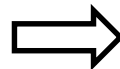
- Owner's paid-up capital and personal HNW.
- Access to external finance through public and privately owned banks.
- Affluent domestic client base and accumulated domestic revenues.
- Access to finance linked to SME's domestic goodwill



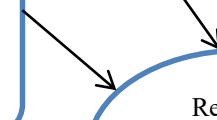
SME's sources of financial resources



- Linked to SME owner's hierarchical ranking in the domestic community.
- Increases with established embeddedness in the local context.
- Exhibiting a dual role - as facilitator and hindrance.
- Prevalence of Who you know affects what you know and what you get culture



Benefits of founder's social capital and status to the SME



- Manufacturing SMEs deliberately produce quantities in excess of the domestic demand.
- Economies of scale enabled by generous government subsidies to factor of production.
- Inclination to establish large manufacturing facilities for mass production. Access to loans and financial resources allows that.



Operational slack



- Extensive international experience.
- Implementers rather than planners.
- Entrepreneurial orientation of founding partner(s).



Role of human resources



Resource configuration of endowed SMEs

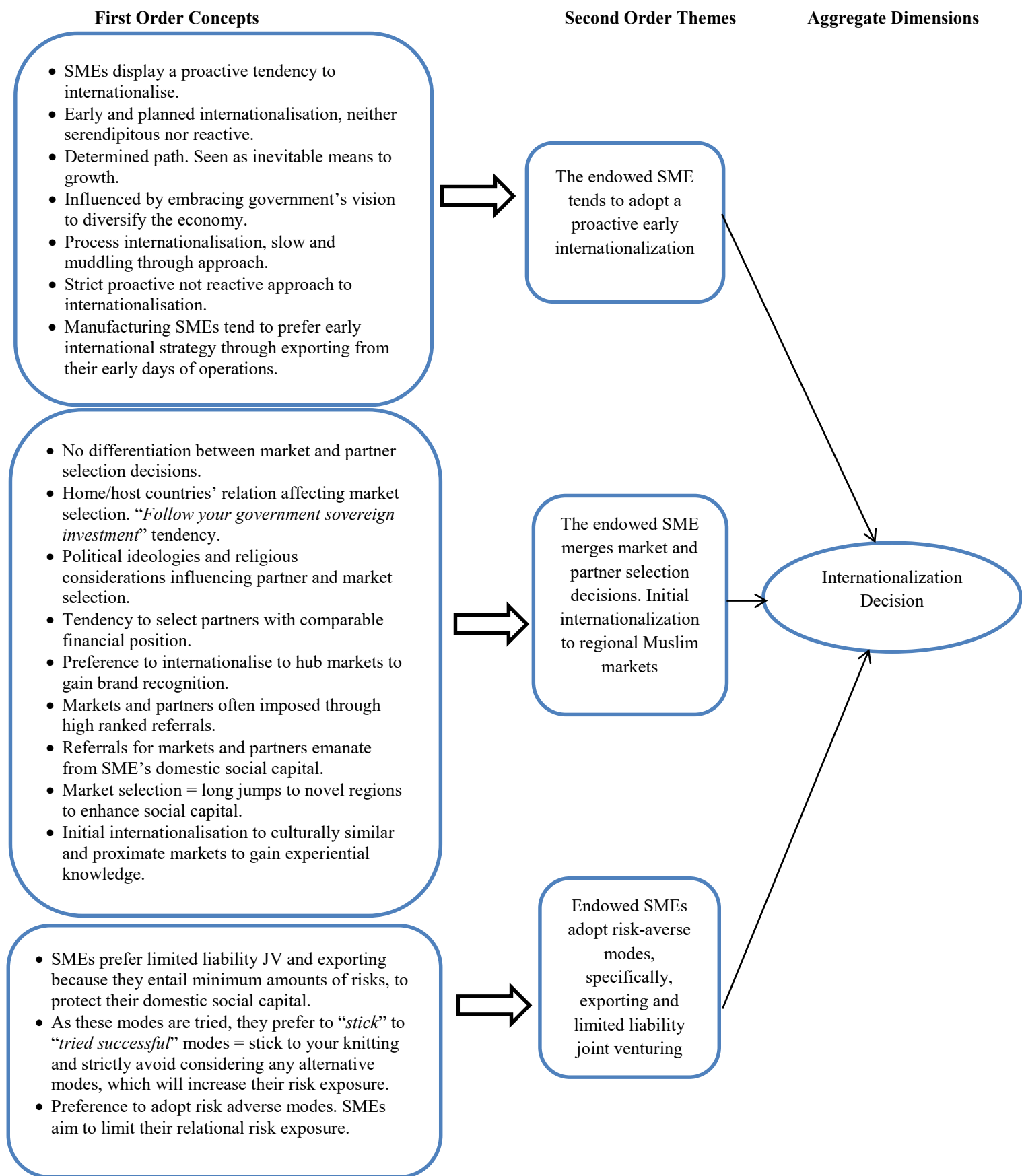


Figure 4.2: Thematic Analysis and Data Structure

4.3.14 Research Validity

Validity is one of many criteria used to evaluate research methods. It refers to "*whether a specific measure of a concept really measures that concept*" (Bryman and Bell, 2003, 77). Methodology scholars argue that there are different types of validity, such as construct, internal, external and ecological validity, but these criteria are designed to evaluate quantitative research studies, as they are primarily associated with statistical analysis and inferences. To evaluate qualitative research, alternative criteria should be used (Bryman and Bell, 2015). To assess the validity measures of qualitative research, the present thesis adopted procedures to enhance the communicative validity, procedural reliability and contextual validity of the thesis.

Communicative validity refers to reconciling understandings and achieving consistency between the researcher's understanding of the participants' statements and the interpretations of the data (Sandberg, 2005). In the present thesis, this was achieved through establishing a rapport in the first few minutes of the interview. The use of open-ended questions helped in this regard, as the participants were given the opportunity to disclose any additional details or information they felt was not covered by the administrated protocol. As they started to answer the interview questions, they were given sufficient time to discuss what they wished to discuss. The understanding of their narrative was repeated to make sure that the received view reconciled with what they meant in their answers.

Procedural reliability/transparency relates to the use of appropriate rigorous research procedures, design and methods to obtain reliable data and findings (Yin, 2017). Field notes and case study material were well obtained, documented and saved. Details about interview schedules, participants, case details, notes, photos and any secondary data have been archived. Details about the interview protocol and how the data were analysed and interpreted can be made available upon request.

Contextual validity is directly related to the triangulation of data through using multiple participants and information, and multiple data techniques and sources of evidence (Maxwell, 1992). The present thesis adopted one main source for contextual validity and triangulation, which is seeking evidence from multiple participants. The main data were gathered through an embedded approach with two stakeholder groups (internal and external parties to the SME). This approach is believed to enhance the contextual validity of the thesis. As the participants were discussing the same internationalisation, there was minimal discrepancy between their

views and, whenever any discrepancy did occur, I aimed to clarify and question if there were any conflicts between the different answers given.

4.3.15 Methodological Challenges Conducting Research in an Arab Cultural Context

During the data collection stage, some challenges were encountered while coordinating the interviews and even when conducting some of them. The main objective of this section is to provide some insights and guide future researchers in their data collection journeys should they decide to conduct research within a unique cultural and economic setting of one of the Gulf countries in the sovereign conservative region.

As earlier indicated, three out of the eight cases were identified through personal contacts in Qatar. The challenges encountered while collecting data from these particular cases related to the management team's acquaintance and familiarity with me. This may seem somewhat surprising, but it was true. Often, participants from these cases were expressing their statements in a very optimistic way, and often refrained from mentioning obstacles and hindrances encountered during their internationalisation (the last section of the interview protocol). To overcome this challenge, they were encouraged to answer this question in particular. There was always an assurance during the interviews that failure stories are as important and relevant to discuss as the success stories.

There were a few logistical issues during the data collection phase. The manufacturing SME cases explored (which were five cases out of the eight identified cases) were based in the new industrial zone of Doha, which is located near the Saudi border. Therefore, travel by car in unpopulated areas for at least two hours was required. Additionally, once arriving in the industrial zone areas and driving along their roads and streets, looking for the exact location was an equal challenge. These areas are heavily populated by male unskilled and semi-skilled workers and it is unusual for them to see any females driving around. The language was a definite barrier, as they typically speak Urdu and minimal knowledge of English or Arabic.

Overall, there was an atmosphere of 'willingness' and 'eagerness' to participate in the research, especially by the senior management. This was specifically stated during one of the interviews when the participant said: "*...it is uncommon to take part in a research study... we get requests to do newspaper or TV interviews... to talk about our business*". Additionally, the participants, especially the senior decision-makers were surprised to know that data collection was taking place in Qatar for a PhD degree that will be awarded by a university in the UK.

They argued that usually academic research is conducted in the United States or Europe, and it is rare to find interest in collecting data from the Arab countries in general. They were surprised to know that there is an accumulation of academic studies within the Chinese context and that similar interest is emerging focused on Africa and the Middle East or emerging economies in general. They seemed to appreciate the novel information and were enthusiastic about the interest in Arab countries' cultures in particular. One of the participants indicated that he believes that academic research was conducted in Arab countries only if the research question pertains to culture or language or Islamic studies; he was surprised to learn that interest is emerging in the management discipline.

Another observation relates to how the participants have seen the ethics procedures undertaken. They were appreciative of the steps undertaken (consent form to sign, seeking approval prior to recording, the researcher clearly reading the information sheet, and emailing the details with the meeting request, etc.). To them, these procedures were "*unusual*", and it did raise concerns for two particular cases, Case Five and Case Two, who enquired about them in detail. It is worth noting that there was one case that chose to withdraw from the study after reading the information sheet and they said they were "*uncomfortable*" with the fact that their statements would be recorded. Therefore, whilst conducting ethical and consent procedures may be seen and recognised as inevitable within the European and the American contexts, the same procedures may be seen as annoying or worrying within the conservative states of the Gulf. Finally, the senior decision-makers who were privileged to access high-level relationships in the home country were prudent and careful in discussing the details and mechanisms of their relationships, yet they were also extremely proud of them, in the sense that they would disclose a relationship's presence but not its details. The probes were used to encourage them to elaborate on how personal contacts were beneficial to their organisation's internationalisation.

4.4 Conclusion

Given the limited theory about how SMEs from munificent context internationalise, the present thesis adopts inductive reasoning by conducting a multiple-case research study in accordance with the seminal work of Eisenhardt (1989). Inductive studies are typically useful for developing theoretical insights when research focuses on areas that the extant literature does not comprehensively address and when the research question is explorative in nature. Multiple cases enable collection of comparative data and the generation of themes and hence

are more likely to yield more accurate, generalizable theory than data derived from a single case (Eisenhardt, 1989; Yin, 2017).

This research is to be classified as explorative and interpretative in nature. The setting of the present research was the State of Qatar because of its high ranking as one of the most sovereign, rich states of the Gulf region (Ronen and Shenkar, 2013; IMF, 2016). The research examined SMEs which employ 10 - 250 employees to ensure it falls in the SME category (Onkelinx et al., 2016) and the paid-up capital had to be at least USD 1 mln. The SME should have been incorporated for at least three years, as they were required to discuss retrospectively an internationalisation decision that was not more than two years old to minimise retrospective bias (Yin, 2017). The key informant method was adopted and the research focused on examining a single decision. This strategy facilitated the collection of detailed and comprehensive data and minimised participants' distraction while collecting evidence from multiple participants mitigates the risk of bias and contributed towards data triangulation (Eisenhardt, 1989; Eisenhardt et al., 2016).

Eight cases were chosen and multiple participants were selected to participate in semi-structured interviews, thus the research adopted an embedded approach to case study research (Yin, 2017). The cases were neither homogenous in their resource base nor their internationalisation strategies, modes or markets; hence, a deep, thorough investigation and exploration of the internationalisation decision was facilitated by this diversity. Qualitative and quantitative data were initially collected from two pilot cases; the interview protocol was thereafter revised for language modification and enhancements. The data collection spanned a period of approximately 14 months. As the participants were from different hierarchical levels in the selected SME cases and from different functional areas, the multiple lenses increased the likelihood that the collected information reflected a clear and accurate picture of the SME's internationalisation while deploying its resource base and considering the context in which it operates. The research collected data and interviewed participants who were particularly knowledgeable and involved in the SME's internationalisation. The methodology literature indicates that knowledgeable participants tend to be accurate (Bazeley and Jackson, 2013). The external stakeholders (financial advisors and lawyers) were used as an independent source of data. All participants were promised anonymity to encourage candour and openness. The last two sections of the methodology part focused on addressing ethics issues and presenting obstacles encountered during the data collection phase in the unusual business and cultural

context of the present thesis. Table 5.4 summarises the key methodological choices of the present research.

Table 4.4: Methodology Choices

Philosophical Orientation	Interpretivist paradigm
Approach	Induction
Strategy	Case study – mono method
Time horizon	Cross sectional
Data collection: Techniques	Semi-structured interviews Multiple respondents from each case – embedded design Text and archival analysis to perform thematic analysis and to generate propositions First- and second-order coding applying NVivo10 software

This chapter explained the philosophical orientation guiding this research. It has also provided a detailed explanation of the multiple case study design and outlined how the qualitative data were collected and analysed. The next chapter provides the results of the research.

CHAPTER FIVE: BACKGROUND TO CASE STUDIES AND SMES' INTERNATIONALISATION NARRATIVES

Introduction

This chapter presents details of the cases explored along with their internationalisation narratives. As referenced in Chapter 4, the cases were purposefully selected to allow examination of differences in terms of firm age, corporate background, set up, resource base, geographical coverage, international sales revenues and mode of foreign market entry. Following Prashantham and Dhanraj (2010), variations in a firm's stock of resources may explain the dynamics of that firm's internationalisation. Although such diversity creates a heterogeneous sample that may limit generalisation (Bryman and Bell, 2015), this challenge was not relevant to the present research, given the limited literature on how SMEs undertake their internationalisation decision in resource-abundant, rather than resource-constrained, conditions. Diversity among cases was crucial because it enabled the generation and examination of novel emergent themes (Bryman and Bell, 2015). This chapter provides an overview of the case backgrounds and internationalisation narratives, and it concludes by presenting evidence of the influence of cultural and religious norms on SMEs' internationalisation.

5.1 Cases Description and Data Preparation

This section presents the contextual descriptions for each case in the following order:

- Each SME's corporate background information, including its incorporation story, history (if applicable), the business activity in which it engages, and the sources of its paid-up capital.
- Data about each case's head count, and numbers of middle and top management team members, its annual turnover, and the contribution of international sales to its annual turnover.
- The narrative of each SME's overall international business activity, such as when was their first international business activity, what prompted the business to make the decision to expand into foreign markets, and the foreign market entry mode it chose. Then, there will be an analysis of the narrative of a particular decision each SME chose to discuss in detail to outline the what, when, why, how and where of the decision.

Case One

Contextual Background: Incorporation Story, History, Activity and Source of Funds

Case One is a real estate company, which was established in 2011. It provides services relating to property sales, property management, leasing, marketing, consultancy and valuations. The company is known in the domestic home market for providing a comprehensive range of real estate services including rentals, freehold purchases, property management and valuations. Few companies in the local context provide such a broad range of services, as most similar companies tend to focus on one or two services at the most, with rentals generally being included.

The two partners paid the paid-up capital of the company in full in cash; accordingly, the company's books do not reflect any short- or long-term liabilities. The company was the idea of the managing director, who wished to capitalise on his prior experience in the real estate sector and to benefit from the business opportunities in the Qatari context. Therefore, the company is jointly owned by the managing director and a Qatari partner, with the latter owning 51% of the company's shares. Local rules and regulations in the State of Qatar privilege Qatari partners over expatriates in terms of entry into partnerships, allocating one extra share to the Qatari partner. Accordingly, by default, the national Qatari partner must hold a controlling stake in an incorporated partnership. This clause does not apply if two Qatari nationals enter into a partnership. This 49%/51% partnership stakes rule is also applicable in other Gulf sovereign wealth states such as Saudi Arabia, the United Arab Emirates, Kuwait, Oman and Bahrain. The company's corporate office is a modern building located in Qatar's Pearl district, which is a large manmade island in the Persian Gulf.

Corporate Information: Head Count, Management Team, International Sales and Annual Turnover

The company employs 57 employees, 10 of whom are classified as top and middle management. These employees offer a diverse range of international experience backgrounds, having worked in domestic and multinational corporations. The company's annual turnover is QAR 8 MM and international sales constitute on average 30% of its total revenue. In the view of the management, this lower contribution is reasonable, given the company's focus on the domestic market in its first two years after incorporation.

Internationalisation Narrative: When, Why, How and Where

Having focused on generating business within the domestic market for the first two years, the company decided to collaborate with an international developer to capitalise on access to a large number of domestic clients who were keen to invest in real estate properties overseas – the managing partner described the domestic market as affluent yet small. The company undertook its first significant step in this direction in 2013.

To tap into its clients' preferences for investments in real estate properties in the UK, the company entered into a joint venture to build and market a luxurious residential complex in the suburbs of London on an exclusive basis. This joint venture with a UK developer was structured as a limited liability partnership in early 2014 after the partner was identified and selected by the company's newly appointed head of international business. Overall, the company has been pleased with the financial performance of this joint venture; however, it decided to halt any further expansion within the UK because of uncertainty following the Brexit vote. The company is now finalising a new joint venture in the US to develop and market a similar residential complex in New York; it is also working with one of the banks in that country to structure Shariah-compliant mortgage loans for its investors.

Selected Internationalisation Decision: When, How and Where

The key decision identified was one made by the managing partner about the company's joint venture in the UK. The main justification for choosing the UK as the company's first international market came from the demands of its domestic clients; in the managing partner's words, "...we were rather pushed". The main reason for selecting the limited liability structure for the joint venture was to minimise the firm's risk exposure overseas, as well as to limit potential loss to the invested paid-up capital. However, even more importantly, the company selected this structure in order to protect its corporate profile, as it was deemed to be the best structure for mitigating potential losses and risks that might otherwise impair goodwill when venturing into an unfamiliar distant market.

Case Two

Contextual Background: Incorporation Story, History, Activity and Source of Funds

Case Two is a business that is 100% owned by a prominent Qatari national, who has been involved in business activities since the late 1970s, and is therefore an extremely

experienced business executive. The company was established pursuant to the rules and regulations of the Commercial Law of the State of Qatar in 2010, and commenced operation in early 2012. It is licensed to manufacture/produce and trade in food supplies. Following its incorporation, it started to import food products to the Qatari market and shortly afterwards decided to invest in a Turkish factory and enter into a partnership with a well-known Turkish food manufacturer, whose brand is known to the domestic home market. The Turkish partner and the Qatari executive decided to work together after an informal introduction during a diplomatic official reception, and the business relationship was formally structured a few months later as a limited liability partnership.

The two partners invested to expand and modernise a medium-sized manufacturing factory in the suburbs of Istanbul to produce children's biscuits, mini-bakery items and bottled juices. They have explicit plans to replicate the same factory in the newly launched industrial zone of Doha by 2022. The company's capital was paid in full and joint bank accounts emplaced to manage the partnership's cash flows. The company headquarters in Doha are located in a relatively old building owned by the Qatari partner, whose family has owned the building for many years. During conversations with various team members, it emerged that the CEO (Qatari businessperson) cherishes the building because it has been owned by his family for so long as well as the fact that it is an iconic building in the old district of Doha. The staff members indicated that he refuses to relocate the office to a more modern district because he believes that the current location symbolises his family's business standing and origins since the 1970s.

Corporate Information: Head Count, Management Team, International Sales and Annual Turnover

The company employs 75 full-time employees, with the top and middle management team featuring 20 employees. These employees are a mix of Arab native speakers and workers from the US and the UK. A few members of the top- and middle-level management teams used to work in other companies owned by the Qatari executive who owns the firm; based on the long-standing relationships and trust they developed with him, he decided to promote some of them internally by assigning them roles in this new company. These internal promotions signified his commitment to loyalty and long-term tenures. The company's annual turnover is approximately QAR 25 MM, and its international sales to neighbouring countries represented 15% of this turnover in 2015. Although it has been recently incorporated, by building on the

reputation of its founder, the company is already known for its strong financial standing and his reputation in establishing value-creating businesses in the Qatari context.

Internationalisation Narrative and Selected Internationalisation Decision: When, Why, How and Where

Given the company's recent incorporation, its overall internationalisation narrative coincides with the specific decision participants wished to discuss, which is their decision to invest in the Turkish factory manufacturing children's foods such as biscuits, bottled juices and mini-bakery items. These products form the initial production lines, though there are plans to expand the factory to add additional production lines to produce gluten-free products. The company is also working hard to establish a similar factory on a plot of land secured from the government as a land grant in the industrial zone. The company will finance this investment by redistributing internal revenue, and this factory should be operational by 2022. The factory in Turkey currently exports part of its production to Iraq and the United Arab Emirates, with the remainder of the production capacity being sold domestically in Turkey and in the Qatari market.

Case Three

Contextual Background: Incorporation Story, History, Activity and Source of Funds

Case Three is a chemical manufacturing factory that specialises in making PET Preform Moulds used in the manufacture of plastic water bottles. The company was established in 2011 by the CEO's father, who now acts as the company's Chairman. The founder plays an active role in the daily operation of the company and laid a defined mission statement for the company to capture at least 50% of domestic market share and export to all countries in the Gulf region by 2020. The founder identified the firm's underlying business idea while visiting a manufacturing exhibition in Germany; he then decided to take practical steps towards the establishment of a factory to make these plastic moulds in Doha, with the intention of his son taking on management responsibility. The son, who is now the CEO, is an engineer in his early thirties. He graduated from the US and returned to Qatar to assume the responsibility of managing and expanding this business venture. The company owns a factory in the new industrial area of Doha and retains management offices within the old business district of Doha city. Although the management building is tremendously small and old, as it was previously a large residential villa owned by the Chairman's late grandfather, it now has luxurious modern

fittings; even the parking area surrounding the building features X-ray identification machines. The factory started running at full production capacity in March 2014.

Unlike Cases One and Two, Case Three did not pay the required paid-up capital from owners' personal wealth. It is an equal partnership between the father and the son, and each contributed 10% of the paid-up capital from their own funds, securing the remainder by means of the Qatar Development Bank's (QDB) long-term finance facility amortised over a period of 25 years. Similarly, the factory was established by means of a land grant obtained through the government's exporters' support programme, which means that it enjoys subsidised utility rates (water and electricity) for its production operations. Additionally, it benefits from a raw material import exemption and exemption from export tariffs.

Case Three is the first of the case studies to be directly linked to QDB, which is the state-owned financing arm that has a mandate to grow the SME sector. The participants in this particular case (three internal stakeholders and one external stakeholder) continuously emphasised the company's strong association with QDB and described in detail the extended support received because of this association. The QDB's support is not limited to financial subsidies, land grants and low interest loans; it also provides advice, sales services and non-technical services to applicant SMEs, along with training and development schemes for managerial candidates and assistance in terms of sales and marketing, including taking applicant SMEs to regional and international tradeshow.

Corporate Information: Head Count, Management Team, International Sales and Annual Turnover

The company employs 45 employees and its total revenue for 2015 was QAR 3 MM, with exports accounting for 40% of this total. The management team was primarily recruited from the domestic market and had prior experience working in the Qatari context. The operations manager and accounts manager both previously worked in Oman, another Gulf State, prior to relocating to Qatar in the early 2000s. Most of the semi-skilled workforce and production supervisors were internationally recruited from India, Pakistan, Egypt, Algeria and Tunisia.

Internationalisation Narrative of the Selected Decision: When, Why, How and Where

When the company was established, a clear plan to internationalise using a low-commitment foreign market entry mode was in place. The CEO and the Chairman identified

exporting as the most suitable mode for the company's international growth. Although the company has now been in the PET moulding business for only a few years, its product is known for its good quality and competitive prices. They developed plans to enter the regional markets in the Gulf to gain experiential knowledge in exporting, and thence to expand to markets in Africa and Europe. Mauritius was identified as a target market for early 2019. The main reason for exporting to untapped markets and undertaking extensive exporting is that the domestic home market size is small and cannot absorb the firm's large production capacity and production slack produced by the factory. As the company was recently incorporated, the overall narrative regarding its international operation was the same as the selected decision they wished to explore, which is exporting to the United Arab Emirates (UAE). The company began exporting to Dubai in the UAE in 2014 after participation in a regional trade exhibition sponsored by QDB. Its first client there approached it, and the company successfully completed the bidding qualification process to become on the preferred suppliers' list in the UAE.

Case Four

Contextual Background: Incorporation Story, History, Activity and Source of Funds

Case Four is a design contractor company established by an Egyptian entrepreneur in partnership with the daughter of a prominent Qatari businessman in 2013. The partnership is a limited liability partnership, with the expatriate owning 49% of the company's shares and the Qatari national holding 51%, as explained in reference to Case One. The family of the Egyptian entrepreneur are well-known manufacturers of classic French-style antiques and furniture who have been in business since the 1940s. The specific Qatari partner in this case happened to be a loyal client who welcomed the Egyptian entrepreneur's offer to establish a partnership in Qatar without hesitation due to his familiarity with the family and his belief that demand existed in the local market for the proposed products. The company occupies a medium-sized modern office in one of Doha's skyscrapers in the business district. These offices can be described as functional and comfortable, but not luxurious. The company's paid-up capital was paid in full by the two partners from personal wealth.

Corporate Information: Head Count, Management Team, International Sales and Annual Turnover

The company has 25 full-time employees, including six senior team members; the latter includes the Managing Director, two Business Development Managers, the Senior Partner, an

Accounts Manager, and the local partner, who is designated as the Chairman. The rest of the team takes care of design and administrative functions. The Business Development Manager and two designers had prior international experience in Europe and the Middle East. Although the total workforce of this company is only 25 employees, the majority of the workforce is concentrated in the middle- and lower-level hierarchy of the organisation, and most have been working in Qatar for a few years, and thus have experience with the local markets. This concentration is due to the company's reliance on skilled workmanship. The company's annual turnover exceeds QAR 5 MM, with international business revenues accounting for 20%.

Internationalisation Narrative and Selected Decision: When, Why, How and Where

Case Four is renowned for its distinctive designs which are based on classical French architectural designs. Upon incorporation of this firm, the management team had not intended to undertake any form of international business from the Doha base. The family of the founder were seasoned, experienced exporters who had been involved in such work since the early 2000s, exporting furniture to Italy, Turkey, Morocco and the Gulf region from a factory in Egypt. The company's primary business model was to import furniture from the main factory in Egypt for resale in Doha by means of complete fit-out contracts, and the business model aimed primarily to focus on the affluent though small market in Qatar.

The internationalisation decision the company wished to discuss therefore coincided with the firm's overall internationalisation narrative as the firm was a new entity. The first international business transaction took place mid-2014, following the successful delivery of a job awarded within the domestic market. The company was then invited to bid for the renovation of a 4-star hotel belonging to the satisfied client in the UK. This project included furniture supply, design and fitting for a hotel, located in the suburbs of London. Following successful bidding and the award of the project to the company, a limited liability partnership was concluded to define the scope of operations and the financial obligations for each party. Its tenure was for two years, with the possibility of renewal if additional work was awarded.

Case Five

Contextual Background: Incorporation Story, History, Activity and Source of Funds

This case is a manufacturer of traditional and conservative womenswear that specialises in abayas (Gulf women's traditional black outer dress) and head veils and scarves. The brand was established in 1998 and is known to offer both basic functional garment designs for

everyday use and more distinctive ranges with additional embroidery and silk fittings. The company is owned by a prominent and well-known business family from the State of Qatar. The company was the idea of the CEO and his wife, who recognised that traditional dresses were generally imported from neighbouring commercial hubs such as Jeddah (Saudi Arabia) or Dubai (UAE). To gain more knowledge of the market, they began an import and trading business, which ran for two years, before establishing their first manufacturing facility in 2000, following the launch of the government's grant programmes aimed at encouraging national industries. The company now owns three modern manufacturing facilities in two industrial zones in Doha. The management team explained that the firm relied on the company's accrued revenues saved as reserves, as well as government loans and credit facilities from private banks, to finance its expansion.

Following the government's launch of a subsidy scheme aimed at developing national industries, the company received several financial benefits, including two land grants, a start-up loan, and subsidised rates for its factories' utility bills (water, electricity, and gas). The company undertook what it saw (at the time) as a risky investment decision to establish its first factory in the older zone in the early 2000s, rather than continuing to rely on easily generated revenues from the trading business. Subsequently, it invested a substantial amount in order to build two factories in Doha's new industrial zone, in 2007 and 2008, respectively. Its offices are located in the old business district of Doha and are moderately fitted – apart from the senior management offices, which are fitted out to luxurious standards.

Corporate Information: Head Count, Management Team, International Sales and Annual Turnover

The company has 200 employees. Although the CEO refused to give details about annual turnover, he estimated that revenues from the company's international business accounted for at least 60 to 70% of its total revenue. The CEO began his professional career as an offshore engineer following his graduation in the US. After progressing to senior managerial positions in the first 10 years of his career, he felt it was the right time to actively engage in managing his family's business with his five brothers and three sisters. He was supported by his second brother, who is a business graduate from Harvard Business School.

Internationalisation Narrative: When, Why, How and Where

The fifth case study shared richer and more extensive narratives about its internationalisation based on it having been in business for more than two decades. It has therefore had time to adopt many different internationalisation business models, such as exporting, franchising and joint venture partnerships. The company was prompted to grow internationally when the domestic demand was insufficient to absorb excess production from its own factories. This international growth was facilitated by the company's low overhead costs due to its subsidised utility rates. The company sells its products domestically in Qatar, as well as regionally in the Gulf States of the UAE, Oman, Kuwait, Bahrain and Saudi Arabia. Additionally, its international distribution network includes distant markets such as the UK and regional markets in Jordan, Egypt, Libya and Morocco.

During the course of the interviews, I enquired about the reasons why the business did not adopt a unified internationalisation mode, at least in the markets located in the neighbouring Gulf region. The senior management attributed the differences to the presence or absence of trusted partnership arrangements in each country, indicating that, generally, the firm preferred low-commitment, low-risk modes such as exporting. They explained that the firm mainly exports to Kuwait because it had not been able to identify a suitable partnership arrangement with any Kuwaiti families; whereas, in Oman, the business had established a franchise partnership with a well-known Omani family business with which it has now been working for more than seven years. The company takes on limited liability partnership agreements with equal distribution of ownership shares where it wishes to enter into joint venture agreements.

Internationalisation Narrative of the Selected Decision: When, Why, How and Where

This company chose to discuss its decision to internationalise its business to the UAE through a joint venture in the form of a limited liability partnership, which involved exporting to its retail partner and franchising the brand name to the same partner, allowing it to establish flagship outlets to sell the branded womenswear. The partnership effectively commenced in 2012, when the company agreed to collaborate with the Emirati partner to establish a wider distribution network for the garments imported from Qatar. The owners believed that the chosen mode would enable them to achieve higher profit margins from the exported garments as well as increasing the royalty fee they earned from the franchise business. Additionally, it was regarded as a favourable arrangement as it would enable the promotion and increased recognition of the brand outside of the domestic borders by moving into one of the central

markets in the Gulf region. The CEO was particularly proud of the long-term business standing of his brand, noting “.... *this journey has been long; it was never easy, but it is fascinating; it is like seeing our children growing...*” Although this internationalisation mode was more complex than either exporting or franchising, the company saw merit in increasing financial and time investment to access a large hub market such as the UAE.

Case Six

Contextual Background: Incorporation Story, History, Activity and Source of Funds

Case Six manufactures steel grating for specialised use in the Oil and Gas sector. The factory was established in 2005 by a prominent Qatari national, who is the sole owner. In 2011, the factory was expanded and modernised to include three new steel rolling lines that produce specialised steel grating for health and safety purposes. The primary market for this niche product is the UAE. The firm is known for its high-quality products, competitive prices and good delivery turnaround.

The company’s business model is based on the production of a niche product made specifically to be sold in two neighbouring countries: Saudi Arabia and the UAE. There is no domestic demand for the factory’s product in Qatar, and the business idea was initiated by the factory’s general manager, who retired in 2013 for health reasons. Prior to departing the company, he recruited the present general manager to execute his original plans. The company’s factory is located in Doha’s new industrial zone and, as with Case Five, it has been entitled to government-subsidised utility rates. The general manager explained that these subsidies had been instrumental in lowering the company’s total manufacturing overheads. As a result, the company competes primarily on price. The initial investment and the subsequent expansion were financed by the owner’s personal wealth, representing a sum in excess of QAR 100 MM. Although the company did not apply for a government start-up loan, it did secure the land on which the factory is built by means of a grant.

Corporate Information: Head Count, Management Team, International Sales and Annual Turnover

The factory employs 150 skilled workers and an additional 17 full-time personnel in administrative and managerial roles. The company’s annual turnover is QAR 40 MM, and it has been exporting to the UAE and Saudi Arabia since 2012. The company’s revenues and net profits are derived exclusively from its international business, as it does not do any business

domestically. The CEO of the company is a reputable executive who has invested mainly in steel manufacturing, transportation fleets and jewellery-making businesses. The general manager, the accounts manager and the export team are expatriates who joined the company from other employers in Qatar, with the exception of the general manager, who moved to Doha from the UAE; previously, he had worked in the UK for several years in various operational roles in the manufacturing sector.

Internationalisation Narrative: When, Why, How and Where

The participants in this case study made it very clear that the company was incorporated with intent to export from the very first days of its operation. The first export batches were sent from the factory floor in early 2006. The factory's monthly production is approximately 2,500 tons, which is mainly exported to the UAE. However, in addition to this, the factory often receives orders from select clients in Saudi Arabia. These clients are direct contacts of the present general manager, as he had previously worked in the steel industry in the UAE prior to moving to Doha.

Internationalisation Narrative of the Selected Decision: When, Why, How and Where

The general manager chose to discuss the company's decision to export to Dubai in the UAE. Exporting commenced in 2014, and it has continued ever since thanks to major clients who place regular monthly and quarterly orders. During the interview, it was emphasised that the company's facility is the most specialised factory in the Gulf region, with a monthly capacity of 2,500 tons. The firm's competitors include two factories, which produce smaller quantities that are based in the UAE and Saudi Arabia. There are also some producers of these specialised products in Turkey and Brazil, but, due to their higher transportation costs, they cannot realistically compete in the Middle East market.

During the interviews, the participants dismissed the idea of establishing branch factories outside of Qatar and did not wish to discuss the idea of forming partnerships outside of national borders. They argued that the subsidies bundle to which the company is entitled and currently claims from the government under the QDB Exporters' Support Programme (Tasdeer) could not be secured or matched in the neighbouring Gulf countries. Additionally, they confirmed that the company does not have any plans to alter its mode of internationalisation, which relies extensively on exporting. However, they indicated that the firm did not dismiss the possibility of further expanding the existing manufacturing facility in

the new industrial zone, or establishing a second manufacturing facility in the new expansion phase of the third industrial zone, due to be launched in 2020.

Case Seven

Contextual Background: Incorporation Story, History, Activity and Source of Funds

Case Seven is a manufacturer of disposable plastic products. The company is a joint venture between a Qatari national, who has served as economic advisor to the ruling family since the 1980s, and a Syrian national. The company owns another factory in the UAE Free Zone, but the factory in Qatar is considered larger in terms of monthly production capacity and range of products. The company commenced its plastics trading business activity in 1993, importing plastic disposable products to Qatar and reselling these products to a wide network of distributors. At this time, the company was the only importer of such products. Later, the owners gradually switched to manufacturing and ceased its trading business in the early 2000s. The company established its first factory in the old industrial zone in 2002, before undertaking a major expansion of production facilities in the first factory and establishing a second factory in the new industrial zone. The second factory was much larger than the first, as well as being close to the Saudi border, lowering land transportation costs. The company was therefore able to achieve economies of scale because of its large production capacity and its low overhead costs based on subsidised input rates for utilities and raw materials.

In 2007, the company expanded its second factory, further automating and upgrading all of its production lines in 2011 and 2012. The owners financed the expansion using cash reserves and retained earnings, alongside a low-interest government loan from the QDB. The company does not have corporate offices in the business district of Doha city, but it does have modern, well fitted-out offices next to the east gate of its factory.

Corporate Information: Head Count, Management Team, International Sales and Annual Turnover

The company employs 85 people. The top and middle management are bilingual (Arabic and English speakers) professionals with prior management experience in countries other than Qatar. Unlike the firms in Cases Two, Three, and Five, the CEO and senior partners are not involved in the day-to-day operation of the company. This means that the financial controller must hold quarterly meetings with senior management to present progress reports. The company's annual revenue from export amounts to QAR 10 MM, and international sales

constitute 60% of total sales turnover. The factory is built on an area of 10,000 m² (excluding warehouses), and all of its processes are highly automated.

Internationalisation Narrative: When, Why, How and Where

The company began exporting to the UAE in 2009, later expanding its export activity to other Gulf countries such as Oman, Saudi Arabia, Kuwait and Bahrain. Additionally, the company now exports to Morocco, Egypt and Lebanon. Expanding the company's markets for export has been the result of goodwill, part of its success in building a reputation for offering quality products at competitive prices. Furthermore, the company is known for its ability to offer customised products, a feature facilitated by its flexible manufacturing lines.

Following the expansion and upgrade of its manufacturing facilities, increased exporting seemed the logical next step in order to distribute the excess production capacity of its two factories. As the company operates within the specified industrial zones, it receives substantial utility subsidies as well as import exemptions on its raw materials.

Selected Internationalisation Decision: When, How, Why and Where

The General Manager chose to discuss the company's expansion of its export business to Lebanon. The initiative began when the international division identified a client in that region and started a business dialogue mid-2013. The prospective client was the biggest poultry producer in the Middle East, based in Lebanon. A long-term contract was negotiated with the poultry producer to supply packing for its range of poultry products across the Gulf and North Africa. This step was important, enhancing the company's existing client list and ensuring that the excess quantities produced monthly could be allocated to a regular purchaser on a long-term basis. The discussions were successful, and export to the region began in 2014. The company indicated that its preferred mode of internationalisation is exporting because this enables it to distribute the large production quantities, which it produces on a monthly basis. Additionally, the company finds exporting advantageous because it does not require additional commitment in terms of management time.

Case Eight

Contextual Background: Incorporation Story, History, Activity and Source of Funds

Case Eight is a plastics manufacturer which produced its first production batch in the late 1990s. It is wholly owned by a Qatari executive who acquired the manufacturing facility

in 1996. He then travelled to Saudi Arabia to approach the middle management team of the largest Saudi Arabic Basic Industries Corporation, recruiting production personnel to operate his newly acquired factory. The factory's owner manages an industrial conglomerate consisting of many factories in different sectors (steel, plastics and electrical boards); he explained that he had never been interested or successful in pursuing trading activities. His ambitious plans entail manufacturing and exporting products that carry the national label 'Made in Qatar'. The company's products are known for their competitive prices and high-quality standards. The firm is also known for its prompt and short delivery times, enabled by the use of flexible lean manufacturing lines.

The initial acquisition and upgrade of the manufacturing facility was financed using the owner's personal wealth. Further automation then took place in the mid-2000s, and to date the company has been financed through QDB loans and a range of competitive financing solutions from both Islamic and non-Islamic financial institutions. As with Cases Six and Seven, this business is a recipient of the government's subsidised utilities rates and long-term loans at preferential rates. It is also eligible for benefits such as land grants, although it has not received a grant plot to date. Participants in this particular case confirmed that receiving the subsidised rates and raw materials import exemption enabled the firm to attain production economies of scale and enhanced its ability to compete on price. The company does not have any offices within the business district of Doha; its modest yet functional offices are close to its factory gates. The manufacturing facility is huge, however, and includes a small clinic and a mosque near the entrance gate.

Corporate Information: Head Count, Management Team, International Sales and Annual Turnover

At the time of incorporation, the initial headcount was 30 workers and only two managers; the company now employs 130 skilled expatriate workers and a team of eight managers from Jordan, Egypt, the Philippines, the UK and Qatar. On average, each of those in the management team, and most of the other workers, have been working for the company for more than eight years. The standard contractual period for all employment contracts is set at four years, and the operations manager stated that his workforce typically requests at least two renewals, if not three.

The majority of the management team was specifically headhunted from one of the largest state-owned factories in Saudi Arabia. The CEO of the company preferred this approach

to direct recruitment, as, in his view, it secured talent with extensive operational knowledge. The average annual turnover for this business is QAR 50 MM, with international sales contributing to at least 60% of total revenue.

Internationalisation Narrative: When, Why, How and Where

The factory exports its products to the UAE, the UK, Spain, Oman, Saudi Arabia, Kuwait and Bahrain. The company's international business commenced in the early 2000s, when it was awarded the job of supplying plastic sheets to a substantial national agricultural project by the UAE government. This ambitious project was part of a five-year plan aimed at developing the Sahara Desert region of the district of Al Ain in the UAE. The project's scope involved installing spacious greenhouse areas for agriculture and growing crops, and this company's role was to manufacture the plastic opaque covers used to cover the seeds. According to management statements, this project kept the factory running at full production capacity for more than five years.

This business internationalised by exporting, and the participants dismissed the idea of engaging in any other forms of international venture such as overseas partnerships or foreign direct investments. The company continues to implement an aggressive export strategy based on offering competitive prices through a network of long standing relationships with distributors for two main reasons: to continue receiving government subsidies such as utilities rates, land grants and interest-free loans to which it is entitled as a national producer and exporter, and its desire to focus management within a single geographical trajectory rather than dispersing its efforts over many countries.

Selected Internationalisation Decision: When, How, Why and Where

The CEO chose to discuss his company's decision to export to Kuwait in detail. The decision was taken in 2013 and the process has been ongoing ever since. The reason for selecting this specific market was based on a long-standing relationship with the agents servicing the central hub commercial market. The company's exporting philosophy emphasises the importance of developing long-term business relationships with well-established large distributors in central hub commercial markets to facilitate redistribution of the company's products through established networks, increasing sales and brand recognition.

As a way to round out this sub-section describing the contextual background of the cases explored, Table 5.1 summarises the information presented:

Table 5.1: Contextual Description of each SME Case

	Case One	Case Two	Case Three	Case Four	Case Five	Case Six	Case Seven	Case Eight
Contextual Background								
Year of Establishment	2011	2012	2014	2013	1998	2005	2002	1990s
Business Activity	Real Estate	Children's Food & Beverages	Chemical PET Moulds	Furniture & Fit Outs	Traditional Womenswear	Steel Grating	Disposable Plastics	Plastic Products
Story & History	Entrepreneurial idea	FDI to replicate the factory domestically	Entrepreneurial idea	Invest in stable political economic state (QATAR)	Entrepreneurial idea and lack of local supply	Entrepreneurial idea to focus on specialised niche market	Trading then manufacturing	Investment in plastic manufacturing
Source of funds	Personal Wealth	Personal Wealth	State Bank Loan	Personal Wealth	Personal Wealth	Personal Wealth	Initial investment then bank loans	Initial investment then bank loans
Corporate Information								
Head count	57	75	45	25	200	138	85	130
% International Sales	30%	15%	40%	20%	60 % – 70%	100%	60%	60%
Annual Turnover	QAR 8 MM	QAR 25 MM	QAR 3 MM	QAR 5 MM	NA	QAR 40 MM	QAR 10 MM	QAR 50 MM
Overall Internationalisation Narrative - Story								
Why	Affluent domestic demand	Growth and small market size domestically	Growth and small market size domestically	Pushed through domestic client direct international order	Growth, distribute excess production, brand recognition	Niche product, no domestic demand	Growth, distribute excess production	Growth, distribute excess production, small market size
How	Joint Venture Partnership	Joint Venture Partnership	Exporting	Joint Venture	Franchising, exporting, exporting + franchising	Exporting	Exporting	Exporting
Where	UK & USA	Egypt, UAE, Turkey, Thailand	UAE	UK	Oman, Egypt, Kuwait, UAE, UK	UAE and KSA	Oman, Egypt, Morocco, Bahrain, Kuwait, KSA	UAE, Spain, UK, Oman, Kuwait, Bahrain
When	2013	Late 1990s	2015	2014	2000	2006	2009	2000

Selected Decision								
Why	Push through domestic client demand	Replicate the overseas factory in Qatar in 5 years	Distribute excessive production, growth, small domestic market	Domestic client direct mandate	Growth to sell excessive production slack	Growth to sell excessive production slack	Growth Prominent Client	Growth to Hub Markets to distribute production slack
How	Joint Venture Partnership	Joint Venture Partnership	Exporting	Joint Venture Service Contract Agreement	Franchising + Exporting	Exporting	Exporting	Exporting
Where	UK	Turkey	UAE	UK	UAE	UAE	Lebanon	Kuwait
When	2013	2013	2015	2014	2012	2013	2014	2013

As outlined in the methodology chapter, an embedded approach was adopted for this research, with multiple participants from each case study being approached and interviewed. This approach facilitated the thorough exploration and investigation of each case's overall internationalisation as well as allowing more in-depth investigation of the identified internationalisation decision. A total of twenty-seven (27) internal stakeholders and ten (10) external stakeholders were interviewed as part of the eight SME case studies, for a total of thirty-eight (38) interviewees or participants in the study as a whole. Table 5.2 summarises the participants approached in each SME case.

Table 5.2: Internal and External Participants from each SME Case

	Case One	Case Two	Case Three	Case Four
Internal participants	Managing Partner International Sales Manager Chief Financial Officer Assistant Sales Manager – International Division	Chief Executive Officer Chairman Finance Manager	Chief Executive Officer Chairman Operations Manager	Managing Director Business Development Manager Senior Partner Local Partner and Sponsor
Total Internal participants	4	3	3	4
External participants	Legal Consultant Relationship Manager – Bank	Legal Advisor Relationship Manager – Bank Board Member	Head of Exporting State Development Bank	Assistant Vice President – Exporting Services – State Development Bank Legal Advisor
Total external participants	2	3	1	2
Total participants in SME	6	6	4	6
	Case Five	Case Six	Case Seven	Case Eight
Internal participants	Chairman Chief Executive Officer Chief Operating Officer	Chief Executive Officer General Manager Accounts Head	General Manager Plant Manager Accounts and Collection Manager Export Manager	General Manager Production Manager Managing Director
Total internal participants	3	3	4	3
External participants	Unit Head – Corporate Banking		Relationship Manager – Corporate Banking	
Total external participants	1	0	1	0
Total participants in SME	4	3	5	3

To complete the description of the cases, Table 5.3 provides aggregate details about the selected SMEs.

Table 5.3: Summary of Explored SME Cases

	Case One	Case Two	Case Three	Case Four	Case Five	Case Six	Case Seven	Case Eight
Establishment Year	2011	2012	2014	2013	1998	2005	2002	1990s
Ownership	National Expatriate Partnership	Family	Sole Ownership by Qatari	National Expatriate Partnership	Family	Sole Owner Qatari	Sole Owner Qatari	Sole Owner Qatari
Employees	57	75	25	25	200	138	85	130
No. of Markets	1	≥ 5	1	1	≥ 5	2	≥ 5	≥ 5
% of Foreign Sales/Total Sales	30%	15%	40%	20%	60%	100%	60%	60%
Industry	Real Estate	Children's Food	Chemicals	Furniture Making & Design Fit-Out	Womenswear Garments	Steel Grating	Disposable Plastics	Plastics
Years of Int. Experience	≤ 3	≥ 10.	≤ 2	Founding partner has more than 10 yrs., new company has less than 2 Yrs.	≥ 10	≥ 5	≥ 5	≥ 8
Internationalisation Mode	FDI, Limited Liability Partnership	FDI, Limited Liability Partnership	Exporting	Service Contract	Exporting, Joint Venture, Franchising	Exporting	Exporting	Exporting

In the next sub-section, some cultural and religious perspectives on the SMEs' internationalisation decisions will be presented; these perceptions were encountered and discussed during the interviews with the participants in some of the explored cases.

5.2 Cultural and Religious Perspectives in the Context of SMEs' Internationalisation

This section highlights some of the cultural norms and religious values that have influenced the SMEs' internationalisation narratives. The descriptions in this section are generally drawn from information provided by the participants during the interviews; however, in some instances, there were also signs of the influence of specific religious and cultural considerations in the way the explored SMEs planned and implemented either their overall internationalisation or particular internationalisation decisions. The influence of specific beliefs, events and considerations such as equality norms, preferences for Shariah (Islamic) compliant credit facilities, and the decision-maker's inclination towards or aversion of explicit regions or individuals was reflected in participants' statements and assertions.

Based on the interviews, the influence of religious and domestic cultures can be seen in the narratives of both internal and external stakeholders. The impact of these cultural and religious norms can not only be seen in the responses of the local Qataris who participated in the research, but also in the statements given by expatriate participants from both Islamic and non-Islamic countries. It is worth noting that the origins of the research participants included a wide range of Arabs, Westerners, Asians and people of Tagalog backgrounds.

5.2.1 Religious Norms

Citizens of the State of Qatar are primarily Muslim, and the state religion is Islam. The Muslim religion strongly advocates values of equality (Jacob and Yavuz, 2008), and the influence of equality values was implicitly and explicitly encountered in some of the SMEs' responses. As equality norms call for humanity when dealing with low-level workers, some of these norms were indicated repeatedly. For example, the CEO in Case Three did not wish to describe the management team (top and middle levels), as suggested in the interview protocol, instead insisting on describing the team that works in the factory at the lower levels. He justified this based on his belief that each member contributes to the success of his company's internationalisation, especially the skilled workers that operate the production floor and are mainly responsible for the quality of his products. He indicated later in the interview that product quality is one of the most important assets his company possesses.

Some of the manufacturing SMEs in particular explained how additional medical and fringe benefits were extended to their skilled labour force working on the manufacturing floors. It is worth noting that these aspects were raised by other executive team members rather than by the senior decision-makers who approved these initiatives; the latter did not feel the need to emphasise these during the discussion. This behaviour is consistent with the common Muslim good practice of preferring to do good deeds in secret in the hope of a bigger reward from God (Allah), as well as agreeing with the humane orientation of specific societies, which encourage and reward generous and caring behaviours (House et al., 2002). However, the operations managers did reflect on these practices and identified how extending such benefits to workers in the factories enhanced their morale and productivity. These middle- and senior-level managers were often of European or North American backgrounds, and they discussed the objective aspects of the practice rather than the cultural and religious aspects. They recognised that the practice emanates from social and religious beliefs, but explained how these values and norms affected the SMEs' operational parameters, as they believed that applying such

management practices directly affected the workers' welfare and contributed to increased productivity. They regarded skilled labourers as important human assets for their organisations, which contrasts with some reported views of countries in the Middle East and the Gulf region, which are often accused of maltreatment of migrant workers (Kapiszewski, 2017).

The manufacturing SMEs reflected on their relationships with distributing agents, explaining how access to an established and diverse base of distributor relationships contributed to their success. They attributed this to the presence of trust and the development of business relationships over time, as well as their management teams adopting fair approaches to their business transactions, facilitating clear, honest and transparent interactions with their business partners. Therefore, in their view, their companies gained access to a reasonable base of distributors or returning clients who regularly imported their products because of high quality, which in turn was the result of workers' effectiveness and efficiency arising from good working conditions, and the fairness and transparency in managing business relationships that enables long-term relationships with clients.

During the interviews, the local Qataris, both Arabs and, interestingly, some of the non-Arabic speakers, mentioned specific words in Arabic which refer to good luck, good omens and blessings, such as 'Allah Yesalmek' and 'Kheir', with Arabs and Qataris often reciting or making reference to verses of the Quran and iconic Islamic sayings. Interestingly, participants often associated particular events that led to successful internationalisation with blessings or religious occasions. For instance, the CEO in Case Three mentioned that the first batch of raw materials that was intended to be used in the company's first export order to Dubai arrived in Doha on the first day of Eid al-Fitr, the Muslim festival at the end of Ramadan, the holy month of fasting, while the CEO in Case Five mentioned that the opening of its first franchise was scheduled to take place on the first day of Ramadan. The board member and the CEO of Case Two both associated their venture in Turkey with the word 'Kheir', which means blessings and profits. This association came from two factors for them: they were striving to produce halal foods and seeking to operate in an emerging Muslim country.

Islamic preferences for interest-free financial transactions and Shariah (Islamic Law) compliant funding solutions affected the internationalisation modes chosen, as well as the selection criteria for the firms' markets or partners. Shariah prohibits acceptance of specific interest or fees for loans of money (known as *riba*, or usury), whether the payment is fixed or floating. Investment in businesses that provide goods or services considered contrary to Islamic

principles (e.g., handling pork or alcohol) is also ‘haram’ (sinful and prohibited) or at least not ‘halal’ (permissible). This was evident for one of the SMEs that partnered with both Islamic and conventional banks to provide financial advisory services for its clients’ investments in its UK venture. The decision was primarily motivated by the company’s clients and aimed to provide both funding options (Shariah and non-Shariah). The head of international business in this company emphasised the influence that this aspect may have had on his company’s success in future international ventures. The SME as a whole was particularly proud of the fact that it is one of the pioneering leaders in structuring real estate investment deals for clients on a Shariah-compliant basis.

The influence of specific Islamic-related values and beliefs was also evident with regard to aspects such as dealing with Shariah-complaint financial institutions or preferences for investing in Islamic countries or Western markets that enable and facilitate trading or investment in halal products. However, the preference for Shariah-compliant banking products was not equally evident across all the cases in this study. Some of the cases preferred to deal with conventional financial institutions or international banks where these offered competitive interest deals and foreign exchange hedging solutions. These participants indicated that they preferred to deal with conventional banks in preference to Islamic banks where the former offer rates that are more competitive and preferential business terms; these are, however, strictly evaluated across fixed financial criteria and check points.

All cases were very strict in their decision to deal only in halal products and their refusal to invest or trade in either pork or alcoholic drinks, which are prohibited for Muslims, and many referred to the term ‘halal’, as well as mentioning “*good*” and “*transparent*” ways of doing business. Although members of several management teams were not Muslims, many being Western European or American citizens, they cited their firms’ founders’ preference for dealing in a halal way, based on values such as openness, honesty and pellucidity. The influence of these values in establishing these firms’ solid business standing and their worth in dealing with international clients was therefore clear. These values were also established and reflected in the companies’ mission and vision statements and in the prevailing corporate cultures, which generally aim to protect domestic goodwill even if such protection may entail unjustified losses. Additionally, the SMEs were reluctant to collaborate with organisations whose owners were from specific religions, such as Judaism, or to establish international business operations in specific countries such as Israel or the Netherlands. This assertion may be expected, given

the persistent and severe conflicts between Arab countries and Israel and the conflicting religious ideologies of Jews and Muslims.

Values of hard work and commitment and reflection on how God rewards those who work hard and maintain a good work ethic were reflected in the statements of some key participants. They stated for example, “...*my faith and commitment is the key in a sense... Allah [God] rewards those who work... the second material thing... The first is spiritual, of course... is the fuel grants and finance grants that we had access to and which we used to build the factory... We have access to these thanks to our rulers and to God in the first place... We are blessed; this is a blessing [Ne’amah] from God...*”

The senior management team members and SMEs’ founders frequently referred to the informal relationships they maintain with their international partners and the importance of specific cultural considerations when assessing partnership potential. Often, preferred partners were those who maintain a conservative lifestyle, being “*strict*” and “*compliant*” Muslim practitioners.

5.2.2 Cultural Norms and Context

Cultural norms were also found to be of significant impact during data collection. One particular practice was related to hospitality and generosity. In the majority of the sampled cases, there were arrangements for group lunches on Thursdays, the last working day in Qatar before the weekend. The details of these events were communicated in invitations by the senior management team, but never by the CEO or the senior decision-maker who would host the events. This is because the hosts of banquets or givers of gifts should never refer to the fact that they are paying for such things, as this is considered sinful and inappropriate in Arab culture. During the weekly group lunches, it is normal for the business owners to bring specialty traditional foods from their homes for everyone, though they may instead provide group corporate catering; the management teams proudly talked about this tradition and mentioned the benefits of these weekly meetings in terms of fostering informal communication between senior management personnel and other team members. This hospitality was extended regardless of personal or business costs and no attempt was made to reduce these costs. Within a Western context, such expenses may be seen as unnecessary costs and as reducing the SMEs’ realised profits, especially as these are recurring weekly costs. This aspect may also, however, be seen because of operating in a munificent context and encountering minimal hostility when conducting business dealings.

Another interesting observation was that visitors to SMEs' offices were always offered Arabic coffee and a selection of expensive stuffed dates. It is worth noting that dates are quite expensive in Qatar, particularly if they have been imported from Saudi Arabia; however, big trays with displays of different varieties of dates dipped in Swiss chocolate or stuffed with nuts were available in the offices or factory reception areas for guests and employees to take when they wished. Again, this may be seen in Western contexts as an unnecessary business cost, but, to these SMEs, the practice reflects their strong financial capability and distinguished status. This orientation contrasts with the cost-reduction consciousness usually adopted by SMEs operating in Europe, the US and countries in the Middle East that are not as rich as the sovereign countries in the Gulf.

Hierarchical order and obedience were also significant for these businesses. In all of the cases, there were photos of the present and former national rulers hanging in the reception lounges and the management offices. Additionally, in some cases photos of the current owners' grandparents posing with previous rulers were displayed, along with photos of existing owners and senior management team members meeting with senior ministers and government officials during formal business meetings or informal gatherings such as weddings and national celebrations. The explored cases reflected the importance of access to relational ties and associated these ties directly with international investment and activities. For instance, Case Two directly linked its investment in Turkey to the informal lead to which it gained access during a Foreign Affairs reception. Case Seven emphasised the influence of the owner and CEO on the economic vision and international business of the factory due to the fact that he was the former economic advisor to the ruler of Qatar. Case Five had a photo of a former ruler opening its first factory in the old industrial area as an indication of state support for manufacturing and economic diversification initiatives by early Qatari companies. Displaying such photos in a corporate context indicates the importance of legacy and cultural heritage, and demonstrates the importance of relational ties in a business context.

Some of the cases explored in the research also had old memos displayed on the walls of their offices. This practice indicated their pride in their standing in the business community, showing continuity since the earliest times of the state's incorporation. As the State of Qatar was established fairly recently, in 1971, this practice reflects a strong attachment to the companies' corporate histories, though these are naturally quite short. In the SMEs' reception areas, displays of the names with the company's date of creation engraved in gold foil were common, proudly made visible to visitors.

In terms of the SMEs' offices, there was a tendency to maintain old offices and to undertake minimal refurbishments, indicating pride in their corporate histories. However, companies tended to reflect their endorsement of modernity in their branch or factory offices.

5.3 Conclusion

In drawing the background narrative to a close, it is identified that commonalities exist between the explored SMEs. In terms of similarities, all cases operate in the State of Qatar in a context where specific benefits and inducements, both financial and non-financial, are equally accessible to eligible applicants on a non-competitive basis. All decision-makers are native nationals of the State of Qatar, while members of the senior management teams either had prior international experience in the Gulf region or had previously worked for multinationals prior to relocating to Qatar. Tracing the sources of funds for incorporation for each SME, the research identifies two main sources: founder's personal wealth and governmental low-interest start-up loans.

All of the explored cases shared their overall internationalisation and a particular internationalisation decision in detail during data collection. However, as Case Three and Case Four were both recently incorporated, their overall internationalisation narrative was the same as the specific decision they chose to discuss. In terms of the modes adopted, manufacturing SMEs engaged in exporting as their preferred mode of internationalisation, while service cases chose limited liability joint venture international agreements. Only one case out of the eight explored was engaged in franchising through joint venture agreement with its international partner. The two primary sources for deal origination appear to be prior international experience on the part of senior management and the founders' domestic social connections and business networks, which enable them to secure international business referrals through existing relationships in the home market.

This chapter has sought to map out the background narratives and corporate information of the explored SMEs in order to provide contextual information to support a more thorough analysis of their internationalisation decisions in subsequent chapters. Additionally, this chapter highlighted some aspects of the impact of culture and religion on the sampled SMEs. The evidence obtained from observation and participants' statements indicates the influence of idiosyncratic cultural and religious dimensions on these cases' internationalisation decisions. There are indications of the importance of equality norms and cultural considerations around whether or not to internationalise in certain markets or regions; this includes outright rejection

of partnership relationships, or even informal networking, with parties who happen to be of specific cultural or religious beliefs. In terms of a preference for Shariah-compliant banking products and services, this factor was vital to some cases, but was not recognised in all cases. Having introduced the SMEs explored in this research, the focus will shift in the next chapter to presenting the findings in relation to the SMEs' resource base, including how they define and identify munificence in the context of their internationalisation.

CHAPTER SIX: IDENTIFYING RESOURCES AND MUNIFICENCE

Introduction

This chapter begins its analysis by presenting how the explored SMEs identified and defined munificence, before describing the spectrum of resources they state were available to them during the context of their internationalisation. During the interviews, the participants were asked to identify the resource base for their SME and to describe the surrounding business context. They were also encouraged to elaborate on how the business context either facilitated or hindered internationalisation. Therefore, the statements and reflections of the research participants provide an explicit identification of their synthesis of what constitutes a munificent business context during the course of their internationalisation. The findings establish that SMEs identify a financial dimension to munificence as well as an additional intangible dimension co-created by the SME's embeddedness in its domestic social structure. These two dimensions collectively shape the socially constructed reality of the SMEs. Furthermore, their answers identified different categories of resources that have affected their internationalisation. The SMEs identified financial, human and operational slack resources as significant in their internationalisation, as well as recognising the fundamental role of their founders' domestic social and symbolic capitals in their home country.

6.1 SMEs' Contextual Munificence

Interestingly, the cases were not identical in their assessment of munificence or in their agreement of what helps international growth. This disagreement between the cases was encouraged, as it enabled the development of new themes and arguments. Nevertheless, the participants did agree on a few main points when discussing how the surrounding business context affected their SME's internationalisation. They confirmed that, upon incorporation, an SME could apply to a state funding agency or private financial institutions to secure financial resources if needed. Additionally, they established that their companies were able to access various categories of resources to complement potential deficiencies in their existing resource bases. They were proud of their SME's ability to secure exogenous resources from the surrounding business context. The participants shared their reflections on both the availability of resources and the SME's ability to access those required resources when needed. The statement given by the Chief Executive Officer in one of the SMEs when he was asked whether operating within the Qatari context had facilitated his company's growth and provided the potential for international growth was, without hesitation, *"It had definitely helped and anyone*

who denies it is just lying...” Among the quotes collated, the operations manager in one of the SME cases further said:

“...I can say that everything we need as a factory is available – finance, land, support, even we can get help in sales and marketing and advice on technical issues if needed. I must admit that the only obstacle is red tape... sometimes, you don’t know how to find your way around to get it [subsidies and aids], but when you get it once you can get it endlessly as long as you have a unique idea – proposal or something that is worth support”.

The explored cases indicate that operating businesses in the Qatari context enables them to access a wide array of resources and, in the views of participants, these resources are both ample and accessible. They indicated that their SMEs are to a certain extent not challenged in terms of securing resource needs, and that several specific categories of resources are allocated to their organisations on a non-competitive basis, which will be discussed in more detail later in this chapter. The participants therefore perceived the surrounding business context to be non-hostile, being both conducive to and facilitating their business operations. Furthermore, and more importantly, when describing and identifying munificence, participants recognised a financial, tangible, dimension and another, intangible, dimension in the context of their SME’s internationalisation. The following sub-sections therefore first present the findings about the financial or tangible dimension of munificence, before outlining the intangible dimension of the construct.

6.1.1 The Financial Dimension of Munificence

SMEs recognised the positive influence of the government’s public policies and programmes, which have served as economic triggers to encourage SME internationalisation. The outline provided by the participants therefore mapped the financial and market-related elements of munificence. The participants listed the government’s low-interest loans to start-ups and entrepreneurs, utility subsidies for manufacturing SMEs, land grants, exemptions from import tariffs on raw materials, and access to an affluent domestic demand in the home country as examples when discussing external economic triggers in the business context.

A. Government’s Financial and Non-Financial Support Schemes for SMEs and Start-Ups

A system of equitable and enforceable policies is in place to assign financial grants to applicants in Qatar. Government subsidies and grants are allocated on a non-competitive basis to applicants, though to be an eligible recipient of the enacted schemes, one of the SME’s owners must be a Qatari national; alternatively, the SME must be wholly owned by a Qatari

national. The participants indicated that they benefited from both financial and advisory support services in their internationalisation efforts, with the government being identified and described as generous and active in extending low- and interest-free loans to start-ups and existing SME manufacturers. During the interviews, the participants reflected on and discussed the importance of this factor as it affected their initial incorporation as well as the subsequent operations of their businesses. All the explored SME cases, especially manufacturing SMEs, internationalised after securing generous financial support which allowed them to establish large semi-automated manufacturing facilities and, subsequently, to export excess production. Once the SMEs secured approvals and received subsidies and grants, they paid minimal interest rates on their loans, to the extent that, in all cases, the interest payments were no financial burden on the SMEs' cash flows, as would normally be expected for SMEs operating in other contexts.

The participants appreciated the leading role played by QDB as a formal support institution. They explained how QDB support guaranteed their access to finance to expand and grow. As stated by the General Manager in one of the cases: *“By the way, we often don't use our personal monies in building factories, we use our state's resources and aids.... all is financed through QDB mainly – and other banks, of course. Whenever you need to expand, grow, purchase equipment, even go to [a] roadshow, you just knock on their door and they make it happen”*. Additionally, the explored SMEs referred in particular to their ability to secure financing and identified that this as a typical hurdle facing SMEs operating in other national contexts, but believed that it was not a challenge within their domestic business context.

“For me, it is the ease of finance. I think about the idea and I CAN execute [it] because I have the money to implement what I aim for, I can easily get it [money], either from the government loans, easy..., or even from the private banks. In my view, this is what differentiates us because we operate here [Qatar]. I know that money cannot buy everything but in the context I am referring to, it is almost everything.... If you cannot afford it, so simply you will not go for it. Am I right?” (Chief Operating Officer)

The analysis reveals that, while some cases chose to finance their start-up using the founder's personal wealth, other cases chose to apply for government start-up loans and financed their initial businesses using the QDB Bedaya (beginner's loan). Several participants were particularly proud of this, saying *“Through QDB you can get 80 – even 100% – of what you need to establish your business, imagine.... Incredible...”* Interestingly, some companies chose to secure extended funds from the government rather than relying on personal wealth

despite their founders' financial capability. As indicated by the Chief Executive Officer in one case: *"We don't use our personal monies in building factories. We use our state's resources.... all financed through QDB mainly and other banks, but mainly QDB because the link and the relationship you develop with them, if you follow this route... you get to collaborate with them and be their PARTNER... I mean, by going to trade shows, etc., and you share your success with them. You will shine with them... We support them the same way they support us; we believe in them and they believe in us..."*

Additionally, the SMEs welcomed the government's initiative to grant land plots for SMEs to build factories at very low rates, particularly given the high prices for real estate plots located in the suburbs of the city. One executive reflected on this point saying:

"Do you know that they are launching logistical centres in Wekair, which is 50 km approximately from the new industrial zone? The rates for land are very competitive, even cheaper than here, and here was very, very, very cheap... we could not get [any] land because all allocations were done in the first two days!" (General Manager)

Securing a land grant from the government was an important milestone to which most manufacturing SMEs referred when discussing internationalisation narratives. They described in detail how they secured their land grant in the new industrial zone when it was launched in 2011, despite their founders' financial capabilities to purchase plots using their own funds. They elaborated on how they intended to capitalise on similar benefits for future expansions, and proudly compared land prices in the private market and those obtained through the government, favourably describing and discussing the government's efforts to support SMEs by extending land grants, subsidies and low-interest loans.

"....at the time, we approached QDB, they approved it and, through them, [the company] did an initial business plan, finance request, etc..... we had land, so the land was there for us to build the factory; we could have obtained a plot through the government, but we said, 'We don't need to, let's leave it to someone who deserves it'." (Chief Executive Officer)

Additionally, the support programmes offer an array of technical advisory services to applicants aiming to establish factories. These advisory services include assisting SMEs in drafting competitive bidding proposals, evaluation of machinery quotations and negotiation with suppliers. Furthermore, the government, through the state-owned bank – QDB – organises roadshows and overseas trade exhibitions to market and promote national manufacturers. This effort is particularly valuable in terms of encouraging SMEs to export. The manufacturing

SMEs in this investigation frequently described how their first export orders were the result of participation in these QDB regional trade exhibitions:

"I have to admit, they – and I mean the State and QDB – do whatever it takes to help us and keep us going.... I remember that once Mr. [XXX] from QDB said, 'If you need our team to look at the price [of] machinery for you, we can do it, we can negotiate on your behalf to German people.' We said, 'Not needed as we are capable of doing it.' – but I am giving you just an example: even the details they are willing to help [with]" (Chief Executive Officer)

"QDB helped in a sense of making us participate in GCC exhibitions; actually, we went with them to [a] Saudi roadshow and got an order from there..." (General Manager)

The explored SMEs, especially those engaged in manufacturing, identified the formal institutional context surrounding them as a major source of munificence in both the context of their domestic operations and their internationalisation. When describing munificence, they related it to the government's investments in industrial zones and the massive and modern infrastructure emplaced within the country. They also repeatedly linked munificence to the stable political regime of their country, designating the business environment as a "*struggle-free*" and "*stable*" place in which to operate a business. Several participants originally from other countries compared the present context to their own country of origin, identifying factors that differentiate the Qatari context. They reflected on and repeatedly referred to the competitive minimal rates paid for utilities to run their factories and discussed the government's land grants, interest-free loans to start-up businesses and minimal interest loans to develop SME expansion and growth. They also referred to the government's strict rules and regulations against corruption that prevent exploitation and misuse of these benefits. The investigated SMEs indicated a strong belief in the efficiency of the enacted subsidy schemes and a strong perception that these are not matched in any way by other business contexts, even those in neighbouring Gulf countries. These perceptions and associations render the schemes unique in terms of SMEs' immediate external task environment.

Therefore, in the context of the current research, the government can be seen to have carefully planned and implemented a bundle of subsidies and grants that are targeted towards both established and start-up SMEs, with the aim of expanding the SME sector in order to diversify the national economy and remove the exclusive reliance on hydrocarbon revenues. The research participants indicated a strong belief in the efficiency of the enacted subsidy schemes in terms of encouraging entrepreneurial behaviour in both national citizens and expatriates living in the country.

“We can’t get this preferential treatment anywhere else [other countries] ... in my view, because the government – the system – supports this [exporting], you receive many benefits that enable you to do it...” (General Manager)

“We are operating in an enabling environment; there is a tendency to help and support us and overall orientation to grow and develop businesses, and this is unique. You don’t find this in other countries, India, my country, for example, or your country, Egypt, do you? The system encourages people to engage in business activities, to think about business ideas and then take steps to implement what they dream about...” (Chief Executive Officer)

“There is encouragement, there [are] benefits, there is money spent to enable you to grow inside and outside the country.... It is very cheap to run a factory here, your overhead cost is nothing... you are enabled. You are empowered. The one-window outlets for exporters, the exemption for raw materials; for me, a steel factory, I get my raw materials, the scrap, for free... by law, scrap can’t leave Qatar, so they give it to steel manufacturers at almost zero cost... this is heaven, this is excellent news to manufacturers...” (General Manager)

“We can’t get this preferential treatment anywhere else ... in my view, because the government – the system – supports this [exporting]. You receive many benefits that enable you to do it. You can get here loans to start or expand your business, the land grants and the advisory services. They are willing to help you all the way from time zero when you establish the company, until you are up running and then, if you can export, you are just pampered, you move a bracket, I mean you move up a level when you get additional benefits and subsidies.....” (General Manager)

As the government subsidised the utilities rates for factories, manufacturing SMEs were paying minimal rates for their factories’ energy usage. The operations managers in particular highlighted this point; one of them said *“... manufacturers pay peanuts for their utilities bills; this place [Qatar] is heaven for power-intensive industries like us”*. The cases considered these subsidies vital to their success, as they were described as *“cheap and competitive”* and *“affordable”*, especially as compared to other countries, even those in neighbouring Gulf countries. This factor was particularly important for manufacturing SMEs because the industries in which they operate are heavily reliant and dependent on electricity; in addition, these subsidies allowed them to operate production lines with massive operational capacities that would otherwise incur massive monthly charges. A few participants made deeper reflection on this point:

“The diesel charges are very low and this is very important to our production. In addition, all factories are switching their operation to gas, [for] health and safety reasons, so in [a] few years, less than five, I believe, your fuel charges bill in a month will be nothing, absolutely, nothing... almost as if you are running your production for free apart from labour and raw materials; it will be like operating in heaven....and, by the way, we don’t use our personal monies in building factories, we use our state’s

resources and aids....all is financed through Qatar Development Bank [QDB] mainly and other banks.” (General Manager)

Although the participants were aware of the benefits offered to their SMEs through the formal mechanisms extending financial grants, as well as recognising the support they received to encourage international growth, they acknowledged that the current policies represent only a first step. They emphasised that policy makers must initiate and design more advanced mechanisms and programmes that include comprehensive measures to encourage national producers and strategic investment by Qatari nationals in specific manufacturing or service sectors. They indicated that the government has yet to design innovative mechanisms to encourage nationals to establish value-creating SMEs rather than engaging in more profitable domestic business activities such as construction and general trading.

“I must say that the subsidies we receive are quite generous and we are lucky compared to other countries, but so what... the so what is a question, a homework question for our leaders to think what should we do next to get everyone eager to establish a company that contributes, that creates value.... It is very tempting for us to establish companies for general trading or to buy a plot of land, get a bank loan and buy a tower, let it be residential or offices, and once ready it will be rented. In five years you repay the bank, you get your money in 10-15 years, everyone has been doing that... but so what... this is not sustainable in the long term... at one point of time, this model won't work.” (Chief Executive Officer)

There was a general expectation and anticipation for the government to benchmark itself against comparative measures taken in other nations, especially in terms of strengthening technology development and innovation.

“What was done is great, but what next? We are not saying it should be done tomorrow, but decision-makers should be on the go, looking for other measures. Especially with technology, developing technology, not investing or sourcing existing ones, if you know what I mean” (General Manager)

Moreover, there were discussions around the significance of taking a strategic view of Qatari foreign direct investments and exporting to better align these activities with the country's economic vision. One executive briefly outlined the issue:

“There should be a strategy to focus on or divert away from specific industries. In my view this is not in place yet: investments in health and education overseas are trivial. [This is] a priority – my opinion, of course, others may disagree... you need to be able to bring back the knowledge here [Qatar]. Our rulers set the norms, and we follow to execute”. (Board Member)

B. Affluent though Small Market in Home Country

The domestic market in the home country was small yet strong in terms of purchasing power. It was characterised as "*affluent*" and "*rich*", with the general view that "*people can really afford to buy things and spend*"; clearly, many customers have sufficient or even excess income at their disposal. Interestingly, the desire to spend wealth and increased incomes included an orientation towards spending in international markets for both investment and leisure activities. Some of the cases capitalised on this orientation and designed their international products to satisfy the needs of clientele by looking for business opportunities outside the home market. A sense of how rich and affluent the domestic market is can be achieved by relating it to purchasing-power parity. According to 2012 figures (IMF, 2012), if US citizens can be said to have a purchasing power of 100, then Qataris have 187.1 times that power.

The affluent small market with a higher than average per capita income was seen as one of the factors contributing to the benevolently rich business context. Participating firms reported that operating within the Qatari context has facilitated access to a small number of nevertheless very affluent clients who can afford high-quality products and services; hence, they were able to maintain healthy financial positions and revenue streams, which helped their organisations, accumulate corporate reserves to finance international growth. Participants indicated that their SMEs do not encounter intensified competition to secure revenues from the home market. As indicated by one of the executives "*there is a room for everyone to grow. It is still a virgin market with lots of opportunities*", one operation manager reflected on the state of competition in the domestic market and said "*the market is not exploited, not yet....I am sure it will change one day and it would be be tough and tight.... one day, but not yet..*" In the explored context, manufacturing SMEs in particular were concerned with developing their competitive advantage in international markets and not in domestic markets, this point will be discussed in detail when presenting the findings about the significance of operational slack resources. SMEs referred to the influence of nationals and expatriates' access to high levels of disposable income and the tax-free environment on the lifestyle of both nationals and expatriates alike. In their view, these factors contributed to their SMEs growth both on the domestic and international levels. A few statements are highlighted below to support this argument:

“Of course, the high purchasing power that is readily available to Qataris impacted [influenced] us... We know that they do not have any problem investing abroad. That was the whole idea behind partnering with a developer: you are investing into a project and selling it knowing that, and you know very well that will be sold.” (Chief Executive Officer)

“...and, for me, the most important thing is the income, the monies that people have in their hands... for instance, in Europe, they buy two or three shirts for work, etc.... they are very conscious of what they buy. For us here, appearance is important, we buy many thoubas [white national dress for men] and women buy piles of abayas.... Why is this? Because they simply can afford it.” (Chief Operating Officer)

Some of the explored SMEs reflected on how the surrounding business environment influences the way they conduct both domestic and international operations. They indicated that they accept low profit margins to penetrate target markets and increase brand recognition, especially in regional markets. Case Three gave an example of the use of this strategy. The CEO indicated that his company operates a business model that accrues lower than average profit margins to increase its market share, especially within its targeted Gulf markets. This was seen as a necessary exercise to expand and grow in foreign markets. The management of the company did not see this decision as a threat to its existence; on the contrary, they regarded it as reflection and proof of the firm's financial capabilities and its ability to operate at low profit margins until it became better established. It was also an indication of the company's commitment to capture market share in the Gulf region and, more importantly, represented the firm's ability to sustain long-term gains at the expense of short-term profits. The SMEs also often chose to settle their supplier invoices prior to their due dates, justifying the practice in terms of the importance of maintaining a reputation for having a solid financial standing and the desire to be recognised as a trusted business associate. They explained that they could sustain such practices due to their strong cash flows and the wealth of their founding partners.

6.1.2 The Intangible Dimension of Munificence

The participants described and identified munificence in relation to an intangible dimension. Their identification established the significance of the founder's structural ranking and relational embeddedness in the domestic context. The SMEs regarded their founders' social networks and relationships in the domestic context as a *resource* and as a *source* of munificence at the same time. The management teams referred to and described how their founders' domestic social capital represented a valuable, rare and in-imitable resource, shaping the surrounding business reality and therefore affecting internationalisation decisions:

“You know that this [factory is] owned by His Excellency? He was the economic advisor of the Amir [ruler] since the early 1990s; this association, of course, created a benefit, we cannot deny it. His name is on the trade register. Benefits are equally accessible to everyone, so we don’t benefit in this regard, we benefit by the flow of deals, referrals and opportunities which come our way... the government picks and chooses who to represent it in business dealings; after all, it is a Qatari national investment, so whoever enters the deal should be capable of fulfilling the task.” (General Manager)

“These relationships opened new doors, facilitated implementation of our plans.... Enabled us to negotiate favourable deal terms..., simple... it helped – can’t express it more clearly than that.... Access to finance and good relations in Qatar and the Gulf are the main important things that helped us greatly in our international projects. A very important thing is that you must have a solid hand and courage to take risks, challenges and be up to trust and expectations. The business environment here teaches us this: being courageous.” (Managing Director)

Often, munificence was identified in relation to specifically Muslim values and norms, with terms such as blessings and wealth being used to describe participants’ understanding and identification of munificence. The participants identified that their businesses operate in a benevolent business environment and reflected on how that environment creates and provides opportunities for nationals and expatriates living in the State of Qatar. In their view, money alone does not equate to munificence; munificence must include other dimensions such as *"momentum for growth"* and *"significance of business relationships"*, with the endowed context being described in relation to the *"existence of and access to wealth and monies"* is limiting and restricting. One of the senior executives said: *“...people are in Kheir and Ne’eMa [money and wealth]. I would say that the highest per capita income helps something else: it helps in creating opportunities; the mutation we have in terms of projects triggered people’s motivation and they are more and more moving towards business and moving away from paid-salaried jobs, in my view, it’s a dramatic transformation... ”*. Interestingly, participants used the terms ‘explicit’ and ‘implicit’ when discussing the sources of munificence; these terms were used to refer to financial aspects of munificence versus the intangible dimensions of munificence. In participants' view, munificence is not only linked to finance, wealth, or money; rather, it reflects an overall orientation and assurance that opportunities exist and are available because of the founder’s domestic networks and the prevailing culture encouraging international growth.

The SMEs often linked their founders’ domestic embeddedness and access to relationships to their perception and identification of the *"generosity"* and *"friendliness"* of the local business context. Several SMEs relied extensively on their founders' dense networks of

relationships to generate "trusted" business leads that allowed them to further develop and expand; in their view, the founders' structural ranking and relational embeddedness in the home market thus shaped the surrounding reality for their SMEs. The SMEs also identified being able to combine their founders' business relationships with everyday work to create value by sourcing leads while conducting routine daily social interactions. In other words, they used their social capital as a resource to leverage their SME's capabilities, yet, more importantly, it shaped their surrounding business context, and they identified the context as 'endowed' and 'generous' because of their access to high-profile relationships in the home market.

Within these firms that have no need to compete for financial resources, their founders' societal embeddedness was a resource in its own right. A founder's domestic goodwill and name often enables the SME to secure project finance from private financial institutions, and the research participants mentioned several different social capital aspects regarded as vital in the course of their companies' internationalisation. These included associations with the ruling family and acquaintance with the families and individuals with prominent hierarchical rankings in their home country. Additionally, association with known domestic public officials was seen as providing preliminary trusted business credentials. A founder's repository of formal and informal business relationships was often linked to tribal associations and prominent family names that would be instantly recognised by national and international partners and served to provide legitimacy for most of the SMEs' corporate identity. Therefore, social relationships mirrored the formal business relationships and acted as an informal mechanism that worked in parallel with the formal economic exchanges governing business interactions.

"This association [with the Qatari family] provided an initial goodwill to our company. We come as [a] credible and financially strong business, [which] is because of the names we are associated with, I mean in terms of ownerships and even executive board membership." (Managing Partner)

Social and economic interactions were strongly interrelated and tangled with wealth and network relationships in terms of their influence on the SMEs' internationalisation decisions and the boundaries within the surrounding business context in this respect are blurred and not clearly identifiable.

"Everyone knows that the family owns it; the association helped us a lot in our business. In the Gulf region and while doing business, everything is related, your individual views link to your business and vice versa...example, you as an individual, your views, sports, interests, religion, political orientation, way of dealing with colleagues and neighbours affect your stay in this society; same for [the] organisation, it affects what you are entitled to and can receive." (Chief Operating Officer)

Another important aspect was raised by a few research participants who recognised that the stable economic and strong financial position of the country were fundamental and significant to their perception of prevailing munificence and benevolence. One of the executives said: *“I believe it is the overall state of wealth and blessing which helps businesses and entrepreneurs; there are many opportunities available for each and every one of us... we recognise this. It is the presence of opportunities which creates a sense of munificence, benevolence and endowments”*.

Table 6.1 summarises the responses collected from the participants in each case about their perceptions and interpretations of ‘munificence’ within their own business context. The embedded approach facilitated the generation of 360-degree opinions and responses from different interviewees, and therefore enabled a deep exploration of munificence in the context of SME internationalisation. The table lists responses of the internal stakeholders when they were asked to elaborate on how context influenced their internationalisation decisions.

Table 6.1: Context and each SME's Internationalisation Decision

Internal Participants	Case One	Case Two	Case Three	Case Four	Case Five	Case Six	Case Seven	Case Eight
Respondent (1)	Existence of affluent market (Head Int. Division)	Strong financial position of the country and corporates, access to bank's financing facilitated entrepreneurship and growth (CEO)	Availability of gov. finance, land, and government grants to support exporting and entrepreneurship. Land grants in particular (CEO)	No specific comment about the business environment – (CEO)	National and people's wealth creating opportunities for Qataris and Non-Qataris. Business environment encourage business ideas (CEO)	Country's basic infrastructure is state of the art and facilitates economic growth. Government subsidies to manufacturers (water, electricity, fuel). Availability of cheap raw materials (GM)	Country's basic infrastructure, government subsidies for utilities, land to build factories. Founder's high profile (GM)	Did not want to comment on this aspect and reflected briefly that overall there are enough funds to be invested to achieve economic diversification, especially within industries (CEO)
Respondent (2)	Existence of affluent market and high profile contacts (CEO)	Personal wealth that enables risk taking – affluent domestic market that helped grow the domestic business and hence facilitated internationalisation afterwards (Chairman)	Government institutional support in the form of grants for exporters and start-ups. Appreciation towards exporters (Chairman)	Affluent market base – stable political regime. Relatively easy and conducive business environment. (Chairman)	Higher than average individual disposable income – government's import subsidies and loans. CEO contacts (GM)	Contrasted the business environment in Qatar with Egypt and India – Cheap utilities and raw materials. Informal connections (Operations Manager)	Financial wealth available in the hands of the nationals. Name of the founder generates opportunities (Plant Manager)	Financial wealth of Qataris and their international orientation. The want to be recognized (Production Manager)
Respondent (3)	Access to easy Bank's finance	No clear statement, but, overall,	Government grants to	Relational ties available to a	Overall stable business		Government support to	Overall stable business

	and open credit lines (CFO)	associated owners' HNW and his success in securing network connections domestically then internationally (CFO)	factories in terms of subsidised fuels rates, land grants, low-interest loans – substantial grants as a result of the need to diversify the economy (Operations Manager)	few selected corporates, they use it to deploy opportunities (Head of Business Development)	environment that encourages business and growth. Compared Egypt to Qatar. Accessibility of finance and manufacturing resources. Government subsidies to exporters (COO)		exporters in terms of financial and technical services. Name of the owner on the trade license (Accounts Head)	environment that encourages business and growth. Compared Egypt to Qatar. Accessibility of finance and manufacturing resources. The founder descends from prominent family (COO)
Respondent (4)	Increasing demand for products and services due to high disposable income (Assistant Director. Int. Division)						Low-cost overheads due to government subsidies provide an arena for Qatari companies to compete (Export Manager)	

The SMEs identified that the financial and soft intangible dimensions of munificence co-exist, and attributed this munificence to ease of access to:

1. Credit finance through public and private financial institutions.
2. The government's provision of subsidies and enactment of grant schemes to foster SMEs' domestic operations and ultimately promote international growth. These schemes allow SMEs to operate in an incubator-like setting that fosters domestic and international growth.
3. Founders' social capital and formal and informal network relationships which result from domestic embeddedness and hierarchal rankings in the local community.
4. Personal wealth and high per capita income of both nationals and expatriates, and limited competition in the domestic market.

In drawing the findings about SMEs' assessment of the munificent business context, the emphasis must be on participants' segregation of munificence and their identification of two complementary dimensions to explain munificence in the context of their internationalisation. Figure 6.1 outlines these two dimensions.

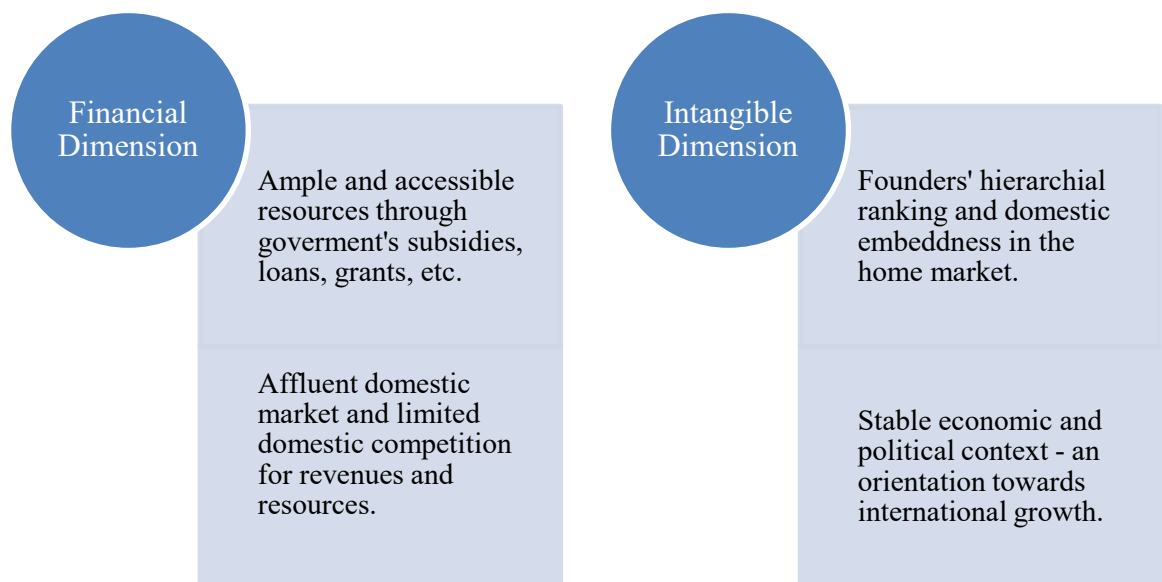


Figure 6.1: The Financial and Intangible Dimensions of Munificence

The next sub-section presents the findings in relation to the resource base of the SMEs operating in the munificent context.

6.2 The Endowed SMEs' Resource Base

During the course of the interviews, participants were asked to list the resources available to their SME; subsequently, they were asked to identify the most important resource at the disposal of their organisation. Significant insights were also disclosed during participants' elaboration of their SME's overall internationalisation, discussion around the specific decision they had chosen to examine, and exploring how their internationalisation has worked over time. Towards the end of each interview, each participant was given an additional opportunity to disclose and elaborate on any factor(s) or aspect(s) of their internationalisation decision that had not been raised in the interview protocol or previously discussed. Posing these questions allowed the participants to think thoroughly to describe and elaborate on their companies' resource bases and the different categories of resources that had triggered or influenced, directly or indirectly, their firm's internationalisation. Subsequent analysis revealed the following categories:

- Financial resources
- Operational slack resources
- Social and symbolic capitals
- Human resources

6.2.1 Financial Resources

The explored SMEs indicated that their organisations' stable and strong financial positions were initially the result of their founders' initial paid-up capital, as this was, in the majority of cases, paid in full from personal wealth; the initial investment was typically valued in the multimillions of dollars. The second source was the retained earnings accrued from business operations since incorporation. The SMEs' access to affluent domestic demand in the home market was also seen as a source of healthy revenue streams, as earlier established. Finally, these SMEs were able to secure credit finance based on their founders' domestic goodwill. In light of the initial description and elaboration of the national context given in Chapter 4, these findings were logical, and provisionally confirmed that the explored cases operated in a generous and benevolent business context.

Although the first and last sources may initially seem unrelated, when the participants' statements were examined carefully, an interesting interrelationship between the two factors became evident. The cases' access to initial liquid assets was fulfilled by the founders' investments at the incorporation stage; when additional capital was later required for growth,

however, this was often injected through credit finance secured based on the founders' domestic goodwill and social standing in the local business community. The high value of the company's assets was another reason for SMEs' easy access to credit in many cases. In one of the interviews, a member of the senior management team stated plausibly:

"I believe we have two important things that are peculiarly special to our case; these are: a solid financial standing represented in our company's healthy current assets to liability ratios and the high working capital we have. Additionally, our founder's personal wealth exceeds QAR 500 MM, so such association comes with benefits... we have access to the domestic goodwill, the reputation..., all this can make life easier for a financial controller, if I can say the least". (Chief Financial Officer)

As earlier presented in the case description section, in the majority of the cases, the SME was owned by a wealthy citizen or citizens who chose to collaborate with an expatriate partner(s). Therefore, the SMEs were often partially owned by the local national partner, who had to inject a minimum of 51% of the paid-up capital, as per national law. A few cases were wholly owned and controlled by wealthy Qatari nationals who bear the names of their prominent families and are embedded in the business community, enjoying goodwill reputations and respect developed over three decades. Interestingly, the participants were thorough in terms of explaining how their organisations secured their financing requests quickly if required; they explained that their firms do not maintain excessive unutilised cash balances in their bank accounts, as they have access to credit finance if needed. None foresaw a need to hold cash reserves, as they were assured that credit finance at low interest rates would be available if needed.

"We maintain enough to run operations. It is not that we do not have excess cash. We keep what we need, and this does not influence our ability to go international as we can usually, and always within a few weeks, secure any cash amounts required for a particular project.... Our goodwill and credibility stem primarily if not solely from our local partner, as you may know already, and it opens many doors for us, especially with the banks here...." (Managing Partner)

The availability of the founders' personal wealth was not only influential at the time of incorporating the SME; it was also frequently the source of finance for the SME's expansion plans. Case Six represents a good example, as earlier presented in the case narrative. The general manager confirmed without hesitation that the company relied on its main shareholder's personal wealth to finance such ambitious projects; he said:

"...no, this was 100% built by the family's money. We don't have any loans, we don't need to.... the revenues from our company were enough to get us through this... we got

the money from Mr. [X]; he was keen to have the rolling machines in place, and was excited about the niche product idea and reliance on exporting....” (General Manager)

Other firms' expansion projects were sometimes partially financed by local partners, while the remaining balances were secured from private financial institutions in the country or from the government state bank. Loans were guaranteed by means of the SMEs' fixed-term deposits, but credit finance was often approved and guaranteed based on the founder's domestic goodwill and the value of his personal wealth.

“... we maintain a minimum balance for operating expenses, but all our monies are kept in deposits that expire monthly... we have a good manager to keep our cash flows well managed; although these moneys earn minimal interest, it is not a waste.... They represent and demonstrate our strength...., we borrow and they serve as a guarantee, yet often we get our needs for short-term overdrafts based on our domestic goodwill and name in the market; we are owned by people who they know will never default....” (Accounts Manager)

The participants often referred to how their firm's ambitious expansion plans were financed by the SME's own financial resources. Such expansion frequently entailed investing large amounts, beyond the apparent size of the SME. One of the SMEs discussed plans to further develop a plastic bottles line through additional investment in modern machinery from Taiwan. The expansion investment approximately cost US\$ 600k for each line of production and the company was looking to upgrade more than 10 lines by 2019. The participant explained that these plans were to be financed with the company's own financial resources, which it could afford due to its accrued revenue and paid-up capital. Tables 6.2 and 6.3 summarise the sources of SME financial resources for each of the explored cases.

Table 6.2: Sources of SMEs' Financial Resources

Case	Financial Resources	Credit Finance thru. Banks
Case One	National Qatari owner provided initial paid-up capital.	Access to open line of credit with private banks due to founders' goodwill.
Case Two	Owned by a prominent wealthy executive whose family have been operating in business since the 1980s.	Access to open line of credit with private and local banks due to holding corporate goodwill.
Case Three	Wealthy national owner; however, minimal personal investment, company set up with a loan from QDB.	Government Support Programme through QDB.
Case Four	Two partners provided initial paid up capital.	None
Case Five	Owned by wealthy established family in the domestic community – since 1990s. finance sourced from personal accounts + government's loan.	Access to open line of credit with private and local banks due to family's goodwill.
Case Six	100% financed by a wealthy Qatari national.	Open lines of credit with private and local banks due to owner's reputation and business goodwill since the 1980s.
Case Seven	Partnership of a Qatari national and an expatriate. Massive initial investment contributed by the Qatari owner. Expansion through government loan.	Access to open line of credit with private and local banks due to owner's personal wealth and goodwill.
Case Eight	100% owned by a prominent Qatari national with massive personal investment in modern manufacturing facilities and upgrades.	Access to open lines of credit with private and local banks due to owner's personal wealth and goodwill.

Table 6.3: Comparison of Founder's HNW and Access to Credit

Case	Owner(s)' Personal HNW	Access to Credit Finance
Case One	✓	✓
Case Two	✓	✓
Case Three	✗	✓
Case Four	✓	✗
Case Five	✓	✓
Case Six	✓	✓
Case Seven	✓	✓
Case Eight	✓	✓

6.2.2 Operational Slack Resources

Several research participants referred to the Qatar National Vision (QNV) 2030 during the course of their interviews. They identified the government's attempts to transform Qatar into an advanced society by 2030 and mentioned that the vision anchors on four central pillars: economic, social, human and environmental development. Based on this identification, they discussed the way in which manufacturing is regarded as an integral part of the government's

plan to diversify the economy away from trade in non-renewable energy sources, and reflected on the careful planning that has gone into industrial development. To this end, they indicated that the government has designed and implemented a comprehensive bundle of monetary subsidies and technical advisory programmes targeted at existing SMEs to help grow the SME sector, as presented during the discussion of the financial dimension of munificence.

The collated findings from the case study research establish that manufacturing SMEs invested in industrial fabrication facilities designed to produce massive production capacities. Consequently, they have deliberately accumulated excess production inventories well beyond domestic market demand; this phenomenon is referred to in the literature as accumulating operational slack (Nohaira and Ghulati, 1998). The SMEs were able to capitalise on the benefits and efficiently manage this production strategy because they were recipients of government subsidies and grants, as earlier discussed. The subsidies and grants allowed them to incur low manufacturing overhead costs and consequently operate near economies of scale production levels, producing large quantities at reasonably competitive costs. The research participants from manufacturing SMEs appreciated the subsidies, stating:

"...our overhead operating costs are not too high because the fuel costs for running the factory are really cheap. Our utility bill as a manufacturer is of negligible value for a manufacturing factory of our size; we actually pay peanuts, almost nothing for water, electricity and natural gas. This, of course, translates to our bottom line profits and the costs we calculate" (General Manager)

One of the participants also noted when he was explaining his company's business model that:

"Operating in Qatar enabled us to produce a good-quality product at a fairly competitive price compared to the Saudis, our main competitors; the way we are able to do that is quite interesting, I would say: the overhead costs for us, I mean in terms of fixed costs, depreciation and utilities, etc., are reasonable and I can say that they are comparably low. This is because of the government subsidies of water and electricity, and I know that we will move shortly to using natural gas, which will bring our energy cost even lower. Our depreciation costs are not high because, although the financed amounts are large, the rate through the government bank is not high – 1.5%, I think – and the land is a grant... so, again, no investment cost as such. Therefore, our repayment of loans and interest is not [as] high as many may think and the depreciation of the machinery is thus reasonable. So how this helps or relates to my work – it is that I have a reasonable profit margin, so I have room for negotiation for bulk orders; I produce large quantities at a very competitive cost. Of course, if my factory is in Syria or Lebanon or even Canada I will not have this. Simple!" (Operations Manager)

The findings indicate that the manufacturing SMEs adopted a business model that entailed initial investments in large manufacturing facilities to produce excessive production

inventories. Manufacturing SMEs in this context did not recognise operational slack as an expensive resource that might lower their growth or financial performance; instead, they regarded the resource as an antecedent to export, a key point that will be discussed in detail in the next chapter. The prime objective behind manufacturing SMEs' deliberate accumulation of operational slack was to capitalise on government subsidies to lower production overhead costs. Participants reflected on this point, saying:

"I will say that our modern factory and the product constitute more than 50% of my success. Our factory produces massive quantities at competitive cost; we can sell, I would say, the same product at approximately 15-20% lower price compared to our competitors from Saudi. I believe this is a good plan to follow, at least until my product is recognised and I am known overseas." (Chief Executive Officer)

"The CEO said when I met him in Canada that they are looking for people who are capable – sales-oriented calibre; they want to ensure the production quantities are sold. We would not have made it to this stage without investing in these production lines and machinery." (General Manager)

"The Qatari market won't absorb all the quantities produced, no way! Therefore, I think the Qatari context had in fact pushed us towards that [exporting] ... I believe." (General Manager)

"... it was a natural step... you are producing quantities that are more than what is needed here. People were asking from where to get our brand. We proudly told them we sell outside Qatar... it got us revenues... which is appreciated, of course, but, more importantly, it helped us develop our goodwill." (Chief Operating Officer)

However, the research participants acknowledged that operating at economies of scale production levels and producing excessive production quantities entails some operating risk, exposing their SMEs to a certain level of business threat. Nevertheless, the senior management voluntarily adopted this operating strategy due to its perceived merits, attributing such decisions to senior team faith in the government support programmes and their determination to export:

"We can't afford to stop a line – even for a single day, it entails a huge loss to us... we know that, but still it is a vision that we have to achieve... management had put so much efforts and money to invest in the factories and the feasibility studies, etc.... They know it can be done and that it will be rewarding and profitable... no doubt." (General Manager)

Table 6.4 summarises SMEs' access to, and benefits from government support and subsidy programmes.

Table 6.4: Institutional Support Extended to Sampled SME Cases

Case	Exporting Manufacturer	Government Loan (100% of capital or less)	Land Grant	Subsidised Utilities	Advisory Support
Case One	x	x	x	x	x
Case Two	x	x	x	x	x
Case Three	✓	✓	✓	✓	✓
Case Four	x	x	x	x	x
Case Five	✓	✓	✓	✓	x
Case Six	✓	x	x	✓	Partial
Case Seven	✓	✓	✓	✓	x
Case Eight	✓	x	✓	✓	x

Whilst discussing the SMEs' deliberate accumulation of production inventories, the conversations led to an interesting finding about raw materials costs, another factor behind SMEs' inclination to accumulate excessive production capacities. In order to protect national industries, the export of specific raw materials, such as steel scrap, is considered a legal offence that is penalised under national law. Additionally, those input materials, which are by-products of petrochemical industries, are made available at reasonably low rates to any manufacturers who need them. For example, Case Three discussed the fact that the firm sources raw materials at a competitive rate from the government-owned oil and gas petrochemical affiliate, Qatar Petroleum. Case Six also described how the company secures its raw steel materials from the domestic market at minimal rates. They explained that exporting steel scrap is strictly prohibited and penalised legally; hence, the scrap is available in the domestic market almost for free. Similarly, Case Five referred to the import exemption tariffs applicable to the garment industry. Such measures render accumulating excessive production capacity less risky and costly than in other national contexts. One participant briefly reflected on this point: “... *after all, it is not too expensive to have inventories, it is mainly storage costs, and we aggressively do whatever it takes to sell them [the products] as soon as we can; this is our strategy and I am sure, in [a] few years, it will pay off*”.

6.2.3 Founders' Social and Symbolic Capitals

During the course of the interviews, participants indicated that the founders' networks of relationships and social connections represented important resources for their organisations. They stated that they could rely on these formal and informal networks to secure business referrals and leads for new overseas opportunities. In their view, these connections differentiated their organisation from their peers. Each national founder was seen as

"contributing" a repository of relational ties; this contribution stemmed primarily from the tribal surname and hierarchical ranking of the founder in the domestic community. Interestingly, the participants discussed the domestic social capital of their founding partners while rarely referring to international business relationships or informal ties overseas. In their view, the domestic social capital of their founders or national partners was one of their SME's most significant resources, influencing their internationalisation decisions.

Formal and informal business relationships were accessible to some cases, though not all. Where benefits accrued to the SME's corporate identity because of its association with the personal name of a local founder, participants reflected on the consequences of the founder's prominence in the Qatari society in terms of the firm's internationalisation:

"In addition, we are one of the giant businessmen, one of the big players in Qatar in terms of trading, imports. We are known as a strong and trusted business name in the community. This name is not the result of yesterday's work, it is like a seed: you plant it, you look after it and you see it grow over the years... and it definitely impacts what you do in here [Qatar] and what you do overseas; it gives you opportunities, leads, businesses, good ones, which you can pursue.... And grow if you are clever enough, at the end of the day, the investment will be a Qatari investment even if a private one and it is vital that whoever enters in the deal can significantly contribute and deliver" (Chairman).

Specific references were also made to the ways in which domestic relationships in the local community trigger access to opportunities: *"We are lucky to have him [the founder] on board, I can't deny this. I think his and the family's long-standing business relationships with the community helped us in many ways to gain what I would like to call credibility, references, news and information which we could further build on"*. Nevertheless, an emphasis was placed on the role of the management team in further capitalising on and materialising the business opportunities that are initially channelled to the business through the founder's social networks. It was thus clearly not seen as a free ride; additional efforts to materialise the benefits were expected from the management team: *"...because of our association with their names, we come [across] as a credible real estate company, and clients trust us, simply because they trust the names we are associated with. I would not say it created goodwill per se, but this association has provided an initial preliminary goodwill to our company; we have built on that over the years"*.

A few of the cases were associated with top-ranked government officials, and an economic advisor to the ruling family founded one case. Their names were printed on the companies' registration documents, giving those SMEs initial goodwill as they started their

activity and whenever they filed any administrative documentation, because the names were instantly recognisable. The executive members believed that listing the founder's name on the corporate documents had opened doors throughout the lifespan of their operation, especially with domestic financial institutions when the firm was applying for credit finance in its early years of operation. The strength of the national partner's social relationships in the domestic community was often the main reason behind the formation of the organisation in the first place.

In some cases, the founding partners were not the only contributors of social connections and network relationships. Some of the explored cases also acquired this resource through external stakeholders such as executive board members. The participants confirmed that their organisation's credibility increased once it was associated with prominent, well-known executives from the domestic community. The SMEs recognised the significance of network connections in enhancing their organisation profiles. One participant particularly reflected on the importance of developing and maintaining trust and mutual beneficial relationships within the local community, saying: *"...if they trust you, they will open up to you, but if they feel you are abusing their kindness or power or help in any way, you will lose them forever..."*.

6.2.4 Human Resources

The research participants reflected on the significance of SME employees in terms of business success, referring to both skilled and semi-skilled personnel working within the cases examined. Manufacturing SMEs in particular referred to the important role played by their 'people' when referring to the skilled labour they employ; as one General Manager said:

"Our people... [Instantly without a thought] – In what sense I think they are important, hmm? I believe that, for any organisation, the people are the best asset you can have... the best thing that helps an organisation to grow and simply our people working on the production floors know their tasks really well. We may get machines breaking down, but we hardly encounter a problem because the worker cannot operate the machine, if you know what I mean..." (General Manager)

The participants also reflected on the fit between recruited personnel and the company, and one Exporting Manager said, *"The people we have on board are, in my opinion, the right fit. We work in harmony... everyone knows his objective, goal, what to do and what not to do.....they have the right qualifications, have worked in P&G, Johnson and the like..."*.

Furthermore, SMEs identified that the professional experiences of their founding partners and their grandparents and the vision of their ancestors had shaped their operating strategies, as well as their entrepreneurial and international orientations. This is represented by the Chief Executive Officer of one of the cases, who said: *“My father is my mentor. I have learnt a lot from him. He has extensive business experience, since the 1970s.... He established many companies; he is always been after an idea... a good idea and I learnt this from him. My father’s vision is the key behind our success and we learnt a lot from him, for sure – God bless him, he’s retired now but we still operate with his blessings, Alhamdolלה.”*

The research participants linked their discussion about the significance of human capital in the context of internationalisation to prior international experience held by their members. They identified that candidates were recruited and mandated to achieve specific tasks or objectives due to their international experience and specialised knowledge about particular markets or products. For example,

“We selected her because she used to work in the UK for years; she worked in the real estate sector so was well versed and familiar with the sector and she had a legal background. After all, we know the UK as tourists, as visitors and investors. We needed a manager who was familiar with the UK. In our culture, we have a saying – hire professionals regardless how much they charge you... even if they wish to earn half of the profits... of course not, but it is a saying and we believe in it. It would have been difficult to secure and engage in the development without her experiences.” (Managing Partner)

“They met him in Canada; he was working in a subsidiary of P&G – their supply chain is huge, of course, so he was hired for his extensive experience in FMCG but, more importantly, for his experience and connections in Lebanon. He had contacts there and as we were looking to sell our products to the largest in the Middle East – a Lebanese company as you may be aware – the hiring decision made sense.” (Operations Manager)

Additionally, familiarity with the Middle East business context was regarded as a valuable and un-imitable skill when recruiting teams. The research participants identified that experience working in the region was fundamental in terms of materialising their business plans:

“... Our company was the idea of the previous GM, who was my friend and who had to retire... he spoke to me in 2011 and 2012 about the fact that they want to produce this thing. I said, ‘Excellent’. I was in the UAE; steel as well, but not this product... As I said, ‘This is a niche market product; there are not many clients for it’. I knew that the UAE will be the best place to sell it because I know the people, it will be easier to transport, and we can compete on quality, price and delivery’. My knowledge and

experience were fundamental and important in initiating exporting, of course....”
(General Manager)

Several participants reflected on their company’s unsuccessful attempts to undertake a specific international venture, linking such experiences to the absence of competent human talent; as one Managing Partner said:

“When we started the international department, someone with a local knowledge was working on the initiative for a year or so; we did not progress much, and we were sort of corresponding with many developers, wasting our time and efforts travelling to the UK to meet them or them coming here to see us. Our internal team were undertaking due diligence efforts about them, but we did not achieve much because there is insider information that you can’t get yourself... you needed the right talent, you need someone who had worked there before.” (Managing Partner)

Discussions about the importance of the human element to SMEs’ internationalisation frequently referred to members’ expertise in specific functional areas such as financial management. Senior decision-makers, in particular, elaborated widely in terms of describing the technical and operational skills of their executives, and in particular referred to the team managing the finance division. It may be that this is due to their recognition of the importance of this role in managing SMEs’ access to financial resources, or to the levels of expertise required to manage company cash reserves and liquid assets.

“The CFO has been working with us for years. He’s experienced, and he built his team – they are doing a great job managing the accounts, especially currency heading solutions for the purpose of purchasing our raw material from China.” (Chairman)

“The team we hired from Saudi SABIC to handle the operations were instrumental to our success. Although they were hired 15 years ago, they are still with us; we value them, and they have been in good service with us for years. They motivate the workers on the production floor, they are technically competent, and they know how to manage the factory. We are lucky to have them.” (General Manager)

Table 6.5 summarises the role of social and symbolic capitals as well as the human resource in the explored cases; the following sub-section will present the findings in relation to the role played by internal and external stakeholders of the SMEs.

Table 6.5: The Influence of the SMEs' Domestic Social Networks and Human Resources

	Case One	Case Two	Case Three	Case Four
Activity	Real Estate	Children's Food and Biscuits	Chemicals PET Moulds	Interior Design and Decoration
Intangible Resources	* Relational capital of local partner * Earned goodwill since establishment * Prior experience and knowledge of Head of International Business	* Relational capital with the ruling family since the 1980s * Business goodwill in the local community	* Founder's clear vision and solid business knowledge since the 1990s * Founder's entrepreneurial orientation is a significant human factor	* Prior experience and knowledge (since the 1940s) * Relational ties & access to HNW clients through a local partner
	Case Five	Case Six	Case Seven	Case Eight
Activity	Conservative womenswear	Steel Grating	Disposable Plastic Products	Plastic Products
Intangible Resources	None	* Factory's skilled labour	* Export Manager's business networks * Owner's relational ties in the home market	* Reputation for quality products * Skilled labour

The Role of Internal and External Stakeholders

As indicated in the methodology chapter, the present research adopts an embedded approach to case study research; specifically, members of top- and middle-level management were approached as internal stakeholders, while the external stakeholders were the financial and legal consultants to the SMEs. Additionally, officials from the governmental bank, the QDB, provided useful insights about the cases they had dealt with, particularly with regard to the manufacturing SMEs.

a. Internal Stakeholders

Describing the SMEs' contextual background and information, it becomes apparent that the sampled SMEs are either solely owned by a Qatari national or have at least one national partner on their ownership registry. The role played by the Qatari national owners or partners varies, however. While some assume an active management role in the daily operations of their company, others choose to assume a rather passive role and do not engage in such day-to-day management. Case Two, Case Three, Case Five and Case Eight are examples of the first scenario, while Case One and Case Seven are examples of the second. Where the owners choose not to be involved in the day-to-day operations of their SME, they receive periodic quarterly updates from the management team, in particular their financial controllers. The

owners in these cases confine their input to providing overall strategic direction and insights rather than having direct involvement in the SME's operational dynamics. Their contribution may even be limited to providing the initial paid-up capital and, importantly, their prominent names, which generate benefits and privileges for the SMEs.

Interestingly, when the owners or partners have chosen to assume a passive management role and infrequent involvement in their businesses, they continued to contribute their relational resources, inviting senior management team members to their majlis (an open area where wealthy family members hold gatherings for businesspeople and other government officials; these are typically informal and involve networking while traditional food and Arabic coffee are served) to spend afternoons networking with formal and informal contacts. These networking events were seen to be useful in generating business referrals and introductions. Case Two offered a good example, based on the ways participants discussed the referral for the firm's Turkish international venture. Both manufacturing and service SMEs also elaborated on how they could take advantage of these opportunities and attempt to generate business from the people present at these events. The participants described how they usually followed up on these initial introductions at a majlis, in the hope of business deals materialising.

However, when the national owners or partners choose to engage actively in the day-to-day operations of their business entities, they are generally very hands-on and involved in all aspects. The final say on business decisions, in particular internationalisation decisions, was centralised and taken on by the senior decision-maker, potentially without consulting the other senior team members. Members of top and middle management levels in such firms explained that their own roles were advisory. In their views, either the national partner or the CEO reporting to the owners of the company made the final call, and some aspects – such as the identification and selection of partners – were confined to and decided upon by the national partner in the company. As one of them explained:

“The decision to export to Lebanon was finalised; we were required to execute, we knew the client and our task was to approach them to convince them we can deliver their packing materials and that we can honour the huge monthly orders. I understand why they selected this company, it is one of the biggest if not the biggest producer of poultry products, and we are known for producing good-quality packing, [so] collaboration with them made perfect sense”. (Chief Operating Officer)

Examining the role of internal stakeholders, two main themes emerge that describe levels of involvement in managing the SMEs: these are the passive-supportive role versus the active-leading role, while, in the context of SME's internationalisation, the senior decision was

providing a strategic role with middle- and top-level team members extending operational support. Table 6.6 presents the findings for each case.

Table 6.6: Roles of Internal Stakeholders in each SME's Internationalisation Decision

Case	Internationalisation Decision	Internal Stakeholders			
		National Partner	Management Team	Responsibilities	Remarks
Case One	Partnership in the UK	Passive-supportive Role Final sign-off	Managing Partner	Strategic planning, decision-making.	
			Head of Int. Business	Market screening and identifying real estate developers, negotiations, recommendation of two preferred developers.	Prior international experience in the UK.
			CFO	Assisted in the strategic planning and operational role	
Case Two	Partnership in Turkey	Active-leading Role Identified the investment opportunity and partner and selected the internationalisation mode.	Top and Middle Managers	Implementation of decision parameters. Sign-off and approval of the national partner mandatory at all stages.	Owner's relational resources were the main source of the business opportunity.
Case Three	Exporting to Dubai	Active-leading Role Introduction and negotiation with the potential client.	Top and Middle Managers (CEO, Operations Manager, Accounts Manager)	Submit technical documents and conduct follow-ups. Mandated operational responsibilities. Final approval by national partner.	
Case Four	Service Agreement in the UK	Passive-supportive Role Advised on the internationalisation mode.	CEO and Senior Partner	Negotiation of technical terms and scope of work with client. Final decision-makers.	
Case Five	Joint venture (exporting + franchising) in the UAE	Active-leading Role Decision-making selection of internationalisation mode, partners' identification,	Chief Operating Officer	Assist in long-term planning. Consultancy/advisory role. Follow-up and management of operational teams.	Long employment relationship with the CEO.

Case Six	Exporting to the UAE	negotiation, and selection.	General Manager	Day-to-day operational management.	
		Active-leading Role Overall strategic direction of the firm to pursue aggressive exporting.		Negotiation of export orders and delivery terms.	
				Accounts Manager	Short- and long-term cash flow management. Sign-off and approval from the general manager required.
Case Seven	Exporting to Lebanon	Passive-supportive Role Quarterly updated on performance measures.	General Manager	Identified a list of potential reputable clients, then identified preferred markets	
			Finance Manager	Managed the factory’s cash flows and overhead costs. Negotiation of exporting terms, shipping quotes and other exporting operational aspects with the export manager.	
			Export Manager	Originated the client relationship in the target market. Periodic business development with the client.	Extensive business relations in the target market.
			Operation Factory Manager	Short-term production planning, work with R&D on client’s requested modification.	
Case Eight	Exporting to Dubai and Kuwait	Active-leading Role Decision-maker. Set the overall strategic direction for the factory to pursue aggressive exporting.	General Manager	Assisted in business development efforts to introduce the product. Operational management. Follow-ups and controls. Final signoff authority if an	Advisor to the partner for more than 10+ years.

		amount is less than QAR 1 MM.
	Operations Manager	Long-term production planning to accommodate hub markets' orders. Quality Control. Advisory role with respect to operations management and new agent relationships.

b. External Stakeholders

The external stakeholders involved in the SMEs' internationalisation decisions included legal advisors and bank relationship managers. Case Two was the only SME explored which allowed interview access to its external board member; this was because he played an important role in planning and executing its joint venture investment. He was approached due to his extensive business experience and relationships despite being a retired government official.

The findings indicate that, when the QDB was involved, the range of services varied from providing financial advisory services to extending administrative consultancy support if the SME lacked prior international market experience in the target market or did not have sufficient human capital to manage the international venture. Such SMEs relied on the government arm (QDB) to fill the resource gap until they could recruit appropriate managerial teams. SMEs typically reverted to appointing a nominee from the internal management team to liaise and consult with the official nominated by QDB to secure its advice and services.

The role played by QDB in supporting manufacturing SMEs in particular was extensive; this included extending financing loans to build factories, administering the revised subsidised utility rates alongside the Ministry of Energy, providing export documentation support, and providing assistance at all stages from receiving an initial order until the order was shipped. Throughout, the QDB adopted a relationship management model whereby the SMEs each had to deal with a single point of contact in the bank. The research participants respected this practice, as it allowed for efficient communication flow and positive outcomes; more importantly in relation to research data collection, the Bank's relationship manager was well aware of and involved in the SMEs' internationalisation details. When interviewing the

head of exporting at QDB, it became apparent that QDB adopted the practice two years ago. Previously, the SME companies had to deal with different departments and officers when applying for assistance such as land grants and financing; since the launch of the revised operation model, each SME channels all such requests to its dedicated relationship manager.

It was noted that, for those SMEs which chose to appoint legal advisors, the attorneys at law chosen were those with whom the firms had either already developed a long business relationship or who were referred by trusted contacts. This finding emphasises the importance of trust and long-term relationships with external stakeholders. As one of the participants indicated, a company must be sure that the appointed service provider is working for its best interests. Several of the cases involved their banking relationship managers in the implementation of their internationalisation decisions. However, this involvement was limited and restricted to providing basic banking operational services rather than consultancy or advisory support. It is worth noting that the majority of public and private financial institutions do accommodate requests to provide comprehensive services for firms looking to develop exports or international partnerships, yet these services were not requested by any of the eight explored cases. They were approached by the finance teams of the relevant SMEs with clear and precise requests about currency hedging solutions or with instructions to make fixed deposits. On the other hand, the banking relationship managers in the QDB were engaged in various aspects of the SMEs' internationalisation decisions, providing a more comprehensive range of services. Their role was broader in terms of responsibility and assigned tasks; however, it remained related to operational planning rather than being concerned with providing strategic advice or support to any of the companies undergoing internationalisation. Table 6.7 describes the roles played by the external stakeholders in each of the explored cases.

Table 6.7: Roles of External Stakeholders in each SME's Internationalisation Decision

Case	Internationalisation Decision	External Stakeholders			Remarks
Case One	Partnership in the UK with real estate developer	Legal Advisor	Bank Relationship Manager	-	
		Advise on partnership agreement with the UK Developer.	Basic operational advice on new banking relationship in the UK.		
		Legal advisory services for clients investing in the project (taxes advice, entry visas)			
Case Two	Partnership in Turkey	Legal Advisor	Bank Relationship Manager	External Board Member	Board member involved due to his prominent rank in the society and extensive business experience since the 1970s. He is a retired government official.
		Extensive advisory role and involvement in contract drafting and execution.	Advise on currency hedging solutions.	Review of management final recommendation and sign-off.	
		Recommended two internationalisation modes for management's final approval.	Monitor investment drawdowns to the project in Turkey.		
Case Three	Exporting to Dubai	Exporting Manager – QDB			
		Single point of contact for all SME requests (feasibility studies, financing, land, revised utilities rates).			The manager disseminated the requests to relevant internal departments and assumed responsibility for managing the SME's

				export activities.
Case Four	Service Agreement in the UK	AVP Internationalisation Services – QDB	Legal Advisor	
		Consultancy role on administrative project management overseas.	Advises on the int. mode & legal agreement between the 2 parties.	Used the legal advisory services of the partner's attorney. Due to lack of experience in the UK market, requested administrative support from QDB.
Case Five	Joint venture (exporting + franchising) in the UAE	Bank Relationship Manager		
		No specific role – monitoring of export documents for UAE.		Competence and experience of the SME's finance team which has been in the exporting business for years.
Case Seven	Exporting to Lebanon	Bank Relationship Manager		
		Coordinated with bank's operation team on LCs, payments, and transfers. Routine operational banking role.		

6.3 Asset Orchestration

The internationalisation narratives indicate that the explored SMEs tended to orchestrate two or more forms of resources to realise their internationalisation decisions. Therefore, SMEs were not reliant on a single resource throughout the internationalisation process. The participants revealed that they often accumulated and secured one form of capital because of accessing another type of resource. For example, several cases accessed credit finance through the private financial sector due to the founders' domestic goodwill, which represented a form of guarantee to the lending banks. Moreover, despite the small market size

in the home country, the cases outlined that they often accessed a base of affluent domestic clients through their founders' domestic network relationships and social connections. The SMEs therefore orchestrated different resource categories to start their international ventures.

SMEs deployed and bundled different categories of resources to pursue their internationalisation decisions. Manufacturing SMEs relied on government subsidies to generate operational slack to realise their international plans, bundling the resultant operational slack with other resources to realise exporting plans. Furthermore, the SMEs relied on the domestic social networks and relationships to which they had access in the home market to complement their resource bases for the realisation of their internationalisation plans. Interestingly, the participants did not indicate that they divested or shed any resources during the course of internationalisation. Moreover, the narratives do not indicate that any technological resources or R&D efforts were included in the SMEs' resource bases when they were deciding on their internationalisation decisions. Table 7.8 summarises the structuring and orchestration of different categories of resources within each of the explored cases.

Table 6.8: Resource Orchestration in each SME

Resource	Case One	Case Two	Case Three	Case Four	Case Five	Case Six	Case Seven	Case Eight
	Real Estate	Food Manufacturing	PET Chemicals	Contracting Fit-out	Textile Garments	Steel Grating	Plastic Disposals	Plastic Products
Financial Resources	✗	✓	✗	✗	✓	✓	✓	✓
Operational Slack	✗	✗	✓	✗	✓	✓	✓	✓
Domestic Networks and Founder's Symbolic Capital	✓	✓	✗	✓	✓	✗	✓	✓
International Experience of Management	✓	✗	✓	✓	✗	✓	✓	✓
Internationalisation Decision	JV – UK	JV – Turkey	Exporting – UAE	JV-UK	Exporting, Franchising UAE	Exporting UAE	Exporting Lebanon	Exporting UAE

6.4 Conclusion

This chapter has elucidated and described the resource bases of the eight explored SME cases and presented how these SMEs identified and defined munificence in the context of their internationalisation. The findings indicate that, although SMEs accessed different categories of resources (financial resources, operational slack, human resources, social and symbolic capitals), they lacked other categories such as innovation capability and investment in R&D. Certain resources were common among the cases, particularly founders' domestic social connections and networks of relationships, and the SMEs sourced financial resources both internally from their company's own reserves and externally by securing funding from public and private financial institutions.

The findings confirm that internationalisation takes place in a much broader societal context. SMEs identified a financial-market related dimensions to munificence and further led them to recognise an intangible dimension emanating from their founders' domestic embeddedness and status in their home country's social structure. The government subsidies and grants were regarded as a significant aspect of the financial-market related dimension of munificence. The participants from manufacturing SMEs attributed munificence mainly to the generous government subsidies available in their home country and established that the government's handholding support for businesses has enabled them to adopt long-term orientations and strategies based on outgrowing their domestic market, aggressively undertaking early internationalisation. Moreover, founders' social capital, status, and embeddedness in the domestic community were seen as equally important. Although service SMEs were not recipients of the same types of manufacturing subsidies and land grants, they too recognised the importance of the government's support in terms of encouraging and facilitating international expansion, similarly emphasising the enabling role of their founders' domestic network relationships and connections with senior executives in terms of facilitating internationalisation. The findings indicate that each SME deployed and configured specific resources to pursue its internationalisation decisions. The possession of two or more resources by each SME eventually led to a state of resource orchestration in each case. There were, however, no signs of any resource divestment or spin-off in any of the explored SME cases.

Additionally, the findings suggest that internal stakeholders assume one of two roles while managing their SMEs; these are either a passive, supporting role or an active, leading role. Internal stakeholders chose to be actively engaged in the day-to-day operations of their

businesses or assumed a strictly passive role while providing overall strategic insight and contributing initial financial capital. More importantly, whether the founders chose an active or a passive role in the day-to-day management of their businesses, their contributions and the marshalling of relational resources continued regardless of the role they chose to adopt. External stakeholders primarily extend operational advisory services to SMEs and management team members. Interestingly, the government support agency, QDB, has been seen to take on a more comprehensive role compared to private financial institutions, and it was more engaged in all stages of the SMEs' internationalisation decisions.

The next chapter presents the different aspects of endowed SMEs' internationalisation decisions and identify the antecedents of the chosen mode, market and SMEs' internationalisation approach.

CHAPTER SEVEN: ENDOWED SMES' INTERNATIONALISATION DECISION

The main objective of this chapter is to identify the different aspects of endowed SMEs' internationalisation decision. The chapter starts by presenting the motive behind each case of internationalisation and outlines the internationalisation strategy used; it then progresses on to discussing the SMEs' entry modes, and market and partner selection decisions in the context of SMEs' internationalisation. The primary aim is to highlight the general tendencies among SMEs operating in a munificent context in terms of deciding upon various aspects of their internationalisation decision and to provide an understanding of how resource-abundant conditions affect SMEs in the context of their internationalisation.

7.1 The Endowed SMEs' Internationalisation Approach

To realise their international venture plans, SMEs pooled tangible and intangible resources to pursue an early internationalisation strategy, making them 'early internationals' (Coviello, 2015). All of the explored cases, with the exception of Case Four, pursued a planned and determined internationalisation; their internationalisation strategies were never ad-hoc or the result of luck or serendipitous events. The internationalisation narratives of the explored cases show clearly that Case Four was the only case which internationalised as a result of an unplanned serendipitous event. Most cases explored in the present research were proactive in pursuing internationalisation and not reactive. They did not wait for international clients to reach out to them in terms of identifying international opportunities for expansion.

Manufacturing SMEs in particular planned to export from the first day of incorporation, and often chose to produce niche and specialised products to sell mainly, or even exclusively, in international markets. Clearly, the SMEs did not avoid early internationalisation as they operate in a business context that encourages international growth. The SMEs did not perceive early international venturing as a risky undertaking. To enable early and proactive internationalisation, the endowed SMEs recruited experienced managers to oversee the technical aspects based on their prior international experience working with specific target markets. Another trigger behind endowed SMEs' inclination to adopt early internationalisation strategies is their desire to sell the operational slack deliberately accumulated from running factories with extensive output capacities, as presented in the previous chapter. Their early

internationalisation was ambitious, and they were committed to internationalisation from the first day of operations, as evidenced by the following quotations:

“...the product is required by HSE. It is a niche market, which we choose to specialise in; we produce this product to serve this niche market. No other factory produces that. We do not sell in Qatar, as it is not required here. The main markets are Saudi Arabia and [the] UAE. We identified the need, the niche, and we took the steps to fill the gap. We are known in the steel industry to be very specialised in what we offer; it is a niche, risky but definitely rewarding, so we knew from the early days, even before building the factory, that to sell our product, we have to export.” (General Manager)

“We wanted to export, and we were mandated and asked to export from the first day of our operation; we knew we would export since the project was just an idea on paper – the local market was a step. GCC penetration is our second target and we are proactive and very active in this regard... our production quantities are too large – massive for the domestic market to absorb. We knew that we were establishing the factory to export... we had a clear dream, a vision of what we want to do – that’s very important.” (Chief Executive Officer)

Adopting an early internationalisation strategy from the first days of establishing an SME was both well received and encouraged by the government.

“Of course, everyone is pleased with the way we operate, what do you mean by who? QDB, the owners, government, etc., they know we are engaged in value creation, they know we are producers and we are exporting and selling our products to outside Qatar. We are contributing to their vision.” (Exporting Manager)

SMEs' early internationalisation was prompted by ambitions to be recognised as national manufacturers and their desire to gain similar recognition in international markets. The research participants indicated that the SME founders were keen not only to be recognised as wealthy executives, but also to be seen as capable manufacturers offering internationally recognised high-quality products.

“The CEO was quite keen to build a factory. Of course, I understand his motive; this approach was very much in line with the government’s vision. They were keen to foster and encourage this orientation in the business community since the early 2000s. Economic diversification was the slogan everywhere and in all discussions then, and still is, even now more than 15 years later. The industrial boom, etc..., businesses men here, well-known ones, they know what the government is after and they support it, they feel that as nationals it is a duty, it is their duty to support their government to achieve what they want in the future... and they believe it is correct and must be done. You can’t rely on oil forever – they know that very well.” (General Manager)

Generally, the explored SMEs were inclined towards long- rather than short-term goal setting. They regard internationalisation as a long-term investment that will accrue benefits over time in terms of enhancing their status in both domestic and international markets. For

example, Case One discussed how the business could have chosen to develop its real estate brokerage business for short-term profits, yet chose to establish a partnership with a UK developer to establish its own flagship residential complex. Similarly, for Case Five, the franchising business was motivated by its long-term goal to develop a luxury Qatari brand name for womenswear. The SMEs in the research context were not as vulnerable to risks as SMEs operating in other national contexts; they were not obliged to attain or achieve high financial returns quickly to pay off high-interest loans, and therefore were able to survive due to a mix of wealth and generous subsidies. Table 7.1 summarises the motives behind each SME internationalisation.

Table 7.1: Motives behind each SME's Internationalisation Decision

Case	Motive to Internationalise
Case One	To capitalise on demand that was triggered by existing clients and to tap unfulfilled market need
Case Two	Economic diversification and growth. Government appreciates exporters/achievers
Case Three	Early internationalisation was the objective since inception
Case Four	Internationalisation was never the objective. Triggered by existing (domestic) client demand
Case Five	Demand in other GCC countries, expansion, growth and profit motives – link to gov. vision
Case Six	Focus on niche market; internationalisation was the objective since incorporation. Recognition
Case Seven	Investing in excessive operational capacities to justify internationalisation. Int. growth inevitable
Case Eight	Expansion and growth given the small market size in the home market. Mandated to export as they receive extensive government subsidies.

Table 7.2 reflects the findings about the approach adopted by each SME case and identifies the influence of the business environment on each SME's internationalisation decision.

Table 7.2: Each Endowed SME's Internationalisation Approach

	Case One	Case Two	Case Three	Case Four
Internationalisation Strategy	Early	Late	Early	Early
	Planned	Planned	Planned	Unplanned
	Proactive	Proactive	Proactive	Reactive
Antecedents/Why?	Affluent Domestic Client Base in the Home Market	Network Relationships in Home Country	To sell Operational Slack	Network Relations in the Home Market
	Mgt. International Experience in the Host Country	Owner's HNW – SME can afford International Ventures	State's Economic Vision for Diversification	
	Domestic Networks in the Home Market	Replicate the factory in home market in 5 years – Gov. Vision	Government Subsidies for Export	
	Case Five	Case Six	Case Seven	Case Eight
Internationalisation Strategy	Late	Planned	Planned	Planned
	Planned	Early	Late	Early
	Proactive	Proactive – serve Niche Segment	Proactive	Proactive
Antecedents/Why?	Owner's HNW To Sell Operational Slack	Owner's HNW – Massive investment in specialised modern factory	Owner's HNW + Government's Loan to expand the factory	Owner's HNW – SME can afford International Ventures
	Subsidised Utilities to Manufacturers	State's Economic Vision to Diversify	Competition on Quantity, Quality, and low prices because of subsidised utility rates	Sell excessive operational slack from monthly production
		Low overhead Cost due to Subsidies		

Figure 7.1 summarises the factors behind SMEs' adoption of early internationalisation. The findings gathered indicate that economic and non-economic antecedents affect endowed SMEs' early internationalisation and their inclination to adopt early international venturing.

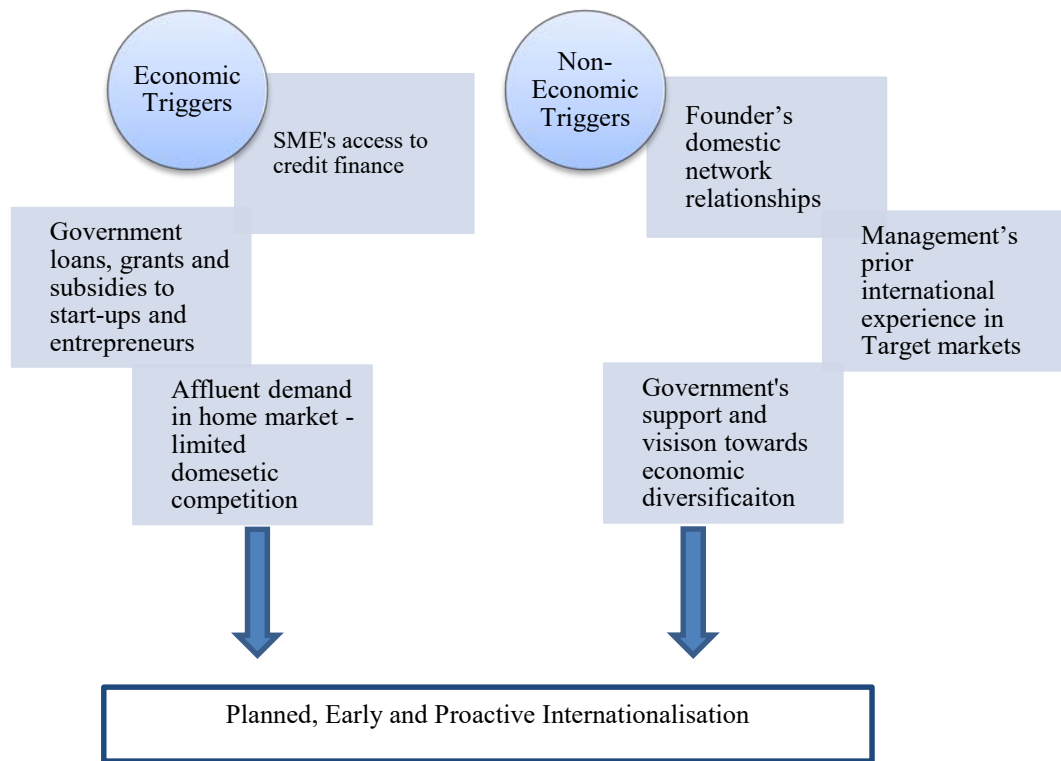


Figure 7.1: Antecedents of the Endowed SMEs' Internationalisation Strategy

7.2 The Endowed SMEs' Entry Mode Decision

In the explored context, the SMEs deployed internal resources alongside a set of exogenous resources secured from the surrounding business environment, particularly through the government's handholding support programmes that extend grants and subsidies to start-ups and SMEs to help orchestrate their resource base to promote internationalisation in low commitment modes, by either exporting or limited liability joint ventures. Manufacturing SMEs chose exporting while service SMEs chose joint ventures as their preferred internationalisation mode. When SMEs chose to export, they committed the minimum in resources to their international operations and therefore encountered minimal risk exposure. They also exported their products directly – none of the explored cases appointed an exclusive agent for their products. Manufacturing SMEs specifically applied to the QDB Tasdeer (Exporting) Development Programme to seek export opportunities and to tap into international markets. SMEs that chose to engage in Foreign Direct Investments (FDI) formed limited liability partnerships to structure their joint venture agreements with international clients. SMEs engaging in FDI committed substantial investment to the target overseas markets without incurring additional risks due to this shielding of their risk exposure through limited

liability partnerships, which restrict legal liabilities and confine any losses to the contributed paid-up capital.

None of the explored cases adopted an advanced entry mode when internationalising. Furthermore, the SMEs tended to replicate tried and tested modes and rejected plans for alternative entry modes; when asked whether they might wish to adopt progressive internationalisation modes which could offer additional benefits alongside increased risks, one executive asked: *“Why would I change the way I do business overseas? It is working just fine for the time being”*. Participants indicated that protecting the current arrangements with the government funding agency and their desire to stick to tried modes to protect their founder’s reputation and goodwill rendered any plans to modify or change the way of doing international business a fundamental move which requires further consultation, investigation and due diligence.

“I understand that there may be better ways to doing business in international markets, but we have to study the options really well before we change. Our costs and funding arrangements are in place; furthermore, the utilities tariffs are recorded with Kahrama [Water and Electricity Company]. We have to be careful to evaluate other options and we need to make sure we are better off then....” (Exporting Manager)

Interestingly, the explored SMEs denied having any plans to set up branches of factories outside the State of Qatar, even in neighbouring Gulf States, in the near future. They wished to maintain their status as eligible recipients of government subsidies and grants in their home country; they perceive the subsidies they receive to be generous and believe that they cannot be matched by comparable schemes enacted in other countries, even neighbouring sovereign Gulf ones. One General Manager said, *“Of course, we’re pampered, we did a study to have a branch in Jebel Ali [the UAE] to have the factory there since we mainly sell the products in Dubai, but the savings on transportation costs did not justify forgoing the current benefits we receive from the government here”*. An Exporting Manager reflected on similar reasons for not expanding and explained: *“There are many considerations here. There are many factors to consider. When you build a branch, you must ensure you have the team who can manage it, and you must be sure of your connections and whom you partner with there. Another consideration for us is the exemptions we receive from the government as manufacturers; will the savings received there be comparable or higher than what we are getting? You don’t leave your base, until you are positive you are moving to a better base”*.

Manufacturing SMEs' decisions to adopt extensive export strategies to international markets are also influenced by the fixed exchange rate maintained by the government. All GCC countries, excluding Kuwait, have their currencies pegged to the US dollar. Therefore, SMEs operating in the munificent context of the Gulf region encounter no exchange rate volatility. This fixed exchange rate policy is believed to further enhance SMEs' ability to export and the price competitiveness of their products. A fixed exchange rate regime is generally preferred for the purposes of export and trade. By controlling its domestic currency, a country can, and generally will, keep its exchange rate low. This helps to support the competitiveness of its goods when they are sold abroad. This was acknowledged by a member of middle-level management who said, *"When we export our raw materials, we mainly deal in USD. As you know, the rate is fixed, so we are somehow secured from currency fluctuations if we use the dollars. Companies dealing with China encounter risks if they wish to deal with them as the Chinese often refuse to deal in dollars, but, in most of the cases, all importers and exporters deal in dollars, which is good, given the currency exchange-beg"*. Figure 7.2 lists the selected internationalisation mode(s) for each explored case.

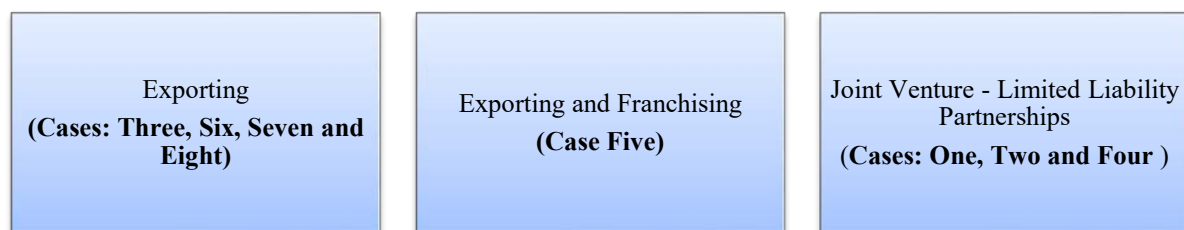


Figure 7.2: Endowed SMEs' Entry Modes

As discussed earlier, manufacturing SMEs generally chose exporting because they could compete in international markets on both quality and price bases. Access to government subsidies and grants enabled manufacturing SMEs to simultaneously incur only low overhead costs to operate at economy of scale production levels due to the large production capacities of their manufacturing facilities. This strategy has enabled them to gain new markets, as they can afford to concentrate on factors other than profit in the short term. The quotes below indicate participants' reflections:

"We have the production capacity to export and fulfil large customer orders and requests. Our factories are automated, modern and we can produce customised products if needed. Our overhead costs for machinery, depreciation and operations are low so we can compete on good price and we have the quality certification to prove our quality standards." (General Manager)

“We can’t get the benefits we receive elsewhere, even in Jebal Ali in Dubai. We tried and did the study: the grant amounts and the fuel costs we will get there are not matched with what we are getting here. In addition, the competition there with the number of factories opening there, makes it less worthy for you to be present there. Here... we are unique, we are pampered, in all the sense of the word.” (General Manager)

“... once, we were thinking of opening a factory in Dubai since we mainly export to Dubai, but the benefits we get from the government here are not to be matched. If we move, we will be getting 50-60% maximum of what we receive here; of course, I do not have the exact figures on top of my head, but roughly, it will account to this percentage at the most. We are not willing to give up this... so we can produce [a lot] and since you have the quantities, you simply export it....” (General Manager)

The business context therefore enhanced SMEs' sense of munificence and encouraged them to export. More hostile contexts encourage SMEs to start the internationalisation process, but further impede its development. However, SMEs did not progress or move towards modes with higher commitment such as FDI. In their view, the benefits would not be better than the benefits lost by surrendering the generous government subsidies. Interestingly, where SMEs decide to progress to high commitment modes such as FDI, they structure their joint ventures as limited liability partnership agreements to avoid these potential losses. They are not particularly concerned with avoiding loss of financial resources, but are very apprehensive and cautious about potential reputation damage and risks. In a munificent context, SMEs prefer minimal risk exposure, in order to protect their domestic goodwill and the prominent family names of their founders in the home country. SMEs wish to confine their losses to the invested amounts specified in the initial partnership arrangement and to limit their exposure to encompass only fixed and calculated financial losses. In a munificent context, SMEs are more concerned with relational risks and reputational damage than they are with incurring financial losses; it can be said that they are more concerned about the impact of announcing a loss rather than the value of the loss itself. Participants reflected on this point, noting

“When you lose, or if you engage in business and things go bad, it is not the money you lose, it is your face value, it is the reputation, damage. [A] few losses and you are done; they won’t think you are capable anymore.” (Chairman)

“They don’t like to lose. Like everyone else, obviously –but to them, loss means moving a level down... you are exposed... you are seen as less competent... goodwill and reputation are important, goodwill accrues benefits to them and, if it is an asset, you want to protect it and, if you want to protect, you take [a] calculated risk... simple.” (Managing Partner)

The collated findings differ from expectations that SMEs operating in a munificent context might pursue high-risk international ventures as they can afford a higher level of losses.

Management concerns over protecting the founders' domestic social and business network relationships in the home market instead steer SMEs towards low commitment modes and influence their willingness to encounter and tolerate excessive risk. SMEs thus choose to limit their risk exposure and to confine their losses to contributed share capital. Concerns over relational risks supersede any desire to accrue additional benefits or profits from high commitment-high risk entry modes. Figure 7.3 identifies the key antecedents behind the two modes encountered in the chosen context.

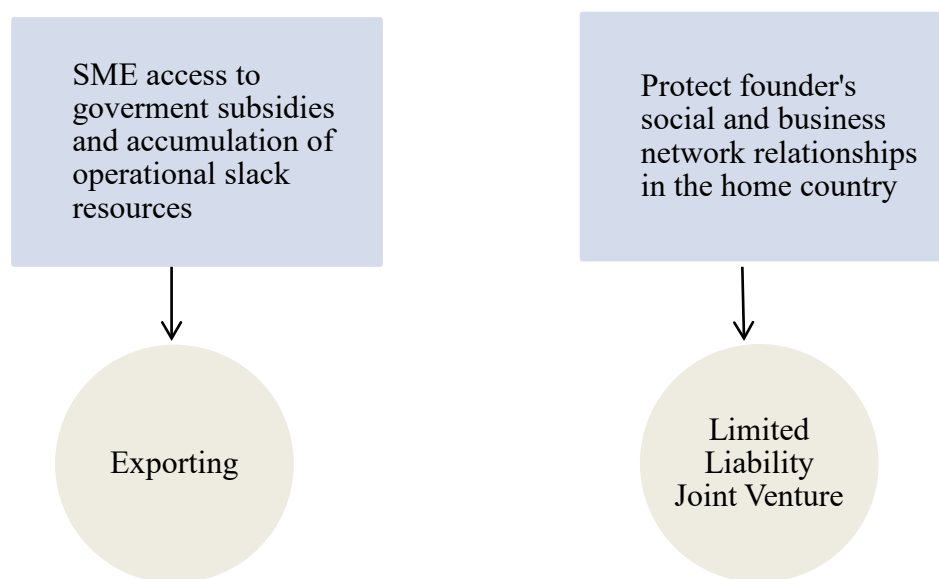


Figure 7.3: Antecedents of Endowed SMEs' Entry Mode Choice

7.3 The Endowed SMEs' Market Selection Decision

SMEs in the explored context mainly began internationalisation by venturing into neighbouring regional countries, but most indicated plans and ambitions to internationalise to distant markets. Internationalisation to regional markets in the Gulf region and the Middle East has given rise to the emergence of regional internationals or born regionals (Lopez et al., 2009). SMEs were encouraged to internationalise to Gulf countries in particular because of the economic union between the Gulf States since 1981; these countries are of comparable economic and regulative frameworks and exhibit similar economic and social indicators.

SMEs preferred to internationalise to larger markets, which are known as central hub markets. This reflects SMEs' commitment to international growth and indicates that market selection is a strategic choice. Their selection is influenced by desire to develop brand images

rather than to enhance the bottom line financial results. Furthermore, access to large central markets enabled SMEs to dispose of the massive operational slack they deliberately accumulate, as discussed previously. As one executive noted: *“Well, we go to central markets because you can sell there your large quantities, the market will absorb the extra capacities for sure... Dubai, for instance, it is huge, but, more importantly, you’ll be known there. If you penetrate large central markets, the distribution hubs as we call them in trade, you can sell anywhere, your product will be known to users”*.

As the SMEs internationalised to regional proximate markets, they were exposed to similar cultural, economic, legal and political norms to those in their home country. Some of the cases thereafter internationalised to countries with high psychic distances, but initial internationalisation in proximate regional markets remains more common. The SMEs preferred their initial international markets to be regional, in countries similar to their home markets, as this offers a test arena to allow them to gain experiential knowledge prior to internationalising to distant un-familiar markets. Table 7.3 summarises the international markets served by the endowed SMEs operating in the munificent context.

Table 7.3 SMEs' International Market Selection

Case	Market – Internationalisation Decision	Other Markets
Case One	UK	Recently the US
Case Two	Turkey	Malaysia, Thailand, UAE and Saudi Arabia
Case Three	Dubai – UAE	Future plans 2018: Mauritius (Africa)
Case Four	UK	None
Case Five	UAE	Oman, Kuwait, Bahrain, UK
Case Six	Dubai – UAE	Saudi Arabia
Case Seven	Lebanon	Saudi Arabia, Morocco, Egypt, Oman, Kuwait, Bahrain
Case Eight	UAE	Spain, UK, Oman

The reasons for selecting the first international market during the initial internationalisation stage may not be the same as when deciding on subsequent international markets. An interesting example was given by Case Three. The company chose its first international market in the UAE due to its similarity and proximity to the domestic operation.

It regarded the large central market of Dubai in the UAE as a starting point for gaining experiential knowledge of exporting; however, the company's subsequent decision to export to Mauritius was motivated by its ambition to tap a distant market that had not been reached by a Qatari national exporter previously. Similarly, Case Five chose to export to regional markets in the Gulf region to develop exporting expertise and establish brand image for conservative womenswear, before beginning export to the UK to establish the brand in a foreign international market.

The SMEs recognised the importance of venturing into markets that are similar in religion and culture to their homeland. However, the perceived relevance of such factors varied among the sampled cases. While it was a strong driving force behind the investment decisions of some of the cases, which indicated that their management would consider investment opportunities only in markets that enforce halal and Shariah-compliant business operations, other companies reported that, while this factor is important, it is not the main antecedent to market selection choice.

The government's FDI in specific countries and regions sometimes encourages large multinationals to follow suit. Interestingly, in the present research context, this factor did influence some of the explored cases. The availability of sovereign investment from the State of Qatar in the UK, Europe and the US was a comforting support for several of the sampled SMEs. The dissonance of selection of psychically and cultural dissimilar countries such as the UK was minimised by the Qatari government's investments in these international markets and the longstanding economic and political relationships between the countries, although these countries remain geographically distant, diverse and unfamiliar. The SMEs regarded these international markets as structurally attractive because their government holds substantial investments in these foreign countries through its sovereign funds, allowing them to assume that the initial due diligence had been successfully concluded; this may provide assurance for individual investments to follow. The SMEs established that economic exchanges between the two countries were of such a condition as to provide reassurance for them to follow suit and to grow in the same international markets, either through low commitment modes such as exporting or by undertaking additional resource commitment in the form of corporate FDI joint ventures.

The SMEs' preferences towards specific markets were influenced by their management team's prior international experience in particular markets. Although this factor was not

dominant across all explored SMEs, it was significant for Case Two, Case Seven and Case Five, and facilitated their internationalisation in indirect and implicit ways. Recruiting team members with prior international experience in the target international markets provided the endowed SMEs with international network relationships in the host countries where they had previously lacked this particular resource. As indicated earlier, the endowed SMEs' social capital had been confined to formal and informal business relationships in the domestic rather than the international context.

Interestingly, some markets were considered/approached where an SME had a business relationship within a chosen country and, once the relationship ceased to exist, the SME chose to voluntarily withdraw from the market. This was reflected in Case Eight's exporting to the UK and Case Seven's planned expansion in Spain. International network relationships in host countries serve to shield SMEs against the potential liability of foreignness and reflect the significance of trust and relationships in the context of SME internationalisation. However, the findings indicate that none of the explored SMEs adopted a formal screening mechanism to identify prospective international markets or clients. They did not employ agencies to research potential markets, and did not adopt the professional services of consultants, agents or embassies, with the exception of those manufacturing SMEs that worked in collaboration with the QDB Tasdeer (Exporting) programme, which involved participation in exhibitions and tradeshows. This finding may be somewhat unexpected given the SMEs' ease of access to financial resources and advisory services. The SMEs could have capitalised on their resources to formally assess and identify new markets to penetrate as part of a more comprehensive strategic plan. Table 7.4 below summarises the antecedents of the market selection decisions within the explored context.

Table 7.4: Antecedents of each SME's Market Selection Decision

Case	First Market	Why?	Market Internationalisation Decision	Why?
Case One	UK	Affluent domestic clients' choice Follow Government's FDI	UK	Pushed by domestic demand in the Home market Following Government FDI
Case Two	Egypt	Large Mass Market Allow Shariah-compliant business	Turkey	Domestic network relationships in home market sourced trusted international referral in target market. Allow Shariah-compliant business.
Case Three	Dubai, UAE	Gain initial experiential knowledge of exporting	Dubai – UAE	A step before internationalisation to distant markets. Hub central market to expand product's image
Case Four	UK	Pushed by existing Client's mandate	UK	Pushed by existing Client's mandate
Case Five	Saudi Arabia	Sufficient demand in the target market, gain experiential knowledge in exporting	UAE	A hub central market to expand and develop product image
Case Six	Dubai – UAE	Untapped niche market	Dubai – UAE	Central hub market – specialist in niche market
Case Seven	UAE	Sufficient demand Gaining experiential knowledge in Exporting by serving a 'Hub' distribution market	Lebanon	Manager's prior international experience Accessible business relationships through exporting manager Large client to absorb operational slack resources
Case Eight	Al Ain – UAE	Participate in large national project to gain recognition and experience as Qatari exporter	Dubai – UAE	Serving Hub regional markets to ensure wide distribution of operational slack and expand brand name and image in the region.

7.4 Conclusion

This chapter identifies how operating in a munificent business context affects an SME's internationalisation decision. It was established that SMEs operating in a munificent context choose specific aspects in the context of their internationalisation. Operating in a munificent low-hostility context triggered SMEs' early and proactive internationalisation to regional and geographically proximate international markets. Endowed SMEs were early internationals (Coviello, 2015) and born regionals (Sui and Baum, 2014), and quickly venture to proximate countries with low psychic distances such as Saudi Arabia, the UAE, Kuwait, Morocco and Egypt. Internationalisation to regional markets, especially to other countries in the Gulf region, was facilitated by the comparative social and economic parameters between the home and host countries. Furthermore, the SMEs' sense of operating while maintaining access to a repository of resources and endowments allowed them to lay down internationalisation strategies early, many of which were formulated from the firm's first day of operations. In other words, this internationalisation is not serendipitous or the result of mere luck or chance.

Although endowed SMEs are generally early internationals, none of the explored cases in the chosen context was featured as a knowledge-intensive firm. The financial-market related dimensions of munificence along with the intangible soft dimension of the construct triggered endowed SMEs towards early proactive internationalisation, using low commitment entry modes to proximate regional markets. Although munificence triggered early internationalisation, it impeded SMEs' progression towards advanced internationalisation strategies and modes due to SMEs' concerns over protecting their founders' domestic social capital, status and network relationships. Additionally, the endowed SMEs did not wish to forgo the benefits gained from government subsidies and grants, which were, in their view, far preferable to the benefits extended in other national contexts, even neighbouring Gulf countries. The SMEs have established that the additional benefits accrued from progressive internationalisation will not outweigh the benefits they draw from the generous government subsidies and the conducive institutional context of their own home base.

Manufacturing SMEs engaged extensively in exporting, which is a low-commitment internationalisation mode in terms of resources and risks incurred, while service SMEs engaged in joint ventures through limited liability partnership structures that allowed them to have equal ownership shares. They jointly managed these partnership ventures and did not assume exclusive or dominant managerial rights. Exporting was facilitated by SMEs' accumulation of operational slack, while limited liability-equal partnerships were preferred to protect founder

and SME goodwill and to minimise risk exposure. Furthermore, manufacturing SMEs explained that exporting was a preferred mode because it allowed them to develop and expand their brand image given their focus on large central commercial hubs. SMEs often exported and sold their products through exclusive flagship outlets carrying the brand. In general, SMEs were more entrepreneurial in terms of considering diversified investments and often when selecting international markets but were risk-averse when choosing the legal structures that shaped their joint venture initiatives. Furthermore, the endowed SMEs identified that they internationalise first to regional markets to gain "*experiential knowledge*" of internationalisation prior to undertaking international ventures to more psychically distant and culturally dissimilar markets.

Having presented the data and findings of the present research, the next chapters progress to discuss the findings and then elaborate on the knowledge, practice and methodological contributions of the research.

CHAPTER EIGHT: DISCUSSION

Introduction

This chapter aims to reflect on the meaning of the empirical findings and highlights their significance and relevance. The chapter is structured to address the thesis's main research question of how resource-abundant conditions affect an SME's internationalisation decision and the objectives set out in the methodology chapter, which are:

1. To explore the types of resources available to SMEs operating in munificent business environments when they undertake an internationalisation decision.
2. To explore the nature of munificence affecting SMEs' internationalisation decision.
3. To investigate and describe the internationalisation modes SMEs emanating from a munificent business environment pursue, and specifically explain why they opt for these particular modes.
4. To explore which international markets SMEs emanating from a munificent business environment venture to and why.
5. To explore the internationalisation approach SMEs emanating from a munificent business environment adopt and investigate the relevant antecedents behind the selected approach. The examination of SME's approach involves identifying whether the SME was reactive or proactive when deciding on internationalisation and the timing (lateness/earliness) of SME's internationalisation.

The first section discusses the dimensions of munificence and synthesises the identification and meaning of munificence in the context of SME internationalisation. The second section identifies the resources available and accessible to SMEs emanating from a munificent business context. The last over-arching section discusses how resource-abundant conditions affect SMEs' internationalisation decisions. As the RBV theoretical underpinnings does not provide holistic account of the SME internationalisation phenomenon in munificent contexts, the examination of context and decision had to be co-examined with both IBV and social capital theorising principles.

8.1 A New Synthesis of Munificence – Challenge to Theory?

Internationalisation models establish that environmental factors are critical in motivating or constraining an SME's internationalisation (Oviatt et al., 1995; Bell et al., 2003; Dimitratos et al., 2016). As previously established in the literature review section, environments are assessed on three dimensions: munificence, dynamism and complexity; moreover, environmental munificence has been linked to the survival of firms (Castrogiovanni, 1991; Tang et al., 2010; Bacq et al., 2017). Although more than four decades have passed since Staw and Sz wajkowski (1975) called for more research examining munificence, studies that have emerged since then capture munificence from financial- market related perspectives, such as competitiveness or industry growth rates (Dess and Beard, 1984; Sharfman et al., 1988; Goll and Rasheed, 2005; Tang et al., 2010, Bacq et al., 2017). Furthermore, the dominant proposition in the internationalisation literature establishes that SMEs operate under resource-constraint considerations and asset parsimony conditions (Jones et al., 2011; Cavusgil and Knight, 2015; Verbeke and Ciravegna, 2018).

Findings from the present case study research confirms and extends the financial-market related dimension of munificence and further suggest that munificence can be attributed to and identified by two different yet complementary perspectives. The first perspective indicates that the formal and informal dimensions of the institutional context enhance an SME's ability to acquire resources and render the process of resource acquisition non-competitive, therefore contributing to the financial-market dimension of munificence. The second perspective specifies that founder's domestic social and symbolic capitals – including his/her societal embeddedness, structural ranking and status – represent a source of munificence. Integrating views from the two perspectives allows us to explain how the surrounding business context was a source of endowments to SMEs and addresses the limitation of RBV in explaining internationalization phenomenon in munificent context. The present case study research recognizes the financial-market dimensions of munificence (Dess and Beard, 1984; Goll and Rasheed, 2005; Bacq et al., 2017) but further builds on them to expand our understanding of how munificence influences SMEs in the context of their internationalization. The present research aims to contribute to IB and IE literatures by employing two theoretical perspectives of the Institutional-Based View (IBV) and Social Capital perspectives, to explore environmental munificence as the RBV on its own does not provide holistic view.

As social capital focuses on the social mechanisms, means by which actors access, and mobilise resources within social structures (Tsai and Ghoshal, 1998; Adler and Kwon, 2002; Wadha et al., 2017), whereas the institutional perspective highlights the role of political, social and economic systems in shaping the organisation's behaviour (North, 1991; Scott, 2013; Thornton et al., 2015). Both perspectives are useful for understanding how SMEs assess their surrounding environment in the context of their internationalisation. Furthermore, home country contexts are complex and multidimensional; they influence social structures and create templates for organisation actions (Lu et al., 2010), they influence a firm's ability to develop and maintain its competitive advantage, both in the home country and abroad, through shaping managerial cognition, either enabling or constraining the SME's ability to acquire strategic resources (Cuervo-Cazurra and Genc, 2008). In particular, the present research explores how SMEs perceive and define munificence in the context of their internationalisation and how this perception shapes their internationalisation decisions.

In the explored context, SMEs linked munificence to the market and financial perspectives as typically portrayed in the literature (Goll and Rasheed, 2005; Bacq et al., 2017). Particularly, participants identified that several antecedents enable their SMEs to secure a pool of financial resources to capitalise on during the course of their domestic and international operations. The antecedents included: founder's high net worth, SME's ability to secure lending based on founder's domestic goodwill, and the benefit of operating in an affluent domestic market in which nationals and expatriates are not eligible to pay any form of taxation on their salaried incomes or capital gains. Participants indicated that they perceived the surrounding business context to be conducive and supportive, as they did not encounter intensive competition or high mortality rates among organisations (Dess and Beard, 1984; Castrogiovanni, 1991). Furthermore, they recognised the government's efforts to encourage individual and corporate entrepreneurship and indicated that they enjoy un-restricted access to financial resources by securing funding through the founder's contributed paid-up capital or their ability to access additional finance guaranteed by his personal wealth and domestic goodwill in the home country. SMEs were also capable of securing low-interest funding through the government-owned bank. In other words, limited obstructions were identified in regards to their ability to secure funding, which is usually a major obstacle encountered by SMEs operating in developed and developing economies (Manolova et al., 2014). In the present research, it was not possible to compartmentalise the effects of resources versus institutions (Meyer et al., 2009).

SMEs identified that their surrounding business context generated an additional ‘stream’ or ‘source’ of opportunities by linking their perception of munificence to the formal and informal dimensions as well as the founder’s social and symbolic capitals in the home country. Therefore, SMEs identified that munificence was created by the: (1) formal and informal dimension of the home country’s institutional environment and (2) founder’s domestic social capital which emanates from his status ranking and relational embeddedness in the home country. SMEs identified that the two perspectives interacted and co-created munificence, which influenced their internationalisation decision.

Segregating the explanation of munificence on the two aspects provides an explanation and consequently a contribution for the following reasons. The first perspective addresses the institutional role in creating and shaping the business environment surrounding SMEs and therefore targets the macro and aggregate levels of the environment. It is mandated with affecting multiple pools of resources. The second perspective is more focused on the specific task environment of a particular organisation and addresses the idiosyncrasies related to one particular SME accessing a specific pool of resources. The segregation and refinement of munificence avoids the pitfall of over-abstraction and the conceptual ambiguity, which dominate the existing literature on munificence (Castrogiovanni, 1991; Madanoglu and Castrogiovanni, 2017) despite the advances in SME internationalisation literature (Terjesen et al., 2016). Additionally, co-examining the internationalisation phenomenon in munificent contexts through the two theoretical lenses facilitated the transition of the unit of analysis from the firm’s level to the broader context. The co-examination was necessary as the RBV on its own did not provide holistic account to explain the internationalisation decisions of SMEs emanating from munificent business contexts.

8.1.1 An Institutional Perspective of Munificence in the Context of SME Internationalisation

A fundamental premise in organisation literature establishes that firms are embedded in country-specific institutional arrangements and those norms and values set the rules of the game and define the framework for market transactions (Scott, 2001). Previous research establishes that institutional contexts in the host countries often influence the development of foreign partnerships (Bruton et al., 2005; Guar et al., 2014), and that different public policies and institutional settings shape the internationalisation of large multinationals; however, limited insights are identified with regard to SMEs and the role of the State (Finchelstein, 2017). Institutions influence an individual’s entrepreneurial intentions (North, 1990; Scott,

2013) as they affect information exchanges and risk tolerances and set the barriers to financing, and market entries (Estrin et al., 2013). The present research concurs with the institution-based view that institutions matter; accordingly, “*firms and individuals engage in market transactions without incurring un-necessary costs or risks*” (Meyer et al., 2009: 7) while SMEs operating in hostile environments encounter institutional voids and face uncertainty because of diminishing transactional trust (Fogel et al., 2006).

Despite Qatar’s categorisation as an emerging economy (IMF, 2018), the findings indicate that the business context can hardly be described as institutionally weak, although it scores low to medium on the economic freedom indicators (Ronen and Shenkar, 2017). Research participants perceived the institutional context including both the formal and informal dimensions as a facilitator not an impeding constraint or a threat. They indicated that they operate in an enabling and fostering environment because of the government’s continued support. Furthermore, the government’s efforts fostered entrepreneurship through extending a wide spectrum of support such as technical advisory, sales and marketing services and financial subsidies.

The Qatari government designed, developed and implemented measures aimed at reducing market failures, and helping SMEs acquire and develop the resources needed for their internationalisation. This action may be largely influenced by the 1980s and 1990s measures taken by less developed countries which primarily aimed at making their institutions play an ‘enabling’ and ‘facilitating’ role, rather than ‘inhibiting’ growth. The measures reported in the present research indicate that the government is actively implementing policy measures and decrees which aim at fostering SMEs, and enhancing their ability to compete in regional and global markets, rather than restricting their development to the domestic regulated markets as is typically the case in emerging economies (Gelbuda et al., 2008). This orientation was influenced by the government’s economic vision that seeks diversification from oil-based revenues.

The present research establishes that the institutional context comprised a crucial mechanism, which enabled SMEs to develop resources and minimised the risks of international venturing. Government-enacted financial subsidies and grants were generous, abundant and amply accessible to enable SMEs to outgrow the home country, and applicants could secure the grants on a non-competitive basis. As SMEs domiciled in the research’s context, they accessed home country attributes, which were denied to outsiders and the same attributes

encouraged their international growth and competitiveness. Furthermore, the government's handholding support programmes included extending technical and advisory services to start-ups and existing SMEs. The services covered a wide span of basic services such as renting office space to more comprehensive services such as marketing support, technical assistance to submit bids, negotiating contracts and arranging exhibitions and tradeshows. Furthermore, workshops and seminars were organised to acquaint SME owners and entrepreneurs of the various aspects of starting and developing their SMEs.

Manufacturing SMEs in particular explained that their continuous interactions with QDB enhanced their managerial skills and exporting experience in particular. An SME's involvement in a public programme can influence its behaviour before, during or after internationalisation (Wright et al., 2012). These changes can occur due to its direct interaction with the subsidising agent, which can influence its different technical and non-technical capabilities through learning about administrative aspects of internationalisation or alternatively the different processes and strategies required when internationalising (Dominguez, 2018).

An organisation's propensity to respond to such incentives depends largely on the societal values prevailing in its specific home country, which may either encourage or discourage attitudes towards overseas investments or long-term outcomes (Eaton and Fernandez, 1995; Holmes et al., 2013). Additionally, the formal economic framework may encourage organisations to reinvest and grow internationally through imposing low taxation and exemption tariffs (Boskin, 1978), which was apparent in the present research findings given the generous import and export duty exemptions. It is worth noting that the Gulf States including Qatar were not imposing any corporate taxes on either large corporations or SMEs at the time of the data collection, and this is still the case for Qatar as this thesis is being submitted. Signs of economic freedom in the form of zero-income taxes rendered the business context munificent and less hostile (Kreft and Sobel, 2005).

The informal dimension was reflected in SMEs' shared collective vision towards economic diversification and encouragement for international growth. International orientation was codified and translated into rules that affect the social constructed reality of SMEs and ultimately management's decision-making. The institution tradition witnessed an interplay between the formal and informal context (Holmes et al., 2013). The regulatory, administrative, economic and overall political orientation provided signals to organisations and decision-

makers to outgrow the domestic home market. The government through its sovereign authority devised legal and administrative systems to regulate the activities of domestic organisations in a way that made internationalisation more desired, easier and less risky.

Furthermore, the findings reflect a fundamental inclination towards future orientation and SMEs' emphasis on long- rather than short-term goals. In turn, the SMEs' accumulated resources through the generous institutional subsidies provided means to invest in long-term growth opportunities such as internationalisation without excessive risks (Feldstein, 1983). Organisations that operate in future-oriented societies value opportunities and undertake capital investments to realise these outcomes, the investments are often expensive and forward looking (Brodbeck et al., 2002). The social contract in the explored context encouraged and expected SMEs to display proactive citizenship behaviour to support the government's vision of economic diversification and its orientation towards international growth. As opportunities were made available, SMEs were expected to action on potential prospectus, referrals and identified opportunities. They were not expected to maintain the status quo but were encouraged to consider growth and change.

Our argument that munificence is shaped by the institutional mechanism in a particular context is aligned with the Ricardian benefit argument (Montgomery and Wernerfelt, 1988; Schmitz, 1995) as firms with superior resources encounter lower transaction costs compared to their counterparts who lack access to the same resources. The institutional context generated exogenous and quasi-fixed resources, which shaped the surrounding business context and created a bundle of benefits to enable internationalisation. These bundles enabled eligible recipients to accrue high benefits from the acquired resources and hence represented a source of endowments. Research participants regarded the benefits extended as superior to other national contexts. The formal and informal dimensions of the institutional context did not create regulatory pressures (Oxley, 1999) to impede SME internationalisation.

The findings suggest that the government laid transparent and defined plans to significantly manipulate the business environment surrounding the SMEs, by enacting a generous scheme of subsidies and grants and extending advisory and technical services and support. The main point of reference to highlight is that the support scheme was perceived by SMEs to be accessible and available to their organisations if they wished to apply for it. Hence, the enacted financial subsidies and non-financial benefits to SMEs constituted the formal dimension of the regulatory and economic framework, which led to the development of a set

of exogenous resources that were accessible to domestic SMEs and triggered their international growth. In other words, the economic and regulative framework promoted SMEs' manufacturing activities, extensive exporting, and were designed to achieve the government's vision of economic diversification away from the hydrocarbon-focused economy.

Additionally, as there is a prevailing encouragement and facilitation for SMEs' international growth, SMEs recognised the government's effort to 'institutionalise international orientation'. The institutionalised international orientation constituted a significant aspect of the informal dimension of the SME's institutional context. SMEs were confident and assured that the government was planning and implementing programmes to support them in outgrowing the domestic market and consistently referred to the government's resilient efforts to support SME's international orientation. In other words, SMEs could recognise and relate to the government's orientation to support international growth as government's efforts provided normative guidance, to influence SMEs' sense making and behaviour (Prashantham and Birkinshaw, 2015).

Therefore, the present case study research identifies the influence of the formal and informal dimensions of institutional context on SME's internationalisation. The formal dimension was reflected in the economic and regulative framework as advanced by North (1990) and Scott (2005), while the informal dimensions advocated by organisation sociologists such as Selznick (1996) and Barley and Tolbert (1997) were highlighted when SMEs recognised the significance of common routines, values, norms and codes which legitimised, institutionalised and translated the formal norms to informal codes. The two views are essential in defining a country's institutional context and were reflected in the cases' desire to embrace the government's vision of economic diversification and their interpretation that their surrounding business context represents a significant opportunity on which to capitalise. Furthermore, the informal dimension in the explored context identified a cognitive aspect when SMEs identified how specific norms and behaviours are institutionalised and are part of a shared social understanding (Zucker, 1991). Great value was placed on international orientation.

Although the findings agree with the classical view that formal and informal institutional mechanisms are essential in enhancing an SME's internationalisation, the present research provides a novel identification of how the SME's resource base was affected fundamentally by both the formal and informal dimensions of the surrounding business context

and the findings establish that the formal and informal dimensions of the institutional context created ‘institutional resources’ (Cuervo-Cazurra and Genc, 2008; Vanacker et al., 2017) which were a valuable, rare and in-imitable resource (Barney, 1991).

SMEs became endowed as they reverted to their external context to secure a bundle of benefits in the form of land grants, low-cost funds and advisory services. As the support programmes were equally available to all SMEs, they complemented the SMEs’ resource deficiencies (if any). Furthermore, SMEs often applied to secure the grants to enhance and increase their resource base even if they had sufficient access of their own. SMEs were assured of the existence of a buffer stock of resources that they could access at any time. The institutional context acted as a ‘shelter’ for operating SMEs and was perceived to be integral to their success (Greenwood and Suddaby, 2006; Vanacker et al., 2017). The explored context was distinguished by its normative (Scott, 2001) informal setting; consequently, SMEs embraced international orientation and supported the government’s vision to diversify the economy. SMEs associated receiving the subsidies with international venture and viewed outgrowing the domestic home market as an inevitable means by which to grow. Although the explored context represents an emerging economy with a history of political isolation, it was expected to encounter a lack of positive normative values towards international ventures and reluctance to internationalise, contrarily, SMEs valued international activity and regarded it as a normal aspect of their overall operation.

At the same time, the regulatory dimension promoted SMEs’ set up and affected their willingness to undertake an international path to growth. Although the chosen context is not categorised as a ‘developed economy’, the institutional environment was not less structured than developing economies (Gaur et al., 2014). It may be that the availability of subsidies compensated for the deficiency and provided a stable regulatory dimension for SMEs to operate within. The managers in the endowed SMEs were encouraged to interact with the surrounding business context, because they perceived it to be not hostile. The government was involved in the internationalisation process of firms through direct or indirect actions and policies (Finchelstin, 2017). Their direct intervention programmes resulted in a wider sectorial diversification of SMEs’ business activities. In the chosen context, SMEs engaged in different industries and were not confined to smaller or specialised business activities to reflect the country’s competitive advantage in a specific sector.

It is recognised that the formal and informal dimensions of the SME's institutional context minimise resource risk (Ghoshal, 1987). In the present thesis context, SMEs did not encounter resource risks because they were able to access the resources needed, as previously presented, but, more importantly, because they did not encounter policy risks which may pose challenges and restrictions in the operating environment. The notion of managers encountering domestic policy risks was introduced by Vernon (1977) when he established that these risks cannot be diversified and are usually categorised as 'strategic risks'. In the present research, the formal and informal dimensions of the institutional context minimised the resource and policy risks SMEs encounter while formulating their internationalisation decisions.

Prior research equated the external environment to a firm's industry context, overlooking that different countries have their distinctive institutional contexts. Therefore, managers operating in different institutional contexts are influenced by different factors when taking resource allocation or acquisition decisions. Therefore, scholars are increasingly calling for the institutional environment analysis to be incorporated when examining resource allocation decisions especially for SMEs' internationalisation (Bévort and Suddaby, 2016). National institutions are therefore instrumental in shaping management's perception and assessment of the external environment, particularly, the regulative institutional pillar (Scott, 1995). Institutions are significant players in influencing managers' strategic choices in resource allocation decisions (Aguilera et al., 2016). Our findings indicate that managers voluntarily complied with the legal framework and did not perceive it as posing risks to their SMEs. In fact, they agreed with this regulative dimension to develop and enhance their legitimacy.

In summary, the government undertook an active role in fostering SMEs' internationalisation providing resources on a non-competitive basis, but also external business referrals and extending legal, financial and advisory services to SMEs (Bøllingtoft, 2012; Thornton et al., 2015). This effort enabled SMEs to complement and enhance their resource base and provided them with a sense of entrepreneurial munificence. Moreover, SMEs' ability to acquire resources was influenced by their ability to comply with incumbents' expectations and compliance, which consequently enhanced their legitimacy in the domestic home market (Aldrich, 1999). The alignment between the formal and informal dimensions of the institutional context provided initial country-specific advantages and ultimately company-specific advantages (Rugman et al., 2011) for companies to outgrow their domestic home market. Therefore, the present research suggests:

P1: The alignment of the formal and informal dimensions of the home country's institutional context constitute a source of munificence and contribute to the financial-market dimension of munificence to influence an SME's internationalisation decision.

8.1.2 A Social Capital Perspective of Munificence in the Context of SME Internationalisation

Our results show that SMEs strategically relied on founder's personal relations and network connections in the domestic community to achieve their international strategies. Founder's domestic social capital was a credential that entitled SMEs to credit in the various senses of the world (Bourdieu, 1986). This phenomenon has been previously noted with regard to born global firms (Oviatt and McDougall, 2005; Lindstrand and Hånell, 2017) but not fully explored in SME internationalisation (Terjesen et al., 2016). The explored SMEs capitalised on the privileges of their founder's status in the social structure and his relational embeddedness to conclude business transactions through social relationship grids and linkages that they deployed. In other words, SMEs exchanged protocols with their social attachments to manage and govern their business transactions (Sirmon et al., 2011; Kiss et al., 2017).

SMEs rely on reputations and relationships to gain access to other forms of capital (Khanna and Rivkin, 2001; Hoang and Antoncic, 2003). In the present research, founders who were better connected allowed trusted opportunities to flow to their SMEs. Although domestic social capital allowed SMEs to identify trusted opportunities in the international markets (Bhagavatula et al., 2010), it did not facilitate resource acquisitions (Batjargal, 2003); rather, it was used to build legitimacy within the domestic context (Stuart and Sorensen, 2005), enabling SMEs to be qualified as trusted national investors who are mandated to internationalise. The present research argues that access to a repository of developed mature domestic relationships in the home market that are shaped by formal and informal aspects of societal interactions enhanced decision-makers' sense of munificence as they regarded such access as a unique idiosyncratic characteristic of their organisation. Decision-makers relied on the benefits of social exchange rather than on the perspective of transaction cost economies to internationalise (Chetty and Agndall, 2007; Stam et al., 2014; Kiss et al., 2017). These relations were moulded by the formal and informal dimensions of the institutional context and influenced by the structural and relational dimensions of the founder's social capital and his status in the home market. As the government's actions influenced players' expectations, preferences and, more importantly, their inclination to pursue international growth initiatives, systems of shared understandings rendered the business environment less hostile. The present research departs

from the tradition of explaining internationalisation in relation to an SME's characteristics and establishes that the decision-maker's interpersonal connections and solidarity in the domestic social structures explain the SME's strict inclination towards international orientation. Domestic social capital served to reduce executives' perceived environmental complexity and ambiguity by providing timely and relevant information for international decision-making (Peng and Luo, 2000).

Although the effect of the institutional context was fundamental in shaping SMEs' business environments and encouraging internationalisation, several boundary conditions such as personal connections and kingship relationships influenced their internationalisation (Puffer et al., 2010; Valdez and Richardson, 2013; Haveman et al., 2017). SMEs' connections to individuals in the political bureaucracy provided access to the written and unwritten rules of the games; moreover, the dense and close relationships did not serve to compensate for institutional voids, as typically portrayed in the SME internationalisation literature (Rona-Tas, 1994; Kiss and Danis, 2010). The unwritten rules served as robust norms to predict decisions to ensure compliance with expected behaviour.

While the explored context was not described as institutionally void, SMEs extensively relied on their owners' repository of domestic social capital for international referrals. In fact, founder's domestic social capital was seen as a vital contribution as the paid-up capital at the time of incorporation. The founder contributed the structural and relational dimensions of his social capital in the home country along with his share in the paid-up capital. Consequently, the contributions led to exchanges that would have not been possible otherwise. In other words, SMEs leveraged their business relationships to enable their internationalisation (Kiss and Danis, 2008; Musteen et al., 2014; Wadha et al., 2017).

Furthermore, access to social capital in the domestic context was a shield to counteract an SME's liability of smallness and foreignness in the international markets since referrals were channelled through trusted verified sources. Founder's domestic social capital played an efficacy role (Chetty and Agndal 2007; Kwon and Arenius, 2010) by deliberately creating trusted referrals. The SME's management team established dependent relationships during the social exchange; in other words, they connected with social structures as agents (Fligstein, 2001; Sewell, 2005) in a deliberate rather than a serendipitous way (Chetty and Agndall, 2007). Agency relationships did not arise as typically portrayed in the literature (Schulze et al., 2001); instead, beneficial exchanges were developed (Adler and Kwon, 2002; Kiss and Danis, 2008).

as the founder deployed social skills to source contributions from actors in his social structures (Fligstein, 2001; Fligstein and McAdam, 2012). The founders and senior management teams deployed the privileges arising from their structural ranking and embeddedness in the domestic community to affect economic results. Through these relationships, they influenced the flow and, more importantly, the quality of information to access subtle and nuanced information to benefit their SME. They trusted their contacts for verified referrals and their trusted contacts fed potential opportunities and leads; however, SMEs had to ensure that they honoured and delivered their commitments, potential losses were to be minimised and there was no room for failure. Therefore, social capital was a vital resource, nevertheless, often a burden. Often, losses and benefits are magnified if they are filtered through trusted sources (Granovetter, 2005). These reasons are not meant to be exhaustive in their explanation but may prove useful in shedding some insights to understand the influence of social capital in triggering and creating an overall sense of munificence in the explored context.

The present case study research establishes that SMEs recognised the local market actors, economy, culture and larger society as an asset (Delios and Beamish, 1999; Gardberg and Fombrun, 2006) and consequently constructed a business reality. Although IB and IE literatures had typically focused on founder's and SME's knowledge of international markets and their repository of international business relationships in the host rather than home country (Kiss and Danis, 2008; Musteen et al., 2010; Wadhwa et al., 2017), the findings identify that there are two forms of social capital, domestic and international, and focus on how the domestic social capital influences an SME's perception of munificence. While institutional economists examine formal economic and regulative constraints in a specific institutional setting, cultural sociologists argue that economic and business structures are culturally embedded and henceforth impose opportunities and constraints on organisations and societies (Biggart and Delbridge, 2004). SMEs recognised the local context as a cultural arena where social interactions influenced economic exchanges (DiMaggio, 1994; Rodrigues-Pose, 2013). Therefore, the present research suggests:

P2: SME founder's domestic social capital constitutes a source of munificence, which influences SME internationalisation decision.

To conclude, integrating findings from the micro (founder's social capital) and macro (institutional context) levels of analysis is consistent with the interactionist perspective which emphasises the importance of combining the drivers at the firm level with institutional triggers

to motivate geographic expansion overseas (Griffiths et al., 2008). The two views complement the RBV to account for the internationalisation phenomenon in munificent business context. Therefore, the present research suggests:

P3: Within the context of SME internationalisation, a financial tangible dimension and a soft intangible dimension of munificence is co-created because of the interrelationship dynamics between the formal and informal dimensions of the home market institutional context and the SME founder's domestic social and symbolic capitals.

8.2 SMEs' Resource Base in a Munificent Context

The purpose of this section is to map and discuss the different categories of resources that were accessible to SMEs in the context of their internationalisation. The findings establish that SMEs were able to expand their resource base by securing institution bound resources (Tan and Mayer, 2010; Gaur et al., 2014) from the surrounding business context to encounter liability of foreignness and smallness in international markets (Zaheer, 1995; Efrat and Shoham, 2012; Brouthers et al., 2015). However, the present research does not argue for the transformation or conversion of capitals from one form to another as portrayed in the entrepreneurship literature (Pret et al., 2016), but rather advocates that there is a marshalling of resources and acknowledges the role of the institutional context in creating and deploying resources to facilitate SMEs' internationalisation. Both manufacturing and service SMEs were involved in orchestrating different forms of resources to pursue their internationalisation decisions.

In the explored context, SMEs identified that four categories of resources were essential to their internationalisation. The identified resources comprised: (1) financial, (2) human, (3) social and symbolic capitals (Bourdieu, 1986) and the fourth resource identified indicates that operational slack resource was essential in the context of manufacturing SMEs' internationalisation. Interestingly, the findings do not reflect the significance of knowledge resources in triggering either manufacturing or service SMEs' internationalisation.

Although knowledge and innovation are fundamental resources to an SME's internationalisation (Jones and Coviello, 2005; Love and Roper, 2015), they displayed a minimal role when SMEs operated in a munificent context, where other categories of resources played a more significant role in shaping SMEs' international ventures. In particular, financial resources and social and symbolic capitals of the founding partners were influential;

operational slack was of paramount significance to manufacturing SMEs while the human capital of top- and middle-level management was less relevant and primarily played an operational rather than a strategic role. The next sub-sections discuss the peculiarity and significance of each category.

8.2.1 Financial Resources

The debate about the importance of resources in facilitating firm's internationalisation remains an unrelenting one in management research in general and in the internationalisation literature in particular (McDougall and Oviatt, 1996; Sui, and Baum, 2014; Manolova et al., 2014; Vahlne and Johanson, 2017). To extend the findings on this debate, the present case study research establishes that SMEs' access to financial resources triggers internationalisation decisions. To run the short- and medium-term operations of the business, endowed SMEs relied on generating financial resources from operational sources, and reverted to government loans or owner's personal wealth to finance international expansion when they did not wish to utilise their own wealth. None of the explored cases chose to revert to angel investors or venture capitalists because of the relatively easy access to external financing through either government-owned bank or private financial institutions. Furthermore, none of the explored cases encountered the need to raise capital through external equity offerings or initial public offerings as consistently reported in the SME literature (Liu and Jin, 2015).

SMEs with international ambitions encounter challenges in accessing debt or equity finance for their foreign direct investments (Manolova et al., 2014). The explored cases did not encounter difficulties securing financing for either their operations or their expansions. Furthermore, SMEs often encounter hindering factors, which may delay or prevent them from accessing financing schemes, such as lack of collateral and home bias of financiers when evaluating an SME's capital base (De Maeseneire and Claeys, 2012). In the explored context, SME managers were able to operate their SME within a comfortable buffer zone and did not perceive internationalisation as unaffordable expansion.

SMEs typically adopt bootstrapping techniques to overcome resource limitations (Cooper et al., 1994), which involves implementing methods that reduce long-term financing needs and allow SMEs to acquire financial resources without having to revert to debt. Practices include delaying payments, avoiding un-necessary business expenses, or requiring advance payments from clients, paying salaries in ownership shares, borrowing from suppliers, delaying salaries, or focusing on leveraging relationships with banks and venture capitalists to obtain

necessary financing. On the contrary, the evidence suggests that the SMEs were prudent in the way they addressed their financial transactions such as the early settlement of their outstanding payables. None of the explored cases indicated that they sought advance payments from their clients; on the contrary, banking arrangements were in place to ensure letters of credit and currency hedge solutions were booked ahead of time.

In summary, financial resources are not rare, but are rather valuable because they are generic and can be deployed to many alternative sources (Barney, 1991; Latham and Braun, 2008). The findings support this argument and indicate that SMEs accessed financial resources. However, interestingly, SMEs' management teams were careful in making decisions to deploy this resource for specific uses; for example, they were not utilised in exploration to expand an organisation's innovation capabilities as classically captured in the literature by Cyert and March (1963), and more recently by DiMasi et al. (2003), Kim et al. (2008) and Love and Roper (2015).

8.2.2 Social and Symbolic Capitals

The founders of the explored SMEs accrued benefits for their organisations because of their structural relationships and status in the domestic community; their ability to acquire resources in the context of their internationalisation was essentially power infused and socially embedded (Galbreath and Galvin, 2004). SMEs were able to identify international opportunities through the founder's social and symbolic capitals (O'Toole and McGrath, 2008) and accessed robust and useful network relationships because they were members of specific societies and groups and associated themselves with the significant others for either business or non-business purposes. Association with reputable others generated a spill-over effect to benefit entrepreneurs (Reuber and Fischer, 2005; Stoian et al., 2017). SMEs' access to the founder's social and symbolic capitals enhanced their legitimacy in the home country (Zucchella et al., 2007). The present research identifies that the two forms of capital were inter-related and constituted a resource to influence an SME's internationalisation decision. In the research's context, access to one form of capital influenced access to the other.

Although manufacturing SMEs recognised the importance of social and symbolic capitals, they emphasised that access to subsidies and grants was more profound and instrumental to their internationalisation. They attributed the significance of the government's grants over intangible resources (social and symbolic capitals) to the government's transparency and equality in allocating grants and subsidies; hence, manufacturing SMEs did

not deploy their founder's social and symbolic capitals to access the government's financial support scheme but utilised the same capitals to secure referrals for international opportunities.

The present research concurs with the view that social capital is primarily used by SMEs to identify business opportunities (Oviatt and McDougall, 2005; Presutti et al., 2016) and advocates that accessing social and symbolic capitals provided a stream of trusted business opportunities and generated investment prospects in the target markets. Interestingly, social and symbolic capitals did not facilitate SMEs' acquisition of financial resources (Crick and Spence, 2005; Kontinen and Ojala, 2010). Moreover, it did not serve as a substitute for resources that entrepreneurs may not have (Chetty and Agndal, 2007). Furthermore, social capital did not accrue benefits to explored SMEs in terms of providing access rights to share collectively the use of particular assets nor did it facilitate entrepreneurial learning (Karatas-Ozkan, 2011).

Interestingly, SMEs operating in a munificent context did not use social and symbolic capitals to overcome resource-constraint conditions or lack of credibility as established in the internationalisation literature (Lu and Beamish, 2001; Presutti et al., 2016), nor deployed them to counteract the negative effects of institutional voids (Narooz and Child, 2017). The two forms of capital were a motivating force rather than an inhibiting factor (Sharma and Johanson, 1987; Chetty and Patterson, 2002; Zain and Ng, 2006; Hennart et al., 2017).

The present research establishes that social and symbolic capitals served a diverse array of purposes to secure international referrals. Coleman (1988) calls this the 'appropri-ability' of social capital, which resonates with informal organisation structures, trust, culture, social support and exchange, rapport, social resources, relational embeddedness, social skills, contacts, etc. In other words, social capital can be put to different alternative resources. Participants indicated that, in their view, 'appropri-ability' was facilitated and made possible by the aggregate dynamics of several inter-related factors such as common beliefs, similar ethnic backgrounds, tribal associations, trust, and long-standing relationships between families through marriage, social interactions and business partnerships. Shared concepts and continued interactions through formal and informal business and social exchanges enhanced the accumulation of the founder's social capital and the development of their symbolic status over the years. In their views, this was even passed down and inherited from one generation to another, in the same way that tangible wealth such as properties, assets, jewellery and monies are inherited and passed down from one generation to another (Glass et al., 1986).

Research participants established that accruing benefits from possessing social and symbolic capitals also involved incurring costs and risks and identified the significance of reputation-building process and trust in increasing repository of social capital (Stringfellow et al., 2014). Therefore, our findings reflect that social and symbolic capitals simultaneously played a dual role: facilitating the initial internationalisation decision yet limiting and constraining a few aspects of the same decision such as progressive internationalisation strategies, mode and market selection. This point will be addressed in detail when discussing the findings in relations to the SME's internationalisation decision.

SMEs operated within a state of munificence where a soft intangible dimension was co-created, as earlier discussed. As SMEs relied on domestic networks to compensate for their limited network connections in the international host countries, they deployed their social and symbolic capitals to bridge and coordinate domestic and international relationships to expand introductory contacts and undertake initial due diligence in the target international markets with trusted referrals. Therefore, SMEs operating in munificent business contexts engaged in bridging inter-organisation external linkages (Adler and Kwon, 2002) rather than bonding with homogenous groups (Putnam, 2002).

The present case study research did not find any reporting about brokerage linkages, which may enhance the development of strong international ties from strong national ties. Brokerage linkage allows SMEs to compensate for initially impoverished international social capital by linking them to valuable people and resources (Sapsed et al., 2007). It may be that the SMEs' operations within a munificent business context and their reliance on and trust in the founder's domestic social capital had minimised their need to rely on such brokerage linkage.

8.2.3 Operational Slack Resources

The present research identifies that manufacturing SMEs deployed accessible financial resources to invest in establishing and operating large production facilities to produce output quantities in excess of the home market's domestic demand and therefore were able to accumulate operational slack resources (Nohria and Ghulati, 1996; Tan and Peng, 2003) deliberately. Financial resources allowed manufacturing SMEs to achieve economies of scale production levels, therefore lowering the overall overhead and operating costs. In the explored context, the excess production capacities motivated manufacturing SMEs to export (Fan and Phan, 2007; Golovko and Valentini, 2011). The influence of operating in a munificent context,

where SMEs accessed ample government subsidies (as earlier presented and discussed), on generating operational slack resources for SMEs is a new emergent finding of the present case study research.

SMEs encountered a sunk cost when they decided to internationalise, however, they were able to cover the fixed overhead because they incurred low interest rates on the funding amounts secured from the government bank or/and accessing generous endowments in the first place. In addition, as already outlined, the subsidised input rates for their factor production (zero import fees on raw materials, low rates for fuel, land grants, etc.) allowed manufacturing SMEs to incur low sunk costs should they wish to export. SMEs focused on production expansion strategy although internationalising SMEs do not typically focus on this strategy when venturing overseas (Smallbone et al., 1995). Guaranteed access to low-cost and subsidised production factors motivated manufacturing SMEs to focus on expanding their manufacturing capabilities and SMEs planned large output quantities and deliberately accumulated operational slack. The resource was therefore more discretionary than standardly established in the extant literature (Nohria and Ghulati, 1996; Voss et al., 2008). SMEs discretionally deployed operational slack resource usefully and intentionally and allocated it to planned exporting strategy, therefore the resource was available, unabsorbed. Although this finding supports the emergent literatures on the impact of government exporting assistance programmes on SME internationalisation (Kang, 2011; Hong et al., 2016), it provides new insight on how a less-discretionary form of slack resource may change its form when generated in a munificent context.

In that sense, organisation theory proposes that discretionary slack is the only form of slack resources that has positive outcomes as it allows managers to pursue expansion strategies and divert their attention from firefighting (Cyert and March, 1963; Voss et al., 2008; Azadegan et al., 2013). In the present context, operational slack, which is typically a non-discretionary and less absorbed form of slack resources (Voss et al., 2008), allowed SMEs' international market penetration as they could serve clients' large orders at competitive prices and good quality. In that sense, operational slack resources served as an internal contingency that affected SME managers' intentions to internationalise. However, SMEs in a munificent context adopted an exploitative strategy based on efficiency and effective use of production quantities; they preferred specific and certain outcomes and therefore decided to become experts in their production domains and capitalised on their existing production capabilities to compete in international markets. As the operational slack resource changed its nature from non-

discretion to discretionary resource, it was expected to affect an SME's willingness to experiment with new internationalisation paths (Rosenkopf and Nerkar, 2001; Bradley et al., 2011; Lin, 2014; Dasí et al., 2015). On the contrary, the findings identify that managerial discretion in resource commitment decisions and the deliberate accumulation of operational slack led decision-makers to adopt an extensive exploitative strategy based on low engagement internationalisation modes to preserve and protect the benefits manufacturing SMEs draw from the home market context.

Although prior research has extensively focused on both the negative and positive effects of slack resources, empirical findings have failed to resolve the debate (Nohria and Ghulati, 1996; George, 2005; Simsek et al., 2007; Azadegan et al., 2013; Sui and Baum, 2014). In the present research's context, operational slack facilitated SMEs' internationalisation; however, it may have led to some form of myopia which affected their risk aversion and restrictively directed them towards the low commitment internationalisation mode of exporting, a point which will be discussed in detail later on. The present thesis therefore posits to suggest:

P4: The government's extension of generous financial subsidies, loans and import-export exemption tariffs enhanced SMEs' sense of munificence and allowed them to deliberately accumulate operational slack resources.

8.2.4 Human Resources

The explored SMEs relied on their top- and middle-level managers to execute rather than plan their internationalisation decisions; they were 'responsive' not 'enactors' (Lado and Wilson, 1994). Top- and middle-level management were 'seeking guidance' (Smith et al., 2002) from the founder or the senior decision-maker. Seeking guidance is attributed to uncertainty avoidance and intolerance to ambiguity, which characterise the explored context (Smith et al., 2002; Hofstede, 2010), as well as management desire to protect social and symbolic capitals of the founder. In the explored context, the senior decision-maker was captured as an 'authoritative resource' (Whittington, 1992) who predominately controlled managerial agents and the SME's internationalisation decision. The founder, who was also the senior decision-maker, was the strategic human resource factor contributing financial resources and social capital; top- and middle-level managers were only contributing operational and technical knowledge.

Furthermore, senior executives in both manufacturing and service SMEs appreciated the international experience of the recruited talents and regarded managers who have worked in Western or North American multinationals as valuable human assets to their SMEs. Although managers were expected to draw on their unique experiences to identify present and future opportunities (Gavetti, 2005), the senior decision-maker or the founder restricted their authority due to concerns about protecting domestic social capital, status and benefits drawn from the institutional context. Although the CEOs (usually the national founder) of the explored cases did not have prior international experience of working or living in a different country, they did not suffer from the deficiency and mandated other members of the management teams to run the operational aspects of their internationalisation decision. The CEOs' lack of international experience did not impede them from developing a global international mind-set and did not restrict their strategic planning for growth outside their domestic home market. The explored SMEs internationalised despite founder's lack of international experience, which should have developed their worldview (Tihanyi et al., 2000). Alternatively, it may be that the CEOs relied on their extensive travel and international education to gain the international mind-set. Another source of the management's team international orientation was induced by the government's vision encouraging and facilitating international growth, as earlier presented and discussed.

Interestingly, the role of human resources in shaping an SME's internationalisation decision was not restricted to skills and competencies contributed by senior executives; both manufacturing and service SMEs recognised the significance of their skilled labour force and the teams at the lower hierarchical levels in influencing their success in international markets. The extant internationalisation literature focuses on examining the influence of the 'entrepreneur' or top management teams in the internationalisation process (Manolova et al., 2002; Ganotakis and Love, 2012); therefore, findings from the present case study research represent a modest contribution to the discussion in this regard.

To comment on the importance of the SME's, top- and middle-level management teams in developing the R&D division of the manufacturing cases: there was no mention of the importance of the R&D management team in any of the manufacturing SMEs explored. There were consistent references to the management's vision to 'secure' and 'source' automated machineries and equipment and the importance of acquiring 'state-of-the-art' and 'latest manufacturing technologies and machineries' to allow them to customise their products to respond to international clients' demands if needed. This finding is not surprising given SMEs'

lower emphasis on developing their own technological capabilities, either for domestic operation or international growth purposes, and their orientation to outsource and acquire technologies rather than developing them in-house.

8.3 Asset Orchestration by the Endowed SMEs

Decision-makers engaged in structuring, bundling and leveraging their resource base (Sirmon et al., 2011). A comparison of the cases indicates that less emphasis was placed on the significance of financial and human capitals compared to operational slack for manufacturing SMEs and social and symbolic capitals for service SMEs. The significance of operational slack resources was linked to the tangible financial-market dimension of munificence created in the institutional context which enabled the explored SMEs to draw on institutional resources to expand and enhance their resource base, while the significance of the social and symbolic capitals emanates from interconnections between entrepreneurial practices and broader societal and cultural images of the founders (Essers and Benschop 2007). In the course of asset orchestration, SMEs conformed to the formal and informal institutional norms to achieve the government's international orientation strategy (Webb et al., 2009). Once conformance was established, SMEs gained legitimacy and were able to focus on resource orchestration to internationalise (De Clercq et al., 2009).

The explored SMEs did not deploy preferential specific knowledge advantage with other resources in the context of their internationalisation because they hardly invested in developing technological capabilities. This finding contrasts with the standing proposition that access to finance enhances SMEs' investments in research and development and consequently innovation (Levinthal and March, 1981; Mousa and Chowdhury, 2014; Johnson and Dimitratos, 2014) and the present study concurs with the view that exploring what a firm does with its resources is as significant as examining what resources it possesses in the first place (Yi et al., 2016).

The present case study research does not report findings in relation to SMEs divesting or disposing resources or assets as they focused primarily on acquiring and deploying the four categories of resources discussed earlier to plan and implement their internationalisation decision. Access to SME's own resources and the ability to secure exogenous resources from the institutional context framed SME's decision-making to bundle resources to realise their internationalisation plans through a resource-orientation strategy (Paladino, 2007). Moreover, decision-makers did not assess or action their weaknesses in regards to technology

development nor had they formed strategic alliances to secure technological resources (Sirmon et al., 2011). SMEs orchestrated resources through extensive selection and configuration/deployment efforts to reduce viability in international markets (Sirmon et al., 2011) despite the limited access to innovation and technology resources. In the explored context, resources were not difficult to acquire and accumulate for asset orchestration purposes as normally established in the internationalisation literature (Hitt et al., 2006; Sirmon et al., 2011) and SMEs did not share financial, technological and human resources through network relationships to compensate for resource deficiencies (Dimitratos et al., 2003; Beamish and Lupton, 2009).

In summary, although the extant literature establishes that success does not lie in having abundant resources but in accessing technological and innovative capabilities to enable SME internationalisation (Sapienza et al., 2006; Batra et al., 2015), the findings establish the opposite view. The explored SMEs relied on financial resources and exogenous resources secured from the munificent institutional context, the founder's social and symbolic capitals, and operational slack resources in the context of their internationalisation and placed minimal emphasis on acquiring and developing technological resources and capabilities. The SMEs' resource acquisition process was influenced by the munificent context; however, SMEs were expected to 'Fit in' and conform to expectations rather than 'stand out' as innovators (De Clercq and Voronov, 2009). The decision-makers established that the benefits drawn from the different dimensions of munificence should suffice to guarantee their organisation's competitiveness in international markets and did not foresee a need to develop knowledge resources or innovation capabilities. The present research suggests that:

P5: In the context of internationalisation, SMEs operating in munificent business contexts draw on several benefits and consequently they structure and orchestrate a resource portfolio which constitute of institutional and financial resources, the founder's domestic social and symbolic capitals, and they place minimal emphasis on acquiring or developing technological resources.

8.4 The Endowed SMEs' Internationalisation Decision

In the following sub-sections, the discussion will delineate the influence of operating in a munificent context on the different aspects of an SME's internationalisation decision, specifically, market and entry mode decisions and SME's internationalisation approach.

9.4.1 SMEs and Low Commitment Entry Modes

The entry mode decision was tangled with risk-aversion consideration rather than control and resource commitments trade-offs (Stoian et al., 2017). Consequently, SMEs in the explored context did not strictly apply transaction cost economics principles when deciding on entry modes (Nakos and Brouthers, 2002; Brouthers and Hennart, 2007). Manufacturing and service SMEs chose low commitment entry modes in the context of their internationalisation. Manufacturing SMEs chose exporting, while service SMEs engaged in joint venture agreements structured as limited liability partnerships.

SMEs tend to evaluate two main dimensions when assessing relational risk: the size of the loss and the probability of the loss (Nooteboom, 2015). In the present research, the probability of the loss was a fundamental factor when deciding on entry mode decision, SME's main concern was protecting domestic relationships with different parties, contacts and authorities in the home market, and hence entry mode decision was strategically aligned with factors in the domestic context (Rasheed, 2005) and SMEs' linkages in the home market influenced their preference towards entry mode options (O'Toole and McGrath, 2008). Similarly, service SMEs engaged in limited liability joint venture in the international markets to maintain equal distribution of rights, obligations, profits and losses. Although SMEs could afford dominant coalitions and majority shares partnerships, they chose minimal risk exposure business arrangements to ensure their business names were not impaired should a loss occur. SMEs relied on international partners' expertise to shield them against potential losses, and, more importantly, so that they could share the 'blame' for the loss. Surprisingly, SMEs' access to resources and operating in a munificent context did not minimise their risk perception (Huett et al., 2014) and they chose equity entry modes over contract agreements (Brouthers and Hennart, 2007), not because of the attractive remuneration to stakeholders of the first option over the second but rather to shield themselves against excessive risk.

Moreover, as the endowed SMEs' reliance on innovation and technology resources was minimal, asset specificity (Williamson, 1975) was not a fundamental factor when deciding on entry mode. Moreover, manufacturing SMEs chose exporting as their preferred entry mode for non-financial performance implications (Tang and Yu, 1990) because it was regarded as a suitable arrangement to expand brand recognition and a safe mode to distribute the excessive operational slack resources, as earlier discussed. Through exporting, SMEs were able to develop a reasonable reputation in the international markets (Renton et al., 2016); and emerged to be regular rather than sporadic or occasional exporters (Naidu and Prasad, 1994; Vissak and

Masso, 2015). They were proactive rather than passive exporters (Crick and Spence, 2005) given their commitment to exploiting an extensive exporting strategy to distribute the operational slack in their home base.

During the early stages of export development, organisations cautiously commit resources to exporting and tend to release gradually production resources (Sui and Baum, 2014; Gubik and Karajz, 2014). Interestingly, in the research context, there was no incremental increase of resources to fulfil exporting orders, executives in manufacturing SMEs laid strategic plans to internationalise and developed operational plans accordingly. This approach would not have been possible if they had not operated within the framework of the government's extended subsidies and loans enforced through the formal dimension of the SMEs' institutional context, as earlier discussed. Although manufacturing SMEs were risk-takers when making production allocation decisions, they were risk-averse when making mode selection decisions to reduce relational risks. Additionally, SMEs operating in the munificent context did not indicate their intention to adjust the entry mode strategy and were not inclined to commit to advanced high-commitment entry modes such as acquisitions or dominant controlling stakes (Ripolles et al., 2012), but interestingly undertook advanced investment modes such as joint ventures with franchising (Johnson and Dimitratos, 2014). It may be that we can witness the emergence of 'micro-multinationals' (Dimitratos et al., 2003) if the SME is incorporated and operating in a munificent business environment. Therefore, the present research suggests:

P6: Operating in a munificent business context encourages low commitment entry modes but impedes an SME's progression to advanced internationalisation modes due to concerns relating to protecting the benefits drawn from the different dimensions of munificence in the home country.

8.4.2 Endowed SMEs' Market Selection

SMEs' initial internationalisation was to geographically proximate markets and to countries with low psychic distance in the regional domicile to gain experiential knowledge (Ojala and Tyrväinen, 2007; Ojala, 2015) prior to internationalising to geographically distant markets and countries with high psychic distance. The cultural fit (Swoboda et al., 2011) served to reduce SMEs' liability of foreignness in the target markets as SMEs adopted 'regional internationalisation' (Rugman and Verbeke, 2005) during the initial stages of international business activity. Manufacturing SMEs in particular adopted a market-seeking strategy (Van

Tulder, 2015) and chose to internationalise to regional commercial hubs to distribute operation slack resources. However, in the market selection decision one case followed a strategic asset-seeking strategy (Meyer, 2015) when it chose a joint venture to replicate assets and know-how in the domestic market from the foreign partner for asset-augmenting purposes (Magnani et al., 2018).

The geographic proximity to countries in the same region (Gulf and Middle East region) reduced the international trade barriers SMEs encounter during the course of their internationalisation because trading with countries in the same region involved low transportation costs and less coordination effort (Combes et al., 2005). Moreover, the similarity in the institutional profiles between the explored context and the regional countries minimised administrative distance (Puthuserry et al., 2014), and hence triggered entry mode decisions to these countries as they became more attractive (Meyer et al., 2009). The initial internationalisation to regional markets was facilitated by the common cognitive beliefs, representations, interpretations and system of meanings (Nahapiet and Ghoshal, 1998) the explored context shared with countries in the same region. Specifically, sharing a common language influenced SMEs' cognitive embeddedness as language proficiency facilitated effective communication and learning about foreign markets and reduced the SMEs' perceived risks, and the possibility of cultural conflicts or misconducts (Williams and Chaston, 2004). Similarity in languages, institutions, political systems and cultural norms provided encouraging psychic distance stimuli to SMEs (Drogendijk and Martín, 2015). It is observed that the explored SMEs chose to start their international business in countries dominated by Muslim populations; it may be that they better perceived the 'local psyche' and therefore anticipated fewer risks and challenges (Richardson, 2014). It may seem that SMEs chose to start their internationalisation in regional markets with low psychic distance, which bond together through Islamic ties to develop and expand an 'intra-Islamic' internationalisation (Richardson, 2014).

Since the explored SMEs were established in and operated from a Muslim country, and chose often to internationalise regionally to other Muslim countries, religion and cultural similarities facilitated business interactions and economic exchanges and reduced perceptions of distance (Hakanson et al., 2016). Because religion moulds the ethical and social behaviours of its followers (Richardson, 2014), it was a motivating factor guiding SMEs to commence business dialogues with similar partners and business associates to minimise the potential risks of operating in a foreign context and to guide their internationalisation plans. Commonalities

provided common backgrounds between an internationalising SME and its potential partner and facilitated the materialisation of the planned internationalisation and the acquisitions of multiplex expertise to enhance the SME's experiential knowledge (Robson, and Katsikeas, 2005), but unfortunately did not trigger the SME's further progress into advanced forms of internationalisation.

When dealing with counterparts from the same cultural context, SMEs recognised that emanating from the same cultural cluster means that they will maintain similar relational, structural and cognitive norms and values; hence, the same should increase common understandings and goal concurrence (Ronen and Shenkar, 2017). Choosing partnership relationships with partners from similar backgrounds and cultures minimised relational risk as trust was automatically induced by institutionalisation and habituation (Nooteboom et al., 1997). Sharing common norms and values and the common established habits among citizens in the same clusters lowers partners' perception of the probability of incurring loss and the probability of realising a loss in the first place (Ronen and Shenkar, 2017). Furthermore, relational and structural embeddedness in the same regional context reduced the potential for opportunistic behaviour and lowered their partnership transaction costs; reliable relationships were developed and therefore uncertainty about an SME's internationalisation performance was minimised. Gulati et al. (2011) and Stam et al. (2014) recently advanced this argument; the present research accepts this argument and integrates it into the research's findings and discussion. Although the literature suggests that trust is an important mechanism governing partnerships because it encourages and facilitates knowledge transfer (Argote et al., 2003), the findings do not report explicit benefits to SMEs in this regard, given the SMEs' exclusive reliance on benefits secured from their home base. Furthermore, partnerships were not the main mechanism to manage resource scarcity as normally established in the literature (Rothaermel and Deeds, 2006).

The influence of specific cultural norms and religious considerations triggered internationalisation towards specific markets and restricted SMEs' international venture to others. Some cases indicated a strong preference to venture to Islamic Shariah-compliant markets where business dealings can be conducted in accordance with the Islamic norms and regulations. The same antecedent played a major role in diverting the SMEs away from specific markets where political tension exists, such as Israel and Iran, to list but two. The same two countries are regarded as a 'definite no go to' due to religious considerations opposing Jewish

occupancy of the sacred land of Palestine and Iran's ideological Islamic differences from the Su'nah Muslims of the Gulf region (Yemini, 2014).

Managerial discretion and SMEs' adoption of strategic objectives explain why experienced SMEs thereafter internationalised to distant countries and markets of high psychic distance from their home country such as the US, UK, Thailand and Mauritius. SMEs' access to resources in the home base and concurrence with the government's international orientation strategy were fundamental intriguing factors (Bell et al., 2003) to encourage SMEs' internationalisation to international markets with high psychic distance; however, they chose to balance the potential risks by adopting a low commitment internationalisation mode, as earlier discussed. The low commitment entry modes served to minimise agency problems with international partners (Hennart et al., 2017). Interestingly, SMEs' limited knowledge of and experience in distant international markets did not impede internationalisation to the same markets (Ojala, 2015; Vendrell-Herrero et al., 2017).

SMEs' access to their own internal resources and external institutional resources alleviated concerns over survival in international unfamiliar markets; consequently, they did not perceive internationalising to geographically distant markets as diminishing their chances of survival or growth (Knight and Liesch, 2002; Zahra and Hayton, 2008). Operating in resource-abundant conditions was a buffer shield for SMEs' perception of risk in their market selection decision; however, it restricted the mode selection decision, as earlier discussed. The double view may have emerged because SMEs did not have access to international relationships in the overseas market, as their repository of social capital was concentrated in the domestic home country. Furthermore, when deciding on psychically distant international markets, the explored SMEs took into account the government's foreign direct investments and sovereign asset holdings in the target market. Government's investments alleviated market uncertainties and risks because SMEs were assured that the initial due diligence was in place and hence SMEs envisaged an opportunity in these international markets (Cui et al., 2014).

When SMEs internationalised to distant unfamiliar markets, they relied on referrals that originated from the close and dense ties of the founder in the domestic home market. Such introductions mitigated risk perception and fundamentally minimised the risk of operating in an unfamiliar market. Therefore, the senior decision-maker did not base the market selection decisions on systematic risk-returns analysis (Papadopoulos and Denis, 1988); instead, reliance was on 'trusted introduction' for guidance. Founder's relational embeddedness and contacts

provided an SME with ‘thick’ information about the unfamiliar market’s conditions (Uzzi, 1997), which reduced risks and costs associated with internationalisation to psychically distant markets (Ojala, 2015; Baronchelli et al., 2016). The research findings support the view that ‘trustworthiness’ is associated with the generation of reliable and high-potential opportunities. In fact, trustworthiness served to minimise an SME’s blind spots in the unknown international markets.

Interestingly, none of the explored cases expressed intentions to revisit or reconsider either their partnership arrangements in existing markets or their mode selection decisions. They were content with the chosen internationalisation trajectories, although they did indicate that they would revisit or consider additional alternatives or paths for future internationalisation decisions. SMEs have therefore developed ‘inertia’ to maintain and replicate their successful internationalisation decisions due to their prime concern of protecting the domestic social and symbolic capitals of their founding partners and over concerns about continuing their eligibility in the munificent domestic context.

Therefore, the present case study research establishes that SMEs chose a determined route initially venturing to regional markets with low psychic distance. SMEs reverted to regional markets to gain experiential knowledge as SMEs refrained from adopting an exploratory or improvised internationalisation to avoid jeopardising their legitimacy and the benefits they draw upon in their home base. Therefore, the present research suggests that:

P7: Operating in a munificent business context triggers an SME’s initial internationalisation to regional markets with low psychic distance to gain experiential knowledge, and the comparable institutional and cultural profiles minimize the risk of jeopardizing the benefits they draw from the different dimensions of munificence in their home country.

8.4.3 SMEs’ Internationalisation Approach

The findings establish that munificence enabled SMEs to adopt a proactive rather than a serendipitous or reactive approach to internationalisation; furthermore, they were early internationalisers (Coviello, 2015). Manufacturing SMEs in particular adopted a proactive early internationalisation strategy to dispose of the excessive operation slack resources they accumulated because of the generous financial and institutional dimensions of munificence discussed earlier. Furthermore, operating in an affluent domestic market and the minimal domestic competition enabled SMEs to accrue profits from their domestic operations; they

invested in quality and attempted to create firm-specific advantages (Chiao et al., 2006; Huett et al., 2014). Although SMEs were proactive, they were cautious and adopted a ‘constrained internationalisation’ rather than progressing to advanced modes of internationalisation. Adopting a low commitment mode was the preferred choice because it served to guarantee access to benefits they draw from the financial and intangible dimensions of munificence in their home base. Endowed SMEs were hence ‘muddling through’ (Forsgren, 2016) to manage risk exposure.

In the explored context, decision-maker’s intentions (Forsgren, 2016) rather than past-experience explains SME’s internationalisation approach. SMEs’ proactive internationalisation was a function of internal capabilities (Cavusgil and Knight, 2015) and reliance on the financial, institutional and intangible dimensions of munificence in the home country. Although munificence enabled SMEs’ proactive and early internationalisation, SMEs exhibited minimal entrepreneurial orientation; they did not introduce new products and were not motivated to diversify their activities or thrive in uncertain international environments from their first days of operation (Dimitratos et al., 2004). Although pro-activeness is associated with risk tolerance (Zahra and Garvis, 2000), SMEs were proactive but strictly risk-averse; they avoided experimental ventures (Lumpkin and Dess, 1996) but responded to the needs of their customers (Rauch et al., 2009) by providing customised products and identified niche markets to serve (Jantunen et al., 2005). Taking these measures accrued benefits to endowed SMEs and increased their competitive advantages (Brouthers et al., 2015) since they could compete on price and quality as earlier established.

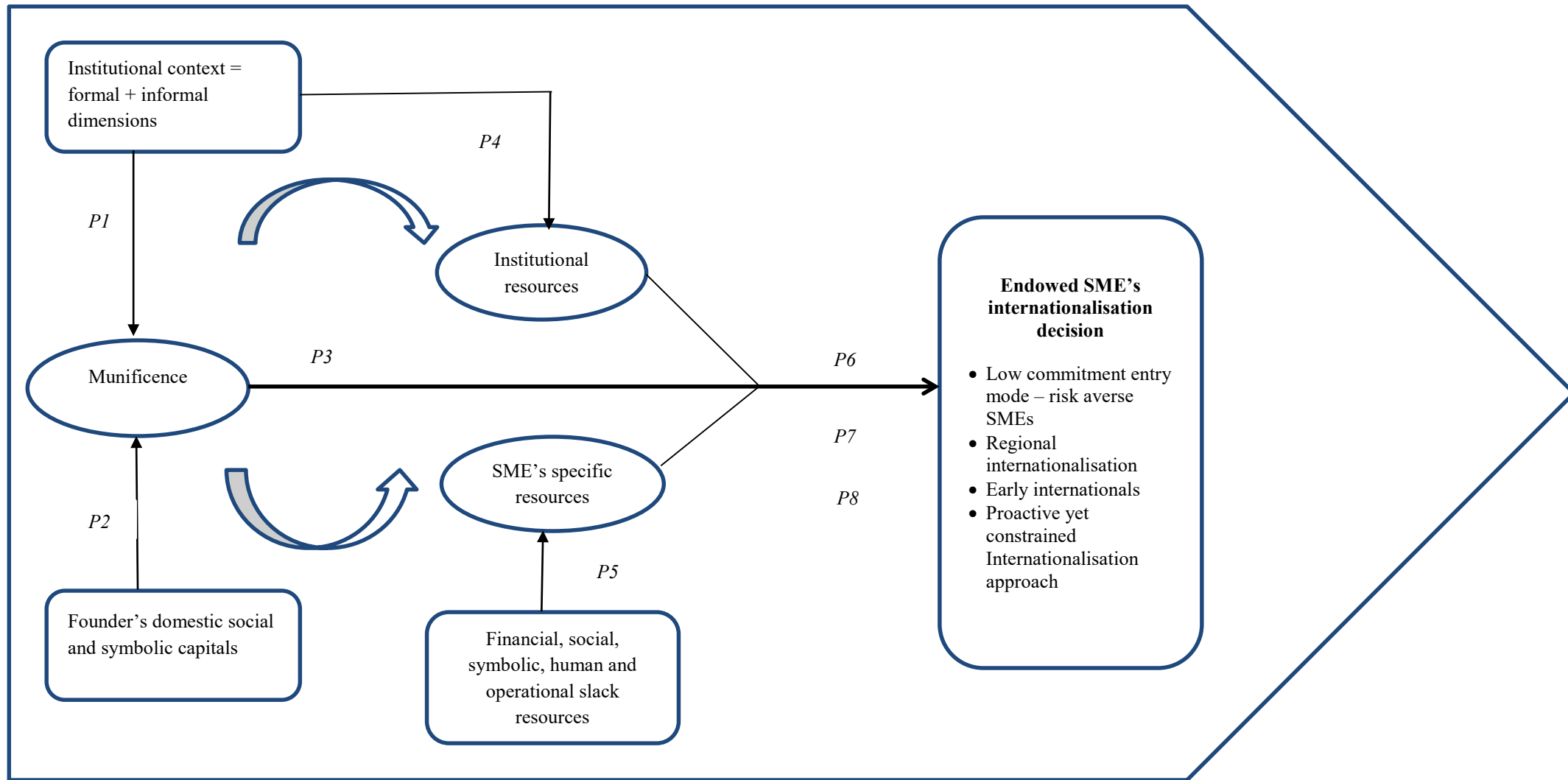
SMEs defined referents and identified growth aspirations in the context of their internationalisation (Cochran and Beeghley 1991; Kautonen et al., 2015). They were inspired by the government’s international orientation and the unconditional support they draw on from the formal and informal institutional context. Such aspiration and reference allowed them to make sense of their options and facilitated a proactive and early approach to internationalisation. In the thesis context, SMEs built aspirations from the norms and values of the formal and informal institutional context and the same aspirations prompted proactive rather than reactive internationalisation. Furthermore, the findings delineate how home-country ties affect early internationalisation, which is an under-researched area in SME internationalisation literature (Milanov and Fernhaber, 2014; Prashantham and Birkinshaw, 2015). Home country relations, through their potential for aspiration building served to trigger SMEs’ early internationalisation. This argument builds upon the extant literature that

distinguishes among host- and home-country ties (Coviello and Munro, 1997; Yu et al., 2011). The present research recognises the importance of social and symbolic capitals and founder's relational embeddedness in the domestic context in shaping SMEs' growth aspirations and encouraging early and proactive approach to internationalisation, and further establishes the influence of the three dimensions of munificence in constraining an SME's internationalisation approach.

P8: SMEs operating in a munificent context adopt a proactive and early internationalisation approach; however, SMEs reluctance to jeopardise the benefits drawn from the different dimensions of munificence constrain SME's further progression to advanced approaches.

In summary, taking both a resource-based (Barney, 1991) and resource-dependency perspective (Hillman et al., 2009), the present case study research suggests that munificence has three interrelated dimensions: financial, institutional and social capital. Although munificence with its three dimensions enhanced early proactive internationalisation, it impeded SMEs' progression to advanced internationalisation and restricted their entry mode decision to low commitment options. Although munificence facilitated SMEs' regional internationalisation and the initiation of intra-Muslim trade, it had simultaneously directed endowed SMEs to 'constrained' internationalisation trajectories because of concerns about losing the benefits drawn from the three dimensions of munificence in the home country. Figure 8.1 sketches the theoretical framework the present thesis aims to advance.

Figure 8.1: Proposed Model – Munificence and SME Internationalisation



CHAPTER NINE: CONCLUSION AND CONTRIBUTIONS

Introduction

This chapter discusses how the present research offers theoretical, practice and methodological contributions. Although SME internationalisation is an expanding business phenomenon (see reviews by Ruzzier et al., 2006; Jones et al., 2011; Terjesen et al., 2016; Elbanna et al., 2017), the extant literature still captures SMEs as small organisations that struggle to secure their resource needs. It establishes that SMEs mainly rely on the international networks of their founding entrepreneurs and their advanced technological capabilities to compensate for their resource deficiencies (Coviello and Murno, 1997; Brouthers et al., 2015). Consequently, SME internationalisation has been investigated through a reductionist lens as scholars focused on and continue to examine how SMEs overcome resource-constraint conditions when they wish to outgrow their domestic home base (Lu and Beamish, 2001; Musteen et al., 2014; Sui and Baum, 2014; Brouthers et al., 2015; Bacq et al., 2017). Although this stream of research is valuable to advance the discussions on how resources influence SME internationalisation, it still does not address how operating in a munificent context influences an SME's internationalisation decision as the RBV does not provide a holistic account of the internationalisation phenomenon in munificent business context.

The present thesis challenges the resource-constraint proposition and examines SME internationalisation in resource-abundant conditions, and hence contributes to knowledge, methodology and practice. The results of the present research changes, challenges and refines current understandings of extant literatures on SME internationalisation and aims to make a contribution to theory elaboration and development.

9.1 Theoretical Contributions

The present research reports several findings that agree with extant IB literature and other strands of the literature involved in examining SME internationalisation, particularly institutional and social capital theorising as well as strategic management; however, it presents novel perspectives to contribute to existing knowledge on IB and IE literatures in particular.

For example, the literature provides useful yet contradicting views as to why resources may or may not affect an organisation's international strategies (De Maeseneire and Claeys, 2012; Sui and Baum, 2014; Bacq et al., 2017). The present research contributes to the existing discussions on the significance of resources in the context of SME internationalisation,

however, further highlights that, while knowledge resources, international network relationships and prior international experience of management teams seem to dominate the extant literatures as the main enablers behind SME internationalisation (Datta et al., 2015), in a munificent context, other categories of resources are more fundamental. The founder's domestic social and symbolic capitals and the SME's access to tangible institution bound resources secured from the surrounding context were the key resources to enable SME's internationalisation. The operational slack resource generated by manufacturing SMEs was fundamental in enabling their exporting and SMEs' reliance on technology and innovation resources seemed less significant in the explored context.

The present research argues that operational slack resource was generated because of the government's institutionalisation of a bundle of formal financial subsidies, grants and low-interest loans targeted towards manufacturing SMEs. The generous institutional mechanisms provided an incubator-like setting for SMEs, enabling them to accumulate operational slack resources. Establishing the link between the formal dimension of the institutional context and the SMEs' ability to generate operational slack is a novel perspective in the SME internationalisation literature. To the best of my knowledge, this view has not been advocated before. Operational slack has rarely been studied in IE research (Azadegan et al., 2012; Kiss et al., 2017) and studies have mainly focused on examining slack in financial forms such as the difference between current assets and current liabilities, debt to equity ratios and cash receivables (Patzelt et al., 2008; Bradley et al., 2011). Moreover, the relationship between slack resources and internationalisation remains unsolved (Bernard et al., 2007; Kiss et al., 2017; Carneiro et al., 2018).

Although the extant literature establishes that internationalisation is a resource-intensive and risky undertaking (Manolova et al., 2014), SME internationalisation research captures the role of resources individually in dependent-independent quantitative relationships (Dasí et al., 2015; Kiss et al., 2017). In the present research, useful insights were established when the RBV perspective was extended to identify what resource configurations are encountered in munificent business contexts. While Amit and Schoemaker (1993) classically postulate that it is the 'bundles' of resources that builds capabilities, Al Aali and Teece (2014) recently argued that it is the orchestration of assets which enables organisations to sustain growth. The present research contributes to the call to extend research on the subject.

Furthermore, the research concurs with the view that examining business environments is integral to advance discussion on SME internationalisation (Elbanna and Child, 2007; Child et al., 2017) and establishes the association between munificence and SMEs' internationalisation. Although munificence is an important variable affecting organisations and more research examining it is needed, studies have emerged that capture munificence from market-financial perspectives such as competitiveness or industry growth rates (Dess and Beard, 1984; Sharfman et al., 1988; Goll and Rasheed, 2005; Tang et al., 2010). The present research goes beyond this and adopts a holistic view to identify munificence from institutional and social capital perspectives given the RBV limiting account in explaining internationalisation in munificent contexts.

The research has shown that an SME's institutional context as well as its founder's domestic social capital in the home market represent rare and valuable resources, which affect the constructed social reality of the SME's decision-makers, and their decision-making. The findings confirm the financial-market related dimension to defining munificence that dominates the extant literature and contribute to IB literature by conceptualising munificence along three dimensions, financial, institutional and relational social capital perspectives. The research establishes that RBV does not provide holistic account to explain internationalisation decisions in munificent business context and therefore, munificence is identified through the theoretical lenses of IBV and social capital theorising. The IBV links with the institutional role in creating and shaping the business environment surrounding the SME sector and is targeted towards the macro and aggregate levels of the environment. This perspective affects multiple pools of resources accessible to all SMEs operating in the business context. The second perspective adopts a social capital perspective and identifies the significance of the SME founder's relational embeddedness, status and structural ranking in the social structure. The social capital dimension of munificence focuses on the task environment of a particular SME. The segregation and refinement of munificence to macro and micro dimensions avoid the research limitations of over-abstraction of constructs when examining contexts (Castrogiovanni, 1991). To date, limited research has responded to the call (see reviews in Pukall and Calabrò, 2014; Terjesen et al., 2016). The new synthesis of munificence resonates with the classical definitions as it links to economic parameters; yet provides a holistic view and respond to critiques over the reductionist and simplistic views about SMEs' internationalisation contexts (Jones et al., 2011; Terjesen et al., 2016). The present research therefore extends the discussion on the role of munificence in shaping SME internationalisation

and advocates that further studies should aim to integrate views from the two complementary perspectives of institutional and social capital theorising.

In developing the knowledge contribution, the present research draws from two streams of research: social capital theorising and IBV. While social capital (Adler and Kwon, 2002) focuses on the social mechanisms and means by which actors access and mobilise resources within social structures, the institutional perspective highlights the role of political, social and economic systems in shaping the organisation's behaviour (North, 1990). Both perspectives are useful for understanding internationalisation but have seldom been applied jointly in the context of SME internationalisation (see reviews by Jones et al., 2011; Terjesen et al., 2016). The present research integrates the two theories to answer the research question. Although the findings recognise the significance of the financial-market dimensions of munificence in influencing SMEs' internationalisation decisions (Bacq et al., 2017), the research establishes that identifying munificence through the theoretical lens of RBV limits the examination of the underlying mechanisms of how munificence influences SMEs' internationalisation decisions.

The findings reflect that SMEs operating in munificent business environments voluntarily and deliberately choose low commitment internationalisation modes with minimal exposure to risk, and liabilities in international markets. Neither manufacturing nor service SMEs opted for high commitment entry modes such as acquisitions or dominant controlling stakes, as indicated by the extant literature (Ripolles et al., 2012). This finding highlights the significance of considering the different dimensions of founder's social capital such as relational and structural embeddedness in an SME's internationalisation, and contribute to discussions on the limiting effect of context in advancing SMEs towards progressive and more advanced modes of internationalisation. Additionally, the findings represent a modest contribution to delineate the role of resources in shaping an SME's entry mode choice given the scarcity of research adopting RBV when examining SMEs' entry mode decisions (Hollander et al., 2017).

The research identifies that both formal and informal institutions influenced SME internationalisation, thus contributing to research on institutional complexity (Greenwood et al., 2011) and provides an assessment of how an SME's embeddedness in a formal institutional setting and informal structural relationships affect its growth outside its domestic market in a limiting rather than liberal way. The research responds to the call for more studies of the role of domestic social capital in SME internationalisation (Kiss and Denis, 2008; Danis and Kiss,

2010; Stam et al., 2014) and identifies the significance of the formal economic and regulative framework in enabling SMEs' internationalisation as normally portrayed in the literature (Gaur et al., 2014); however, further delineates how the informal dimensions constitute a source of referents and aspirations that shapes SMEs' decisions.

The present case study research proposes that an externally generated institutional resource does not always enhance an SME's ability to internationalise due to concerns about protecting societal embeddedness, established relationships and networks in the home market and argues that resource accessibility does not always trigger SMEs to realise their full potential and pursue aggressive internationalisation modes. The findings establish that an SME's access to abundant resources did not decrease its perception of causal ambiguity or its sense of liability of foreignness and highlights the significance of SME's focus on its domestically developed intangible resources. The same intangible resources could be an impetus for internationalisation, yet at the same time a constraint limiting internationalisation choices.

One of the research's distinctive contributions emanates from its focus on differentiating between domestic and international social capital and delineating the role of the former in shaping an SME's internationalisation decision. Furthermore, the research establishes the positive effect of social capital in enabling SMEs' international paths (Lindstrand and Hånel, 2017), however, it contributes to knowledge by, firstly, recognising the difference between domestic and international social capital and delineating the role of domestic capital in an SME's internationalisation. This area is under-researched given the IB focus on examining the role of SMEs' international network relationships (Kiss and Danis, 2008; Terjesen et al., 2016; Narooz and Child, 2017). Secondly, the findings indicate that social capital was not employed by SMEs to address institutional voids as typically established in the internationalisation literature (Narooz and Child, 2017). Although the role of social capital in entrepreneurship development and the formation of start-ups is substantiated in the literature (Butticè et al., 2017), there remain limited insights on the significance of symbolic capital in the entrepreneurship and internationalisation literatures (De Clercq et al., 2009; Pret et al., 2016).

Furthermore, the extant literature overlooks the joint impact of the formal and informal dimensions of the institutional context on SME internationalisation (Jones et al., 2011; Finchelstein 2017), and captures the institutional context of emerging economies as weak, void

and with institutional dysfunctionalities (Buckley et al., 2016; Narooz and Child, 2017). The present research offers a different setting than what is normally portrayed in the extant literature, therefore, responds to calls to analyse the effect of the home country's context to advance discussion on internationalisation research stream (Terjesen et al., 2016; Reuber, 2018).

In summary, our understanding of how SMEs expand beyond their domestic markets is incomplete (Jones and Coviello, 2005; Terjesen et al., 2016), especially when SMEs operate within munificent business contexts. In consideration of this gap, the present research advances understanding on how SMEs from munificent business contexts undertake their internationalisation decisions, and theorises how this process is influenced by a stable and fostering institutional context and founder's contribution of social and symbolic capitals. The research offers a novel and holistic approach to the way endowed SMEs internationalise as it attempts to close the above-mentioned gap by answering the question of what would happen if SMEs amply accessed specific pools of resources, where they become recipients of institutional resources, and consequently emphasised the significance of relational over financial risks. Furthermore, the research contributes to knowledge by identifying a new synthesis of munificence, which is co-created within the context of SME internationalisation because of the financial, institutional and relational social capital dimensions of munificence. In the explored context, internationalisation enabled the SME expand the market for its products and services but did not provide it with access to resources that can strengthen its domestic operations as established in the extant literature (Autio et al., 2011). The limited benefits were the result of SMEs' identification that the munificence they draw upon in the home market suffices. SMEs were not prone to adopt novel behaviours in the context of their internationalisation and they were not willing to undertake investments with uncertain outcomes (Covin and Slevin, 1991; Dimitratos et al., 2004), despite operating in a munificent business context. In developing the knowledge contribution, the research recognises that RBV does not provide a holistic account of the internationalisation phenomenon in munificent context and adopts the theoretical underpinnings of IBV and social capital theorising to conceptualise munificence along tangible and intangible dimensions as earlier identified.

9.2 Contributions to Practice

The present research presents useful insights for executive managers and policy-makers. The findings highlight the significance of managing the repository of domestic social capital and brings to the forefront of the discussion how often internationalisation decisions are

merely framed to minimise relational risks. Balancing financial and relational risks in domestic and international operations is critical to the SME's survival, growth and success; hence, managers should not be clouded by SME's access to valuable resources and operation in munificent environments. As SMEs encounter minimal institutional voids in munificent context, decision-makers should capitalise on organisation's stock of resources to maximise the chances of international success, they should explicitly recognize that operating in a munificent environment entails both choices and constraints. The research enlightens executive managers on the importance of developing domestic and international social capital and delineates that both are useful in shaping SME's internationalisation decision.

The research brings to the forefront of the discussion the significance of managers and policy-makers cooperation to develop initiatives and enact incentives to encourage SMEs to develop technological capabilities. The focus should not be on extending financial subsidies, loans and grants, policy-makers should emphasise the importance of developing explorative initiative and develop measures to assess SME's success based on the extent they progress on developing or advancing their knowledge resources. The present research additionally identifies that policy-makers and entrepreneurs should develop an aligned and harmonised understanding of the role of institutions in SME internationalisation; adopting a holistic view is fundamental in enabling enacted policy measures achieve the intended objectives. The research also sheds more light on the reasons for the choice of international partners for collaboration and may assist SME managers in developing wider international collaborative networks. Furthermore, the research identifies that executive managers in manufacturing SMEs should focus on analysing the operational dimensions of their production strategies to ensure exporting decisions are managed in the most effective way. Table 9.1 below presents a few recommendations for manufacturing and service SMEs.

Table 9.1 Recommendation for Endowed SMEs

Type of SME	Recommendation and Description
Manufacturing and Service SMEs.	SMEs to engage in international or regional alliances through which they can gain access to knowledge capabilities to enhance their innovation. Senior executives should attempt to enhance their international social capital and access to business relationships overseas. They should extensively use their access to networks in the domestic markets to secure additional high-profile international introductions. Adopt a balanced approach to managing risks. Balance financial and relational risks. Calculated risks and high commitment modes should be adopted and re-evaluated. Reliance on trusted domestic networks limits an SME's alternatives and potential. Avoid inertia and SMEs should be open to evaluating their international decisions.
Manufacturing SMEs	Evaluate alternative internationalisation modes to be able to distribute and sell operational slack resources. Appoint distributors and consider extending agency and franchising arrangements in international markets to increase their market share and penetration.

9.3 Methodological Contributions

The present research is explanatory in nature and adopts a qualitative multiple case-study approach (Eisenhardt, 1989; Eisenhardt and Garbener, 2007). It examined the internationalisation decisions of eight SME cases in the State of Qatar, which is the wealthiest state of the Gulf countries (IMF, 2016), and builds upon theoretical and methodological backgrounds to analyse and examine the relationships between an SME's access to abundant resources and its internationalisation decision. Arguably, one of the main contributions of this study lies in the richness of the empirical data and the specificity of the chosen context. To the best of my knowledge, studies of this nature examining SMEs' internationalisation in this geographic context are limited and scarce.

The methodological contributions of the current research are: firstly, quantitative research to examine SME internationalisation seems to dominate the IB literature, a number of prominent IB scholars have in recent years begun to champion and advocate the merits of qualitative case study-based research in investigating contextual phenomena (Terjesen et al., 2016; Elbanna et al., 2017). This fits well with the purpose of our research, given the research's

focus on examining whether and how resource-abundant conditions shape the internationalisation decisions of manufacturing and service SMEs.

Secondly, the classical literature typically examined SMEs' internationalisation decisions through the single lens of the 'entrepreneur'; this approach was recently criticised for its biased findings (Evers and O'Gorman, 2011; Nummela et al., 2014). To address this methodological gap, the present thesis explored the internationalisation decision in each SME, adopting an embedded approach (Yin, 2017) by interviewing multiple participants who were internal and external stakeholders in each of the explored SMEs. Collecting evidence from multiple participants is preferred in research strategies attempting to draw theory from case studies because it mitigates bias risk (Eisenhardt, 1998); additionally, examining multiple feedbacks in the context of developing economies remains an under-researched area (Cuervo-Cazurra and Genc, 2008). Thirdly, previous studies standardly examined less munificent contexts, then drew conclusions to assume that the findings will apply to munificent contexts; the present case study research is a modest attempt to examine SME internationalisation in munificent rather than less munificent business contexts.

9.4 Directions for Future Research and Limitations of the Study

The present research provides useful avenues for other scholars to undertake future research. Although Qatar is a new country that was established in the early 1970s, the combination of its unique social structures and wealth serves as a good example of a munificent business context. It may be expected that SMEs internationalising from more hostile, less munificent business environments undertake their internationalisation decision differently, and hence additional insights for comparison could be identified, established and further investigated.

The findings of the present research may also be enhanced by conducting a comparative study to explore the internationalisation decision in both a munificent and a non-munificent business context within countries with low cultural distance such as Egypt. Such comparison would assist in drawing additional insights and will facilitate rigorous internationalisation theorising. Additionally, a larger quantitative study across different sectors would shed more light on the subject and enable testing and measuring of the research's suggested propositions.

Given the complexity of this research, and the time and resources it took to collect in-depth data, a longitudinal study examining an endowed SME's internationalisation decision over an extended period would present useful and detailed insights into how the different

categories of resources and the various dimensions of institutional context may affect an SME's international ventures overseas. The longitudinal examination would allow future research to determine causal relationships and, more importantly, interrelationship dynamics between the environmental financial parameters of munificence and the social-institutional perspectives advocated by the present thesis. Additionally, it is suggested that SMEs acquire multiplex forms of knowledge in the course of their internationalisation once they develop partnerships in collaboration with trusted and similar counterparts (Kim and Parkhe, 2009). Given the endowed SMEs' tendency to select partners from similar and homogenous background, a longitudinal study would allow the examination of how SMEs acquire and develop multiplex knowledge such as market and managerial knowledge from their international partners in the context of their internationalisation.

The thesis reports several interesting findings in regards to managerial practices and decision-making logics in munificent context. Future research could aim to investigate the role of munificence on SMEs' management, decision-making logics and human resource practices. As the present case study research argues for distinguishing between an SME's domestic and international social capital when examining internationalisation decision, this suggests that we need to elucidate the mechanisms through which SMEs establish a connection between the two clusters of social capital to identify how the national contacts may enhance and facilitate the development of SME's international social capital. Future research should aim to examine internationalisation decisions of SMEs that operate within the financial-market related dimension of munificence yet lack access to the intangible relational dimension.

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