

Barriers to Internationalization: Evidence from Jordanian SMEs

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Abstract

This study investigates the impact of internationalization barriers on the export performance of Jordanian small and medium-sized enterprises (SMEs). The aim of this study is to investigate how the export performance of SMEs in the furniture industry is influenced by external and internal barriers and what significance these have for international performance. Based on a quantitative research design, data was collected from 318 small and medium-sized Jordanian companies through a survey. Partial least squares structural equation modeling (PLS-SEM) examined the impact of external barriers, including political, economic, legal and socio-cultural challenges, as well as internal barriers, such as financial, management and market-related barriers, on export performance. However, most barriers - whether internal or external - are domestic and have a greater impact on export performance than barriers from abroad. This study enriches RBV theory in relation to the internationalization of small and medium-sized enterprises by providing evidence that firm-specific resources and capabilities are key factors for SMEs both when they face export barriers and when they achieve better performance in foreign activities. The findings provide practical implications for managers, policy makers and practitioners interested in the internationalization of Jordanian SMEs. An important limitation is the cross-sectional design, one-country context, and self-report in survey research. Future studies are recommended to use a longitudinal design, mediating and moderating mechanisms. This study is innovative as it involves a combined investigation of firm-external and firm-internal export barriers and their effects on the internationalization success of Jordanian SMEs.

Keywords: Barriers, Internationalization, Jordanian SMEs, PLS-SEM

Introduction

Internationalization has become a crucial strategy for small and medium-sized enterprises (SMEs) to expand their market reach, enhance competitiveness, and ensure long-term sustainability in today's globalized business environment (Oviatt & McDougall, 2005; Knight & Cavusgil, 2004). In addition, small and medium enterprises (SMEs) are referred to as an important means of job creation that generates innovation in all economies of the world, especially in Jordan (Kamally, 2011; Al-Hyari et al., 2012). According to (Al-Mahrouq, 2010), SMEs are responsible for more than 98% of the total registered businesses and contribute about 60 to Jordan's GDP. However, Jordanian SMEs face numerous obstacles in internationalizing their exports (Alrashidi, 2013; Al-Hyari et al., 2012), despite the potential benefits that may arise from exploiting these opportunities. Recently, this category of entrepreneurship has been the subject of research and policy consideration in a number of countries on new international ventures (Oviatt & McDougall 2005; Knight and Cavusgil 2004). According to previous studies, the antecedents of I are both internal and external, and the literature has examined the following key areas: (i) Firm-specific factors: resources/capabilities (ii) Market-related factor II Institutional factor III Cultural differences (see Leonidou, 2004; Paul et al., 2017). According to the Organization for Economic Co-operation and Development (OECD, 2018), small and medium-sized enterprises (SMEs) still account for a small share of international trade, averaging between 30 and 50. Hence the recognition of these factors that limit the multinational activities of SMEs.

There was a belief that regarding the role of SMEs in context on Jordan, it could be seen as becoming informed about what development and internationalization activity is done by the government because they contribute to economic growth in their respective country (Alrashidi, 2013). The Jordan Enterprise Development Corporation (JEDCO) was established in 2003 for the purpose to assist and develop SMEs by providing technical as well

financial support needed, such as supporting them access foreign markets (JEDCO, 2021). Despite the fact that a wide scope of Jordanian SMEs is target to global markets and multiple reforms have an element of supporting globalization, today small enterprises are still facing obstacles in becoming international actors (Al-Hyari et al., 2012). According to Alrashidi (2013) pointed out that other obstacles which hamper the Jordanian SMEs in their Internationalization system is lack of information and knowledge about these markets Internationally. Additionally, one of the challenges that Jordanian SMEs face in their pursuit to internationalize is limited information and knowledge about foreign markets. Based on a cross-sectional survey performed by the Jordan Chamber of Industry for SMEs, 62% acknowledged that information gap over global markets is significant obstacle in internationalizing their activities (JCI, 2019). Common barriers faced by SMEs: Identification of the target countries, rules and regulations of the overseas market Determine which strategy is appropriate for entering each foreign country being targeted (Leonidou, 2004). Failure of countries to achieve this, can lead to missed opportunities, more costs and less competitiveness in the global market place (Paul et al., 2017; Ismael et al., 2023).

Limited financial resources for internationalization was another obstacle documented by Jordanian SMEs (Alrashidi 2013; Al-Hyari et al. The EBRD (2018) found in its survey of Jordanian SMEs that financial accessibility was their biggest obstacle to growth and international expansion - 57% agreed. Within the verifiable creator-bourgeois theory, entering the international market usually requires extensive investment in market research, product development and advertising (Leonidou 2004). Many other SMEs in Jordan face similar challenges in securing the right funding for these activities due to the high cost of capital or the lack of a suitable source of funding (Al-Hyari et al., 2012). The lack of skills, knowledge and experience is another barrier to the internationalization of Jordanian SMEs (Alrashidi 2013; Hijazi et al. The same survey by the International Labor Organization (ILO) revealed a low percentage of 48% for SMEs in Jordan who believe that limited access to skilled labor is one of the biggest barriers to internationalization (ILO, 2020). Marketing goods across international borders is a complicated procedure due to the importance of language, which means you need more than just an understanding of the society to effectively navigate the culture and business environment in a foreign country (Paul et al., 2017). Nevertheless, it is more difficult for many Jordanian SMEs to recruit and retain talented employees with these skills because such caliber is rarely available or because the size of the company does not allow it to pay higher salaries (Al-Hyari et al., 2012).

Nevertheless, Jordanian SMEs face a number of challenges within and outside their environment when internationalizing (Alrashidi, 2013; Al-Hyari et al., 2012). For example, in Jordan alone, 72% of SMEs have the main problem of bringing their business to a global level (World Bank, 2019). Other threats to SME internationalization include low economic instability in international markets (Chetty & Hamilton, 2002) and finally the emergence of tariff and non-tariff barriers in export markets, which also negatively impact the use of exporting as a means for SMEs to access foreign markets. (Leonidou the accent mark. factor being. Another concern is that the legal systems of other countries may be both opaque and changing, so the company may end up spending a lot of money to adjust (Paul et al, 2017). In addition, Jordanian SMEs are extremely exposed to international competitive pressures as they are not only competing with different types of businesses in their environment but also have been competing internationally for quite some time (Alrashidi 2013). Competition in foreign markets is seen as the most important obstacle to internationalization, chosen by two-thirds of small and medium-sized enterprises in Jordan, according to a survey by the Jordan Strategy Forum (2020). This aspect also poses a problem as it prevents small businesses from differentiating themselves and making their offering known to potential customers who do not have an existing brand name or network support (Paul et al., 2017). Although Alrashidi (2013) and Al-Hyari et al. Turnbull (2012) pointed out that one of the major research gaps regarding the internationalization process of Jordanian SMEs is to explain its barriers. Therefore, this study adopts these limitations as a research gap and attempts to explore the barriers that hinder Jordanian SMEs to trade. Despite the observation that some of these issues are discussed in some studies on SMEs problems in other countries in the MENA region, it is clear that Jordan is culturally, economically and institutionally different; therefore, more research needs to be conducted on this country only (Oviatt & McDougall 2005). The same applies to the existing research on the internationalization of Jordanian SMEs. Most have taken either a qualitative or descriptive approach, so the findings are not exhaustive (Alrashidi, 2013; Al-Hyari et al., 2012). Although it is well known that there is a relationship between internal and external barriers and the ability to internationalize of small firms (see Hair et al., 2019), the current studies are not yet able to substantiate this issue using appropriate statistical analyzes based on advanced technologies - e.g. Partial Least Squares Structural Equation Modeling or PLS-SEM. In the context of SME research, these data characteristics are common limiting factors for standard regression techniques, and therefore it is this modeling approach that holds the most promise for gaining nuanced insights with a smaller sample size.

Even though previous studies have discussed numerous factors that impede the internationalization process of Jordanian SMEs (Alrashidi 2013; Al-Hyari et al. It is crucial to understand the hierarchical nature of these barriers

and how they are interrelated (Paul et al., 2017) in order to develop targeted solutions and appropriate support mechanisms that can facilitate the internationalization of SMEs. Purpose-The purpose of this study is to empirically examine the internal and external barriers to internationalization of Jordanian SMEs and their influence on firms' international performance using the PLS-SEM approach. Contribution: This study contributes to the literature on SME internationalization by examining the barriers in detail to describe how Jordanian small and medium enterprises (SMEs) are deterred from their attempts to expand internationally. Using the PLS-SEM approach, our study provides a methodologically robust empirical investigation of the interplay between internal and external barriers to internationalization and SMEs performance in an idiosyncratic Jordanian cultural-economic-institutional environment.

The present study has important implications both in theoretical and practical terms, especially from the perspective of academics and board members. Thus, this study will serve as a useful tool for the further development of theory on the process of corporate internationalization and highlight many challenges that companies in Jordan might face. Consequently, PLS-SEM also shows that sophisticated approaches to assess the fit of barriers with path coefficients associated with internationalization performance and future research directions are also applicable. In short, these findings are useful for practitioners, including SMEs managers, and government policy makers to identify what prevents Jordanian firms from going abroad. The systematic study of the main barriers and their sequence will be helpful in developing an appropriate policy that may drive the internationalization process of SMEs (Figure 3). To ensure their performance in international business, emphasis should be placed on training managers who are familiar with international trade for SMEs, as well as mitigating financial difficulties through direct financing and policies that reduce red tape and stimulate exporting. In addition, this research sheds light on the determinants of internal and external factors that inhibit internationalization and suggests that these issues need to be addressed comprehensively. It is about coordinating the efforts of financial institutions, business associations and various government agencies to support SMEs to succeed internationally. The findings presented here are insightful and can be used to assist government policy makers in devising comprehensive strategies and mechanisms to combat issues faced by Jordanian SMEs as they globalize.

Theoretical Foundation

Resource-Based View (RBV)

The Resource-Based View (RBV) is a dominant theoretical lens in the field of strategic management, focusing on internal factors - resources and capabilities - as key drivers of competitive advantage (Barney 1991; Wernerfelt 1984). According to the RBV, firms are heterogeneous collections of resources and that they will add value in a way distinctive set them apart from other similar organizations on account of differential ownership over valuable assets. Sustained superior performance This view is unlike the first two, which emphasize industry effects and conduct external to the firm; it posits that firms may also do better or worse than their competitors because of what they control internally. According to the RBV resources can be a tangible thing or an abstract one (Grant 1991) and Areas include, Financial capital, The organisations physical assets, Technological equipment Intangible resources; Knowledge & Skills Reputation Organisational culture. In the classification by Barney (1991), there are three basic categories of resources: physical capital and human capital resources, human capital and organizational capital resource-es, as well as physical-, respectively digital- or cyber-enabled assets. Are the physical resources that are available to it such as furniture, buildings, vehicles or machines from this tangible asset, technology and raw materials. Human capital resources are the skills, knowledge and information of the firm's managers and employees. Organizational capital resources are assets that pertain to the knowledge, experience and abilities of employees - both individually (human resource capabilities) as well collectively in functions such as management.

However, this paper also shows that the mere possession of resources is not enough to ensure a lasting competitive advantage. Specifically, RBV suggests that resources must be heterogeneous, valuable (i.e. they must enable the firm to exploit current and future market opportunities) and rare (compared to its competitors), while the same is not true for liabilities, which by definition traditionally share advantages between these two firms - creating a unique value proposition according to the VRIN framework [20]. Resources must firstly have value as inputs that the company can use in seeking opportunities to eliminate inefficiencies and achieve greater efficiency or effectiveness so that it may exploit external opportunities or avoid threats. Another characteristic that should be present is the scarcity of resources, i.e. not every company that competes with others can have access to the same resources. Another factor was that resources should be rare in the sense that they cannot be easily imitated by another company due to historical circumstances (path dependence), random ambiguity or social justification. Resources must be incommensurable: they are not interchangeable, and it is important that resources cannot be replaced by other resources because one resource offers a similar benefit. The results extend the RBV in terms of

the reasons for the internationalization path in SMEs and overcoming obstacles. They often have a lack of resources - such as scarce financial resources, insufficient size and quality of the human capital labor pool, and insufficient knowledge of international markets - that may hinder going abroad. These conditions pose a challenge to entering foreign markets (Brouthers & Nakos 2004; Knight & Cavusgil 2004). This approach, drawing on Ruzzier et al. (2006), helps researchers to identify the invisible/invisible or intangible but generally tacit capabilities that are essential for SMEs to internationalize in order to identify their critical resources and capabilities that enable firms to overcome internal (internal) and external (external) market forces that resist expansion in international business.

In this sense, some obstacles attributed to adaptation to foreign markets can also be more easily overcome by smaller companies, depending on their technological competencies, innovative products or entrepreneurial orientation (Knight & Cavusgil 2004). In addition, the first-hand knowledge and contacts of these experienced SME managers offer significant advantages that they can use to overcome information and cultural barriers in foreign markets more effectively than their less capable counterparts (Musteen et al., 2010). The implications of the empirical findings for SMEs and their international competitiveness are that, according to the RBV paradigm, acquiring or creating valuable, rare, heterogeneous and non-imitable resources can improve their international competitiveness (Peng, 2001). This could translate into the establishment and implementation of a research and development program that would create scarce resources such as product differentiation or an increase in prestige, or the development of relationships with foreign partners (Gulati et al. 2000) that facilitate access to needed valuable assets/competencies. Using the RBV to explain the barriers to internationalization will give researchers an indication of what resources or capabilities are most needed by Jordanian SMEs: that they should obtain, build and promote these needed resources/capabilities. For example, Jordanian SMEs can benefit from this collective wisdom and then help overcome their information-based internationalization barriers by gaining better market access in a foreign country or removing the influence of relevant stakeholders. Moreover, Jordanian intermediaries have many advantages when they build strong and continuous relationships with all parties involved in decision making in general, government authorities or industry associations, especially when they use these advantages to mitigate some of the alienation in the globalization process. Moreover, the RBV asserts that competitive advantage arises from the productive use of resources and related products that are valuable to competitors but very expensive to copy (Grant 1996). Soietra further adds that the concept of RAG, if properly implemented, can be used as a source for acquiring know-how in strategic competencies such as innovating at lower cost, successfully integrating resources created by different means (through experimentation) into new combinations and exploiting scale differences. In this way [South African firms] can differentiate themselves from the competition and be better prepared to succeed in the international arena. The second strategic concept that the RBV introduces is that of dynamic capabilities, which refers to a firm's ability and capacity to coordinate, create and reconfigure internal resources — as well as external resources (knowledge internal to the organization) - in real-time systems that encompass different environments such as unpredictable markets or improved technologies (Teece et al., 1997). Dynamic capabilities in the context of internationalization enable SMEs to quickly adapt to the changing demands of global markets for products, technological requirements and legal issues. Therefore, we have reason to believe that Jordanian SMEs with the ability to experience international markets and adapt to dynamic conditions can overcome the obstacles of internationalization while being able to remain competitive in the global market.

Institutional Theory

Institutional theory is a well-known concept in organizational research that explains the influence of the institutional environment on the behavior and performance of organizations (North, 1990; Scott, 1995). According to this theory, companies operate in an institutional environment consisting of the following two areas: institutional regulations (e.g. written legal institutions; formal rules) and institutions (primitive social structures such as culture, beliefs or behaviors). The regulatory framework defined by these institutions is the framework within which organizations published and operated in 1983 must operate in order to be recognized/approved/admitted into the institutional platforms or arenas from which they gain access to resources (DiMaggio & Powell). The assumption here in relation to institutional theory is that organizations are not defined simply by what they rationally do, but that it is from this level that most florid statements are generated; the terms must be answered with organization spelled backwards throughout: Mechanisms as no sociology (Meyer and Rowan, 1977). They can be grouped into three broad categories: Coercive and regulatory pressures (e.g., organizations are forced to adopt structures and practices that they would not have chosen on their own), mimetic isomorphism (organizations do things that other organizations do simply because other organizations have done them), and normative isomorphism, in which, based on the regulations of educational institutions, certifying agencies, accrediting bodies, or professional associations, the same are adopted in vain as bylaws. Coercive forces arise from the legal and regulatory environment emanating from governments, regulators and other powerful parties such as interest groups. Mimetic pressures arise when organizations are faced with uncertainty and ambiguity and imitate current or past incompetent activities and trends of successful peer organizations.

Normative pressure: Despite a set of norms and behaviors that may constitute an inherited organizational culture, there is significant normative pressure because both managers and employees come from the society that provides them with protection, formal education and professional codes that vary in strength but are always present unless the behavior violates legal regulations.

On the one hand, institutional theory states that with regard to the internationalization processes of SMEs, not only the diverse and interrelated institutional factors in their home country (Rugman & Verbeke 2004), but also those in the host countries have been discussed as important drivers of the perceived opportunities that open up across regional borders and necessitate limited foreign engagement... :2008). We have argued here that such political vulnerabilities are a barrier to SMEs' international business activities, as a country's rules may be unfavourable depending on the factor or the political instabilities may cause difficulties in doing business, ultimately leading to higher risks and costs when entering a foreign market (Cuervo-Cazurra et al., 2019). Applying institutional theory in examining the internationalization barriers faced by Jordanian SMEs will enable researchers to assess the extent to which national institutions (which influence Jordanian firms) or specific public policies and support tools provided by the government affect the resilience of said firms to external internationalization barriers. For example, export incentive programs support Jordanian SMEs to enter foreign markets, and these measures could prove to be very beneficial opportunities for high-risk market entry (Al-Hyari et al., 2012). They draw attention during a certain period of time to the fact that companies trading illegally under a different name receive tax relief from customs if they obsolete their balance sheet. Meanwhile, the concept of institutional forces in I-T is described as (Peng, et al., 2008) understanding the context/institutional pressures and arguing that, for example, target export markets have a great influence on the strategies and return on capital characteristics for internationalizing SMEs. This leads to ambiguity among Jordanian SMEs when it comes to dealing with competition in foreign markets whose institutional environment is different from the one, they have become accustomed to in the home market and which might impose strict product standards or regulations as well as political and social cultures on them. To overcome these barriers, SMEs in Jordan can utilize institutional knowledge and capabilities that can be embedded in terms of understanding local partners, product or marketing practices that are similar to those of the host country, and knowledge of legislation abroad (Peng & Luo, 2000). Institutional theory states that not only the factory, but also trade associations, chambers of commerce and export promotion agencies facilitate the internationalization process of SMEs (Oparaocha 2015). Market intermediaries that can help Jordanian SMEs internationalize their ventures in foreign markets include: Market intelligence and networking services, which help to provide these companies with access to potential buyers across borders, and capacity development, by mitigating the totality of challenges in the areas of information (especially in terms of market assessment), finance (in terms of sources of funding for export activities) and skills, which are required as prerequisites for international expansion. This yields the total network capital that Jordanian SMEs can expand by dealing with these institutional intermediaries to gain recognition, resources and skills/knowledge to work in the foreign cosmetics market. This research background was also underlined by Battilana et al. (2009) who added when presenting the institutional theory that "institutional change and institutional entrepreneurship have been identified as key phenomena influencing the internationalization pattern of SMEs". Rock stars and leaders of SI knowledge for innovation, SME challengers can lead to an organization being defined as an institutional enterprise capable of changing the institutional state which can influence the institutional state to a small extent - Impact zone

For instance, in the context of Jordanian SMEs they may engage in institutional entrepreneurship by promoting improvement to governmental policies or standards that are perceived as essential support structures needed for internationalization. Although additional sub-analysis can be made to treat such barriers in more details according to their impact on different sectors, the influence of Jordanian SMEs over weakening these threats and enhancing such opportunities for better internationalization phase was presented. It brings out the importance of institutional legitimacy for firms, especially SMEs operating in international environments (Kostova & Zaheer, 1999). The legal is the idea that those actions of an agent [or subject] will have priority if they are proper (and secondarily, ought): where again these terms must be understood in a well-institutionalized sense. While the institutional logic approach suggests that these formalized requirements might conflict with how Jordanian SMEs operate internally within their country by culturally and historiographic ally reflecting practices, this study indicates what are needed in terms of any (or all) constitute kinds of activities which may be associated as either obtaining professional accreditation or meeting a legal requirement relevant to reading from contextually based on cited region standard regulations and/or partaking those corporate social responsibility exercises viewed more favourable to foreign consumers' perceptions. On one hand RBV has indicated several limitations in explaining resource acquisition and deployment, on the other Institutionalism Theory highlights how micro-institutional forces influence firm's behaviour; hence combining both theories would offer a better insight while examining issues Jordanian SMEs face when going global. The RBV programme focuses on the stock of resources and capabilities for the firm, whereas Institutional Theory is concerned with formal structures external to a firm which impacts efforts/behaviour or performance/output of that said The Firm. Therefore, the both I-VR and IE perspectives should be

combined to help researchers explore internal resource mobilization where fit influences internationalisation barriers among Jordanian SMEs (Meyer et al., 2009; Peng et al., 2008). RBV also emphasizes on the VRIN resources Valuable, Rare, Inimitable, Non-Substitutional resources which are considered as possible sources of competitive advantage.

Having unique and valuable resources such as innovative products, technological capabilities or entrepreneurial orientation will help the SMEs to fight through foreign market entry barriers and competition (Knight & Cavusgil 2004). Thus, it is argued that the value of these resources for successful internationalization cannot be observed based on internal standing alone but also in coherence with institutional context (Oliver 1997). Institution Theory suggests that organisations are shaped by formal and informal structures, which in turn create the Organisational Behaviours (OB) or performances within them (North 1990; Scott 1995). But these strategies also require: identification, application with assistance of the external institutions in the home and host countries this might mean being subject to adverse regulatory policies or political risks or cultural disparities (Peng, et al, 2008) Where such institutional barriers exist, SMEs need to build and exploit internal resources and capabilities in international markets within the prevailing country-specific expected formal institutional environs (Meyer et al 2009). Based on these theories, we suggest that Jordanian SMEs may need to enhance their capabilities in coping with internationalisation barriers by deploying powerful configurations of valuable, rare, inimitable and organized resources and competences simultaneously for the dual purposes compatible with the institutional context. For example, Jordanian SMEs with major technological intensity to their potential export markets might have to tune or adapt (if necessary) technically versions of the offers and compete against legal constraints and societal preferences that is similar in many dimensions where products meet valued attributes. Likewise, Jordanian SMEs may be required create networks of local clients and suppliers or other market players in the foreign markets to reach some level of legitimacy and resource access (Peng & Luo, 2000) if they would have experienced managers with sufficient managerial skills.

Accordingly, in applying the theoretical framework - both perspectives - a true picture will emerge by verifying that institutional entrepreneurship emerges as an influential dimension of internationalization strategies for Jordanian SMEs, theorized by Battilana et al. In an institutional environment, those who are interested in entrepreneurial behavior, i.e. innovative SME owners or managers, can actively use it to their own advantage to achieve the reduction of stability/normalization (destabilization) forces that correspond to established practices. This means that by controlling their external organizational factors in a timely manner, Jordanian SMEs might be able to better exploit the internal advantages and opportunities they face in a global environment. The combination of RBV and institutional theory also highlights that internationalization is an uncertain process as both resources within the firm (Barney 1991) and overseas firms outside the target market are dynamic. According to Peng et al. (2008), Jordanian SMEs have the dynamic ability to recognize opportunities and threats in a field of activity, exploit them or avoid their threats, and reconfigure their competencies within their strategies in response to market changes.

Export Performance (EP)

Export performance (EP) is an important aspect of international business and has been extensively studied in the literature. Export performance (EP): is the degree to which a company realizes its strategic and financial objectives by exporting goods or services outside its national borders [9]. Scholars have attempted to identify the antecedents of EP and what firms can do better to improve their performance abroad. Drawing on Sit and Skival's (1991) discussion of the emergence of EP as a research direction in the early 1990s, one of the most fundamental perspectives - if not a culturally rooted marketing framework - was introduced to the field by Cavusgil and Zou (1994). The authors argued that the degree of market engagement in an exporting firm is a function of the fit between the firm's marketing strategy and its own external/internal environment. This formed the basis for many other subsequent studies on EP (e.g. Katsikeas et al., 2000; Sousa et al., 2008). Sousa et al, 2008: Company level factors (size, previous EP experience and staffing of the company) are some other numerous parameters that can affect economic performance. It is believed that larger firms are a priori more competent than smaller ones because they have assets and capabilities that enable them to internationalize more easily and thus achieve higher EP (Dhanaraj & Beamish 2003). However, there is some research evidence to suggest that small firms can also achieve HQ E&P if they pursue niche strategies and maintain greater flexibility (Knight & Cavusgil 2004). It seems clear from transaction cost theory (TCT) that multinational companies are more likely to gain experience due to their understanding of cross-border markets and the lower costs associated with managing the various liability challenges of internationalization (Brouthers & Nakos, 2005).

Since then, export marketing strategy has been extensively studied for its impact on EP. Among the aspects of product, price, promotion and place that have attracted considerable interest among scholars is the issue of standardization and adaptation strategies in marketing communication (Theodosiou & Leonidou 2003). While some studies point out the risks and disadvantages of standardization related to costs, product image or brand

identity (Yang & Choi in Varadarajan et al., 1990), others focus on the need to consider different aspects of the foreign market (Sousa & Lengler, 2009). The key to generalizing the effectiveness of different export marketing strategies is probably also their influence on various contingency factors, which in turn have been studied in several other disciplines (Katsikeas et al., 2006). It has also been defined that there are valid reasons in the external environment such as dynamic market forces, competitive forces and institutional factors that affect EP (Sousa et al., 2008). Accordingly, the sensitivity of customer constituents and technological factors in market dynamics - i.e. the relative shifts therein by exporting firms - leads them to deal with such forces in different ways (Cadogan et al., 2003). It is true that regardless of the mode of exporting, the resource-based view suggests that firms wishing to compete in foreign markets need to try new product or better product differentiation strategies and better production techniques (Morgan et al., 2004). For example, government policies and bureaucracy, cultural differences, unfriendly business environment, etc. can increase the cost or/and risk of exporting, which directly affects EP (Peng et al., 2008 /EP). In addition, the literature has explained that other types of network relationships such as strategic alliances also have an impact on EP (Leiblein and Reuer, 2004). The central construct emphasized here is the assumption that a firm that has established strong ties with its external environment, especially with customers, distributors and suppliers, will be able to obtain crucial market knowledge, assets and opportunities (Johanson & Vahlne 2009). Another assertion is that exported firms "are able to overcome resource constraints by partnering with other firms, sharing risks at home and abroad, and aligning differentiation advantages in international segments that are attractive to the firm" (Brouthers et al., 2015).

Internal Barriers

Internal conditions are also significant and provide essential information regarding internationalization process of SMEs. The presence of these internal barriers to SMEs' international competence, such as in this study, has a significant impact on the ability of small and medium-sized enterprises to successfully operate internationally, resulting in relatively poor export performance. Researchers have identified several internal barriers to internationalization, including information barriers, management constraints, financial barriers, and frictions (affecting the market). This is what Leonidou (2004) refers to as information barriers (INFO_ are the lack of information about foreign markets from external stimuli that would help a firm in its internationalization process, especially for small and medium sized firms. Consequently, it is an obstacle that many SMEs do not have enough information about market realities and opportunities, customers' preferences or regulatory requirements in other foreign countries (Arteaga-Ortiz & Fernández-Ortiz, 2010). SMEs are often very cautious when starting an international activity because they lack this information, which leads to a perception of risk and uncertainty (Suarez-Ortega, 2003). It is this obstacle that SMEs that have a high level of knowledge would be well positioned, but these could take advantage of the opportunities and overcome them because they are located in the global market (Julien & Ramangalahy 2003).

Management barriers (MNG) meant capacity and propensity of the company's management to internationalize as reflected in the various internal structural characteristics (Roy et al., 2016). If a receiving TMT lacks other international experience, a global mindset in the hiring phase (Hutchinson et al., 2006) may lead this team to completely disregard targeted acquisitions instead of focusing on alternatives with which they are likely to be more familiar. The risks and costs of internationalization can also be limiting factors for exporting SMEs, as managers' perceptions have been shown to hinder this type of attitude (Pinho & Martins 2010). To date, these barriers have been explored and further studies emphasize the importance of management commitment to internationalization, global mindset as well as IO orientation in overcoming such barriers leading to the promotion of IF (Nummela et al., 2004; Knight & Cavusgil, 2004). FIN – Financial barriers are another internal problem in the internationalization of firms, such as SMEs. Regarding the financial capability of local companies, they need to have significant capital resources to conduct market research to adapt their product and invest in marketing (Bellone et al., 2010). However, the biggest problem is that SMEs may not have the necessary capacity or financial history to raise sufficient funding from external sources (Riding et al. Furthermore, it was noted by Leonidou (2004) that the translation of goods and services using transportation and insurance (which are part of the curricula for internationalization) is questioned in terms of the financial capacity of SMEs. Research projects have identified the financial difficulties that SMEs can suffer from. The most important elements then are the support programs provided by the government and the wide range of funding sources they can use to overcome all kinds of finance problems (Shamsuddoha et al., 2009). According to Leonidou (2004), MKT includes the overhead costs of product, pricing, placement and promotional activities in foreign markets.

However, there are some challenges that lead to the death of SMEs (Lages & Montgomery, 2004), such as not adapting their products to local tastes and preferences. Pricing factors Another major problem is the evaluation of pricing aspects as this can sometimes lead to a difficult situation for SMEs as they have to set an appropriate price that is geared towards constant sales and keeping costs at the desired level while maximizing profitability, especially when there are no domestic markets coupled with different economic conditions (Sousa & Bradley, 2008). It can be difficult for you to find the right market positioning and distribution channels and to market your

offering in foreign markets if you have limited resources or insufficient information about this new environment. A review of the literature shows that market barriers such as globalization, small markets and high cost of entry - and others - have been well addressed by previous scholars through strategic flexibility, niche targeting and collaborative partnerships (Knight & Cavusgil 2004; Ojala 2009). ENT means what stands in the way of a company identifying options and formulating strategies for entering international business. Other critical issues that hinder the growth, innovation and success of SMEs are the insufficient diffusion of an entrepreneurial culture that encourages SMEs to internationalize their innovativeness, risk-taking and initiative (Dimitratos & Plakoyiannaki 2003). Negative reasons: On the negative side, there are also potential obstacles for SMEs to be entrepreneurial in their internationalization process. Research has emphasized the importance of entrepreneurial education, networking and support for international entrepreneurship in overcoming these obstacles (Ruzzier et al., 2006).

External Barriers

External barriers play a significant role in the internationalization process of small and medium-sized enterprises (SMEs). Stems from the external environment that a firm exists within, these barriers can vastly affect how well SMEs are able to thrive in foreign markets and drive export performance (Bergh et al. 2012). The literature about external impediments of internationalization has identified a few main types: political, economic and legal grounds (for example Landesmann et al., 2001; Nachbagauer & Jonsson, 2010); formal-bureaucratic and financial factors (from the work by Servantie & Greffe, 2005); Sociocultural hindrances. Conceptually, the political GOV consists of hindrances due to political systems that at both national and foreign countries of an internationalizing SME (Kahiya, 2013); Political barriers are so more used than economic or legal trade support measures by governments. Leadership crises, poor governance and political decisions could also imply uncertainty over the different ventures and thus make cross-border transactions even riskier (Al-Hyari et al., 2012). Dynamics of the market such as exchange rate fluctuations, inflation and demand for goods and services are also significant indicators to SMEs' business perspectives within foreign markets (Baum et al., 2013). Trade costs - measures linked to tariffs, quotas and regulatory compliance issues can hinder small businesses from being equally effective abroad (Leonidou 2004) CO and export promotional initiatives COs have been lauded by Crick & Chaudhry (2000) as possible solutions to these political, economic and legal impediments that would enable SMEs break through the entry barriers into new markets.

The business operational and financial barriers of SMEs related to internationalization are classified with generalised procedural and monetary barriers (PROC) ((Narayanan, 2015)). This entails procedures such as: elaborate documentations, bespoke rules, logistical related matters where a business has to adhere to rigorous protocols established by another (Kahiya 2013). It is, therefore true that exporters offer a great opportunity for exportation of SME products abroad but the process may be cumbersome and time-consuming to maneuver with cost implications upon initiation. On the other hand, high transaction cost added with Insurance costs and exchange rate uncertainties also face financial factors as monetary challenges which can pressure their financial capability (Roy et al., 2016). Some of the barriers identified above as procedural and financial, Korneliusson & Blasius (2008) mentioned that SMEs are crossing its hurdles for export in approach to easier export procedures and fund support. Globally different socio-cultural barriers (SOCIO), such as language; values and norms, behaviour patterns (each layer based on current customer requirement of the prospective internationalizing SME) that are not conformant to both home- and host-country's respective-socio contextual settings have found by Crick & Chaudhry 2000. Secondly, the presence of linguistic barriers proves to be a further significant hindrance in terms of general communication and negotiations with overseas customers, suppliers as well as partners therefore resulting end either into mutual confusions or customary missing opportunities (Leonidou 2004). Similarly, cultural differences can influence the extent to which marketing and promotional campaigns are accepted in countries other than origin (Souza & Bradley, 2008) it impacts whether a product is suitable for selling or not. It has been suggested that SMEs may need to align their offerings and business practices closer with the cultural expectations and preferences of foreign customers (Ojala & Tyrväinen, 2007). Orser et al. (2008) identified that cross-cultural competence and a knowledge of local markets are essential in transcending these socio-cultural obstacles.

Empirical Literature Review

Internal Barriers and Export Performance

In the literature, internal barriers and their influence on export performance of small and medium-sized enterprises (SMEs) have also received ample attention. Internal to the firm barriers, however, can severely obstruct SMEs internationalisation and export performance capabilities. In this review, the empirical evidence that pertains to information barriers, management barriers (e.g. no time/no finance need), financial accessibility barrier and both market access-ability (proxied by brand development potential) or women's entrepreneurship are examined on its effect of SME export performance; SMEs in Indonesia has relevancy on the export performance, especially with regard to Information Barriers (INFO) so as. Shamsuddoha et al. Research by Mahmood et al. For instance, Pinho and Martins (2010) examined 170 Portuguese SMEs to establish their export performance based on the wealth of knowledge they have but found that what constrains such performance is inadequate information concerning opportunities available in international market places. Limited information too had a negative influence on the export performance of Tanzanian SMEs Milanzi, 2012; further reinforcing Watson and Puthussarry Joineransen (2007). We find that SMEs should access and apply with export market specific information to decrease informational deficiency which would improve their venture performance (e.g. EXPORT).(Vandan, Singla & Pillai 2019) In addition to the above, management barriers (MNG) have been found as major factors that restrained SMEs export performance. A study by Okpara and Koumbiadis (2009) of 146 US SMEs found managerial commitment to export as the single most important obstacle holding back U.S. success in exporting; Altıntaş et al. Gumus (2007) : Managerial perceptions of export barriers such as a lack off well qualified employees, and limited managerial attention were significantly negative to the performances in exports on 179 Turkish SMEs. Managerial export attitudes, such as playing it safe and not being internationally oriented were also identified as impediments of US SMEs to perform well by Karagozoglu & Lindell (1998). These studies underscore the critical need for management commitment, know-how and international orientation in mitigating managerial impediments to export success.

One of the most identified main FIN obstacles to SMEs export performance. Bellone et al. Using a large sample of French manufacturing firms, HIE-Great (2010) showed that financial constraints including lack of external financing significantly reduced the likelihood to become exporters and also their export intensity by SMEs. Chaney (2016) similarly shows that French firms face higher liquidity constraints and are subject to reduced trade credit availability when exporting than non-exporting. Ayob et al (2012) studied 497 Spanish SMEs and the investigation conducted by Ruzzier and Hisrich (2015) confirms that the respondents stated financial barriers, especially high cost of exporting to a foreign market as well as lack of resources hindering successful entry into exports. Our results highlight the importance of financial support and accessibility to address these barriers for SMEs that want to increase their export performance. Barriers to market (MKT) have a negative impact on the export performance of SMEs. Drawing on a literature review of 32 empirical studies, Leonidou (2004) identified market-related barriers ranging from potent export competition in foreign markets and unfavorable exchange rates to cross-cultural differences that hampered the ability of SMEs to successfully participate as exporters. A separate study (Kahiya, 2013), in which the export performance of 145 small and medium enterprises from New Zealand was studied, around a fifth found themselves struggling to perform positively toilet training tips) with their exports due to: cultural and language barriers; stiff competition within those markets. Jalali (2012) also studied 110 Iranian SMEs, and she found that the main hurdle faced by exported Ironed goods was market barriers including different customer habits in foreign markets: How to satisfy your customers and same atherosclerotic prices. These studies indicated that export performance of SMEs must shift by improving the strategies regarding how to adapt or react foreign market conditions and overcoming barriers in order to increase their level of competitiveness. ENT is another key barrier to the performance of export in case of SMEs (Chahal,1999). Roy et al. For example, mudambi and Duncombe (2016) studied 100 Indian SMEs who had been demotivated from venturing into exporting as a result of limitation to entrepreneurship inputs like background entrepreneurial orientation as well its PWM supplementary barriers such that their risk-taking propensity. Eshghi and Eshghi (2016) also revealed a significant perception of lack of entrepreneurial mindset, which in turn resulted in INEO voiding within the context if Iranian SMEs export performance. Gonzalez-Perez et al. The lack of innovation and proactiveness limited the export performance [12] as results obtained by Suarez-Ortega et al., (2016) in Colombian SMEs. Research findings emphasize the necessity of nurturing an entrepreneurial culture in SMEs since it helps neutralize entry barriers to export and can improve their export performance. This paper reviews the literature underlining this assertion, using empirical evidence to show that internal barriers including information-access challenges; managerial (lack of) know-how limitations stifling financial diffidence, markets and entrepreneurial capacities considerably impact negatively on export performance. They may also prevent SMEs from gaining and using appropriate export market information, obtaining, fragmented markets (often related to a lack of connection points), collecting managerial commitment and skills as well as financial resources required for exports operations; adapting their products/services/marketing strategies or local regulations in specific foreign demand situations or/and even

creating new businesses logic within the firm. In order to address these barriers and improve SME export outcomes, it is important that they develop the necessary strategies and capabilities including building better market intelligence gathering, upgrading their managerial skills set globally oriented yet securing financial support capable of meeting foreign market requirements as well as fostering entrepreneurial culture.

External Barriers and Export Performance

Several studies in the literature have focused on analysing how external restrictions influence small and medium-sized enterprises (SME) export behaviour. External barriers emerging out of the external environment (in which a firm operates) tend to impede SMEs from exploiting international opportunities and performing well in exporting. The empirical evidence for the effect of political, economic and legal barriers; procedural and monetary barriers; socio-cultural obstacles on export performance in SMEs will be critically reviewed in this study. Export performance, Political barrier (GOV), Economic trade barriers and Legal obstacles for firm (ENFORCE) are negatively related. Al-Hyari et al. (2012) surveyed 250 Jordanian small and medium-sized enterprises (SMEs), identifying political instability, high tariffs, and complex legal regulations as the most important obstacles to exporting successfully. Similarly, Karelakis et al. The work of Mitsakis et al. Finding from a research of 200 Pakistani SMEs (Javed et al, 2011) In addition, Bee and Wright (2016) also found that corruption levels and a business friendless environment were some of the key determinants for export success. SMEs need a supportive institutional environment and good government policies dealing with political, economic as well as legal barriers to further strengthen their export performance this can be learned from the findings of these studies. In addition, procedural and monetary barriers (PROC) too have been found to be key impediments in SME-export performance. Based on a survey of 170 Portuguese SMEs, Pinho and Martins (2010) concluded that several procedural barriers such as excessive paperwork requirements and long waiting times in customs are among the key obstacles to boost export performance. On the other hand, Korneliussen and Blasius (2008), who investigated Norwegian SMEs not only found a considerable negative effect of monetary barriers, which for them were high transportation costs among others or volatile exchange rates that hampers export performance in 174 firms. Using above 300 Ghanaian SMEs for their survey, Abor et al. Consistent with Nam et al. (2014) both SCFs also cited procedural and financial barriers such as high transaction costs, inability to obtain export financing as the inhibitors of their exports performance / success in's' market(s). In short, the above studies underscore the significance of adaptation in export procedures and financing support systems which could help SMEs overcome procedural as well monetary impediments to enhance their exporting competence. Based on the above chart, it can be observed that socio-cultural barriers (SOCIO) are found to exert a negative impact SMEs' export performance. Recently, Leonidou (2004) carrying out a large-scale review of as many 32 empirical studies found that several socio-cultural factors e.g. language dissimilarities, cultural diversities and demand pattern in foreign markets could prevent export success by SMEs. Cultural distance based on national culture related business practices and communication style have a negative impact in the export performance of finnish software SMEs (Ojala & Tyrväinen, 2007) Similarly, Bianchi and Wickramasekera (2016) find that 228 Chilean SMEs face socio-cultural barriers as they have a poor understanding of foreign cultures which results in them being unable to create trust with potential customers abroad. Implications of these findings are that SMEs should acquire, across cultural competence to mitigate the socio-cultural challenges and improve their export performance by adjusting its strategies with respect to socio-cultural environments in target markets.

Through a study of empirical evidence, this article shows that external barriers such as political and legal; socio-cultural and procedural/monetary have cause an individual negative performance toward exportation SMEs. These entry barriers can impede the SMEs from negotiating in the institutional environment, complying with export procedures, getting financial resources and adapting to socio-cultural differences of host market. Government policies, export procedures and financial mechanism need to be more pro SMEs for helping them surmount these barriers leading to improved performance in exporting through sharpening cros-cultuvaral competence. Literature furthermore suggests that the specific context, like industry or home / target market-specificities, will also affect which kind of external barriers are most important and influential to SMEs' export performance. Consequently, future research should further investigate the intricate interplay between external obstacles and their implications for export performance in SMEs across other institutional contexts. Furthermore, there is scope to establish the role which various policy interventions and support mechanisms play in reducing external sources of friction that have a negative impact on small businesses' export performance (Hay et al. 2019). In addition, the literature has noted many possible interactive effects between different external barriers as they relate to exporting SMEs export performance. For instance, Kahiya (2018) indicated socio-cultural and administrative barriers Chauvet et al. The lesson seems to be that SMEs are subjected to an array of external barriers at the same time, and these maybe interrelated threats which need either a joined-up approach or reduction in them all simultaneously. Future research can go a step further and investigate how some external barriers often work together in terms of their synergistic impact on SMEs' export performance. The role of managerial perceptions and capabilities is also emphasised in the literature as driving SME responses to external barriers (e. For example,

Sinkovics et al. (2018) observed, the perceptions of managers regarding external barriers such as political instability or different cultures exert influence over their export decision and partner selection. Similarly, Haddoud et al. The study by Ben Aoun Pascual et al. (2017) also revealed that managers export knowledge and experience moderated the relationship between external barriers and Algerian SMEs' export performance. These results would indicate that the justification for SMEs to make it against external constraints and hence be successful on export market does not only depend, in one hand side, of objective characteristics related do barriers themselves but also by subjective perceptions capability from decision makers.

Hypothesis Development

Institutional theory states that companies are surrounded by formal and informal institutions, which in turn influence how these organizations behave and what they achieve (North 1990; Scott 1995). According to the institutional theory of Luostarinen (1980),(2008), the export performance of SMEs is deeply rooted in the institutional conditions of their home and host countries. These conditions can have a strong impact on whether and how SMEs can overcome external barriers to successful access to foreign markets. Ultimately, SME exporters face various obstacles, such as political, economic, legal, procedural, financial and socio-cultural barriers, which can increase the costs and risks associated with exporting and undermine their export performance (Kahiya 2018). Indeed, numerous empirical studies have shown that economic (including financial constraints), legal and political barriers are detrimental to SMEs' export performance. This was found, for example, by Karelakis et al. Greece could be discussed as an example of some SMEs that tend not to perform well in exporting, as it was found by Katsikeas et al. (2008) and also by Warm, Blasius before 2008 that many specific government policies or regulations significantly decrease export performance due to the complexity requirements of broad regulations in practice under different policy conditions in foreign markets)}. Al-Hyari et al. came to the same conclusions in their study [15]. (2012), Cardoza et al. (2016) and Javed et al. (2016) emphasized that in Pakistan, Latin America and Jordan, the legal framework, economic uncertainty and currency instability hinder the export success of SMEs. Similarly, Gao et al. (21) reported that Chinese SMEs and UK SMEs supported each other as the Chinese government placed restrictions on jointly discussing export incentives when lowering tariffs or suspending registration requirements, but also appeared to have limitations for firms to perform. (2010) and Matlay et al. (2006). The financial and procedural barriers also have a strong influence on the export performance of SMEs. Pinho and Martins (2010); Narayanan, 2015) discovered that high transaction costs prevent Portuguese or Indian SMEs from competing both domestically and in the global market, while ineffective customs procedures and provincial bureaucracy worsen SMEs' export performance. The same results were found by Rocha et al. (2008) and Korneliussen & Blasius (2008), whose studies showed that Brazilian SMEs struggled to maintain their export performance due to complicated paperwork, lengthy customs clearance processes and high logistics costs. In addition, Abor et al. (2014) found that access to export finance and trade credit can be a significant barrier to the successful export performance of Ghanaian SMEs and Indian small businesses just because they do not use Narayanan, 2015).

SMEs are affected by huge sociocultural barriers, which hinder SME export performance. Many researchers suggested that language barriers, cultural divergences and complexities in understanding foreign business practices are significant restrictions of the export performance for SMEs across different countries (Leonidou 2004; Bianchi & Wickramasekera 2016). Other results found in Brouthers et al. (2009) and Zhu et al. (2012) pointed out that cultural difference, communication problem and unawareness of the preference to foreign market brought in US- Chinese SME export performance. In addition, as mentioned in Ojala and Tyrväinen (2007) and CahenylAlarcón & Taylor 2004). Similarly, Haltia et al (2016) identified the limited knowledge of foreign cultures to reduce export performance for Finnish SMEs and Brazilian SMEs due their poor understanding about building trust relationships with international customers; on the same note they fail to adapt themselves into target markets as well. Given these findings and informed by insights from institutional theory, this study proposed that:

H1: External barriers significantly influence SMEs' export performance.

According to the Resource-Based View (RBV) theory, a firm's internal resources and capabilities are seen as a fundamental determinant of its performance or competitive advantage (Barney 1991). The Resource-Based View (RBV) of SME export performance - firms that are able to overcome internal constraints and succeed in global markets are, according to Dhanaraj & Beamish (2003), those that possess unusual, valuable resources that are unique and not easily replicated. However, the presence of information, management, financial, market and entrepreneurial constraints can inhibit the ability of SMEs to successfully expand export markets in both areas (Kahiya-x2018). Numerous empirical studies show that information barriers hinder SMEs' export performance (Palvia and Palvia, 1975; Paulson et al. For example, insufficient knowledge of international markets and difficulties in finding and evaluating relevant data (Leonidou 2004; Suarez-Ortega 2003; Pinho & Martins 2010) and ignorance of export opportunities or procedures have been identified as major obstacles for SMEs in their export attempts. Jalali (2012), Narayanan and Altıntaş et al. came to the same research conclusions as we (2007)

and Arteaga-Ortiz y Fernández-Ortiz (2010). In this study, export knowledge of SMEs was also seen as a handicap, as knowledge about the export market, customers and competitors is considered insufficient or incomplete for companies from different countries. Management barriers were identified as another critical factor limiting the export performance of SMEs. Suarez-Ortega, Altıntaş et al. (2007), Katsikeas et al. From the ANCOVA results of the study, management skills and time were found to be the two major obstacles to export performance of SMEs as both Keynes (1936) and Islamullah et al. Reports by Leonidou (2004), Pinho and Martins (2010), Jalali (2012) and Roy et al. show that SMEs' export performance is significantly affected in part by managerial attitudes, biases and lack of international orientation. (2016). Bellone et al. Chaney (2016) and Narayanan (2015), among others, found that financial barriers, lack of access to external finance and high costs associated with exporting significantly reduce the likelihood that an SME will export or its export intensity. Ayob et al. (2015) also reported comparable results; Jalali, 2012; Okpara & Kabongo, 2009; Roy et al. In addition, exporting is associated with high transaction costs (Fondow & Edison 2016), which are among the most important organizational barriers to SMEs' export performance.

Although market barriers are significant impediments to the export performance of SMEs, this is not surprising. Different obstacles hindering export success of SMEs are attested by Leonidou (2004), Tesfom and Lutz (2006), Altıntaş et al. (2007) and Arteaga-Ortiz y Fernández-Ortiz (2010), among others. These concerns range from increased competition to price wars, necessary product modifications and distribution issues. Market-related factors also undermined the export performance of SMEs from various countries (Kahiya, 2017; Milanzi, 2012). Eshghi and Eshghi (2016) along with Gonzalez-Perez et al. (2016). The first was the stark shift in overseas market conditions, as well as a lack of knowledge about what customers wanted and products not being up to export quality. Barriers to enterprise are reported to be a drag on SME exports Okpara & Kabongo (2009), Roy et al found the lack of entrepreneurial orientation, risk avoidance and less informed in managing novel operations to be more crucial constraints for SME export performance. (2016), Gonzalez-Perez et al. 1(2015), Eshghi & Eshghi (2016). Barriers to entrepreneurship also negatively affected the export performance of SMEs around different countries (Leonidou, 2004; Altıntaş et al. Pinho and Martins (2010 Jalali, 2012) These barriers included passivity, an inability to select global opportunities and family-owned enterprises having issues with relationships. Based on these findings as well those of the RBV, we formulated our hypotheses:

H2: Internal barriers significantly influence SMEs' export performance.

Conceptual Model

The Resource-Based View (RBV) and Institutional Theory serve as the foundation for the conceptual model for this study, which is shown in Figure 1. The model illustrates the relationship between Export Performance of Jordanian SMEs and External barriers (political, economic, legal & procedural; monetary; socio-cultural); Internal Barriers (information-related obstacles management related-barriers financial hurdles market- hurdles entrepreneurship-based challenges). Like the RBV, a firm's internal resources and capabilities are ultimately what determine its performance and competitive advantage (Barney, 1991). The resource-based view (RBV) of SMEs' export performance suggests that firms with rare, valuable, inimitable and non-substitutable resources are more likely to overcome internal impediments and prevail within the international arena (Dhanaraj & Beamish 2003). The model also incorporates internal barriers as independent variables because greater difficulties to expand and deploy resources in export markets may be expected on the part of SMEs less able to overcome their inhibiting characteristics, with negative implications for export performance.

In other terms, the institutional theory emphasizes that businesses with their performances and contested behaviours are structured by a specific institutional environment (North, 1990; Scott, 1995). According to Peng et al. Second, as suggested by Hart et al. (2008), Institutional Theory suggests that the home and host nation institutional environments could have a significant influence on SMEs' export performance. These surroundings may greatly aid small businesses in emerging from outside pressures and succeeding worldwide markets. External barriers are treated as independent variables in the model, since they could increase the costs and risks of exporting and therefore hinder SMEs' export performance. It is thus of interest to know why companies perceive certain barriers and how they cope with them, opportunely addressing the externalities imposed by these factors on export performance altogether as well as examining whether business resources or competencies may hinder their effects from translating - plus being aware of likely interaction between internal and external obstacles. The model provides thorough groundwork for understanding the complex relationships between external and internal elements that influence export performance of Jordanian SMEs by incorporating the RBV and Institutional Theory.

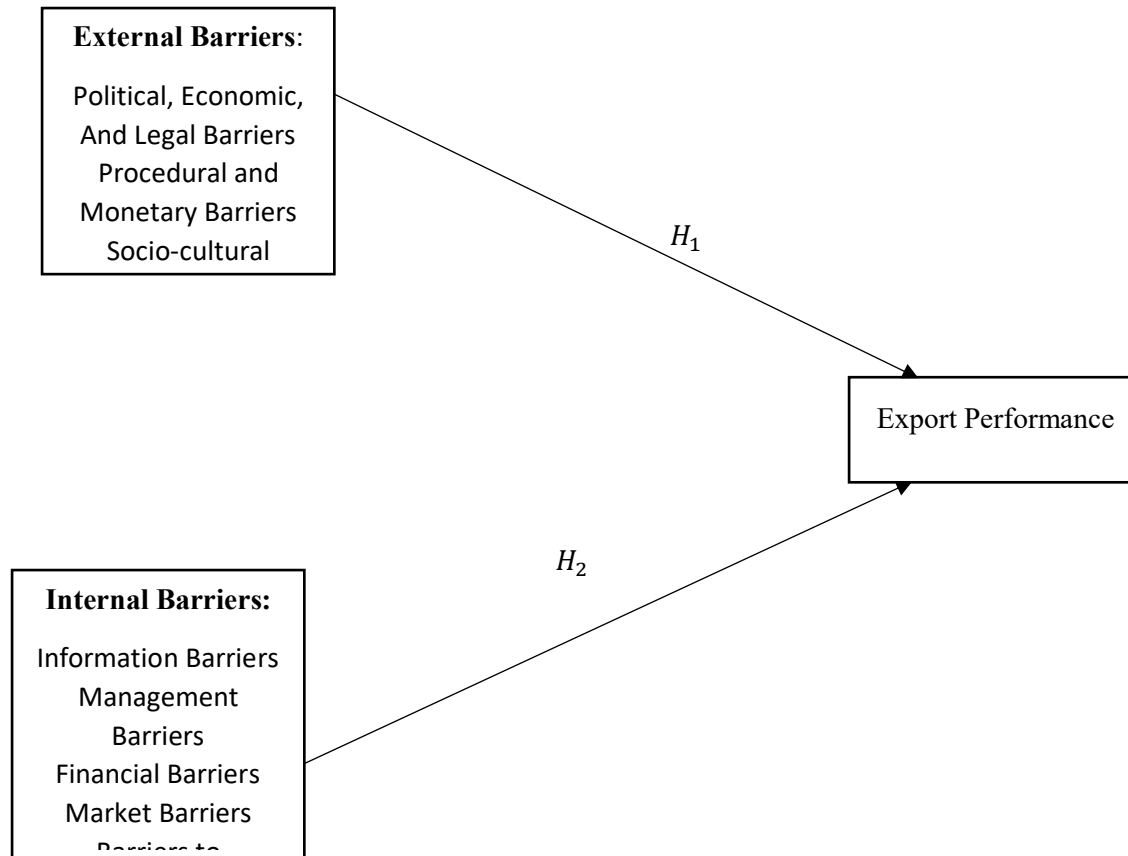


Figure 1 Conceptual Framework

Research Methodology

Quantitative research design was used, and the survey method was chosen to gather primary data from Jordanian SMEs. The study targeted small and medium-sized firms (SMEs) working in various industries in Jordan. According to the Jordan Enterprise Development Corporation (JEDCO), 180,000 SMEs comprised 98% all registered companies in Jordan per JEDCO, 2021. The calculation of the appropriate sample size in this study was based on a table by Krejcie and Morgan (1970). It recommends 384 for a city of 180,000. However, the sample size was inflated by 20% to allow for non-response and ensure adequate representation of this hard-to-reach community (Saunders et al., 2016). This resulted in a total sample of 500 Small and Medium-sized Enterprises (SMEs), subsequently rounded to maintain simplicity. The strategy is consistent with previous research on SME internationalisation by Alrashidi (2013) and Al-Hyari et al. In a few cases, single studies have been based of precursors (e.g., Noerreslet et al. 2010; Siniscalco and Curtis-Holmes 2002 [64,65]), whereas most came from other projects such as Lewis-Beck et al. Sample The sample of this study consisted of 500 Jordanian SMEs. Methods for Sampling Sample Average In this study, a combination of the stratified and simple random sampling methods was used. Stratified Random Sampling was used to enhance representation of the SMEs, through first stratifying by Industry and drawing a portion from each stratum (Sekaran & Bougie, 2016). This was followed by simple random selection of the SMEs within each stratum. According to Saunders et al. One of the advantages in using this approach is that it ensures every SME within a stratum has an equal chance of being included (2016). The proportional and simple random sample techniques are congruent with prior research on SME internationalization (e.g., Roy et al. (2016) and Narayanan (2015)).

For this study, the questionnaire was developed from an extensive literature review and previous research works on barriers to SME internationalization as well export performance. The survey All the questionnaires were composed of constructs and sub-constructs that according to the literature play significant roles in promoting isolationism at SME levels, namely: a) Internal Barriers (INT): this questionnaire was developed based on Leonidou et al. External Barriers (EXT) (Base on Al-Hyari et al., 2012; Kahiya, 2018). Political economic and legal barriers: GOV Procedural monetary barriers: PROC Socio-cultural barrier: SOCIO aFinancial measuresbNon-financial measuresExport Performance (EP) Shoham, 1998 Sousa et al., 20080/0 Responses to the questionnaire items were scored using a 5-point scale from 1 (strongly disagree) through 3 (neutral), up to 5 as

strongly agree on each ending. The questionnaire was pre-tested with a panel of international business experts (comprising academics and practitioners) to ensure the face validity as well as reliability. Their response was used to refine the questionnaire, after which it was piloted on a sample of 30 SMEs to test for clarity, generality and validity (Saunders et al., 2016). The data collection of this study was implemented online via a survey on Qualtrics. The survey link was circulated to the pooled SMEs through an email, and then reminders were sent as a follow-up to enable participation. Data collection was carried out from January 2024 to May 2024. In order to maximize the response rate, we made a brief survey user-friendly, and informed all participants that their responses would be kept confidential and anonymous (Dillman et al., 2014).

Standard ethical guidelines of the researchers' institution and top professional associations (e.g., Academy of Management) governed this research. The study purpose and design were explained to the participants, and that participation was voluntary with a right of withdrawal at any time. The relevance proof is reported anonymously, and we carefully specify measures to guarantee strict privacy of all the data in order no individual SMEs or respondents cannot be identified. Additionally, it is also important that the study not harm or distress participants, and present results in an accurate and objective manner (Bell et al., 2018). Data Collection Jan-May, 2024 This study collected data during a five-month period (from January to May of the year 2024). We have used Data collected from primary sources to apply partial least squares structural equation modeling (PLS-SEM). PLS-SEM is appropriate for this research because it can manage intricate models incorporating multiple constructs and relationships, evaluate both the measurement plus structural model with each other in 1 step furthermore reflective measures (Hair et al., 2019). Data analysis was performed using SmartPLS software (Ringle et al., 2015), and the results were interpreted according to well-established rules for analyzing PLS-SEM data (Hair et al., 2019).

Results

Of the questionnaires distributed with respect to target population of 500, a total 318 were returned completed and represent %63.6 in response rate Questionnaires which were returned, contained a sufficient sample size to make meaningful conclusions with regard to further analyses. A relatively high response rate indicates good level of engagement and interest among the participants in this study, which contributes to the reliability and representativeness of our findings. The socio-economic characteristics of respondents in the study are presented in Table 1. Of all 318 respondents, significantly more were CEO/Owner (185; 58.2%) than manager (133, 41.8%). To a great extent, this distribution indicates that respondents are mainly decision-makers in their organizations and therefore shed light on internationalization obstacles encountered by Jordanian SMEs as well. Regarding the age of enterprises, 56 (17.6%) were established less than five years ago, while 144 (45.3%) had been operating for between six and ten years and a further 118 (37.1%) for more than ten years in total This distinction in age cohort among enterprises gives holistic view of challenges that are faced by SMEs at different stages of its life cycle.

We also controlled for the size of firms with employee numbers. Seventy-one (22.3%) of the SMEs employed between 10 and 49 persons, whilst 247 (77.7%) had an employment level ranging from fifty to two hundred & forty-nine people This distribution accords with the definition of SMEs used in this study thus is a representative sample for both small and medium enterprises. The respondents were working in different sectors: The Clothing & Textile was more represented with 72 (22.6%) followed by Pharmaceutical Industry at 60 (18.9%), Rubbery, and Plastically Industries 52(16.4) then Food industry as well comes to be representing with a percentage of 46(14.5%). Products from other sectors such as Electronics, Food & Beverages, Furniture and Paints were also shown in lesser quantities. The broad field representation ensures the findings are more generalizable to different industries. Finally, the table indicates that 308 (96.9 %) of those interviewed were exporting abroad at present as compared with only 10 (3.1 %). The high penetration of exporting SMEs into the sample makes it well positioned to offer valuable insights about Jordanian SME internationalization process and export barriers.

Table 1 Socio-Economic Characteristics of the Respondents

| Question | Option | Freq. (318) | Percentage (100) |
|------------------------|------------|----------------|---------------------|
| Current Position | CEO/Owner | 185 | 58.2 |
| | Manager | 133 | 41.8 |
| Total | | 318 | 100 |
| Enterprise Established | < 5 years | 56 | 17.6 |
| | 6-10 years | 144 | 45.3 |
| | > 10 years | 118 | 37.1 |
| Total | | 318 | 100 |

| | | | |
|---------------------------|----------------------------------|------------|------------|
| Number of Employees | 10-49 | 71 | 22.3 |
| | 50-249 | 247 | 77.7 |
| Total | | 318 | 100 |
| | | | |
| Industry | Food Industry | 46 | 14.5 |
| | Pharmaceutical Industry | 60 | 18.9 |
| | Rubbery & Plastically Industries | 52 | 16.4 |
| | Clothing & Textile | 72 | 22.6 |
| | Food and Beverages | 25 | 7.9 |
| | Paints | 10 | 3.1 |
| | Furniture | 15 | 4.7 |
| | Electronics | 38 | 11.9 |
| | Other | 0 | 0 |
| Total | | 318 | 100 |
| | | | |
| Currently Export Overseas | Yes | 308 | 96.9 |
| | No | 10 | 3.1 |
| Total | | 318 | 100 |

In a second step the outer loadings and variance inflation factor (VIF) values for each measurement item used are provided in Table 2. The VIF values indicate the presence of multicollinearity within predictor variables, while their reflective outer loadings represent item to construct relationship strength (Hair et al., 2019). According to the recommended threshold of 0.7 (Hair et al., 2019), most items have outer loadings higher than this - indicating that there is a strong relationship between individual items and their respective constructs. To exemplify a high level of convergent validity, items measuring Economic Measures (EM1 - EM10) had outer loadings between 0.694 and 0.855. In the case of items that have high outer loadings in their corresponding structure, e.g. Financial Barriers (FIN1 to FIN4), Market Barriers (MKT 1 to MKT9) or Obstacles for Entrepreneurship (ENT6-11; Table S3), one could argue they are measuring what we expect them measure at and therefore considered as valid references from which other constructs can be comparatively used against. Still, some items - GOV2 (0.707) and GOV5 (0.702), for the Political Economic Legal Barriers construct have outer loadings that are just slightly lower than 0.7 criteria. While these loadings are slightly below the recommended 0.7, as such they were acceptable due to their proximity to threshold (Hair et al., 2019). Hair et al, however all VIFs of the components are lower than the variance inflation factors (VIF) of all the independent variables < 5 are shown in Table 2, lower than Tabachnick and Fidell's critical value of 5 which suggests that multicollinearity can be limited for this study. For Instance, the variable that relates to SOCIO1 has a VIF value of 2.993 which is well qualified for consideration as one with Max Multi-collinearity. According to Hair et al. (2019) suggest that identified variables in the model are not strongly associated with one another, ensuring stability and reliability of heuristic outcomes.

Table 2 Outer Loading and Variance Inflation Factor (VIF)

| Items | Economic Measures | Barriers to Entrepreneurship | Export Performance | External Barriers | Financial Barriers | Information Barriers | Internal Barriers | Management Barriers | Market Barriers | Non-Economic Measures | Political Economic Legal Barriers | Procedural and Monetary Barriers | Socio Cultural Barriers | VIF |
|-------|-------------------|------------------------------|--------------------|-------------------|--------------------|----------------------|-------------------|---------------------|-----------------|-----------------------|-----------------------------------|----------------------------------|-------------------------|-------|
| EM10 | 0.716 | | | | | | | | | | | | | 1.903 |
| EM10 | | | 0.796 | | | | | | | | | | | 2.105 |
| EM2 | | | 0.803 | | | | | | | | | | | 2.321 |
| EM2 | 0.810 | | | | | | | | | | | | | 2.857 |
| EM3 | | | 0.807 | | | | | | | | | | | 2.449 |
| EM3 | 0.824 | | | | | | | | | | | | | 2.777 |
| EM4 | 0.750 | | | | | | | | | | | | | 2.220 |
| EM4 | | | 0.694 | | | | | | | | | | | 2.398 |
| EM5 | 0.789 | | | | | | | | | | | | | 2.470 |
| EM5 | | | 0.777 | | | | | | | | | | | 2.735 |
| EM6 | | | 0.771 | | | | | | | | | | | 2.531 |
| EM6 | 0.791 | | | | | | | | | | | | | 2.435 |
| EM7 | | | 0.85 | | | | | | | | | | | 2.254 |
| EM7 | 0.855 | | | | | | | | | | | | | 1.077 |
| EM8 | 0.821 | | | | | | | | | | | | | 1.071 |
| EM8 | | | 0.801 | | | | | | | | | | | 2.111 |
| EM9 | 0.769 | | | | | | | | | | | | | 2.376 |
| EM9 | | | 0.756 | | | | | | | | | | | 2.543 |
| ENT1 | | 0.870 | | | | | | | | | | | | 2.148 |
| ENT1 | | | | | | | 0.733 | | | | | | | 2.224 |
| ENT2 | | | | | | | 0.795 | | | | | | | 2.684 |
| ENT2 | | 0.884 | | | | | | | | | | | | 1.563 |
| ENT3 | | | | | | | 0.728 | | | | | | | 1.677 |
| ENT3 | | 0.866 | | | | | | | | | | | | 2.939 |
| ENT4 | | | | | | | 0.718 | | | | | | | 2.057 |

[illegible]

| | | | | | | | | | | | | | | |
|-------|--|--|--|--|--|-------|-------|-------|-------|--|--|--|--|-------|
| INFO1 | | | | | | | 0.741 | | | | | | | 2.471 |
| INFO1 | | | | | | 0.847 | | | | | | | | 1.830 |
| INFO2 | | | | | | 0.904 | | | | | | | | 2.500 |
| INFO2 | | | | | | | 0.779 | | | | | | | 2.546 |
| INFO3 | | | | | | | 0.772 | | | | | | | 2.935 |
| INFO3 | | | | | | 0.882 | | | | | | | | 2.224 |
| MKT1 | | | | | | | | | 0.824 | | | | | 2.844 |
| MKT1 | | | | | | | 0.819 | | | | | | | 2.084 |
| MKT2 | | | | | | | | | 0.772 | | | | | 2.720 |
| MKT2 | | | | | | | 0.727 | | | | | | | 2.851 |
| MKT3 | | | | | | | 0.788 | | | | | | | 1.401 |
| MKT3 | | | | | | | | | 0.820 | | | | | 2.452 |
| MKT4 | | | | | | | 0.829 | | | | | | | 1.180 |
| MKT4 | | | | | | | | | 0.850 | | | | | 2.272 |
| MKT5 | | | | | | | 0.772 | | | | | | | 2.969 |
| MKT5 | | | | | | | | | 0.777 | | | | | 2.295 |
| MKT6 | | | | | | | 0.710 | | | | | | | 2.690 |
| MKT6 | | | | | | | | | 0.804 | | | | | 2.015 |
| MKT7 | | | | | | | 0.707 | | | | | | | 2.809 |
| MKT7 | | | | | | | | | 0.800 | | | | | 1.219 |
| MKT8 | | | | | | | | | 0.802 | | | | | 2.729 |
| MKT8 | | | | | | | 0.731 | | | | | | | 1.340 |
| MKT9 | | | | | | | 0.742 | | | | | | | 2.932 |
| MKT9 | | | | | | | | | 0.792 | | | | | 2.409 |
| MNG1 | | | | | | | | 0.848 | | | | | | 2.393 |
| MNG1 | | | | | | | 0.776 | | | | | | | 2.715 |
| MNG2 | | | | | | | 0.738 | | | | | | | 2.650 |
| MNG2 | | | | | | | | 0.803 | | | | | | 2.003 |
| MNG3 | | | | | | | | 0.823 | | | | | | 2.154 |

[illegible]

[illegible]

Table 3 presents the construct reliability and validity measures for the study variables. The table includes Cronbach's alpha, composite reliability (ρ_a and ρ_c), and average variance extracted (AVE) values for each construct. As stated by Hair et al. To a reviewer like Dore et al (2019) these would be the metrics they rely on to judge a construct's convergent validity and internal consistency. Cronbach's alpha values, which range from 0.756 to 0.932 are higher than the required threshold of 0.7 (Nunnally, 1978) This indicates that individual items used to assess construct have good internal consistency). That is, the Cronbach's alpha for Export Performance equals 0.932 which shows an acceptable level of reliability and coherence among items to measure that key construct. All of the composite reliability values (ρ_a and ρ_c) also exceed 0.7 for each construct used in this study as indicated by Hair et al. The range of values for ρ_c is between 0.837 and 0.943, whereas the one for those ρ_a are between 0.762 and 0.935 These high composite reliability ratings further endorse the dependability of constructs as well as internal consistency in measurement items. The average variance extracted (AVE) values of the constructs range from 0.520 to 0.815, which is greater than the recommended threshold of 0.5 (Fornell and Larcker -pdf-, 1981). It presents the results of construct convergent validity, proving that more than 50% variance in assessment items has been explained by these constructs. There are also indicators on which the sociocultural barriers construct is expected to account for a large share of variance with an AVE is 0.815

Table 3 Construct Reliability and Validity

| Constructs | Cronbach's alpha | Composite reliability (ρ_a) | Composite reliability (ρ_c) | Average variance extracted (AVE) |
|-----------------------------------|------------------|------------------------------------|------------------------------------|----------------------------------|
| Barriers to Entrepreneurship | 0.916 | 0.922 | 0.935 | 0.705 |
| Economic Measures | 0.929 | 0.932 | 0.94 | 0.613 |
| Export Performance | 0.932 | 0.935 | 0.941 | 0.52 |
| External Barriers | 0.928 | 0.932 | 0.937 | 0.672 |
| Financial Barriers | 0.891 | 0.891 | 0.924 | 0.754 |
| Information Barriers | 0.851 | 0.852 | 0.91 | 0.771 |
| Management Barriers | 0.889 | 0.89 | 0.918 | 0.693 |
| Market Barriers | 0.932 | 0.933 | 0.943 | 0.648 |
| Non-Economic Measures | 0.756 | 0.762 | 0.837 | 0.610 |
| Political Economic Legal Barriers | 0.898 | 0.9 | 0.918 | 0.585 |
| Procedural and Monetary _Barriers | 0.870 | 0.892 | 0.907 | 0.663 |
| Socio Cultural Barriers | 0.886 | 0.889 | 0.929 | 0.815 |

Table 4 reports the Heterotrait-Monotrait Ratio (HTMT) values used to assess discriminant validity among the constructs in our study Full size table According to Hair et al. Brand et al. (2019) discriminant validity confirms that all alternative constructs in a structural model are unique and explain something different than the other latent variables loaded on them. According to Heseler et al. According to Henseler et al. (2015), appropriate discriminant validity shows own construct to another at the level less than 0.85 or 0.90 of HTMT values. The HTMT values demonstrate the discriminant validity among constructs. For example, the HTMT value of 0.149 for export performance versus economic indicators is well below the conservative threshold of 0.85. Thus, suggesting that the two constructs contain some characteristic or subject of the research model and are completely distinct from each other. Some HTMT values are however too high. This is shown by the values of 0.845 and Financial Barrier - Market And Information Barriers = 0.827 between again respectively These stencils suggest a moderate correlation between these features, even though they are still south of the looser thresholds at 0.90 The HTMT scores of the other pairs between constructs are usually lower, indicating a larger distinctiveness in these construct combinations. For example, the HTMT value between Socio-Cultural and Political-Economic Legal Barriers is 0.653 which suggests that these two constructs measure different aspects of external barriers faced by SMEs during their internationalization process.

For the purposes of investigating whether discriminant validity, among theory-based variables, was achieved results of the Fornell-Larcker Criterion are displayed in Table 5. Discriminant validity is established - Discriminant validity exists where the square root of the average variance extracted (AVE) for each construct exceeds its association with other constructs on a pair-wise basis (Fornell & Larcker, 1981). Values (bold) on the

diagonal indicate AVE for each build. The AVE (average variance extracted) values take a square root between 0.721 and 0.902, that indicates so surpass the correlation among its components. For example, AEs square root of AVE is 0.721 extgreater than Information Barriers (its strongest link with any other construct; $\rho = 0.656$). This is an indication that the Export Performance construct differentiates within this model, in contrast to all remaining constructs. In direct comparison, the Socio-Cultural Barriers square root of AVE equal 0.902 is significantly larger than it correlations with other constructs ranges from 0.339 to 0.564. This suggests that the Socio-Cultural obstacles concept represents a distinct part of external hurdles faced by SMEs during their internationalisation journey. Furthermore, the Fornell-Larcker Criterion results prove that they have more relationship with their own measurements than any other measurement from another construct. For instance, the Financial Barriers square root of AVE (0.868) is higher than their correlations with another constructs; 0.470 to 0.666 This provides further evidence to support the discriminant validity of these constructs.

Table 4 Heterotrait-Monotrait Ration Discriminants Validity

| Constructs | Economic Measures | Barriers to Entrepreneurship | Export Performance | External Barriers | Financial Barriers | Information Barriers | Management Barriers | Market Barriers | Non-Economic Measures | Political Economic Legal Barriers | Procedural and Monetary Barriers | Socio Cultural Barriers |
|-----------------------------------|-------------------|------------------------------|--------------------|-------------------|--------------------|----------------------|---------------------|-----------------|-----------------------|-----------------------------------|----------------------------------|-------------------------|
| Economic Measures | | | | | | | | | | | | |
| Barriers to Entrepreneurship | 0.624 | | | | | | | | | | | |
| Export Performance | 0.149 | 0.663 | | | | | | | | | | |
| External Barriers | 0.626 | 0.792 | 0.668 | | | | | | | | | |
| Financial Barriers | 0.654 | 0.734 | 0.718 | 0.716 | | | | | | | | |
| Information Barriers | 0.698 | 0.651 | 0.737 | 0.62 | 0.845 | | | | | | | |
| Management Barriers | 0.649 | 0.751 | 0.69 | 0.711 | 0.753 | 0.763 | | | | | | |
| Market Barriers | 0.709 | 0.786 | 0.758 | 0.791 | 0.727 | 0.827 | 0.789 | | | | | |
| Non-Economic Measures | 0.797 | 0.705 | 0.446 | 0.716 | 0.817 | 0.774 | 0.735 | 0.818 | | | | |
| Political Economic Legal Barriers | 0.394 | 0.582 | 0.435 | 0.698 | 0.542 | 0.466 | 0.544 | 0.576 | 0.501 | | | |
| Procedural and Monetary Barriers | 0.62 | 0.547 | 0.657 | 0.761 | 0.744 | 0.649 | 0.755 | 0.688 | 0.695 | 0.591 | | |
| Socio Cultural Barriers | 0.382 | 0.538 | 0.437 | 0.624 | 0.528 | 0.389 | 0.517 | 0.545 | 0.535 | 0.653 | 0.582 | |

Table 5 Fornell-Larcker Criterion Discriminants Validity

| Constructs | Economic Measures | Entrepreneur Barriers | Export Performance | External Barriers | Financial Barriers | Information Barriers | Management _Barriers | Market Barriers | Non-Economic Measures | Political Economic Legal Barriers | Procedural and Monetary Barriers | Socio Cultural Barriers |
|------------------------------|-------------------|-----------------------|--------------------|-------------------|--------------------|----------------------|----------------------|-----------------|-----------------------|-----------------------------------|----------------------------------|-------------------------|
| Economic Measures | 0.783 | | | | | | | | | | | |
| Barriers to Entrepreneurship | 0.579 | 0.839 | | | | | | | | | | |
| Export Performance | 0.579 | 0.616 | 0.721 | | | | | | | | | |
| External Barriers | 0.561 | 0.625 | 0.601 | 0.819 | | | | | | | | |
| Financial Barriers | 0.596 | 0.666 | 0.653 | 0.644 | 0.868 | | | | | | | |
| Information Barriers | 0.621 | 0.577 | 0.656 | 0.539 | 0.637 | 0.878 | | | | | | |
| Management Barriers | 0.591 | 0.682 | 0.628 | 0.639 | 0.549 | 0.639 | 0.832 | | | | | |
| Market Barriers | 0.66 | 0.619 | 0.607 | 0.628 | 0.651 | 0.64 | 0.613 | 0.805 | | | | |

| | | | | | | | | | | | | |
|-----------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|--------------|--------------|--------------|--------------|
| Non-Economic Measures | 0.553 | 0.584 | 0.571 | 0.581 | 0.662 | 0.609 | 0.591 | 0.681 | 0.781 | | | |
| Political Economic Legal Barriers | 0.356 | 0.526 | 0.391 | 0.514 | 0.484 | 0.404 | 0.484 | 0.527 | 0.403 | 0.765 | | |
| Procedural and Monetary Barriers | 0.565 | 0.654 | 0.6 | 0.679 | 0.655 | 0.559 | 0.663 | 0.502 | 0.566 | 0.529 | 0.814 | |
| Socio Cultural Barriers | 0.349 | 0.483 | 0.396 | 0.554 | 0.47 | 0.339 | 0.46 | 0.499 | 0.432 | 0.564 | 0.519 | 0.902 |

Table 6 presents Common Method Bias (CMB) analysis results using principal component which is abbreviated as PCA. According to Podsakoff et al. The CMB terminology introduced by MacCallum et al. (2003) refers to variance accounted for by the measure rather than the constructs being investigated CMB, instead to be an issue that could affect the results (and spread inflated or defetal connections across constructs as mentioned by Podsakoff et al., 2012), in our case is what we are looking for. The first component explains, according to PCA results, 43.444% of all variance in this problem; also, the second and third components account for a ratio as percentage: 7.622% and %5.415 respectively As per Podsakoff et al. This obtained value is below the desired benchmark (i.e., 50%) for common method bias, but considering that the cumulative variance explained by component1 =43.444%(Fornell et al. Secondly, we may be missing essential aspects beyond the first component as the Eigenvalues in second and third components (4.421 & 3.141) are more than 1 [10]. (Hair et al., 2019). This corroborates the conclusion of CMB being a small issue, if at all. The first step after the varimax rotation consists of representing this variance explained by each component with a graph summarizing all rotation sums of squared loadings. The percentage of the variance that each component includes is 28.805% for first,14.883 %for second and,12.793 to third respectively in comparison with before rotation; The diversity of the constructs being measured, rather than a single factor, is further supported by this redistribution among components (Podsakoff et al., 2012).

Table 6 Common Method Bias

| Component | Initial Eigenvalues | | | Extraction Sums of Squared Loadings | | | Rotation Sums of Squared Loadings | | |
|-----------|---------------------|---------------|--------------|-------------------------------------|---------------|--------------|-----------------------------------|---------------|--------------|
| | Total | % of Variance | Cumulative % | Total | % of Variance | Cumulative % | Total | % of Variance | Cumulative % |
| 1 | 25.197 | 43.444 | 43.444 | 25.197 | 43.444 | 43.444 | 16.707 | 28.805 | 28.805 |
| 2 | 4.421 | 7.622 | 51.066 | 4.421 | 7.622 | 51.066 | 8.632 | 14.883 | 43.688 |
| 3 | 3.141 | 5.415 | 56.481 | 3.141 | 5.415 | 56.481 | 7.420 | 12.793 | 56.481 |

To analyze the effect size of individual exogenous constructions on Export Performance, Table 7 reports f-square values alongside the coefficient of determination (R-square) and predictive relevance in PLS path modeling (Q² CR) for each endogenous construct including Export Performance. The exogenous constructs in the model explain 55% of the variance in export performance (R-square =0.55). This suggests that overfitting or the inclusion of extraneous factors most likely did not explain why the original model performed so poorly, because (Hair et al., 2019) there is only a small increase between R-square and modified Rsquare values =0.549). Source: Cohen, J. (1988) Statistical power analysis for the behavioral sciences, the Q-square value (Hair et al., 2019), which is greater than zero, indicates the predictive relevance of the model. The model is capable of predicting new observations, and the exogenous constructs are better predictors for endogenous construct finance performance (Chin 1998). The f-square value of 23.056 indicates the effect size of exogenous constructs on export performance in this study an f-square of more than 0.35 is considered a large effect size (Cohen, 1988) representing substantial influence of exogenous constructs on export performance in both models so null hypothesis may be rejected. The significance of this finding is that the findings from both studies regarding which variables significantly affect SMEs' export performance underline how important it is to consider the barriers identified in any analysis given above.

Table 7 Co-efficient of Determination and Predictive Measure

| Constructs | R-square | R-square adjusted | Q-square | f-square |
|--------------------|----------|-------------------|----------|----------|
| Export Performance | 0.55 | 0.549 | 0.279 | 23.056 |

Firstly, as presented in Table 8 and illustrated in Figure 1, structural path coefficient results reveal the impact of External Barriers and Internal Barriers on Export Performance in the context of SMEs, thus confirming or rejecting Hypotheses 1 and 2: Hypothesis 1: External Barriers positively influence Export Performance. The path coefficient of the structural relationship is 0.138, with an associated t-value of 3.279, $p = 0.001$. In this regard, External Barriers significantly and positively affect export performance among SMEs. Therefore, the higher the level of external barrier the better the export performance. It can be established since Resource Based View theory states that firms can acquire competitive advantages leading to superior performance based on how they utilize their unique resources and capabilities. For instance, if SMEs are capable of dealing with constraints that come with external barriers such as political, economic, legal, and socio-cultural differences, they tend to develop certain capabilities, which can help explain the impact discussed. Hypothesis 2: Internal Barriers positively influence Export Performance. The path coefficient of the structural relationship is 0.635, with t-value of 17.039, $p = 0.882$.

Arguably, the level of internal barriers significantly explains the export performance status. Ideally, internal barrier is the more destruction among the two as it enhances more than the other the export procedures if well managed. Once again, the realization can be explained through this theory since working under stress; SMEs counter challenges of information fissures, financial constraints, management pressure processes, competition, and market forces. It is important to expound on the relationship between factors by observing the critical path and non-critical path of the barriers.

Table 8 Structural Path Coefficient Result

| Hypotheses | Path Coefficient | Co-efficient | (STDEV) | T statistics | P values | Decision |
|------------|---|--------------|---------|--------------|----------|-----------|
| H1 | External Barriers -> Export Performance | 0.138 | 0.042 | 3.279 | 0.001 | Supported |
| H2 | Internal Barriers -> Export Performance | 0.635 | 0.037 | 17.039 | 0.000 | Supported |

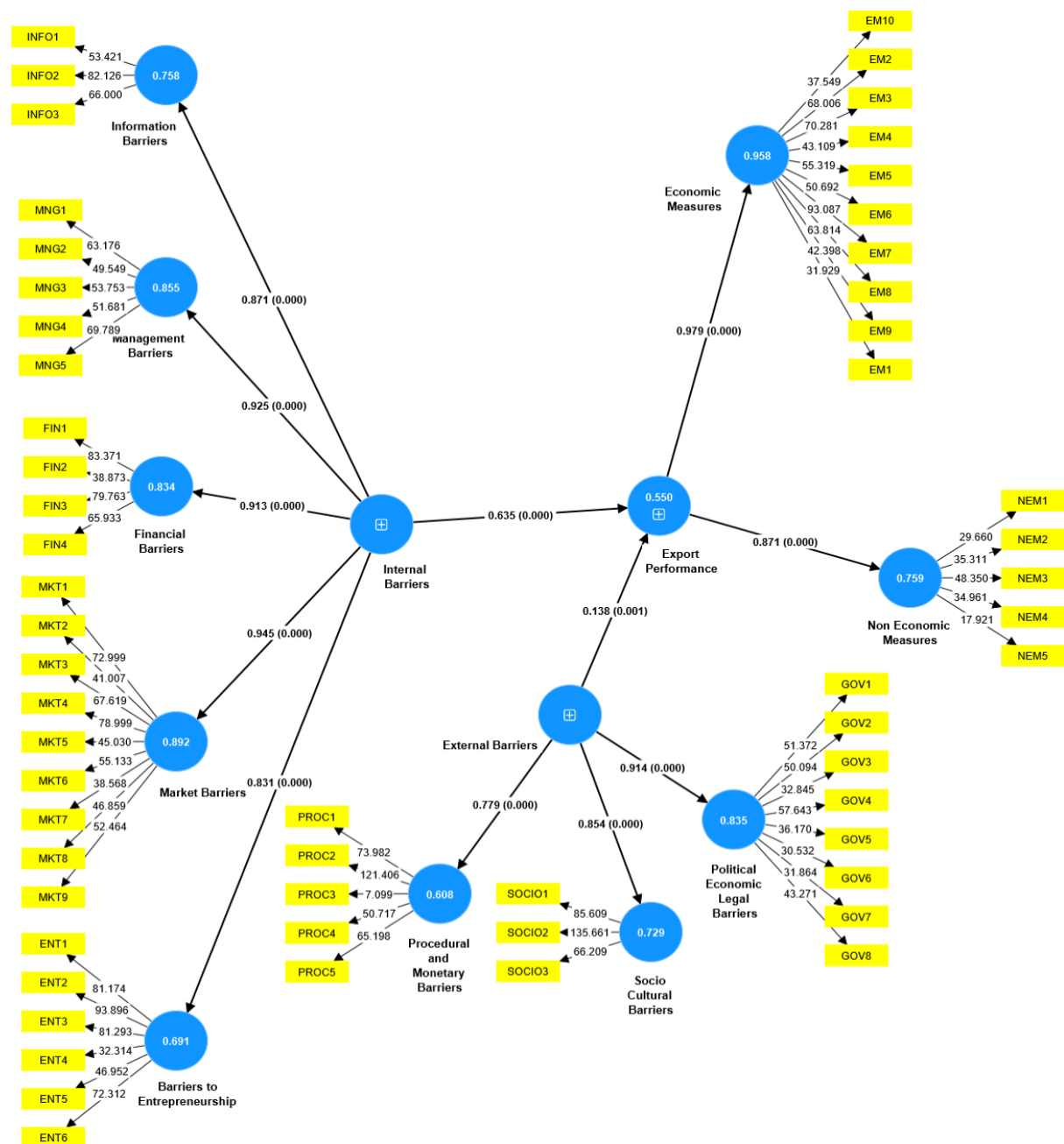


Figure 1 Graphical Representation of Structural Path Coefficient Results

Discussion of the Results

The structural path coefficient results shed light on the relationships between External Barriers, Internal Barriers, and Export Performance among Jordanian SMEs. Results confirm the positive impact of both External and Internal Barriers on Export Performance with Internal Barriers imposing a higher effect. Barney 1991 This study can be understood through The Resource-Based View (RBV) theory which proposes that Competitive Advantage and superior firm performance is a consequence of having valuable, rare or unique resources an organisation has access to. As per Barney (1991) organisations having valuable, rare, inimitable and non- substitutable resources and capabilities can have a sustained competitive advantage. One valued capability that is scarce and important in a firm's export performance which is significant to the internationalisation of SMEs (Dhanaraj & Beamish, 2003) refers to capabilities associated with overcoming their hurdles related to exports. Indeed, some SMEs might learn to develop unique abilities that differentiate them from competitors and support further expansion into global markets by overcoming internal constraints as well as a number of external challenges. Exporters suffer from external barriers that influence performance positively, hence small and medium enterprise (SMEs) only improve export results by managing well these environmental obstacles in terms of political, economic, legal or socio-cultural ones. This finding is consistent with the RBV (Teece, Pisano and Shuen 1997), because capability to adapt successfully in complex international business environments should be a rare and valuable organizational competency. SMEs may facilitate improved performance if properly trained and informed to bargain foreign market restrictions, cultural differences or economic swings (Navarro et al., 2010). The results further reveal that the internal barrier has a greater benefit on export performance than does an interaction term where external barriers are compared with internal ones. This finding is in line with the RBV theory, which stress on internal resources and capabilities as well as underscores firm specific factors to contribute significantly towards determining export performance (Barney 1991). By effectively overcoming informational, financial, managerial and market-related barriers internally (Dhanaraj & Beamish), SMEs can build unique competencies that are difficult for rivals to emulate. It will enable SMEs to develop a sustainable competitive advantage in global markets.

On the one hand, small businesses may overcome informational barriers through market research and intelligence collection regarding international market preferences (Quadros et al., 2017), distribution networks associated with foreign markets, and competitive landscapes (Navarro et al., 2010). Market-specific knowledge is an unusual resource that gives the SMEs a clearer understanding of their decision-making processes and allows them to adjust, as well as seize export opportunities (Andersen & Kheam 1998). In the same way, it is applied to SMEs who able to increase their growth pattern specifically in international markets and thus improve export performance if they can balance financial risks well while having adequate source of funding that allows them overcome barrier relate to financing (Leonidou 2004). The greater impact of internal barriers on export performance suggests that SMEs should focus first and foremost on enhancing their internal resources and capabilities when they are considering international expansion. The results suggest that while there may be external forces at play, which no doubt affect export performance, the ability of a firm to build and use idiosyncratic internal capabilities might matter more for achieving success with exporting. This insight is related to the RBV theory in that unique firm-specific resources and capabilities—rather than situational attributes—are the source of sustainable competitive advantage (Barney, 1991). These findings also suggest that integrating internal and external export barriers into holistic management systems is important. If local SMEs want to be promoted in the roll-out across the world, they should improve their inner competencies as well negotiate constraints around them. This might comprise of areas such as improving managerial capabilities, enhancing financial management practices, developing market intelligence competencies and adapting marketing strategies to international markets demands (Leonidou 2004). Applying a broad focus to the removal of export barriers can help SMEs establish strong roots for future export success,

Conclusion

The objective of this study is to examine the effect of barriers internationalization on export performance in Jordanian small and medium enterprises (SMEs). The purpose of the study is to explore how external and internal constraints affect export performance among SMEs, as well as which constraint plays a more critical role in molding exporting efficacy from an analytical perspective. A quantitative methodology was employed by this study and empirical insights into challenges faced by these companies in their internationalisation as the considered objects of analysis were collected to a sample size of 318 Jordanian SMEs. The article concludes that both external and internal obstacles play important role in export performance. It is found that external barriers such as socio-cultural challenges, regulatory hindrances and others have positive influence on export performance of SMEs. The results of this study suggest that SMEs might enhance their export performance by coping with environmental barriers. Successful adaptation and thriving in complex global business environments are considered as important organizational capabilities which drive export performance. The study demonstrates how obstacles, referred to internally as "frictions," function within the firm-specific resources and capabilities of SMEs when competing internationally. Internal barriers, like those related to knowledge, financial performance and

coatings a high majority factor contributed to export performance than constraints from outside. The result underlines the importance of firm specific assets and capabilities in overcoming export hurdles and performing well internationally. Such efforts may enable SMEs to develop unique capabilities and a competitive edge that is difficult for competitors to imitate in global markets over time. The results also underline the significance of SMEs to treat and address export obstacles in a comprehensive way, both internal- external. The finding troubles that whereas external influence is about conquering obstacles, inside resources and capabilities are more important for exporting. In order to scale up globally, these SMEs should focus on the development of managerial competencies, financial management skills and market intelligence amongst many others as well as customised marketing efforts. The study results are coherent with research into the Resource-Based View (RBV) that recognises firm-specific resources and capabilities as important determinants of superior performance and competitive advantage. RBV theory suggest that firms can develop a unique set of resource or competency to gain competitive advantage if such resources are valuable, rare in nature. The ability to overcome export barriers; an essential and underestimated capability for SME internationalisation success.

Implication of the Study

The findings of this study offer several important implications for managers, theorists, practitioners, and society at large. The study concludes that SME managers should consider a more proactive and strategic orientation on export barriers. Therefore, in order to break the entry barriers these challenges pose, a manager need also consider evolving internal capabilities (specifically market intelligence generation), financial preparation and resource management as three key areas that should be given top priority [4]. These are the vital areas that SMEs should invest in-both to create a solid basis for export success and to secure sustainable competitive advantages abroad. Second, Managers should actively search for relevant information and support from external sources such as government agencies industrial associations international trade networks to understand International Business landscape. Theoretical implications are of significant relevance, as this study contributes to the development of RBV theory in SME internationalization. These results lend empirical support to the primary propositions of RBV theory, i. e., that it is firm-specific resources and capabilities which are central in achieving superior export performance. For research on SME export barriers generally, this study has opened the field to use RBV (and possibly other) theories with future benefits-led in part by exception results for a theoretically derived model related only confounded factors revealing internal firm resistance as an antecedent of trade success. This research also suggests interesting directions for further theoretical analysis, such as investigating how internal capabilities help overcome export barriers and exploring external-internal factors interaction on SME international performance.

The results provide practitioners such as export promotion agencies, business consultants and international trade organizations with a good deal of insights into what the most important obstacles to Jordanian SMEs are when participating in outgoing activities. These results can be used by practitioners to develop location-based programs that target the internal or external barriers identified in this research. Export promotion agencies could, for example create training and mentoring programs to assist SMEs in developing core organisational capability... like marketing skills or financial management practices. On one hand, business consultants can advise you on how to modify your marketing strategies and cope with international market regulations, while international trade organizations are capable of opening up the world for you. Practitioners should then align their service offerings with the identified export barriers in order to better support Jordanian SMEs on expanding to international markets. For policy makers and society as a whole, this study is of particular interest. SMEs significantly contribute to economic development, employment and innovation in the host country; successful internationalisation of these small businesses will advance the competitiveness and welfare of developing economies like Jordan. The findings of this paper help inform policymakers as to the type(s) policy initiatives they should implement for SME internationalization. This could potentially involve providing financial support, streamlining export procedures, brokering rewarding trade deals and targeting investment into infrastructure and education to boost the international appeal of Jordanian SMEs. For policymakers, this means creating an enabling ecosystem for international expansion so that the full potential of SMEs to stimulate economic growth and societal well-being comes sooner rather than later. In addition to these theoretical contributions, there are social benefits of the study since it can motivate future firms internationalize successfully and provide opportunities for cultural diffusion leading increased knowledge transfer across nations and unprecedented global mutual understanding. For Jordanian SMBs, and the country at large to further expand into international markets is becoming an exciting opportunity as they spread their own products or services that are original in nature from a cultural perspective. Such cultural exchanges empower understanding, empathy and cooperation between nations that further enables the creation of global village. In addition, the economic value added of SME internationalization (such as increased exports and employment opportunities) can benefit local communities with spillover effects that help raise quality living standards and social welfare.

Limitations of the Study and Future Studies

This study has provided greater insight on the internationalisation barriers and their impact in exports by Jordanian SMEs, but it is also important to acknowledge its limitations and exploration of future research trends. Among the main limitations of this study is that it has been carried out as a cross-sectional approach, which allows us to only snapshot data at one time. Accordingly, the results might be partial for not properly consider how barriers of internationalisation conditions transform over time and stimulate SMEs export performance. Future research may use a longitudinal design, collecting data can over time to analyse how constraints from within and outside influence export performance develop as small- and medium-size firms progress through different stages of internationalisation. This would provide a more complete understanding of the longer-term effects export restrictions have on the behavior and strategies that SMEs devise to try to circumvent them. However, another limitation that we found with regard to our study is the emphasizes on Jordanian SMEs which means that this will reduce how generalizable its findings are in different contexts. While the study offers practical and thought-provoking results for Jordan, it may be challenging to generalise these findings explicitly on SMEs in other countries with different institutional, economic or cultural settings. This study can potentially evolve to incorporate other developing or emerging economies in the future and this would allow researchers to conduct cross-national studies that may perhaps lead them towards finding similarities as well as variations on how export obstacles affects SMEs performance. The findings of such comparative research will also provide a broader insight on the internationalisation problems encountered by SMEs throughout different global contexts. It is possible that self-reported data from a single SME respondent (e.g. manager or CEO) in this study might have introduced biases such as social desirability and common method bias. This might be reduced by obtaining information from different respondents within each SME, e.g. staffs on departmental or organisational level are sometimes asked to fill-up the questionnaire as well in future research efforts. Thus, this approach would provide a more comprehensive and grounded reflection of the external as well internal barriers faced by SMEs in influencing export performance. Future studies could enhance the validity and reliability of their outcomes by linking self-reported reports with objective measures (e.g., financial records or export documentation). In addition to this the study failed to explore any potential intervening or moderating factors that may operate in the relationships under investigation, although direct effects of external and internal constraints on export performance dimensions were examined. Future studies could explore how more nuanced factors such as innovativeness, organisational learning or managerial characteristics may moderate the relationship between export restriction and output. A second research question, with similarly framed analysis paths, could be how factors such as firm size or foreign experience weaken the moderating role of sector type in SME performance consequences from export restrictions. A more nuanced understanding of this process and the boundaries within which export controls operate might be achieved through consideration of these complex linkages. Last but not least, although the quantitative and comparative approach applied in this study provides robust empirical evidence of this kind in specific contexts is needed to inform future studies using qualitative research techniques such as in-depth interviews and case analysis that would allow the researcher a deeper understanding on how SMEs perceive, articulate or respond with their difficulties during internationalisation. Further, qualitative researches may reveal the strategies, resources and capabilities which successful SMEs use to overcome export barriers and reach sustainable international growth. The qualitative findings would support the numerical data and extend understanding to help practitioners seek guidance in terms of supporting SMEs towards internationalisation.

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