

THE INTERNATIONALIZATION AND
COMPETITIVENESS OF SMES: A STUDY OF MALAYSIAN
FIRMS INVESTING IN CAMBODIA

NG YIN KUAN

FACULTY OF ECONOMICS AND ADMINISTRATION
UNIVERSITY OF MALAYA
KUALA LUMPUR

2021

**THE INTERNATIONALIZATION AND
COMPETITIVENESS OF SMES: A STUDY OF
MALAYSIAN FIRMS INVESTING IN CAMBODIA**

NG YIN KUAN

**THESIS SUBMITTED IN FULFILMENT OF THE
REQUIREMENTS FOR THE DEGREE OF DOCTOR OF
PHILOSOPHY**

**FACULTY OF ECONOMICS AND ADMINISTRATION
UNIVERSITY OF MALAYA
KUALA LUMPUR**

2021

UNIVERSITY OF MALAYA
ORIGINAL LITERARY WORK DECLARATION

Name of Candidate: Ng Yin Kuan

Matric No: EHA130022

Name of Degree: Doctor of Philosophy

Title of Project Paper/Research Report/Dissertation/Thesis ("this Work"):

The Internationalization and Competitiveness of SMEs: A Study of Malaysian
Firms Investing in Cambodia

Field of Study: Development Studies

I do solemnly and sincerely declare that:

- (1) I am the sole author/writer of this Work;
- (2) This Work is original;
- (3) Any use of any work in which copyright exists was done by way of fair dealing and for permitted purposes and any excerpt or extract from, or reference to or reproduction of any copyright work has been disclosed expressly and sufficiently and the title of the Work and its authorship have been acknowledged in this Work;
- (4) I do not have any actual knowledge nor do I ought reasonably to know that the making of this work constitutes an infringement of any copyright work;
- (5) I hereby assign all and every rights in the copyright to this Work to the University of Malaya ("UM"), who henceforth shall be owner of the copyright in this Work and that any reproduction or use in any form or by any means whatsoever is prohibited without the written consent of UM having been first had and obtained;
- (6) I am fully aware that if in the course of making this Work I have infringed any copyright whether intentionally or otherwise, I may be subject to legal action or any other action as may be determined by UM.

Candidate's Signature

Date: 14 August 2021

Subscribed and solemnly declared before,

Witness's Signature

Date: 14 August 2021

Name:

Supervisor

THE INTERNATIONALIZATION AND COMPETITIVENESS OF SMES: A STUDY OF MALAYSIAN FIRMS INVESTING IN CAMBODIA

ABSTRACT

The purpose of the study is to explore the reasons that have led Malaysian firms to internationalize, and to determine the factors contributing to their competitive advantage. The study adopted a mixed research mode; the qualitative approach was adopted in the first phase of this study that concerns on the motivational factors that lead to internationalization (Research Question 1), and the quantitative approach was utilized in the second phase that concerns on the perceived factors contributing to Malaysian SME's sustainable competitive advantage in Cambodia (Research Questions 2 and 3). The targeted respondents for the qualitative analysis were small and medium sized Malaysian firms operating in Cambodia which were selected by using purposive sampling. In-depth interview was utilized in the study to understand what, why and how firms go abroad. Cross-case analysis reveals these firms are driven by host country-based advantage; driven by home government; driven by home country limitations; driven by self-inflicted actions and driven by social influence. The present study finds out that the factors that motivate firms to internationalize are different from accounts found in the extant literature. For the quantitative analysis, a sample of 103 small and medium sized firms was selected by using a purposive and snowball sampling. Structural Equation Modelling technique to test the conceptual framework by adopting Partial Least Square approach. The present study examines whether social network mediated the relationship between entrepreneurial orientation and sustainable competitive advantage, and whether the mediation is moderated by a competitive business environment by adopting Hayes' moderated mediation approach. The mediation analysis reveals that social network mediates the association between entrepreneurial orientation and sustainable competitive advantage of firms. This study reveals that entrepreneurial orientation is not able to

influence firm performance and is expected to only function well in a given context as entrepreneurship capabilities is not the only source for sustainable competitive advantage of the SMEs. Without the functional social networks, entrepreneurs may fail to acquire/learn the necessary information to make them unique. The moderation effects indicate that the mediation path is partially supported. The findings imply that the founders are more concerned with leveraging on the resources they have to compete in the marketplace and achieve success in the highly dynamic and hostile business environment rather than building on their social connections. Given the significance of the findings, similar studies focusing on other regions should be carried out to strengthen the alternative explanations that this study offers to understand the internationalization of business, especially among small and medium enterprises. A profound understanding of such internationalization factors can assist home and host governments to support better the relocation of small and medium enterprises abroad.

Keywords: Internationalization, Competitiveness, Small business, Cambodia

**PENGANTARABANGSAAN DAN KELEBIHAN DAYA SAING FIRMA KECIL
DAN SEDERHANA: SATU KAJIAN TERHADAP FIRMA MALAYSIA DI
KEMBOJA**

ABSTRAK

Kajian ini bertujuan untuk mengkaji secara mendalam pelbagai faktor yang mempengaruhi firma Malaysia dalam pilihan mereka untuk melabur di negara Kemboja bagi tujuan perdagangan (persoalan kajian 1). Kajian ini juga akan menentukan faktor-faktor yang mempengaruhi kelebihan daya saing firma untuk berjaya di luar negara (persoalan kajian 2). Selain itu, penyelidikan ini akan menilai orientasi keusahawanan firma dalam mempengaruhi kelebihan daya saing firma apabila firma bersaing dan berinteraksi dengan persekitaran yang sengit di luar negara (persoalan kajian 3). Penyelidikan ini akan menggunakan kaedah metodologi gabungan di mana penyelidikan kualitatif akan digunakan untuk menganalisis persoalan kajian 1 manakala penyelidikan kuantitatif untuk persoalan kajian 2 dan 3. Dalam penyelidikan kualitatif, responden berasaskan perusahaan kecil dan sederhana yang beroperasi di negara Kemboja dipilih dengan menggunakan teknik pendekatan yang bertujuan. Seterusnya, pengumpulan data melalui teknik soal selidik dan temu bual secara mendalam dilaksanakan untuk mendapatkan maklumat yang lebih tepat dan bermakna di samping meneroka kenapa, mengapa dan bagaimana perusahaan kecil beroperasi di luar negara. Hasil dapatan daripada kajian kes silang mendedahkan firma kecil dan sederhana didorong oleh kelebihan negara hos, kerajaan, had negara asal, tindakan yang dilakukan sendiri dan pengaruh social. Justeru itu, kaedah ini mendedahkan kemunculan tema-tema faktor baru dalam penjelasan pengantarabangsaan firma yang menakjubkan dan lain daripada liputan kajian semasa dan ulasan yang didapati daripada literatur pengantarabangsaan firma. Dalam penyelidikan kuantitatif, persampelan sebanyak 103 perusaha firma kecil dan sederhana dipilih dengan menggunakan teknik pendekatan yang bertujuan. Sehubungan

dengan itu, analisis berdasarkan *Partial Least Square-Structural Equation Model* (PLS-SEM) digunakan untuk menganalisis data yang diperoleh di dalam kajian ini. Tesis ini bertujuan untuk menguji rangkaian sosial sebagai variabel mediator yang akan mengantara hubungan di antara orientasi keusahawanan dan kelebihan daya saing firma. Selain itu, kajian ini juga bertujuan untuk membuktikan bahawa pengaruh persekitaran luaran terhadap prestasi firma kecil dan sederhana adalah penting dan variabel moderator ini diramalkan akan mempengaruhi hubungan ini dengan menggunakan kaedah moderasi dan mediasi daripada Hayes. Berdasarkan hasil kajian, keputusan analisis membuktikan bahawa rangkaian sosial memainkan peranan yang penting sebagai mediator. Kajian ini mendapati variabel orientasi keusahawanan mempengaruhi kelebihan daya saing firma melalui rangkaian sosial. Selain itu, perusaha firma dijangka akan gagal apabila mereka tidak memperoleh informasi yang berguna daripada rangkaian sosial mereka. Manakala, keputusan analisis model moderasi dan mediasi Hayes hanya dapat membuktikan hubungan separa. Hasil kajian turut membuktikan bahawa fokus perusaha adalah menjurus kepada kelebihan daya saing apabila firma berinteraksi dengan persekitaran yang sengit untuk berjaya di luar negara dan di dalam keadaan ini, mereka akan mengurangkan fokus di dalam pembinaan rangkaian sosial. Kajian ini akan menjadi sumber idea baru kepada penyelidik untuk membuat penyelidikan yang serupa di benua lain untuk mengukuhkan kefahaman di dalam topik pengantarabangsaan firma kecil dan sederhana. Dengan ini, kajian ini akan memberi keputusan yang menyeluruh dan komprehensif yang dijangka dapat membantu kerajaan di dalam dan di luar negara dalam mempertimbangkan sokongan dan bantuan yang sesuai kepada firma yang beroperasi di luar negara.

Kata Kunci: Pengantarabangsaan, Kelebihan Daya Saing, Perusahaan kecil, Kemboja

ACKNOWLEDGEMENTS

Many parties have given me the support and assistance in different stages in the work of this thesis. My greatest appreciation to all of you as I could never have carried on towards the end alone. First and foremost, I would like to deliver my gratitude to Universiti Malaya for accepting my application and give me an opportunity to pursue Doctor of Philosophy programme in the Faculty of Economics and Administration.

Next, my deepest appreciation and gratefulness to my supervisors, Professor Dato Dr. Rajah Rasiah and Dr. Cheong Kee Cheok for your support, dedication, guidance, assistance and patience in overseeing me to complete my thesis. It is a great privilege to be under your supervision. I believe I have learnt from the best. Your eagerness in my work and your advice on how to proceed in my write up has made the writing more interesting and enjoyable.

My sincere thanks and appreciation also go to other lecturers and staffs of Faculty of Economics and Administration for their kindness, warmth, and helps during my study in Universiti Malaya. Special thanks to the respondents in Malaysia and Cambodia for your willingness to share your experience and knowledge through interviews. I am very grateful to everyone who in one way or another that has helped me in my data collection process. Special thanks to Mr. Samsek Sena, officer in the Prime Minister office in Cambodia for willingly in sharing the context in the Cambodia. Thanks also to Steven Sok Sykao, Head of Product Development and Promotion Department, Cambodia Public Bank as well as Mr. Teh Sing, President for Malaysia Business Council of Cambodia and Mr. Tan Khee Meng, Vice President for Malaysia Business Council of Cambodia. I am very grateful to Lim Houng for assisting me in the process of data collection. Her knowledge and experience in the industry has been great in helping me to confirm the

findings. Thanks also to my respondents that made this study possible by answering my questionnaire.

Apart from that, my sincere appreciation to all my friends in Universiti Malaya. Thank you for your understanding and encouragement. Besides, I would like to express my appreciation to my delightful colleagues who are willing to share their valuable research knowledge with me especially on methodological issues. Your advices have been very helpful in statistical analysis.

Finally, my gratitude and appreciation to my parents who always provide me a lot of encouragement, positive energy and bring me a lot of happy moments. You all have been valued companion throughout this journey. Without your support, inspiration and motivation I would never have seen the end of this journey.

TABLE OF CONTENTS

Abstract	iii
Abstrak	v
Acknowledgements	vii
Table of Contents	ix
List of Figures	xv
List of Tables.....	xvi
List of Symbols and Abbreviations.....	xviii
List of Appendices	xix
 CHAPTER 1: INTRODUCTION.....	1
1.1 Introduction.....	1
1.2 Small and Medium sized Enterprises (SMEs)	2
1.3 Cambodia as the Subject of the Study	3
1.3.1 SMEs in Cambodia.....	9
1.3.2 Malaysian Investment in Cambodia	10
1.4 Problem Statement.....	12
1.5 Research Questions.....	14
1.6 Research Objectives.....	14
1.7 Significance of Study.....	15
1.8 Definitions of Terms in the Present Study Context	16
1.8.1 Entrepreneur	16
1.8.2 Venture	18
1.8.3 Internationalization.....	18
1.8.4 Competitiveness	19
1.8.5 Social Network	20

1.9	Organization of Thesis.....	21
1.10	Summary of the Chapter.....	22
CHAPTER 2: LITERATURE REVIEW.....		24
2.1	Small and Medium sized Enterprises (SMEs).....	24
2.2	Theories on Internationalization.....	25
2.2.1	Classical theories.....	25
2.2.2	Market imperfection theories.....	26
2.2.3	Late market imperfection theories.....	27
2.2.4	Internalization theory.....	27
2.2.5	Eclectic theory.....	28
2.2.6	Resource advantage theory.....	28
2.2.7	Internationalization theories (Incremental theory).....	29
2.2.8	Network approach.....	30
2.2.9	International entrepreneurship theory.....	30
2.3	Conceptual Framework for Qualitative Approach.....	31
2.4	Definition of competitiveness.....	33
2.5	Theoretical Background on Competitiveness.....	36
2.5.1	SMEs Competitiveness.....	43
2.6	The Linkages between the Variables and Hypotheses Developments.....	44
2.6.1	Firm's Internal Factor: Entrepreneurial Orientation.....	44
2.6.2	Social networks.....	49
2.6.3	Firm's External Forces: Influence of Environment.....	52
	2.6.3.1 Firms' External Forces: Influence of Environment – Government Role.....	55
2.7	Reviews in Methodologies.....	57
2.8	The mediating Role of Social Network.....	59

2.9	The moderating Role of Competitive Business Environment	66
2.10	Underpinning Theories	83
2.10.1	Resource-Based View (RBV).....	83
2.11	Conceptual Framework for the Quantitative Approach.....	85
2.12	Justifications for Research Gaps.....	87
2.13	Summary of the Chapter	98
CHAPTER 3: RESEARCH METHODOLOGY.....		99
3.1	Chapter Overview	99
3.2	Research Paradigm	99
3.2.1	Quantitative and Qualitative Approaches.....	100
3.3	Research Process	102
3.4	Research Design: Multi-method (Mixed Method) Approaches	103
3.5	Qualitative Research Approach	106
3.5.1	In-depth Interview	108
3.5.2	Key Informant Interview	108
3.5.3	Adoption of Case Study in Research.....	109
3.5.4	Sampling Approach.....	111
3.5.5	Content Analysis	112
3.5.6	Secondary Data Collection	113
3.5.6.1	Sources of Secondary Data	113
3.5.7	Soundness of Method for Qualitative Approach.....	114
3.6	Quantitative Research Approach	115
3.6.1	Primary Data Collection Process.....	116
3.6.2	Sampling Design	117
3.6.2.1	Sampling Technique.....	118
3.6.3	Data Collection Method	120

3.6.3.1	Primary Data Collection-Survey and Questionnaire development	121
3.6.3.2	Construct Measurement.....	122
3.6.3.3	Scale Measurement	125
3.7	Goodness of measure.....	126
3.7.1	Validity	126
3.8	Pre-test and Pilot test	128
3.8.1	Content Validity	128
3.8.2	Construct Validity	129
3.9	Data Analysis Technique.....	130
3.9.1	Statistical Techniques.....	130
3.9.2	Reflective and Formative Constructs	131
3.9.3	Evaluating Measurement and Structural Models	133
3.9.3.1	Validating higher-order constructs.....	139
3.9.4	Mediation Analysis.....	140
3.9.5	Moderated mediation Analysis.....	141
3.10	Summary of the Chapter.....	142
CHAPTER 4: RESEARCH FINDINGS PART A		143
4.1	Chapter Overview	143
4.2	Profiles of Case Firms	143
4.3	Cross-Case Analysis	146
4.3.1	Pull Factors – Driven by Country-based Advantage.....	147
4.3.2	Push Factor – Driven by Home Government	156
4.3.3	Push Factor – Driven by Home Country Limitations.....	158
4.3.4	Push Factors – Driven by Self-inflicted Action	159
4.3.5	Push Factors – Driven by Social Influence	161

4.4	Summary of the Chapter	164
CHAPTER 5: RESEARCH FINDINGS PART B.....		165
5.1	Chapter Overview	165
5.2	Response Rate.....	165
5.2.1	Profile of the Respondents.....	166
5.3	Step 1: Model Specification.....	170
5.3.1	Building the Inner Model	171
5.3.2	Building the Outer Model.....	173
5.3.3	Common Method Variance (CMV).....	174
5.3.3.1	Harman's Single Factor Test.....	175
5.3.3.2	Inter-construct Correlation	175
5.4	Step 2: Assessment of Measurement Model.....	177
5.4.1	Step 2.1: Assess the Construct Validity	177
5.4.2	Convergent Validity	177
5.4.3	Discriminant Validity	179
5.5	Step 3: Assessment of the Structural Model.....	182
5.5.1	Multicollinearity Analysis	182
5.5.2	Goodness of Fit for Structural Model.....	182
5.5.3	Predictive Power (R^2).....	182
5.5.4	Effect Size, f^2	183
5.5.5	Predictive Relevance – Q^2	184
5.5.6	PLS predict	185
5.5.7	Significance of Hypotheses (Beta and t-statistics)	187
5.5.7.1	Testing Research Hypothesis: Structural Model 1	187
5.5.7.2	Testing Research Hypothesis: Structural Model 2	189
5.6	Summary of the Chapter	192

CHAPTER 6: DISCUSSION	193
6.1 Chapter Overview	193
6.2 Recapitulation of the Research Findings	193
6.3 Discussion of Findings	193
6.3.1 Research Objective One	194
6.3.2 Research Objective Two: The Mediating Role of Social Network	205
6.3.3 Research Objective Three: Moderated Mediation Effect	208
6.4 Summary of the Chapter	213
 CHAPTER 7: CONCLUSIONS.....	 214
7.1 Chapter Overview	214
7.2 Research Summary	214
7.3 Overview of the Findings	215
7.4 Significant Contributions of the Research	216
7.4.1 Theoretical Contribution	216
7.4.2 Methodological Contribution	222
7.4.3 Managerial and Policy Contribution	223
7.5 Recommendations for Future Study	225
7.6 Conclusions.....	226
References	230
Appendix A: Profiles-Firms and Participants	270
Appendix B: Validity and Reliability Analyses for Pilot Study	287
Appendix C: Questionnaire.....	288
Appendix D: Common Method Variance	294
Appendix E: Indicator Correlations	296
Appendix F: Cross Loadings.....	297
Appendix G: Collinearity Statistics	300

LIST OF FIGURES

Figure 2.1: Schematic Diagram for SME's Internationalization in Cambodia.....	33
Figure 2.2: Proposed Moderated Mediation Model	87
Figure 3.1: Proposed Conceptual Model for Qualitative Approach	110
Figure 5.1: Inner Model of the Study (without moderation).....	171
Figure 5.2: Inner Model of the Study (with moderation).....	171
Figure 5.3: Inner Model with Dimensions (without moderator).....	173
Figure 5.4: Inner Model with Dimensions (with moderator).....	173
Figure 5.5: Outer Model of the Study	174
Figure 5.6: Image from Smart PLS – Structural Model 1	188
Figure 5.7: Image from Smart PLS – Structural Model 2.....	189
Figure 5.8: Social Network as a Function of Entrepreneurial Orientation and Competitive Business Environment. Functions are Graphed for Two Levels of CBE: 1 SD Below the Mean and 1 SD Above the Mean.....	192

LIST OF TABLES

Table 1.1: Definition of SME.....	3
Table 1.2: Rectangular Strategies: 13 Strategies for Developing SMEs	6
Table 1.3: New Malaysian Establishments from 2005 to 2014	11
Table 1.4: Synopsis of Entrepreneurial Differentiation	16
Table 2.1: Evolution of Competitiveness.....	41
Table 2.2: Selected Studies on Social Networks as Mediator.....	62
Table 2.3: Selected Studies on Environment Factors as Moderator	76
Table 2.4: Summary of Empirical Studies and Knowledge Gap	91
Table 3.1: Features of Quantitative and Qualitative Paradigm	100
Table 3.2: Quantitative and Qualitative Methodologies Assumptions	102
Table 3.3: Weaknesses and Strengths for Numerous Research Approaches	107
Table 3.4: Description of the Questionnaire	121
Table 3.5: Construct Measurement Items	122
Table 3.6: Scale Measurement	126
Table 3.7: Decision Rules for Determining whether a Construct is Formative or Reflective	131
Table 4.1: Profiles of Case Firms.....	145
Table 5.1: Summary of Respondent's Profile	167
Table 5.2: Mean and Standard Deviation of Each Latent Construct.....	169
Table 5.3: Higher Order Construct.....	172
Table 5.4: Correlations among Latent Variable.....	176
Table 5.5: Reliability and Validity Statistics	179
Table 5.6: Discriminant Validity using HTMT criterion	181
Table 5.7: R-squared Value.....	183

Table 5.8: Effect Size for Each Hypothesis	184
Table 5.9: Predictive Relevance Result	185
Table 5.10: PLSpredict of Endogenous Variable for Model 1.....	185
Table 5.11: PLSpredict of Endogenous Variable for Model 2.....	186
Table 5.12: Model Comparison Using PLSpredict.....	187
Table 5.13: Summary of the Structural Model 1.....	188
Table 5.14: Summary of the Structural Model 2.....	189
Table 5.15: Testing the Moderated Mediation Effects of Entrepreneurial Orientation on Sustainable Competitive Advantage	190

LIST OF SYMBOLS AND ABBREVIATIONS

ACCCIM	:	The Associated Chinese Chambers of Commerce and Industry of Malaysia
AVE	:	Average Variance Extracted
CBE	:	Competitive Business Environment
CDC	:	Council for the Development of Cambodia
EO	:	Entrepreneurial Orientation
f^2	:	Effect Size
HTMT	:	Heterotrait-Monotrait
MAE	:	Mean Absolute Error
MBCC	:	Malaysia Business Council of Cambodia
MIME	:	Ministry of Industry Mines and Energy
NIS	:	National Institute of Statistics
PLS-SEM	:	Partial Least Squares Structural Equation Modeling
Q^2	:	Predictive Relevance
R^2	:	R-Squared
RMSE	:	Root Mean Square Error
SCA	:	Sustainable Competitive Advantage
SME	:	Small and Medium Sized Enterprise
SN	:	Social Networks

LIST OF APPENDICES

Appendix A: Profiles-Firms and Participants	270
Appendix B: Validity and Reliability Analyses for Pilot Study	287
Appendix C: Questionnaire	288
Appendix D: Common Method Variance	294
Appendix E: Indicator Correlations	296
Appendix F: Cross Loadings	297
Appendix G: Collinearity Statistics	300

CHAPTER 1: INTRODUCTION

1.1 Introduction

The intense competition among business entities from around the world, indeed has contributed to this discussion on competitiveness. In today's world, firms have been constantly striving hard to stay ahead of others; making it even harder for smaller firms to compete with the larger ones which have had advantages in terms of size and resources over them. The changes in the business environment have also forced these firms to increase their resources and abilities to compete, in order to stay intact and to achieve their maximum potential. For instance, Asian firms have been lagging behind their counterparts in the United States and Europe for the past 30 years. Many Asian countries are latecomers to industrialization and being in the early stages of industrialization, they resort to imitation or duplication, particularly from the developed nations (Lu, Tsang & Peng, 2008). Following the market leaders or imitation which was deemed appropriate a few decades ago has become no longer plausible, as the life cycles for their products are increasingly becoming shorter, and the enforcements on intellectual property law are getting stronger. On top of all this, the World Wide Web taking on the role as the gamechanger, has changed the battleground. "How do firms compete?" becomes the central issue that needs to be explored. This study aims to explore and gain an understanding on how a firm progresses and maintains its competitive edge in the marketplace. A lot of firms that do progress well initially are unable to sustain this momentum. Over a period of time, some firms disappear altogether from the market scene. This generates research and much interest on how firms compete and create a sustainable competitive advantage over their competitors.

Developing countries have always depended on cheap labour and raw material resources to be competitive. However in recent years, rising wages that come with rapid

economic growth has gradually eroded these advantages. Subsequently, SMEs in developing nations find themselves in critical conditions which render them unable to compete internationally. Hence, it is becoming more important for the emerging market to position itself competitively in the global environment.

The concept of competitiveness is connected to competitive advantage. The sources of competitive advantage that firms have in their control, will ultimately become the firms' sustainable competitive advantage. Hence, it is important to study competitiveness at the firm level.

1.2 Small and Medium sized Enterprises (SMEs)

Successful firms do not need to be big; small players are still able to and can be successful. It is interesting to study SMEs since they are different from the larger firms. They are different in terms of the involvement of employees, sales figures, stores, financial, operating and managerial characteristics. Popular belief expects small players to always experience constraints in terms of resources, skills and experience which limit penetration into international territories. However, contrary to this popular belief, SMEs are still active internationally (Kohn, 1997). Hence, it will be worthwhile to look into their competitive strategies that motivate and encourage them to step into, expand and compete in the international market.

Until 2005, Cambodia did not have an official classification for its SMEs. Before 2005, the many different ministries had used various definitions for its myriad types of firms. For example, the National Institute of Statistics (NIS) classifies firms that employ up to 10 employees as small, and those beyond 11 employees as large. However, the Ministry of Industry, Mines and Energy (MIME) considers firms with up to 50 employees as small.

Different classifications were made by different ministries during that time, making comparisons between them difficult and unreliable.

Hence, in July 2005, Cambodia's SME sub-committee proposed to have one official single classification for SMEs, to be used by all its ministries throughout Cambodia. Nevertheless, it is uncertain if the use of a consistent definition of SME has been achieved since then (Baily, 2008).

SME is defined in terms of the number of employees employed, or the total value of all the financial assets (excluding land) that belong to a company or firm. The definition that is based on the number of employees is often used for policy and statistical purposes while the definition that centres on the value of its financial assets is usually used when employee statistics is not available. For this study, the classification of SME will refer to firms that employ up to 100 employees, unless stated otherwise.

Table 1.1: Definition of SME

	Micro	Small	Medium	Large
No. of Employees	<11	11-50	51-100	>100
Financial Assets (excluding land) USD	50,000	50,000-250,000	250,000-500,000	>500,000

Source: Royal Government of Cambodia Sub-committee on Small and Medium Enterprises SME Secretariat, 2005

1.3 Cambodia as the Subject of the Study

Emerging from the genocides under the infamous Pol Pot and the Khmer Rouge regimes, when large segments of its elite population had been cruelly eliminated, Cambodia was left with a vulnerable, but young population. These events had

systematically destroyed all the political, economic and social systems of the entire country. Since then, Cambodia has recovered, and lately has experienced rapid and unprecedented transformation. It has successfully managed to reduce its poverty level significantly. Based on an index compiled by the Heritage Foundation in USA in 2019, Cambodia is now ranked 105 out of 180 countries in economic freedom. Since the economic reformation in 1993, it has been attracting a lot of foreign investments into the country, especially from countries from around the Asian region.

Cambodia is a prime example of a country that is open for investment opportunities in South East Asia. The country had never experienced or shown any success since the decades of turmoil it went through. Now, it has emerged with a young working class and has much avenues and room for advancement. For instance, the conditions arising from the country allows for a “leapfrog” scenario which could lead to a possibility of intense and immense growth. There are some factors that contribute to Cambodia’s attractiveness, namely (i) cheap labor and agricultural land, (ii) preferential access for its exports to the United States and European countries, (iii) supportive political and economic policies, (iv) friendly investment policies, and (v) low start-up costs.

However, the country is still seen lagging behind the other Asian nations in many ways. The World Bank’s 2004 research report reveals that the total factor productivity by Cambodian firms is 24 percent lower than in China and 18 percent lower than in India. Labor productivity of Cambodians is 65 percent lower than Indians and almost 67 percent lower than the Chinese. Thus, Cambodia’s competitiveness is therefore debatable. Strangely, the SME’s labor productivity in Cambodia was found to be higher compared to that of the larger firms (Cambodian National Institute of Statistics Yearbook, 2006).

A few factors contribute to this weak performance. First, Cambodian SMEs use old and inefficient production capital. The use of aged and unproductive machines signal incapable human capital in the kingdom. Under the rule of the Khmer Rouge regime, many Cambodians were made unproductive as they were left uneducated, untrained and unskilled. Until now, many Cambodians are still not educated and receive limited training. In 2003, the World Bank found that 97 percent of manufacturing workers in Cambodia were unskilled and 25 percent had not undergone any formal training. Very few schools in the country could provide a quality education to students while some needed to further their studies abroad for a better quality education or go to international schools in the country.

Second, firms in Cambodia are exposed to an inhospitable business climate, very often being burdened by complex regulations with dubious and uncertain interpretations. It is common for firms in Cambodia to face unexplained excessive costs due to poor governance, corruption, poor infrastructure and a weak justice system. Firms were inspected up to 16 times in average per year, thus creating numerous opportunities for officials to solicit for and accept bribes. The inconsistencies in regulatory interpretations increase the costs incurred by the firms as the regulatory regime creates informal facilitation fees to process documents which in turn increase the charges to be borne by the firm owners. Consequently, many owners refuse to register their firms with the authorities.

Third, the Cambodian judicial system is also seen as grossly inefficient in dealing with commercial issues. The country is ranked 131 from a total of 190 countries, as of June in the World Bank's Ease of Doing Business Index. These unpredictable and inconsistent regulatory policies make it tough and expensive to administer a contract in the kingdom.

This issue has been highlighted to the Royal Government of Cambodia Sub-Committee on Small and Medium Sized Enterprises SME Secretariat, demanding attention to be paid to the regulatory and legal framework concerning business regulations, company registrations, legal commercial framework and the incidences of rapidly-growing smuggling activities. Hence, in 2004, the Royal Government of Cambodia developed the Rectangular Strategy (see Table 1.2) to assist in developing and promoting SMEs through coordinating different SME policies from different ministries to reduce the duplication of contradicting policies.

Table 1.2: Rectangular Strategies: 13 Strategies for Developing SMEs

1.	Provide SMES with medium and long-term finance.	<ul style="list-style-type: none"> •Provide land titles and encourage the use of collateral •Develop financial products and share credit information •Simplify SME accounting and taxation systems
2.	Suppress smuggling.	<ul style="list-style-type: none"> •Strengthen capacity of anti-smuggling task force •Rationalize number of agencies involved at border checkpoints •Extend the single window concept to border checkpoints
3.	Reduce registration and start-up procedures for SMEs.	<ul style="list-style-type: none"> •Reduce administration and cost barriers for registrations •Develop online registration, decentralize company registration •Link MOC, MEF tax and VAT registration, merge into one process
4.	Facilitate export-import activities by simplifying processes.	<ul style="list-style-type: none"> •Review licenses, introduce a single customs administration document •Single Window process at ports, and risk management •Enact laws on customs and develop implementing regulations
5.	Support newly established industries for a period.	<ul style="list-style-type: none"> •Foster private sector-led incubator systems •One-stop window for all business licenses
6.	Promote linkages between SMEs and large enterprises.	<ul style="list-style-type: none"> •Encourage linkages between local clusters and international organizations. •Integrate SME clusters with global value chains

Table 1.2 continued

7.	Assist SMEs enhance productivity and reduce production costs.	<ul style="list-style-type: none"> •Develop toolkit packages for training and SME capacity building •Develop action plans to meet technology and training needs
8.	Improve quality of domestic produce to international standards.	<ul style="list-style-type: none"> •Encourage quality standards through ISO 9000 certification •Encourage links between training, research institutions and SMEs
9.	Establish national libraries to test quality and criteria of products.	<ul style="list-style-type: none"> •Use existing public research institutes to enhance capacity for applied research and product quality testing •Strengthen the capacity of research institutes •Foster linkages between the private sector and research institutes
10.	Strengthen mechanism for the protection of industrial property rights.	<ul style="list-style-type: none"> •Implement specific institutional arrangement for effective intellectual property rights
11.	Promote vocational skills/training domestically and foreign.	<ul style="list-style-type: none"> •Promote learning networks and joint international marketing •Coordinate providers to identify needs and links with SMEs
12.	Expand and accelerate the “one village one product” program.	<ul style="list-style-type: none"> •Take stock of clusters to identify number, size, products and locations •Cooperate with donors and associations to develop common service provisions and support for clusters
13.	Strengthen the legal framework.	<ul style="list-style-type: none"> •Enact laws on commercial enterprises, insolvency, secured transactions and contracts •Create specialized courts to resolve commercial disputes •Extensive capacity building for commercial court systems

Source: Baily (2008, p.13)

The Government of Cambodia created the 2015-2025 Cambodia Industrial Development Policy, which incorporates Rectangular Phase III that covers SMEs. The Rectangular Strategy Phase IV in 2019 focused on human capital, whereas entrepreneurship and SMEs continue to be covered under Rectangle 3 (Side 2) which involved (i) strengthening the implementation of supporting mechanisms, (ii) establishing

a Small and Medium Enterprises Bank, (iii) establishing a “National Entrepreneurship Fund” and “Entrepreneurship Development Centre”, (iv) strengthening and expanding additional investments on supporting infrastructure and, finally (v) enhancing SME productivity that included the strengthening of intellectual property protection (Royal Government of Cambodia, 2018).

In addition to this, domestic and foreign investment projects in Cambodia are governed by (i) Sub-degree 147(2004) and 149(2008) on the Organization and Functioning of the Council for the Development of Cambodia (CDC), (ii) Sub-degree 111 on the Implementation of the Law on the Amendment to the Law on Investment of the Kingdom of Cambodia (2005), (iii) Law on the Amendment to the Law on Investment (2003), and (iv) Law on Investment (1994). The complexity and duplication of these policies may and could cause confusion, leading to a lack of enforcement of the existing laws. Moreover, disagreement, squabbling and disputes among government officers could lead to problems in administering and implementing these policies. This situation thus creates loopholes, which is considered an opportunity by and for the smaller firms.

An increasing wave of investments in Cambodia has generated a boost to the country’s economic development. Most of Cambodia's inward FDI are from neighboring countries, such as Malaysia and China. Malaysia was the biggest investor in Cambodia from 1994 to 2005 and was the first country to move into Cambodia. In 2011, total investments in Cambodia amounted to USD 2.31million. However, investments from Malaysia has been overtaken by China and South Korea since 2006 (The Council for the Development of Cambodia, 2013). Still, the size of the investments and the early start by Malaysia raises the questions: (i) Why are Malaysians motivated to do business in Cambodia? and, (ii) Are Malaysian firms (SMEs) losing their competitiveness over time?

1.3.1 SMEs in Cambodia

The Royal Government of Cambodia reports that in 2011, 99.4 percent of enterprises in Cambodia were microenterprises and SMEs, out of which 0.6 percent belong to large firms (Royal Government of Cambodia, 2015). The country's economic development was and is highly dependent on foreign investors and SMEs, as the funds to start an investment in Cambodia was not high. Most of the SMEs are located in the Phnom Penh, Kandal and Kampong Cham provinces.

The government of Cambodia has highlighted certain significant challenges encountered by SMEs that increase the costs of doing business. These include weak institutions, ineffective, inefficient and time-consuming public services, inadequate investment incentives, poor entrepreneurship skills and managerial capabilities, poor infrastructure and inefficient trade facilitation, including the non-compliance with intellectual property protection result in the implementation of regulations which are still at its infancy. Consequently, a majority of SMEs do not register their businesses with the ministry. According to the Royal Government of Cambodia (2015), 98.64 percent of microenterprises, 62.83 percent of small and 28.57 percent of medium-sized firms are not officially registered. According to an officer in the Prime Minister's Office in Cambodia, the records may not accurately inform or reflect the real and actual situation in Cambodia.

The weaknesses in these institutions lead to high levels of corruption, which pose the biggest of constraints for SMEs in Cambodia. The country is ranked the most corrupt in Southeast Asia, as reported in the Corruption Perceptions Index 2019 (Transparency International, 2020). The poor bookkeeping practices among microenterprises and SME's may hinder the firms' access to proper financing for business expansion and from acquiring new technology. More than 90 percent from this group fail to have proper

bookkeeping records (Royal Government of Cambodia, 2015). As such, the substandard products and low confidence from among consumers pose a threat to the competitiveness of SMEs.

On the whole, it is fair to suggest that the SMEs growth is vital for the country's development. As such, priority focus should be targeted to this group and aligned with the government's efforts to achieve high income status by 2030. The government has started to pay more attention to this group and the Federation of Associations for Small and Medium Enterprises of Cambodia (FASMEC) has persuaded them to register their businesses to help the government to learn more about the challenges in this sector. In late 2017, the Prime Minister, Hun Sen establish the SME Bank to offer low interest rate loans to SMEs, especially for the tourism sector, technology start-ups, Cambodian agrobusinesses and SMEs which are linked to foreign investors. As Cambodia is highly dependent on foreign investments for its economic and social development, this serves as a wake-up call for the ministry to introduce policies and mechanisms to promote the development of SMEs through a reduction in bureaucratic red tape and the provision of tax incentives.

1.3.2 Malaysian Investment in Cambodia

Malaysia started its investments in the Kingdom since 1990. Malaysia had been ranked the first in its investments in Cambodia from 1995 to 2000. Most Malaysian companies invested in the services sector (e.g. hotel, telecommunication, airport and agriculture). Statistics released by CDC revealed that 35 percent of the 732 projects were in this sector during the period between 1994 and 1998 ("Malaysian businesses investing", 1999). This first position was soon overtaken by other Asian countries such as China and South Korea. Nevertheless, in 2014, Malaysia had reclaimed its third position with investments

amounting to approximately US\$ 2.62 billion in multiple domains which include tourism, banking, garment, information technology and agriculture (“Cambodia-Malaysia trade grows”, 2014). The CDC report had highlighted Malaysia as among the top five foreign direct investors in Cambodia in 2015. Statistics from Planning, Trade and Statistics Information Department, Ministry of Commerce in Cambodia also show that the total number of new Malaysian companies had increased from the initial 39 companies in 2005 to 954 companies in 2014. However, the statistic fails to register the exact establishment of new Malaysian companies in the kingdom. This inaccuracy in the records is further confirmed by the country’s government ministry officer, and the poorly-administered institutions had further contributed to the inaccuracy of the data (i.e. many firms especially SMEs failed to register their firms with the ministry).

Table 1.3: New Malaysian Establishments from 2005 to 2014

Year	Number of companies
2005	39
2006	95
2007	217
2008	342
2009	418
2010	523
2011	648
2012	762
2013	853
2014	954

Adapted from Planning, Trade and Statistics Information Department, Ministry of Commerce, Cambodia, 2015

Furthermore, Malaysian Businesses Council in Cambodia was only established on 2 July 1997 to connect and network the Malaysian firms operating in Cambodia and to

enhance the business relationship between the two countries. However, the website listed only 61 corporate members (Malaysian Business Council of Cambodia, 2019). The listing was inconclusive as many businesses chose not to register their business in the kingdom. According to Goldberg (2012), a business registration in the country is complicated and expensive as under-counter bribery is involved and this payment is considered illegal. Each step in the registration process requires unstated fees. For instance, a fully registered company is required to pay taxes in compliance to Cambodian law, which the businesses need to pay a monthly unofficial US\$20 (i.e. facilitation fee) to the officer at the tax office.

1.4 Problem Statement

Since the 1990s, the former Malaysian Prime Minister, Dr. Mahathir Mohamad had encouraged Malaysian firms to explore investment opportunities in regions other than in their traditional markets (U.S., Japan, etc) in an attempt to reduce dependency on these countries. In addition, it was felt that Malaysian firms were losing their export competitiveness due to rising wages and escalating infrastructure bottlenecks. Unlike many studies that had been conducted on firms in Malaysia, little attention had been given to Malaysian firms that invest in other countries. Studies of SMEs investing overseas were fewer still. Yet, SMEs remain the driving force behind the economy of most countries. This has been observed in the developing countries, including Cambodia. Small businesses are also facing tougher competition rising from the growing dynamic business environments.

Changes in the business environment are significant because they change the competitive advantage of the firm (Porter, 1996). For instance, lower labour costs and economies of scale are the main competencies for and during the firms' initial phases of operation (Chang & Ha-Brookshire, 2011). However, with time, they tend to lose their

competitiveness in labour costs and economies of scale. The firms become aware of the need to find new sources of rejuvenation for their competitiveness. Once such new sources are found, these firms must look for long-term sustainable competitive advantages rather than stop-gap short-term competitive advantages. The strong bilateral relations between Malaysia and Cambodia initiated since the 1990s had been flourishing. Nevertheless, Malaysia had lost its top investor position in Cambodia since 2007 to China and South Korea. It has then become the mission for Malaysia to regain its top position in the kingdom (Taing, 2020). This decline has thus created a gap for this research in order to understand how Malaysian small firms choose to internationalize and how these firms remain sustainable in the Cambodian kingdom.

Not all SMEs can become successful; the steady growth of the global market can erode their competitive advantage. Firstly, SMEs face more competitive players, ranging from domestic to international players. Secondly, the advances made in technology increase and pose stiff competition for the SMEs. Given their small and medium sizes and resource disadvantages, the constant need to keep up with the technological advances thus becomes a burden for the SMEs.

Furthermore, the literature related to the concept of competitiveness increases the difficulty in understanding this concept as well as its determinants, specifically with regards to the SMEs. The competitive edge is no longer resolved or concluded by cost reductions but rather by continuous improvements, often termed as innovative performance (Maskell & Malmberg, 1999). However, third world firms are always characterized by having the edge over costs and flexibility rather than technological advantage. The SME sector, particularly in Malaysia needs to have a very strong competitiveness to be able to add value to the country. Thus, the problem statement is the

need to understand why Malaysians are moving into Cambodia to do business and how the dynamics of competitiveness over time as the conditions facing them, change. Therefore, the problem is to identify the key factors needed for Malaysian SMEs to achieve sustainable competitive advantage.

1.5 Research Questions

The following research questions have been formulated and designed to adequately address the problem statement. They are:

- i. What motivates Malaysian SMEs to do business in Cambodia?
- ii. What are the important determinants of Malaysian SMEs' competitiveness in Cambodia?
- iii. In what areas would the SMEs need external support to be competitive and resilient in Cambodia?

1.6 Research Objectives

The subsequent research objectives are formed to answer the research questions adequately:

- i. To understand why Malaysian SMEs do business in Cambodia.
- ii. To investigate the factors that lead to the SMEs' competitiveness in Cambodia.
- iii. To examine the areas where the SMEs would need external support to be competitive and resilient in Cambodia.

1.7 Significance of Study

This study becomes an important research to tap on the small firms' internationalization attempts in host nations. The proposed framework suggests the contemporaneous influence of internal and external factors that motivate small firms' internationalization efforts in Cambodia. A combination of factors are uncovered (i.e. the entrepreneur's self-inflicting actions) to be important to the small firms' internationalization efforts.

The study attempts to provide a comprehensive framework on competitiveness for scholars and practitioners to bridge the gap by explaining the determinants of SMEs' competitiveness in the host nation. As rising wage rates keep eroding the advantages possessed by the developing nations, there is an urgency to add value to the body of literature by providing a systematic evaluation to effectively coordinate resources which are useful in maintaining a sustainable competitive advantage. The current study aims to capture the determinant's factors (entrepreneurial orientation) and their influence on the SMEs' competitiveness. Social network is introduced as the connector in the model that examines the competitiveness of firms in the host nation which is influenced by this competitive environment. The inclusion of the environmental factors in the model becomes prominent as the determinant factors are contextual. This approach could correspond to the actual environment in the host nation where small firms compete.

In addition, this study attempts to provide some motivation to policy makers in both home and host nations to effectively draft policies which are beneficial and support the growth of SMEs. Support and encouragement from the governments are particularly important to attain welfare goals; specifically, to reduce the income inequalities among individuals. Moreover, public investments in the home country may effectively help in

achieving these goals via providing the necessary and adequate funds for the SMEs. Policy makers may contribute by developing relevant policies to facilitate the competitiveness among the SMEs.

1.8 Definitions of Terms in the Present Study Context

1.8.1 Entrepreneur

An entrepreneur signifies an individual who creates a new venture (Gartner, 1988). This term ‘entrepreneur’ has always been confused with a manager due to their quite similar characteristics. However, the term ‘entrepreneur’ conjures up many different images: risk taker, risk creator or even risk avoider. The confusion on the identity suggests the presence of different types of entrepreneurs with distinctive characteristics: (i) Small business owner; (ii) Independent Entrepreneur, (iii) Cantillon Entrepreneur, (iv) Administrative Entrepreneur, and (v) Industry-Maker (Webster, 1977). Table 1.3 details the characteristics of each entrepreneur, based on particular characteristics.

Table 1.4: Synopsis of Entrepreneurial Differentiation

Characteristics	Independent Entrepreneur	Small business owner	Cantillon Entrepreneur	Administrative Entrepreneur	Industry-Maker
Risk Taker	No	Yes	Yes	Yes	Yes
Risk Creator	Yes	No	No	No	Yes
Operate within Business firm framework	No	Yes	Yes	Yes	Yes
Operate within venture framework	Yes	No	No	No	No
Long-term management Affiliation	No	Yes	Yes	Yes	Yes
Firm Initiator	Yes	Yes	Yes	Yes	Yes
Compensation incentives:					

Table 1.4 continued

Capital Gains	Yes	No	No	Yes	Yes
Salary/Wages	No	Yes	No	Yes	No
Profits	No	Yes	Yes	Yes	Yes

Source: Webster (1977, p. 56)

Webster (1977) suggests that an independent entrepreneur does not have profit as an incentive mechanism and operates within a venture framework. Likewise, the industry maker displays the characteristics of a risk creator. These characteristics do not fit the entrepreneurs in this study. As applied in this study, entrepreneurs describe themselves as one who would like to increase their salaries, create work and are attracted by the above-average financial payoffs. This type of entrepreneur might face constraints in terms of sales, profit potential and geographical outreach. As suggested by Webster (1977), these characteristics fit the description as ‘small business owner’. Such entrepreneurs are concentrated in and around Phnom Penh, Cambodia.

Schumpeter (1934) further explains that an entrepreneur portrays innovative characteristics. They may function differently: (i) creates new product; (ii) uses new technology; (iii) creates new or dynamic organizations, and (iv) opens new markets. Schumpeter’s criteria and description in innovation appears to fit the definition for entrepreneurs discussed in this study.

In this study, the term ‘entrepreneur’ is and will be used interchangeably to refer to ‘small business owner’ and could also encompass ‘founder of the small and medium sized firms.

1.8.2 Venture

The distinctive attribute of an entrepreneur is to create a new venture (Gartner, 1988). This raises the question - What is meant by “to create venture”? This term is always being confused with the concept of innovation. An innovative idea describes a novel idea, thought out to resolve problems or to create opportunities and avenues for something to happen; whereas in a venture, entrepreneurship translates the innovative idea into a business, establishes the business, operates the business and leads it to sustainable levels (Morris, & Kuratko, 2020). To run a business, the entrepreneur would need to deal with customers’ needs and suppliers, manage employees and its supply chain, maintain accounting records, make sure the accounts are healthy, as well as to maintain the legal aspects to protect itself from unforeseen circumstances. The entrepreneur also needs to make sure the business is always in operation, and is viable and feasible.

1.8.3 Internationalization

The term ‘internationalization’ is commonly and widely-used to describe the firm’s outward movement and increasing involvement internationally (Welch & Luostarinen, 1988). Internationalization is defined as “the process of adapting a firm’s operations (strategy, structure, resource, etc.) to an international environment” (Calof & Beamish, 1995, p. 116). Hence, it involves forward and backward internationalization, which further involves the exporting of products to foreign direct investments (FDI). The choice between exporting or FDI depends on the firm’s know-how, global strategic factors and host country factors (Malhotra, Agarwal, Ulgado, 2003). For example, the theory of internationalization by Johanson and Vahlne (1990) postulates that firms pursue internationalization activities by following stages of development, whereby learning and market knowledge contribute to international market commitment. Dunning’s eclectic

theory contends that firms perform internationalization operations to capture ownership, location and internationalization advantages.

In contrast to the conventional pattern of gradual, incremental internationalization, the rapid globalization process and advancement of technology assist to decrease international transaction costs which motivates small firms to be actively involved thus becoming the new norm in the new age era (Knight, 2015). The new emphasis on entrepreneurial orientation framework further postulates the entrepreneurial role in supporting young firms to internationalize (Cavusgil & Knight, 2015). Previous findings have implied knowledge-based internal organizational capabilities (e.g. entrepreneurial orientation) that have contributed to the firm's early involvement in internationalization activities and resulting in a superior performance (Knight & Cavusgil, 2004). In this study, the internationalization is referring to small firms that expand their business to a host country where the firm's growth is very much dependent on the founder's entrepreneurial prowess.

1.8.4 Competitiveness

'Competitiveness' refers to a multidimensional concept which can be used at different levels; i.e. country, industry or firm. Competitiveness in this study is a multidimensional concept measured at micro level (firm level) where it describes the firm's strengths over that of its competitors (Vilanova, Lozano, & Arenas, 2009).

This concept of competitiveness also depicts comparison. Porter (1990) once mentioned competitiveness as the firm's ability to have a competitive edge over its competitors through differentiation or cost advantage. The term competitiveness is suggested to be an advantage over competitors by linking sustainable competitive

advantage to core competence (Hamel & Prahalad, 2005). Thus, competitiveness is reminiscent to competitive advantage (Cerrato & Depperu, 2011). Ma (2000) interpreted competitive advantage as “the asymmetry or differentials among firms along any comparable dimension that allows one firm to compete better than its rivals” (p. 53).

According to Barney (1991), competitiveness involves the firm’s resources such as marketing and quality. A firm owns its competitive advantage when it practises value creation strategies which are unique to its competitors. Similarly, Ambastha and Momaya (2004) refer to a firm’s competitiveness as the firm’s ability to design, create and trade products in a more excellent manner than its competitors. Indeed, for a firm’s sustainability or survival in the market, it is important that the firm engage in sustained competitive advantage, “a value creating strategy not simultaneously being implemented by any current or potential competitors and when these other firms are unable to duplicate the benefits of this strategy” (Barney, 1991, p. 102).

1.8.5 Social Network

Social network is defined as the web of both formal and informal relationships for securing benefits to either personnel or organization (Zhou, Wu & Luo, 2007; Burt, 2001; Granovetter, 1985). In this study, the focus of social networks is of both a formal and informal structure of the founder relations that are not restricted to any geographical and institutional space.

This network entails social ties or connections, mostly from the small firm’s founder and generates social capital – capital that could be generated and regenerated inside social networks (Smångs, 2006). As social capital is embedded within social networks (Burt, 1992), it involves networks of connections and resources confined in this network which

is found to be positively affecting the firm's performance (Batjargal, 2003; Burt, 1997). Thus, social networks with well-equipped social capital would definitely enhance the founder's opportunities and abilities to compete.

1.9 Organization of Thesis

The dissertation comprises seven chapters: Chapter One begins with this introductory opening which provides the contexts for the current research. Next, the problems confronted by Malaysian firms found useful in developing the research questions and objectives are listed and illustrated. This is followed by an explanation on the significance the study has on the topic. An operational definition for certain terms are comprehensively explained, and the chapter concludes with a brief conclusion.

Chapter Two presents a review of the literature that are relevant to the current study. It covers reviews on existing theories and past findings. It also includes the theoretical explanations for each of the constructs. Then, proposed relationships are provided with reasonable discussions and justifications. The chapter concludes with an overview of the hypotheses, in line with the research questions and research objectives.

Chapter Three describes the methods and procedures utilized to answer and attain the research questions and research objectives. This section mainly illustrates the research design, which includes the explanations on sampling design and the justifications on the selected data collection method, scale measurement design, research instrument and data analysis techniques to examine the hypotheses.

Chapter Four and Chapter Five cover the findings for the research hypotheses. Chapter Four will discuss the findings based on Hypothesis 1 while Chapter Five covers the

findings for Research Questions 2 and 3. Both chapters begin with the profile of the respondents. For Chapter 4, a cross-case analysis will be performed, while in Chapter 5, a series of analyses are performed through a Partial Least Square-Structural Equation Modeling (PLS-SEM) to assess the measurement model reliability, as well as for validity. Next, the structural model is presented and includes the examination of path statistics, R-squared (R^2), effect size (f^2), predictive relevancy (Q^2) and PLSpredict. The chapter concludes with the results from the moderated mediated model using Hayes PROCESS model 59.

Chapter Six presents a comprehensive discussion of the findings from Research Questions 1, 2 and 3, which were presented in Chapters 4 and 5. The chapter provides the scientific arguments based on the contexts from previous research works and past theories in the literature.

The closing chapter, Chapter Seven concludes the write-up. A recapitulation of the research findings is indicated in the first section, followed by implications of the study and possible future research from this study. The implications are categorized into three sections: theoretical, practical/managerial and methodological implications. Finally, it concludes with a brief summary.

1.10 Summary of the Chapter

This opening chapter began with an introduction to the research, followed by the illustration of the background of study that details the problems confronted by Malaysian firms operating in Cambodia. The emergence of a research gap becomes the foundation for the development and formation of the projected research questions and objectives. Next, certain operational terms are clarified in the context of the current study. The

chapter closes with an outline for this dissertation on the organization of the chapters to help readers navigate through this dissertation with relative ease.

Universiti Malaya

CHAPTER 2: LITERATURE REVIEW

2.1 Small and Medium sized Enterprises (SMEs)

This literature review examines compelling evidence from various disciplines for the purpose of theory development in this study. A review on related literature that is focussed on assessing different theoretical works that reinforce the importance of good theories could stimulate discussions as it provides new light on the body of knowledge and contributes significantly in practical perspectives.

A detailed review is conducted to develop a deeper understanding on the research topic. This review of related literature creates a holistic view of the concepts by going through multiple definitions of the key term – competitiveness. Besides touching on the evolution of competitiveness, it traces the pendulum changes from the industrial level to firm level competitiveness and is conducted at both macro and micro levels to capture the multiple dimensions of competitiveness.

The advances of technology and the decline of barriers provide motivation in reviewing the determinant factors of competitiveness especially among the small and medium sized firms (SMEs). A number of scholarly works are reviewed to capture the factors leading to competitiveness. This review tends to look at some factors considered to be important for the discussion under the perspectives of developing countries. The review is hoped to provide a platform in the future to develop a conceptual framework with supporting propositions than dwell on the concept of SMEs' competitiveness in a developing country.

2.2 Theories on Internationalization

There has been a growing concern that the theories are not predictive towards small firms. Some researchers suggest that the international entrepreneurship theory is more relevant now, as it seems to indicate the behaviour of the firms that are intent on internationalizing outside their home countries. However, this may not hold, and will not be the sole theory that explains the behaviour of the firms through the owner's (entrepreneur) intentions to internationalize.

Previous established theories do have their own predictive power in explaining the internationalization process. A majority of the established theories had mainly focused on the behaviour of large firms. This study will dwell on more of these insights when relooking closer into the relevant theories.

2.2.1 Classical theories

The internationalization process was first seen to benefit national interests. Smith's theory in 1776 explained internalization from the country level perspective. The theory worked very well in the early years until the escalation of the disagreement between the researchers and practitioners in explaining the process.

This weakness led to the creation of the Ricardian theory. The theory of comparative advantage again failed to address the process of internationalization appropriately through the failure to explain the rationale why countries tend to enact trade barriers which hinder the specialization and trade efficiency on their nationals.

A further refinement of the comparative advantage theory led to Heckscher-Ohlin theory (H-O theory) that explains that the country's factor of production determines the

specialization of production of goods and services. This competitive advantage motivates internationalization activities around the world.

All classical theories centre on the country as the unit of analysis in searching for a competitive advantage which motivates the process to internationalization.

2.2.2 Market imperfection theories

Since the 1950s, the theories began to capture firms in analysis. FDI theories recognize market imperfection as the drive for internationalization of multinational firms. Both theories are common in using the firm as the unit of analysis and include the role of market imperfection as the rationale for the firms' decisions to internationalize.

First, government incentives, either from home or host country motivate firms to internationalize. The inability to transfer knowledge abroad compels these firms to do so. Second, the product life cycle theory which explains the search for cost advantage motivates firms to internationalize and initiates international production due to the low costs in production and higher local demand in the particular country. Vernon (1979) articulates that internationalization is based on product innovations. For SMEs, they initiate home-based innovations first because they are deficient in resources and their capabilities to innovate internationally is limited. Then, they will move gradually to the international market for a greater demand through exporting their products to high income nations and eventually undertake foreign direct investments to prolong its advantage by placing its production unit abroad, in order to reduce the costs of production (including production costs and research and development costs) for larger sales volumes.

2.2.3 Late market imperfection theories

Subsequent market imperfection theories are the extended version of FDI theories. First, the international portfolio theory focuses on the behaviour of the firms to internationalize. Firms try to maximize their profits and minimize risks concurrently through a diversification strategy. The owners would select different foreign markets to venture into to minimize financial losses. The primary focus for this theory is on determining some of the effective risk management strategies.

However, contradictory results appear to eradicate the gains achieved through diversification strategies. Nevertheless, this theory is still useful to explain the process of internationalization and the motives for firm internationalization.

2.2.4 Internalization theory

This theory views firms as the developers of sophisticated technology and information with which firms are able to benefit through a monopoly over the knowledge. This pushes firms to internationalize. Coase (1937), in the transaction costs theory mentioned that there is a need for firms to internationalize as these activities became inefficient and costly if these activities are controlled by external parties. The firms believe that they need to handle all their activities by themselves to ensure efficiency. To support this, Sundaram and Black (1995) point out that firms will have greater incentives to internationalize with higher acquired transaction costs.

The core idea behind this theory is the comparative advantage generated or the compensating advantage to overcome the “foreignness” (Buckley & Casson, 1998). It explains why firms need to internationalize as compared to the other entry modes. As

such, it may ignore the influence from the external environment because it has the tendency to focus primarily on the internal processes.

2.2.5 Eclectic theory

Dunning's eclectic theory explains that firms have greater incentives to internationalize if these firms possess (1) higher ownership specific advantage (internal use of own specific advantage), (2) internalization advantage, and (3) higher advantage in exploiting whilst operating outside the national boundary (location advantage). The theory explains how, where and why firms select the most likely investment location. Dunning also stresses that firms investing abroad are mainly from four categories - resource seeking (i.e. seeking resources not available in the home country), market seeking (i.e. maintaining a physical presence in the market to better serve the customer and to discourage competitors occupying the market), efficiency seeking (i.e. taking advantage of the scale and scope in different countries) and strategic asset seeking (i.e. investing for the purpose of acquiring and complementing new technology bases).

However, this model may have overlapping benefits from among these three advantages. Moreover, this theory has limited power in explaining small firm ownership advantage as small firms possess lesser advantage, when compared to the larger firms.

2.2.6 Resource advantage theory

The firm's internalization is explained by the firms' responses to the dynamic environment through capitalizing on their resources, skills and practices to achieve balance, gathered from the environment to achieve the desired competitive advantage. Resources (either tangible or intangible) are essential in shaping the nature of competition that enable the firm to efficiently and effectively compete, and through their proactive

innovative practices produce competitive advantage (Hunt & Morgan, 1995). In a nutshell, firms pursue self-preservation to create an advantageous market position by capitalizing on the resources from the environment from the different countries.

2.2.7 Internationalization theories (Incremental theory)

Research that deliberates specifically on the process is referred to as incremental or stages model and is also known as the Uppsala Model. The incremental framework originates from research, based on four Swedish firms (Johanson & Wiedersheim Paul, 1975). They identify four stages that firms go through before they undertake internationalization. These 4 stages include: (1) no regular export activities, (2) export through independent agents, (3) foreign subsidiary establishment, and finally (4) foreign manufacturing plant establishment. Due to their limited experience and knowledge, this theory reflects a step-by-step approach in international market growth. Learning and experience earned over the years eventually contributes to their expansion abroad.

The internationalization process is considered an incremental process although some stages are skipped. Vernon (1966) mentions that internationalization starts with geographically closed markets. Johanson and Vahlne (1977) refine the model by introducing market knowledge into the model. Firms begin to expand with lower perceived risks and an increase in experience goes on to then drive the firms to internationalize.

Researchers however have criticized this model because of the inability to have promising reasoning and the incompatibility between the theoretical and operational bases (Crick, 1995). Furthermore, the network theorists counter-argue the experience and

the resources owned by the network partners who support the internationalization at the infant stages (McDougall, Shane & Oviatt, 1994).

2.2.8 Network approach

A network approach is the interaction or relationship with and among firms that lead to internationalization. A firm's step-by-step approach to internationalization could be bypassed by a network relationship as firms are introduced and escorted into the international marketplace by experienced partners. Johanson and Mattsson (2015) view internationalization of the firm as the establishment of foreign market positions through foreign network partners. Networks bridge the accessibility of firms to partners' knowledge and market information which speed up the internationalization process to develop the foreign market position. They could become global instantaneously.

As such, it is suggested to use networks rather than the firm as the unit of analysis when explaining the internationalization of firms. Moreover, internationalization is not due to the firm's solo effect; it is due to a combination effects produced from the network relationship. Government assistance programs, foreign partners, marketing agents and suppliers are some of the network partners that the firms can depend on.

2.2.9 International entrepreneurship theory

An international entrepreneurship approach highlights a firm's entrepreneurial behaviour as the initial decision for a foreign market position (Mtigwe, 2006). Evidence suggests that small firms are aware of the market risks involved and that they could manage these risks effectively (Shrader, Oviatt & McDougall, 2000). Consequently, the presence of born-global firms indicate how they have skipped the gradual progression that traditional multinationals had gone through (Oviatt & McDougall, 1994; Madsen &

Servais, 1997). These small firms are able to gain and learn the relevant skills, knowledge and benefits from the competitive advantages of the partners who have had international experience in handling businesses abroad (Coviello & Munro, 1997; Johanson & Mattson, 2015).

International entrepreneurship is defined as a “courageous managerial creation process through which an individual engages in innovative, proactive and calculated risk-taking behaviour designed to execute foreign business opportunities presented by multinational market success and imperfections for financial and non-financial rewards” (Mtigwe, 2006, p.17). This definition captures the important essence of entrepreneurship (i.e. calculated risk element, exploitation of opportunities, in control, devotion).

2.3 Conceptual Framework for Qualitative Approach

The review of literature has concluded some questions: Are these theories valid in attempting to explain internationalization, regardless of the country? Is it valid and applicable to explain and understand the differences in the small firm’s management systems, regardless of the industry sector? Can the internationalization of firms be clearly explained by using a single theory?

Weaknesses from existing theories provide strong reasons to find out why firms have intentions to internationalize. First, the network theory may explain appropriately the internationalization process among the network firms. However, researchers have found the weaknesses on testing the same theory on non-networked firms (Malhotra, Agarwal & Ulgado, 2003). Second, the incremental or stages theory may not be applicable while attempting to explain the internationalization process for small firms, especially the firms’ participation in a high technology environment. Small firms tend to make use of

technology to virtually expand their business internationally. Besides, globalization has made internationalization easier and more approachable. Finally, classical theories work well in the beginning. Nevertheless, nations as the unit of analysis may not be appropriate in the modern economy world. These theories may have become outdated and not able to provide a full explanation on why firms go international.

Researchers also find that there is not a single complete theory that could accurately explain the internationalization of firms. For instance, the inaccuracy of theory in explaining the internationalization is due to the growing influence of small firms and the popularity of entrepreneurship activities. Some theories are good in explaining how or by what means firms go international, while some merely go about explaining the rationale, conditions and motivations for internationalization.

The review and discussion from previous theories lead to the proposed conceptual framework (see Figure 2.1). A comprehensive literature review is conducted to uncover the theories that explain firm internationalization. The idea is to compare this framework with Malaysian firms that have internationalized to Cambodia, to find out if the existing motivators mentioned and addressed in earlier theories are applicable and then to seek explanations to justify these motivators or the driving forces for firm internationalization. The development of the conceptual framework in Figure 2.1 is based on two dimensions – Internal Enabling Influences of SMEs, and External influences. The classification of the two dimensions are similar to the ‘pull and push’ forces in Thai and Chong’s framework (2008) and Etemad’s framework (2004). The diagram shows the internal enabling influences of SMEs, external influences, and the interaction of both classifications as important stimuli that drive the SME’s internationalization process in Cambodia.

The interaction influence is discussed by Coviello and Munro (1995). They point to the small market size of New Zealand that is pushing the firm to venture out from the home country. Moreover, the large international markets pull the firms for investments. Likewise, these internal and external influences could accelerate the firms' internationalization process.

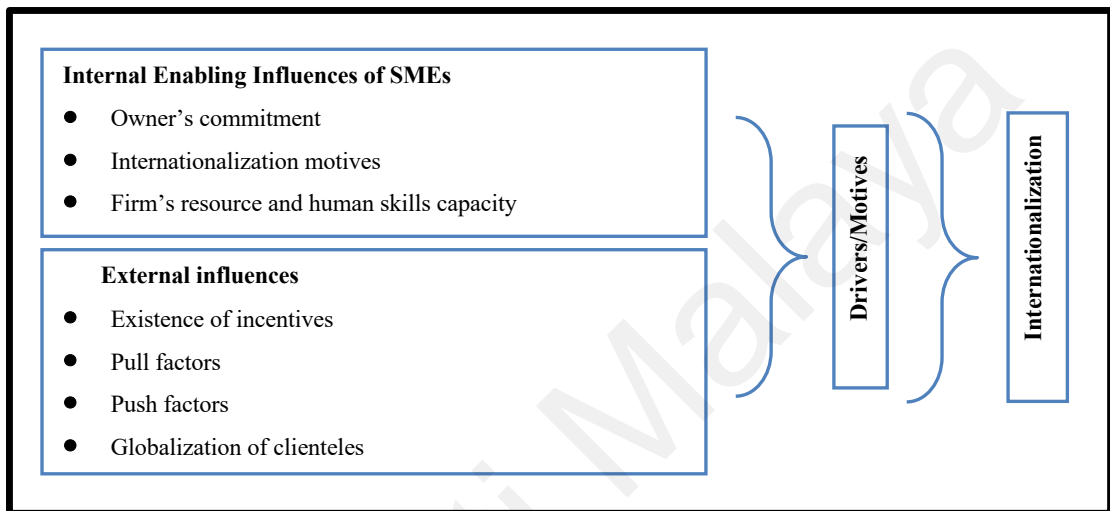


Figure 2.1: Schematic Diagram for SME's Internationalization in Cambodia

Contrary to Etemad's framework (2004) that focuses on the conditioning intermediation of the push and pull forces in the same environment or Thai and Chong's framework (2008) that focuses on a single driver without contemplating integrative forces in their study, these frameworks may not support the small firm's internationalization efforts. The current framework proposes the contemporaneous influence of internal and external motivators that drive small firms' internationalization efforts in Cambodia.

2.4 Definition of competitiveness

There are different indicators for competitiveness simply because competitiveness can be defined in terms of a single firm, industry level, national and regional level. Different indicators are used to measure competitiveness at the macro and micro levels.

Competitiveness of nations is defined as the country's ability to achieve and sustain high growth rates in terms of GDP per capita as developed by the World Economic Forum in the Global Competitiveness Report (Porter & Schwab, 2003). Competitiveness could also be viewed as the ability to sustain improvement in the country's well-being (Zinnes, Eilat & Sachs, 2001). The European Union Competitiveness Report defines competitiveness as the ability of an economy to improve the standard of living and employment rates. On the other hand, Zanakis and Becerra-Fernandez (2005) suggest macro competitiveness to include risk rating, computer usage, gross domestic investment, exports and imports of products and services, savings and private consumption, gross domestic product (GDP), labour force, and expenditure on research and development (R&D).

At the micro level, firms could achieve competitive advantage through cost reductions and differentiation (Porter, 1990) over their rivals. Researchers such as Hamel and Prahalad (2005) associate sustainable competitive advantage with core competency, which is an advantage that the firm has over their rivals. The firm has the tendency to produce and sell unique products or services more efficiently as compared to its competitors. Additionally, most research tend to focus on the determinants of an organization's competitiveness (Barney & Zajac, 1994) while some look on survivability as the core determinant of competitiveness (Barnet & Pontikes, 2004). Competitiveness is always being assessed with intellectual capital and innovation capacity (Solleiro & Castañón, 2005), which is categorized into product, process, technological and administrative capacities. For small and medium-sized enterprises (SMEs), their behavioural advantages could be portrayed in innovation (Dutta & Evrard, 1999) although they do face constraints in resources. Also, Souitaris (2001) reports no literature has

explored the root cause that determines innovation in developing countries even though they dominate the majority of the businesses in these countries.

In general, competitiveness could be in the form of a dependent variable, an intermediary variable or independent variable. This concept is long-term oriented and comparative in nature. Hence, research on this area tends to focus on factors leading to competitiveness and how firms can achieve their competitiveness. For instance, Oral's model of competitiveness on industrial firms (1986) highlights the importance of internal and external considerations for competitiveness. In another study, Feurer and Chaharbaghi (1994) view competitiveness as an interaction with its stakeholder values, especially customer and the shareholder values and include them when assessing the organizational capabilities. Similarly, Corbett and Van Wassenhove (1993) include product dimensions, price dimensions and place dimensions in measuring the firm's competitiveness. Hence, the competitiveness construct is a multidimensional concept.

Buckley, Pass and Prescott (1988) introduce competitiveness measurement – management process, competitive potential and competitive performance. This same measurement is captured in measuring world competitiveness (Institute of Management Developmental & World Economic Forum, 1993). The formulation combines assets, processes and performance. The processes will transform the assets that are created or inherited to deduce the performance. The main important feature of competitiveness is that, this construct is constantly evolving or in motion always and is not stationary. Therefore, one should measure competitiveness with the processes involved together with performance and the assets owned by the firm. Environmental factors are considered as separate factors when determining SME's competitiveness although the macro-environment is considered as endogenous in the international competitiveness context.

Man, Lau and Chan (2002) suggest further that the competitiveness construct should have certain characteristics. First, the competitiveness dimension is long-term oriented. This characteristic is aligned with the definition of competitiveness by Ramasamy (1995) who defines it as the firm's capability to raise market share, increase profits and adding value-added growth for a longer time frame. Second, it is controllable. Resource-based studies always research along this perspective which recounts the firm's capabilities and internal resources that lead to outstanding performance. Third, it is relative in nature. This characteristic illustrates the firm's competitiveness as compared to others in the industry. Finally, the last characteristic is dynamism. It highlights the ability of the firm's competitive process to transform the firm's potential into superior performance which in turn strengthens the belief and grounds on why firms need to keep improving in the marketplace. Firms that are incompetent and static or passive are less sustainable over time and could lose their competitiveness when their competency or advantages are imitated or become obsolete over time.

2.5 Theoretical Background on Competitiveness

The understanding of the concept of competitiveness can be from micro and macro-levels (Anca, 2012). Competitiveness at the micro-level is expressed as the firms' ability to compete and win over competitors, which is considered as a success. Relatively, competitiveness at the macro level is loosely defined and it emphasizes the competitiveness between nations. Nevertheless, competitiveness will eventually raise incomes, jobs and living standards. Different schools of thoughts may have different interpretations on competitiveness. The current study, however, focuses on competitiveness at the micro-level.

Classical economists focus on competitiveness at the national level. Both researchers, namely Smith (1776) and Ricardo (1817) emphasized that the factors of production including labour, land and capital are the determinants of national level competitiveness. Their early researches validate the factors of production of nations as the factors that differentiate competitiveness between nations. For instance, Smith explains that a nation that is more competitive will have absolute advantage in producing and exporting its products; whereas Ricardo further strengthens Smith's work by introducing opportunity and costs to differentiate competitiveness between countries. Ricardo's comparative advantage is later refined by Heckscher and Ohlin who introduce technology (i.e. the use of machinery and automation) as one of the determinants of national level competitiveness. Studies conducted in these areas reveal that nations which are more capital-intensive are more competitive as compared to labour-intensive nations.

On the other hand, neoclassical scholars start to explore competitiveness at the micro level. The neoclassical perfect competition theory expresses that firms are the embodiment of multiple inputs, of which labour and capital are two of these for them. Perfect competition theory assumes that firms are identical due to perfect and equal access to information and technology. As a result, the limits of the quantities produced is determined by technology and the human factor (Holmstrom & Tirole, 1989; Corner, 1991).

In a strategic management field, Industrial Organization (IO) economics are concerned with the environmental settings and their influence on the firms that operate in those environments. Porter (1981) further articulates that the firm's performance could be influenced by the industry environment. This argument is well-supported by researches

(Dean, Brown & Bamford, 1998). Nevertheless, these industrial environments might have different implications on large and small firms.

Porter's Five Forces model developed in 1980 provides a practical and analytical method to study the industry's attractiveness and competitor analysis. Porter (1980, 1991) discloses that the firm's competitive advantage is supported by the firm's differences and position in the industry and it is these forces that enable the firms to achieve outstanding performance in the industry. A strategic group of researchers is of another view that presents the significant role of mobility barriers through which product differentiation or the economies of scale become the crucial sectors that determine the differences because firms are no longer a homogeneous group. The rationale for this disagreement lies with the firms' differences mainly in the market share.

Research on competitive dynamics emphasizes research at firm level and recognizes the dynamics of a firm's strategies. An action of a firm will at most instances, trigger the actions and reactions of competing firms. Bettis and Hitt (1995) recognize the significant importance of a dynamic environment which increases levels of competition among firms. The escalating competition tends to place emphasis on speed, flexibility and innovation. Hence, studies on competitive dynamics focus on two key areas - multipoint competition (the rivalry intensity which tends to harm performance), and competitive action-reaction. Consequently, any strategy taken by the firms will eventually influence the firm's performance.

However, some researchers such as Barney (1991) and Wernerfelt (1984) argue that the firms' idiosyncratic characteristics lead to their competitive advantage. Thus, the focal point will centre on the heterogeneousness of firms in similar industries, particularly in

the differences in resources; either tangible or intangible, and there is an urgency to trace these differences. As such, the researchers then refocus on the firms' idiosyncratic resources coupled with its integration with environmental characteristics to determine competitive advantage (Dess, Gupta, Hennart & Hill, 1995).

Hoskisson, Hitt, Wan and Yiu (1999) address resource-based view (RBV) as the fundamental theory used to address the firms' differences and their abilities to attain and sustain competitive advantage. Penrose (1959), the pioneer researcher to view firms as the bundle of resources, claims that the heterogeneity of resources determines the uniqueness of the firm. Similarly, researchers (e.g. Wernerfelt, 1984; Dierickx and Cool, 1989) seek to relate how the firms' resources lead to their competitive advantage, while some examine specific resources that associate with sustainable competitive advantage, for instance, studies - distinctive competencies (Hitt, Ireland & Stadter, 1982), entrepreneurship (Nelson, 1991), or human resource properties (Amit & Schoemaker, 1993).

According to Barney (1995), firms tend to focus on their own internal aspects to explore for new opportunities and to reduce threats arising from the environment since they are better at capturing competitive advantage. Barney (1995) proposes rareness, value, substitutability and inimitability to generate sustainable advantage. The core focus for a resource-based approach are resources and capabilities. Hence, resources, both tangible or intangible are assets, while capabilities refer to accomplishing activities from the current availability of resources (Grant, 1991). Prior studies have been supportive of competitive firms to own advantages, especially intangible resources and capabilities (Barney, 1991; Peteraf, 1993). As such, some strategic studies include resources such as

innovations and technological capital, human capital and organizational design as the determinants for business competitiveness (Aragón-Sánchez & Sánchez-Marín, 2005).

To add to all this, the social value of the market is not static. Firms constantly compete by seizing every competitive opportunity through adopting and creating innovations to make their competitors' competitiveness obsolete and to eventually vanish. Potential imitators are constantly present giving rise to the need for radical innovations. Innovations are always more effective compared to price competitions as imitators are constrained by the costs to imitate resources. This concept was studied and explored comprehensively by Nelson and Winter (1982). Lado, Boyd and Wright (1992) stress the importance of idiosyncratic competencies in generating a sustainable competitive advantage. They propose that distinctive competencies should consist of resource-based competencies (firm's specific resources that outperform the competitors), transformational-based competencies (firms capabilities of transforming input into output such as innovations), output-based competencies (value creating activities, which consist of reputation for product/services quality and networks for delivering value to consumers, etc.) and managerial competencies and strategic focus (the managerial values in interacting and influencing transformational, resource and output-based competencies). In spite of all that, strategic literature stress that internal resources remain the factor that determines business competitiveness, (Hall, 1993) according to a resource-based view (Barney, 1991). An increasing amount of literature is seen to focus on the SMEs internal resources, particularly in human resource management, innovations, technological advancements, and marketing and organisational structure that lead to the SMEs' competitiveness. Subsequently, for SMEs, an entrepreneurial orientation appears vital as the entrepreneur is the decision maker for the firm. Entrepreneurial orientation emerges as the distinctive characteristic to support superior firm performance (Knight & Liesch, 2016). The

following table (Table 2.1) provides some developments of the concept of competitiveness.

Table 2.1: Evolution of Competitiveness

Year	Researcher	Concepts
1776	Smith	Differences in productivity that determine the competitiveness.
1817	Ricardo	Relative differences determine the competitiveness.
1934	Schumpeter	Entrepreneur's role determines competitiveness.
1988	Buckley, Pass & Prescott	Firms' ability to produce better products/services at a lower cost over its rivals.
1990	Sloan	Management concept as the determinant factor for competitiveness.
1990	Prahalad & Hamel	Core competencies lead to sustainable competitive advantage of firm.
1990	Porter	Environmental factors important in determining competitiveness.
1994	Feurer & Chaharbaghi	Shareholder value contribute to competitiveness.
1995	Barney	Internal resources of firm contribute to competitiveness based on resource-based view.
1995	Negroponte	Knowledge becomes input factor to competitiveness.
2011	Drucker	Management is determining competitiveness.

Literature further suggests market orientation as one of the sources for sustainable competitive advantage. Market-oriented firms could provide an understanding of market trends and customer needs to extend positional advantage in the market for a long term performance (Kumar, Jones, Venkatesan & Leone, 2011; Day, 1994). Similarly, competitive positioning competencies are vital for firms to fend off competitors, encroachment and imitations by offering differential advantage to secure the market; thus creating sustainable competitive advantage (Hooley & Greenley, 2005).

However, doubts emerge on the Asian SMEs. Previously, Asian firms owed their successes to their ability as imitators. However, recent stringent intellectual property rights have put a stop to imitation practices and dampened their successes, resulting in a loss of their competitiveness. This situation is heightened by the constraints in costs and resources. Undeniably, larger firms are known to fare better because of their ability in using complex technology which enhances their competitiveness. Nevertheless, this weakness is overcome with the SMEs' characteristics of being more flexible and responsive to the environmental changes. In the SMEs' contexts, having superiority in intangible resources and capabilities is insufficient, because they are deficient in terms of size and scale and in internal and external growth as compared to larger firms. Alliances, cooperations and maintaining beneficial social networks may allow SMEs to obtain the benefits of being large and at the same time maintaining specialization of being small, especially in flexibility, reduction in costs and responsiveness.

It is interesting to explore whether the intangible resources and capabilities remain the determinants of SMEs' competitiveness as found in the gains of larger firms. Hence, it seems reasonable to explore these factors that determine the SMEs' competitiveness, especially the intangible and the capabilities of firms which serve as the backbone of competitiveness. The resource-based view (RBV) will be used in this study for the following reasons. First, this theory focuses on uniqueness. It highlights the performance differentials among firms. Second, it views the firms' performance as the result of simultaneous interaction of forces – from the firm's assets, competitor's assets and industry to public policy environment.

2.5.1 SMEs Competitiveness

Competitiveness in larger and smaller firms is distinctly different due to their differences in their organizational structures, their management processes as well as their responses and interactions to their environment. Therefore, small firms should not be treated as the smaller version of larger firms. Similarly, findings from studies on competitiveness in larger firms should not be applied directly to SMEs.

Rapid changes in technology and the rise and growth of the World Wide Web have introduced a different momentum in competition and competing. Technological discontinuities and hyper competition form the new landscape of competition where firms are always inclined to become the pace-setters. Along with technology change, globalization also prompts the firms to compete in the global market. As these environments pose more challenges for the firms, the sustainability of competitive resources in the global marketplace may promote significant differences in the level of competition.

The importance of institutional contexts gets more pivotal when it is related to globalization. The complexity of institutional contexts may influence the firm's strategies and structures which aid to excel in performance in the dynamic environment. The universality of competitive advantage is questionable due to the institutional differences and cultural differences. Thus, more research is needed to explore this area; for instance, geographic clusters of interrelated firms providing a magnetic field to attract foreign investments (Porter, 1998).

Although most researches focus on a single level, but as suggested by scholars, there is a need for firms to integrate different business levels in order to excel in the

international marketplace. Moreover, the importance of integration is further highlighted by the impact of environmental influences on the competitive strategies of large and small firms.

2.6 The Linkages between the Variables and Hypotheses Developments

2.6.1 Firm's Internal Factor: Entrepreneurial Orientation

The SMEs' competitiveness is said to be determined by managerial characteristics. Inevitably, the agility and resilience associated with SMEs are also highly dependent on these managerial characteristics. Indeed, empirical results do support the linkage of managerial characteristics and the firms' strategies towards organizational success (Gunasekaran, Rai & Griffin, 2011). In fact, an adoption of professional managerial practices also tends to reflect learning in SMEs (Jones & Macpherson, 2006). In addition, Hausman (2005) indicates that the employment of skilful manager and innovativeness of SMEs are related. However, a small business is often deficient in learning due to the lower education background and training of the personnel which prevents them from transferring their superior knowledge into creating and producing new products or services (Sethi, Smith & Park, 2001). Moreover, the firms generate economic value not mainly due to the possession of resources alone, but also with innovative management of resources which plays an important role. As suggested by Penrose and Penrose (2009), entrepreneurial managers are the catalysts to a firm's growth through their creative and innovative resource deployments.

On the manager's role, research in the Organization for Economic Cooperation and Development's (OECD) in 1993 reveals that the owner or manager determines the SMEs competitiveness. This is consistent with the framework introduced by Horne, Lloyd, Pay & Roe (1992) who introduce owner/manager as the key players who influence the

competitiveness of the SMEs. Thus, entrepreneurship is proposed by Schumpeter (1934) as one of the determinants for a firm's competitiveness.

The influence of the human factor on firm performance is well-supported (Boxall, 1996). These studies conclude that the entrepreneur has the capability of influencing the performance of the small firm. Research by Vos (2005) further reflects that the competency of the SME's manager will highly dictate the firm's direction strategically, especially when the power of decision making is held by the owner/manager (Dyer & Handler, 1994) whose decisions could influence the innovativeness of the entire firm (Verhees & Meulenbergh, 2004). However, it has also been found that any over-involvement on the part of the owner/manager may hinder the firm's progress due to pessimism (Sethi, Smith & Park, 2001) that may develop, especially when in practice they face constraints in resources. This situation becomes more risky as it can become more costly (Sivadas & Dwyer, 2000). Such evidences supporting this theory are empirically limited; coming mostly from anecdotal evidence (Hausman, 2005). Nevertheless, this contradiction tends to discourage firms from attempting to change and remain uncompetitive. More studies are required to validate the owner's/manager's role in determining the firm's competitiveness, especially in the Asian countries.

International Entrepreneurship (IE) is defined by McDougall and Oviatt (2000) as involving "innovative, proactive and risk-seeking behaviour that crosses national borders and is intended to create value in organization" (p. 903). IE is important in this study as it is linked to "discovery, enactment, evaluation and exploitation across national borders to create future goods and services" (Oviatt & McDougall, 2005, p. 540). In addition, International Entrepreneur Orientation (IEO) is defined as "behavioural elements of a global orientation and captures top management's propensity for risk taking,

innovativeness, and proactiveness” (Freeman & Cavusgil, 2007, p. 3), highlighting the 3 original elements of Entrepreneur Orientation (EO) concept proposed by Miller (1983). In contrast, IEO is defined more comprehensively as “behaviours associated with the potential creation of value, which manifest themselves as proactive and innovative methods, risk taking activity, autonomous actions and an emphasis on outperforming rivals, all variously aimed at discovering, enacting, evaluating, and exploiting opportunities across national borders” (Sundqvist, Kyläheiko, Kuivalainen & Cadogan, 2012, p. 205), and which consist of the 5 elements as proposed by Lumpkin and Dess (1996). Although the majority of empirical research on IEO focus on 3 elements: proactiveness, risk-taking and innovativeness (Covin & Miller, 2014), the present study will focus on the 3 elements with an additional 2 elements of the EO in an international context.

Empirical research on IEO most commonly explore the relationship of EO and internationalization outcomes which include breadth, scope, degree and speed of internationalization which treats IEO as an international context of EO. Earlier researches treat EO (innovativeness, risk-taking and proactiveness) as reflective and aggregated measurement (Covin & Slevin 1989). Conversely, the more recent researches treat these sub-dimensions as formative, as each individual dimension may have diverse relationships with different variables (Kreiser, Marino, Kuratko & Weaver, 2013), with each dimension exhibiting different results under different settings (Miller, 2011). In other words, risk taking has the tendency to be more pivotal as compared to innovativeness and proactiveness for certain environments or strategies (Linton & Kask, 2017).

The first dimension – proactiveness, refers to the firm's undertaking of activities in anticipation of future changes, needs and problems. In EO, proactiveness plays an important role because it implies that the firm is future oriented and opportunity seeking. Firms that are proactive are always accompanied with innovative and new venture activities (Lumpkin & Dess, 1996; Rauch, Wiklund, Lumpkin, & Frese, 2009; Lomberg, Urbig, Stöckmann, Marino, & Dickson, 2017). Such proactive firms would on most occasions be the pioneers in the creation of new products and services or in the introduction and application of new technologies, new processes and even new administrative procedures (Miller, 1983; Lumpkin & Dess, 1996; Wiklund & Shepherd, 2003; Anderson, Kreiser, Kuratko, Hornsby & Eshima, 2015). It is important to note that because proactiveness relates to market opportunities, proactive firms tend to have the innate ability to influence the environment by creating new demands or trends (Lumpkin & Dess, 1996).

The second dimension – innovativeness, is interpreted as the firm's proclivity for novelty, new ideas and change and its involvement in creative processes involving products, services and technology (Rauch, Wiklund, Lumpkin, & Frese, 2009; Gupta & Wales, 2017; Anderson, Kreiser, Kuratko, Hornsby & Eshima, 2015). It represents the firm's inclination for new practices and technology (Lumpkin & Dess, 1996).

The third dimension – risk-taking, is interpreted as the firm's tendency where the “managers are willing to make large and risky resource commitments” (Miller & Friesen, 1978, p. 923). These firms tend to undertake bold actions in uncertain environment (Rauch, Wiklund, Lumpkin, & Frese, 2009; Lomberg, Urbig, Stöckmann, Marino, & Dickson, 2017). Furthermore, the firms are willing to seek opportunities although their ventures could lead to uncertain outcomes (Baker & Sinkula, 2009).

The fourth dimension – competitive aggressiveness, relates to the tendency of a firm to aggressively outperform its competitors by improving its position and achieve entry into the marketplace. Its stance is contended to differ from proactiveness as it relates to competitors; firms will respond to the existing demands or trends in the marketplace (Lumpkin & Dess, 1996). Firms are likely to compete for demand by displaying a combative posture, for example, a firm may choose conventional ways to respond directly or through unconventional ways by doing things differently through redefining the context (e.g. changing the products or services, scope and market channels), reconfiguration, thus overtaking the leader in the industry (Porter, 1996). Hence, the firm's competitive aggressiveness is referred to as the firm's responsiveness in achieving competitive advantage.

The fifth and final dimension – autonomy, indicates the independent practices of the entrepreneur or teams by initiating ideas or new ventures and seeing it through to success (Rauch, Wiklund, Lumpkin, & Frese; 2009). It is said that business players have the autonomy, and free from any influence, constraints and threats that arise from internal and external environment in pursuing opportunities; the entrepreneur or team remains independent to make their own autonomous decisions.

On the whole, little is known about how these dimensions react in combination to influence the firm's sustainable competitive advantage. As such, a contingency view that fits this context as EO would influence the firm's competitive advantage depending on the different environment contexts (Linton & Kask, 2017). The nature of the SMEs enables these smaller firms to be more flexible during their interaction with their surroundings. Flexi organizations are more adaptable to their environments and hence have higher opportunities for innovations (Goold & Campbell, 2002). As mentioned

earlier, continuous innovation becomes a crucial factor to sustain in the marketplace, whereby the flexi structure of the SMEs is indeed vital to contribute to their fast reactions to the external surroundings. Firms that are adaptive and flexible stand to have better opportunities for improving the firms' performance and employment (Furman, Porter & Stern, 2000). However, the concept of flexibility remains tautological. Arguments have been found on the formal structures of the SMEs and according to Terziovski (2010), some SMEs fail because of informal planning processes. Research by Aragón-Sánchez and Sánchez-Marín (2005), for example indicate a positive correlation between the firm's productivity and flexibility. Hence, the most proactive and innovative firms are found to be more flexible than the conservative ones. Thus, it can be concluded that EO, with the combination of proactiveness and autonomy, is expected to enhance firm performance.

2.6.2 Social networks

Firms as autonomous entities, often obtain competitive advantage from their internal resources (Barney, 1991) and external sources (Porter, 1980). The performance of firms may be influenced by relational approach, as strategic networks are known to potentially provide the firms with advantages, such as advantages from scale and scope and advantages from accessing technologies and resources from their partners. Nevertheless, networks do have their disadvantages, especially when the firms are being locked in unproductive relationships or are being prevented from partnering with other workable strategic firms. Thus, a firm's networks can be a source of opportunities or threats. Strategic networks enable the firm to achieve strategic competitiveness in the challenging environments, and in the SMEs' contexts, cooperation becomes an important element to improve their competitiveness as they provide opportunities to access resources that are unavailable to them (Glaister & Buckley, 1996).

Previous evidence show that the resources of alliance partners do influence firm performance through interfirm interactions (Lavie, 2006). These resources which are referred to as network resources (Gulati, 1999), could increase the firm's opportunities to win over competitors in the marketplace. For instance, Stuart (2000) reveals in what ways partners' technology capabilities could lead to growth in sales and innovation rates in semiconductor firms. However, on the other hand, cooperative interorganizational relationships could also fail due to internal problems arising from the organizational parties' fall-out between involved parties, changes in organizational commitments or in structural arrangements (Ring & Van de Ven, 1994). These studies suggest that partner firms or social/strategic networks could shape the competitive advantage of the firm.

Both studies by Singh (1997) and Shan (1990) express that SMEs need more alliances because they need greater technology benefits in the competitive market, while research by Eisenhardt and Schoonhoven (1996) indicate that firms cooperate because of the greater and increasing needs for innovation. However, the previous results in the literatures were rather inconclusive. Aragón-Sánchez and Sánchez-Marín (2005) conclude that cooperation does not necessarily contribute to SMEs competitiveness and in a similar manner, Pil and Holweg (2002) contend that cooperation is not always central to competitive advantage for SMEs.

Birkinshaw and Hood (2000) imply that dependency on foreign assistance will result in weaker capabilities and difficulty in achieving sustainable success. Nevertheless, international firms could play a pivotal role in developing countries, i.e. through providing funding assistance to local firms. Hence, it will be interesting to ponder on the competitiveness of firms in the host countries. Do they depend on their own internal resources and capabilities to be competitive? Funding could be the key factor for the

firms' success. Beck and Demircuc-Kunt (2006) reveal the importance of capital which can determine the competitiveness and sustainability of small enterprises. As such, networks could compromise SMEs difficulty in generating new funds, needed especially to meet the occurring investment opportunities as when an association is established to expedite a collaborative networking mode between SMEs in South Korea for share funding to assist firms in planning new market expansion (Lee, Park, Yoon & Park, 2010).

The earlier version of RBV emphasizes on valuable resources that are non-tradeable and imperfectly mobile; however, the theory does not acknowledge the sharing of resources and transferability of benefits associated with these resources that could be provided by and through the firm's networks. The assumption of RBV on firm full ownership of resources and control is proven to be incorrect. Penrose and Penrose (2009) suggest that services provide the resources, instead of expecting the resources held to generate value to the firm. Hence, the firm's valuation should include the its alliance partners' resource endowments (Lavie, 2006). Earlier studies are considered to be epiphenomenal because they do not provide the explanation on the relationship between network resources and the firms' performance. The established connection between firms and their partners produces relational rents according to both social networks theory and relational view. First, external network is important for the firms because networks are a potential conduit for internal resources. Second, the capabilities derived through the network have the potential to complement the firms' internal resources. Third, it becomes possible for networks to influence the firms' performance. Fourth, the joint forces through the networks have the capacity to create new competitive capabilities and with the firms' ability to control, the competitive behaviour of firms emerge. The relational rents can be empirically tested to examine prominence of the relational and spill over rents in certain situations.

The perceived disadvantages of small firms always outweigh the advantages owned by the firms. Small firms always have the disadvantages in achieving economies of scale which result in cost disadvantage. Not only that, small firms are plagued by financial limitations and in management resources; and they are more often to be affected by environmental factors as compared to large firms (Dyer & Ross, 2008). Thus, a collaboration among and between firms is a promising strategy to overcome these limitations (Hamel, Doz & Prahalad, 1989). Having a strategic relationship assists the small and medium-sized firms to gain new competencies, initiate creative solutions and to conserve resources (Kogut, 1991).

The extension of RBV will include the relational view of the firms. The firms' network of relationship creates the inimitable value-generating resources. The network resources refer to the capabilities and value creating resources beyond the precincts of firms. Besides, the relational view recognizes the embedded relationship as the loci for the firms' competitive advantage. Hence, it is vital to look into their strategic relationships which lead to competitive survivability.

2.6.3 Firm's External Forces: Influence of Environment

A sustainable competitive advantage consists of discretionary and rational managerial selections, exclusive resource accumulation of deployment, market imperfection and strategic industry factors from a resource-based view (RBV) perspective. RBV assumes that economic motives will stimulate resource procurement decisions, whereas economic factors under the firms' competitiveness and resource environments stimulate their strategic actions and outcomes.

The institutional theory contends that many activities undertaken by firms will conform to social expectations, which contribute to their success and survival in the marketplace. Thus, successful firms are firms that garner acceptance and legitimacy from society by conforming to society's expectations. In contrast, RBV emphasizes that successful firms are ones that are able to develop and sustain the unique idiosyncratic resources to achieve sustainable competitive advantage.

Under this institutional theory, firms are motivated to observe external social pressure (for instance; from governments regulation and public interest groups) and optimize the economic choices that are available. While firms tend to make economically rational choices as suggested by RBV, the institutional theory suggests that they make normative rational ones. Institutional theory indicates that external social pressure tends to reduce firms' variation in structures and strategies, while under RBV perspectives, market imperfections increase variation in the firms' resources and strategies.

Barney (1991) reveals that sustainable competitive advantage of value creating strategies are not easily imitable and implemented by rivals. Differences in resource selection and accumulation create firm heterogeneity (Barney, 1995; Penrose & Penrose, 2009). The firms' heterogeneities rising from the different strategies and structures across firms will produce economic rents (the return rate above normal rates of return), (Peteraf, 1993) and sustainable competitive advantage. Hence, people will make selective strategic choices to acquire and accumulate these resources which create heterogeneity and sustainable competitive advantage.

Strong institutional pressure may hinder resource deployments in firms (Ginsberg, 1994). Longstanding core competences may be treated as indispensable assets due to their

longevity that has been mistakenly treated as value. For example, Xerox and Chrysler are some famous companies that fall into this competency trap and lose out in the market. This “competency trap” arises in firms when specific competencies are embedded inside the firms’ operations and cultures. The danger sign here may inhibit the firms to sustain competitively in the market. In another words, the firm’s deep-rooted competency still remains when there are changes in the environments which will paradoxically pose challenges and threats for the firms to sustain competitively in the marketplace. The changes in the environments will most of the time influence the firms’ overall performance. These changes are referred to as environmental dynamism which reflects the degree of change and instability in the environment (Dess & Beard, 1984). For instance, a dynamic environment includes changes in consumer preferences, fluctuations in product demand, variations in material supply and revolutions in technology. Subsequently, this dynamic environment will influence the establishment of new products and services whereby the existing products and services become outdated and obsolete (Jansen, Van Den Bosch & Volberda, 2005).

Nevertheless, the principal competitive advantage of SMEs is flexibility that distinguishes them from larger firms, especially in adaptation, responsiveness and innovations (Fiegenbaum & Karnani, 1991). A study by Hausman and Fontenot (1999) suggests that a lack of awareness to the environment is one of the main impediments for small firms. This contradicts with the characteristics of SMEs which are flexible and more responsive as compared to larger firms. Thus, it is interesting to study how SMEs could enhance their competitive advantage in a competitive environment.

Firms that pursue exploitative innovations are likely to display inferior performances because monotonous performers are less valued in the environment (Sørensen & Stuart,

2000). In contrast, firms that pursue exploratory innovations will have superior performances. These firms capitalize on the changes found in the environment to create new products/processes; hence meeting the market's needs (Zahra, 1996). Firms will have the opportunities to earn above normal returns (Zahra & Bogner, 2000) and create new niches (Lumpkin & Dess, 2001) developing these changes.

2.6.3.1 Firms' External Forces: Influence of Environment – Government Role

The role of the government is vital and necessary in economic development playing several roles to achieve the purpose, which include: (1) achieving political and macroeconomic stability, (2) providing necessities as inputs to business, e.g. resilience infrastructure, (3) administering policies and incentives to encourage growth in productivity, (4) initiating action plans in propelling the nation's progress to provide a better living for its citizens, and (5) facilitating the development and progress of clusters.

The government's influence is vital in supporting the development of clusters through their efforts that involve removing and reducing constraints and eliminating inefficiencies that arise from hampering productivity and innovations, especially in the aspects of policies effectiveness, human capital and infrastructure. Despite this, the government sometimes may initiate policies that inflict inefficiencies. Hence, the government should administer policies that will bring about and sustain competitiveness and social values. According to Porter (2000), governments should initiate policies targeting at clusters rather than individual firms and industry levels because the government's investments in these clusters may enhance the earning potential among firms.

A competitive cluster is best in attracting investments and promoting exports. For instance, technology policy has been proven through empirical result to have influence

on the firms' innovative behaviour, which has resulted in the growth of new ideas, new products and new processes. Hence, technology policy is treated as the core variable that shapes innovation (Wilson, Ramamurthy & Nystrom, 1999) and the reasons behind this active acquisition of new technologies is to become more innovative as they need these technologies to develop new products (Cooper, 1998). However, this argument may not be true for smaller firms as SMEs face resource constraints, and are unable to source for qualified human capital and funding to be eligible to acquire high-end technology. As such, it is important to dwell on this matter to seek a better understanding on SMEs competitiveness.

SMEs are named as the policy object while drafting small business policies because the term SME covers a wide diverse group, which could be subjected to different political interests and policy makers. This complexity creates vagueness and weakens the effectiveness of policies; the confused policies tend to aid large firms rather than the small ones (Bennet, 2014). Besides, institutional theory is vital in supporting and shaping entrepreneurial success aside from resources (Peng, 2001). The institutional forces are categorized into three pillars: cognitive, regulative and normative (Scott, 2007). The first pillar – regulative pillar, guides behaviour through compliance and sanctions which consist of governmental legislations, industrial standards and agreement (Bruton, Ahlstrom & Li, 2010). These rules guide firms to comply with rules and regulations. The second pillar – normative pillar, is based on social obligations and guides behaviour through social expectations (March & Olsen, 1984). The last pillar – cognitive pillar, represents individual behaviours based on subjective and constructed rules that guide their actions. It is important for the entrepreneurship field as this pillar would cover society's perceptions on the entrepreneur (Bruton, Ahlstrom & Li, 2010).

Furthermore, institutional factors would include direct actions from the government to construct and maintain environments that are supportive of entrepreneurship activities and shape the societal norms towards entrepreneurship (Baumol & Strom, 2007). Nevertheless, literature is still divided on whether public policy administered is supportive of small firms in achieving competitiveness over time (Stenholm, Acs & Wuebker, 2013). Policies such as openness to trade, deregulation, funding, property rights, and fiscal policies are heavily criticized for being ineffective in helping SMEs to excel on the international market. For instance, an unstable and hostile environment could increase the opportunity costs for small firms because of an uncertain regulatory framework and widespread corruption in developed countries (Aidis, 2005), thus discouraging the entrepreneurial spirit. Moreover, the absence of effective market-based institutions to ensure fair competition and enforce property rights could hinder economic growth (Autio & Acs, 2010). In contrast, institutional forces that are supportive could encourage entrepreneurship activity (Stenholm, Acs & Wuebker, 2013), i.e. supportive regulations promote new firm formation (Veciana & Urbano, 2008). Thus, the government and related agencies must play its role well by supporting the SMEs, especially in financial assistance. For instance, the government could initiate and administer some policies to help SMEs procure loans to fund their business operations.

2.7 Reviews in Methodologies

A variety of research methods are adopted to deal with the different research questions, as both qualitative and quantitative methodological tools need to be adopted to deal appropriately with the research questions. In the 1970s, industrial organization (IO) economics researchers such as Schendel and Hatten (1972) highlight the need for an empirical analysis to explain the relationship between variables. They suggest a deductive approach rather than an inductive one (case study approach), due to the necessity of

building a model, performing analyses and developing theories. As such, Porter (1981) as one of the IO researchers, supplements the inductive approach with a statistical method.

Subsequently the boom of the commercial databases on the firms and the advancement of software have begun to facilitate the research base on large scale surveys and data sets. As a result, multivariate analyses have been adopted in research. Structural equation modelling which has contributed to the sophistication of the statistical methods used, has been particularly popular among researchers. However, with the concept of competitiveness becoming more prevailing nowadays, and with the distinct characteristics of firm becoming more vital, it is increasingly important to explore the black box of the firms to maintain sustainability in business settings. The nature of the firms' resources poses a challenge for the researcher(s) to employ empirical testing (Hoskisson, Hitt, Wan & Yiu, 1999).

Research based on RBV tends to use proxies to approximate the intangible constructs. However, these constructs such as capability are difficult to be measured (Robins & Wiersema, 1995). Hence, qualitative (interview) and quantitative (surveys) measures are deployed to improve the organizational measurement reliability and validity (Henderson & Cockburn, 1994). Other research, i.e. the network – analytical approach is used to provide a quantitative and graphical assessment on the firms' innovative capabilities (Stuart & Podolny, 1996).

The ability to quantify becomes one of the limitations in RBV research. Subsequently, due to challenges and limitations, a combination of both methodological tools, qualitative and quantitative assessments become rewarding to researchers (Judge & Zeithaml, 1992; Hitt, Gimeno & Hoskisson, 1998).

2.8 The mediating Role of Social Network

Social networks play certain important roles through identifying business opportunities, reacting to opportunities, sharing information, seeking business partners, etc. (Guercini & Ranfagni, 2016). For entrepreneurs especially, social networks assist them to connect, communicate and form mutual beneficial business relationships. Some beneficial networks also leverage on the entrepreneur's personal and business networks to open up and bring new opportunities (Hedvall, Jagstedt & Dubois, 2019). Consequently, firms gain competitive advantage by their networked business models and gain from their external resources for growth. Firms start to rely on built-to-adapt business networks to strengthen their positions by tapping into their networked resources, which allow them to compete in dynamic environments (Wood, 2009). Hence, business networks are considered as important resources for small firms to access and share information and resources (Machirori & Fatoki, 2013).

Existing empirical findings support these social networks that are so vital for opportunities identification (Ellis & Pecotich, 2001); foreign market access (Ellis, 2000) and development of competitive advantage (Autio, Sapienza, & Arenius, 2005). As such, networks are treated as the base to accumulate knowledge and develop business relationships. Besides that, they are also valuable, especially for international SMEs to depend on them to provide informative benefits to the company (Ellis, 2000). These benefits obtained through these social networks could positively influence firms' internationalization strategies (Liesch & Knight, 1999).

As entrepreneurs are not lone rangers, they are equipped with a network of interconnected relationships (Huovinen & Pasanen, 2010) which serve as a channel to provide information and advice related to their field, which also include technology

trends, sources of funding, intensity of competitions, potential employees and potential risks in the market (Aldrich & Kim, 2007; Newbert, Tornikoski & Quigley, 2013). Given the benefits of social networks, international SMEs can make use of these network ties to gain knowledge with regards to market opportunities and to reduce uncertainties and risks in the foreign markets. Thus, mobilizing firm networks is necessary to enhance their performance (Zhou, Wu, & Luo, 2007); thereby strengthening their sustainable competitiveness.

The mechanisms of social capital that are embedded in the entrepreneurs' social networks could affect SME performance are unclear and slightly contentious (Maurer, Bartsch & Ebers 2011; Gronum, Verreyne & Kastle, 2012) as these networks could be evaluated by any of the three categories: structural, resource and relational dimensions. (Nahapiet and Ghoshal, 1998; Hoang and Antoncic, 2003; Gulati, Lavie & Madhavan, 2011). Empirical studies employ relational dimensions which focus on the type and quality of interactions, such as strong or weak ties. Scholars examining the structural dimensions anticipate how entrepreneurs in a web of relationships create advantage while scholars who focus on resource dimension consider the resources that are available in the network. To illustrate this, empirical findings suggest support on social networks on firm performance. Table 2.2 presents the selected study that focused on relational views that support the social capital and performance links in the first four empirical studies. The most recent years suggest a change in the pattern by considering structural and resource approaches in EO and performance links, which were yet to be discovered. The majority of the empirical studies focus on social ties or the number of networks owned by the firm. Are numbers alone sufficient to justify the need? What is more important to discover whether social networks are beneficial to the founders? Reviews from existing literature prove that the number of contacts available to the founders are important. This may not

be the true picture, as the founders are still surrounded by uncertainties. Furthermore, Lechner, Dowling and Welp (2006) corroborate that the physical resources, financial resources, and the experience and knowledge gathered from the contacts do not correlate with the firm's achievement. The arising situation shows that the benefits derived from these contacts may be different in different contexts. This is critical to uncover especially in emerging markets where firms are being crowded by popular belief that contacts are beneficial for the purpose of reducing risks.

Universiti Malaysia

Table 2.2: Selected Studies on Social Networks as Mediator

Study	N	Sample	Selective Hypothesis Prediction	Empirical Support	Findings
Stam and Elfring (2006)	90	Open source start-ups that are active in the Netherlands	<ul style="list-style-type: none"> Prominence in the industry mediates EO–firm performance relationship in new start-ups. Industry communication network mediates EO–firm performance relationship in new start-ups. Bridging ties mediate EO–firm performance relationship in new start-ups. 	<p>No</p> <p>Yes</p> <p>Yes</p>	<ul style="list-style-type: none"> Entrepreneurial mindset may constitute a ‘double-edged sword’, in which the continuous search for new business opportunities by entrepreneurs may partially decrease firm performance because it tends to cause over embeddedness of the firm within the network structure of the industry.
Lechner, Dowling and Welp (2006)	60	German and European Venture Capital Association	<ul style="list-style-type: none"> Social network ties that are gathered during the firm formation reduces the time needed to achieve performance targets. Social network ties are negatively associated with firm performance after formation. Reputational network ties gathered during firm formation reduces the time needed to achieve performance targets. Marketing information network ties are positively associated with firm performance after firm formation. 	<p>No</p> <p>Yes</p> <p>Yes</p> <p>Yes</p>	<ul style="list-style-type: none"> Relational mix is a more appropriate construct (i.e reputational and marketing information) for explaining firm performance. Networks are not sufficient to determine the firm development.

			<ul style="list-style-type: none"> Cooperative technology network ties is positively associated with firm performance after firm formation. 	No	
Zhou, Wu and Luo (2007)	129	Zhejiang SME Directory	<ul style="list-style-type: none"> Guanxi-related social networks have a mediation effect on outward internationalization orientation and firm performance relationship. Guanxi-related social networks have a mediation effect on inward internationalization orientation and firm performance relationship. 	Yes Largely supported	<ul style="list-style-type: none"> Guanxi networks are not directly related to sales performance in inward or outward internationalization case. Guanxi networks have a mediation effect on (i) outward internationalization–profitability growth relationship and (ii) outward internationalization–export growth relationship.
Witt, Schroeter and Merz (2008).	123	German start-up less than 10 years	<ul style="list-style-type: none"> Personal contacts during start-up improve success (i.e. customer orientation adaptiveness and market success). Experience and knowledge received during start-up improve success (i.e. customer orientation, adaptiveness, and market success). Physical resources received during start-up improve success (i.e. customer orientation, adaptiveness, and market success). 	No No No	<ul style="list-style-type: none"> Personal contacts help founders to gain market success and are more customer oriented. However, resources (physical resources, financial resources as well as experience and knowledge) do not correlate with success.

			<ul style="list-style-type: none"> Financial resources received during start-up improve success (i.e. customer orientation, adaptiveness, and market success). 	No	
Ellis (2011)	230	Manufacturer-exporters in Guangzhou, Shanghai, Xian and Hong Kong	<ul style="list-style-type: none"> Social ties are used as a channel to identify international opportunities. 	Yes	<ul style="list-style-type: none"> Entrepreneurial networks are beneficial and could lead to sub-optimal internationalization trajectories.
Gronum, Verreynne, and Kastle (2012)	1435	Australian business population	<ul style="list-style-type: none"> Stronger and heterogeneous network ties are associated with firm performance. 	Yes	<ul style="list-style-type: none"> Networks are merely related to product/service growth and sales growth. However, networks appear not related to productivity growth and profitability.
Acosta, Crespo, and Agudo (2018)	161	Export SMEs registered by the National Institute of Statistics and Geography of Mexico	<ul style="list-style-type: none"> International EO (IEO) has a positive relationship with internationalized SME' network capability. Network Capability has a positive relationship with international performance. 	Yes Yes	<ul style="list-style-type: none"> IEO has a direct effect on performance and an indirect relationship via network capability.
Jiang, Liu, Fey and Jiang (2018)	251	From the four-digit Chinese Industrial	<ul style="list-style-type: none"> Resource acquisition from network mediates EO and performance relationship. 	Yes	<ul style="list-style-type: none"> Benefits of resource acquisition initiated from network is central for EO–firm performance relationship.

		Classification codes 1311-4190 and 6311-6591			
Karami and Tang (2019)	164	SMEs in New Zealand	<ul style="list-style-type: none"> Networking capability has a mediation effect on EO and international performance relationship. 	Yes	<ul style="list-style-type: none"> Networking capability has the mediating effect in EO–international performance relationship.
Luu & Ngo (2019).	137	Vietnam Top 500 Firms	<ul style="list-style-type: none"> Social capital that arises from political ties has positive influences on the risk-taking and firm performance associations in a transitional, collectivist economy, Social capital that arises from business ties has a positive influence on the risk-taking and firm performance associations in a transitional, collectivist economy. 	<p>No</p> <p>Yes</p>	<ul style="list-style-type: none"> Business ties are important for firms to access information and reduce costs in their risk-taking routines.

2.9 The moderating Role of Competitive Business Environment

The importance of the environment is highlighted by Bamiatzi and Kirchmaier (2014) who mention that the firms' strategies and growth relationships are identifiable, especially in context. This is focal in this current research as the firms' sustainable competitive advantage depends on how well they strategize their business in the business context. Prior researches also confirm that the firms' strategies are environment-dependent; how they manage their resources and capture opportunities from the different environmental settings (Rosenbusch, Rauch & Bausch, 2013).

The environment conditions vary in different macroeconomic contexts and across various industries in a country. It is likely that the SMEs strategies correspond to the market conditions (Bogatyreva, Beliaeva, Shirokova, & Puffer, 2017). It is also consistent with Lawrence and Lorsch's suggestion (1967) to consider environmental attributes during the strategizing. EO is dependent on contextualisation to determine its strength relations towards firm performance. It is also mentioned by Saeed, Yousafzai and Engelen (2014) that EO is dependent not only on cultural but also on macroeconomic contingencies.

The EO-firm performance link has the tendency to incline on external environment characteristics (Kreiser and Davis, 2010), which include the role of environmental hostility (Shirokova, Bogatyreva, Beliaeva & Puffer, 2016). For instance, it is critical to capture the role of environmental hostility because a hostile environment will pose threats to the survival of the business. As this research is focussed on sustainable competitive advantage, it is important for the research to capture the facilitating role of the environment. It is fair to assume that a business environment at micro level has an

important impact on the entrepreneurial orientation–sustainable competitive advantage (EO–SCA) relationship of SMEs.

The three key environmental challenges that confront the firms are identified as hostility, heterogeneity and dynamism (Miller & Friesen, 1978). These three dimensions are conceptually similar to the dimensions suggested by Dess and Beard (1984): hostility/munificence, complexity/homogeneity and dynamism/stability continuum. Market-specific conditions along these environmental continuums could influence the direction and strength of EO towards growth (Ruiz-Ortega, Parra-Requena, Rodrigo-Alarcón, & García-Villaverde, 2013). Several studies have demonstrated the environment as the antecedent of EO (e.g. Covin & Slevin, 1991; Tang & Hull, 2012) and such studies on EO theoretical models have been progressing widely in developed nations. Conversely, there is little attention and research in this area in emerging markets (Wales, Shirokova, Sokolova, & Stein, 2016). For instance, the institutional environment in developed and developing nations are different. It is particularly important to consider institutional constraints in developing nations due to its significant influence on entrepreneurship (Shirokova & McDougall-Covin, 2012) which in turn has potential significant influence on the strategic directions of firms (Hoskisson, Eden, Lau & Wright, 2000).

Environmental hostility is the magnitude of threats rising from business environments to the firm's survival (Miller & Friesen, 1982). For instance, hostility consists of challenges that a firm faces in different business settings, such as competition in product prices, distribution and technology within the industry, government intervention, constraints in accessing resources, stringent regulatory restrictions, scarcity of labour and unfavourable demographic trends (Caruana, Ewing & Ramaseshan, 2002; McGee,

Khavul, Harrison & Perez-Nordtvedt, 2012). Hostility refers to “the degree of threat to the firm posed by the multifacetedness, vigour and intensity of competition and from downswings and upswings of the firms’ principle industry” (Miller & Friesen, 1983, p. 222). In general, the term hostility encompasses the features of threats and the unpredictable and uncontrollable happenings in business settings (Shirokova, Bogatyreva, Beliaeva & Puffer, 2016). Besides, hostile environments could also be characterized by strong competition, unstable industry settings and harsh business climates which reduce the level of opportunities in the market (Yeoh & Jeong, 1995). Scholars have categorized hostility into four dimensions – competitive hostility, market hostility, technological hostility and macro environmental hostility (Zahra & Neubaum, 1998).

Generally, high EO is associated with firms that achieve superior growth in hostile environments (Covin & Slevin, 1989). It is particularly true in SMEs, with limited resources as compared to large firms to exhibit entrepreneurial strategic postures to survive and to grow (Bogatyreva, Beliaeva, Shirokova, & Puffer, 2017). Prior evidence suggests that SMEs tend to be more innovative (Shirokova, Bogatyreva & Beliaeva & Puffer, 2016) in launching new products or services to grow (Moreno & Casillas, 2008); more proactive in hostile business environments as firms need to search for opportunities for business growth (Kreiser, Marino & Weaver, 2002; Eموke-Szidónia, 2015) and undertake higher risks to overcome business obstacles faced due to intense competition in unfavourable business settings to maintain the firm’s viability (Martins & Rialp, 2013).

There is documented evidence by Puffer and McCarthy (2001) that the entrepreneur must navigate through the hostile environments in Russia (underdeveloped legislation, dysfunctional business infrastructure, etc.) to create a successful business venture in

Russia. Subsequently, SMEs tend to strategize themselves to be more innovative and creative to stay intact and competitive for business growth and survivability (Shirokova, Bogatyreva & Beliaeva, 2015). Besides, proactive behaviour is strongly linked to firm performance in a munificent environment (Kreiser & Davis, 2010; Emo-Szidónia, 2015) while some past findings indicate the opposite (Lumpkin & Dess, 2001). On a more positive note, firms must be proactive and aggressive to seek out these limited opportunities in harsh industry settings. Contrary to the positive note, Lumpkin and Dess (2001) contend that hostile conditions discourage firms from adopting proactive behaviours due to a scarcity in the firm's resources. In addition, firms are discouraged from excessive risk taking in excessive hostile business conditions as these actions could erode the firm's profits. Nevertheless, it is agreeable that risk-taking in a moderately hostile environment will improve the firm's performance (Zahra & Garvis, 2000). The inconsistencies in the previous results were due to the EO being context-dependent; EO may vary independently based on market-specific conditions, which further influences the strength and direction of EO on the firms' sustainability (Ruiz-Ortega, Parra-Requena, Rodrigo-Alarcón, & García-Villaverde, 2013).

The second environmental challenge – dynamism, refers to the volatile intensity of environmental changes (Ruiz-Ortega, Parra-Requena, Rodrigo-Alarcón & García-Villaverde, 2013); including the volatility in industry (Dess & Beard, 1984). It is vital to include environmental dynamism because volatility in industry, changes in technology conditions, unpredictable competitors' behaviours, and unpredictable customer preferences may provide opportunities for the firms' growth (Aloulou & Fayolle, 2005). Also, EO has propelled firm growth preferably in only highly dynamic environments (Rauch, Wiklund, Lumpkin, & Frese, 2009). The competitive environment is regarded as the dynamic process in evolutionary economy whereby firms strategize in relation to

current market conditions, and concurrently allow them to react, which in return can influence the environmental situations (Nelson, 2008). Thus, entrepreneurial firms have higher EO in high market dynamism (Lisboa, Skarmeas, & Lages, 2011). This is because the strategic entrepreneur posture allows the firm to be competent and proactive in looking for rising opportunities in a volatile market (Rauch, Wiklund, Lumpkin, & Frese, 2009). In addition, SMEs tend to practise proactiveness to produce products or services to minimize the threats of vulnerability, thus sustaining barriers against others for long term sustainability. Firms stand to benefit from risk-taking in dynamic environments by seizing the opportunities. However, failure to do so while undertaking such high risk innovations could cause failure and eventual demise to the firm (Lomberg, Urbig, Stöckmann, Marino & Dickson, 2017), although SMEs have been widely known to be able to make adjustments in volatile markets (Muchiri & McMurray, 2015). Zahra, Ireland, Gutierrez & Hitt (2000) stress the importance of entrepreneurial behaviour to compete in the emerging markets for growth. Hence, firms could benefit from EO adoption in high environmental unstable circumstances (Wales, Shirokova, Sokolova & Stein, 2016).

The third challenge – heterogeneity, refers to the magnitude of complexity in the external environment that a firm is facing. Small firms operating in heterogenous markets will come to face different elements externally (e.g. customer preferences, market dynamism, uncertainty, competition, etc.) which describes the firm's diversification behaviour (Yan & Yan, 2017). Firms will also engage with a variety of customers, which then brings about the need for delegation of decision making to their employees (Miller & Friesen, 1983). Hence, an environment characterized with high heterogeneity could possibly pose threats and create challenges for firms.

The increase of heterogeneity in the marketplace tends to create new market niches which in turn provide new opportunities for small firms (Guo, Tang, Su & Katz, 2017). On the other hand, this diversity requires more resources such as in marketing, administrative and production activities to adequately serve the increased heterogeneity in the market needs and to just focus on the entrepreneur's skills and capabilities may not be sufficient. Thus, small business owners will need to deploy all their collective efforts for the firm's performance in a high heterogenous market (Yan & Yan, 2017).

Prior research finds that environmental heterogeneity has a significant positive relation with companies with high levels of innovation (Miller & Friesen, 1983) and it is fair to envisage that collective entrepreneurial capabilities tend to encourage innovation activities. This relationship is also discovered to be a strong antecedent for firm performance (Yan & Yan, 2017). On top of that, prior empirical evidence also suggest that higher growth is achieved through new market expansion (Moreno & Casillas 2008), which then leads on to higher environmental heterogeneity. Rosenbusch, Rauch, and Bausch (2013) contend that entrepreneurial posture allows firms to learn from the market through competition and the customers; learning along the way while strategizing differently in each market that the firm ventures into. As the new niches open up, SMEs may capture the benefits through risk-taking activities to proactively produce products and services for these niches and generating higher growth in return (Bogatyreva, Beliaeva, Shirokova, & Puffer, 2017).

The economic reforms in Cambodia have caused the country to face multifaceted institutional shifts, such as governmental interference in ownership forms, economic transactions, and developments in social structures. These changes increase the complexities for a firm when confronted with elements in the business environment.

Generally, the social gap and inequalities are also greater in emerging economies than in developed economies. These imbalances cause larger differences in consumer preferences and behaviours which increase the magnitude of heterogeneity issues for small firms operating in Cambodia. Thus, it is fair to expect small firms to achieve superior growth rates by practising entrepreneurial posture (i.e. proactiveness, innovativeness and risk-taking, etc.) because these practices enhance rapid adaptations in response to the high variation rising from the external environment (Rosenbusch, Rauch & Bausch, 2013; Shirokova, Bogatyreva & Beliaeva 2015). Furthermore, empirical evidence also suggest a link between EO and firm performance in high environmental heterogeneity (Zehir, Can & Karaboga, 2015).

The competitive environment consists of the external factors that compete with the services or products of the small business. Failure to take note of these factors may lead to poor decision making. The external elements include regulatory sources, indirect competitors, and social and technological changes. For SMEs, the competitive environment may influence the very survival of the firms (Cucculelli & Micucci, 2019). For instance, SMEs tend to fare moderately in high uncertainty market as the business environment in which they operate influences how they operate their business to a certain degree (Fogel, 2001; Gnyawali & Fogel, 1994). Existing literature have reported the moderating influence of business environment to business strategies and performance (Westerberg, Singh & Häckner, 1997). In addition, evidence also suggest that there are common changes in marketing practices and modes of operations in hostile environments (unpredictable consumer demand and competitors' actions) (Covin & Miles, 1999).

As mentioned by Dyer Jr and Panicheva Mortensen (2005), survival in a hostile environment requires entrepreneurs to build up their competencies to face the challenges.

For instance, developing social networks may benefit the firms (Fang, Chi, Chen & Baron, 2015). In addition, establishing connections and networks facilitates the entrepreneur to sail through the dynamic environment (Baum, Calabrese & Silverman, 2000). Researchers (e.g. Engel, Kaandorp & Elfring, 2017; Thompson, 1999) also imply the entrepreneurs' need to synthesize information, react, and initiate a fast response in a dynamic business environment.

Rodríguez-Gutiérrez, Moreno and Tejada (2015) indicate that entrepreneurial behaviours (e.g. risk taking and opportunity recognition) get strengthened in unpredictable business environments. This is further revealed by Covin and Slevin (1989) that entrepreneurial posture (proactiveness, risk-taking and innovativeness) is positively related to firm performance in a hostile environment. The findings from 161 small firms showed that smaller firms that adopt entrepreneurial postures achieved higher financial performance in a hostile environment while this relationship is weaker in benign environments. Thus, such influences may not be significant in a benign environment. A similar finding was obtained by Zahra (1993) in a study of 102 firms that showed hostility has a moderation impact on EO and the firm's financial performance relationship. Hence, environmental hostility is expected to increase the firm's EO.

In another study, Yeoh and Jeong (1995) indicate that the relationship between entrepreneurial orientation and export performance of firms is moderated by environmental factors. A similar corroboration was reported by Anderson, Covin and Slevin (2009) that the relationship between EO and financial performance is positive and significant when market dynamism is high. Also, Kohli and Jaworski (1990) highlight the vital role of environmental turbulence on market orientation. Illustrating this, the researcher accentuates that environmental factors do influence entrepreneurial orientation

in SMEs to a certain extent. This external operating environment may positively or negatively affect the firms' operations (Ibeh, 2003). Firms which are entrepreneurial have the ability to react to environment pressure even though they lack the resources and do not receive enough support from the government (Zahra & Neubaum, 1998).

Entrepreneur orientation helps firms to respond to changes. The interface between firms and environment is central to the understanding the firms' expansion strategies (Akhter & Robles, 2006). Changes in the environment create dynamism which provides new opportunities for firms to grab by initiating innovative strategies. An increase in rivalries prompt firms to be proactive and any failure to do so may cause these firms to lose in the market (Keats & Hitt, 1988). Miller (1983) further contends that firms will take these challenges positively, react proactively and innovatively in a complex environment.

Literature has provided the necessary support pertaining to the impact of environmental factors on firms' performances. Illustrating this, empirical evidence suggest that environment fit does influence EO to a certain degree. Most studies in Table 2.3, based on individual effect of environment, i.e. hostility towards performance use a configurational approach in examining the influence of the environment on firm performance. However, the contingency approach is unable to establish the relationship in the market. The combination of environmental effect is an important contribution as the firms are being influenced by negative and positive indicators. Firm are not solely being influenced by challenges and threats alone because from these challenges and threats, firms will look for opportunities that assist them to sustain themselves in the market. Besides, the inclusion of the host government as a part of environment is critical to guarantee the firm's competitiveness and sustainability in the market. While reviewing

the existing literature it became quite apparent that this effect was mostly ignored. The empirical results that contemplate the environmental effects on EO-performance link were rather inconclusive. For instance, Bogatyreva, Beliaeva, Shirokova, and Puffer (2017) reveal a direct effect of EO on the firms' growth in a developed market while this relationship is moderated in developing market. Thus, EO serves as a primary mechanism in the competitive environment for SME to achieve growth by improving their competitiveness in the emerging market.

Universiti Malaysia

Table 2.3: Selected Studies on Environment Factors as Moderator

Study	N	Sample	Selective Theoretical Prediction	Empirical Support	Findings
Lumpkin and Dess (2001)	124 executives (94 firms)	Chamber of Commerce small business lists and the American Business Disk	<ul style="list-style-type: none"> Environmental dynamism moderates the proactiveness and firm performance relationship: High proactiveness will lead to high performance in a high dynamic environment. 	Yes	<ul style="list-style-type: none"> The stage of industry life cycle is not found to be in favour of all the EO characteristics. The dimensions of EO react independently depending on environmental conditions.
			<ul style="list-style-type: none"> Environmental hostility moderates the proactiveness and firm performance relationship: High proactiveness will lead to low performance in a high hostile environment. 	No	
			<ul style="list-style-type: none"> Environmental dynamism moderates the competitive aggressiveness and firm performance relationship: High competitive aggressiveness will lead to low performance in a high dynamic environment. Environmental hostility moderates the competitive aggressiveness and firm performance relationship: High competitive aggressiveness will lead to high performance in a high hostile environment. 	Yes	

			<p>has a greater influence on small business performance in dynamic environments.</p> <ul style="list-style-type: none"> Small business performance could be explained by EO, access to capital, and environmental dynamism. 	Yes	<ul style="list-style-type: none"> Based on configurational approach, EO, access to capital and environmental dynamism have greater influence on small business performance. Finding is consistent with Dess, Lumpkin and Covin (1997): Configurational model is better than contingency models to examine EO–firm performance.
Lee and Chu (2013)	237	Non-financial sector companies in Taiwan Stock Exchange (TSE) and Over the Counter (OTC)	<ul style="list-style-type: none"> Environmental dynamism moderates EO and firm performance relationship. The combinations effect of rareness of resource–capability moderates EO and firm performance relationship. The interactions between rareness of resource–capability and environmental dynamism have a greater positive influence on EO–firm performance. 	<p>Partial</p> <p>Yes</p> <p>Yes</p>	<ul style="list-style-type: none"> Rareness of resources, EO and environmental dynamism collectively influence firm performance.
Martins and Rialp (2013)	121	Manufacturing SMEs in Spain from Iberian	<ul style="list-style-type: none"> EO is positively related to SME profitability. 	Yes	<ul style="list-style-type: none"> Firm's profitability is positively affected by EO.

		System Analysis of Balance	<ul style="list-style-type: none"> The fit between EO and environmental hostility will increase/decrease business profitability. 	Yes	<ul style="list-style-type: none"> The fit between EO and external environment increases SME profitability.
Gupta and Gupta (2015)	42	German firms in Forbes list except banks, conglomerates, or diversified financial holdings	<ul style="list-style-type: none"> EO has an initial positive influence on firm performance. EO's influence on firm performance declines with time. EO's initial influence is stronger in competitive environments. EO influence on firm performance declines faster with time in competitive environments. EO initial influence on firm performance is stronger in high demand volatility environments. EO-firm performance link declines faster with time in high demand volatility environments. 	Yes Yes Yes Yes Yes Yes	<ul style="list-style-type: none"> EO has a strong positive initial influence on firm performance and slowly declines with time. External environments dominated by high demand volatility and high competitive intensity could influence EO-firm performance either in the short run or the long run.
Shirokova, Bogatyreva, Beliaeva and Puffer	163	Finnish and Russian SMEs	<ul style="list-style-type: none"> EO-firm performance relationship is moderated by environmental hostility. Firm performance improves with EO at a faster pace in hostile environments. 	No	<ul style="list-style-type: none"> Firms that adopt EO achieve superior performance in highly hostile and growing environments.

(2016)			<ul style="list-style-type: none"> EO and firm performance relationship is moderated by market growth. Firm performance improves with EO at a slower pace for firms experiencing market growth in products/services. Firm performance is explained by configurations of EO in combination with environmental hostility and market growth: Firms attain higher performance with high levels of EO in hostile environments with low market growth, and lower performance with high levels of EO in non-hostile environments with high market growth. 	<p>No</p> <p>Partial</p>	<ul style="list-style-type: none"> EO adoption reduces firm performance in favourable environments characterized by high market growth and low degree of hostility.
Bogatyreva, Beliaeva, Shirokova and Puffer (2017)	221	Russian (104 firms) and Finnish (117 firms) privately owned SMEs.	<ul style="list-style-type: none"> Proactiveness and Risk-taking have a positive association with SMEs' growth while Innovativeness has a negative association with SMEs' growth in Russia. Risk-taking and Proactiveness have a positive association with SMEs' growth while Innovativeness has a negative association with SMEs' growth in Finland. 	<p>No</p> <p>Yes</p>	<ul style="list-style-type: none"> EO dimensions have a direct influence towards firm growth in Finland while dynamic and hostile environment moderates the relationship in Russia. The findings show that influence of EO dimensions on firm performance are not constant.

			<ul style="list-style-type: none"> • Greater international hostility leads to stronger IEO–international performance relationship. • High level of politicization leads to weaker IEO–international performance relationship in strong hostile international environments. 	<p>No</p> <p>Yes</p>	
Lee, Zhuang, Joo and & Bae (2019)	<p>Study 1: 119</p> <p>Study 2: 1479</p>	<p>Study 1: SMEs in the USA through Qualtrics company (survey)</p> <p>Study 2: Chinese public firms listed on the Shanghai or Shenzhen Stock Markets (secondary data)</p>	<ul style="list-style-type: none"> • EO is positively associated with firm performance. • Environmental hostility moderates EO–firm performance relationship. 	<p>Yes</p> <p>Yes</p>	<ul style="list-style-type: none"> • EO has a positive influence towards firm performance especially in hostile environments for both studies.

2.10 Underpinning Theories

2.10.1 Resource-Based View (RBV)

RBV is considered as one of the most well-known theories to explain firms' performance (Newbert, 2007) and RBV theory views firm capability and firm-specific resources as being central to competitive advantage which allows firms to enjoy superior performance in the short run (Barney, 1991; Peteraf, 1993). Barney (1991) also asserts that firm-specific capabilities and resources which are non-substitutable and inimitable will sustain these advantages over time. Mahoney and Pandian (1992) further contend that firms are not equipped with sufficient resources to achieve superior performance. Similar deliberations are put forward and to achieve competitive advantage, the firms' valuable resources should be properly leveraged and managed to maximize their productivity and yield (Peteraf, 1993; Henderson & Cockburn, 1994). Illustrating this view, firms do not possess adequate resources that are valuable, rare, non-substitutable and inimitable to attain competitive advantage. They need to fully utilize these resources to attain competitive advantage (Barney & Wright, 1998).

In early RBV literatures, an assortment of firm resources was studied, including EO, which is used as a base for superior performance. EO is a vital strategic resource from a firm's philosophy in depicting how firms operate in the environment (Murray, Gao, & Kotabe, 2011). Synchronized with RBV reasoning, possessing EO alone is not sufficient for superiority (Barney, 1991); firms need to capitalize on EO to gain competitive advantage and to achieve superior performance (Murray, Gao & Kotabe, 2011; Kajalo & Lindblom, 2015). Pfeffer and Salancik (2015) also contend that the firm's performance is dependent on its external environment based on recourse dependency theory (RDT). The dependency on the external environment will lead to uncertainties caused by a lack of coordination among social units originated from the firms and their external

environments. It is fair to expect firms to resolve these uncertainties by depending on information-sharing and resource-sharing that contribute to increased coordination to achieve strategic postures for superior performance, thus achieving sustainability. RBV is more focused on internal resources and capabilities while the resource dependency theory focused on external resources; where a combination of both views leads to better sustainability because firms will be better at integrating and reconfiguring appropriate strategies and competencies to deal with volatility in the environment (Nemati, Bhatti, Maqsal, Mansoor & Naveed, 2010).

The institutional theory offers a sound theoretical lens to observe the regulatory aspect of the institutional environment as little is known about how the regulatory aspects will shape the manifestations of EO in emerging markets (Wales, Shirokova, Sokolova, & Stein, 2016). The theory suggests that institutions shape the firms' strategic orientations and impact the strategies undertaken by the firms (Hitt, Ahlstrom, Dacin, Levitas & Svobodina, 2004). The most interesting part is, institutions have prominent influences over entrepreneurship (Shirokova and McDougall-Covin, 2012; Wright, Filatotchev, Hoskisson & Peng, 2005). For instance, firms that are operating in emerging economies could face resource shortages and obsolescence; certain valuable resources may be treated less favourably under the current institutional regimes. Thus, the likelihood of firms' success is often associated with their economic behaviour as determined by the institutional forces, economic opportunity and resources in that emerging market (Hoffman, 1999). Rasiah (2017) further corroborates that institutions are driving for innovation, which is an important element under entrepreneurial posture.

It is deeply ingrained in firms on the social frameworks of values and norms that influence their economic behaviour and strategy approach practices (Fligstein, 2008).

Fligstein (2008) contends that institutional theory concerns rules but has limitations in coverage of politics and agency whereas networks reflect the social relations between the actors but have limitations on how these actors will interact in different market conditions while ignoring the impact of politics. The network ties are also the prominent facilitators of the strategic orientation activities of firms (Boso, Story & Cadogan, 2013). It is expected that social networks within and across firms are important in order to understand the stability of the market. Institutional constraints will increase the hostilities and uncertainties in the environment which limit the firm's strategic posture, thus affecting the firm's sustainable competitive advantage. The model within the boundary conditions is underexplored in emerging market settings (Boso, Story & Cadogan, 2013). Therefore, the present study is important, as it explores the emerging market context by studying the antecedents of sustainable competitive advantage through EO and social networks.

2.11 Conceptual Framework for the Quantitative Approach

The present study is expected to fill in the research gaps in the literature and make significant contributions to the existing literature. The review and discussions from previous sections lead to the conceptual framework (see Figure 2.2). The purposes of the framework are thus twofold. First, the study examines whether social networks mediate the correlation between entrepreneurial orientation (EO) and sustainable competitive advantage (SCA).

Hypothesis 1: Entrepreneurial orientation would be indirectly related to sustainable competitive advantage through social networks.

Second, the study examines whether the indirect relationship between EO and SCA would be moderated by a competitive business environment. Subsequently, the two

hypotheses form the moderated mediated model, which illustrates both moderation and mediation mechanisms underlying the EO–SCA relationship.

The firm's ability to withstand inevitable hard times depends on its entrepreneurial posture. The firm is likely to seek information to estimate the prospects of a business venture. Similarly, for firms that operate in highly hostile, dynamic and uncertain environments, the entrepreneur will seek explicit certification from well-regarded personnel to reduce risks from the environment. The firm's network links may lead to subsequent resource exchange benefits. Previous empirical findings prove the benefits of social capital in improving the firm's entrepreneurial activity (Hoang & Antoncic, 2003). Thus, networks are the medium for transfer of resources that are critical for the firm's growth, though there are limitations in empirical and theoretical work in this field. The current literature explains that the firm's competitiveness is limited by conceptual vagueness. Hence, it is important to conduct this research to fill the gap by explaining how the resources are transformed to sustainable competitive advantage and how the networks contribute to these advantages. For instance, Kregar and Antoncic (2014), and Aldrich and Reese (1993) contradict the common belief that business networks are positively affecting sustainable performance among SMEs. Mapping networks may not guarantee success for a firm. There is little insight in the nuances of entrepreneurial orientation that validate the interaction effect between them which transform the advantage of social network to the firm's competitiveness in a competitive environment.

Generally, small and medium sized firms typically utilize business networks to overcome the resources constraints and face the challenging business environment for sustainable growth. In this situation, networks have a dominant role to combat the dynamic competitive environment which influence the firm's sustainable performance

(Gunawan, Jacob & Duysters, 2016). The existing body of literature also lacks studies that empirically examine social networks on the firm's sustainable performance (Abbas, Raza, Nurunnabi, Minai, & Bano, 2019).

Hypothesis 2: A competitive business environment would moderate the indirect association between entrepreneurial orientation and sustainable competitive advantage through social networks. The indirect relationship between entrepreneurial orientation and sustainable competitive advantage will be stronger in a more competitive business environment.

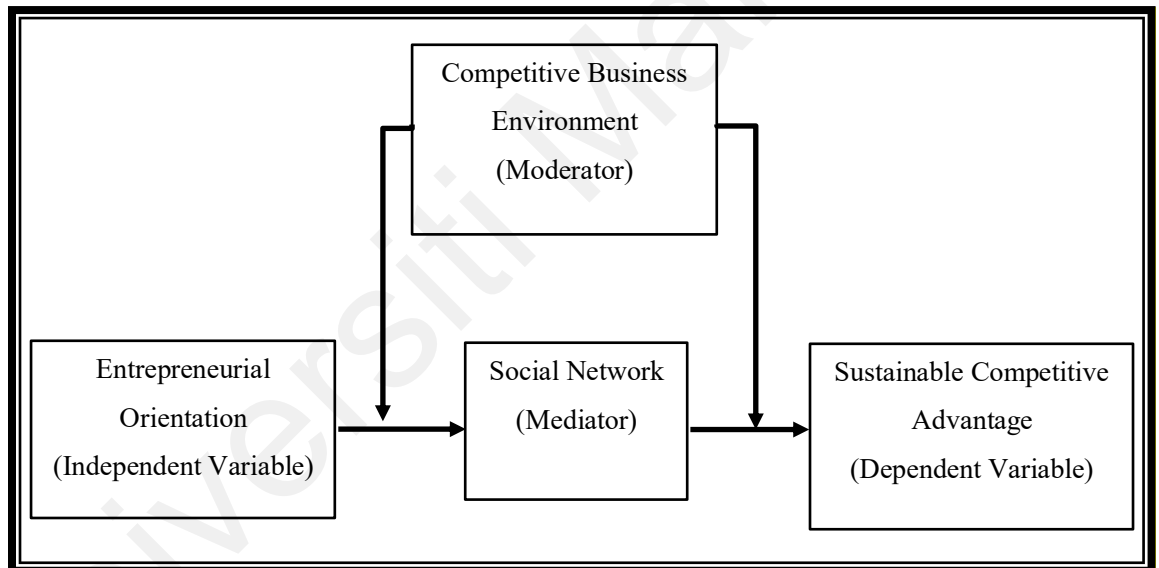


Figure 2.2: Proposed Moderated Mediation Model

2.12 Justifications for Research Gaps

The review concludes that it is important to study the determinant factors of SMEs' competitiveness. It is interesting to explore whether the intangible resources and capabilities remain the determinants of SMEs' competitiveness as large firms gain. The inconsistency in the results found in the review provide a need and motivation to conduct

a study in this area. Hence, it seems reasonable to explore SMEs' competitiveness amid the challenges and dynamism found in the marketplace.

The literature mostly show that most research on competitiveness have been conducted in developed nations and rarely done in least developing countries such as Cambodia. Hence, it would be misleading to presume a generalization from previous research on developed countries due to the differences in the determinant's factors (entrepreneurial orientation) and their influence on SMEs' competitiveness; specifically, because they are not a miniature of large firms.

Table 2.4 presents the past empirical findings and gaps. Past findings have certain influences on the approaches used in this study. This research will capture the multidimensional constructs of entrepreneurial dimension (EO). Previous empirical evidence measures EO as unidimensional, consisting of proactiveness, risk-taking and innovativeness. It is vital to note the combination of influences (i.e. a contingency approach) of these dimensions as part of EO and the model will be analysed by using PLS-SEM, which is able to capture the multidimensionality of EO by using EO as the higher order constructs of the lower order dimensions: proactiveness, innovativeness, autonomy, competitive aggressiveness and risk-taking.

The inconsistencies in the results between EO and performance had shown strong grounds for this research to be conducted. Moreover, as EO is suggested to be contextual, the inclusion of environmental factors becomes a prominent reason. Performance may also not be accurately depicting firm survivability. In this study, the firm's competitiveness is measured by sustainable competitive advantage, which is used to reflect the firm's condition in the host market after they had internationalized into the host

nation. Furthermore, social network, which is covered in the literature does not cover the overall causality effect between EO and SCA. This proves the viability and the importance of this study to show the linkages.

Previous findings which had been focusing on cross-sectional or on qualitative research has been criticized for having some limitations in understanding the real context. Therefore, this study uses a mixed approach to understand the actual contexts before designing the framework to examine the hypotheses. The important elements for the firm's competitiveness will be gathered by using a qualitative technique, which is then used further to develop the framework.

The review of previous promising variables used in social network included types of relationships, network size, and multiplexity. However, there seems to be a lack in empirical testing on multiplexity which explain the interactional characteristics of networks (Foss, 1994). The data also does not support whether a better network will generate higher access to resources (Reese, 1992). Hence, consideration is suggested to include social networks to examine the interaction effect of EO on sustainable competitive advantage (Pratono, Darmasetiawan, Yudiarso and Jeong, 2019). Hence, the current study will include social networks as the mediator in transforming EO into the firms' competitiveness in the form of sustainable competitive advantage.

Consequently, the current study will assist in developing the deficiencies of RBV theory by incorporating the institutional theory to strengthen the theory development. It is important to note that RBV is focused on internal perspectives which gauge the competitive advantage of firms. However, RBV is not able to fully explain that firms are competitive by merely maintaining unique, rare resources and non-substitutable resources

without considering the external influences. Previous studies that are captured in Table 2.4 do not perform the moderated mediation analysis which is important to capture the interactions terms in the model of interest (see Figure 2.2). Firms that ignore these external influences may not be able to maintain competitiveness; they may lose because firms are required to respond to competitor's strategies, respond to market trends and most crucially they are expected to deal with policies to foresee whether the firms are at disadvantage or advantage which drive the firms' competitiveness and growth.

Universiti Malaya

Table 2.4: Summary of Empirical Studies and Knowledge Gap

Study	Focus of the Study	Methodology	Findings and Conclusions	Knowledge Gaps
Okeyo (2013)	Entrepreneurial orientation, business environment, business development services and performance of small and medium manufacturing enterprises in Kenya.	Cross sectional survey.	<ul style="list-style-type: none"> EO is not directly related to performance, whereas the individual parameter (sub-dimension) is positively associated with performance. There are effects from EO, external business environment and business development services on performance. 	<ul style="list-style-type: none"> Focus on 5 dimensions of EO: proactiveness, risk-taking, innovativeness, competitive aggressiveness and autonomy. Performance: Non-financial and financial indicators. Reinforcing methods could be utilized in the future to ensure appropriateness and completeness of data collection. Path analysis may be an option to analyse the causality between variables.
Gathungu, Aiko and Machuki (2014)	Entrepreneurial Orientation, Networking, External Environment and Firm Performance.	Review of relevant literature	<ul style="list-style-type: none"> There is a link between EO, networking and external environment with firm performance 	<ul style="list-style-type: none"> Insufficient empirical evidence in examining how entrepreneurs harness the potential of networking. Insufficient empirical evidence to show that there is an influence of the environment on networking which then influences the link between EO,

				business environment and performance.
Namusonge (2014)	Linking competencies with strategies. The case of small and medium-sized exporting enterprises in Kenya	Cross sectional descriptive deign.	<ul style="list-style-type: none"> Firm's competencies are vital for the firm to achieve competitive strategies. 	<ul style="list-style-type: none"> As the competencies are context-dependent, future studies may consider the role of entrepreneurs in shaping the core competence. Future studies need to pursue in-depth studies on small firms' competencies.
Ofem (2014)	Entrepreneurial orientation, collaborative networks, and nonprofit performance	Cross sectional survey	<ul style="list-style-type: none"> EO and collaborative networks influence performance; collaboration moderates the EO-performance relationship. EO fails to influence collaborative network size and collaborative ties heterogeneity. 	<ul style="list-style-type: none"> Focus on 5 dimensions of EO: proactiveness, risk-taking, competitive aggressiveness, innovativeness, and autonomy Performance : Non-financial indicators Lack of empirical evidence to explain the antecedents (EO) to collaborative networks. The interaction effects are context-driven which require further consideration.

Brownhilder (2016)	Entrepreneurial orientation, environmental hostility, SME performance	Cross sectional survey	<ul style="list-style-type: none"> • Environment determines EO level in SME. • Environmental hostility is positively moderating competitive aggressiveness and SME performance relationship and negatively moderating risk taking and SME performance relationship. 	<ul style="list-style-type: none"> • Focus on 5 dimensions of EO: proactiveness, risk-taking, competitive aggressiveness, innovativeness, and autonomy • Performance: Non-financial and financial indicators • Inconsistencies in results that contend all the sub-dimensions of EO positively effecting performance. • Consideration is needed for future studies to incorporate the five sub-dimensions of EO, especially in hostile business environments.
Núñez-Pomar, Prado-Gascó, Sanz, Hervás and Moreno (2016)	EO, firm size, and business performance of Spanish sports service firms	Cross sectional survey	<ul style="list-style-type: none"> • EO leads to superior performance in small Spanish sports service companies. This finding does not hold for large firms. • EO and firm size are not necessary the precondition for success/non-success in terms of financial performance. 	<ul style="list-style-type: none"> • Focus on 3 dimensions: proactiveness, innovation, and risk-taking dimensions) • Performance: Non-financial and financial indicators

Okeyo, Gathungu and Peter (2016)	Entrepreneurial Orientation, business development services, internal business environment, external business environment, Firm's performance	Review of relevant literature	<ul style="list-style-type: none"> • Business development services has a mediation effect on EO and performance relationship. The external environment moderates this relationship. 	<ul style="list-style-type: none"> • Inconsistent empirical results to show there is a relationship between EO and firm performance. • No empirical evidence that internal environment moderates the relationship between performance is found.
Semrau, Ambos and Kraus (2016)	Entrepreneurial orientation (EO), SME performance, societal cultures (performance-based culture and socially supportive culture)	Cross sectional survey	<ul style="list-style-type: none"> • EO and performance link is more positive in performance-based societies. • Performance-based culture has a positive moderation effect on EO–performance relationship. • Socially supportive culture has no moderation effect. 	<ul style="list-style-type: none"> • Focus on 3 dimensions of EO: innovativeness, risk, and proactiveness. • Performance: Non-financial indicator • Environmental characteristics serves as contingency for EO–performance relationship
Shan, Song and Ju (2016)	Entrepreneurial orientation, innovation speed, new venture performance and survival rate	Cross sectional survey	<ul style="list-style-type: none"> • Innovation speed drives for superior performance. • Competitive aggressiveness and autonomy increase innovation speed. • Innovativeness increases innovation speed. 	<ul style="list-style-type: none"> • Focus on 5 dimensions of EO: proactiveness, autonomy, risk-taking, competitive aggressiveness and innovativeness • Performance: Non-financial indicator

			<ul style="list-style-type: none"> • Risk-taking lowers innovation speed. • Proactiveness has inverted U-shaped relationship with innovation speed. 	<ul style="list-style-type: none"> • Difficulty in accessing causality as the design of the study is cross sectional. • Other factors (quality and costs) may have an effect on EO and firm performance relationship.
Shirokova, Bogatyreva, Beliaeva, and Puffer (2016).	EO, environment fit (environment hostility and market growth) and firm performance	Cross sectional survey	<ul style="list-style-type: none"> • Entrepreneurial orientation has a positive association with firm performance. • Contingency approach produces a non-significant EO–environment fit while configurational approach produces a significant EO–environment fit. • High level of entrepreneurial orientation has a positive relationship with firm performance in hostile and slow growing market. • Weak level of entrepreneurial orientation has a positive relationship with firm performance in benign 	<ul style="list-style-type: none"> • Focus on 3 dimensions of EO: innovativeness, risk, and proactiveness. • Performance: Financial indicator • Focus on hostile environment and market growth as the moderator between entrepreneurial orientation and firm performance. • Difficulty in accessing causality between variables as the design of the study is focusing on single point at time.

			environment characterized by high market growth and low hostility.	
Campbell and Park (2017)	Resource based view, Instrumental stakeholder approach, social capital, entrepreneurial orientation, intellectual capital, strategic management of community, SME business performance	Cross sectional survey	<ul style="list-style-type: none"> • Resource based and instrumental approach are integrated to determine small business performance. • Stakeholder (i.e. entrepreneurial orientation, social capital, intellectual capital and strategic management of community) influence small business performance. 	<ul style="list-style-type: none"> • Focus on 3 dimensions of EO: proactiveness, risk-taking and innovativeness • Performance: Non-financial indicator • There may be other external parts of instrumental stakeholder approach that are ignored and which could bring an added advantage to the resource based advantage
Lomberg, Urbig, Stöckmann, Marino, and Dickson (2017)	Entrepreneurial orientation, business performance	Cross sectional survey	<ul style="list-style-type: none"> • The strength of relationship between EO and firm performance varies between industries. • Facilitates attribution of the effects of EO dimensions (proactiveness, risk-taking and innovativeness) on firm performance through individual dimensions and shared effects. 	<ul style="list-style-type: none"> • This study focuses on 3 dimensions of EO: proactiveness, risk-taking and innovativeness. • Performance: Financial indicator • Design of the study does not allow for conclusions to be based on causality and generalization on all contexts.

Jiang, Liu, Fey & Jiang (2018)	Entrepreneurial orientation, network acquisition, social ties, firm performance	Cross sectional survey	<ul style="list-style-type: none"> Resource acquisition through networks is prominent mediating mechanism in EO–performance relationship. 	<ul style="list-style-type: none"> Focus on 3 dimensions of EO: proactiveness, risk-taking and innovativeness. The study ignores the interactions of each of the dimension on social ties. The effect of social ties are context-driven and which require further consideration.
Pratono, Darmasetiawan, Yudiarso and Jeong (2019)	Entrepreneurial orientation, market orientation, inter-organizational learning, SME sustainable competitive advantage	Cross sectional survey	<ul style="list-style-type: none"> Inter-organizational learning mediates market orientation and green EO relationship to achieve sustainable competitive advantages. 	<ul style="list-style-type: none"> Consideration to be given to incorporate social network and trust.

2.13 Summary of the Chapter

Secondary data sources especially databases from the Web of Science served as the key bibliographic tool to identify relevant work for review in this chapter. Most of the literature reviewed showed inconsistencies of results on the variables of interest. This chapter began with a comprehensive and thorough review on the theories of internationalization of small and medium-sized firms (SMEs). This was followed by the review of competitiveness, entrepreneurial orientation, social networks and on the role of environment. Other than this, an in-depth review was carried on the understanding of the constructs and the relationships between the constructs. Finally, a conceptual framework was formulated based on the logical relationships and discussion that ensued.

CHAPTER 3: RESEARCH METHODOLOGY

3.1 Chapter Overview

This section describes and elaborates on the design and procedures for the research, which includes data collection, framework for developing primary data collection process, questionnaire design and qualitative approaches. This is then followed by a detailed description on secondary data collection methods, a discussion on the latent variables used in this study and the development of appropriate hypotheses.

3.2 Research Paradigm

The research design starts with the research paradigm based on a topic (Cramer, 2003). The research paradigm offers an outline comprising of theories, procedures, and techniques of defining data.

Scholars of the Social Sciences start to oppose positivism in social science research (Erickson, 1985), as most social science researches dealt with action and behaviour. This opposition then has led to a constructivist paradigm (Lincoln, Lynham, & Guba, 2011) and as more social sciences researchers embraced this paradigm, it began to usurp the advantage over positivist epistemologies in illustrating the discrete relationship between researchers and the subjects of their study.

Nevertheless, there is a moment that both paradigms receive equal attention (Hanson, Creswell, Clark, Petska, & Creswell, 2005) particularly for the 'mixed methods' approach scholars (Creswell, 2002; Creswell & Clark, 2007) in social science research. Table 3.1 displays summaries of the two paradigms classification (Hussey & Hussey, 1997) and where both positivist and constructivist paradigms are encompassed in the current study.

Table 3.1: Features of Quantitative and Qualitative Paradigm

Qualitative (Constructivist) Paradigm	Quantitative (Positivism) Paradigm
Applies understanding principles	Applies scientific principles
Uses exploration	Uses prediction
Values inter-subjectivity	Values objectivity
Produces qualitative data	Produces quantitative data
Uses small (theoretical) samples	Uses large (statistical) samples
For theories generation	For hypothesis testing
Data is rich and descriptive	Data is highly specific and precise
Location is natural	Location is artificial
Low Reliability	High Reliability
High Validity	Low validity
Transferrability from a context to similar contexts	Generalization from sample to population

Source: Adapted from Hussey and Hussey (1997).

3.2.1 Quantitative and Qualitative Approaches

Both qualitative and quantitative research approaches are employed in this study. Table 3.2 presents the comparisons between qualitative and quantitative methodologies. Often, the qualitative method is associated with an inductive logic of enquiry while the quantitative method with a hypothetic deduction. Qualitative findings lack the quantitative research's ability to generalize, although qualitative findings may be generalized to other contexts or even for theoretical generalization (Ritchie, Lewis, Nicholls & Ormston, 2014).

The focus then moves on to the research process that involves methodological considerations involving both contexts - enquiry and justification. First, one should ponder on the fundamental methodological questions as mentioned by Brannen (2005),

“How important is it to be able to estimate the frequency of a defined social phenomenon according to other defined variables?” “How important is it to generalize those frequencies and their associations to a parent population?” “Do we want to test a hypothesis and/or generate new hypotheses?” “Do we want to explore what people think about a particular social phenomenon and how those perceptions link to other perspectives and informant characteristics?” ... and in terms of sampling, “Do we want to use one field method to find a particular group and to use a different field method to study a subset of that group?” (p. 176).

The answers to these questions may lead to different choices in methods and methodological implications. Second, ontological, epistemological and theoretical issues could determine the types of data analysis methods and interpretations. The combination of both methods could result in four different possibilities: (a) corroboration (same results obtained from mixed methods); (b) elaboration (qualitative data analysis would illustrate quantitative findings in a specific context); (c) complementarity (both methods would generate insights although their results are unlike), and (d) contradiction (conflicting results from both methods). Thus, data collected from multi approaches could not be meekly assumed to corroborate with one another (Brannen, 2005). Hence, the data varies in the different research phases.

As the first phase of this current study concerns the motivational factors that lead to internationalization (Research Question 1 – RQ1), an indepth interview and a case study approach are employed. The second phase concerns perceived factors contributing to Malaysian SME’s sustainable competitive advantage in Cambodia. This phase employs a survey technique to answer Research Question 2 – RQ2 and Research Question 3 –

RQ3. A mixed mode is essential in order to accomplish the research objectives, as each phase has different research questions and goals.

Table 3.2: Quantitative and Qualitative Methodologies Assumptions

Assumption	Question	Qualitative	Quantitative
Ontological	What is the nature of the reality?	Reality is subjective and multiple as seen by participants in a study.	Reality is objective and singular, apart from the researcher.
Epistemological	What is the relationship of the researcher to that researched?	Researcher interacts with that being researched.	Researcher is independent from that being researched.
Axiological	What is the role of values?	Value-laden and biased	Value-free and unbiased
Rhetorical	What is the language of research?	Informal. Evolving decisions. Personal voice. Accepted qualitative words.	Formal. Based on set definitions. Impersonal voice. Use of accepted quantitative words.
Methodological	What is the process of research?	Inductive process. Mutual simultaneous shaping of factors. Emerging design-categories identified during research process. Contest-bound. Patterns, theories developed for understanding. Accurate and reliable through verification.	Deductive process. Cause and effect. Static design-categories isolated before study. Context-free. Generalizations leading to prediction, explanation and understanding. Accurate and reliable through validity and reliability.

Source: Adopted from Creswell (1994)

3.3 Research Process

In order to provide a systematic frame of reference in this research, the following procedures were adopted:

- Development of interview questions;

- Interviews;
- Development of questionnaires;
- Pilot study and revision of the survey questionnaires;
- Identification of the samples; and
- Analysis of the data

This research was carried out from September 2017 to March 2019 and incorporated the multi-method and multi-sources approach. This was further reinforced with an evidence-based data collection method to ensure reliability and validity are not compromised. Sekaran (2003) contends that data collection methods are with biases; thus collecting data from multi-methods and sources leads to rigour especially in qualitative research. According to Jankowicz (2005) academic rigour has three important parts:

- Choosing a method that could solve research question;
- Using appropriate approach/approaches to identify the meanings conveyed by respondents either in the form of utterances or behaviour; and
- Analysing the meanings in a rigorous manner.

3.4 Research Design: Multi-method (Mixed Method) Approaches

A research design indicates the mechanism to obtain the needed data to solve the research questions. For an appropriate research design, due consideration and attention must be given to the choice of scientific research approach, the type of study conducted, the sources of data, the population in the context of the study and the suitability of the sampling approach to better reflect data validity.

A qualitative research is also suitable for a smaller sample size due to unforeseen circumstances. This research allows a rigorous, holistic investigation of issues within an organisation. As pointed out by Yin (1994):

“A case study is an empirical inquiry that:

- investigates a contemporary phenomenon within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident...

...The case study enquiry:

- copes with the technically distinctive situation in which there will be many more variables of interest than data points, and as one result;
- relies on multiple sources of evidence, with data needing to converge in a triangulating fashion, and as another result; and
- benefits from the prior development of theoretical propositions to guide data collection and analysis...” (p. 13).

Quantitative research concerns the precise measurement of something and normally answers questions related to ‘who, when, how often, how much, and how many’ (Cooper, Schindler and Sun, 2006). In contrast, qualitative research facilitates an in-depth understanding of characteristics or behaviour. Thus, qualitative research should be viewed as a complement to quantitative research or vice versa (Davis, 2005). As put by Cooper, Schindler and Sun (2006):

“Many researchers recognise that qualitative research compensates for the weaknesses of quantitative research and vice versa. These forward thinkers believe that the methodologies complement rather than rival each other” (p. 219).

The distinction between the quantitative and qualitative approaches is always not clear.

Davis (2005) also cautions this:

“Some qualitative approaches can be quantified and statistically analysed, whereas open ended questions on quantitative survey instruments often produce soft data that must be interpreted judiciously” (p. 307).

A mixed method is chosen so that complex problems can be investigated and examined more adequately (Darlington & Scott, 2002). According to these researchers, a mixed method refers to a study that engages qualitative and quantitative methods for data analysis. Qualitative and quantitative designs do not necessarily have to be interdependent; they can be carried out concurrently, sequentially or in any particular order. Sometimes, different methods may produce contradictory findings. However, this should not be considered as a problem because different methods ‘measure’ different things. Discrepancies that arise may prompt the researcher to probe further and dwell on the issues in greater depth, which in the end leads to fruitful discovery.

Another important aspect of research is identification of sources of information. A multi-method data collection method cannot be separated from multi-sources. As pointed out by Sekaran (2003),

“...Because almost all data collection methods have some biases associated with them, collecting data through multi-methods and from multiple sources lends rigour to research...Good research entails collection of data from multiple sources and through multiple data collection methods...” (p. 258)

The central emphasis for this study is to examine the firm's motivation to internationalize and factors that lead to the competitive advantage of firms in Cambodia. A thorough investigation is important, and a comprehensive study is made on firms, government authorities and experts who have contributed much in the business field. The reasons are as follows:

- Different parties are able to provide different perspectives to contribute to an understanding in this area; and
- Information provided by different parties is more accurate than trying to get all information from one source.

Hence, both qualitative and quantitative methods which involve collection of data from multiple sources are adopted in this research. These methods will answer “what”, “when”, “why”, “who” and “how” questions. In addition, the adopted method will have the following characteristics:

1. Information gathered from multiple sources of evidence;
2. Information obtained from multiple methods, directly from interviews or surveys conducted with various individuals representing business owners, government authorities, practitioners and experts;
3. Information obtained from government departments

3.5 Qualitative Research Approach

A qualitative research is used in the first part of the study to provide a better understanding of the research context. In this matter, the suggested qualitative research approaches by United Nations Educational, Scientific and Cultural Organisation (UNESCO) and Asian Institute for Development Communication (Aidcom) were adopted

because the UNESCO-Aidcom method is widely used by non-governmental organisations (NGO) and government agencies worldwide (UNESCO/Aidcom, 2001).

Table 3.3 presents a summary of the weaknesses and strengths for numerous research approaches. These approaches may complement one another by reducing the other approach's weaknesses.

Table 3.3: Weaknesses and Strengths for Numerous Research Approaches

Research Approaches	Weaknesses	Strengths
Focus Group Discussion	<ul style="list-style-type: none"> • The group may become dominated by individuals. • Gathering quantitative data is inappropriate. • A lot depends on moderator's skill. 	<ul style="list-style-type: none"> • It allows for the collection of preliminary information about the topic. • This approach is comparatively quick and cost effective • There is flexibility in question design and follow up. • The responses are more complete and less inhibited than those from individual interviews.
In-depth Interview	<ul style="list-style-type: none"> • Generalisation is sometimes a problem. • There are problems in data analysis. • It is time consuming. 	<ul style="list-style-type: none"> • A wealth of details is provided. • More accurate responses are provided on sensitive issues. • There are certain situations where interviewees do not wish to be with others.
Key Informant Interview	<ul style="list-style-type: none"> • Key informants do not generate quantitative data. • Findings are susceptible to biases. 	<ul style="list-style-type: none"> • It generates data, which give a broader perspective of the community and provide base-line information that is necessary for the in-depth interviews and the follow up research activities • Key informants are more easily identifiable, and their responses are less likely to be biased.
Content Analysis	<ul style="list-style-type: none"> • There may be too much data to be analysed. 	<ul style="list-style-type: none"> • A researcher can compare content across many texts and analyse with quantitative techniques. • There are qualitative versions of content analysis that can be obtained.

Table 3.3 Continued

Field Observation – Covert Participation	<ul style="list-style-type: none">• Problems in sampling.• This approach relies on the researcher’s perceptions and preconceived notions. Thus, one observer is not enough.	<ul style="list-style-type: none">• A researcher can define basic background information to frame a hypothesis.• The observer gets first-hand data.• This approach is useful in providing access to otherwise inaccessible groups.• It is comparatively inexpensive.• It uses the natural setting which provides data rich in detail and subtlety and enables the identification of otherwise unknown variables.
--	--	--

Source: Adapted from UNESCO/Aidcom (2001, p. 25)

3.5.1 In-depth Interview

Detailed interviews were conducted with SMEs. These respondents were selected based on a few criteria:

- (1) These firms had been in operation in Cambodia for more than 10 years.
- (2) Selection was based on different principal activities. Hence, the study was able to probe for more details from different perspectives.

3.5.2 Key Informant Interview

This type of interview provides information about specific existing conditions or situations in the context. The key informants conducted in the study were authorities or expert business personnel who could provide valuable insights on Malaysian businesses in Cambodia. They include government and tax officers in Cambodia, representatives from The Associated Chinese Chambers of Commerce and Industry of Malaysia (ACCIM), representatives from the Malaysia Business Council of Cambodia (MBCC), and renown academics. These interviewees provided information on why Malaysians are doing business in Cambodia.

Some informants are dominant figures in the Malaysian Business Council of Cambodia. These candidates frequently provided advice, guidance and “the dos and don’ts” to Malaysian big and small business players in Cambodia and also play an influential role to the other SMEs. Hence, their opinions are seen as more valid and reliable.

3.5.3 Adoption of Case Study in Research

The need for an in-depth understanding on “what, why and how firms go abroad?” led to the adoption of qualitative methodology. This method was recommended because it was seen to ensure that the phenomenon could be understood from different angles (Baxter & Jack, 2008).

A case study approach was adopted to explore “why” and “how” firms tend to internationalize. Being inductive in nature, explorations using this approach are expected to help in theory building by capturing the findings and drawing conclusions to theory enhancement (Eisenhardt, 1989).

The development of hypotheses for the first research objective was not feasible. As such, all the findings of the case studies would be compared to existing theoretical approaches to generate the findings. It is fair to assume that the findings are envisaged to be able to enrich the existing theories (Figure 3.1).

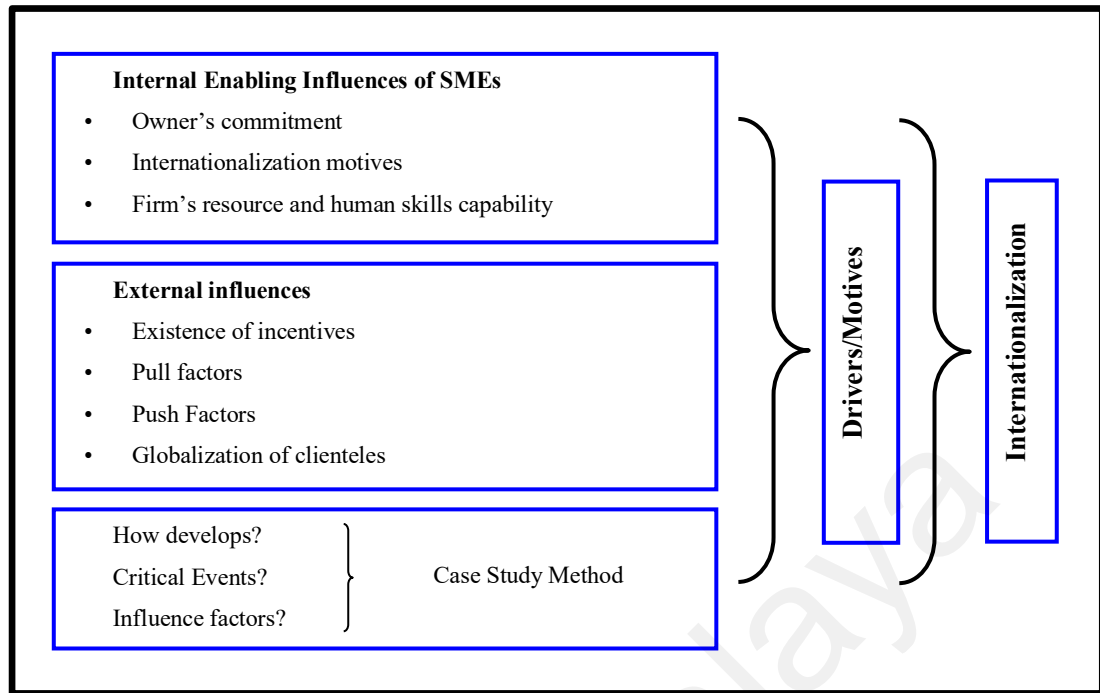


Figure 3.1: Proposed Conceptual Model for Qualitative Approach

Data was gathered through interviews with the business owners conducted from September 2017 to December 2017. Several strategies were used to promote data credibility including the triangulation of data sources that would be used in this research to explore the phenomena from different perspectives (Baxter & Jack, 2008). The comparison of these data, enhanced data quality assisted in confirming the findings (Breitmayer, Ayres & Knafl, 1993). The data were then analysed. First, the interviews were transcribed. Then, these transcriptions were organised into themes and from different themes into different prominent categories that had been selected from literature (Strauss & Corbin, 1990). The expected results from the case studies was to draw conclusions which were reflected in the enhancement of the existing theories.

3.5.4 Sampling Approach

The sampling approach used was purposive sampling also known as qualitative or nonprobability sampling. This technique selects units based on identified purpose (Tashakkori & Teddlie, 2010). There are four different categories of purposive sampling:

a) Sampling to achieve representativeness or comparability

Samples are selected purposefully to represent a broader group or to compare against other cases.

b) Sampling on unique or special cases

This sampling is chosen to focus on the individual case itself.

c) Sequential sampling

This type of sampling is based on a gradual selection to generate a theory or due to evolvement during the data collection.

d) Multiple or combination of purposive technique

A combination of samplings are used in the technique to answer the same research question.

This study used sampling on unique or special cases; and for this research, critical case being the sampling scheme. According to Collins, Onwuegbuzie and Jiao (2006), a critical case is defined as “Choosing settings, groups and, or individuals based on specific characteristic(s) because their inclusion provides the researcher with compelling insights about a phenomenon of interest” (p. 84).

The selection of cases is expected to yield informative data for the topic under research, which helped in maximizing the understanding of a phenomenon of interest. Besides, the choice of sample size is associated with the choice of the sampling scheme. As a norm, qualitative research is always linked to small samples, whereas quantitative research linked to larger samples. Yet, this assumption does not always hold true; the sample size will still depend on the research questions, research objectives and research design. The minimum sample size recommended by Creswell (2002) for a case study approach is 3 – 5 cases.

The answer to “how many interviews is needed?” depends on several factors – qualitative methods used, research design, scope of study, nature of study, useful information gathered from participants and the usage of shadowed data (Morse, 2000). It is more important to focus on rigorous methods rather than sample size (Charmaz, 2006). The ideal sample size is believed to be when the size achieves saturation and redundancy in and among thematic concepts and characteristics (Dworkin, 2012).

3.5.5 Content Analysis

A content analysis gathers and analyses the contents of the texts. Instead of just referring to secondary data for information searching and gathering, a content analysis is systematic classification of the content from the text data to identify themes and patterns (Hsieh & Shannon, 2005). The context data can be in verbal or electronic form obtained from interviews, focus groups, observations, survey questions and print media (e.g.: articles, books).

3.5.6 Secondary Data Collection

Secondary data has the potential to assist researchers in comprehending the research problem and extending the base to deduce scientific conclusions. Besides, it also suggests qualified methods or data to solve the research problem. Thus, studies often start with secondary data sources gathering by deliberating all these advantages. As put by Churchill and Iacobucci (2005), “do not bypass secondary data; begin with secondary data, and only when the secondary data are exhausted or show diminishing returns, proceed to primary data.” (p. 168).

However, extra care must be taken while working on secondary data. The primary problem is that secondary data that are gathered do not fit every research problem. To overcome this, identification of the central topic and the need for additional information is crucial. The research problem should be taken as the central point to search for secondary data. Definitions used may also not be the same in different studies. The words ‘strategy’ and ‘scenario’ are good examples. Different studies define these differently. Comparisons must be made with some caution. One more important aspect to emphasize when dealing with secondary data is that the researcher is responsible and obliged to ensure that the data are accurate. Reliability of the sources of secondary data is important.

3.5.6.1 Sources of Secondary Data

Secondary sources of data in this study include local and international journals, conference papers and press releases regarding small and medium-sized firms (SMEs). These publications keep the on-going study informed of emerging issues and current trends, as well as challenges faced by the SMEs.

Published statistical reports and educational reports by the Asian Development Bank, Organization for Economic Cooperation and Development (OECD), Malaysia Business Council of Cambodia and the World Bank would be also extensively used in this study.

3.5.7 Soundness of Method for Qualitative Approach

To achieve the required validity for a qualitative approach, four criteria will be used to validate the knowledge claim, which is aligned with the interpretive research practice: (i) communicative validity, (ii) pragmatic validity, (iii) transgressive validity and (iv) reliability as interpretive awareness (Sanberg, 2005).

Communicative validity could be achieved by establishing rapport with target respondents before and during the interview session to make sure they understand the purpose of the research. It refers to “testing the validity of knowledge claims in a dialogue” (Kvale, 1994a, p. 7). Then, open-ended questions and follow-up questions are directed to the target respondents for them to fully express why and how they internationalize. The interpretation could also be established through discussions with other researchers or subject experts.

Pragmatic validity is testing the knowledge produced in action (Kvale, 1994a). The validity could be achieved by probing the target respondents to demonstrate their statements by providing examples; while their responses and reactions are keenly observed throughout the interview session. This step is important as misinterpretations could be corrected thus reducing the weaknesses of communicative validity.

The next – validity; transgressive validity predicts the possibility of differences and contradictions rather than coherent interpretations as assumed under communicative and

pragmatic validity. It is dangerous to overemphasize communicative and pragmatic validity, because researchers may overlook the complexities and uncertainties of the object under study (Sandberg, 2005). As such, the practice of transgressive validity is vital in order to avoid illogical framework and assumptions (Richardson, 1993). It is important to explore for differences rather than to just focus on a consensus among the target respondents.

Finally, reliability is interpretive awareness regarding the procedures to achieve faithful interpretations of each target respondent's internationalization experiences. This reliability could be achieved by constantly checking the interpretations with the target respondents' experiences and treating all the statements on internationalization experiences that have been captured and obtained from the target respondents as equally important, thus reducing biased subjectivity and perspectival subjectivity (Kvale, 1994b; Sandbergh, 1997).

3.6 Quantitative Research Approach

The present study uses a cross-sectional survey because data is gathered at only one point in time. For example, data could be gathered in days or weeks or months to resolve research questions (Sekaran, 2003). For this research, a self-administered questionnaire survey is the chosen approach for data gathering because costs are lower and this approach covers a wider geographical area (Bryman & Bell, 2007).

Questionnaire survey is appropriate to be utilized particularly for exploratory research to examine the relationship between variables in accordance with the formulated hypotheses (Theodore, 2020). Data collected from questionnaire survey is easily processed by SmartPLS as well. In addition, questionnaire survey also enables the

researcher to gather valuable information from the hidden respondents in the population to devolve their opinion with minimal fear of leakage of sensitive information (Patten, 2016). Hence, this data collection method is envisaged to be a salient and effective tool to gather data in Cambodia because the SMEs' registration list in this country remains inconclusive.

3.6.1 Primary Data Collection Process

Data were collected according to a three-stage approach:

- First stage is the questionnaire design and development;
- Second stage is the distribution of the questionnaires; and
- Third stage is post distribution of questionnaires. It is important to emphasize that the interviews and literature reviews were conducted throughout these stages.

Stage 1 – Questionnaire Design and Development

Stage 1 is where three sets of questionnaires were designed and developed as follows:

- Part A is a survey instrument for measuring business characteristics;
- Part B is a modified instrument to measure perceived importance on various factors: EO, SN, and CBE; and
- Part C is a modified instrument to measure sustainable competitive advantage.

These sets of questionnaires were designed, and pilot tested.

The instruments were constructed by seeking professional advice to address the research problem. This panel of experts comprised of government representatives and representatives from Malaysian Cambodia Council. Their comments were important to ensure that the dimensions and items used were identified clearly and operationalized

before the questionnaire was developed. Operationalizing a concept is important to ensure the concept is measurable (Sekaran, 2003). Next, in Step 2, the questionnaire was developed and checked. In Step 3, the same panel of experts were approached to further review and refine the questionnaires.

Pilot Study

A pilot study is conducted to discover any problems in comprehending either the instructions or the questionnaire items, and whether they are used to the test measurement instruments, procedures and analysis methods. Besides, it is also used to determine the feasibility of the study (Leedy & Ormrod, 2010). Van Teijlingen and Hundley (2002) further suggest that a pilot study is crucial if someone else's questionnaire is used; some words may have different meanings or connotations for different populations. Fine-tuning is carried out to correct these wordings and instructions. A reliability test is also carried out at the same time.

Stage 2 – Distribution of Questionnaires

The questionnaires were to be either personally distributed or distributed through contacts to the SMEs' business owners. These key people were targetted to provide information on the factors that helped their firms to compete and sustain in the marketplace.

3.6.2 Sampling Design

The sampling process begins with identifying the population. The target population in the present study are Malaysian SMEs that are operating in Cambodia. The sampling design used in the research is a combination of purposive and snowball sampling for RQ2 and RQ3. The initial informants were purposefully selected to answer the questionnaire.

Informants were then asked to identify other prominent SMEs to create a snowballing effect. The sampling frame was created from the referrals. Although snowball samples may introduce bias, but by relying on matching the cases based on the set criteria, the potential biasness was reduced. Purposive sampling is expected to provide the most information about a phenomenon under study (Teddlie & Yu, 2007).

This study aims to employ purposive snowball sampling. Although the list of small and medium-sized companies (SMEs) is available, according to a high-ranking officer from the Cambodian Prime Minister's Office, it was not complete. In an interview, he mentioned that the officers had problems in collecting taxes from the SMEs because some business had not registered their businesses with the government. They are not able to keep track on these businesses and their activities. He also mentioned that the amount in unpaid taxes is a loss in revenue for their country.

3.6.2.1 Sampling Technique

For the present study, snowball sampling method was found suitable to be used for exploratory purposes. This sampling procedure solicits for information from the respondent and from other referred sampled units. This approach is normally used in studies where the required numbers of respondents are limited or there were difficulties to reach them. This population is called 'hard-to-reach population' or 'hidden population' as it required a high degree of trust in order to approach them. Often, these respondents are reluctant to participate in traditional sampling methods and are vulnerable. They are categorised under 'hidden population' as highlighted by Marpsat and Razafindratsima (2010) because:

- they are relatively small in size.
- it is hard to identify the population.

- the respondents may have common features but are not easily assessed due to incomplete sampling frames.
- there is a high degree of difficulty to approach this population of interest.

Snowball sampling could possibly lead researchers to other respondents in the hidden population. In theory, the initial choice of respondents is randomly chosen; however, in real practice, the choice of initial respondents is chosen through convenience sampling. Each identified individual will then be requested to refer or name other individuals in the population. The process will continue until the desired number is reached, or when/if the individuals are named repeatedly.

Snowball sampling has some disadvantages – selection bias and representativeness. The problems associated with selection bias can be overcome by having a larger sample size. On the other hand, purposive sampling tends to minimize the selection bias (Wong, 2008). The issue of representativeness can be improved by matching the samples with demographic data and official statistics (Witte, Amoroso & Howard, 2000). It is crucial that the chosen sample can meet the research objectives. At most times, the generalization of results is not the sole priority of the research, as the inclusion and validation of theories are far more important for exploratory purposes. Wong (2008) also revealed the inclusion of theory that can enhance external validity. Nonetheless, generalization is statistically proven to be predictive in nature; yet not all research questions and objectives aim to predict results. Hence, it is important to note that pursuing and answering research questions is more important than mainly focusing on the sampling procedures which enable pursuance of statistical generalizations.

The incomplete statistical sources on the population size of Malaysian SMEs in Cambodia indicates the difficulty in determining the sampling size. Hence, the minimum size would be set by following the general rule (Hair, Tatham, Anderson, & Black, 2006). Some scholars such as Roscoe (1975) propose the recommended sample size to be between 30 to 500 samples. Hair, Tatham, Anderson and Black (2006) indicate 20 samples for each latent construct as the general rule to determine the minimum sample size. Since there are only three latent constructs on which to build the research framework – one dependent latent construct, one independent latent construct and one mediator construct, a minimum of sixty samples (3 constructs x 20 cases) is deemed adequate (Hair, Tatham, Anderson & Black, 2006).

Meanwhile, the nonprobability sampling technique “yields good estimates of population characteristics but does not allow an objective evaluation of the precision of the sample” (Malhotra, 2007, p. 419). Thus, the estimates are predicted to be statistically not projectable onto the population of the study. As the Malaysian SME population in Cambodia is unknown, the present study expects the results to be non-generalizable. Hence, G*Power, a priori power analyses is used to determine sample size with enough statistical power prior data collection (Faul, Erdfelder, Buchner & Lang, 2009). As such, the current study utilizes G*Power analysis to determine sample size, in ensuring the time used and funds spent wisely during data collection. The results indicate that a total sample size of 78 is sufficient for the current study with given $\alpha=0.05$ and power ($1-\beta$ err prob) of 0.80.

3.6.3 Data Collection Method

This study engages primary and secondary data collection to facilitate the formulation and examination of the research hypotheses (i.e. Hypothesis 2 and Hypothesis 3).

3.6.3.1 Primary Data Collection-Survey and Questionnaire development

The collection of first-hand data from the relevant respondents is vital for creating relevant information to solve the research problem. Then, raw data will be converted into meaningful information to examine the proposed independent variables (i.e. Entrepreneurial Orientation (EO)) and dependent variable (i.e. Sustainable Competitive Advantage (SCA)) relationship. The current study also demonstrates the mediating effect (social network) on EO–SCA relationship.

Table 3.4: Description of the Questionnaire

Part	Description
A	Part A is developed to understand the characteristics of the firm. This section contains the profile of the owner (academic and professional qualification, age, race, gender, years of experience before business start-up) and the background of the firm (ownership of firm, type of business, year of establishment, length of operation, company size, business performance, sources of finance, sales pattern).
B	Part B is designed to measure the perceived importance on various factors: EO, SN, and CBE. These items are measured using a seven-point scale (1 - 7) with 1 denoting totally disagree and 7 denoting totally agree. Respondents are required to choose only one answer for each question. EO is measuring the business owner(s) perceived entrepreneurial orientation (direction set and strategy) for the firm. SN is measuring the business owner(s) perceived importance of networks to the firm. CBE is the business owner(s) perceived opportunities or threats arising from the environment that influence performance of the firm.
C	Part C is designed to measure the sustainable competitive advantage (SCA) of the firm. These items are measured using a seven-point scale (1 - 7) with 1 denoting totally disagree and 7 denoting totally agree. Respondents are required to choose only one answer for each question. SCA is the business owner(s) perceived sustained competitive advantage of the firm.

Questionnaires allow researchers to gain information about the respondents' feelings, their opinions and attitudes. Rowley (2014) mentions that a self-administered questionnaire has the ability to gather large responses in scattered locations or possibly remote locations and that data can be gathered from a large sample reasonably quickly

when the respondents complete the questionnaires in the presence of a researcher. Two important elements must be present in the design of a good questionnaire – construct measurement and scale measurement. Hence, selecting a correct measurement for all constructs will provide accurate results by making a strong and valid conclusion to resolve the research problem. The questionnaire comprises of five sections (see Table 3.4). It is anticipated that it would take 20 minutes for any respondent to complete the questionnaire.

3.6.3.2 Construct Measurement

The current study uses survey instruments to measure the construct variables (see Table 3.5). All the adopted constructs will undergo a thorough and comprehensive validation process such as convergent and discriminant validity (Nielsen, 2014; Boyd, Gove & Hitt, 2005). It is important to ensure that the indicators fit the construct domains as defined (MacKenzie, Podsakoff & Podsakoff, 2011). Each item would be revised in terms of length, specificity and wording to better reflect the current context and for better understanding. The number of words used for each question item is advised to be under 20 as stipulated in existing literature (Sardon, 2012).

Table 3.5: Construct Measurement Items

Variables	Dimensions	Sources
Entrepreneurial Orientation	Overall perception based on questionnaire	Adapted from Covin and Slevin (1989) and Lumpkin and Dess (2001)
Social Network	Overall perception based on questionnaire	Adapted from Taormina and Lao (2007).
Competitive Business Environment	Overall perception based on questionnaire	Adapted from Miller and Friesen (1983) and Leonidou (2004).
Sustainable competitive advantage	Overall perception based on questionnaire	Adapted from Jaworski and Kohli, (1993) and Cao, Berkeley, and Finlay (2014)

(a) *Dependent Variable: Sustainable Competitive Advantage (SCA)*

The sustainable competitive advantage construct is a multifaceted construct on a seven-point scale; the concept being adapted from Jaworski and Kohli (1993); Cao, Berkeley, and Finlay (2014). It consists of resource-based competencies (i.e. firm's specific resources that outperform competitors), transformational-based competencies (i.e. firms capabilities of transforming inputs into outputs such as innovation), output-based competencies (i.e. value creating activities, which consist of reputation for product/service quality, networks for delivering value to consumers, etc.) and competitive positioning competencies (i.e. firm offering differential advantage to secure the market). To measure SCA, an 18-item questionnaire was created to measure 4 dimensions (4 items each for – resource-based competencies, transformational-based competencies: innovation, and competitive positioning competencies: marketing capability, and 6 items for output-based competencies: reputation). A high score characterizes the firm as having gained strategic advantages over its competitors. In contrast, a low score reflects the firm's competitors having gained the same strategic advantages.

(b) *Independent Variable: Entrepreneurial Orientation (EO)*

Entrepreneurial Orientation is measured by multifaceted five dimensions – innovativeness, proactiveness, risk taking, competitive aggressiveness and autonomy. These dimensions are adapted from Covin and Slevin (1989) and Lumpkin and Dess (2001) based on seven-point scale, reflectively measuring the firm's entrepreneurial posture:

- Risk-taking indicates firm's strong aptitude towards high-risk projects and pursue risky resource commitments.
- Proactiveness indicates firm's initiation to action in anticipation of future changes, needs and problems.

- Innovativeness dimensions indicates firm's tendency to support novelty, new ideas and change, and engage in creative processes involving products, services and technology.
- Autonomy dimension reflects the tendency to support independent action or flexibility of initiating ideas or new ventures and seeing it through to success.
- Competitive aggressiveness reflects firm's tendency to aggressively outperform its competitors by improving its position and achieve entry in the marketplace.

A high score on the scale indicates high in entrepreneurial orientation while a low score symbolizes a rather conservative manner. Twenty-one items in the questionnaire based on the five dimensions were created to measure entrepreneurial orientation (2 items for competitive aggressiveness, 3 items each for risk-taking and proactiveness, 6 items for innovativeness and 7 items for autonomy).

(c) Mediator Variable: Social Network

The construct is measured using the modified Taormina and Lao (2007) seven-point scale. It captures the extent to which the firm perceives the good relationships with other parties from its network (involving collaborators, competitors, customers, business partners, etc.) which are favourable for its business purposes. Four items were created in the questionnaire to measure this construct. A high score would indicate the usefulness of the social network, while a low score would deem the social network as not helpful and useful.

(d) Moderator Variable: Competitive Business Environment

The construct is measured by three dimensions using a modified Miller and Friesen (1983) and Leonidou (2004) seven-point scale. A high score characterizes the

environments as more dynamic, hostile and competitive while a low score would characterize the environments as being more stable and benign. The hostility dimension reflects the challenges that are faced by the firms – severe price competition, scarcity of labour and resources, government intervention and product competition. The dynamism dimension reflects radical changes in marketing practices, fluctuating demand, obsolescence in product or changes in the modes of production/service and irregular competitions. A total of 16 items were created in the questionnaire to measure the 3 dimensions (7 items for host government, 6 for hostility (market conditions), and 3 for dynamism (technology condition)).

3.6.3.3 Scale Measurement

All the four basic measurements of scale (nominal, ordinal, interval and ratio) are included in the questionnaire design for the present study. The nominal scale is used to measure items such as gender, race, etc., while the ordinal scale is utilized to measure target respondents' educational qualifications and the ratio scale employed to measure age, business experience, etc.

The largest portion of the questionnaire (Section B to C) uses interval scales – 7-point Likert scale to examine the strength of the respondent's agreement or disagreement with the statements (Zainudin Awang, 2012). Findings from Dawes (2008) indicate that the five-point, seven-point and ten-point Likert scales are desirable formats for confirmatory factor analysis or structural equation models. Multi-items are designed for each construct to guarantee a comprehensive assessment and to avoid any shortcomings of using a single item measure (Churchill Jr., 1979). The summary of the scale measurement used in current study is indicated in Table 3.6.

Table 3.6: Scale Measurement

Part	Description	Scale
A	Educational qualification (Academic and Professional)	Ordinal
	Age	Ratio
	Gender	Nominal
	Years of experience before start-up	Ratio
	ownership of firm	Nominal
	Type of business	Nominal
	Year of establishment	Ratio
	Length of operation	Ratio
	Company size	Ratio
	Business Performance	Ratio
	Sources of finance	Nominal
	Sales pattern	Nominal
B	EO, SN, CBE	Interval
C	SCA	Interval

3.7 Goodness of measure

Goodness of measure is established through the different types of validity and reliability. As put by Sekaran (2003),

“...it is important to make sure that the instrument we develop to measure a particular concept is indeed accurately measuring the variable, and that, in fact, we are actually measuring the concept that we set out to measure...” (p. 202)

3.7.1 Validity

Validity of the measurement scale concerns the soundness and effectiveness of the measuring instrument (Davis, 2005; Leedy & Ormrod, 2010). There are three types of validity: (1) content validity, (2) criterion-related validity and (3) construct validity. Content validity ensures that the items actually represent and measure the concept. Sekaran (2003) suggests greater content validity can be achieved by creating multiple items that represent the domain of the concept. However, Davis (2005), adds that the

assessment of content validity is not a simple matter especially for complex concepts as it is impossible to enumerate all the dimensions of the concept. He proposes the following procedures to ensure a reasonable degree of confidence: (1) Exhaustive search of literature to include all possible items in the scale; (2) Solicit for expert opinions on items inclusion, by way of accepting suggestions for any addition or deletion of items in the scale; (3) Pre-test the scale and encourage the respondents to provide suggestions and criticisms on the contents and/or wording of the scales; and (4) Make modifications as needed.

Criterion-related validity ensures that the measure differentiates between individuals on a criterion it is predicting. There are two categories of criterion-related validity – predictive validity and concurrent validity. Predictive validity is established when the measuring instrument differentiates individuals according to the criterion; likewise, concurrent validity ensures the measuring instruments differentiates the individuals by way of providing different score on the instruments (Davis, 2005; Sekaran, 2003).

Construct validity affirms whether the obtained results fit the theories for which the analysis was planned and is categorized into convergent validity and discriminant validity. The first approach, convergent validity testifies how close the intended scale is associated with other variables and other measures of the intended construct. Factor loadings, average variance extracted (AVE) and reliability of each construct would be used to examine convergent validity, (Fornell & Larcker, 1981). The second approach, the discriminant validity testifies whether the measurement concept is uncorrelated with one another.

3.8 Pre-test and Pilot test

A pre-test and pilot study were conducted to ensure questionnaire validity and reliability. Subsequently, a series of analyses were used to test for validity and reliability of each construct.

3.8.1 Content Validity

Content validity of the questionnaire was verified during questionnaire development and pilot study. Development of the variable scales was based on the definitions of the constructs obtained through an exhaustive search of theoretical literature to ensure that these scales achieve satisfactory levels of content validity. A pre-test was carried out to ensure the measurement instruments were free of grammatical errors and could meet up with a high relevancy level.

One set of questionnaire was designed for the pre-test during the initial stage. Some field experts and knowledgeable researchers were invited to provide comments on the layout and design of questionnaire, clarity of the stated instructions, items in the questionnaire and the appropriateness of the terminology used. At the same time, field experts were invited to provide their feedback on the relevancy of the items regarding the specific constructs, appropriateness of terminology in business contexts, understandability of the items, sequences of each construct, consideration of any items that needed to be modified, deleted, added; appropriateness and clarity of the instructions given and to ensure that the questions conveyed the same intended meaning to different respondents. The names and personal details of these researchers and field experts were withheld to maintain anonymity in order to protect their reputation. These volunteers were given one week to provide their feedback on the questionnaire. All the questions in part

A are maintained while a total of 59 finalized questions in part B and C will be used and distributed to respondents for the main test (see Appendix C).

3.8.2 Construct Validity

Three tests were conducted for convergent validity to analyse the data derived from pilot study – factor loadings, average variance extracted (AVE) and reliability of each construct (Fornell & Larcker, 1981). Factor loading score for all the items were ensured to be larger than 0.5 value. Hence, it could be considered that these items measured the respective constructs adequately.

Next, the AVE score for each construct should be at least 0.5; any variance was mainly arising from the construct rather than a measurement error. In the current pilot study analyses, the AVE score for all constructs was more than 0.5 (see Appendix B).

Finally, for a reliability analysis, a composite reliability test was engaged to measure the construct and the test scores for each construct was more than 0.7 (see Appendix B), the minimum threshold value being 0.7 (Fornell & Larcker, 1981).

A discriminant validity test was used to ensure these constructs did not correlate. Thus, the AVE score of a construct must be larger than the squared correlations between the construct and all the other constructs (Chin, 2010). The results (see Appendix B) showed that the AVE score for each construct was larger than the squared correlation scores of the other different constructs. Based on these convergent validity and discriminant validity results, the construct validity of this study was found satisfactory.

3.9 Data Analysis Technique

3.9.1 Statistical Techniques

Smart Partial Least Squares (PLS) version 3.2.8 and SPSS version 25 are commonly used to analyse empirical data and for hypothesis testing. PLS-SEM will be used in this study to test the relationship between the variables used as this method has the capability to examine the relationship between latent variables (Babin, Hair & Boles, 2008). PLS-SEM's focus on iterative approach often is used because of its ability to handle non-normal data and complex models (Hair Jr, Sarstedt, Hopkins & Kuppelwieser, 2014). This approach tends to maximise the explained variance of endogenous constructs (Fornell & Bookstein, 1982). The analysis works as the multiple regression analysis and is suitable for explanatory research (Hair Jr, Sarstedt, Hopkins & Kuppelwieser, 2014).

This analysis is suitable to be used in this research because of 3 reasons:

(i) non-normal data

PLS works well with non-normal data and will be able to transform non-normal data based on central limit theorem (Cassel, Hackl & Westlund, 1999).

(ii) small sample size

This method works on small sample sizes because with this technique it is capable to achieve higher statistical power and portray higher convergence as compared to the normal SEM (Henseler, 2010).

(iii) higher order constructs

This approach estimates models with higher order constructs. It tests higher-order constructs such as third or fourth order constructs (Marcoulides, Chin & Saunders,

2009). The current study research model is constructed from higher-order constructs, PLS-SEM is suitable to be engaged in the analysis.

PLS-SEM evaluation was used in this study with the structural model shown in Chapter 2. The inner model illustrates the relationship between constructs while the outer model illustrates the relationship between the items and their respective variables. The PLS-SEM involves a two-stage approach with Stage 1 examining the measurement theory while Stage 2 examines the structural relationship of the model. The analysis involved in the measurement model depends on whether the measurement model is reflective or formative. The satisfactory result from the evaluation from Stage 1 will then lead to the analysis in Stage 2.

3.9.2 Reflective and Formative Constructs

A latent variable (LV) can be formed by either using formative or reflective indicators. Jarvis, MacKenzie and Podsakoff (2003) proposes that the decision to form the construct by using reflective or formative indicators are documented in Table 3.7.

Table 3.7: Decision Rules for Determining whether a Construct is Formative or Reflective

Decision Rules	Formative	Reflective
1. Direction of causality from construct to measure implied by the conceptual definition	Direction of causality is from items to construct	Direction of causality is from construct to items
Are the indicators (items) (a) defining characteristics or (b) manifestations of the construct?	Indicators are defining characteristics of the construct	Indicators are manifestations of the construct

Table 3.7 Continued

Would changes in the indicators/items cause changes in the construct?	Changes in the indicators should cause changes in the construct	Changes in the indicator should not cause changes in the construct
Would changes in the construct cause changes in the indicators?	Changes in the construct do not cause changes in the indicators	Changes in the construct do cause changes in the indicators
2. Interchangeability of the indicators/items	Indicators need not be interchangeable	Indicators should be interchangeable
Should the indicators have the same or similar content? Do the indicators share a common theme?	Indicators need not have the same or similar content/indicators need not share a common theme	Indicators should have the same or similar content/indicators should share a common theme
Would dropping one of the indicators alter the conceptual domain of the construct?	Dropping an indicator may alter the conceptual domain of the construct	Dropping an indicator should not alter the conceptual domain of the construct
3. Covariation among the indicators	Not necessary for indicators to co-vary with each other	Indicators are expected to co-vary with each other
Should a change in one of the indicators be associated with changes in the other indicators?	Not necessarily	Yes
4. Nomological net of the construct indicators	Nomological net for the indicators may differ	Nomological net for the indicators should not differ
Are the indicators/items expected to have the same antecedents and consequences?	Indicators are not required to have the same antecedents and consequences	Indicators are required to have the same antecedents and consequences

Source: Jarvis, MacKenzie and Podsakoff (2003, p.203)

A combination of four sets of questions are used to determine whether the measurement model is reflective or formative (Jarvis, MacKenzie & Podsakoff, 2003).

Questions underlying the first criteria examine the causality relationship between the indicators and constructs while the second criteria looks at the interchangeability of the indicators used. The third criteria examines the covariance among the indicators and the final criteria, the antecedents and consequences underlying the stated constructs.

The reflective measurement model needs to meet certain conditions; or else will be categorized as a formative measurement model. The prevailing conditions for reflective measurement include (i) the indicators are manifestations of the construct, (ii) changes in the indicator should not cause changes in the construct, (iii) changes in the construct cause changes in the indicators, (iv) indicators should share a common theme, (v) indicators are interchangeable, (vi) elimination of the indicator should not alter the conceptual meaning of the construct, and (vii) different indicators underlying the constructs have the same antecedents and consequences.

All the constructs used in the current study are measured in proxy as they are not easily observed directly, and they are reflective. Hence, it is necessary to follow the steps required in PLS-SEM to test the reflective model.

3.9.3 Evaluating Measurement and Structural Models

The research model would be evaluated via a two-step process in PLS-SEM. The initial step assesses the measurement model while the later step, the structural model. The validation of the model is important in order to ensure that both the measurement and structural models meet the specified criteria for empirical research (Urbach & Ahlemann, 2010). The subsequent subsections specify the guidelines used to evaluate both measurement and structural models for this study. There are a few important major steps to obtain PLS-SEM output as proposed by Lowry and Gaskin (2014) and Wong (2013).

Step 1: Model Specification

The initial stage of estimating the partial least squares regression specifies and differentiates whether the indicators in the model are formative or reflective. This is pivotal as the validity procedures involved for different models are different (Lowry & Gaskin, 2014; Peter, Straub & Rai, 2007). All the indicators in the current study are reflective in nature.

Step 2: Common Assumptions

Nielsen (2014) expresses the importance of validating the construct measurement to ensure a good match between theory and measurement. The validation of a reflective measurement model includes the examination of internal consistency, indicator reliability, convergent validity and discriminant validity (Straub, Boudreau, & Gefen, 2004; Lewis, Templeton, & Byrd, 2005).

Step 2.1: Construct Validity of Reflective Constructs

Convergent validity and discriminant validity are the two common validity analysis that were conducted. The measurement for each construct is validated to ensure the measurement items for each construct is applicable in the current context (Nielsen, 2014).

Before conducting a construct validity analysis, there is a need to conduct a common method variances test as the data from the current study is collected by using a self-administered questionnaire. This step is essential because variables (predictor and criterion) are obtained from the same respondent (Podsakoff, MacKenzie, Lee & Podsakoff, 2003) or the data is obtained from a single source (Armstrong & Overton, 1977). Hence, a Harman's Single Factor test was used to test the common method bias (Podsakoff & Organ, 1986) which could also be an alternative test conducted by using

the principal constructs inter-correlations using the correlation matrix (Bagozzi, Yi & Phillips, 1991).

Convergent validity confirms that all the indicators are reflected on the construct. Each latent variable's AVE value must be at least 0.5 (Fornell & Larcker, 1981; Bagozzi & Yi, 1988). It was essential to consider the individual indicators of t-values and alpha value at 0.05 level. Meanwhile, discriminant validity confirmed the items were measuring only the concepts and not others (Urbach & Ahlemann, 2010).

Next, cross-loading (Chin, 1998; Chin, 2010) and Fornell-Larcker's criterion (Fornell & Larcker, 1981) are the two regularly used measures in a discriminant validity test. First, for cross-loadings, the indicator's loading on its assigned variable should be higher than its loadings on the other latent variables. Next, Fornell and Larcker (1981) criterion indicates that the latent variable explains the variance of its indicators better than other latent variables. The AVE score of the latent variable is expected to be higher than the squared correlations between the latent variable and other variables (Fornell & Larcker, 1981; Chin, 2010). In other words, the diagonal values should be greater than other constructs' correlation value in the same row and column.

Step 2.2: Construct Reliability of Reflective Constructs

Both internal consistency reliability and indicator reliability are important to ensure the items within a construct are reliable. The minimum acceptable threshold for internal consistency reliability is 0.7. Nunnally (1978) suggests a more desirable value of at least 0.8. If the constructs are composite reliable, then these construct indicators have sufficient convergence (Gefen, Straub & Boudreau, 2000). For indicator reliability, one should focus on outer loading for each indicator. The minimum threshold level is 0.4 and the

preferred level is 0.7 (Reinartz, Haenlein & Henseler, 2009). Those indicators with outer loadings lower than 0.4 should be deleted (Hulland, 1999).

Step 2.3: Normality of the Data Set

Normality is an assumption for many statistical analyses. Two approaches are used to test normality: skewness and kurtosis. For the skewness test, the threshold range must be between +1 and -1 to consider the data as normally distributed (Garson, 2012; Hair, Babin, Money & Samouel, 2007). Likewise, for the kurtosis test, the threshold range is between -3 to +3 (Garson, 2012). This test is not needed for this study, as PLS-SEM does not require the data to be normal.

Step 3: Structural Path Significance in Bootstrapping and Measurement Model

The bootstrapping technique is performed to test the significance of estimated path coefficients in PLS-SEM. Although Chin (2010) suggests performing bootstrapping with 1000 re-samples, for this study, the bootstrapping procedure with 5000 re-samples are used. The path significance is determined based on the alpha value = 0.05 and t-value = 1.96 as suggested by Kock (2014). The acceptable R-squared value must be at least 0.10 (Falk & Miller, 1992); only that the explained variance of exogenous constructs on endogenous construct is deemed adequate. Likewise, Cohen's (1988) guideline categorized R-squared value into three levels: small (0.02), medium (0.13) and large (0.26).

In order to determine the effect size, it is measured and reported based on Cohen's (1988) rule of thumb – large effect size (0.35), medium effect size (0.15) and small effect size (0.02). The effect size, f^2 value informs the size of effect on the endogenous construct (Sullivan & Feinn, 2012). Subsequently, Hair Jr, Sarstedt, Hopkins and Kuppelwieser

(2014) recommend testing the predictive relevance of the model, which is applicable to endogenous constructs with reflective indicators. The rule of thumb for predictive relevance is similar to effect size and R-squared – large (0.35), medium (0.15) and small (0.02). Predictive relevance measures how well the excluded data are projected by the proposed model. Chin (2010) explains that “(...) $Q^2 > 0$ implies the model has predictive relevance whereas $Q^2 < 0$ represents a lack of it” (p. 680). It can be calculated by using $[Q^2(\text{included}) - Q^2(\text{excluded})] / 1 - Q^2(\text{included})$.

In addition to this, Shmueli, Ray, Estrada and Chatla (2016) suggest out of sample prediction to estimate the proposed model as R^2 measures the sample explanatory power. To attend to this concern, PLSpredict is one of the methods used to estimate the predictive performance on the holdout sample, referring to the sample that is not included in the analysis sample. PLSpredict uses k-fold cross validation. The value of $k=10$ is suggested by Shmueli, Sarstedt, Hair, Cheah, Ting, Vaithilingam and Ringle (2019) on condition that k meets the minimum sample size; if not, a smaller value of k could be used. Then, PLSpredict combines $k-1$ subsets in a single analysis to measure the remaining k data subset (i.e. the holdout sample) for the first cross-validation process. This process will be repeated k times and each of the k subsets will be used as the holdout sample. Hence, every case in the holdout sample is given a predicted value based on a sample case which is not used to measure the model parameters. The procedure should be repeated ten times; yet it should be conducted one time if PLSpredict is used to analyse the PLS model for predicting new observation from a single model.

While assessing the predictive power of the model via PLSpredict, prediction errors could be found to exist. First error; the mean absolute error (MAE) which measures the average absolute errors in the prediction set, accounts for the absolute difference between

the actual and predictions observations. Second error; the root mean square error (RMSE) is “the square root of the average of the squared differences between the predictions and the actual observations” (Hair, Risher, Sarstedt & Ringle, 2019, p. 13).

The interpretation of PLSpredict is targeted mainly on the model’s endogenous variable. Subsequently, Q^2 predict is used to evaluate the predictions against the naïve benchmark, then is followed by an examination of the prediction statistics. A positive Q^2 predict shows that the predicted error from the path’s model is lower than the naïve benchmark while a zero or a negative value indicates the whole model structure, involving measurements and structural models as lacking predictive power (Shmueli, Sarstedt, Hair, Cheah, Ting, Vaithilingam & Ringle, 2019).

RMSE should be used as the prediction statistics for most cases except in cases where the prediction errors distribution is non-symmetric; then MAE should be used as the prediction statistics (Shmueli, Sarstedt, Hair, Cheah, Ting, Vaithilingam & Ringle, 2019). The comparison between RMSE or MAE with the naïve benchmark is necessary as the prediction statistic value by itself is meaningless. Addressing this concern, the linear regression model (LM) is used as the alternative to naïve benchmark (Danks & Ray, 2018). Then, RMSE or MAE values will be compared to the LM benchmark to check whether the PLS-SEM yields a lower prediction error, which could result in four different outcomes:

- (i) Model lacks predictive power if $PLS-SEM < LM$ for none of the indicators. It means that none of the dependent construct’s indicators yield lower PLS-SEM prediction errors in comparison to the naïve LM benchmark.

(ii) Model has low predictive power if $PLS-SEM < LM$ for a minority of the indicators.

It means that a minority of the dependent construct's indicators yield lower PLS-SEM prediction errors in comparison to the naïve LM benchmark.

(iii) Model has medium predictive power if $PLS-SEM < LM$ for a majority of the indicators. It means that the majority of the dependent construct's indicators yield lower PLS-SEM prediction errors in comparison to the naïve LM benchmark.

(iv) Model has high predictive power if $PLS-SEM < LM$ for all indicators. It means that all the dependent construct's indicators yield lower PLS-SEM prediction errors in comparison to the naïve LM.

The mediation results can be obtained from the indirect effect report after the bootstrapping procedure. The following section provides more details of mediation testing in SmartPLS.

3.9.3.1 Validating higher-order constructs

The same model evaluation criteria are applied to the higher order models (Chin, 2010) with the additional two measurement models: (i) measurement of lower order components and (ii) measurement model of higher order constructs which is represented by its lower order components.

For a repeated indicator approach for reflective-reflective measurement model, the standard measurement model assessment criteria are applied between the higher and lower order components in path relationships as indicated in the first step. Next, for discriminant validity, the lower-order components must display discriminant validity

among each other and other constructs in the model with the exception of its own higher-order component. In addition, the discriminant validity for the higher-order component is assessed by using the measurement model of the higher-order components which comprise of lower-order components without using the repeated indicators. Consequently, assessing the relationships in the structural model will follow the standard structural model evaluation criteria by considering the higher-order component. Thus, the lower-order components are not considered as part of the structural model.

3.9.4 Mediation Analysis

The mediation analysis is tested by evaluating using a series of regression models (Judd & Kenny, 1981). These regressions must be evaluated based on:

- (a) regressing the mediator on the dependent variable
- (b) regressing the dependent variable on the independent variable
- (c) regressing the dependent variable on both the independent variable and the mediator.

The potential mediator should be selected based on theory (Preacher & Hayes, 2008). Nonetheless, the specific indirect effect does not represent the ability of a mediator (M) to mediate the effect of X on Y (Preacher & Hayes, 2008). The current study evaluates the mediation effect as suggested by Hayes (2009) and Preacher and Hayes (2008). Thus, the mediation in SEM path models is evaluated by (a) examining the direct relationship between two latent variables (predictor → endogenous variable) and (b) examining the indirect relationship between two latent variables via mediator variable (predictor → mediator → endogenous variable) (Eberl, 2010).

There is a mediation effect between the two latent variables if the indirect effect path is statistically significant (Preacher & Hayes, 2008). SmartPLS is used to generate the indirect effect result. The t-statistic can be obtained by using the standard mean to divide the standard error. The threshold is similar to a path analysis which is at least 1.96 for t-value and 0.05 for significance level. If the t-statistics of the indirect effect is larger than the threshold value 1.96, thus a mediation effect appears in this relationship.

3.9.5 Moderated mediation Analysis

The analysis for moderated mediation is engaged to examine the conditional process model. It is an analytical analysis approach to examine whether the mediation effect is moderated (Hayes, 2018). In this study, the analysis of a moderated mediation is performed by using Hayes's (2017) Process macro (model 59) for SPSS. Bootstrapping is one of the popular methods used in examining the indirect effect (Preacher, Rucker, & Hayes, 2007), and in this study, it tests the significance of the effects to attain robust standard errors for parameter estimation (Hayes, 2017). Bootstrap confidence interval is generated by using $k=1000$, to calculate the index of moderated mediation. Thus, this method produces a 95 percent bias-corrected confidence intervals of effects which defines the 2.5th and 97.5th percentiles of the distribution from 1000 resamples of data. A confidence interval that includes zero indicates the effects are not significant at $\alpha = 0.05$; hence there is no relationship between the moderator and the indirect effect. In contrast, a confidence interval that does not include zero indicates that the effects are significant at $\alpha = 0.05$; thus there is a relationship between indirect effect and the moderator (Hayes, 2015).

3.10 Summary of the Chapter

The proposed design for this study explains how the entire research is carried out. Qualitative and quantitative analyses are used to fulfil the research questions and the objectives in an adequate manner. Various analyses methods are utilized to produce greater precision results. This information and the data collected are also used in data analysis. The next chapter, subsequently presents the findings and discussion of the study.

Universiti Malaya

CHAPTER 4: RESEARCH FINDINGS PART A

4.1 Chapter Overview

Many researches have been focusing on large firms involved in the internationalization of their operations. Theoretical approaches used in describing and in explaining this internationalization may not be adequate and appropriate to explain internationalization phenomenon among the small and medium-sized firms (SMEs) in developing countries. Despite their limited resources and lack of competencies, these smaller firms have been actively involved in internationalization efforts. The theoretical approaches also may not fully explain why SMEs exist in other developing countries, outside their home country.

The case study approach enables the discussion to be conducted in order to enhance the understanding on why SMEs internationalize and why they would choose Cambodia as a country for their investments. Malaysian investors are not going to be tempted to invest in Cambodia just by simply looking at the factors of production and the growth rate in the country. This creates the uniqueness of this study to explore further the entrepreneurs' decisions to internationalize in this country. The popular belief on why firms internationalize may not be applicable in the case of Malaysia.

4.2 Profiles of Case Firms

The analysis is guided by a series of questions to establish the most suitable fit between every single firm and data which is required to meet the research questions. The procedures are guided by phenomenographic methods involving iterative interpretative practices on what and how firms internationalize. Consequently, these aspects will form the relational view to meet the research questions. The analysis starts with the

familiarisation phase, and followed by “what or how” questions and finally with both “what and how” questions contemporaneously.

In the familiarisation phase, the interviews are read repeatedly to get an idea on the target respondents’ understanding on and about internationalization and how they internationalize. The next phase focusses on identifying what constitutes internationalization and how these firms internationalize. These are organized later in themes.

Small firms face different influences that encourage or constraint their business opportunities in the marketplace; hence they are attracted to venture into Cambodia and at the same time they face some new constraints, especially in the new market as they have the liabilities that come with newness. They experience difficulty in establishing themselves, due to their limited resources and they are practically unknown in this new country. Consequently, they rely heavily on networks to be resourceful and to be market orientated to attract and become sustainable in the market. To be competitive, they must understand the local practices and introduce and maintain extra activities that make them unique. Moreover, having become accustomed to a thriving business through using loopholes to maneuver around rules and regulations for business opportunities in the home market, facing a turbulent and competitive market in the new host country is a “new kettle of fish” altogether for them. The possibility of business failure and termination through competitive obsolescence looms large and real. Given these settings, how Malaysian firms could internationalize and become successful in Cambodia will be an important discovery in this research.

This section presents a descriptive account derived from the interviews with founders (i.e. entrepreneurs) of the nine (9) firms. All the firms' founders (Firm 1, 2, 3, 4, 5, 6, 7, 8 and 9) are actively involved in their respective businesses with the tenure of their firms ranging from more than 10 years to almost 31 years. The profile of the companies is presented in Table 4.1. All these firms had chosen to internationalize for various reasons since their inception.

Table 4.1: Profiles of Case Firms

Case	Tenure	Number of Full Time Employees	Sector-specific focus	Sales per year USD '000 (Approx.)
1	30+ years	8	DVD shops	100
2	20+ years	20	Accounting	1 000
3	20+ years	Less than 10	Food business	undisclosed
4	10+ years	5	Food business	60
5	20+ years	8	Hardware	100
6	13+ years	Less than 10	Consultant	30 per person
7	13+ years	1	Consultant	30
8	20+ years	30	Bed and breakfast	200
9	20+ years	2	Agriculture	200

The founders from case 1 to case 9 are entrepreneurs as defined by Johnson's (2001) explanation of entrepreneurship. The term entrepreneurship involves "capturing ideas, converting them into products and/or services and then building a venture to take the product to market" (Johnson, 2001, p. 138). In much simpler terms, entrepreneurship is realising a business idea. Hence, an entrepreneur is defined as "an individual who takes agency and initiative; who assumes responsibility and ownership for making things happen; is both open to and able to create a novelty; who manages the risks attached to the process; and who has the persistence to see things through to some identified end-point, even when faced with obstacles and difficulties" (Johnson, 2001, p. 137). According to the Webster's (1977) classification of entrepreneur, the founders from case

1 to case 9 fit into the small business owner category when they first realized their business venture. This category of entrepreneurs faces constraints in geographical outreach and less attention on profit potential. This is applicable for cases in this study. The business settings are limited to the geographical location/place where the licenses had been granted in the Kingdom. Many business operators go into business because of the promise of financial gain as shown in the other categories (Webster, 1977). For small business operators, they are more inclined to entrepreneurship, not only because of the huge financial returns, but are also attracted to entrepreneurship because of certain non-financial motives as displayed by all the founders.

The following section will cross-compare every firm with the proposed conceptual framework described in Chapter 3 and present the findings on the drivers that lead these firms to internationalization. The framework comprises of pull and push factors with a few themes identified under these factors.

4.3 Cross-Case Analysis

Each case firm will be cross compared by following the cross-case synthesis and pattern-matching logics. Consequently, the empirical findings from the case studies are matched with the factors that are developed in the framework in Chapter 3 (Figure 3.1). The results from the discussed case will then help to draw a conclusion for the relevant theories. The identified themes gathered from the interviews including (a) driven by country-based advantage, (b) driven by home government, (c) driven by self-inflicted action; (d) driven by social influence. Each interview could contribute to different categories that determine why they internationalize to Cambodia. The respective alphabet C, E and P represents each firm, firm's founder and participants of the interview throughout this chapter.

4.3.1 Pull Factors – Driven by Country-based Advantage

The findings that relate to resources as the factor that drives firms to internationalize are based on the respondents' views in response to the interview questions. From these cases, there were a few cases that mentioned country specific resources and advantages that enabled them to internationalize. For example, in Case 1, lower restrictions in Intellectual Property (IP) had encouraged the founder of Case 1 (E1) to venture into Cambodia. The owner markets pirated DVDs in Sorya Shopping Centre, Cambodia. He mentioned,

I can still sell. Enforcement of intellectual property law is low and rampant smuggling in the country give me a chance to make profits; sell both original and pirated DVDs. This business still rampant and able to sustain for few more years.
(E1)

The sustainability of this business depends heavily on social civilization (i.e. affordability and exposure), advances in technology and enforcement of IP (intellectual property laws) in Cambodia. Moreover, as the living standards in Cambodia is not on par with western developed countries and their citizens are unable to afford original DVDs, this is a great opportunity for business expansion. As the country starts to develop, the demand for original and quality DVDs has encouraged him to add selling original DVDs. Indeed, this opportunity has become an income generating avenue for the owner to target high end customers. A recent shift in the revival and growth of social civilization appears to have generated the need for higher security, as well as higher quality consumer goods and food among the local Cambodians. This results in a pull-factor for many investors in these two sectors, as the local Cambodian products are perceived as of lower quality by the Cambodians themselves. The evidences were revealed by participants (P5 and P11).

The consumption of ice increase in line with the need for cleaner and fresher food as the population grows in Cambodia. (P5)

The need for security is growing leads to development of private security after a terrible war. (P11)

The ease with which to do business, accompanied by sloppy regulations and lack of law enforcements have encouraged firms to venture and establish their businesses in Cambodia. Sloppy restrictions also have prompted a lot of businesses to flourish in Cambodia. To add to that, smuggling activities are rife in Cambodia. Due to all these conditions and lower restrictions, this country is perceived as an investment haven. According to the Director of Human Resource at a jewellery company,

A foreign investor will buy from neighbouring country, rebrand and resell to another country. For example, Burmese Jade is bought from Myanmar and resell to Hong Kong as Cambodian jade. Similarly, to Vietnamese coffee rebranded and resell as Cambodian coffee. (P3)

Firms are able to access to the raw material as a much cheaper rate due to the rampant smuggling activities. (P10)

On top of all these, Cambodian government appears to be encouraging investments into the country. Laws and regulations governing foreign direct investment allow investors to invest freely in many sectors, except for land ownership (The Council for the Development for Cambodia, 2020). The correct timing and encouragement from the Cambodian government resembles a big magnetic field attracting foreign investments. This situation where the country is desperate for foreign investments, while at the same

time investors are looking for sustainability in business, fit perfectly like in a jigsaw puzzle. Cambodia may have abundant land; yet the country is concerned due to lack of expertise and skill shortages, which has resulted in low productivity. Hence, the government of Cambodia encourages foreign direct investment to bring improvements to local Cambodians for higher capability. In 2017, Cambodia was ranked 101 of 127 countries in the Global Innovation Index 2017. The report of Global Innovation Index 2017: Innovation Feeding the World (Cornell University, INSEAD & WIPO, 2017) suggest that Cambodia focus their research and development in agriculture to increase their productivity to appease the increasing consumption locally. This suggestion eventually calls for the Royal Government of Cambodia to establish an “open door” policy in the agricultural sector to meet the rising food consumption in the country. For instance, the rubber industry in Cambodia was not as competitive as in Malaysia, Thailand and Vietnam due to inadequate testing facilities and high energy costs. Hence, many small rubber planters were forced to sell their produce at a discounted price to neighbouring countries such as Vietnam and Thailand to test and grade their rubber (“Reawakening the natural”, 2016). The technical and financial support from the United Nations Industrial Development Organization (UNIDO) has indeed improved the testing facilities in Cambodia to promote the manufacture of rubber products. This example illustrates the incompetent agriculture sector in Cambodia and the need for assistance from outside.

Furthermore, the findings reveal “same rules for foreign” is an important factor that has driven the founders of Case 5 and Case 9 to venture into Cambodia as the risk of internationalization was lower. For Case 5, the construction sector was seen booming, and the favourable investment policies encourage foreign investors, which generates a higher demand for quality building materials. The founder for Case 5 takes the opportunity to invest by supplying tiles to the construction sector. For Case 9, the freedom

to do business allows the founder to purchase land in Kampot to plant pepper in the agricultural sector.

They have the same rules for foreign and local businesses. (E6)

Over 70 percent of food are imported from neighbouring countries after civil war.

Creating own brewery is a good choice to substitute imports. (P8)

Investors can purchase an exciting business or set up new firm at ease. He played an important role in advising clients on the regulations and requirements involved in Cambodia. For example, foreigner can set up a commercial bank with a deposit of USD75 million, a specialized bank for USD30 million and an insurance company USD7 million. (P10)

Construction development is booming. Demand for quality building materials is further enhanced by rising income. (E5)

Meanwhile, for Case 2 (C2), the lack of accounting skills and enforcement in accounting policies attracted founder 2 (E2) to invest in Cambodia. As documented by the Royal Government of Cambodia (2015), the majority of small firms did not have proper accounting records and this has created a timely opportunity for firm 2 to provide the service.

The people there are not skilful and do not have any background in accounting. (E2)

This matches with the conditions in the country since the Pol Pot regime. After the fateful civil war, Cambodia had to start all over again. After almost all the intellectual

people had been killed off; the capabilities of the local Cambodians was very much limited. The results from a 2011 International Labour Organization survey implied that 73 percent of employers agreed that Cambodia's university graduates did not have the right skills while 62 percent of the employers indicated that vocational training graduates did not have the right skills (World Bank, 2012). This had become an opportunity for founders (E2, E6 and E7) to venture into Cambodia and at the same time assist in training the local Cambodians to acquire the appropriate sets of skills required in the accounting and education fields.

Lack of correct and right skill among the local Cambodian create the opportunity for investing in this business. (E6)

It is very difficult for Cambodian to get overseas qualification. There is an increase in the enrolment but the development among the academics is lacking. (E7)

For Case 6 and Case 7, it has been encouraging for training and education consultant firms to invest in the kingdom as many MNCs are seen supporting and encouraging their employees to upgrade their skills. The Cambodian education system is considered an open education system that provides a lot of room for expansion and improvement. Nevertheless, quantitative development does not match the qualitative development. The initial education development after the civil war provided ample opportunities for them to conduct feasibility studies, business plans, stakeholder analysis, human rights and human capital planning and human capacity programmes which were well received by the Cambodian government.

Starting a business in Cambodia is considered “affordable” for Malaysian firms. Business venturing into Cambodia is also influenced by the production related factors in Cambodia. According to the President of Malaysian Business Council of Cambodia (P1), the foreign individual is required to pay USD 100 to start a business in Cambodia. This criterion is attractive enough to attract foreign investors into investing in Cambodia and a preferred investment destination among foreign businesses. Besides that, these firms were able to repatriate 100 percent of their profits back to their home country (Malaysia). The flexibility in transferring money home created a friendly investment environment to the business owners. A reasonable tax regime also assisted firms to run and operate the businesses smoothly.

A lot of firms did not register their firms and hence did not pay their taxes to the government. (P1)

Double-tax avoidance (DTA) agreement recently signed by Cambodia and Malaysia reduce tax rates for Malaysia tax residents on dividends, interest, royalties and fees for technical services from the current level of 14 percent to 10 percent. (P4)

A majority of the firms perceive that the money they pay for tax may not be channeled to the government due to high corruption practices among the government officers. P1 further mentioned,

They failed to trace the firms. (P1)

The empirical findings postulate that the loose governance in Cambodia could be the attracting point that explains internationalization. In 2017, the Royal Government of Cambodia had tightened the rules in tax regime to increase tax collection. On the positive

side, the Cambodian Department of Tax introduced a sliding tax scale in early 2017 and firms that earn less than USD3000 are omitted from paying this tax (Kali, 2016). In contrast, firms should be cautious as they could fail if they took this freedom for granted. Firms that fail to comply with the policies and regulations and violate them will be forced to leave the kingdom.

Samling was guilty of (i) starting to chop down the trees before receiving permit, (ii) having logging activities in areas not permitted by Forestry Department officials, (iii) chopping down undersized logs and (iv) continuation of exploiting forest although there is a logging ban in place on 31 December 1996. These violations resulted Samling to leave Cambodia. (P5)

Firms could hire labour at competitive costs in Cambodia which was considered to have the lowest wage rates in most sectors as compared to other neighbouring ASEAN countries, i.e. lower when compared to Vietnam and Thailand. Cambodia implemented a minimum wage rate for textile and footwear manufacturing industry workers at US\$ 190 per month. The low labour costs allow the firms to reduce their production costs comparatively, especially in labour intensive jobs. This is evidently crucial as some jobs are not replaceable by automation.

Furthermore, the findings do not disclose that the founders set-up their businesses in Cambodia because they could enjoy the economy growth. It is also inaccurate to state that economic growth attracts. This study fails to prove that the country's economic growth had encouraged internationalization. On a more positive note, Cambodia is positioned in a cost-efficient location bordering China, Vietnam, Thailand and Laos; the close proximity of which enables these firms to source for resources from the neighbouring countries and sell them to a ready market in the other countries. Participant 8 (P8) noted,

Cambodia has a location advantage because it is geographically linked to South East Asian countries. (P8)

Partners have flexibility to be thru and forth from Malaysia to Cambodia. We will take turn to run the business in Cambodia (for 2-3 weeks per month). (E1)

The strategic location of Cambodia makes it accessible by water, air and land, and the short distance between Malaysia and the Kingdom encourages many similar investments. The flight duration between these two countries is estimated to be one hour and forty-four minutes. The introduction of the One Belt One Road by China is also expected to stimulate more business opportunities by using the proposed 21st century maritime silk road to access the market in member countries making Southeast Asia a good frontier market for firms to start with. Besides, Cambodia with its status as a third world country enables firms to have preferential access when exporting their products to the United States and European countries. Correspondingly, these firms also get to enjoy the benefits of ASEAN Free Trade Area (AFTA) as a part of the ASEAN community to export competitively to the neighbouring markets.

Firms move clothing manufacturing into Cambodia to export competitively to ready markets (U.S. and European markets) by enjoying the preferential rates. It is a wise choice because the firm able to assess to cheap labour in clothing industry. These jobs are still not replaceable by automation yet. (P7).

Malaysia also is taking advantage of the synergy created by the cluster by investing in supporting and related industry. For instance, Malaysian will go near the garments manufacturers to supply buttons or zips to these manufacturers. (P9)

It has been revealed that the application for automation in dress stitching has yet to make its presence. The technology entrepreneurs apparently do not have the incentives to design an automated system for low margin industries. Moreover, firms have limited investments in sophisticated systems as they have the choice to hire cheap labour easily. As many garment manufacturers, especially from China, locate factories in Cambodia to benefit from its location status, Malaysians tend to stay near these factories to benefit from the cluster approach. Subsequently, Malaysia stands to benefit from the synergy created by this clustering by investing in the related industries and is able to benefit by investing in Cambodia to become substitute manufacturers for the international garment retailers.

These cases (except Case 8) are in common, firms that are attracted to internationalize to Cambodia because of the country-based advantages. This suggests that firms internationalize due to the favourable conditions in the host nation. It is remarkable that these firms are seizing opportunities from the conditions prevalent in the country. These firms are the gamechangers in the marketplace by turning the weaknesses and challenges faced into opportunities. The sloppy regulations could be seen threatening the firms' profitability, yet these firms take this opportunity to gain profits. Not to forget, small firms must comply with the regulations in the kingdom to continue their business sustainability; if not, they would be forced to leave the kingdom.

From the findings, the firms' abilities to change and overturn risks into advantage is unique and which strengthen their competitiveness in the market. It is not necessary for the firms to always internationalize because of profit potential or because of factors of production. FDI theories postulate that firms internationalize because of access to the

market, growth in profits or reduction in production costs. Nonetheless, FDI theories only could not support these firms' reasons and decisions on internationalization.

4.3.2 Push Factor – Driven by Home Government

Some cases confirmed that the home country government plays an important role in promoting firm internationalization. One of the founders (E3) mentioned,

Government ask us to go there. (E3)

Government encouragement is an important factor to promote internationalization. This pattern has started since 1990s. After Cambodia regained its independence from Khmer Rouge regime and reopened the market, Malaysia was the first country that encouraged investors to invest in Cambodia. Former Prime Minister, Dr. Mahathir Mohammed initiated this program to encourage firms to invest and establish their presence there in the 1990s. According to the Vice President of the Malaysian Business Council of Cambodia (P4),

The first batch of businesses that venture into Cambodia are following the government entourage. In these years, Malaysian government had encouraged and bring along escorts to do business in Cambodia. For instance, Sam Ling investment in Cambodia is based on arrangement between Malaysian government and Cambodian government. (P4)

The President of Malaysian Business Council of Cambodia also mentioned that the good relationship between Malaysia and Cambodia is an important driving force for investors including small firms.

The good relationship between Malaysia and the Kingdom of Cambodia is an added advantage to firms. (P2)

Malaysian investors are important to Cambodia because individuals contribute in actual investments in the country whereas investments from China and Japan are more towards government to government-based projects (not for long term). For example, in a bridge project by Japan, all the involved parties will have a business centre such as cost centre in the country and once the project is completed, they will shut down these centres. (P6)

Malaysian frequently portrayed as a trustable figure in Cambodia as compared to South Korea and China. South Korean is always known to the Cambodian as “pull away” investment and owing to a lot of creditors and workers’ salary. (P10)

This advantage together with first mover advantage are the focal impetus that attracted the Malaysian firms to invest in Cambodia, including the small and medium-sized firms. They had the advantage to become the pioneers in Cambodia; thus, these firms have a strong foothold and have positioned themselves well in Cambodia before firms from the other countries’ firms did. The findings support the government’s vital role in pushing the firms to internationalize by providing them the confidence to venture into Cambodia. For Cambodians, Malaysians are seen as fast learners, well-respected, trustworthy, and reputable. Malaysians are also good in establishing and maintaining good relationships with consumers, the business community and the local Cambodian government. Moreover, the multiracial diversity in the home country reflects their intercultural adaptation abilities; Malaysians could adapt very fast to local Cambodian customs and traditions.

4.3.3 Push Factor – Driven by Home Country Limitations

A lack of opportunities in the home market compelled many small firms to look for opportunities outside their home countries. High restrictions and increasing costs due to scarcity of resources (land or labour) had reduced the firms' chances to grow in the home market. Sooner or later, their business expansion, sustainability and profitability was going to be affected. Moreover, these businesses were neither gaining "favour" nor receiving "encouragement" from their government which then triggered them to go abroad to look for new opportunities.

A sense of vulnerability also had prompted some small business founders (Case 9) to look for opportunities to venture overseas. A former Malaysian business founder ventured into the agriculture business sector through his acquisition of 80ha of land in Kampot in 2010 and planted pepper in 2013. He mentioned,

I felt "helpless" when I am not able to purchase a "roti prata" because the stall seller ran out of eggs. (E6)

A global food crisis also appears to have instigated the founder to think of food security in Singapore. His farming experience helped him to start his pepper farming business in Cambodia. Limited land in his home country pushed him to acquire land in Kampot, Cambodia to plant pepper. This produce is exported back to his specialty stores and restaurants in Singapore which use pepper as the main ingredient to cook curry crab. He also uses Singapore as the exporting hub to export and sell pepper to other neighbouring countries.

From the findings, there was one case that internationalized to Cambodia because of limitations faced in the home country; indeed a critical decision for a small firm to make,

due to the size and lack of economic muscle as compared to larger firms. Yet, they incorporate the future challenges and current limitations as motives for the drive to internationalization.

4.3.4 Push Factors – Driven by Self-inflicted Action

Information gleaned from the interviews revealed that some firms invested in Cambodia out of personal reasons. The owner of Case 4 moved his business to Cambodia because the owner had fallen in love with the country during his travels there and where he met his wife. After marriage, he settled down in Cambodia and started a business selling local (Cambodian) Muslim food (C4) in the country. He mentioned,

I get married and my spouse provides me the exact knowledge about their eating habit. (E4)

The knowledge obtained from his spouse turned out to be an added advantage as he incorporates this knowledge to change the menu in the restaurant to adapt to the local eating habits to eventually create a unique selling experience through incorporating both Malaysian and local Cambodian Muslim dishes. His unique experience and in-depth knowledge into their eating habits had enabled him to accept the local market tastes easily and compete successfully in this sector.

Many Malaysians who are enthusiastic to become successful businessman start a business through furthering their interests or hobbies as well. In Case 5 (C5), the owner was actually sent to Cambodia to work, but later he started his own business in the similar field because of his passion and fondness to do business in Cambodia. Nevertheless, as he aged, he failed to look for a successor for the business, as his own children did not

share his interest to inherit the business. Consequently, still harbouring his initial passion, he was determined to pass down the business to his Cambodian workers. He mentioned,

They are equally determinant, enthusiastic and eager to learn. Not only me, some of my friends start their business here due to this. (E5)

For C5, the passion he had for the country was the main motivator for his firm to internationalize. Deep passion and interest in a particular business could drive people to inculcate and cultivate this passion in others, especially among children, accomplices and workers as well. The passion to groom others for partnerships and successions could only push them to internationalize in a new nation.

Case 8 (C8) is even more revealing; the founder having had a truly traumatic past experience in the home country, explains why and how he happened to invest in Cambodia. He went to this country as a refugee to avoid loan sharks who sent out thugs to harm him. In the interview, the founder (E8) revealed,

I go to Cambodia to run away from the loan sharks. I must run away from Malaysia for survivability because if I did not my life will be in danger. It is easy to make money from one business to another. (E8)

The founder chose Cambodia because of its flexibility in policies. He starts anew, turns over a new leaf by starting some affordable small but legal business to earn a living there. It turned out into a fortunate experience for him. He earns his “first bucket of gold” in Cambodia, which he uses to venture into a bed and breakfast business when he spotted an opportunity due to an apparent lack of accommodation for foreigners there.

These findings from C4, C5 and C8 share one common feature, i.e. the owners/founders had initiated and executed the internationalization idea that was born from their own personal interests, deep passions and life experiences. Thus, there is a need to acknowledge these small firms for the founders' interests, passions and experiences that have played a significant role in determining the direction of these firms to eventual internationalization. This is in contrast with larger firms which are driven to internationalization due to resources-seeking, cost-reduction, profit-gaining etc.

4.3.5 Push Factors – Driven by Social Influence

Some firms choose Cambodia as the country of their choice to set up a business due to the social influence. They may have been influenced by business partners or business friends. Very often, information gathered from partners and friends open up opportunities for firms to start a business there. The present generation of Cambodians (i.e. the survivors of the persecutions and exterminations of all intellectuals and scholars under the Polpot regime) appear to lack the right business knowledge and skills. All this information appear to have inspired enthusiasts to take up this opportunity to fill this 'skills and knowledge' gap by setting up their businesses there. Moreover, Malaysians are made welcome to do so by the Cambodians as they are perceived as partners who could enrich their human capital.

Firms are driven to do business in Cambodia also due to the Chinese clanship phenomena. In one of the meetings with ACCCIM members, the founder of the Lion Group (P5) encouraged the members to invest in Cambodia as

There are ample of Chinese Teow Chew people there. (P5)

Most Cambodians themselves have Chinese ancestry. Many feel comfortable to work in a Malaysian own factory. (P2)

Many are actually mixed Chinese Khmers. Managing diversity has never been a problem for us. (E1)

The influence of clans is considered important, especially for Chinese business-minded founders because they feel more secure and felt at home when they run a business in a place that were close to their hearts. They feel that the risks were lower if they were to start investing in this country. They would also feel comfortable to deal with a market with customers from the same clan because they were culturally similar and expect them to behave in a similar manner. Thus, firms could introduce their products or services that suit the customers' needs better in comparison to "foreigners". They believe they would also be treated the same as local Cambodians as they are of the same clan as the Cambodians.

Additionally, some firms start a business in Cambodia because of the herd mentality. These firms tend to 'follow the crowd' to find success in Cambodia. They are influenced by the many success stories of Malaysians becoming rich by doing business there. The investors are encouraged to form partnerships with locals or with other foreign investors for building up successful businesses.

The council will guide the members on the "dos" and "don't" particularly on how to avoid scam when doing business in Cambodia. Besides, the council also frequently guided the members to avoid being cheated when dealing with suppliers and local Cambodian people. (P2)

A joint venture with European Embassy in the future because they may seek assistance from the European embassy easily. In one case, Malaysia Embassy in Cambodia failed to assist him to resolve the issue on his customer (Cambodian government) reluctance to pay. In comparison his partner from France helped him to resolve this issue with the help from the French Embassy. Collaboration with foreigners is as a faster way to solve any disputes. (P2)

On top of all these, these founders had been influenced by the successful business models in Cambodia. Success after success built on these business models provides them with the confidence to do business there. Firms will then duplicate the same model when doing business there.

Similarly, Case 2 founder (E2) revealed having built his own accounting and business consultancy firm out of the desire to achieve similar success as his employer. The successful business model had given him the confidence and by using the same model and offering the same services, he had attained success. He mentioned,

Added advantages owned by Malaysian are the higher number of professionals in accounting, easiness to establish an accounting and consultant firm and the close proximity allowed the Malaysian accountants to take turn in working there for a week in one month. (E2)

Evidences suggest that social influence is an important factor that drives for internationalization. Social capital is perceived as a useful channel that drives firms to successfully venture into Cambodia. The information it provides is necessary and could be considered as a remedy for success for small firms. They will be guided by the information received to venture in Cambodia to be successful as their peers. However,

small firms do not have the research abilities with which to weigh the advantages and disadvantages on internationalizing to Cambodia. It was due to a spontaneous response and a desire to be successful as their peers that has driven them to internationalize and not on any rational investment decision to start their business in Cambodia.

4.4 Summary of the Chapter

This chapter outlines the findings from the qualitative method that was employed. The findings reveal a variety of factors motivating Malaysian SMEs to internationalize. These findings appear to contradict with the conventional patterns of internationalization which propose that firms should build an established domestic position before initializing internationalization. It has become imperative to note that internationalizing firms do not necessarily follow the incremental approach.

CHAPTER 5: RESEARCH FINDINGS PART B

5.1 Chapter Overview

This chapter starts with a report on the response rates of this study. The next section will then cover a descriptive analysis which would provide a brief summary on the respondents' demographic profiles as well as the average score for each construct. This is followed by the model specifications by using SmartPLS software. A common method bias is conducted through adopting the Harman's single factor test and inter-construct correlations. The measurement model is examined by confirming the construct validity, convergent validity, discriminant validity and reliability data sets. Next, the assessment of the structural model will be examined. This is followed by testing the goodness of fit for the existing structural model, such as the predictive power (R^2), significance of path estimate, effect size of exogenous constructs on each endogenous construct and predictive relevance on each endogenous construct. The chapter will then report the results of hypotheses testing.

5.2 Response Rate

A total of 150 self-administered questionnaires had been distributed to the respondents through email, out of which only 130 samples were returned. Of these 130 samples, 27 samples were found incomplete and were discarded, yielding a 68.67 percent response rate. This response rate is considered high as the general acceptable response rate for most social science researches was 30 percent (Sekaran & Bougie, 2016). Although there were only 103 usable samples, the sample size was appropriate, and G*power which was used to determine the minimum required sample size, fixed it at 78. As such, the useable sample questionnaire number exceeded the minimum of 78 samples as discussed in Chapter 3.

5.2.1 Profile of the Respondents

The profiles of the SMEs' founders were tabulated in Table 5.1 indicating frequency and percentage. A total of 103 usable questionnaires were suitable and sufficient for data analysis in achieving the research objectives and for answering the research questions. There were several questions in the first part of the questionnaire pertaining to the profiles of the respondents such as gender, age group, race, education qualification, years of experience prior to business establishment, length of time in operation, sales and type of business. The majority of respondents were male (n=98, 95.1%), whereas the remaining 4.9 percent were female (n=5). Most of the respondents were in the age group of 40-49 years (n=31, 30.1%) and most of the founders were Chinese (n=92, 89.3%) and Indian (n=11, 10.7%). Overall, the majority of the respondents had tertiary education being degree holders (n=71, 68.9%)..

All the respondents have had at least 5 years of working experience before they established their own business. A handful of the respondents were between 10 to 19 years of age (n=27, 26.2%), between 20-29 years (n=37, 35.9%), 30-39 years (n=24, 23.3%) and more than 40 years (n=11, 10.7%). Meanwhile, the majority of firm ownership were from family business (n=39, 37.9%), followed by wholly-owned (n=23, 22.3%), partly-owned with Cambodian partner (n=21, 20.4%), foreign branch (n=18, 17.5%) and partly-owned with non-Cambodian (n=2, 1.9%). Most of the respondents had been in operation in Cambodia for about 6-10 years (n= 59, 57.3%). In terms of company size, the number of employees in the company ranged from 11-50 employees category (n= 68, 66%), followed by less than 11 employees category (n=30, 29.1%), between 51-100 employees category (n=4, 3.9%) and more than 100 employees category (n=1, 1.0%). According to the definition of SME by the Royal Government of Cambodia Sub-committee on Small and Medium Enterprises SME Secretariat (2005), a business can be categorized as micro,

small, medium and large based on the number of employees or the financial assets. In this study all the respondents fall under SMEs category by meeting either the requirements for the number of employees or the financial assets as described in Chapter 1 (see Table 1.1). The majority of the firms also have registered sales between USD 50,000 - USD 250,000 (n=71, 68.9%). Finally, the top three businesses that the respondents have ventured into are hospitality (n=18, agriculture produce (n=14) and consultancy (n=13).

Table 5.1: Summary of Respondent's Profile

Profile	Frequency	Percentage
Gender		
Male	98	95.1
Female	5	4.9
Age		
Below 30 years	1	1.0
30-39 years	19	18.4
40-49 years	31	30.1
50-59 years	28	27.3
60-69 years	22	21.3
Above 70 years	2	1.9
Race		
Chinese	92	89.3
Indian	11	10.7
Education Qualification		
High School	25	24.3
Technical	2	1.9
Bachelor	71	68.9
Master	4	3.9
PhD	1	1.0
Ownership of firm		
Wholly-owned	23	22.3
Foreign branch	18	17.5

Table 5.1 Continued

Partly-owned with Cambodian partner	21	20.4
Family business	39	37.9
Partly-owned with Non-Cambodian partner	2	1.9
Years of experience prior to business establishment		
Less than 10 years	4	3.9
10-19 years	27	26.2
20-29 years	37	35.9
30-39 years	24	23.3
Above 40 years	11	10.7
Length of time in operation		
0-5 years	12	11.7
6-10 years	59	57.3
11-15 years	21	20.3
16-20 years	11	10.7
Company Size (Number of Employees)		
Less than 11	30	29.1
11-50	68	66.0
51-100	4	3.9
More than 100	1	1.0
Sales (USD)		
Up to 50,000	24	23.3
50,000-250,000	71	68.9
250,000-500,000	5	4.9
More than 500,000	3	2.9
Type of business		
Wood	4	3.9
Parts, Components and Automotive	4	3.9
Electrical, electronic and mechanical	11	10.7
Garment	4	3.9

Table 5.1 Continued

Agricultural produce	14	13.6
Graphics and event	3	2.9
Hospitality	18	17.5
Engineering	3	2.9
Real estate and property	4	3.9
Education	3	2.9
Construction	4	3.9
Entertainment	4	3.9
Trading and packaging	8	7.8
Transportation	3	2.9
Finance and Accountancy	3	2.9
Consultancy	13	12.6

Table 5.2 indicates a basic analysis on the mean score and standard deviation of each latent construct as well as the dimensions of latent construct. Based on Table 5.2, it can be concluded that all items and constructs have achieved the scale midpoint of 3.5000 and above. The highest mean score is SN with a value of 6.6311 and standard deviation of 0.39306 followed by SCA (Mean=6.5771, SD=0.28127), EO (Mean=6.3175, SD=0.37982) and CBE (Mean=5.9671, SD=0.34497).

Table 5.2: Mean and Standard Deviation of Each Latent Construct

Construct or Dimension	Mean	Median	Standard Deviation
SCA	6.5771	6.6111	0.28127
Rep	6.6278	6.6667	0.33104
Rcs	6.5752	6.7500	0.49363
Inv	6.4854	6.6000	0.47659
M	6.6311	6.6667	0.39306
EO	6.3175	6.2941	0.37982
RT	6.3528	6.3333	0.42989

Table 5.2 Continued

CA	6.4806	6.5000	0.54648
I	6.2680	6.2000	0.46404
P	6.2524	6.5000	0.71013
A	6.3068	6.2000	0.44529
SN	6.7694	7.0000	0.39712
CBE	5.9671	6.0000	0.34497
Host	6.2816	6.3333	0.41859
MC	6.3155	6.2500	0.45369
T	6.4029	6.2500	0.42908

5.3 Step 1: Model Specification

It is important to set up the inner and outer models for the existing study, prior to data analysis. First, the raw data is keyed into SPSS software and stored in csv format. Next, the CSV file is imported into PLS software for further analysis.

Partial least square analysis technique SmartPLS version 3.2.8 software is employed to test and confirm the research model (Ringle, Wende & Becker, 2015; Henseler, Hubona & Ray, 2016). Basically, there are two forms of the model: the measurement model or outer model and the structural model or inner model (Hair Jr, Sarstedt, Hopkins & Kuppelwieser, 2014). The measurement model or outer model will establish and confirm adequate validity and reliability before structural testing, whereas the structural model or inner model examines the possible and logical relationships between the latent variables (Chin, 2010; Hair, Ringle & Sarstedt, 2011).

5.3.1 Building the Inner Model

The inner model is built according to the proposed conceptual framework as stated in the chapter on Literature Review. It is important to ensure that the applied statistical model complies with the conceptual framework to answer the research objectives and the proposed hypotheses raised in the study (Henseler, Hubona & Ray, 2016).

Several red coloured circles are created by using SmartPLS and these variables are interconnected following the proposed conceptual framework of the study. Each red coloured circle represents each latent construct as shown in Figures 5.1 and 5.2. The arrows are drawn with logical connections between the variables.

This inner model reflects the research objectives of the study which is to test the significant relationships demonstrated in the conceptual framework. The relationship between Entrepreneurial Orientation (EO) and Sustainable Competitive Advantage (SCA) is proposed to be mediated by social networks (Figure 5.1 which is then mediated and moderated by Competitive Business Environment (CBE) (Figure 5.2).

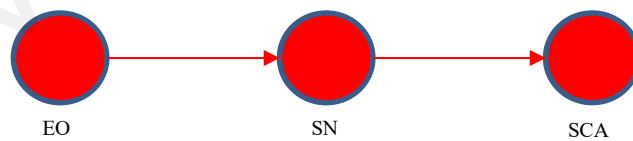


Figure 5.1: Inner Model of the Study (without moderation)

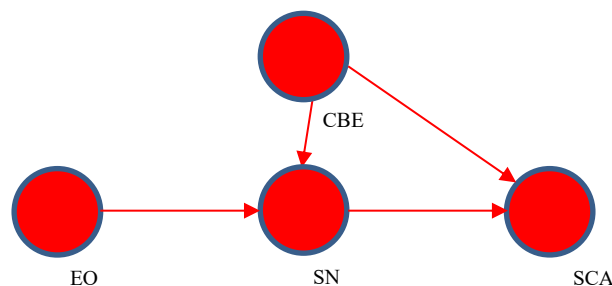


Figure 5.2: Inner Model of the Study (with moderation)

Based on Table 5.3, there are several constructs that consist of more than one order construct. EO construct is formed by five dimensions; risk taking (RT), competitive aggressiveness (CA), innovativeness (I), proactiveness (P) and autonomy (A).

The SCA construct is comprised of and reflected in four dimensions – output-based competencies: reputation (Rep), resource-based competencies (Res), transformational-based competencies: innovation (Inv) and competitive positioning competencies: marketing capability (M). The moderator construct, CBE is comprised of and reflected in three dimensions, namely host government (Host), market conditions (MC) and technology condition (T). The dimensions for each construct are drawn to test the measurement model by adopting the PLS algorithm procedure. The complete model is as shown is Figure 5.3 and Figure 5.4. There are four possibilities of higher order constructs – reflective-reflective (Type 1), reflective-formative (Type 2), formative-formative (Type 3) and formative-reflective (Type 4) (Ringle, Sarstedt & Straub, 2012). In this study, type 1 of higher order construct is applied.

Table 5.3: Higher Order Construct

Construct or Dimension	Second Order Construct
SCA	Rep
	Res
	Inv
	M
EO	RT
	CA
	I
	P
	A
CBE	Host
	MC
	T

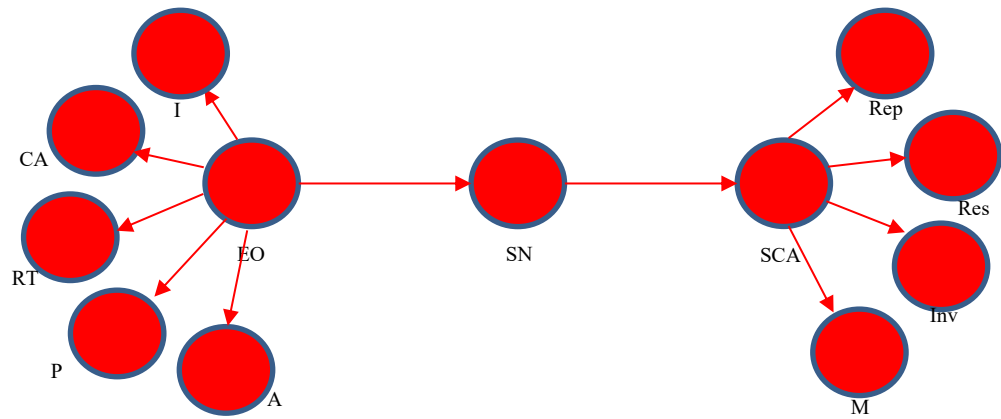


Figure 5.3: Inner Model with Dimensions (without moderator)

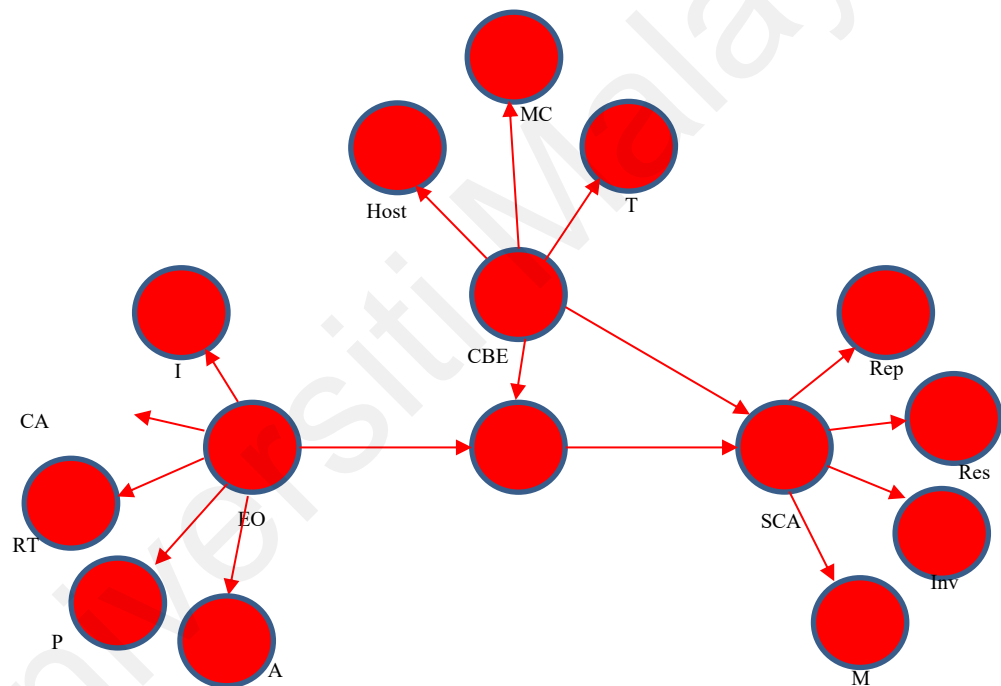


Figure 5.4: Inner Model with Dimensions (with moderator)

5.3.2 Building the Outer Model

All the constructs in this study are reflective measurements where the indicators for each construct are adequately reflected by its content. Hence, deleting one or more items of any construct will not bring any changes to the original meaning of the construct. For instance, there are four items used to measure social network (SN). If deleting any of

these items does not alter the original meaning of SN, then this construct is reflective. The arrows should direct the SN constructs in blue circles to their indicators in yellow rectangular shapes.

Thus, the adoption of this repeated indicator approach is used to model the higher order factors in PLS analysis (Becker, Klein & Wetzels, 2012). These repeated indicators are concealed as shown in Figure 5.5 to reduce the complexities of the model for review.

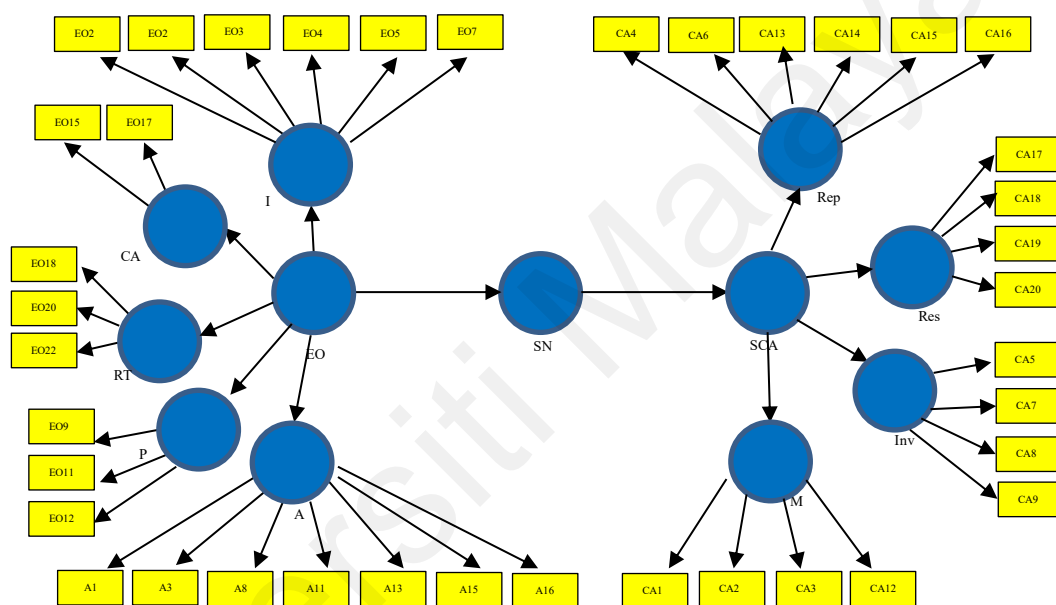


Figure 5.5: Outer Model of the Study

5.3.3 Common Method Variance (CMV)

To ensure unbiased response, a common method variance (CMV) is conducted prior to the assessment of the measurement model. This is important as the predictor variables and criterion variables are usually from the respondent or from the same source, which leads to a possibility that a “single factor or one general factor accounting for the majority of covariance among measures” (Podsakoff, MacKenzie, Lee & Podsakoff, 2003, p. 889). Due to this, there are two techniques to identify the existence of common method variance

- Harman's single factor test, and by looking at the principal constructs' inter-correlations using the correlation matrix (Bagozzi, Yi & Phillips, 1991).

5.3.3.1 Harman's Single Factor Test

Harman's single factor test will be conducted by using an exploratory factor analysis in SPSS Version 25 software. First, the principal constructs are included into a principal component factor analysis (Podsakoff & Organ, 1986). The unrotated factor analysis indicates the single factor that accounts for 18.462% of variance which is less than the Harman's Single Test guideline with a threshold level of 50% of total variance explained (see Appendix D) (Podsakoff, MacKenzie, Lee & Podsakoff, 2003). The results show the non-existence of any common method variance in this study.

5.3.3.2 Inter-construct Correlation

The correlation matrix method is also used to test common method variance by looking at the principal constructs' inter-correlations. If any of the correlations are larger than 0.9, then it is said to have common method bias (Bagozzi, Yi & Phillips, 1991). Table 5.4 indicates that the correlations among all the constructs are less than 0.9. Thus, CMV is not a threat in the current study.

Table 5.4: Correlations among Latent Variable

	A	CA	EO	CBE	Host	I	Inv	M	MC	P	RT	RP	RS	SCA	SN	T
A	1															
CA	0.58	1														
EO	0.86	0.77	1													
CBE	0.73	0.46	0.69	1												
Host	0.54	0.31	0.47	0.78	1											
I	0.44	0.41	0.7	0.44	0.25	1										
Inv	0.07	0.13	0.14	0.16	0.11	0.05	1									
M	0.22	0.15	0.13	0.22	0.17	-0.09	0.2	1								
MC	0.66	0.43	0.65	0.9	0.5	0.43	0.13	0.23	1							
P	0.57	0.51	0.76	0.46	0.38	0.5	0.17	0.15	0.39	1						
RT	0.52	0.51	0.67	0.42	0.22	0.27	0.17	0.01	0.45	0.4	1					
RP	0.17	0.13	0.13	0.14	0.16	-0.05	0.09	0.53	0.13	0.22	0.01	1				
RS	0.19	0.07	0.07	0.14	0.16	-0.07	0	0.41	0.11	0.11	-0.1	0.58	1			
SCA	0.24	0.16	0.15	0.22	0.21	-0.08	0.23	0.81	0.21	0.21	-0.01	0.83	0.8	1		
SN	0.5	0.47	0.48	0.51	0.41	0.22	-0.04	0.36	0.43	0.27	0.3	0.33	0.33	0.42	1	
T	0.61	0.4	0.59	0.8	0.46	0.42	0.18	0.09	0.64	0.37	0.36	0.01	0.06	0.09	0.44	1

5.4 Step 2: Assessment of Measurement Model

5.4.1 Step 2.1: Assess the Construct Validity

In assessing the measurement model, there are two types of validity that are required to be examined in the current study: convergent validity and discriminant validity. Convergent validity is to ensure all items of specific concept are measuring the same concept adequately or are loaded on the right concept (Hair, Black, Babin & Anderson, 2010; Sarstedt, Ringle, Smith, Reams & Hair Jr, 2014) while discriminant validity is to ensure each construct is distinct from one another (Kumar, Talib & Ramayah, 2010; Cheung & Lee, 2010). In other words, the convergent validity measures correlations among items in the same dimension, whereas discriminant validity measures the correlations across dimensions.

5.4.2 Convergent Validity

For convergent validity of the measurement model, loadings of each item on the respective constructs, average variance extracted (AVE) and composite reliability of each latent construct will be assessed (Gholami, Sulaiman, Ramayah & Molla, 2013; Sarstedt, Ringle, Smith, Reams & Hair Jr, 2014). Hair Jr, Sarstedt, Hopkins and Kuppelwieser (2014) suggest the loadings to be above 0.70. However, those items with loadings between 0.50 to 0.70 will be retained if the AVE for the construct is above the threshold value of 0.50 (Hair, Black, Babin & Anderson, 2010, Kock, 2011).

Eight items were removed from the list of items, as the indicator loadings were less than the minimum threshold value of 0.5 – three items from EO, four items from CBE and two items from SCA. This indicates that 82% of the total items are retained in the current measurement model while 18 percent of the items are discarded from the items list. The AVE value for all the constructs were more than the minimum threshold value

of 0.50 as specified by Hair, Sarstedt, Hopkins and Ringle (2014). The AVE for the first order construct can be calculated by getting the average value of the squared loadings of all indicators within one construct (Hair Jr, Sarstedt, Hopkins, & Kuppelwieser, 2014). An AVE of more than 0.50 indicates the construct's ability in explaining more than half of the variance of its indicators (Hair Jr, Sarstedt, Hopkins, & Kuppelwieser, 2014).

There are several constructs in the current study that belong to higher order constructs. As the SmartPLS software will not produce the calculation result of AVE for higher order constructs, the calculation for these constructs will be calculated manually. For example, for AVE calculation of EO, the variance of each facet could be obtained by squaring the loading. Then, the average sum of total variances of five facets will produce the value of AVE. The same calculation steps are applied to the other higher order constructs in the current study. All the constructs in the current study have achieved the minimum threshold value of 0.50 (see Table 5.5).

Next, composite reliability is assessed to measure the constructs' internal consistency reliability. Similarly, for the calculation of AVE for higher order, the composite reliability is calculated manually as the result is not shown in the PLS Algorithm procedure. The composite reliability for higher order constructs is calculated by using the summation of value which sum up the total error variances of higher order constructs and total loadings' squared value to divide the total loadings squared value. The composite reliability value for each construct exceeds the recommended value of 0.70 (see Table 5.5). Subsequently, the three criteria in assessing convergent validity of measurement model – indicator loadings, average variance extracted, and composite reliability meet the guidelines (Sarstedt, Ringle, Smith, Reams & Hair Jr, 2014). Thus, the measurement model of the study possesses sufficient convergent validity.

Table 5.5: Reliability and Validity Statistics

Construct	Composite Reliability	AVE
SCA	0.784	0.509
EO	0.870	0.574
SN	0.890	0.670
CBE	0.867	0.686

5.4.3 Discriminant Validity

The discriminant validity of the higher order constructs is assessed by using Henseler, Ringle and Sarstedt (2015) HTMT criterion, is the average heterotrait-heteromethod correlations (correlations across constructs) relative to average monotrait-heteromethod correlations (correlations of the same construct). In this case, the heterotrait-heteromethod correlations of the higher order are defined by the cross loadings of the constructs in the model with the lower order components, while the monotrait-heteromethod correlations are the correlations between the lower order constructs of the higher order component. Appendix E and F show the indicator correlations and the cross loadings for this research and which documents the required statistics to compute the higher order constructs' HTMT values. The discriminant validity between lower order constructs and its higher order component will not be considered, as the discriminant validity between these constructs are expected to be violated because the higher order component repeats the lower order constructs' indicator under the repeated indicator approach (Sarstedt, Hair Jr, Cheah, Becker & Ringle, 2019).

The higher order construct's average heterotrait-heteromethod correlation with SN is the average cross loading of EO (I, CA, P, RT and A) with SN constructs (see Appendix F) which is 0.287. For SCA, the cross loadings of SN with SCA (RP, RS, M and Inv) is 0.218.

The monotrait-heterotrait correlation will be computed next. The SN construct has four items with correlations respectively. The average monotrait-heterotrait correlation of EO construct is defined by the construct correlation between each lower order component, which is 0.471 while for SCA construct, the monotrait-heterotrait correlation is 0.28.

Hence, the proportion of heterotrait-heteromethod correlations to the average monotrait-heteromethod correlations for both higher order components is computed as follows:

$$\text{HTMT (EO, SN)} = 0.507 \text{ and}$$

$$\text{HTMT (SN, SCA)} = 0.601$$

The results show that these values are lower than the threshold value for HTMT of 0.85 (Kline, 2011) or less than 0.90 (Gold, Malhotra and Segars, 2001).

Using HTMT.85 as the standard, three comparisons (A and MC, A and T and MC and T) violate this criterion (Table 5.6). Nevertheless, using HTMT.90 as the standard, the discriminant validity has been established.

Table 5.6: Discriminant Validity Using HTMT Criterion

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
A																
CA	0.800															
I	0.570	0.550														
P	0.800	0.790	0.680													
RT	0.790	0.770	0.380	0.640												
EO	-	-	-	-	-		<i>0.507</i>									
SN	0.630	0.610	0.280	0.370	0.400											
Inv	0.150	0.190	0.140	0.270	0.270		0.090									
M	0.320	0.220	0.240	0.231	0.150		0.470	0.340								
RP	0.330	0.280	0.340	0.420	0.260		0.510	0.200	0.810							
RS	0.320	0.140	0.180	0.160	0.220		0.450	0.120	0.490	0.770						
SCA	-	-	-	-	-		<i>0.601</i>	-	-	-	-					
Host	0.760	0.450	0.42	0.580	0.420		0.560	0.190	0.320	0.420	0.280					
MC	0.880	0.60	0.58	0.550	0.680		0.550	0.190	0.310	0.320	0.230		0.720			
T	0.860	0.57	0.570	0.550	0.580		0.570	0.260	0.200	0.300	0.100		0.700	0.890		
CBE	-	-	-	-	-		-	-	-	-	-		-	-		

Note: Italics used for higher order constructs value.

5.5 Step 3: Assessment of the Structural Model

5.5.1 Multicollinearity Analysis

Kock and Lynn (2012) recommend that the collinearity values for each latent construct should not be higher than the threshold value of 3.3. These variance inflation factors (VIF) approach assesses the common method variance (Kock, 2013). A value of collinearity higher than 3.3 suggest the existence of multi-collinearity among the latent variables. Ciavolino and Nitti (2013) also indicate that the tolerance value for each latent construct should exceed the value of 0.20. Kline (1998) further indicates that the VIF score above 3.3 for respective latent construct is still acceptable as long as the VIF score does not surpass the threshold value of 5. VIF score for each construct is scored less than the threshold value of 5. The results show that each of the latent constructs is distinct from one another (see Appendix G).

5.5.2 Goodness of Fit for Structural Model

It is important to assess R-square, f-square, Q-square as well as t-values to test the goodness of the structural model. A bootstrapping procedure with 5000 resamples was run to generate the t-statistics for significance testing on the inner and outer models, R, f and Q (Hair, Ringle & Sarstedt, 2011). The R-squared is used to examine the goodness of the theoretical model of each endogenous construct and the significance of each path estimates (Chin, 2010). Likewise, the Q-squared is to examine the predictive relevance of each endogenous construct, while f-squared is used to confirm the effect size of each direct relationship (Chin, 1998).

5.5.3 Predictive Power (R^2)

There are three levels of R-squared value: 0.02 (weak), 0.13 (moderate) and 0.26 (substantial) based on Cohen's 1988 guidelines. Table 5.7 indicates that the R-squared

value for SCA is accounted at 0.261 which suggests that 26.1 % of the variance in SCA can be explained by its predictors: EO, SN and CBE; this value is substantial 0.26 based on Cohen's 1988 guideline. As shown in Table 5.7, R^2 value is different between models with and without the moderator. Thus, the variance amount is explained by the moderator in this study.

Table 5.7: R-squared Value

Hypothesis	Predictors	Endogenous Variable	Predictive power (R^2)
Hypothesis 1	EO	SCA	0.173
	SN		
Hypothesis 2	EO	SCA	0.261
	SN		
	CBE		

5.5.4 Effect Size, f^2

Although the significance of the test can be examined based on the p value, it is not very convincing. Effect size is suggested to be another alternative to examine the significance of the test other than the p value (Sullivan & Feinn, 2012). The p value informs on the existence of effect from the exogenous variable onto the endogenous variable. It will be more informative and meaningful to provide the magnitude of effect size (Cohen, 1988) based on established guidelines – 0.02 (small), 0.15 (medium) and 0.35 (large). Table 5.8 shows that the effect size for the relationship between EO and SN; and SN and SCA (Hypothesis 1) are 0.30 and 0.21 respectively. Hence, the effect size for these relationships are larger than the threshold value of 0.15 level and less than 0.35 is considered as medium effect size. Contrary to hypothesis 2, the effect size for the relationship between EO and SN; and SN and SCA (Hypothesis 2) are 0.02 and 0.20 respectively while the effect size for hypothesis 2 ranges from small to medium.

Table 5.8: Effect Size for Each Hypothesis

Hypothesis	Path	Effect Size
1	EO→SN	0.30
	SN→SCA	0.21
2	EO→SN	0.02
	SN→SCA	0.20

5.5.5 Predictive Relevance – Q^2

Q^2 value indicates “well-observed values are reconstructed by the model and its parameter estimates” (Chin, 1998, p. 318). The blindfolding procedure is performed to measure the predictive relevance of the structural model; this procedure being appropriate to be used for endogenous construct with reflective measurement (Hair Jr, Sarstedt, Hopkins, & Kuppelwieser, 2014). The relative measure of predictive relevance is categorized into three levels: 0.02 (small), 0.15 (medium) and 0.35 (large) (Hair Jr, Sarstedt, Hopkins, & Kuppelwieser, 2014). The endogenous construct also processes adequate predictive relevance when Q^2 value is larger than zero (Fornell & Cha, 1994).

The blindfolding technique is a sample reuse technique that omits every d th data point in the endogenous construct’s indicators and estimates the parameters with the remaining data points (Henseler, Ringle & Sinkovics, 2009; Tenenhaus, Vinzi, Chatelin & Lauro, 2005). The present study uses the omission distance of seven and it is also the suggested default setting. Chin (1998) however, expresses the omission distance value of between 5 and 10 as more realistic to be used to examine the predictive relevance. The predictive relevance of SN to SCA for hypothesis 1 and 2 is 0.11 and 0.17 respectively (see Table 5.9). Since, the predictive relevance values for the structural model 1 is more than 0.02 specified values; thus, the predictive relevance is small while the predictive relevance values for structural model 2 is medium.

Table 5.9: Predictive Relevance Result

Hypothesis	Predictors	Endogenous Construct	Predictive Relevance (Q ²)
1	SN	SCA	0.11
2	SN	SCA	0.17

5.5.6 PLS predict

PLSpredict with 10 folds and one repetition will be used to mimic how the PLS model is used to predict any new observations. The interpretation will focus on the model's endogenous variable (see Table 5.10 and Table 5.11). As shown, almost all endogenous construct's indicators outperform the naïve benchmark for model 1 and 2; a majority of the indicators yield Q²predict above 0. The MAE analysis suggests similar findings in this study. The PLS-SEM analysis produces a lower prediction error for almost all the indicators when comparing the RMSE and MAE values from PLS-SEM analysis with the LM benchmark. As the majority of the indicators in the PLS-SEM analysis produce smaller prediction errors values as compared to LM, this indicates that the model has a medium predictive power (Shmueli, Sarstedt, Hair, Cheah, Ting, Vaithilingam & Ringle, 2019).

Table 5.10: PLSpredict of Endogenous Variable for Model 1

Item	PLS-SEM		LM	PLS-SEM –	PLS-SEM	LM	PLS-SEM –
	RMSE	Q ² _{predict}	RMSE	LM RMSE	MAE	MAE	LM MAE
SN1	0.4	0.09	0.46	-0.06	0.24	0.29	-0.05
SN2	0.49	0.14	0.55	-0.06	0.39	0.39	0
SN3	0.46	0.11	0.49	-0.03	0.33	0.33	0
SN4	0.49	0.07	0.56	-0.07	0.38	0.41	-0.03
CA1	0.51	0.01	-0.06	-0.01	0.45	0.46	-0.01
CA2	0.53	-0.01	0.62	-0.09	0.45	0.47	-0.02
CA3	0.51	0.02	0.51	0	0.44	0.4	0.04
CA5	0.86	0.01	1.01	-0.15	0.63	0.71	-0.08
CA7	0.85	0.01	0.97	-0.12	0.67	0.76	-0.09
CA8	0.71	0	0.8	-0.09	0.63	0.68	-0.05

Table 5.10 Continued

CA9	0.69	0.01	0.77	-0.08	0.61	0.64	-0.03
CA12	0.54	0.01	0.65	-0.11	0.51	0.55	-0.04
CA13	0.61	-0.01	0.67	-0.06	0.53	0.55	-0.02
CA14	0.56	0.01	0.67	-0.11	0.5	0.52	-0.02
CA15	0.64	0	0.71	-0.07	0.57	0.58	-0.01
CA16	0.54	0.04	0.56	-0.02	0.48	0.43	0.05
CA17	0.57	0	0.68	-0.11	0.51	0.54	-0.03
CA18	0.72	0	0.84	-0.12	0.6	0.67	-0.07
CA19	0.78	0	0.87	-0.09	0.61	0.64	-0.03
CA20	0.55	0.01	0.67	-0.12	0.46	0.51	-0.05

Table 5.11: PLSpredict of Endogenous Variable for Model 2

Item	PLS-SEM		LM	PLS-SEM –		PLS-SEM	LM	PLS-SEM –
	RMSE	Q^2_{predict}	RMSE	LM RMSE	MAE	MAE	MAE	LM MAE
SN1	0.51	0.05	0.58	-0.07	0.43	0.4	0.4	0.03
SN2	0.48	0.05	0.49	-0.01	0.35	0.33	0.33	0.02
SN3	0.49	0.11	0.49	-0.03	0.33	0.33	0.33	0
SN4	0.49	0.04	0.63	-0.14	0.39	0.46	0.46	-0.07
CA1	0.51	0.02	0.67	-0.16	0.46	0.49	0.49	-0.03
CA2	0.53	0	0.69	-0.16	0.46	0.51	0.51	-0.05
CA3	0.5	0.01	0.59	-0.09	0.44	0.47	0.47	-0.03
CA5	0.87	0	1.13	-0.26	0.63	0.81	0.81	-0.18
CA7	0.85	0.01	1.07	-0.22	0.67	0.84	0.84	-0.17
CA8	0.72	0	1.03	-0.31	0.63	0.83	0.83	-0.2
CA9	0.69	0	0.91	-0.22	0.61	0.74	0.74	-0.13
CA12	0.54	0	0.72	-0.18	0.52	0.59	0.59	-0.07
CA13	0.6	0.01	0.77	-0.17	0.52	0.59	0.59	-0.07
CA14	0.57	0	0.7	-0.13	0.5	0.53	0.53	-0.03
CA15	0.64	0	0.86	-0.22	0.58	0.71	0.71	-0.13
CA16	0.54	0.02	0.58	-0.04	0.49	0.46	0.46	0.03
CA17	0.57	0	0.7	-0.13	0.52	0.57	0.57	-0.05
CA18	0.72	0	0.82	-0.1	0.6	0.66	0.66	-0.06
CA19	0.78	0	0.91	-0.13	0.61	0.67	0.67	-0.06
CA20	0.54	0.01	0.76	-0.22	0.46	0.57	0.57	-0.11

For model comparison, the PLSpredict results on the construct level is used to compare between models (with and without moderator). Thus, the model selection decision will

be based on RMSE as the prediction error distribution for SCA construct is almost symmetric. The models' RMSE values as shown in Table 5.12 reveal that Model 2 is better than Model 1 based on the latent variable score prediction errors. Based on the results, Model 2 with moderator is more superior in prediction as compared to Model 1 without moderator because the prediction error on SCA construct is smaller.

Table 5.12: Model Comparison Using PLSpredict

Model	Latent variable	RMSE	MAE
1	SN	0.69	0.39
	SCA	0.24	0.18
2	SN	0.15	0.1
	SCA	0.13	0.09

5.5.7 Significance of Hypotheses (Beta and t-statistics)

There are two types of structural models drawn and tested structurally to test all the proposed hypotheses. The first model is used to discover and examine the significance of direct relationship and mediation analysis. It is hypothesized that the possibility of mediation existence in the existing structural model which predicts that social network will mediate the relationship between EO and SCA. By testing the mediation analysis, it would also test the direct relationship between EO and SN as well as SN and SCA. The second structural model is to assess the moderated mediation analysis. This structural model is drawn with moderated mediated path to examine the significant relationship of the indirect relationship on whether the mediation process is moderated by CBE.

5.5.7.1 Testing Research Hypothesis: Structural Model 1

The main focus of this structural model is to discover the significance of relationships between EO and SCA through SN as shown in Chapter 2. Next, the mediation analysis is carried out to examine whether SN mediates the relationship between EO and SCA. The

direct relationship between EO and SN and SN and SCA are also tested. Figure 5.6 depicts the first structural model image which shows the relationship between EO and SCA via SN. All the items for each dimension are hidden to ensure simplicity of the model.

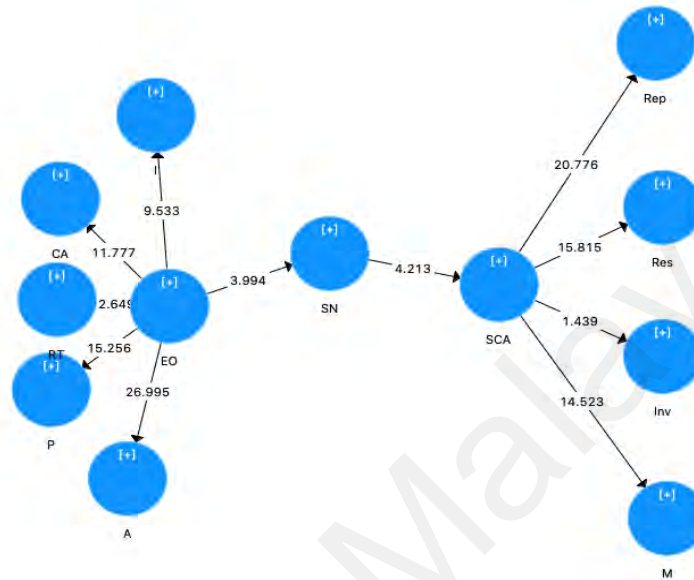


Figure 5.6: Image from Smart PLS – Structural Model 1

Table 5.13 revealed that EO is significantly not related to SCA with a beta value of 0.15 ($t=1.250$) and p-value which is more than the significant value of 0.05. Likewise, the relationship between EO and SN ($\beta=0.480$, $t=3.930^{**}$) is significant. For the mediation analysis, the current study concludes that SN plays a mediator role to mediate the relationship between EO and SCA ($\beta=0.200$, $t=4.14^{**}$).

Table 5.13: Summary of the Structural Model 1

H	Path	Beta	Standard Error	t- statistics	Result
1	EO → SCA	0.15	0.122	1.25	Not supported
	EO → SN	0.48	0.120	3.93**	Supported
	SN → SCA	0.420	0.100	4.250**	Supported
	EO → SN → SCA	0.20	0.050	4.130**	Supported

*Note: * $p < 0.05$, ** $p < 0.01$ (based on two-tailed test)*

5.5.7.2 Testing Research Hypothesis: Structural Model 2

Figure 5.7 depicts the second structural model to examine whether the indirect relationship between EO and SCA through SN would be moderated by CBE. Table 5.14 shows that the mediation path becomes insignificant ($\beta=0.100$, $t=1.240$). Contrary to the structural model 1(a), the relationship between EO and SN becomes insignificant ($\beta=0.140$, $t=1.260$). Likewise, the relationship between SN and SCA remains significant ($\beta=0.730$, $t=3.370$). The moderating effects of the structural model 1(b) are not significant ($EO \times CBE \rightarrow SN = \beta=-0.160$, $t=1.360$; $CBE \times SN \rightarrow SCA = \beta= 0.170$, $t=1.46$).

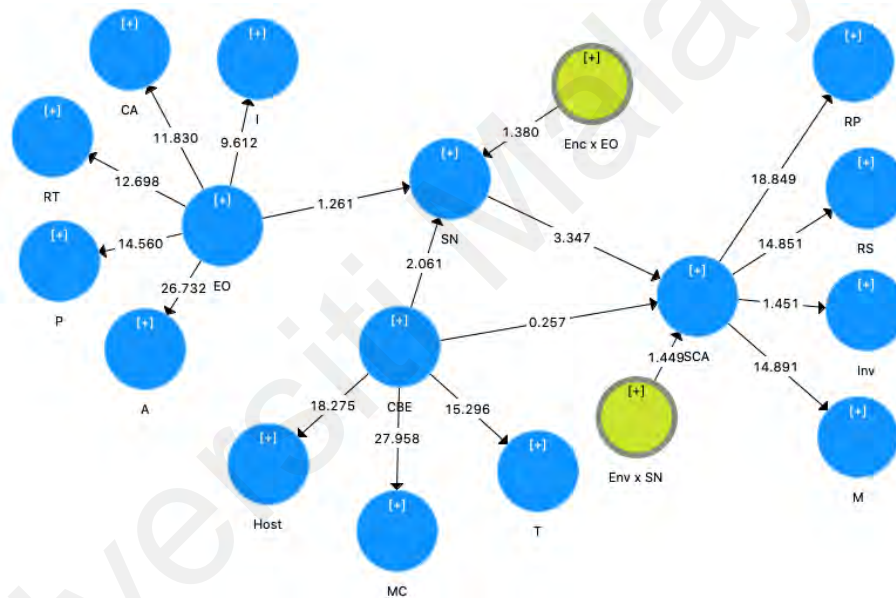


Figure 5.7: Image from Smart PLS – Structural Model 2

Table 5.14: Summary of the Structural Model 2

H	Path	Beta	Standard Error	t-statistics	Result
2	EO \rightarrow SN	0.140	0.110	1.26	Not supported
	SN \rightarrow SCA	0.730	0.220	3.37**	Supported
	EO \times CBE \rightarrow SN	-0.160	0.120	1.36	Not supported
	CBE \times SN \rightarrow SCA	0.17	0.110	1.46	Not supported
	EO \rightarrow SN \rightarrow SCA	0.100	0.080	1.24	Not supported

Note: * $p < 0.05$, ** $p < 0.01$ (based on two-tailed test)

To improve the PLS analysis, the moderated mediation analysis is performed by using Hayes's PROCESS macro. Hayes (2017) highlights that moderation mediation is engaged to examine whether the magnitude of the mediation effect is conditional to the moderating value. The PROCESS output model is calculated by using the regression analysis with the PROCCESS (plug in for SPSS). Then, the bootstrapping method is used to test the significance effects to ensure the robust standard errors for parameter estimation. The current study utilizes the bootstrapping method to test the significance effects by producing 95 percent bias-corrected confidence intervals from 5000 resamples of the data. The effects are significant at $\alpha=0.05$ when the confidence intervals do not contain zero.

Moderated mediation is established if either or both patterns exist (Hayes, 2017): (a) the path between entrepreneurial orientation (EO) and social network (SN) is moderated by competitive business environment (CBE), and/or (b) the path between deviant SN and sustainable competitive advantage is moderated by CBE. This study estimates the moderating effect of CBE on 1) the relationship between EO and SCA (Model 1); the relationship between EO and SN (Model 2); the relationship between SN and SCA (Model 3). The specifications of the three models are summarized in Table 5.15.

Table 5.15: Testing the Moderated Mediation Effects of Entrepreneurial Orientation on Sustainable Competitive Advantage

Predicators	Model 1		Model 2		Model 3	
	b	t	b	t	b	t
EO	-0.0124	-0.1210	0.1722	1.5324	-0.0747	-0.7656
CBE	0.1756	1.8122	0.2294	2.1613*	0.1033	1.1089*
EO x CBE	-0.0504	-0.4704	-0.4135	-3.5222**	-0.1689	-1.2690
SN					0.4376	3.9455**
SN x CBE					0.3463	2.7535**
R ²	0.0688		0.3757**		0.1984**	

Table 5.15 Continued

F	2.4397	19.8606**	4.8024**
---	--------	-----------	----------

Note: Each column is a regression model as mentioned in the top column.

* $p < 0.05$, ** $p < 0.01$

Table 5.15 illustrates that in Model 1, the main effect of EO on SCA is not significant, $b = -0.0124$, $p > 0.05$, and this effect is not moderated by CBE, $b = 0.1756$, $p > .05$. Model 2 indicates the effect of EO on SN is not significant, $b = 0.1722$, $p > .05$, although the moderation effect is significant, $b = -0.4135$, $p < .05$. For descriptive purposes, this study plots SN against EO, separately for low and high levels of CBE (1 SD below the mean and 1 SD above the mean, respectively (see Figure 5.8) by using pick-a-point approach (Hayes, 2018). At 1SD below the mean, the effect is positive and significant ($b=0.3424$, $SE=0.1107$, $p<0.01$). At the mean level, the positive effect on EO is not significant ($b=0.1722$, $SE=0.1123$, $p>0.05$). At 1 SD above the mean of CBE, the effect is negative and not significant ($b=0.0019$, $SE=0.1329$, $p>0.05$). Simple slope tests indicated that for low CBE, higher levels of perceived EO is associated with higher levels of SN. However, for high level of CBE, the effect of EO on SN is negative and not significant. Finally, Model 3 indicates that there is a significant main effect of SN to SCA, $b = 0.4376$, $p < 0.01$, and this effect is moderated by CBE, $b = 0.3463$, $p < 0.01$. However, the moderated effect of CBE on EO to SN path become insignificant.

The bias-corrected percentile bootstrap result further indicates that the magnitude effect of the interactions of EO on SCA through SN is conditional to the moderating value. The magnitude effect is found to be not significant as the confidence intervals contain zero. For low CBE, EO's detrimental impact on SCA is not significant through intense competitive business environment, $b = 0.0639$, $SE = 0.0815$, 95% CI = [-0.0782, 0.2397]. Likewise, the indirect effect for high CBE is not significant although the effect is negative and weaker, $b = -0.0425$, $SE = 0.0741$, CI = [-0.2073, 0.0939]. Nevertheless,

as the bootstrap CI includes zero, Hayes (2017) explains the analysis could not confirm that there is no relationship between that moderator and the size of the indirect effect at that level of confidence, or certain of the sign of the association. Given that CBE is moderating the path of SN to SCA and not on the path of EO to SN and EO to SCA based on model 59, the present study indicates that Hypothesis 2 was partially supported.

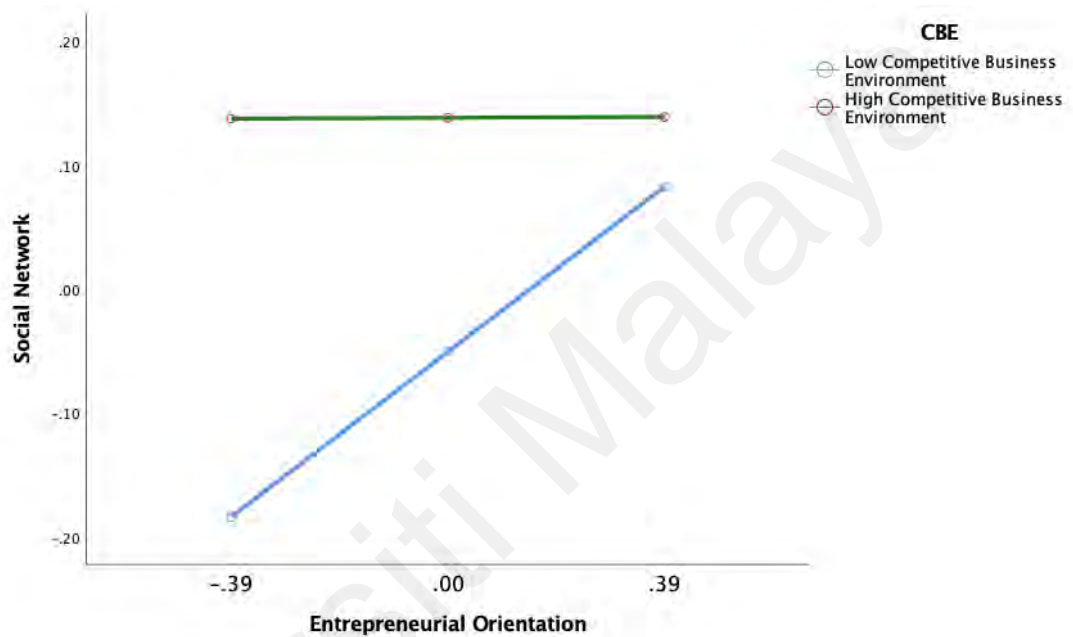


Figure 5.8: Social Network as a Function of Entrepreneurial Orientation and Competitive Business Environment. Functions are Graphed for Two Levels of CBE: 1 SD Below the Mean and 1 SD Above the Mean

5.6 Summary of the Chapter

This chapter outlines the analyses that have been performed and reports the findings. A descriptive analysis is conducted, which is then followed by the assessment of the measurement model. The findings revealed that Hypothesis 1 is supported, while Hypothesis 2 is partially supported.

CHAPTER 6: DISCUSSION

6.1 Chapter Overview

This chapter consists of the discussions of the results presented in Chapter Four and Chapter Five. It is separated into sections, summary of the research followed by the discussion. The first part will present the research questions and objectives explicated at the beginning of this thesis, the summation of the theoretical model and the basis for the framework used to test the hypotheses for the study. Then, the last section will discuss the findings.

6.2 Recapitulation of the Research Findings

Three research questions (RQ) were formulated based on the objectives of this study. These questions provided the basis for the current study to choose both qualitative and quantitative methods. The questions are as follows:

RQ1: What motivates Malaysian SMEs to do business in Cambodia?

RQ2: What are the important determinants of Malaysian SMEs' competitiveness in Cambodia?

RQ3: In what areas would the SMEs need external support to be competitive and resilient in Cambodia?

6.3 Discussion of Findings

The major findings in Chapter Four and Chapter Five are discussed in the following section.

6.3.1 Research Objective One

This section sets about to discuss to the burning research question on why small and medium-sized firms (SMEs) internationalize. Unlike big firms, SMEs are bound by constraints in resources, human capital (lack of experience and skills) and being “too small” in nature. Established theories used in internationalization explain big firms internationalize because they are looking for resources abroad (scarcity of resources at home), meeting demand at low-cost locations as compared to the home country, complementing the firm’s supply chain to increase efficiency and searching for location advantage. Similar experiences also seem to drive firms to expand to the neighbouring countries that are akin to the home country. These motives could be different from SMEs in this study as this study provides an in-depth explanation on why Malaysian SMEs internationalize to Cambodia. The case study approach may assist in shedding light on important reasons that motivate these firms to internationalize.

The case study approach used to answer this research objective found small businesses internationalize because of five different reasons. Small firms are – driven by host country-based advantage; driven by home government; driven by home country limitations; driven by self-inflicted actions and driven by social influence. Some reasons are found to be similar; some reasons are totally different, and some reasons not covered in the literature.

In some ways, small businesses are similar to big firms; they decide to go international to capture the location advantages of Cambodia. As highlighted under Dunning Eclectic theory, firms have greater incentives to internationalize if these firms possess (1) higher ownership specific advantage (internal use of own specific advantage), (2) internalization advantage and (3) higher advantage in exploiting outside national boundaries (location

advantage). In this case, firms invest in another country because of location advantage. Small businesses in particular seem to enjoy the geopolitical location of Cambodia, especially those involved in the garment sector that are able to export to the United States and European countries at a special privileged rate by using the status of Cambodia as a third world country and when it becomes a member of World Trade Organization (WTO). This example shows that small firms do not fulfil the Eclectic theory requirement of possessing three advantages. For small firms, owning location advantage is sufficient for them to drive for internationalization.

In addition to location advantage, small businesses could also gain from their access to cheap labour in Cambodia. The salary is lower when compared to Malaysia, especially now when Malaysia has implemented the minimum wage of RM 1,200. This is explained by Product Life Cycle Theory that firms tend to invest in a cost advantage location. Some small firms tend to venture into Cambodia because they could reduce the costs of manufacturing in the garment sector or in the agricultural sector. Firms that are highly-dependent on labour would gain the advantage of venturing into the kingdom. Nevertheless, small firms would not choose to rely solely on this reason to internationalize. This motive is not strong enough to drive all the small firms for business ventures in Cambodia.

From the interview sessions, it has been discovered that some small business founders have internationalized for personal reasons. Initially, they had no intentions to invest in Cambodia. There are some anecdotal claims in this study to prove that some internationalization activities started without any clear purpose in the early stages. These founders have had other interests and reasons rather than to initialise any inborn ideas to go global. This case does not appear to fit with any of the theories, be it Product Life

Cycle theory, Eclectic theory, Network theory or even Incremental theory. This is a born-global firm and the nearest theory could be International Entrepreneur theory, a theory that focuses on the entrepreneur himself.

Nonetheless, this also contradicts with the International Entrepreneur theory which suggests that born-global founders are driven by entrepreneurial intention right from the initial stages of entrepreneurship. These founders start to embrace entrepreneurial orientation throughout their journey in the business world. However, the founder of Case 8 seems to fit with the “predator avoidance” strategy to escape to Cambodia, his main objective being to run away from his enemies (i.e. loan sharks). His intentions to Cambodia was to stay alive through a flight response triggered by fear and anxiety due to danger and external threat. In this study, the founder had chosen to run away from his home country and start anew in Cambodia where he found the ideal environment with their flexible regulations and conditions suitable for him to start a small business to earn a living. He turns over a new leaf in the kingdom and starts to earn money; the most promising achievement being able to keep alive and support himself.

Later, he begins to expand and diversify into other businesses, i.e. from internet café to bed and breakfast operations. In this case, no similarity patterns for internationalization theories were found. There was also no evidence that small firms attempt to expand cautiously into host countries. In this scenario, the founder did not have any knowledge or experience in the kingdom or in any other neighbouring country, more so any information about the international business environment. He faced uncertainties, fear and anxiety and did not portray any initial interest in entrepreneurship activities.

However, a sudden exposure to threat and danger had prompted the change. It happened spontaneously and without any proper action plan, he followed his heart and intuitive decision; his desire to live pushed him over the edge by venturing abroad. His experience had helped him to go through hardships and become successful in running a small business in Cambodia. In this case, the founder did not experience the formal stages to internationalization. It was his desperation to survive that brought with it rational thinking and thorough analysis together with the unforgettable events that had built his character to become a hardy person. He had gambled his way out by grabbing whatever chances that were available for survival, which is perceived as something new and not covered under these existing theories that explain internationalization.

A strong influence by the success of early pioneers and peers could be the ultimate drive for small firms to internationalize. These firms can be 'born-global' firms. This group of founders do not follow any rational decision when they internationalized to the Kingdom. Being influenced by the success stories and spurred by the spontaneous inertia and euphoria surrounding them, these founders just decided to go and invest in a foreign country, in this case Cambodia. Their actions can be considered spontaneous that need to be further explored in internationalization theories. The established theories, Incremental theory (U-model), PLC, Eclectic theory and RBV fail to explain this internationalization motive. These groups of founders believe they will be able to be as successful as or greater than the pioneers and their peers. On top of all this, one more supportive factor is the closely-linked cultural bonds and networks for Malaysians in Cambodia. Networking connections interwoven within Malaysian cultural and belief systems due to ethnographic history together with Chinese clanship systems had played a strong supporting influence in setting up businesses in Cambodia. Target interviews had cited the linkages between businesses in Malaysia and Cambodia and mentioned by Tan (1986),

“Clan associations are voluntary associations formed on the basis of consanguinity or blood ties. In overseas Chinese communities, this is often judged on the criterion of all those having common surnames. It is a well-known fact among Chinese that common surnames do not necessarily mean common ancestry. However, for an overseas Chinese, a common surname is enough grounds for him to claim ties and to address even total strangers as if they are his kinsmen” (p. 107).

Even though rapid urbanization and modernization may cause surname ties to lose their significance among the population of Chinese origin in South East Asian countries, Cambodians tend to adopt indigenous names that resemble Chinese names. Once these networks start, it could bring a variety of resources to the firms – information, customers, and access to other networks and markets (Menkhoff & Labig, 1996). It is emphasized in the interview that this type of kinship motivates Malaysians to start their businesses in Cambodia. It can be seen as illustrative of strong bonding and bridging networks that give them confidence to start their business in the Kingdom. The network approach is the closest theory to explain the motive. However, this theory fails to explain why born global firms are created due to networking. This theory covers networking capability to enhance the firms’ competitiveness and improve their performance (Foley & O’connor, 2013).

The case also shows some founders are driven by an euphoria of success. The pressure plays itself out and creates a herd mentality among those who want to make fast money. They follow the crowd and jump into the bandwagon to internationalize into Cambodia. But why do they choose Cambodia as their primary location? They are driven by the success stories of earning the “first bucket of gold” in the Kingdom. The temptation creates buzz and excitement of establishing businesses in the country. It shows that the

founders' decisions are compelled and persuaded to follow the herd's glory path. They believe success is much nearer to them and could be reached by following the same path as those famous businesspeople in their social circles. Herd or mob behaviour has it that it would be emotionally and psychologically painful and distracting to go against the crowd. Often, herd behaviours occur when individuals mimic the same actions as others (Graham,1999). These founders internationalize without having strong institutional and market knowledge regarding the destinations in which they intend to invest. This view on the phenomenon of herd mentality justifies the safe and sound investment destination for conformists. They fail to conduct their research properly; the scanty information they receive will not be sufficient for them to invest in Cambodia. These internationalization motives have been and is being neglected by the literature on internationalization theories. In this regard, they are totally being influenced by trends to internationalize only into Cambodia.

The results from this group of founders is somewhat different from rational and normative internationalization approaches. Small firms do not comply with the normal criteria when they choose to go international. They follow loosely the shrewd assessments gathered from the herd mentality on the market situation to develop their internationalization behaviour. They gradually accumulate knowledge once they are already in the Kingdom. The accumulated learning and the practical experiences have proven worthwhile. For them, it is a matter of self-justification. Doing what others have accomplished is somehow safer to safeguard than from being criticized by peers, family members or social network members in the future for being ignorant and reluctant for not taking the strategic position in Cambodia. They are also so overwhelmed and confident that they understand every aspect of doing business in the country and as a follower of the herd, they believe the same path of glory will guide them to success. This

psychological wave should not be underestimated; it has somehow propelled some to success in business for in the kingdom, if and only if they could adjust and move on from the initial reference point by building and securing their competitive positions.

It has also been revealed that marriage could speed up business startups. Dyer, Nenque and Hill (2014) elucidate that marriage influences business start-ups and lead to business success. Their spouses (normally a Cambodian) could provide the necessary resources (family capital) to help the business to grow. Danes, Stafford, Haynes and Amarapurkar (2009) conceptually define family capital as “total resources of owning family members with components of human, social, and financial capital” (p.199). For instance, Case 4 in this study illustrates the founder spouse’s role (i.e. a Cambodian) as his business partner who helps him to deal with the authorities in Cambodia. The spouse’s local origins and expertise is important to help him transform his food business to cater both local Cambodian and halal food. The network approach shows deficiency without considering family capital as an important channel because family network is important to stimulate the entrepreneurship activities.

Undeniably some small businesses’ founders internationalize because they are driven by resources, which relate with the Product Life Cycle theory and partially with the Eclectic theory or even an earlier economic model. Nevertheless, this group of founders does not base their drive on only one motive, which is solely based on resources as the sole driver for internationalization. This is because the advancement of technology and reduction in barriers could result in the firms benefitting from “internationalization” without a need to go international. For Case 9, the founder invests in the Kingdom to accomplish his objective of fulfilling food security. Due to the lack of resources – limited land pushes him to look for alternative land outside his home country to plant pepper to

get the important ingredient, Kampot pepper to cook the curry crab for his food business. Although this case is similar, yet resources may not be the main motivator. The availability of resources and support from the host government complement each other in pulling firms for investment. This is especially true for Malaysian firms where this group of small firms' founders eventually received encouragement from the home government to invest in Cambodia. The first batch of firms were given the privilege to invest in a primary sector in Cambodia. One typical example raised by ACCCIM is Samling Group, the group permitted by the Kingdom to invest in logging activities in the country. The first batch of firms were driven by these advantages. At that time, the country had just run its first ever election and the Kingdom was plagued with uncertainties.

The uncertainties facing the country could be damaging to investments. For instance, institutional factor (i.e. corruption indicator) was found to be negatively related to foreign investments (Mauro, 1995). However, this did not stop Malaysian firms from investing in the Kingdom. The case suggests that existing theories fail to substantiate the explanation on why the country was still popular for Malaysian firms in the early 1990s. The high uncertainties in a country most of the time would reduce the Kingdom's attractiveness from foreign investments and founders would avoid Cambodia as their country of choice for internationalization; yet they are attracted to continue investing because of home government encouragement and host government support, which eases the need for founders to accumulate knowledge and capabilities prior to entering the host country. In spite of the lack in intangible resources or advanced technology these small firms which could be considered inferior in terms of resources in comparison to the larger firms, are still able to move in with their investments and set up their businesses. It is obvious that Dunning's Eclectic theory does not capture born-global firm formation or firm's early establishment (Mathews & Zander, 2007). Moreover, there is little

acknowledgement on these firms' internationalization behaviour despite their resources-seeking behaviours; there is limited emphasis in the case that firms internationalize to strengthen their competitive advantage because some firms are not even set up yet. In the case of Case 9, there is the possibility for the firm to acquire resources to mitigate the risks in food security issue; in contradiction to popular belief of Dunning's Eclectic theory for the firm's expansion to improve its competitive position as the ultimate objective could be irrelevant to serve this purpose.

It can be said that the conceptual framework (Figure 3.1) for RQ1 is not fully supported in this study. The established internationalization paradigms has little recognition and display a conspicuous omission. The literature does not put much attention on the possibility of "self-inflicted action: love for the country and flight response", "social influence: clanship and herd mentality", "host government support" and "home country restriction" to explain the early internationalization for small firms. It is plausible after all if the founder chooses to internationalize to the kingdom without considering (1) the need to compromise its competitive advantage; some firms do not even have any competitive advantage before they ventured into the Kingdom (2) the need to initiate a rational evaluation of challenges and prospects for the firm (3) the need to think for the firm's competitiveness in the host market. The emphasis of advantages received from the established internationalization is not traceable in this case.

The argument of having gained considerable experience from markets with similar characteristics pushes the founders to generalize this experience to neighbouring countries constitute internationalization in the form of the Uppsala model (Johanson & Vahlne, 1990) seems to be not true for this study. The founders who tend to skip the proper steps from exporting to the establishment of subsidiaries, miss the process of

knowledge accumulation along the way. None of the cases (Case 1 to Case 9) have any business experience in the home country prior to the establishment of their ventures in Cambodia. The Incremental theory that supports the step-by-step formula that firms follow by gaining knowledge will push it to be born-global, does not apply to all the cases. At the time when these firms internationalize, they are virtually without any international market knowledge. Why are these firms not hindered by the lack of international experience? They are acquiring resources and adapting their strategies to compete as they go along, and while doing so, some face enormous obstacles from the uncertain and hostile business environment. Each individual founder with attributable network would position himself competitively in the market.

Regarding the Product Life Cycle (PLC) Theory; it downplays the early internationalization activities of firms. Vernon's (1979) original PLC theory concentrates on explaining trade between countries. The location of new products usually starts in a developed country and then undertakes investments in moderate income countries to cater to the high domestic demand. Nevertheless, the process of globalization and advances in information and communication technology (ICT) has pushed the firms to go international without following the stages in PLC. Firms discussed in this study leapfrog to the Kingdom without considering the demand capacity in the Kingdom as mentioned in the PLC approach.

The argument that the firms' resources and capabilities push entrepreneurs to internationalize to Cambodia is not supported in all the cases. While looking at Cambodia's specific context, many firms start to internationalize due to the decisions of the founders. Interestingly, they are not inclined to any particular industry; rather, they go wherever or whatever they have interest in. Some respondents will go the way of

familiar businesses, while others internationalize because they are forced to. They force their way to start anew in a new country where the institutions are still weak. They internationalize also because of fondness and attachment to the country. Industrial experience and the founder's international experience are not topics of interest for discussion in this study. The cases mentioned here provide little support based on founder characteristics. Instead, they provide responses that are indeed novel and surprising. Some founders internationalize as if they had been given a second chance to succeed in other countries. These founders are not inclined to any particular industry but look for opportunities where the governing institutions' governance are weak and accommodating.

Conditions in Cambodia are too poor to pull and attract firms. How then is it possible for some firms in this study to internationalize so early? First, the study will look at how these firms are formed. Founders form businesses to provide jobs and to cultivate the human capital in the country. They form business to provide for themselves and their employees a living and to gain back the recognition they had lost when they left their home countries. They form businesses because they have become fond of the country and wish to help the country grow their human capital. The cases mentioned in the study do support the proposition that market conditions pull firms to internationalize. Perhaps they are also taking chances to avoid any strong competition and strong legal framework that will hinder business' competitiveness which is a strong pull factor. This may imply the importance of the role the founders play in determining firms' growth; they are risk-takers and are proactive, which explains why entrepreneur orientation is vital.

6.3.2 Research Objective Two: The Mediating Role of Social Network

In the light of achieving RO2 and answering RQ2, the outcome of this research illustrates that social networks mediate the relationship between entrepreneurial orientation (EO) and sustainable competitive advantage. This is consistent with previous findings that entrepreneurs are surrounded by social networks of interconnected relationships (Upson, Damaraju, Anderson & Barney, 2017). They become the channels for the entrepreneur providing them with plentiful information, advice on opportunities that rise from the dynamic environment and how to turn these opportunities into potential for their own benefit. This is consistent with the anecdotal findings obtained from the surveys in RQ1.

In the current study, the international entrepreneur expected to or is assumed will build on their external relationships and over the years will increase and improve their knowledge capabilities and will definitely display superior business performance (Knight & Cavusgil, 2004). This research emphasizes the importance of social networks and confirms that social networks bring unique value through the transmission of knowledge and information via these connections.

The cases in Chapter 4 mention that close relationships and bonding helps them to lower the risk of “newness” in the country. They often label themselves as “young small firm” that venture into Cambodia and are susceptible to risks and challenges in the new environment. Unlike the larger firms with established foundations and resources, well-developed internal organizational structures that provide them with the necessary information for decision making (Brush, Greene, Hart, & Haller, 2001), the network is mentioned as a precondition for those without any experience in venturing into other businesses. It becomes the substitute for internal resources owned by large firms by

providing SMEs with access to knowledge or experience in handling daily routines. In a young and developing country as Cambodia where the governance and governing institutions are still weak and full of uncertainties and the business environments are hostile, this role of social networks in disseminating information and knowledge is exceptionally true and appropriate. The networks also allow them to capture the opportunities (consistent with McGrath, Vance, & Gray, 2003) and provide the sources for them to know about the norms, tradition and values embraced by the Cambodians. Social networks, therefore fill the gap of “newness” by providing entrepreneurs with emotional support as well as advice in dealing with the risks and to resolve problems.

The benefits of social networks also overcome the limitations and resource constraints faced by the SMEs. As contended in prior literatures (Upson, Damaraju, Anderson & Barney, 2017), the benefits of social networks reinforce the idea that the entrepreneur per se is not adequate for the firm’s competitiveness in the market, particularly the young and small firms.

Despite a strong theoretical link between entrepreneur posture and firms’ performance, there is little empirical evidence that suggests a strong positive relationship between entrepreneur posture and firm’s performance (Covin & Slevin, 1991). A sustainable competitive advantage provides a long-term advantage that is difficult for others to imitate and duplicate. Hence, competitive advantage will become sustainable competitive advantage when competitors are not able to create the similar values that the firm is creating. Prior discussions elucidate that the firm’s performance and competitive advantage are largely influenced by entrepreneur behaviours (Wiklund & Shepherd, 2003; Zahra & Covin, 1995). In view of this, EO will be a capability and resource that contribute to the firm’s superior performance and long-lasting competitive advantage,

that is sustainable competitive advantage (Mahmood & Hanafi, 2013). Yet, this study refutes that EO is directly related to the competitiveness of firm, which is represented by sustainable competitive advantage. EO is not directly related to sustainable competitive advantage (SCA). The plausible explanation may be related to the nature of EO, which is subjected to contextual influences (Zahra & Covin, 1995) as EO has been found to be unable to function well without the influence from any context.

In this study, social networks play an important bridging role that connect EO to SCA. This is consistent with the findings from (Walter, Auer, & Ritter, 2006). SMEs that lack size, resources, and reputation are weak in recognition in Cambodia induce the firms to depend on developing good relationships as founders venture aggressively in. The development of social capital also helps them to identify potential customers and locations to whom and which they will strategize proactively and aggressively. Such tactics may accelerate adaptation; thus, creating value for the firms which is difficult to be imitated by others, as this social capital is unique, special and pertinent to the founder. In such cases, EO is treated as an admission ticket which then leads on to higher competencies and performance. Nonetheless, entrepreneur drive itself is not central to sustainable prosperity and growth and therefore it alone does not create value. Correspondingly, firms should also develop their networks from government agencies to business cohorts and make use of these social capitals to improve their firm's competitiveness.

In addition, networks have been mentioned as a medium of transfer by Hoang and Antoncic (2003) and the reason behind this statement shows that networks from relevant business partners have higher predictive power (Solymossy, 2000). It is important for founders/entrepreneurs to decide on who to seek advice from, as these network activities

may shape and decide their success or failure. It is fair to believe that founders/entrepreneurs will develop contacts who/which will help them to overcome their shortcomings. For instance, a respondent (P8) mentions that differences in culture and values are the key for the founder to develop contacts that will strengthen the marketing strategies when they offer their products with services to accommodate these shortcomings. Thus, the firm creates a sustainable advantage that could improve the firm's competitiveness in Cambodia. This success becomes substantial for them to build beneficial relationships. Thus, in these situations, social networks clearly demonstrate their role as a medium for value creation.

The liability of being small with lesser resources prompt SMEs to develop social networks for competitive advantage to overcome the many limitations they face and encounter. This is consistent with Liu and Yang's (2019) explanation that SMEs have advantages by establishing networks, which help to create competitive advantage which could turn out to be the important resource with which to compete with the large firms. Indeed, SMEs would be able gain access to resources, knowledge, capabilities and complementary skills that are not internally available through their social networks (Hernández-Linares, Kellermanns & López-Fernández, 2020; Døving and Gooderham, 2008). However, this discussion will not be complete without environment involvement, which will then be properly explained in the next section.

6.3.3 Research Objective Three: Moderated Mediation Effect

The subsequent research objective and research question have their focus on the moderated mediation model. The present study concludes that the model is partially supported. CBE is found to be moderating the path from SN to SCA and not the path between EO and SN. The finding is similar to the explanation by Krackhardt, Nohria and

Eccles (2003); and Granovetter (1985) that social networks are not fixed and are only activated when they are needed. Prior literature (Chell & Baines, 2000) contends that social network is best perceived as a collection of dynamic relationships which are process driven and fluctuating. It implies that social networks are useful only when they are required by the entrepreneur; otherwise, they remain hidden if not wanted or needed by the entrepreneur.

Following this argument, the findings of this study happen to truly reflect the actual situation. Entrepreneurs remain active in their own social groups, and may use the information provided if found to be useful in the business environment that they may want to venture into. The result of the model indicates that social networks are helpful in acquiring valued resources which contribute to the SMEs' competitiveness and is significant. In the context of Cambodia, according to the anecdotal evidence gathered through the case study approach, entrepreneurs are connected through ACCIM or other platforms. When they venture into Cambodia, they will selectively choose the information which are beneficial to them and which promote their small firm's competitiveness through sustainable competitive advantage. Entrepreneurs use this informative information to reduce the uncertainties and risks rising from the environment when they internationalize in Cambodia. If not, this information is not practical and functional for the entrepreneurs and will eventually be discarded.

This study disagrees with the arguments from Abbas, Raza, Nurunnabi, Minai, & Bano (2019) who contend that sustainable performance of the small firms' might be due to their entrepreneurial dependency on the entrepreneurs' capabilities. These capabilities are assumed to be important resources to deal with the hostile and turbulent competitive business environment. This study fails to prove that EO is directly related to the

sustainable performance of SMEs. As suggested in previous studies (Ruiz-Ortega, Parra-Requena, Rodrigo-Alarcón, & García-Villaverde, 2013), EO must be contextual; that is, EO will be able to provide the specific influence in specific contexts. However, in this study in the presence of a competitive environment, EO proves to be unable to do so. The plausible explanation for the non-significant relationship might be that entrepreneurship capabilities is not the only source for sustainable competitive advantage of the SMEs. Without the functional social networks, entrepreneurs may fail to acquire/learn the necessary information to make them unique by adapting to the information. It is consistent with the anecdotal evidence from this study that entrepreneurs start to change by incorporating the information through changing their marketing strategies to make them better and unique as compared to their competitors. This has been proven the winning strategy for the firms which promote their firm's sustainable competitive advantage and, in the end, promote competitiveness.

Although previous studies fail to confirm and generalize the empirical evidence to prove the strong relationship between business networks and the sustainable performance of firms (Parker, 2018; Kregar & Antoncic, 2014; Watson, 2007), it is a good opportunity to carry out this research study as very few studies focus on the relationship between business networks and sustainable performance for SMEs (Abbas, Raza, Nurunnabi, Minai, & Bano, 2019). The suggestion from Eisenhardt and Schoonhoven (1996) that the propensity of resources used are different at the different stages of the venture's development is quite agreeable. It is suggested by Hoang and Antoncic (2003) that alliance behaviour is more prominent for market development during the early initial stages over the later, mature stages. The dynamic nature of social networks also may cause the inclination of firms to not depend on social networks when they are more developed as they are used to the environment. The risks and challenges they foresee will

be lower. This explains why in this study, social networks are needed during hostile and unstable environments because the risks involved are much higher. The entrepreneur expects social networks to be valuable resources that could contribute to sustainable competitive advantage and thus to competitiveness during unstable and hostile environments. Social networks also could assist them to observe any opportunities arising from the threats posed by the external environment.

The RBV notes that internal resources are important for the competitiveness of the firm. As EO steers the direction of the firm, EO should also contribute its competitiveness. However, the results prove otherwise. Thus, RBV is unable to capture the dynamic process while competitiveness is process driven, that is, the internal resources are not static. EO must be based on the context to be able to act as an influencer. Owning the resources alone without adapting to the environment may not be functional enough for the firm to achieve sustainable competitive advantage and to be competitive in the marketplace.

This study brings in social networks which have proven to be a functional activator to the internal resources to be sustainable. However, the relationship between EO and competitiveness is not significant. This shows that entrepreneurial posture is not significant under the influence of an unstable and hostile environment. The plausible explanation is, entrepreneur posture is important during the beginning of the venture because the entire direction appears to depend on the entrepreneur's efforts. However, after years of establishment, when firms start to accumulate resources such as in this study, social networks become a more important contributor to the competitiveness of firm. Having completed their selection earlier; the entrepreneurs choose the best resources according to the needs of their firm's internal resources. Anecdotal evidence finds that as

firms establish themselves in the market, they have also built up their reputation. Certain firms gain their reputation through excellence in service. Good services have also become an important internal resource which strengthens the firm's competitiveness. Nevertheless, SMEs owners (entrepreneurs) need to be careful in managing their social networks. Watson (2017) contends that business owners should monitor the time and costs associated with networking because there is a limit to networking; a high level of network intensity will be counterproductive. This argument that networking is most important for business owner, but it is not about how broad the range of networks owned by them, is quite agreeable. The paramount concern is more on how well they manage their ties with a smaller range of networks to guarantee the firm's survival. As such, of more importance is the quality of its network. In the current study, respondent (i.e. P2) informed that social capital through its social network was beneficial when they first internationalized into Cambodia. In the initial phase of internationalization, they had often used the social capital from its social network to obtain information about opportunities, gain access to missing information in an uncertain environment, obtain information regarding scarce resources and obtain psychological aid in assisting them to keep the business afloat. This is what they know and were informed on the issues of lacking human capital in the early 1990s when they first ventured into Cambodia. The first batch that internationalized obtained information from government allies, which had proven to be quite useful to weather the environmental stress, even when the allies were characterized as weak and fragile institutions. Moreover, firms and especially the smaller firms have a stronger tendency to search for critical resources from external ties (Peng & Luo, 2000) in turbulent environment settings (Luo, 2003).

6.4 Summary of the Chapter

The discussions are arranged according to the research objectives. Heppner and Heppner (2004) indicate that “data is always friendly. Thus, no matter what you find in your research and whether or not it is expected or contrary to predictions, the data is important to the knowledge base” (p. 328). It is important to view data as useful although the data may be contradictory to previous findings; this data must be handled with care. The discussion of results could enhance the understandings of the findings for each research objective. This section covers the detailed presentation of the findings in this study and delivers the scientific arguments based on the contexts from previous research works.

CHAPTER 7: CONCLUSIONS

7.1 Chapter Overview

In this chapter a short summary of the findings is given (see section 7.2), which is then followed by an overview of the findings of this research (see section 7.3). Then, contributions in the form of theories (see section 7.4.1), methods (see section 7.4.2) and management (see section 7.4.3) are discussed before drawing conclusions on the research.

7.2 Research Summary

For this research, three (3) research questions and three (3) research objectives are formed in the introduction in Chapter One. The research model and hypotheses are formulated to achieve these research objectives and answer the research questions. The target respondents for the study are small business owners. As there was no available recorded data, the samples were collected through the snowball sampling method. The information gathered was then analysed by using SPSS, SmartPLS and Hayes approaches.

The results support Hypothesis 1 and partially support Hypothesis 2. The parameter estimated statistic result does not support the exogenous variable, EO that has a relationship with sustainable competitive advantage. On the contrary, in the mediation analysis, the results support Hypothesis 1 – Social networks mediate the relationship between EO and sustainable competitive advantage. A further analysis on the moderated mediated analysis is performed to provide a closer view on the EO–sustainable competitive advantage relationship as these variables are contextual in nature. The results partially support Hypothesis 2; under the conditions of a competitive business environment; the mediating effect is found from the social network and sustainable

competitive advantage path. Finally, the empirical results show the proposed models have goodness of fit and are valid in the context. The proposed model is also considered substantial by referring to Cohen's 1988 guidelines.

7.3 Overview of the Findings

The RQ1 determines the factors that drive the founders to internationalize. The findings show that the influencing factors are country-based advantage, home country encouragement, home country restrictions, self-inflicted action and social influence. Internationalization, as suggested by traditional theory is a gradual and incremental process; yet the occurrence of the current born-global firms in this study are unexplainable by traditional theory. The findings also appear to contradict with prior theories and for some small firms that are not born global, they choose to internationalize to Cambodia not because of the resources or profits that it could offer but for various other reasons and circumstances. Consequently, this is a new discovery that has not been deliberated before by previous researchers.

The RQ2 of this study examines the important determinants of Malaysian SMEs' competitiveness in Cambodia, which involves the mediation effect of social network on the entrepreneurial orientation–sustainable competitive advantage relationship. It is worth highlighting that entrepreneurial orientation is not directly linked to small firms' competitive advantage. This corroborates with the previous empirical results that the relationship between EO and firm performance is indecisive. The empirical results support that there is an interactional effect between EO and social network. The interactional effect is an important drive for small firms' competitive advantage. Likewise, networks, either informal or formal have been identified in anecdotal evidence and prior literature as the essential factor that brings positive impacts to role. This

suggests the importance of small firm founders, also known as entrepreneurs, to leverage on the social capital to drive the firm's competitive advantage. Based on this finding, it shows that the sources of competitive advantage is not restricted merely to the firms' internal resources.

The final RQ; RQ3 addresses areas that the SMEs need external support to be competitive and resilient in Cambodia. Indeed, the inclusion of conditions to replicate the real practice provides a surprise discovery. The empirical results show that the mediation effect is significant for the second path and not significant for the first path. The findings imply that the founders are not interested in looking for new contacts in the highly dynamic and hostile business environment. On the contrary, they are more concerned with leveraging on the resources they have to compete in the marketplace and achieve success over their competitors.

7.4 Significant Contributions of the Research

The study has contributed to the existing body of literature in numerous ways. Unlike most of the studies that focus on the direct effects of EO on performance or the social networks on performance, this study focuses on examining the relationship of entrepreneurial orientation towards sustainable competitive advantage through social networks.

7.4.1 Theoretical Contribution

From the cross-case analysis, some contributions are recorded in literature on internationalization. First, market restrictions at home and support from the host government has promoted internationalization among Malaysian small and born global firms. Second, self-inflicted action due to various personal reasons also has influenced

the founders for their internationalization decision. Third, social influences, happens to be another motivator that has pushed founders to internationalize. Fourth, the host-country based advantage (e.g. close relationship between Cambodia and Malaysia) has been attracting foreign investments, especially from Malaysia. All these factors in combination have driven Malaysian firms to internationalize. These factors explain why the existing theories could not apply to the cases described in this study. The existing theories are suitable to explain the internationalization behaviours of the large firms or multinationals, but is quite incomplete to capture the internationalization process of small firms. As the small firm is administered by the founder and the main decision maker for the firm's direction, the founder's own action and social influence should be included as part of the internationalization theories in explaining small firm behaviours.

This research enhances the scholars' understanding of sustainable competitive advantage and the impacts of entrepreneurial orientation (EO), thus contributing towards strategic management and to entrepreneurship literature. Prior literature suggests that EO improve the firm's sustainable competitive advantage, yet the empirical results are rather inconclusive. Thus, the understanding on the EO effect on sustainable competitive advantage link is limited. By moving beyond prior research, this study is found to explore the conditions which influence EO-sustainable competitive advantage relationship via social networks.

In this study, institutional role is being adopted to shed light on the EO-sustainable competitive advantage relationship. Small firms could acquire the benefits from the social networks; however having access to a number of social networks alone is not sufficient to explain the competitive advantage of firm. The interaction and the combined effects are important mediums that contribute to sustainable competitive advantage. This is

substantiated by Sirmon, Hitt and Ireland (2007) that resources must be managed through structuring, bundling and leveraging.

This research links two related streams of research; from RBV of the firm it examines how EO and the combined effects of EO and social networks enhance the firm's sustained competitive advantage, thus addressing the weakness of RBV that has its focus on just the internal resources of the firm. Second, from an institutional view, external influence is important as a medium that can and will enhance RBV as it captures the external factor of firms. Hence, combining the benefits of RBV and the benefits of an institutional view will apparently strike out each other's weaknesses, thus providing a complete picture on how firms achieve and sustain their competitive advantage in the competitive environment, which in the end will create economic rents for the entrepreneur.

Although extant literatures have recognized the influence of social networks on firm performance and the influence of environmental factors on performance or EO on firm performance, they do not account for the combined effects of these latent variables on competitive advantage. This incorporation is important; to know how and why firms succeed over their competitors and in what contexts. The results provide a tinge of understanding of the relationship between these latent variables. The findings suggest that firms successfully leverage on the social networks with its orientations, especially in the dynamic and challenging business environment in order to be more competitive.

In addition to this, the contingency approach postulates that social networks mediate the relationship between entrepreneurial orientation and sustainable competitive advantage. Thus, it is important to incorporate social networks to strengthen the impacts of entrepreneurial orientation on the firm's sustained competitive advantage. The

empirical findings in this study do not provide sufficient proof that entrepreneurial orientation is sufficient for sustainable competitive advantage. Hence, it could be concluded that internal resource is not the precondition for small firms to be sustainable by following RBV. It supports the notion that RBV does have its weaknesses in explaining that the firm's sustainable competitive advantage does not solely depend on internal resources (i.e. rare, valuable, imperfectly imitable and non-substitutable). Entrepreneurial orientation could transform firms to be more alert to the environmental changes, i.e. customer trends, technological changes, institutional change, etc. Nonetheless, small firms are not able to merely produce homogenous products or services. Although they have valuable, rare, non-substitutable and imperfectly imitable resources, they may still fail. This confirms that a dependency on the firm's resources would not guarantee the firm's success. Instead, they need to strategically utilise and leverage on their social networks to convert these rents into competitive advantage. They may obtain information that are beneficial in a particular environmental setting to help the firm reduce risks and challenges and enhance the probability of success.

The present study provides new insights with the required combined effect of entrepreneurial orientation and social network. As social contact is vital, connecting with powerful contacts are imperative to enhance the firm's competitiveness. This is proven in this study and it helps to explain why entrepreneurial orientation alone is not sufficient to enhance the firm's competitive advantage. Firms could engage with their social contacts to provide solutions to demand, arising from customers' requests. Nevertheless, the combined effects of entrepreneurial orientation and social contact is based on environmental settings. Social networks could be the key factor in mediating the relationship between entrepreneurial orientation and sustainable competitive advantage, and yet not absolute. The results in this study suggest that small firm entrepreneurial

orientation is not the precondition to enhance competitive advantage in a competitive environment. In such conditions, social contacts become the primary key for a sustainable competitive advantage. This condition may occur because small firms would not be focusing on accumulating new contacts, as their dominant focus for firms is to reduce the risks posed from the environment.

More precisely, this study discovers the new linkage in these theories. Small firms do not operate in a vacuum as they are always being influenced by external factors. Prior studies indicate the direct linkage of entrepreneurial orientation to performance without really capturing the real practical picture. To focus on performance alone is being too short-sighted and a fantasy for firms to be profit-oriented. History keeps us informed that firms that are profiting are not necessarily still operating in the market. Instead, this study fosters a better understanding on how the firm is sustainable in the marketplace by considering the competitive advantage of firms. Also, discovered in this study is the importance of social network which highlights the interaction effects with entrepreneurial orientation and points to the interdependence of competitive advantage and the importance of integrating them internally and externally. Social networks act as the necessary medium to enhance the firm's competitiveness. It is hoped that this research could motivate future research to move beyond the focus on entrepreneurial-competitive advantage linkage.

As mentioned by resource-based theorists, economic rents are achievable in the short-term (Schoemaker, 1990). Nonetheless, for firms to achieve sustained competitive advantage, these theories fall short in fully explaining the economic rents owned due to them. First, entrepreneurial rents must take the environment into consideration. Second, firm specific resources are not sufficient to generate rents. These theories overlook the

catalysts for the deployment of resources to generate rents based on the firm's specific resources and environmental conditions. In this study, entrepreneur orientation together with social networks are the catalysts to integrate with firm-specific resources to generate above normal returns, thus generating a sustained competitive advantage for the firms.

Colquitt and Zapata-Phelan (2007) imply that theory contribution of empirical testing is reflected in two dimensions – theory testing and theory building. Theory testing is further classified into five levels: (i) Highest Level 5: ground predictions with existing theory, (ii) Level 4: ground predictions with existing models, diagrams or figures, (iii) Level 3: ground predictions with existing conceptual arguments, (iv) Level 2: ground predictions with references to past findings and (v) Lowest level 1: ground prediction with logical speculation. Similarly, theory building is also grouped under five categories: (i) Highest Level 5: Introduces new construct, (ii) Level 4: Examines previously unexplored relationships (iii) Level 3: Introduces a new mediator or moderator of an existing relationship, (iv) Level 2: Examines effects that have been subject to prior theorizing and (v) Lowest level 1: Attempts to replicate previously demonstrated effects. In this research, the level of theory testing is level 5, referring to ground prediction with existing theory. However, for theory building, the empirical findings in the study are categorized as Level 4. Undeniably, the current study falls under Expander category (Level 4 in theory building and Level 5 in theory testing). This type of research is high in both theory building and theory testing as it focuses on constructs and relationships which are yet to be theorizing. Analysis, examination and testing existing theories are conducted in this research; the new discoveries arising from the study also expand the existing literature in new directions. Drawing upon the RBV theory, it can be concluded that it is insufficient to ensure the firm's competitiveness and sustainability. Together with institutional support and the leveraging of resources are critical, especially when the focus

is on the interaction effects that strengthen the firm's internal resources to further strengthen and expand the firm's competitive advantage. Indeed, this interaction should be considered and RBV extended to include the synergies captured from the external to be combined with the internal to own this advantage rather than define the competitive advantage based on the firm's internal resources. It is illusionary to assume that the firm does not respond to any influence and remains static. Hence, small firms' founders must leverage on the resources and in this case, process the information from the social contacts and turn them into strategies to combine with the internal resources. These then become the source of competitive advantage for the firms.

7.4.2 Methodological Contribution

The present study delivers valuable contributions based on methodology testing. Two testing methods are used to examine the model – new Variance based Structural Equation Modelling (Partial Least Square (PLS) technique), and Hayes moderated mediation approach. These two approaches are statically more suitable for model testing for the following reasons.

- Ability of the approach to examine complicated structural equation models with second order constructs
- Suitability of the approach for theory development

The usage of PLS and Hayes moderated mediation approach are critical in this study as the analysis involves higher order constructs, and the Hayes approach useful to examine the moderated mediation models. Moreover, the model is designed to answer the contextual conditions which are much more appropriate to analyse with the Hayes approach.

7.4.3 Managerial and Policy Contribution

The present study provides several implications for managers who internationalize in emerging markets, particularly in Cambodia. Social networks play a vital role for business practices especially in the daily functions in business and economics. The extant literatures do present evidence that social networks are beneficial to SME firms (Yeniaras, Kaya & Ashill, 2020) as these create the economic rents for firms. The results in this study show that SME firms need to comprehend the distinct benefits of institutional influences especially those of social and political influence. As the firms' ultimate goal is to establish sustainable competitive advantage, firms need to know when and what are beneficial for them once they internationalize. The results identified potential enhancing factors for their competitiveness; EO and social networks must be present to ensure the firms' competitiveness in the form of sustainable competitive advantage. The positive relationship suggests that the founders of the SMEs should place priority on the combined effects of EO and social network. Although, this is not the ultimate winning strategy, the founders must know when to promote the combined effects at the correct conditions to be successful. Founders should invest in marketing strategies as an additional factor to competitiveness, as marketing brings in differences in the uniqueness and non-substitutability of their products/services offerings from their firms.

Firms should also maintain flexibility and an open working atmosphere for EO characteristics such as proactiveness, risk-taking and competitive aggressiveness, innovativeness and autonomy. Embracing such characteristics encourages the employees to behave in an entrepreneurial manner. The prevalent firm perspective should be proactive and aggressive. Behaving in such a manner, especially in a competitive environment could help the firms to face the uncertainties and challenges to enjoy the advantages that come with internationalization.

The relationships explored in the study would assist in developing training programmes for employees to be well-equipped with the interpersonal skills and exhibit entrepreneurial orientation towards firms' internationalization to any host country. This programme is useful to develop inner-cycle relationships, which broaden the international view of doing business as part of the practical application of this thesis's results.

Furthermore, from the organizational perspective, the management could use the findings of this study to ponder upon. Environmental forces always need to be monitored. This study provides concrete evidence that the environmental factors cannot be ignored and perceived as secondary as compared to internal planning and strategies. Founders need to be aware of the combination effects of EO and social networks that could change with the influence from external environmental forces which in turn could negatively impact the firm's competitiveness.

This study can be a guide for policy makers to draft policies that are useful for new ventures. Political ties are important to lobby the home government to provide the necessary contacts in the host country to reduce the challenges faced and the uncertainties faced by new, born-global firms. It is important for the home government to initiate a package that will provide them with the necessary contacts which are proven in this study to be important to groom the new, born-globals. In Cambodia, the association is established but not all the founders have joined the association. This proves that there is not enough support, and even if there is, it is not reaching those small firms. The public policy makers should direct the resources correctly at the right conditions for the small firms to encourage them to have the correct entrepreneurial posture to sustain the growth when they internationalized in the foreign market. This becomes more important as SMEs are becoming more important as revenue contributors to the nation. Public policy makers

could also tailor the support programmes to support them to be born-global firms. The government could use the existing association (i.e. Malaysia Business Council of Cambodia, The Associated Chinese Chambers of Commerce and Industry of Malaysia) to provide more sharing sessions that are targeted to specific business interests and industry for newcomers.

7.5 Recommendations for Future Study

To begin, this study focuses purely on SME contexts. Large firms have different characteristics and may behave differently from small firms as they possess different resources. Large firms' competitiveness may have the advantage of size and financial resources; yet they are not as flexible as small firms. Hence, the environmental effects on the EO-performance link are expected to be different when compared to smaller firms. Further studies could look at SMEs from a comparison angle to facilitate a better understanding.

Second, the data collected from Malaysian SMEs in Cambodia and the findings should be interpreted only within this context. Thus, this limits generalizability. Further studies are recommended to test the generalizability of this study, especially in the context of other emerging countries with similar characteristics. Furthermore, the use of measures that is validly applied and representing a variety of industries may hide differences across industries. Academics and practitioners may gain more to compare competitiveness between industries to assess whether specific patterns of superior performance vary across different business environments. By doing so, they could have deepened their understanding and working assumptions on the firms' competitiveness within a specific industry.

Third, the firms' social connections are dynamic, and they vary over time. This is explicated by Siggelkow and Levinthal (2003) that the firm's social ties are not static. Furthermore, changes in institutional environments and other socioeconomics factors could also influence the firms' competitiveness and sustainability. The combined effects of business environments and the co-evolving socio-economic and institutional contexts could form and exert strong pressure on the firm's competitiveness. Therefore, future studies could adopt a longitudinal approach to examine how these relationships undergo changes over time.

Finally, this study underlies the social networks to structural approach to show that EO may impede social networks in the study. Further investigations into this aspect, may include the stages of growth and development of SMEs in the emerging market and which could prove to be a fruitful avenue for research.

7.6 Conclusions

This study has engaged in a mixed method that addresses the knowledge gap on how small business firms internationalize, through in-depth interviews and together with the structural model which examines the factors that lead to the firms' competitiveness. The designated model is being tested on the mediation effect of the social network on the firms' competitiveness (i.e. sustainable competitive advantage) and moderated mediation effect of a competitive business environment. The introduction section reveals and discusses that the internationalization of SMEs is not fully covered and are explained fully well by the extant theories. Besides, they also discuss the factors that lead to the firms' competitiveness in the foreign market. EO is identified as the determinant factor to competitiveness. In addition, social networks are found to be contributory towards sustainable competitive advantage in the competitive environment. It develops an

essential improvement through the combined effects by creating the competitive advantage for SMEs in a dynamic and unstable business environment.

This research uses the case study method as the form of qualitative method and Smart PLS-SEM and Hayes moderated mediation approach for the structural and measurements models to confirm the models. The current study uses an advanced approach by using higher order measurement models and the Hayes moderated mediation model while most scholars are used to perform a univariate approach in the measurement models. This technique is useful in this research as it was found appropriate to examine the relationship of the models' latent variables by using the measurement and structural models. The Hayes moderated mediation approach is also used to further confirm that the model has the assessment ability to determine the conditional indirect effects of a competitive business environment.

The findings provide exciting insights for academicians, researchers, business founders of SMEs and policy makers. The results refute the existing internationalization theories as not all SMEs internationalize according to the famous prevalent theories such as RBV, Upsala model and Eclectic theories. Furthermore, the results support Hypothesis 1: Entrepreneurial orientation would be indirectly related to sustainable competitive advantage through social network. Thus, the outcome shows a positive significant relationship with the firms' sustainable competitive advantage. This finding corroborates with earlier research (Karami & Tang, 2019; Acosta, Crespo, and Agudo, 2018; Jiang, Liu, Fey and Jiang, 2018).

Hypothesis 2 claims that a competitive business environment would moderate the indirect association between entrepreneurial orientation and sustainable competitive

advantage through social networks. This indirect relationship between entrepreneurial orientation and sustainable competitive advantage could become stronger in more competitive business environments. The outcome of the analysis partially supports this hypothesis. This finding has improved on the weakness in the previous findings (Pratono, Darmasetiawan, Yudiarso & Jeong, 2019; Jiang, Liu, Fey and Jiang, 2018); when found that the relationship be examined in a contextual mode. In a competitive business environment, social networks contribute to the firm's sustainable competitive advantage, while not mediating the first path in the model from EO to social network. The findings suggest that whilst in a competitive environment, founders are more selective in utilising its networks to generate the social networks supremacy.

In this situation, establishing new social ties would not be beneficial and time consuming. Thus, the SMEs founders would use the established network information to enhance the internal resources to be more competitive, pre-empt their competitors and become more sustainable over time. Interestingly, the accumulation of the small firms' valuable resources would improve competitive advantage and generate economic rents. Instead, it could be concluded that the resources and social capital found in the social networks are complex; and require careful selection and motivation in acquiring and engaging these resources to produce the combined effect that is useful in selected contexts to achieve the sustained competitive advantage for the firms.

The models in the study help to improve the weakness of a resource-based view (RBV) by incorporating the strength of an institutional view. It stresses the drive towards sustainable competitive advantage of firms by adding on to the existing criteria of the internal resources: valuable, rare, non-imitable and non-substitutability. The findings

enhance the existing body of knowledge as it assesses the combined effects as the strengthening medium to a sustained competitive advantage of small firms.

Universiti Malaya

REFERENCES

- Abbas, J., Raza, S., Nurunnabi, M., Minai, M. S., & Bano, S. (2019). The impact of entrepreneurial business networks on firms' performance through a mediating role of dynamic capabilities. *Sustainability*, 11(11), 3006.
- Acosta, A. S., Crespo, Á. H., & Agudo, J. C. (2018). Effect of market orientation, network capability and entrepreneurial orientation on international performance of small and medium enterprises (SMEs). *International Business Review*, 27(6), 1128-1140.
- Aidis, R. (2005). Institutional barriers to small-and medium-sized enterprise operations in transition countries. *Small Business Economics*, 25(4), 305-317.
- Akhter, S. H., & Robles, F. (2006). Leveraging internal competency and managing environmental uncertainty. *International Marketing Review*, 23(1), 98-115.
- Aldrich, H. E., & Kim, P. H. (2007). Small worlds, infinite possibilities? How social networks affect entrepreneurial team formation and search. *Strategic Entrepreneurship Journal*, 1(1-2), 147-165.
- Aldrich, H. E., & Reese, P. R. (1993). Does networking pay off? A panel study of entrepreneurs in the research triangle. *Frontiers of Entrepreneurship Research*, 1993, 325-339.
- Aloulou, W., & Fayolle, A. (2005). A conceptual approach of entrepreneurial orientation within small business context. *Journal of Enterprising Culture*, 13(01), 21-45.
- Ambastha, A., & Momaya, K. (2004). Challenges for Indian software firms to sustain their global competitiveness. *Singapore Management Review*, 26(2), 65-78.
- Amit, R., & Schoemaker, P. J. (1993). Strategic assets and organizational rent. *Strategic Management Journal*, 14(1), 33-46.
- Anca, H. D. (2012). Literature review of the evolution of competitiveness concept. *Annals of the University of Oradea, Economic Science Series*, 21(1), 41-46.
- Anderson, B. S., Covin, J. G., & Slevin, D. P. (2009). Understanding the relationship between entrepreneurial orientation and strategic learning capability: An empirical investigation. *Strategic Entrepreneurship Journal*, 3(3), 218-240.

- Anderson, B. S., Kreiser, P. M., Kuratko, D. F., Hornsby, J. S., & Eshima, Y. (2015). Reconceptualizing entrepreneurial orientation. *Strategic Management Journal*, 36(10), 1579-1596.
- Aragón-Sánchez, A., & Sánchez-Marín, G. (2005). Strategic orientation, management characteristics, and performance: A study of Spanish SMEs. *Journal of Small Business Management*, 43(3), 287-308.
- Armstrong, J. S., & Overton, T. S. (1977). Estimating nonresponse bias in mail surveys. *Journal of Marketing Research*, 14(3), 396-402.
- Autio, E., & Acs, Z. (2010). Intellectual property protection and the formation of entrepreneurial growth aspirations. *Strategic Entrepreneurship Journal*, 4(3), 234-251.
- Autio, E., Sapienza, H.J. and Arenius, P. (2005), "International Social Capital, Technology Sharing, and Foreign Market Learning in Internationalizing Entrepreneurial Firms", Shepherd, D.A. and Katz, J.A. (Ed.) *International Entrepreneurship (Advances in Entrepreneurship, Firm Emergence and Growth*, 8, Emerald Group Publishing Limited, Bingley, 9-42.
- Babin, B. J., Hair, J. F., & Boles, J. S. (2008). Publishing research in marketing journals using structural equation modeling. *Journal of Marketing Theory and Practice*, 16(4), 279-286.
- Bagozzi, R. P., & Yi, Y. (1988). On The Evaluation of Structural Equation Models. *Journal of the Academy of Marketing Science*, 16(1), 74-94.
- Bagozzi, R. P., Yi, Y., & Phillips, L. W. (1991). Assessing construct validity in organizational research. *Administrative Science Quarterly*, 36(3), 421-458.
- Baily, P. (2008). Cambodian small and medium sized: Enterprises: Constraints, policies and proposals for their development. In Lim, H. (Ed.), *SME in Asia and Globalization*, ERIA Research Project Report 2007-5, 1-36. <http://www.eria.org/Cambodian%20Small%20and%20Medium%20sized%20Enterprises%20Constraints%20Policies%20and%20Proposals%20for%20their%20Development.pdf>
- Baker, W. E., & Sinkula, J. M. (2009). The complementary effects of market orientation and entrepreneurial orientation on profitability in small businesses. *Journal of Small Business Management*, 47(4), 443-464.

- Bamiatzi, V. C., & Kirchmaier, T. (2014). Strategies for superior performance under adverse conditions: A focus on small and medium-sized high-growth firms. *International Small Business Journal*, 32(3), 259-284.
- Barnet, W. P., & Pontikes, E. G. (2004). The Red Queen: History-dependant competition among organisations. *Research in Organizational Behavior*, 26, 1-35.
- Barney, J. (1991). Firm resources and sustained competitive advantage. *Journal Of Management*, 17(1), 99-120.
- Barney, J. B. (1995). Looking inside for competitive advantage. *The Academy of Management Executive*, 9(4), 49-61.
- Barney, J. B., & Wright, P. M. (1998). On becoming a strategic partner: The role of human resources in gaining competitive advantage. Human Resource Management: Published in Cooperation with the School of Business Administration, The University of Michigan and in alliance with the Society of Human Resources Management, 37(1), 31-46.
- Barney, J. B., & Zajac, E. J. (1994). Competitive organizational behavior: Toward an organizationally-based theory of competitive advantage. *Strategic Management Journal*, 15(S1), 5-9.
- Barreto, I. (2010). Dynamic capabilities: A review of past research and an agenda for the future. *Journal of Management*, 36(1), 256-280.
- Batjargal, B. (2003). Social capital and entrepreneurial performance in Russia: A longitudinal study. *Organization Studies*, 24(4), 535-556.
- Baum, J. A., Calabrese, T., & Silverman, B. S. (2000). Don't go it alone: Alliance network composition and startups' performance in Canadian biotechnology. *Strategic Management Journal*, 21(3), 267-294.
- Baxter, P., & Jack, S. (2008). Qualitative case study methodology: Study design and implementation for novice researchers. *The Qualitative Report*, 13(4), 544-559.
- Beck, T., & Demirguc-Kunt, A. (2006). Small and medium-size enterprises: Access to finance as a growth constraint. *Journal of Banking and Finance*, 30(11), 2931-2943.

- Becker, J. M., Klein, K., & Wetzels, M. (2012). Hierarchical latent variable models in PLS-SEM: Guidelines for using reflective-formative type models. *Long Range Planning*, 45(5-6), 359-394.
- Bennett, R. J. (2014). *Entrepreneurship, small business and public policy: Evolution and revolution*. London: Routledge.
- Bettis, R. A., & Hitt, M. A. (1995). The new competitive landscape. *Strategic Management Journal*, 16(S1), 7-19.
- Birkinshaw, J., & Hood, N. (2000). Characteristics of foreign subsidiaries in industry clusters. *Journal of International Business Studies*, 31(1), 141-154.
- Bogatyreva, K., Beliaeva, T., Shirokova, G., & Puffer, S. M. (2017). As different as chalk and cheese? The relationship between entrepreneurial orientation and SMEs' growth: Evidence from Russia and Finland. *Journal of East-West Business*, 23(4), 337-366.
- Boso, N., Story, V. M., & Cadogan, J. W. (2013). Entrepreneurial orientation, market orientation, network ties, and performance: Study of entrepreneurial firms in a developing economy. *Journal of Business Venturing*, 28(6), 708-727.
- Baumol, W. J., & Strom, R. J. (2007). Entrepreneurship and economic growth. *Strategic Entrepreneurship Journal*, 1(3-4), 233-237.
- Boxall, P. (1996). The Strategic HRM debate and the resource-based view of the firm. *Human Resource Management Journal*, 6(3), 59-75.
- Boyd, B. K., Gove, S., & Hitt, M. A. (2005). Construct measurement in strategic management research: Illusion or reality? *Strategic Management Journal*, 26(3), 239-257.
- Brannen, J. (2005). Mixing methods: The entry of qualitative and quantitative approaches into the research process. *International Journal of Social Research Methodology*, 8(3), 173-184.
- Breitmayer, B. J., Ayres, L., & Knafl, K. A. (1993). Triangulation in qualitative research: Evaluation of completeness and confirmation purposes. *Journal of Nursing Scholarship*, 25(3), 237-243.

- Brownhilder, N. (2016). Examining the moderating effect of environmental hostility on the entrepreneurial orientation-performance relationship. *Journal of Economics and Behavioral Studies*, 8(6 (J)), 6-18.
- Brush, C. G., Greene, P. G., & Hart, M. M. (2001). From initial idea to unique advantage: The entrepreneurial challenge of constructing a resource base. *Academy of Management Perspectives*, 15(1), 64-78.
- Bruton, G. D., Ahlstrom, D., & Li, H. L. (2010). Institutional theory and entrepreneurship: Where are we now and where do we need to move in the future?. *Entrepreneurship Theory and Practice*, 34(3), 421-440.
- Bryman, A., & Bell, E. (2007). *Business research method* (second ed.): Oxford University Press.
- Buckley, P. J., & Casson, M. C. (1998). Analyzing foreign market entry strategies: Extending the internalization approach. *Journal of International Business Studies*, 29(3), 539-561.
- Buckley, P. J., Pass, C. L., & Prescott, K. (1988). Measures of international competitiveness: A critical survey. *Journal of Marketing Management*, 4(2), 175-200.
- Burt, R. S. (1992). Structural holes: The social structure of competition. *Harvard University Press*.
- Burt, R. S. (1997). The contingent value of social capital. *Administrative Science Quarterly*, 42(2), 339-365.
- Burt, R. S. (2001). Attachment, decay, and social network. *Journal of Organizational Behavior*, 22(6), 619-643.
- Calof, J. L., & Beamish, P. W. (1995). Adapting to foreign markets: Explaining internationalization. *International Business Review*, 4(2), 115-131.
- Cambodia-Malaysia trade grows nearly 20 percent in first quarter of 2014. (2014, June 12). *ASEAN Briefing*. <https://www.aseanbriefing.com/news/cambodia-malaysia-trade-grows-nearly-20-percent-first-quarter-2014/>
- Cambodian National Institute of Statistics Yearbook (2006).

- Campbell, J. M., & Park, J. (2017). Extending the resource-based view: Effects of strategic orientation toward community on small business performance. *Journal of Retailing and Consumer Services*, 34, 302-308.
- Cao, D., Berkeley, N., & Finlay, D. (2014). Measuring sustained competitive advantage from resource-based view: Survey of Chinese clothing industry. *Journal of Sustainable Development*, 7(2), 89.
- Caruana, A., Ewing, M. T., & Ramaseshan. (2002). Effects of some environmental challenges and centralization on the entrepreneurial orientation and performance of public sector entities. *Service Industries Journal*, 22(2), 43-58.
- Cassel, C., Hackl, P., & Westlund, A. H. (1999). Robustness of partial least-squares method for estimating latent variable quality structures. *Journal of Applied Statistics*, 26(4), 435-446.
- Cavusgil, S. T., & Knight, G. (2015). The born global firm: An entrepreneurial and capabilities perspective on early and rapid internationalization. *Journal of International Business Studies*, 46(1), 3-16.
- Cerrato, D., & Depperu, D. (2011). Unbundling the construct of firm-level international competitiveness. *Multinational Business Review*, 19(4), 311-331.
- Chang, T. T., & Ha-Brookshire, J. (2011). Business activities, competitive resources and ownership types of Chinese textile and apparel manufacturing firms. *International Journal of Fashion Design, Technology and Education*, 4(2), 115-125.
- Charmaz, K. (2006). *Constructing grounded theory: A practical guide through qualitative analysis*. Thousand Oaks, California: Sage Publications, Inc.
- Chell, E., & Baines, S. (2000). Networking, entrepreneurship and microbusiness behaviour. *Entrepreneurship & Regional Development*, 12(3), 195-215.
- Cheung, C. M. K., & Lee, M. K. O. (2010). A theoretical model of intentional social action in online social networks. *Decision Support Systems*, 49(1), 24-30.
- Churchill, G. A. & Iacobucci, D. (2005). *Marketing research: Methodological foundations* (9th ed.). Mason, Ohio : Thomson/South-Western.

- Chin, W. W. (1998). The partial least squares approach to structural equation modelling In: Marcoulides, G.A. (Ed.), *Modern Methods for Business Research* (pp. 295-358). Mahwah, NJ: Lawrence Erlbaum Associates.
- Chin, W. W. (2010). How to Write Up and Report PLS Analyses In *Handbook of partial least squares* (pp. 655-690): Springer Berlin Heidelberg.
- Churchill Jr., G. A. (1979). A paradigm for developing better measures of marketing constructs. *Journal Of Marketing Research (JMR)*, 16(1), 64-73.
- Ciavolino, E., & Nitti, M. (2013). Using the hybrid two-step estimation approach for the identification of second-order latent variable models. *Journal of Applied Statistics*, 40(3), 508-526.
- Coase, R. H. (1937). The nature of the firm. *Economica*, 4(16), 386-405.
- Cohen, J. (1988). *Statistical power analysis for the behavioural sciences* (second edition ed.). Hillsdale, New Jersey: Lawrence Erlbaum Associates.
- Collins, K. M., Onwuegbuzie, A. J., & Jiao, Q. G. (2006). Prevalence of mixed-methods sampling designs in social science research. *Evaluation & Research in Education*, 19(2), 83-101.
- Colquitt, J. A., & Zapata-Phelan, C. P. (2007). Trends in theory building and theory testing: A five-decade study of the Academy of Management Journal. *Academy of Management Journal*, 50(6), 1281-1303.
- Cooper, J. R. (1998). A multidimensional approach to the adoption of innovation. *Management Decision*, 36(8), 493-502.
- Cooper, D. R., Schindler, P. S., & Sun, J. (2006). *Business research methods* (Vol. 9). New York: McGraw-Hill Irwin.
- Corbett, C., & Van Wassenhove, L. (1993). Trade-offs? What trade-offs? Competence and competitiveness in manufacturing strategy. *California Management Review*, 35(4), 107-122.
- Cornell University, INSEAD, and WIPO (2017): The Global Innovation Index 2017: Innovation Feeding the World, Ithaca, Fontainebleau, and Geneva. https://www.wipo.int/edocs/pubdocs/en/wipo_pub_gii_2017.pdf

- Corner, K. R. (1991). A historical comparison of resource-based theory and five schools of thought within industrial organization economics: Do we have a new theory of the firm? *Journal of Management*, 17(1), 121-154.
- Transparency International (2020) Corruption Perceptions Index 2019. https://www.transparency.org/news/feature/cpi_2019_Asia_Pacific
- Coviello, N. E., & Munro, H. J. (1995). Growing the entrepreneurial firm. *European Journal of Marketing*, 29(7), 49-61.
- Covin, J. G., & Miles, M. P. (1999). Corporate entrepreneurship and the pursuit of competitive advantage. *Entrepreneurship Theory and Practice*, 23(3), 47-63.
- Covin, J. G., & Miller, D. (2014). International entrepreneurial orientation: conceptual considerations, research themes, measurement issues, and future research directions. *Entrepreneurship Theory and Practice*, 38(1), 11-44.
- Covin, J. G., & Slevin, D. P. (1989). Strategic management of small firms in hostile and benign environments. *Strategic Management Journal*, 10(1), 75-87.
- Covin, J. G., & Slevin, D. P. (1991). A conceptual model of entrepreneurship as firm behavior. *Entrepreneurship Theory and Practice*, 16(1), 7-26.
- Cramer, D. (2003). *Advanced Quantitative Data Analysis*: McGraw-Hill Education (UK).
- Creswell, J. W. (1994). *Research design: Qualitative and quantitative approaches*. Thousand Oaks: Sage.
- Creswell, J. W. (2002). *Educational research: Planning, conducting, and evaluating quantitative and qualitative Research*. Upper Saddle River, NJ: Pearson Education.
- Creswell, J. W., & Clark, V. L. P. (2007). *Designing and Conducting Mixed Methods Research*. Thousand Oaks, CA: Sage Publications.
- Crick, D. (1995). An investigation into the targeting of UK export assistance. *European Journal of Marketing*, 29(8), 76-94.

- Cucculelli, M., & Micucci, G. (2019). The age effect in entrepreneurship: founder tenure, firm performance, and the economic environment. In *Handbook of Research on Entrepreneurship and Aging*. Edward Elgar Publishing.
- Danes, S. M., Stafford, K., Haynes, G., & Amarapurkar, S. S. (2009). Family capital of family firms: Bridging human, social, and financial capital. *Family Business Review*, 22(3), 199-215.
- Danks, N. and Ray, S. (2018), "Predictions from Partial Least Squares Models", Ali, F., Rasoolimanesh, S. and Cobanoglu, C. (Ed.) *Applying Partial Least Squares in Tourism and Hospitality Research*, Emerald Publishing Limited, pp. 35-52.
- Darlington, Y. and Scott, D. (2002) *Qualitative research in practice: Stories from the field*. St Leonards: Allen and Unwin.
- Davis, D. (2005). *Business research for decision making*, Mason, OH: Thomson/South-Western
- Dawes, J. (2008). Do data characteristics change according to the number of scale points used? An experiment using 5-point, 7-point and 10-point scales. *International Journal of Market Research*, 50(1), 61-104.
- Day, G. S. (1994). The capabilities of market-driven organizations. *Journal of Marketing*, 58(4), 37-52.
- Dean, T. J., Brown, R. L., & Bamford, C. E. (1998). Differences in large and small firm responses to environmental context: Strategic implications from a comparative analysis of business formations. *Strategic Management Journal*, 19(8), 709-728.
- Dess, G. G., & Beard, D. W. (1984). Dimensions of organizational task environments. *Administrative Science Quarterly*, 52-73.
- Dess, G. G., Gupta, A., Hennart, J. F., & Hill, C. W. (1995). Conducting and integrating strategy research at the international, corporate, and business levels: Issues and directions. *Journal of Management*, 21(3), 357-393.
- Dess, G. G., Lumpkin, G. T., & Covin, J. G. (1997). Entrepreneurial strategy making and firm performance: tests of contingency and configurational models. *Strategic Management Journal*, 18(9), 677-695.

- Dierickx, I., & Cool, K. (1989). Asset stock accumulation and sustainability of competitive advantage. *Management Science*, 35(12), 1504-1511.
- Døving, E., & Gooderham, P. N. (2008). Dynamic capabilities as antecedents of the scope of related diversification: The case of small firm accountancy practices. *Strategic Management Journal*, 29(8), 841-857.
- Drucker, P. F. (2011). *The age of discontinuity: Guidelines to our changing society*. Transaction Publishers.
- Dutta, S., & Evrard, P. (1999). Information technology and organisation within European small enterprises. *European Management Journal*, 17(3), 239-251.
- Dworkin, S. (2012). Sample size policy for qualitative studies using in-depth interviews. *Archives of Sexual Behavior*, 41(6), 1319-1320.
- Dyer Jr, W. G., & Panicheva Mortensen, S. (2005). Entrepreneurship and family business in a hostile environment: The case of Lithuania. *Family Business Review*, 18(3), 247-258.
- Dyer, W. G., & Handler, W. (1994). Entrepreneurship and family business: Exploring the connections. *Entrepreneurship Theory and Practice*, 19(1), 71-71.
- Dyer, L. M., & Ross, C. A. (2008). Seeking advice in a dynamic and complex business environment: Impact on the success of small firms. *Journal of Developmental Entrepreneurship*, 13(02), 133-149.
- Eberl, M. (2010). An application of PLS in multi-group analysis: The need for differentiated corporate-level marketing in the mobile communications industry *Handbook of partial least squares* (pp. 487-514): Springer.
- Eisenhardt, K. M. (1989). Building theories from case study research. *Academy of Management Review*, 14(4), 532-550.
- Eisenhardt, K. M., & Schoonhoven, C. B. (1996). Resource-based view of strategic alliance formation: Strategic and social effects in entrepreneurial firms. *Organization Science*, 7(2), 136-150.
- Ellis, P. (2000). Social ties and foreign market entry. *Journal of International Business Studies*, 31(3), 443-469.

- Ellis, P. D. (2011). Social ties and international entrepreneurship: Opportunities and constraints affecting firm internationalization. *Journal of International Business Studies*, 42(1), 99-127.
- Ellis, P., & Pecotich, A. (2001). Social factors influencing export initiation in small and medium-sized enterprises. *Journal of Marketing Research*, 38(1), 119-130.
- Emoke-Szidónia, F. (2015). International entrepreneurial orientation and performance of Romanian small and medium-sized firms: Empirical assessment of direct and environment moderated relations. *Procedia Economics and Finance*, 32(15), 186-193.
- Engel, Y., Kaandorp, M., & Elfring, T. (2017). Toward a dynamic process model of entrepreneurial networking under uncertainty. *Journal of Business Venturing*, 32(1), 35-51.
- Erickson, F. (1985). Qualitative Methods in Research on Teaching. Occasional Paper No. 81.
- Etemad, H. (2004). Internationalization of small and medium-sized enterprises: A grounded theoretical framework and an overview. *Canadian Journal of Administrative Sciences/Revue Canadienne des Sciences de l'Administration*, 21(1), 1-21.
- Falk, R. F., & Miller, N. B. (1992). *A primer for soft modeling*. Akron, Ohio: University of Akron Press.
- Faul, F., Erdfelder, E., Buchner, A., & Lang, A. G. (2009). Statistical power analyses using G* Power 3.1: Tests for correlation and regression analyses. *Behavior Research Methods*, 41(4), 1149-1160.
- Feurer, R., & Chaharbaghi, K. (1994). Defining competitiveness: A holistic approach. *Management Decision*, 32(2), 49-58.
- Fiegenbaum, A., & Karnani, A. (1991). Output flexibility—a competitive advantage for small firms. *Strategic Management Journal*, 12(2), 101-114.
- Fligstein, N. (2008). Chapter 11 Markets as politics: A political-cultural approach to market institutions. *Readings in Economic Sociology*, 4, 197.

- Fogel, G. (2001). An analysis of entrepreneurial environment and enterprise development in Hungary. *Journal of Small Business Management*, 39(1), 103-109.
- Foley, D., & O'Connor, A. J. (2013). Social capital and the networking practices of indigenous entrepreneurs. *Journal of Small Business Management*, 51(2), 276-296.
- Fang, R., Chi, L., Chen, M., & Baron, R. A. (2015). Bringing political skill into social networks: Findings from a field study of entrepreneurs. *Journal of Management Studies*, 52(2), 175-212.
- Fornell, C., & Bookstein, F. L. (1982). Two structural equation models: LISREL and PLS applied to consumer exit-voice theory. *Journal of Marketing research*, 19(4), 440-452.
- Fornell, C., & Cha, J. (1994). *Partial Least Squares* (Vol. 407).
- Fornell, C., & Larcker, D. F. (1981). Evaluating structural equation models with unobservable variables and measurement error. *Journal of Marketing Research*, 18(1), 39-50.
- Foss, L. (1994). Entrepreneurship: The impact of human capital, a social network and business resources on start-up.
- Freeman, S., & Cavusgil, S. T. (2007). Toward a typology of commitment states among managers of born-global firms: A study of accelerated internationalization. *Journal of International Marketing*, 15(4), 1-40.
- Furman, J. L., Porter, M. E., & Stern, S. (2000, August). Understanding the drivers of national innovative capacity. In *Academy of Management Proceedings* (Vol. 2000, No. 1, pp. A1-A6). Briarcliff Manor, NY 10510: Academy of Management.
- Garson, G. D. (2012). *Testing statistical assumptions*. Asheboro, USA: Statistical Publishing Associates.
- Gartner, W. B. (1988). "Who is an entrepreneur?" is the wrong question. *American Journal Of Small Business*, 12(4), 11-32.
- Gathungu, J. M., Aiko, D. M., & Machuki, V. N. (2014). Entrepreneurial orientation, networking, external environment, and firm performance: A critical literature review. *European Scientific Journal*, 10(7).

- Gefen, D., Straub, D., & Boudreau, M. C. (2000). Structural equation modeling and regression: guidelines for research practice. *Communications of the association for information systems*, 4(1), 1-79.
- Gholami, R., Sulaiman, A. B., Ramayah, T., & Molla, A. (2013). Senior managers' perception on green information systems (IS) adoption and environmental performance: Results from a field survey. *Information Management*, 50(7), 431-438.
- Ginsberg, A. (1994). Minding the competition: From mapping to mastery. *Strategic Management Journal*, 15(S1), 153-174.
- Glaister, K. W., & Buckley, P. J. (1996). Strategic motives for international alliance formation. *Journal of Management Studies*, 33(3), 301-332.
- Gold, A. H., Malhotra, A., & Segars, A. H. (2001). Knowledge management: An organisational capabilities perspective. *Journal of Management Information Systems*, 18(1), 185-214.
- Goldgerg, L. (2012). *Move to Cambodia: A guide to living and working in the Kingdom of Wonder*. Imaginary Shapes.
- Goold, M., & Campbell, A. (2002). Do you have a well-designed organization? *Harvard business review*, 80(3), 117-124.
- Graham, J. R. (1999). Herding among investment newsletters: Theory and evidence. *The Journal of Finance*, 54(1), 237-268.
- Granovetter, M. (1982). The strength of weak ties: A network theory revisited. *Social structure and network analysis*. PV Marsden and N. Lin. Beverly Hills.
- Granovetter, M. (1985). Economic action and social structure: The problem of embeddedness. *American Journal Of Sociology*, 91(3), 481-510.
- Grant, R. M. (1991). The resource-based theory of competitive advantage: Implications for strategy formulation. *California Management Review*, 33(3), 114-135.
- Gronum, S., Verreynne, M. L., & Kastle, T. (2012). The role of networks in small and medium-sized enterprise innovation and firm performance. *Journal of Small Business Management*, 50(2), 257-282.

- Guercini, S., & Ranfagni, S. (2016). Conviviality behavior in entrepreneurial communities and business networks. *Journal of Business Research*, 69(2), 770-776.
- Gulati, R. (1999). Network location and learning: the influence of network resources and firm capabilities on alliance formation. *Strategic Management Journal*, 20(5), 397-420.
- Gulati, R., Lavie, D., & Madhavan, R. R. (2011). How do networks matter? The performance effects of interorganizational networks. *Research in Organizational Behavior*, 31, 207-224.
- Gunasekaran, A., Rai, B. K., & Griffin, M. (2011). Resilience and competitiveness of small and medium size enterprises: An empirical research. *International Journal of Production Research*, 49(18), 5489-5509.
- Gunawan, T., Jacob, J., & Duysters, G. (2016). Network ties and entrepreneurial orientation: Innovative performance of SMEs in a developing country. *International Entrepreneurship and Management Journal*, 12(2), 575-599.
- Guo, H., Tang, J., Su, Z., & Katz, J. A. (2017). Opportunity recognition and SME performance: The mediating effect of business model innovation. *R&D Management*, 47(3), 431-442.
- Gupta, V. K., & Gupta, A. (2015). Relationship between entrepreneurial orientation and firm performance in large organizations over time. *Journal of International Entrepreneurship*, 13(1), 7-27.
- Gupta, V. K., & Wales, W. J. (2017). Assessing organisational performance within entrepreneurial orientation research: Where have we been and where can we go from here?. *The Journal of Entrepreneurship*, 26(1), 51-76.
- Gnyawali, D. R., & Fogel, D. S. (1994). Environments for entrepreneurship development: Key dimensions and research implications. *Entrepreneurship Theory and Practice*, 18(4), 43-62.
- Hair, J. F., Babin, B., Money, A. H., & Samouel, P. (2007). *Essential of business research methods*. Chichester, West Sussex: John Wiley & Son, Inc.
- Hair, J. F., Black, W. C., Babin, B. J., & Anderson, R. E. (2010). *Multivariate data analysis: A global perspective* (7th ed.). New Jersey Pearson: Prentice Hall.

- Hair, J. F., Ringle, C. M., & Sarstedt, M. (2011). PLS-SEM: Indeed a silver bullet. *Journal of Marketing Theory and Practice*, 19(2), 139-152.
- Hair, J. F., Risher, J. J., Sarstedt, M., & Ringle, C. M. (2019). When to use and how to report the results of PLS-SEM. *European Business Review*, 31(1), 2-24.
- Hair Jr, J.F., Sarstedt, M., Hopkins, L., & Kuppelwieser, V.G. (2014). Partial least squares structural equation modeling (PLS-SEM): An emerging tool in business research. *European Business Review*, 26(2), 106-121.
- Hair, J. F., Tatham, R. L., Anderson, R. E., & Black, W. (2006). *Multivariate data analysis* (Vol. 6). Upper Saddle River, NJ: Pearson Prentice Hall.
- Hall, R. (1993). A framework linking intangible resources and capabilities to sustainable competitive advantage. *Strategic Management Journal*, 14(8), 607-618.
- Hamel, G. & Prahalad, C.K. (2005), Strategic intent. *Harvard Business Review*, 83(7), 148-161.
- Hamel, G., Doz, Y., & Prahalad, C. K. (1989). Collaborate with your competitors and win. *Harvard Business Review*, 67(1), 133-139.
- Hanson, W. E., Creswell, J. W., Clark, V. L. P., Petska, K. S., & Creswell, J. D. (2005). Mixed methods research designs in counseling psychology. *Journal of Counseling Psychology*, 52(2), 224.
- Hausman, A. (2005). Innovativeness among small businesses: Theory and propositions for future research. *Industrial Marketing Management*, 34(8), 773-782.
- Hausman, A., & Fontenot, R. J. (1999). Generational business relationships: A multi-site case study of family owned businesses. *Journal of Business and Entrepreneurship*, 1(2), 41-58.
- Hayes, A. F. (2009). Beyond Baron and Kenny: statistical mediation analysis in the new millennium. *Communication Monographs*, 76(4), 408-420.
- Hayes, A. F. (2015). An index and test of linear moderated mediation. *Multivariate Behavioral Research*, 50(1), 1-22.

- Hayes, A. F. (2017). *Introduction to mediation, moderation, and conditional process analysis: A regression-based approach*. New York: Guilford publications.
- Hayes, A. F. (2018). Partial, conditional, and moderated moderated mediation: Quantification, inference, and interpretation. *Communication Monographs*, 85(1), 4-40.
- Hedvall, K., Jagstedt, S., & Dubois, A. (2019). Solutions in business networks: Implications of an interorganizational perspective. *Journal of Business Research*, 104, 411-421.
- Henderson, R., & Cockburn, I. (1994). Measuring competence? Exploring firm effects in pharmaceutical research. *Strategic Management Journal*, 15(S1), 63-84.
- Henseler, J. (2010). On the convergence of the partial least squares path modeling algorithm. *Computational Statistics*, 25(1), 107-120.
- Henseler, J., Hubona, G., & Ray, P. A. (2016). Using PLS path modeling in new technology research: Updated guidelines. *Industrial Management & Data Systems*, 116(1), 2-20.
- Henseler, J., Ringle, C. M., & Sarstedt, M. (2015). A new criterion for assessing discriminant validity in variance-based structural equation modeling. *Journal of the Academic Marketing Science*, 43(1), 115-135.
- Henseler, J., Ringle, C. M., & Sinkovics, R. R. (2009). The use of partial least squares path modeling in international marketing. In R.R. Sinkovics & P.N. Ghauri (Eds.), *Advances in international marketing* (Vol. 20, pp. 277-320). Bingley, UK: Emerald.
- Hernández-Linares, R., Kellermanns, F. W., & López-Fernández, M. C. (2020). Dynamic capabilities and SME performance: The moderating effect of market orientation. *Journal of Small Business Management*, 0(0), 1-34.
- Hitt, M. A., Ahlstrom, D., Dacin, M. T., Levitas, E., & Svobodina, L. (2004). The institutional effects on strategic alliance partner selection in transition economies: China vs. Russia. *Organization Science*, 15(2), 173-185.
- Hitt, M. A., Gimeno, J., & Hoskisson, R. E. (1998). Current and future research methods in strategic management. *Organizational Research Methods*, 1(1), 6-44.

- Hitt, M. A., Ireland, R. D., & Stadter, G. (1982). Functional importance and company performance: Moderating effects of grand strategy and industry type. *Strategic Management Journal*, 3(4), 315-330.
- Hoang, H., & Antoncic, B. (2003). Network-based research in entrepreneurship: A critical review. *Journal Of Business Venturing*, 18(2), 165-187.
- Hoffman, A. J. (1999). Institutional evolution and change: Environmentalism and the US chemical industry. *Academy of Management Journal*, 42(4), 351-371.
- Holmstrom, B. R., & Tirole, J. (1989). The theory of the firm. *Handbook of Industrial Organization*, 1, 61-133.
- Hooley, G., & Greenley, G. (2005). The resource underpinnings of competitive positions. *Journal of Strategic Marketing*, 13(2), 93-116.
- Horne, M., Lloyd, P., Pay, J., & Roe, P. (1992). Understanding the competitive process A guide to effective intervention in the small firms sector. *European Journal of Operational Research*, 56(1), 54-66.
- Hoskisson, R. E., Eden, L., Lau, C. M., & Wright, M. (2000). Strategy in emerging economies. *Academy Of Management Journal*, 43(3), 249-267.
- Hoskisson, R. E., Hitt, M. A., Wan, W. P., & Yiu, D. (1999). Theory and research in strategic management: Swings of a pendulum. *Journal of Management*, 25(3), 417-456.
- Hsieh, H. F., & Shannon, S. E. (2005). Three approaches to qualitative content analysis. *Qualitative Health Research*, 15(9), 1277-1288.
- Hulland, J. (1999). Use of Partial Least Squares (PLS) in strategic management research: A review of four recent studies. *Strategic Management Journal*, 20(2), 195-204.
- Hunt, S. D., & Morgan, R. M. (1995). The comparative advantage theory of competition. *Journal of Marketing*, 59(2), 1-15.
- Hussey, J., & Hussey, R. (1997). *Business Research: A Practical Guide for Undergraduate and Post graduate Research*. London: Macmillan Press.

- Huovinen, S., & Pasanen, M. (2010). Entrepreneurial and management teams: What makes the difference? *Journal of Management & Organization*, 16(3), 436-453.
- Ibeh, K. I. (2003). Toward a contingency framework of export entrepreneurship: Conceptualisations and empirical evidence. *Small Business Economics*, 20(1), 49-68.
- Institute of Management Developmental and World Economic Forum, 1993. The World Competitiveness Report 1993, Lausanne, Switzerland.
- Jankowicz, A. D. (2005). *Business research projects*. Cengage Learning EMEA.
- Jansen, J. J., Van Den Bosch, F. A., & Volberda, H. W. (2005). Managing potential and realized absorptive capacity: How do organizational antecedents matter? *Academy of Management Journal*, 48(6), 999-1015.
- Jarvis, C. B., MacKenzie, S. B., & Podsakoff, P. M. (2003). A critical review of construct indicators and measurement model misspecification in marketing and consumer research. *Journal of Consumer Research*, 30(2), 199-218.
- Jaworski, B. J., & Kohli, A. K. (1993). Market orientation: Antecedents and consequences. *Journal of Marketing*, 57(3), 53-70.
- Jiang, X., Liu, H., Fey, C., & Jiang, F. (2018). Entrepreneurial orientation, network resource acquisition, and firm performance: A network approach. *Journal of Business Research*, 87, 46-57.
- Johanson, J., & Mattsson, L. G. (2015). Internationalisation in industrial systems—a network approach. In *Knowledge, networks and power* (pp. 111-132). Palgrave Macmillan, London.
- Johanson, J., & Vahlne, J. E. (1977). The internationalization process of the firm—A model of knowledge development and increasing foreign market commitments. *Journal of International Business Studies*, 8(1), 23-32.
- Johanson, J., & Vahlne, J. E. (1990). The mechanism of internationalisation. *International Marketing Review*, 7(4), 11-24.
- Johanson, J., & Wiedersheim-Paul, F. (1975). The internationalization of the firm—Four Swedish cases. *Journal of Management Studies*, 12(3), 305-323.

- Johnson, D. (2001). What is innovation and entrepreneurship? Lessons for larger organisations. *Industrial and Commercial Training*, 33(4), 135-140.
- Jones, O., & Macpherson, A. (2006). Inter-organizational learning and strategic renewal in SMEs: Extending the 4I framework. *Long Range Planning*, 39(2), 155-175.
- Judd, C. M., & Kenny, D. A. (1981). Process analysis: Estimating mediation in treatment evaluations. *Evaluation Review*, 5(5), 602-619.
- Judge, W. Q., & Zeithaml, C. P. (1992). Institutional and strategic choice perspectives on board involvement in the strategic decision process. *Academy of Management Journal*, 35(4), 766-794.
- Kajalo, S., & Lindblom, A. (2015). Market orientation, entrepreneurial orientation and business performance among small retailers. *International Journal of Retail & Distribution Management*, 43(7), 580-596.
- Kali, K. (2016, November 9). Sliding scale to soften tax blow. *The Phnom Penh Post*. <https://www.phnompenhpost.com/national/sliding-scale-soften-tax-blow>
- Karami, M., & Tang, J. (2019). Entrepreneurial orientation and SME international performance: The mediating role of networking capability and experiential learning. *International Small Business Journal*, 37(2), 105-124.
- Keats, B. W., & Hitt, M. A. (1988). A causal model of linkages among environmental dimensions, macro organizational characteristics, and performance. *Academy of Management Journal*, 31(3), 570-598.
- Kline, R. B. (1998). *Principles and practice of structural equation modeling*. New York, NY: The Guilford Press.
- Kline, R. B. (2011). *Principles and practice of structural equation modeling*. New York: Guilford Press.
- Knight, G. (2015). Born global firms: Evolution of a contemporary phenomenon. In Zou, S., Xu, H. and Shi, L.H. (Eds.): *Entrepreneurship in International Marketing (Advances in International Marketing*, 25, 3-19, Emerald Group Publishing Limited.
- Knight, G. A., & Cavusgil, S. T. (2004). Innovation, organizational capabilities, and the born-global firm. *Journal of International Business Studies*, 35(2), 124-141.

- Knight, G. A., & Liesch, P. W. (2016). Internationalization: From incremental to born global. *Journal of World Business*, 51(1), 93-102.
- Kock, N. (2011). Using WarpPLS in e-collaboration studies: Descriptive statistics, settings, and key analysis results. *International Journal of e-Collaboration*, 7(2), 1-18.
- Kock, N. (2013). *WarpPLS 4.0 user manual*. Laredo: TX: ScriptWarp Systems.
- Kock, N. (2014). *One-tailed or two-tailed P values in PLS-SEM?* Laredo, TX: Script Warp Systems.
- Kock, N., & Lynn, G. S. (2012). Lateral collinearity and misleading results in variance-based SEM: An illustration and recommendations. *Journal of the Association for Information Systems*, 13(7), 546-580.
- Kogut, B. (1991). Joint ventures and the option to expand and acquire. *Management Science*, 37(1), 19-33.
- Kohli, A. K., & Jaworski, B. J. (1990). Market orientation: The construct, research propositions, and managerial implications. *Journal of Marketing*, 54(2), 1-18.
- Kohn, T. O. (1997). Small firms as international players. *Small Business Economics*, 9(1), 45-51.
- Krackhardt, D., Nohria, N., & Eccles, B. (2003). The strength of strong ties. *Networks in the knowledge economy*, 82.
- Kregar, T. B., & Antoncic, B. (2014). Entrepreneurial networks: The multiplexity of exchange content. *Economic and Social Development: Book of Proceedings*, 389.
- Kreiser, P. M., & Davis, J. (2010). Entrepreneurial orientation and firm performance: The unique impact of innovativeness, proactiveness, and risk-taking. *Journal of Small Business and Entrepreneurship*, 23(1), 39-51.
- Kreiser, P. M., Marino, L. D., & Weaver, K. M. (2002, August). Reassessing the environment-orientation link: The impact of environmental hostility on the dimensions of entrepreneurial orientation. In *Academy of Management Proceedings* (Vol. 2002, No. 1, pp. G1-G6). Briarcliff Manor, NY 10510: Academy of Management.

- Kreiser, P. M., Marino, L. D., Kuratko, D. F., & Weaver, K. M. (2013). Disaggregating entrepreneurial orientation: The non-linear impact of innovativeness, proactiveness and risk-taking on SME performance. *Small Business Economics*, 40(2), 273-291.
- Kumar, V., Jones, E., Venkatesan, R., & Leone, R. P. (2011). Is market orientation a source of sustainable competitive advantage or simply the cost of competing? *Journal of Marketing*, 75(1), 16-30.
- Kumar, M., Talib, S. A., & Ramayah, T. (2013). *Business research methods*. Oxford: Oxford University Press.
- Kvale, S. (1994a, April). Validation as Communication and Action: On the Social Construction of Validity. In Annual Meeting of the American Educational Research Association Conference, New Orleans.
- Kvale, S. (1994b). Ten standard objections to qualitative research interviews. *Journal of Phenomenological Psychology*, 25(2), 147-173.
- Lado, A. A., Boyd, N. G., & Wright, P. (1992). A competency-based model of sustainable competitive advantage: Toward a conceptual integration. *Journal of Management*, 18(1), 77-91.
- Lavie, D. (2006). The competitive advantage of interconnected firms: An extension of the resource-based view. *Academy of Management Review*, 31(3), 638-658.
- Lawrence, P. R., & Lorsch, J. W. (1967). Differentiation and integration in complex organizations. *Administrative Science Quarterly*, 1-47.
- Lechner, C., Dowling, M., & Welp, I. (2006). Firm networks and firm development: The role of the relational mix. *Journal of Business Venturing*, 21(4), 514-540.
- Lee, S., Park, G., Yoon, B., & Park, J. (2010). Open innovation in SMEs—An intermediated network model. *Research Policy*, 39(2), 290-300.
- Lee, T., & Chu, W. (2013). How entrepreneurial orientation, environmental dynamism, and resource rareness influence firm performance. *Journal of Management & Organization*, 19(2), 167-187.

- Lee, Y., Zhuang, Y., Joo, M., & Bae, T. J. (2019). Revisiting Covin and Slevin (1989): Replication and extension of the relationship between entrepreneurial orientation and firm performance. *Journal of Business Venturing Insights*, 12, e00144.
- Leedy, P. D., & Ormrod, J. E. (2010). *Practical research: Planning and Design* (9th ed). Upper Saddle River, New Jersey: Pearson
- Leonidou, L. C. (2004). An analysis of the barriers hindering small business export development. *Journal of Small Business Management*, 42(3), 279-302.
- Lewis, B. R., Templeton, G. F., & Byrd, T. A. (2005). A Methodology for Construct Development in MIS Research. *European Journal of Information Systems*, 14(4), 388-400.
- Liesch, P. W., & Knight, G. A. (1999). Information internalization and hurdle rates in small and medium enterprise internationalization. *Journal of International Business Studies*, 30(2), 383-394.
- Lincoln, Y. S., Lynham, S. A., & Guba, E. G. (2011). Paradigmatic controversies, contradictions, and emerging confluences, revisited. *The Sage Handbook of Qualitative Research*, 4, 97-128.
- Linton, G., & Kask, J. (2017). Configurations of entrepreneurial orientation and competitive strategy for high performance. *Journal of Business Research*, 70, 168-176.
- Lisboa, A., Skarmeas, D., & Lages, C. (2011). Entrepreneurial orientation, exploitative and explorative capabilities, and performance outcomes in export markets: A resource-based approach. *Industrial Marketing Management*, 40(8), 1274-1284.
- Liu, H. M., & Yang, H. F. (2019). Managing network resource and organizational capabilities to create competitive advantage for SMEs in a volatile environment. *Journal of Small Business Management*, 57(sup2), 155-171.
- Lomberg, C., Urbig, D., Stöckmann, C., Marino, L. D., & Dickson, P. H. (2017). Entrepreneurial orientation: The dimensions' shared effects in explaining firm performance. *Entrepreneurship Theory and Practice*, 41(6), 973-998.
- Lowry, P. B., & Gaskin, J. (2014). Partial least squares (PLS) structural equation modeling (SEM) for building and testing behavioral causal theory: When to choose it and how to use it. *IEEE Transactions on Professional Communication*, 57(2), 123-146.

- Lu, Y., Tsang, E. W., & Peng, M. W. (2008). Knowledge management and innovation strategy in the Asia Pacific: Toward an institution-based view. *Asia Pacific Journal of Management*, 25(3), 361-374.
- Lumpkin, G. T., & Dess, G. G. (1996). Clarifying the entrepreneurial orientation construct and linking it to performance. *Academy of Management Review*, 21(1), 135-172.
- Lumpkin, G. T., & Dess, G. G. (2001). Linking two dimensions of entrepreneurial orientation to firm performance: The moderating role of environment and industry life cycle. *Journal of Business Venturing*, 16(5), 429-451.
- Luo, Y. 2003. Industrial dynamics and managerial networking in an emerging market: The case of China. *Strategic Management Journal*, 24(3), 1315-1327.
- Luu, N., & Ngo, L. V. (2019). Entrepreneurial orientation and social ties in transitional economies. *Long Range Planning*, 52(1), 103-116.
- Ma, H. (2000). Of competitive advantage: Kinetic and positional. *Business Horizons*, 43(1), 53-64.
- Machirori, T., & Fatoki, O. (2013). The impact of firm and entrepreneur's characteristics on networking by SMEs in South Africa. *Journal of Economics*, 4(2), 113-120.
- MacKenzie, S. B., Podsakoff, P. M., & Podsakoff, N. P. (2011). Construct measurement and validation procedures in MIS and behavioral research: Integrating new and existing techniques. *MIS quarterly*, 35(2), 293-334.
- Madsen, T. K., & Servais, P. (1997). The internationalization of born globals: An evolutionary process? *International Business Review*, 6(6), 561-583.
- Mahoney, J. T., & Pandian, J. R. (1992). The resource-based view within the conversation of strategic management. *Strategic Management Journal*, 13(5), 363-380.
- Mahmood, R., & Hanafi, N. (2013). Entrepreneurial orientation and business performance of women-owned small and medium enterprises in Malaysia: Competitive advantage as a mediator. *International Journal of Business and Social Science (IJBS)*, 4(1), 82-90.

Malaysian Business Council of Cambodia (2019). <http://mbccambodia.org>

- Malaysian businesses investing heavily in Cambodia (1999, February 19). The *Phnom Penh Post*. <https://www.phnompenhpost.com/national/malaysian-businesses-investing-heavily-cambodia>
- Malhotra, N. (2007). *Marketing Research: An Applied Orientation* (Fifth ed.). United States: Pearson Education Limited.
- Malhotra, N. K., Agarwal, J., & Ulgado, F. M. (2003). Internationalization and entry modes: A multitheoretical framework and research propositions. *Journal of International Marketing*, 11(4), 1-31.
- Man, T. W., Lau, T., & Chan, K. F. (2002). The competitiveness of small and medium enterprises: A conceptualization with focus on entrepreneurial competencies. *Journal of Business Venturing*, 17(2), 123-142.
- March, J. G., & Olsen, J. P. (1983). The new institutionalism: Organizational factors in political life. *American Political Science Review*, 78(3), 734-749.
- Marcoulides, G. A., Chin, W. W., & Saunders, C. (2009). A critical look at partial least squares modeling. *MIS Quarterly*, 33(1), 171-175.
- Marpsat, M., & Razafindratsima, N. (2010). Survey methods for hard-to-reach populations: Introduction to the special issue. *Methodological Innovations Online*, 5(2), 3-16.
- Martins, I., & Rialp, A. (2013). Entrepreneurial orientation, environmental hostility and SMEs profitability: A contingency approach. *Cuadernos de Gestión* 13 (2), 67–88.
- Maskell, P., & Malmberg, A. (1999). Localised learning and industrial competitiveness. *Cambridge Journal of Economics*, 23(2), 167-185.
- Mathews, J. A., & Zander, I. (2007). The international entrepreneurial dynamics of accelerated internationalisation. *Journal of International Business Studies*, 38(3), 387-403.
- Maurer, I., Bartsch, V., & Ebers, M. (2011). The value of intra-organizational social capital: How it fosters knowledge transfer, innovation performance, and growth. *Organization Studies*, 32(2), 157-185.

- Mauro, P. (1995). Corruption and growth. *The Quarterly Journal of Economics*, 110(3), 681-712.
- McDougall, P. P., & Oviatt, B. M. (2000). International entrepreneurship: the intersection of two research paths. *Academy of Management Journal*, 43(5), 902-906.
- McDougall, P. P., Shane, S., & Oviatt, B. M. (1994). Explaining the formation of international new ventures: The limits of theories from international business research. *Journal of Business Venturing*, 9(6), 469-487.
- McGee, J., Khavul, S., Harrison, D., & Perez-Nordtvedt, L. (2012). When the going gets tough, the tough get going entrepreneurially: The relationship between environmental hostility, entrepreneurial orientation, entrepreneurial self-efficacy and firm performance (summary). *Frontiers of Entrepreneurship Research*, 32(5), 16.
- McGrath, C. A., Vance, C. M., & Gray, E. R. (2003). With a little help from their friends: Exploring the advice networks of software entrepreneurs. *Creativity and Innovation Management*, 12(1), 2-10.
- Menkhoff, T., & Labig, C. E. (1996). Trading networks of Chinese entrepreneurs in Singapore. *Sojourn: Journal of Social Issues in Southeast Asia*, 11(1), 128-151.
- Miller, D. (1983). The correlates of entrepreneurship in three types of firms. *Management science*, 29(7), 770-791.
- Miller, D. (2011). Miller (1983) revisited: A reflection on EO research and some suggestions for the future. *Entrepreneurship Theory and Practice*, 35(5), 873-894.
- Miller, D., & Friesen, P. H. (1978). Archetypes of strategy formulation. *Management Science*, 24(9), 921-933.
- Miller, D., & Friesen, P. H. (1982). Innovation in conservative and entrepreneurial firms: Two models of strategic momentum. *Strategic Management Journal*, 3(1), 1-25.
- Miller, D., & Friesen, P. H. (1983). Strategy-making and environment: The third link. *Strategic Management Journal*, 4(3), 221-235.
- Moreno, A. M., & Casillas, J. C. (2008). Entrepreneurial orientation and growth of SMEs: A causal model. *Entrepreneurship Theory And Practice*, 32(3), 507-528.

- Morris, M. H., & Kuratko, D. F. (2020). The entrepreneurial journey: Intention versus emergence. In *What do Entrepreneurs Create?*. Edward Elgar Publishing.
- Morse, J.M. (2000). Determining sample size. *Qualitative Health Research*, 10(1), 3-5.
- Mtigwe, B. (2006). Theoretical milestones in international business: The journey to international entrepreneurship theory. *Journal of International Entrepreneurship*, 4(1), 5-25.
- Muchiri, M., & McMurray, A. (2015). Entrepreneurial orientation within small firms: A critical review of why leadership and contextual factors matter. *Small Enterprise Research*, 22(1), 17-31.
- Murray, J. Y., Gao, G. Y., & Kotabe, M. (2011). Market orientation and performance of export ventures: The process through marketing capabilities and competitive advantages. *Journal of the Academy of Marketing Science*, 39(2), 252-269.
- Murtha, T. P., & Lenway, S. A. (1994). Country capabilities and the strategic state: How national political institutions affect multinational corporations' strategies. *Strategic Management Journal*, 15(S2), 113-129.
- Nahapiet, J., & Ghoshal, S. (1998). Social capital, intellectual capital, and the organizational advantage. *Academy of Management Review*, 23(2), 242-266.
- Namusonge, M. J. (2014). Linking competencies with strategies: The case of small and medium-sized exporting firms in Kenya. *International Journal of Social Sciences and Entrepreneurship*, 1(11), 418-439.
- Negroponte, N. (1995). *Being digital*. New York: Alfred A. Knopf.
- Nelson, R. R. (1991). Why do firms differ, and how does it matter? *Strategic Management Journal*, 12(S2), 61-74.
- Nelson, R. R. (2008). Economic development from the perspective of evolutionary economic theory. *Oxford Development Studies*, 36(1), 9-21.
- Nelson, R. R. & Winter, S. G. (1982). *An evolutionary theory of economic change*. Cambridge MA: Harvard University Press

- Nemati, A. R., Bhatti, A. M., Maqsal, M., Mansoor, I., & Naveed, F. (2010). Impact of resource based view and resource dependence theory on strategic decision making. *International Journal of Business and Management*, 5(12), 110.
- Newbert, S. L. (2007). Empirical research on the resource-based view of the firm: An assessment and suggestions for future research. *Strategic Management Journal*, 28(2), 121-146.
- Newbert, S. L., Tornikoski, E. T., & Quigley, N. R. (2013). Exploring the evolution of supporter networks in the creation of new organizations. *Journal of Business Venturing*, 28(2), 281-298.
- Nielsen, B. B. (2014). Construct measurement in management research: The importance of match between levels of theory and measurement. *Journal of Business Research*, 67(3), 403-406.
- Núñez-Pomar, J., Prado-Gascó, V., Sanz, V. A., Hervás, J. C., & Moreno, F. C. (2016). Does size matter? Entrepreneurial orientation and performance in Spanish sports firms. *Journal of Business Research*, 69(11), 5336-5341.
- Nunnally, J. C. (1978). *Psychometric Theory*. New York: McGraw-Hill.
- Ofem, B. (2014). Entrepreneurial orientation, collaborative networks, and nonprofit performance.
- Okeyo, W. O. (2013). *Entrepreneurial orientation, business environment, business development services and performance of small and medium manufacturing enterprises in Kenya* (Doctoral dissertation, University of Nairobi).
- Okeyo, W. O., Gathungu, J., & Peter, K. O. (2016). Entrepreneurial orientation, business development services, Business environment, and performance: A critical literature review. *European Scientific Journal*, 12(28).
- Oral, M. (1986). An industrial competitiveness model. *IIE Transactions*, 18(2), 148-157.
- Oviatt, B. M., & McDougall, P. P. (1994). Toward a theory of international new ventures. *Journal of International Business Studies*, 25(1), 45-64.
- Oviatt, B. M., & McDougall, P. P. (2005). Defining international entrepreneurship and modeling the speed of internationalization. *Entrepreneurship Theory and Practice*, 29(5), 537-553.

- Parker, S. C. (2018). *The economics of entrepreneurship*. Cambridge University Press.
- Patten, M. (2016). *Questionnaire research: A practical guide*. New York: Routledge
- Peng, M. W. (2001). How entrepreneurs create wealth in transition economies. *Academy of Management Perspectives*, 15(1), 95-108.
- Peng, M. W., & Luo, Y. (2000). Managerial ties and firm performance in a transition economy: The nature of a micro-macro link. *Academy of Management Journal*, 43(3), 486-501.
- Penrose, E., & Penrose, E. T. (2009). *The theory of the growth of the firm*. Oxford University Press.
- Petter, S., Straub, D., & Rai, A. (2007). Specifying formative constructs in information systems research. *MIS Quarterly*, 31(4), 623-656.
- Peteraf, M. A. (1993). The cornerstones of competitive advantage: A resource-based view. *Strategic Management Journal*, 14(3), 179-191.
- Pfeffer, J., & Salancik, G. (2015). External Control Of Organizations—Resource Dependence Perspective. *Organizational Behavior 2: Essential Theories of Process and Structure*, 355..
- Pil, F. K., & Holweg, M. (2002). Exploring scale: The advantages of thinking small. *MIT Sloan Management Review*, 44(2), 33-40.
- Planning, Trade and Statistics Information Department, Ministry of Commerce, Cambodia (2015).
- Podsakoff, P. M., MacKenzie, S. B., Lee, J. Y., & Podsakoff, N. P. (2003). Common Method Biases in Behavioral Research: A Critical Review of The Literature and Recommended Remedies. *Journal of Applied Psychology*, 88(5), 879–903.
- Podsakoff, P. M., & Organ, D. W. (1986). Self-reports in organisational research: Problems and prospects. *Journal of Management*, 12(4), 531-544.
- Porter, M. E. (1980). Industry structure and competitive strategy: Keys to profitability. *Financial Analysts Journal*, 36(4), 30-41.

- Porter, M. E. (1981). The contributions of industrial organization to strategic management. *Academy of Management Review*, 6(4), 609-620.
- Porter, M. E. (1990, March-April). The competitive advantage of nations. *Harvard Business Review*, 73-91.
- Porter, M. E. (1991). Towards a dynamic theory of strategy. *Strategic Management Journal*, 12(S2), 95-117.
- Porter, M. E. (1996). What is strategy? *Harvard Business Review*, 74(6), 61-78.
- Porter, M. E. (1998, November-December). Clusters and the new economy of competition. *Harvard Business Review*, 77-90.
- Porter, M. E. (2000). Location, competition, and economic development: Local clusters in a global economy. *Economic Development Quarterly*, 14(1), 15-34.
- Porter, M. E., & Schwab, K. (2003). The global competitiveness report 2002-2003: World Economic Forum, Geneva, Switzerland 2003. Oxford University Press.
- Prahalad, C. K. & Hamel, G. & (1990, May-June). The core competence of the corporation. *Harvard Business Review*, 2-15.
- Preacher, K. J., & Hayes, A. F. (2008). Asymptotic and resampling strategies for assessing and comparing indirect effects in multiple mediator models. *Behavior Research Methods*, 40(3), 879-891.
- Preacher, K. J., Rucker, D. D., & Hayes, A. F. (2007). Addressing moderated mediation hypotheses: Theory, methods, and prescriptions. *Multivariate Behavioral Research*, 42(1), 185-227.
- Puffer, S. M., & McCarthy, D. J. (2001). Navigating the hostile maze: A framework for Russian entrepreneurship. *Academy of Management Perspectives*, 15(4), 24-36.
- Ramasamy, H. (1995). Productivity in the age of competitiveness: Focus on manufacturing in Singapore. In *Productivity in the Age of Competitiveness*. Asian Productivity Organizations Tokyo Monograph Series, 16.
- Rasiah, R. (2017). The role of institutions and linkages in learning and innovation. *Institutions and Economies*, 3(2), 165-172.

- Rauch, A., Wiklund, J., Lumpkin, G. T., & Frese, M. (2009). Entrepreneurial orientation and business performance: An assessment of past research and suggestions for the future. *Entrepreneurship Theory And Practice*, 33(3), 761-787.
- Reawakening the natural rubber industry in Cambodia (2016, March 19). <https://rubberasia.com/2016/03/19/reawakening-the-natural-rubber-industry-in-cambodia/>
- Reese, P. R. (1992). *Entrepreneurial networks and resource acquisition: Does gender make a difference?* (Doctoral dissertation, University of North Carolina at Chapel Hill).
- Reinartz, W., Haenlein, M., & Henseler, J. (2009). An empirical comparison of the efficacy of covariance-based and variance-based SEM. *International Journal of Research in Marketing*, 26(4), 332-344.
- Ricardo, D. (1817). On foreign trade. *Principles of Political Economy and Taxation*.
- Richardson, L. (1993). Poetics, dramatics, and transgressive validity: The case of the skipped line. *The Sociological Quarterly*, 34(4), 695-710.
- Ring, P. S., & Van de Ven, A. H. (1994). Developmental processes of cooperative interorganizational relationships. *Academy of Management Review*, 19(1), 90-118.
- Ringle, C. M., Sarstedt, M., & Straub, D. W. (2012). A critical look at the use of PLS-SEM in MIS quarterly. *MIS Quarterly*, 36(1), iii-xiv.
- Ringle, C. M., Wende, S., & Becker, J. M. (2015). SmartPLS 3.0. <http://www.smartpls.com>
- Ritchie, J., Lewis, J., Nicholls, C. M., & Ormston, R. (2nd Ed.). (2014). *Qualitative research practice: A guide for social science students and researchers*. Thousand Oaks, California: Sage Publication.
- Robins, J., & Wiersema, M. F. (1995). A resource-based approach to the multibusiness firm: Empirical analysis of portfolio interrelationships and corporate financial performance. *Strategic Management Journal*, 16(4), 277-299.

- Rodríguez-Gutiérrez, M. J., Moreno, P., & Tejada, P. (2015). Entrepreneurial orientation and performance of SMEs in the services industry. *Journal of Organizational Change Management*, 28(2), 194-212.
- Roscoe, J. T. (1975). *Fundamental research statistics for the behavioural sciences* (Second ed.). New York: Holt Rinehart & Winston.
- Rosenbusch, N., Rauch, A., & Bausch, A. (2013). The mediating role of entrepreneurial orientation in the task environment–performance relationship: A meta-analysis. *Journal of Management*, 39(3), 633-659.
- Rowley, J. (2014). Designing and using research questionnaires. *Management Research Review*, 37(3), 308-330.
- Royal Government of Cambodia Sub-committee on Small and Medium Enterprises SME Secretariat (2005).
- Royal Government of Cambodia (2015). Cambodia Industrial Development policy. Phnom Penh: Council of Ministers of Cambodia
- Royal Government of Cambodia (2018). Rectangular strategy for growth, employment, equity and efficiency: Building the foundation toward realizing the Cambodia vision 2050-Phase IV of the Royal Government of Cambodia of the sixth legislature of the national assembly. <http://cnv.org.kh/wp-content/uploads/2012/10/Rectangular-Strategy-Phase-IV-of-the-Royal-Government-of-Cambodia-of-the-Sixth-Legislature-of-the-National-Assembly-2018-2023.pdf>
- Ruiz-Ortega, M. J., Parra-Requena, G., Rodrigo-Alarcón, J., & García-Villaverde, P. M. (2013). Environmental dynamism and entrepreneurial orientation. *Journal of Organizational Change Management*.
- Saeed, S., Yousafzai, S. Y., & Engelen, A. (2014). On cultural and macroeconomic contingencies of the entrepreneurial orientation–performance relationship. *Entrepreneurship Theory and Practice*, 38(2), 255-290.
- Sandbergh, J. (1997). Are phenomenographic results reliable? *Higher Education Research & Development*, 16(2), 203-212.
- Sandberg, J. (2005). How do we justify knowledge produced within interpretive approaches?. *Organizational research methods*, 8(1), 41-68.

- Sardon, I. M. (2012). *Moral Disengagement in Manufacturing: A Malaysian Study of Antecedents and Outcomes*. (Doctor of Philosophy), Curtin University, Australia.
- Sarstedt, M., Hair Jr, J. F., Cheah, J. H., Becker, J. M., & Ringle, C. M. (2019). How to specify, estimate, and validate higher-order constructs in PLS-SEM. *Australasian Marketing Journal (AMJ)*, 27(3), 197-211.
- Sarstedt, M., Ringle, C. M., Smith, D., Reams, R., & Hair Jr, J. F. (2014). Partial least squares structural equation modeling (PLS-SEM): A useful tool for family business researchers. *Journal of Family Business Strategy*, 5(1), 105-115.
- Schendel, D. E., & Hatten, K. J. (1972, August). Business policy or strategic management: A broader view for an emerging discipline. In *Academy of Management Proceedings* (Vol. 1972, No. 1, pp. 99-102). Briarcliff Manor, NY 10510: Academy of Management.
- Schoemaker, P. J. (1990). Strategy, complexity, and economic rent. *Management Science*, 36(10), 1178-1192.
- Schumpeter, J. (1934). *The theory of economic development*. Cambridge: MA: Harvard University Press.
- Scott, W.R. (2007). *Institutions and organizations: Ideas and interests*. Thousand Oaks, CA: Sage Publications.
- Sekaran, U. (2003). *Research methods for business: A skill building approach* (Fourth ed.). Singapore: John Wiley & Sons, Inc.
- Sekaran, U. & Bougie, R. (2016). *Research methods for business: A skill-building approach (seventh ed.)*. Chichester, West Sussex, United Kingdom: John Wiley & Sons
- Semrau, T., Ambos, T., & Kraus, S. (2016). Entrepreneurial orientation and SME performance across societal cultures: An international study. *Journal of Business Research*, 69(5), 1928-1932.
- Sethi, R., Smith, D. C., & Park, C. W. (2001). Cross-functional product development teams, creativity, and the innovativeness of new consumer products. *Journal of Marketing Research*, 38(1), 73-85.

- Shan, W. (1990). An empirical analysis of organizational strategies by entrepreneurial high-technology firms. *Strategic Management Journal*, 11(2), 129-139.
- Shan, P., Song, M., & Ju, X. (2016). Entrepreneurial orientation and performance: Is innovation speed a missing link?. *Journal of Business Research*, 69(2), 683-690.
- Shrader, R. C., Oviatt, B. M., & McDougall, P. P. (2000). How new ventures exploit trade-offs among international risk factors: Lessons for the accelerated internationalization of the 21st century. *Academy of Management Journal*, 43(6), 1227-1247.
- Shirokova, G., Bogatyreva, K., & Beliaeva, T. (2015). Entrepreneurial orientation in different environmental settings: A comparative cross-country study. In *United States Association for Small Business and Entrepreneurship. Conference Proceedings*, XX1-XX25. United States Association for Small Business and Entrepreneurship.
- Shirokova, G., Bogatyreva, K., Beliaeva, T., & Puffer, S. (2016). Entrepreneurial orientation and firm performance in different environmental settings. *Journal of Small Business and Enterprise Development*.
- Shirokova, G., & McDougall-Covin, P. (2012). The role of social networks and institutions in the internationalization of Russian entrepreneurial firms: Do they matter? *Journal of International Entrepreneurship*, 10(3), 177-199.
- Shmueli, G., Ray, S., Estrada, J. M. V., & Chatla, S. B. (2016). The elephant in the room: Predictive performance of PLS models. *Journal of Business Research*, 69(10), 4552-4564.
- Shmueli, G., Sarstedt, M., Hair, J. F., Cheah, J. H., Ting, H., Vaithilingam, S., & Ringle, C. M. (2019). Predictive model assessment in PLS-SEM: Guidelines for using PLSpredict. *European Journal of Marketing*. Vol. 53 No. 11, 2322-2347.
- Singh, K. (1997). The impact of technological complexity and interfirm cooperation on business survival. *Academy of Management Journal*, 40(2), 339-367.
- Sirmon, D. G., Hitt, M. A., & Ireland, R. D. (2007). Managing firm resources in dynamic environments to create value: Looking inside the black box. *Academy of Management Review*, 32(1), 273-292.

- Sivadas, E., & Dwyer, F. R. (2000). An examination of organizational factors influencing new product success in internal and alliance-based processes. *Journal of Marketing*, 64(1), 31-49.
- Sloan, A. P. (1990). *My years with general motors*. New York: Doubleday/Currency.
- Smångs, M. (2006). The nature of the business group: A social network perspective. *Organization*, 13(6), 889-909.
- Smith, A. (1776). *The wealth of nations*. Edited by Edwin Cannan, 1904. Reprint New York: Modern Library, 1937.
- Solleiro, J. L., & Castañón, R. (2005). Competitiveness and innovation systems: The challenges for Mexico's insertion in the global context. *Technovation*, 25(9), 1059-1070.
- Solymossy, E. (2000). Knowledge networks: differences and performance effects. *Journal of Small Business Strategy*, 11(1), 14-25.
- Sørensen, J. B., & Stuart, T. E. (2000). Aging, obsolescence, and organizational innovation. *Administrative Science Quarterly*, 45(1), 81-112.
- Souitaris, V. (2001). External communication determinants of innovation in the context of a newly industrialised country: A comparison of objective and perceptual results from Greece. *Technovation*, 21(1), 25-34.
- Stam, W., & Elfring, T. (2006, August). Entrepreneurial orientation and new venture performance: The mediating effect of network strategies. In *Academy of Management Proceedings* (Vol. 2006, No. 1, pp. K1-K6). Briarcliff Manor, NY 10510: Academy of Management.
- Stenholm, P., Acs, Z. J., & Wuebker, R. (2013). Exploring country-level institutional arrangements on the rate and type of entrepreneurial activity. *Journal of Business Venturing*, 28(1), 176-193.
- Straub, D., Boudreau, M. C., & Gefen, D. (2004). Validation Guidelines for IS Positivist Research. *The Communications of the Association for Information Systems*, 13, Article 24.
- Strauss, A., & Corbin, J. (1990). *Basics of qualitative research*. Sage publications.

- Stuart, T. E. (2000). Interorganizational alliances and the performance of firms: A study of growth and innovation rates in a high-technology industry. *Strategic Management Journal*, 21(8), 791-811.
- Stuart, T. E., & Podolny, J. M. (1996). Local search and the evolution of technological capabilities. *Strategic Management Journal*, 17(S1), 21-38.
- Sullivan, G. M., & Feinn, R. (2012). Using effect size—or why the P value is not enough. *Journal Of Graduate Medical Education*, 4(3), 279-282.
- Sundaram, A. K., & Black, J. S. (1995). *The international business environment: Text and cases*. Prentice Hall, Incorporated.
- Sundqvist, S., Kyläheiko, K., Kuivalainen, O., & Cadogan, J. W. (2012). Kirznerian and Schumpeterian entrepreneurial-oriented behavior in turbulent export markets. *International Marketing Review*, 29(2), 203-219.
- Taing, R. (2020, February 13). Mission to make Malaysia ‘number one’ in Cambodia again. *Khmer Times*. <https://www.khmertimeskh.com/50690280/mission-to-make-malaysia-number-one-in-cambodia-again/>
- Tan, T. T. W. (1986). *Your Chinese roots: The overseas Chinese story*. Times Books International.
- Tang, Z., & Hull, C. (2012). An investigation of entrepreneurial orientation, perceived environmental hostility, and strategy application among Chinese SMEs. *Journal of Small Business Management*, 50(1), 132-158.
- Taormina, R. J., & Lao, S. K. M. (2007). Measuring Chinese entrepreneurial motivation. *International Journal of Entrepreneurial Behavior & Research*, 13(4), 200-221.
- Tashakkori, A., & Teddlie, C. (2010). *SAGE handbook of mixed methods in social & behavioral research*. Thousand Oaks, CA: SAGE Publications, Inc.
- Teddlie, C., & Yu, F. (2007). Mixed methods sampling: A typology with examples. *Journal of Mixed Methods Research*, 1(1), 77-100.
- Tenenhaus, M., Vinzi, V. E., Chatelin, Y. M., & Lauro, C. (2005). PLS path modeling. *Computational Statistics & Data Analysis*, 48(1), 159-205.

- Terziovski, M. (2010). Innovation practice and its performance implications in small and medium enterprises (SMEs) in the manufacturing sector: A resource-based view. *Strategic Management Journal*, 31(8), 892-902.
- Thai, M. T. T., & Chong, L. C. (2008). Born-global: The case of four Vietnamese SMEs. *Journal of International Entrepreneurship*, 6(2), 72-100.
- Thanos, I. C., Dimitratos, P., & Sapouna, P. (2017). The implications of international entrepreneurial orientation, politicization, and hostility upon SME international performance. *International Small Business Journal*, 35(4), 495-514.
- The Council for the Development of Cambodia (2013).
- The Council for the Development of Cambodia (2020). *Policies towards FDI*. <http://www.cambodiainvestment.gov.kh/investment-scheme/policies-toward-fdi.html>
- Theodore, N. (2020). Using questionnaires to survey hidden populations. *Researching the City: A Guide for Students*, 74.
- Thompson, J. L. (1999). The world of the entrepreneur– new perspective. *Journal of Workplace Learning*, 11(6), 209-224.
- UNESCO/AIDCOM (2001). Social-cultural research on information, education and communication and advocac: A practical guide. *UNESCO/Asian Institute for Development Communication (Aidcom)*, KL.
- Upson, J. W., Damaraju, N. L., Anderson, J. R., & Barney, J. B. (2017). Strategic networks of discovery and creation entrepreneurs. *European Management Journal*, 35(2), 198-210.
- Urbach, N., & Ahlemann, F. (2010). Structural equation modeling in information systems research using partial least squares. *Journal of Information Technology Theory and Application*, 11(2), 5-40.
- Verhees, F. J., & Meulenbergh, M. T. (2004). Market orientation, innovativeness, product innovation, and performance in small firms. *Journal of Small Business Management*, 42(2), 134-154.
- Vernon, R. (1966). International investment and international trade in the product cycle. *The Quarterly Journal of Economics*, 80(2), 190-207.

- Vernon, R. (1979). The product cycle hypothesis in a new international environment. *Oxford Bulletin of Economics and Statistics*, 41(4), 255-267.
- Vilanova, M., Lozano, J. M., & Arenas, D. (2009). Exploring the nature of the relationship between CSR and competitiveness. *Journal of Business Ethics*, 87(1), 57-69.
- Van Teijlingen, E., & Hundley, V. (2002). The importance of pilot studies. *Nursing Standard (through 2013)*, 16(40), 33.
- Veciana, J. M., & Urbano, D. (2008). The institutional approach to entrepreneurship research. Introduction. *International Entrepreneurship and Management Journal*, 4, 365-379.
- Vernon, R. (1979). The product cycle hypothesis in a new international environment. *Oxford Bulletin of Economics and Statistics*, 41(4), 255-267.
- Vos, J. P. (2005). Developing strategic self-descriptions of SMEs. *Technovation*, 25(9), 989-999.
- Wales, W. J., Shirokova, G., Sokolova, L., & Stein, C. (2016). Entrepreneurial orientation in the emerging Russian regulatory context: The criticality of interpersonal relationships. *European Journal of International Management*, 10(3), 359-382.
- Walter, A., Auer, M., & Ritter, T. (2006). The impact of network capabilities and entrepreneurial orientation on university spin-off performance. *Journal of Business Venturing*, 21(4), 541-567.
- Watson, J. (2007). Modeling the relationship between networking and firm performance. *Journal of Business Venturing*, 22(6), 852-874.
- Webster, F. A. (1977). Entrepreneurs and ventures: An attempt at classification and clarification. *Academy of Management Review*, 2(1), 54-61.
- Wekesa, L. C. (2015). *Entrepreneur characteristics, competitive strategy, firm level institutions and performance of small and medium enterprises of non-timber forest products in Kenya* (Doctoral dissertation, School of Business, University of Nairobi).
- Welch, L. S., & Luostarinen, R. (1988). Internationalization: Evolution of a concept. *Journal of General Management*, 14(2), 34-55.

- Wernerfelt, B. (1984). A resource-based view of the firm. *Strategic Management Journal*, 5(2), 171-180.
- Westerberg, M., Singh, J., & Häckner, E. (1997). Does the CEO matter? An empirical study of small Swedish firms operating in turbulent environments. *Scandinavian Journal of Management*, 13(3), 251-270.
- Wiklund, J., & Shepherd, D. (2003). Knowledge-based resources, entrepreneurial orientation, and the performance of small and medium-sized businesses. *Strategic Management Journal*, 24(13), 1307-1314.
- Wiklund, J., & Shepherd, D. (2005). Entrepreneurial orientation and small business performance: A configurational approach. *Journal Of Business Venturing*, 20(1), 71-91.
- Wilson, A. L., Ramamurthy, K., & Nystrom, P. C. (1999). A multi-attribute measure for innovation adoption: The context of imaging technology. *IEEE Transactions on Engineering Management*, 46(3), 311-321.
- Witt, P., Schroeter, A., & Merz, C. (2008). Entrepreneurial resource acquisition via personal networks: An empirical study of German start-ups. *The Service Industries Journal*, 28(7), 953-971.
- Witte, J. C., Amoroso, L. M., & Howard, P. E. (2000). Research methodology: Method and representation in internet-based survey tools – Mobility, community, and cultural identity in survey2000. *Social Science Computer Review*, 18(2), 179-195.
- Wong, T. (2008, March). Purposive and snowball sampling in the study of ethnic and mainstream community organizations. In *Annual Meeting of the Western Political Science Association, San Diego, SA*.
- Wong, K. K. K. (2013). Partial least squares structural equation modeling (PLS-SEM) techniques using SmartPLS. *Marketing Bulletin*, 24(1), 1-32.
- Word, J. (2009). *Business network transformation: Strategies to reconfigure your business relationships for competitive advantage*. John Wiley & Sons.
- World Bank. (2012). Matching aspirations : skills for implementing Cambodia's growth strategy. World Bank, Phnom Penh. © World Bank. <https://openknowledge.worldbank.org/handle/10986/13808> License: CC BY 3.0 IGO.

- Wright, M., Filatotchev, I., Hoskisson, R. E., & Peng, M. W. (2005). Strategy research in emerging economies: Challenging the conventional wisdom. *Journal of Management Studies*, 42(1), 1-33.
- Word, J. (2009). *Business network transformation: Strategies to reconfigure your business relationships for competitive advantage*. John Wiley & Sons.
- Yan, J., & Yan, L. (2017). Collective entrepreneurship, environmental uncertainty and small business performance: A contingent examination. *The Journal of Entrepreneurship*, 26(1), 1-26.
- Yeoh, P. L., & Jeong, I. (1995). Contingency relationships between entrepreneurship, export channel structure and environment. *European Journal of Marketing*, 29(8), 95-115.
- Yin, R. (1994). *Case study research: Design and methods*. Beverly Hills.
- Zahra, S. A. (1993). Environment, corporate entrepreneurship, and financial performance: A taxonomic approach. *Journal of Business Venturing*, 8(4), 319-340.
- Zahra, S. A. (1996). Technology strategy and financial performance: Examining the moderating role of the firm's competitive environment. *Journal of Business Venturing*, 11(3), 189-219.
- Zahra, S. A., & Bogner, W. C. (2000). Technology strategy and software new ventures' performance: Exploring the moderating effect of the competitive environment. *Journal of Business Venturing*, 15(2), 135-173.
- Zahra, S. A., & Covin, J. G. (1995). Contextual influences on the corporate entrepreneurship-performance relationship: A longitudinal analysis. *Journal of Business Venturing*, 10(1), 43-58.
- Zahra, S. A., & Garvis, D. M. (2000). International corporate entrepreneurship and firm performance: The moderating effect of international environmental hostility. *Journal of Business Venturing*, 15(5-6), 469-492.
- Zahra, S. A., Ireland, R. D., Gutierrez, I., & Hitt, M. A. (2000). Introduction to special topic forum privatization and entrepreneurial transformation: Emerging issues and a future research agenda. *Academy of Management Review*, 25(3), 509-524.

- Zahra, S. A., & Neubaum, D. O. (1998). Environmental adversity and the entrepreneurial activities of new ventures. *Journal of Developmental Entrepreneurship*, 3(2), 123-140.
- Zainudin Awang. (2012). *Research Methodology and Data Analysis* (Second ed.). Selangor, Malaysia: Penerbit UITM Press.
- Zanakis, S. H., & Becerra-Fernandez, I. (2005). Competitiveness of nations: A knowledge discovery examination. *European Journal of Operational Research*, 166(1), 185-211.
- Zehir, C., Can, E., & Karaboga, T. (2015). Linking entrepreneurial orientation to firm performance: The role of differentiation strategy and innovation performance. *Procedia-Social and Behavioral Sciences*, 210, 358-367.
- Zhou, L., Wu, W. P., & Luo, X. (2007). Internationalization and the performance of born-global SMEs: The mediating role of social networks. *Journal of International Business Studies*, 38(4), 673-690.
- Zinnes, C., Eilat, Y. and Sachs, J. (2001), Benchmarking competitiveness in transition economies. *Economics of Transition*, 9(2), 315–353.