SOCIAL SCIENCE REVIEW ARCHIVES
ISSN Online: 3006-4708
ISSN Print: 3006-4694
https://policyjournalofms.com

Intellectual Capital and SMEs' Internationalization; the Relation Via (In) Tangible Resources Acquisition

[1]Dr. Najib Ullah Khan, [2]Dr. Sher Zaman Khan, [3]Muhammad Zulqarnain Safdar, [4]Haseeb Hassan, [5]Faheem Zeb

[1] Assistant Professor, University of Lakki Marwat, KP, Pakistan, najibkhanbs18@yahoo.com
[2] Assistant Professor, Gomal University, KP, Pakistan, shkhan@gu.edu.pk
[3] Assistant Professor, Gomal University, KP, Pakistan, zulqarnain.safdar@gu.edu.pk
[4] Assistant Professor, Hazara University, KP, Pakistan, haseebhssn@gmail.com
[5] Assistant Professor, Abbottabad University of Science and Technology, KP, Pakistan faheemzebkhan@gmail.com

Abstract

This research examines if intellectual capital facilitates Small and Medium Enterprises (SMEs) in the acquisition of (in)tangible resources in the host and international market to expedite the internationalization process. We surveyed 271 Chinese SMEs and employed structural equation modelling in AMOS to test the hypothesized relationships. The results revealed that intellectual capital significantly improves internationalization process of Chinese SMEs. Moreover, we found that intellectual capital does not significantly help in acquiring national (in)tangible resource acquisition of international tangible resources while it has an insignificant influence on (in)tangible resource acquisition as well as international intangible resource acquisition. Both national tangible resources and intangible resources have an insignificant influence on internationalization while international (in)tangible resources significantly promote Chinese SMEs towards internationalization. Size of firms and educational background play a prominent role in internationalization route of SMEs. This study partially support claim that both theories can be complemented in terms of internationalization process. This study recommends SMEs to investment in intellectual capital that may help in acquisition of external resources (all types) that are essential for internationalization. This study suggests policy makers to formulate strategic policies and regulations for national resources that can be accessed by ventures easily for internationalization process. Other useful implications are discussed. This research contributes the RBV and internationalization theory in the context of SMEs. To the best of our search and knowledge, we did not find any study addresses the role of intellectual capital in domestic and foreign resource acquisition for internationalization process.

Keywords: Intellectual capital, tangible resources, intangible resources, domestic resources, international resources, SMEs, internationalization, Chinese firms.

Introduction

Entry into a new market (foreign market) has become very common in emerging firms across the globe (Anwar et al., 2018b; Adomako et al., 2019; Santhosh and Bala Subrahmanya, 2019; Muneeb et al., 2024). This move has been caused by several reasons, such as sales growth, high profitability, diversification, stable markets and a long run survival (Cho and Lee, 2018; Vătămănescu et al., 2019; Anjum et al., 2024). Similarly, studies have also discussed the risk and disadvantages of internationalization such as failure and lack of success chances etc. e.g. (Onkelinx et al., 2016).

Despite a high failure risk ratio, SMEs still look to cross the border in order to survival in a long run (Lee et al., 2012; Child et al., 2022). Additionally, some attempts have been made on what factors leads internationalization such as networking (Aldibiki and El Ebrashi, 2023), advanced technology (Yordanova et al., 2024), international experience (Gruenhagen et al., 2018) etc. Focusing SMEs, numerous studies have claimed deficiency of capacities toward internationalization due to deficiency of assets, dearth of sustenance and lack of capabilities (Anwar et al., 2022; Aghazadeh et al., 2023). Despite the plethora of internationalization literature, studies in in emerging SMEs are still lacking (Anwar et al., 2022). More precisely, studies have not yet answered the questions 1. "What types of resources (tangible or intangible) are useful for SMEs internationalization?" 2. How SMEs can acquire these resources to enter inter into international markets?" However, it has been detected that a majority of ventures in emerging economies cannot flourish entry into foreign markets due to deficiency of resources, managerial competencies and skills (Onkelinx et al., 2016). Hence, this study fills that gap and examines the influence of Intellectual Capital (IC) on SMEs internationalization with mediating role of national and international resources (tangible and intangible). The novelty of this research is threefold. First, this research tests the importance of IC in acquisition of national and international resources in transition SMEs. The reason to test the role of IC is that SMEs have not sufficient resources to access external environment (Kim and Tran, 2023). Therefore, most of the SMEs use their managerial capabilities and especially IC in order to respond the external environment. For instance, (Ahmad et al., 2022) scrutinized that there several factors facilitate SMEs in acquiring resources but IC is the most significant, convenience and less costly in emerging economy. Hence, it gives worthy logic that IC can enable SMEs to acquire national and international external resources. Second, a burgeoning literature has discussed Resource Based View (RBV) theory (Barney, 1991) and internationalization theory (Fina and Rugman, 1996). Resource Based View Theory (Barney, 1991) determines the resources (tangible and intangible) that are immobile and heterogeneous that exploit by firms to gain sustainable competitive advantage and superior performance. However, in particular, the importance of RBV theory in term of IC toward national and international resource acquisition and SMEs internationalization is missed. The internationalization theory describes why some firms gradually while others enter into a foreign market earlier and fast (Fina and Rugman, 1996). Nevertheless, literature have not yet discussed the logic what types of resources (either national or international) increase the speed of internationalization. Hence, this study aims to unleash the importance of national and international tangible and intangible resources in SMEs internationalization. Moreover, this research also merges the theories and demonstrates the importance of the both theories in a single model (read theoretical part). Third, this research unleashes the desire of Chinese SMEs towards China Pakistan Economic Corridor (CPEC) that is initiated by China and Pakistan for trade promotion. CPEC has started the operation, which opened new opportunities for Chinese and Pakistani SMEs. The findings of this research discuses significant implications. First, this study explores the importance of IC in resource acquisition and internationalization, hereby deems IC as a less expensive and convenience strategy in SMEs sector. Unlike large firms, SMEs can give attention to intangible means that facilitate them in acquiring external resources that are necessary for internationalization. International entrepreneurship literature has not evidently discussed the role of IC in tangible and intangible national and international resource acquisition. Second, this research recommends practicing managers of Chinese SMEs to get maximum benefits of CPEC by accessing sufficient resources.
Table 1 highlights the operationalization of the constructs used in the study.

Table 1. Operationalization of the Variables

Variables	Operationalization	Source
Intellectual Capital	Three major dimensions of IC have been discussed; *Human capital:* indicates the capacities and abilities of owners and employees that tend to solve problems of customers and support them. *Customer Capital*: denotes to the gravity, girth, attachment, and profitability from customers. *Structural Capital:* designates the proficiencies of a business to meet the market needs.	(Ying et al., 2019).
National Resources	*Tangible Resources:* the resources such as machinery, technology and finance etc. available to firms in the home country. It can be provided by the home government or domestic institutions for industrial growth. *Intangible Resources:* The resource such information, knowledge and advise etc. provided by the home government or institutions.	(Jiang et al., 2018; Ying et al., 2019)
International Resources	*Tangible Resources:* the resources such technology, machinery and finance etc. available to domestic firms in home country that are provided by international banks and institutions. *Intangible Resources:* the resource such information, knowledge and advise etc. available the firm in home country that are provided by the home government or institutions.	(Degong et al., 2018; Jiang et al., 2018)
Internationalization	The act or process of making something international. Or intention to sale/purchase products and services in international market.	(Anwar et al., 2018b)

Theoretical Underpinning

Resource Based View Theory

Barney initially proposes the RBV theory in 1991, explaining that a firm with unique, immutable and valuable resources will have sustainable competitive position and will perform over other firms in a dynamic market. This theory is tested in both tangible and intangible resources and revealed that indeed both types of resources are very crucial for high performance and sustainable competitive advantage (Liu et al., 2019; Mun, 2019). Recently, studies have extended the RBV theory to internationalization literature and have addressed that a firm need sufficient resources (tangible and intangible) to gain superior performance in internationalization markets (Ruzzier and Ruzzier, 2015; Anwar et al., 2022; Li et al., 2022). For instance, studies have revealed that internationalization is a risky commitment and requires encouragement and resources (Jung et al., 2018). Consequently, studies have revealed that without sufficient resources, it is tough to strive in international markets (Meliciani and Tchorek, 2019; Fernández-Alles et al., 2022; Yordanova et al., 2024). Applying this theory in SMEs sector, it is worth saying that there is great need of resources for new initiative and new market entry (Jain et al., 2019). However, SMEs in emerging markets have lack of support from their home government that drives them towards international and stable markets (Ullah et al., 2023). For this attempt, they need sufficient internal (firms based) and external (international) resources

(Meyer and Xin, 2018). Hence, we believe that the RBV theory gives a rational logic for the model and reveals how national and international resources affect SMEs internationalization.

Internationalization Theory

In general, the internationalization theory reveals why a firm is enter into international market earlier than other firms (Fina and Rugman, 1996). To further explain, there are two fundamental concepts of the theory. First, some firms enter into international market gradually and they carefully organized a number of incremental obligations. This movement of internationalization is described by the international marketing theories such as the Classic Uppsala Model (Johanson and Vahlne, 2017). It describes that firms with lack of skills, resources scarcity and lack of support are perhaps conscious in entry into new markets. Second concept of the theory claims that some firms are enter into a new and foreign market earlier and faster than other firms (McDougall et al., 1994) that is deemed as internationalization strategy. It describes that firms with sufficient information, strong managerial skills, experience and resources often tend to enter into a new market (Sapienza et al., 2006; Onkelinx et al., 2016; Fernández-Alles et al., 2022). Considering the importance of the theory in our research, both sides are very important to be tested. For instance, our model examines how IC enables firms to acquire external resources (national and international) that in turn use for internationalization. It posits that a firm with lack of resources and lack support may not be able to perceive international market entry. In contrast, enterprises with sufficient resources and capabilities can desire early entry into a new market and prefer internationalization strategy. We argue that both RBV and internationalization theories are properly matched to the model. For instance, one theory (e.g. RBV) focuses on the strength and existence of resources for high performance while the other (e.g. internationalization) theory speaks about the speed of internationalization process via resources availability.

Literature Review and Hypotheses

Intellectual capital and SMEs internationalization

SMEs need effective strategies and policies to enter into an international market. Human capital is the factor that can configure strategic policies of SMEs toward inter-nationalities (Dar and Mishra, 2019). When competing for international markets and entry, managers should enhance their human resources (human capital) because it significantly configures assists internationalization process (Kidwell et al., 2020). Firms need to improve their IC resources because it significantly improves their export performance (Pucar, 2012; Bansal et al., 2023; Lee and Wang, 2023). This notion is also supported by (Kadochnikov and Fedyunina, 2018) who mentioned that export and international performance of firms is significantly affected by human resources Most of the studies have focused on the dimensions of IC named human capital, structural capital, relational capital and social capital in the literature of internationalization. For instance, (Assimakopoulos, 2010) demonstrated that human capital and social capital facilitate managers and owners of SMEs emerging economies such as China when they plan for internationalization. Similarly, (Zhang et al., 2012) also stated that human capital is deemed a significant predictor of SMEs internationalization in the transition economy China. Several factors help in superior export performance and value creation. However, human capital indicators are remarkable in this context (Murthy and Abeysekera, 2007; Ardito et al., 2021). Hence, firms often invest in human resources and skills in order to enter into international markets (Onkelinx et al., 2016). Firms with sufficient IC often initiate their operational activities in internationalization markets. It argues that IC leads to global initiatives that is useful for low performer firms (Ling, 2012). A firm internal capacities and intangible resources play significant role in degree of internationalization (Nivoix and Marcon, 2023). Overall, IC significantly influences export performance of firms (Kamath, 2017; Lee and Wang, 2023; Mataveli et al., 2024) and there is a positive significant relationship between IC and internationalization (Terblanche and De Villiers, 2019). Hence,

H1. Intellectual Capital facilitates SMEs' internationalization

Intellectual capital and National Resource acquisition

IC demonstrates the skills and competencies of managers that help them to create value for the firms (Youndt et al., 2004). Newly established ventures often build social network with external bodies to acquire the resources such financial capital, technology and human resources (Zane and DeCarolis, 2016). In the competitive and dynamic markets, small firms have a high risk of low performance and failure. Hence, entrepreneurial networking enables them to acquire sustainable competitive resources from the external environment (Chen et al., 2018). (Lee et al., 2019) tested the benefits of human, relational and structural capital in resource acquisition and revealed that more the firm social relations and intellectual capabilities, more will ability of the firm to acquire external resources. Because firms do not only use IC for acquiring resources but some firms also use the skills for merging and acquisition (Gupta and Roos, 2001). In emerging economies, enterprises intend to their tight networking and relationship to access the necessary resources such as technology and finance (Zhao and Morgan, 2017; Xin et al., 2023). Top managers of business organizations use their intellectual skills and competencies to access and acquire resources and means from the external environment (Díaz-Fernández et al., 2015). IC assists firms to reconfigure their internal produces, reduce cost, differentiate products as well as drives ventures towards external means (Dalziel et al., 2011; Rehman et al., 2022). Therefore, firms like to extend their social capital and relationship with external bodies and government to access the useful tangible and intangible means (Du et al., 2015). Service industries use IC to scan the environment and attenuate the consequences of adverse influence and environmental challenges that may help to access of useful information (Li and Liu, 2018; Ying et al., 2019; Wei et al., 2023). Similarly, several business organizations use IC to acquire sufficient knowledge and resources to reduce the pressure of external environment (Otcenášková and Bureš, 2018). SMEs sector face a big problem of financial constraints across the globe. Hence, they use their IC to access adequate financial resources for their survival and growth (Li et al., 2020). Managers use different sources and resources to reduce the environmental pressure and gain a sustainable competitive position in the market. All the sources and resources are worthy but IC—being an intangible factor significantly helps managers to acquire useful information and resources to reduce the negative consequences (Cabrilo and Dahms, 2018). Some resources are difficult to be acquired. In this case firms use social capital to make their access possible to the resources (Lee et al., 2019). In general, all the dimensions of IC; human capital, structural capital and relational capital facilitate firms to embedded and integrate the resources (Laud et al., 2015). Hence,

H2. Intellectual capital facilitates SMEs in acquiring national tangible resources
H3. Intellectual capital facilitates SMEs in acquiring national intangible resources
H4. Intellectual capital facilitates SMEs in acquiring international tangible resources
H5. Intellectual capital facilitates SMEs in acquiring international intangible resources

National and International Resources and Internationalization

A firm international market entry and competency depend on a variety of resources including tangible and intangible (Abecassis-Moedas et al., 2012; Nivoix and Marcon, 2023). Exporting SMEs need new product development competences and technological resources (Westhead et al., 2004; Rakshit et al., 2022). SMEs in emerging economies face various barriers such as lack of support, lack of financial resources, lack of capacity to adopt modern technology and lack of managerial skills that hinder their progress to enter into a foreign market (Jain et al., 2019). The notion demonstrates that sufficient resources (tangible and intangible) are very crucial for SMEs to enter into a stable and developed markets (Allmén Sjöberg and Nordström, 2019). For instance, (Sandberg et al., 2019) revealed that firms with adequate resources enter into a foreign market earlier than those which having shortage of resources. Hence, it is very crucial for ventures to acquire valuable tangible and

intangible resources (Abecassis-Moedas et al., 2012; Liu et al., 2019). (Ruzzier and Ruzzier, 2015) applied the RBV theory in their study by examining the influence of several factors including resources on internationalization and revealed that SMEs get numerous benefits of resources when they intend to enter into an international market. Favoring the notion and apply the same theory (RBV), (You et al., 2019) scrutinized that the resources such as entrepreneurial ability, human capital and social networking significantly help Chinese SMEs to enter into a foreign market. In emerging economies, firms level resources (technological non-technological) play a crucial role in SMEs internationalization (Santhosh and Bala Subrahmanya, 2019). Firms manage all types of resources; technological, human, market, internationalization and customers in order to enhance its sale growth (Lee et al., 2018). RBV theory (Barney, 1991) demonstrates that a firm with sufficient resources (tangible and intangible) has superior advantage over other firms in international markets but studies are still tantalizing how firms transform resources into useful insights (Cai et al., 2014). Enterprises with strong IC have superior control and possession over other firms in acquiring external knowledge and resources (Cai et al., 2014). Studies have recommended both resources to acquire in order to gain satisfactory performance. For instance, (Zhao and Morgan, 2017) and (Sachitra and Chong, 2018) describe that tangible means are more beneficial while (Khan et al., 2019) and (Haji and Mohd Ghazali, 2018) reveal that intangible resources are better than tangible. However, for internationalization purpose, both means are needed. Consequently, consider a newly born venture that has a high failure ratio and resource scarcity, it is very essential for the firm to acquire satisfactory resources for business expansion and operational process (Barney and Arikan, 2005). Obtaining external resources is not only important for high performance and profitability, but firms also get other benefits such as exploiting new opportunities, new markets information and customers' demands (Shane, 2003). A firm need to access resources in the host country and home country when planning for internationalization. For instance, (Gaur et al., 2014) executed that enterprises with international experience, international network and international technology have superior competencies in the speed of internationalization and have high export performance. On the other hand, (Jain et al., 2019) argued that home country resources, support and experience are the prominent indicators in firm internationalization. Hence, home country needs to provide satisfactory resources in order to enhance internationalization process because lack of resources and boundless hamper the entry of new markets (Mun, 2019). International tangible (technology and finance etc.) and intangible (skills and information etc.) are very crucial for SMEs to enter into foreign markets on time (Autio et al., 2005). However, either tangible or intangible resources, there is need to consider the need of the organization. For instance, consider entry into international market, we perceive that both tangible and intangible means in the home country and host country are useful.

H6. National tangible and intangible resources facilitate SMEs towards internationalization
H7. International tangible and intangible resources facilitate SMEs towards internationalization

Mediating role of Resource acquisition

Researchers have claimed an indirect relationship between IC and firm performance and supposed that IC first drives resource modification, interactions and communication etc. (Inkinen, 2015). Similar, it is also argued that IC significantly improves the degree of internationalization but the relationship is mostly affected by other factors. For instance, a recent study conducted by (Suseno and Pinnington, 2018) stated that organizational resources such networking, knowledge and technology mediates the relationship between IC and internationalization. In similar vein, (Radulovich et al., 2018) also described that intangible resources (human capital, relational capital and structural capital) positively influence international performance of business firms but the relationship is affected by organizational factors. IC often helps firms to strength their internal resources such as knowledge, technology, communication and information that consequently drive

ventures toward internationalization (Korsakienė et al., 2017). Firms engaged in internationalization because of benefits and outputs in stable markets. Most of the firms get benefits of IC but it indirectly helps via knowledge resources, information, technology and capabilities (Holterman, 2011). Many firms in emerging economies manage their internal resources to gain sustainable position. However, the resources do not guarantee competitive advantage, firms need to assemble the means for internationalization purpose (Pigatto et al., 2019). Indeed, resources are useful for high performance and profitability. However, firms should manage sufficient resources in order to make a successful internationalization entry and should attenuate the slack of resources problem (Sui and Baum, 2014). As discussed earlier, both tangible and intangible means play a prominent role in the success and survival of a firm. However, resources do not come directly but required enough time and strategic planning. In this case, most of the SMEs use their knowledge and intangible skills such IC to acquire the external resources (Huang and Huang, 2020; Ahmad et al., 2022). IC encourages managers toward initiatives and enables them to experience new ideas. This alternatively leads them to acquire useful information and resources (Kamukama et al., 2017). Due to lack of resources and support in emerging economies, SMEs perceive access to international resources and means. They need strong support of human capital, structural capital and relational capital in this perspective. It is doubtless that the dimensions of IC (human capital, relational capital and structural capital) play a significant role in the speed of internationalization but the path is further strengthened by organizational resources and competencies (Hitt et al., 2006). Firms use human resources and competencies to access resources that are needed for internationalization (Andersson and Sundermeier, 2019). To summarize, studies have argued that IC first gives the advantages such acquiring knowledge, finance, technology, information and sustainable competitive position that in turn give profitability and newness (internationalization) (Fernandes et al., 2014; Kianto et al., 2014; Song, 2018). Therefore;

H8. National tangible and intangible resources mediate the relationship between intellectual capital and SMEs internationalization
H9. International tangible and intangible resources mediate the relationship between intellectual capital and SMEs internationalization
The hypothesized relationship among the factors is shown in figure 1.

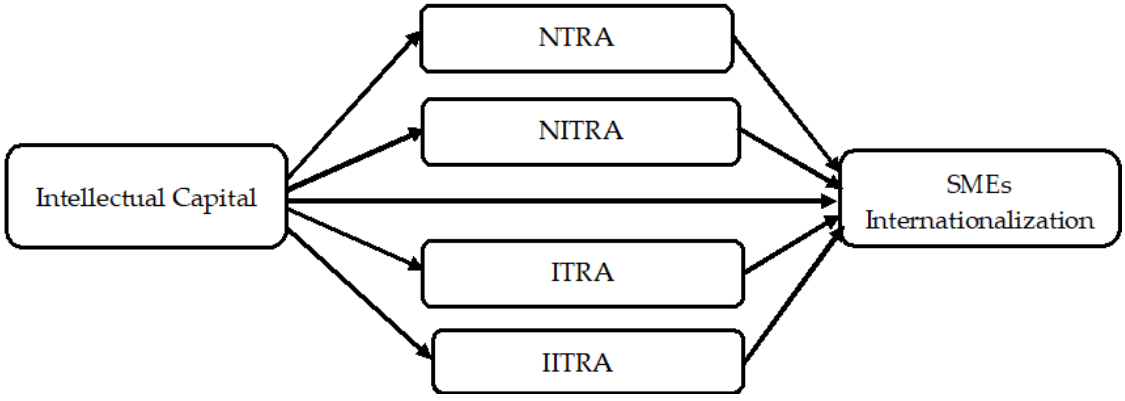

Fig 1. Research Model
Note; NTRA=National tangible resource acquisition, NITRA= National intangible resource acquisition, ITRA= International tangible resource acquisition, IITRA= International intangible resource acquisition

Methodology

Study Sample and Data Collection

The nature of this study is quantitative and the deductive approach is used to test the research model. We gathered evidence through a structured questionnaire from Chinese SMEs for this research. China is a fast-growing economy and SMEs in China significantly search international markets. Since SMEs do not disclose their financial information to the public. Hence, it is very difficult to obtain financial information of SMEs across the globe (Khattak et al., 2023). Hence, SMEs literature have suggested self-reported measures for data collection purpose (Ying et al., 2019). There is no single definition of SMEs across the globe and every country has defined SMEs in their own scope. In general, SMEs are defined on the basis of number of employees, total assets and annual sales (Anwar et al., 2022; Xin et al., 2023). In China, SMEs are defined as "the ventures where more than 10 and less than 500 employees are working" (Khan et al., 2019). The reason of focusing number of employees only is that SMEs do not share their annual sales and assets turnover properly. We adopted a hard copy style to collect data because many firms do not response to the email in emerging economies (Khattak et al., 2023). We translated the questionnaire into Chinese language because majority of owners and manages face difficulty in understanding English language. We distributed 600 questionnaires in three top cities named Shanghai, Shenzhen and Sichuan because most of the firms have launched their head offices in these cities. We followed the distributed questionnaire after every week. During two months, we received 271 usable responses that were included in the research analyses. The response rate is 45.17%.

Profile of the Firms

Table 2 depicts the list of SMEs who participated in the survey.

Table 2. Demographic Detail

Descriptions	Frequency	Percentage
Nature of industry		
Manufacturing	124	45.8
Trading	105	38.7
Services	42	15.5
Age of the firms		
10 years and less	66	24.4
11-20 years	82	30.3
21 and above years	123	45.4
Size of the firms		
10-100 employees	24	8.9
101-200 employees	41	15.1
201-300 employees	51	18.8
301-400 employees	65	24.0
401-500 employees	90	33.2
Educational Background		
Intermediate and below	55	20.3
Bachelor	88	32.5
Master	115	42.4
PhD etc.	13	4.8
Total	271	100

Measurement of Variables

Intellectual Capital: Studies have discussed three major dimensions of IC named human capital, structural capital and relational capital (Anwar et al., 2018a; Ying et al., 2019). Moreover, studies

have also used "intangible asset" as synonyms for IC (Khan et al., 2019; Ying et al., 2019). When financial data are available, researchers have used Value Added Intellectual Capital (VAIC) model to measure IC (Demartini and Trucco, 2016; Xu and Wang, 2019). However, as discussed earlier that SMEs are reluctant to provide their financial information. Hence, we used self-reported measures that are tested and validated by (Khan et al., 2019) in emerging SMEs. There were 6 items of which a sample item represents "our firm's knowledge and competencies are evaluated persistently "etc.

***Resource Acquisition*:** In this study, we considered the external tangible (machinery, technology and finance etc.) and intangible (information, advise and knowledge etc.) resources available to firms. We used six items to measure NTRA, NITRA, ITRA and IITRA. These items were adopted from the prior studies (Degong et al., 2018; Jiang et al., 2018; Ying et al., 2019) and were modified according to the study requirements.

***Internationalization*:** It indicates international business of a firm such as export, import and operational activities in foreign markets. We relied on 4 items that are mostly used in emerging SMEs such as China and Pakistan (Khan et al., 2019).

Control Variables

We control age and size of the ventures and educational background of top managers and owners in the study to reduce the counterfeit consequences. We found that educational background and size of firms have a significant role in the model while age does not matter in the context of SMEs internationalization.

Data Analysis and Results

We applied SEM in AMOS to analyze the data and test the hypotheses. However, SPSS was applied for the screening test such as data normality and multicollinearity etc.

Descriptive Statistics

We executed descriptive statistics (see Table 3) in SPSS to check the normality of the data, Means (*M*), Standard Deviation (S.D.) and multicollinearity. The results indicate that IC has the highest M value 3.36 while NITRA has the lowest 2.69. IC has also the highest SD 0.81 while internationalization has the lowest SD 0.61. Our data are normally distributed because none of the factors crossed the threshold of skewness and kurtosis $\pm$ 2 as recommended by (George and Mallery, 2016).

Table 3. Descriptive Statistics

					Multicollinearity	
Variables	Mean	Std. Deviation	Skewness	Kurtosis	Tolerance	VIF
IC	3.3640	0.81144	-0.341	0.041	0.896	1.116
NTRA	2.7834	0.77822	-0.292	-0.445	0.985	1.015
NITRA	2.6325	0.74940	-0.180	-0.309	0.976	1.024
ITRA	2.8186	0.68395	-0.256	0.131	0.936	1.069
IITRA	2.6982	0.73290	-0.050	-0.562	0.865	1.156
Internationalization	3.3336	0.62064	-1.214	1.816		

Note: IC=intellectual capital, NTRA=National tangible resource acquisition, NITRA= National intangible resource acquisition, ITRA= International tangible resource acquisition, IITRA= International intangible resource acquisition

Correlation

We checked correlations between the variables that have shown in Table 1. It indicates that IC is significantly positively related to internationalization (r=0.438, p<0.01), there is an insignificant positive association between IC and NTRA (r=0.024, p>0.05), also insignificant relationship between IC and NITRA (r=0.115, p>0.05), a significant positive relationship between IC and ITRA (r=0.308, p<0.01) but an insignificant relationship between IC and IITRA (r=0.074, p>0.05). The relationship between NTRA and internationalization is significant positive (r=0.200, p<0.01), NITRA is also significantly positively related to internationalization (r=0.218, p<0.01). Similarly, found a significant positive relationship between ITRA and internationalization (r=0.503, p<0.01) and a significant positive association between IITRA and internationalization (r=0.377, p<0.01).

Table 4. Correlation

Variables	Size	Age	Education	IC	NTRA	NITRA	ITRA	IITRA	Internationalization
Size	1								
Age	0.132*	1							
Education	-0.045	0.231**	1						
IC	0.241**	0.066	0.080	1					
NTRA	0.109	0.070	0.027	0.024	1				
NITRA	0.160**	-0.085	-0.098	0.115	0.023	1			
ITRA	0.256**	-0.048	-0.052	0.308**	0.050	0.078	1		
IITRA	0.257**	-0.006	0.048	0.074	0.117	-0.068	0.212**	1	
Internationalization	0.663**	0.113	0.092	0.438**	0.200*	0.218*	0.503**	0.377**	1

Note: *. Correlation is significant at the 0.05 level (2-tailed). **. Correlation is significant at the 0.01 level (2-tailed). IC=intellectual capital, NTRA=National tangible resource acquisition, NITRA= National intangible resource acquisition, ITRA= International tangible resource acquisition, IITRA= International intangible resource acquisition

Common method bias

We collected the self-reported data through a structured questionnaire from the same respondents on the same time. The results of such types of data sets are influenced by common method bias. Hence, we applied Harman One factor test to check if common method bias problem is existed in our data. Our findings displayed 6 factors which have eigenvalue greater than 1. The first factor showed 26.30% variance out of total 76.19% variation that is explained by all the factors collectively. Hence, this method revealed that there is no threat of common method bias because the first factor explained the variation below the cutoff 50% (MacKenzie and Podsakoff, 2012). However, researchers have criticized the Harman one factor test due to its weak adaptability and validity. Hence, we applied another method named "common latent factor" where the impact of a common latent factor on measurement model was checked. We compared the results of the both tests (one executed with common latent factor and one without the common latent factor) and confirmed that our data are free of the threat.

Confirmatory Factor Analysis

To examine regression weight of the items and validity and reliability of the factors, we executed confirmatory factor analysis in AMOS. We ensured that the model is well fitted as all the criteria are found in the acceptable range (see Table 6). CMIN/DF is less than 3 which is acceptable as per the suggestion of (Hu and Bentler, 1999). RMR and RMSEA are below 0.09 that indicate satisfactory fit (Hair Jnr et al., 2010). GFI, AGFI, CFI, NFI and TLI are closed to 0.90 display adequate model fits (Hu and Bentler, 1999). All the regression weights of the items show significant values ($p < 0.001$) loaded on their relevant constructs. In addition to the fitness, we checked convergent validity, discriminant validity and composite reliability of the factors that have shown in Table 5. Our variables displayed acceptable convergent validity (above 0.50) and discriminant validity (above 0.70) as per the suggestion of (Hu and Bentler, 1999). We also found composite reliability value above the cutoff (above 0.70) which confirms that all the items have strong internal consistency against the relevant constructs (Hair et al., 2010). Hence, all the criteria of the model fits have achieved.

Table 5. Regression Weight, Validity and Reliability

	Estimate	AVE	√AVE	C.R.
ic6	0.87	0.68	0.82	0.92
ic5	0.77			
ic4	0.88			
ic3	0.76			
ic2	0.89			
ic1	0.76			
ntr1	0.88	0.69	0.83	0.87
ntr2	0.77			
ntr3	0.85			
nir1	0.85	0.63	0.79	0.83
nir2	0.66			
nir3	0.85			
iitr3	0.78	0.60	0.78	0.82
iitr2	0.73			
iitr1	0.82			
itr3	0.82	0.61	0.78	0.82
itr2	0.63			
itr1	0.87			
int1	0.83	0.66	0.81	0.88
int2	0.76			
int3	0.88			
int4	0.78			

Table 6. Model Fits

Fitness Criteria	X/df	RMR	RMSEA	GFI	AGFI	TLI	CFI	NFI
Measurement Model	1.645	0.034	0.049	0.91	0.88	0.96	0.97	0.92
Structural Model	1.818	0.075	0.055	0.88	0.85	0.94	0.95	0.89
Acceptable Criteria	<3	<0.09	<0.08	>0.90	>0.90	>0.90	>0.90	>0.90

Structural Model

We tested hypotheses through structural model using AMOS that has shown in Figure 00. We revealed that the model fit criteria; CMIN/DF, GFI, AGFI, TLI, NFI, CFI, RMR and RMSEA have et acceptable values as endorsed by (Hu and Bentler, 1999; Hair et al., 2010). The results (see Table 6) show that IC has a significant influence on internationalization process ($\beta = 0.170$, $p < 0.05$) which favored H1. IC has an insignificant impact on NTRA ($\beta = 0.023$, $p > 0.05$) and NITRA ($\beta = 0.023$, $p > 0.05$) which did not support H2 and H3 respectively. IC significantly assists SMEs in acquiring ITRA ($\beta = 0.280$, $p < 0.05$) but does not significant help SMEs in acquiring IITRA ($\beta = 0.064$, $p > 0.05$) which supported H4 but did not favor H5. Both NTRA and NITRA have an insignificant influence on SMEs internationalization ($\beta = 0.101$, $p > 0.05$ & $\beta = 0.102$, $p < 0.05$) which did not support H6. However, both ITRA and IITRA significantly facilitate firms towards internationalization ($\beta = 0.252$, $p < 0.05$ & $\beta = 0.134$, $p < 0.05$) which supported H7.

The indirect influence of IC on SMEs internationalization is significant ($\beta = 0.092$, $p < 0.05$) but the direct relationship is also remained significant ($\beta = 0.170$, $p < 0.05$) which partially supported H8 and H9. It reveals that IC managers gives equal benefits (e.g. in acquiring resources and internationalization) to SMEs in the transition economy. In the control variables, our findings revealed that size of firms and educational background of top managers have significant role while age of firm does not matter in the model. R squire displays 65% variance in internationalization that is explained by IC when mediating role played by resource acquisition. Summarized hypotheses are discussed in table 7.

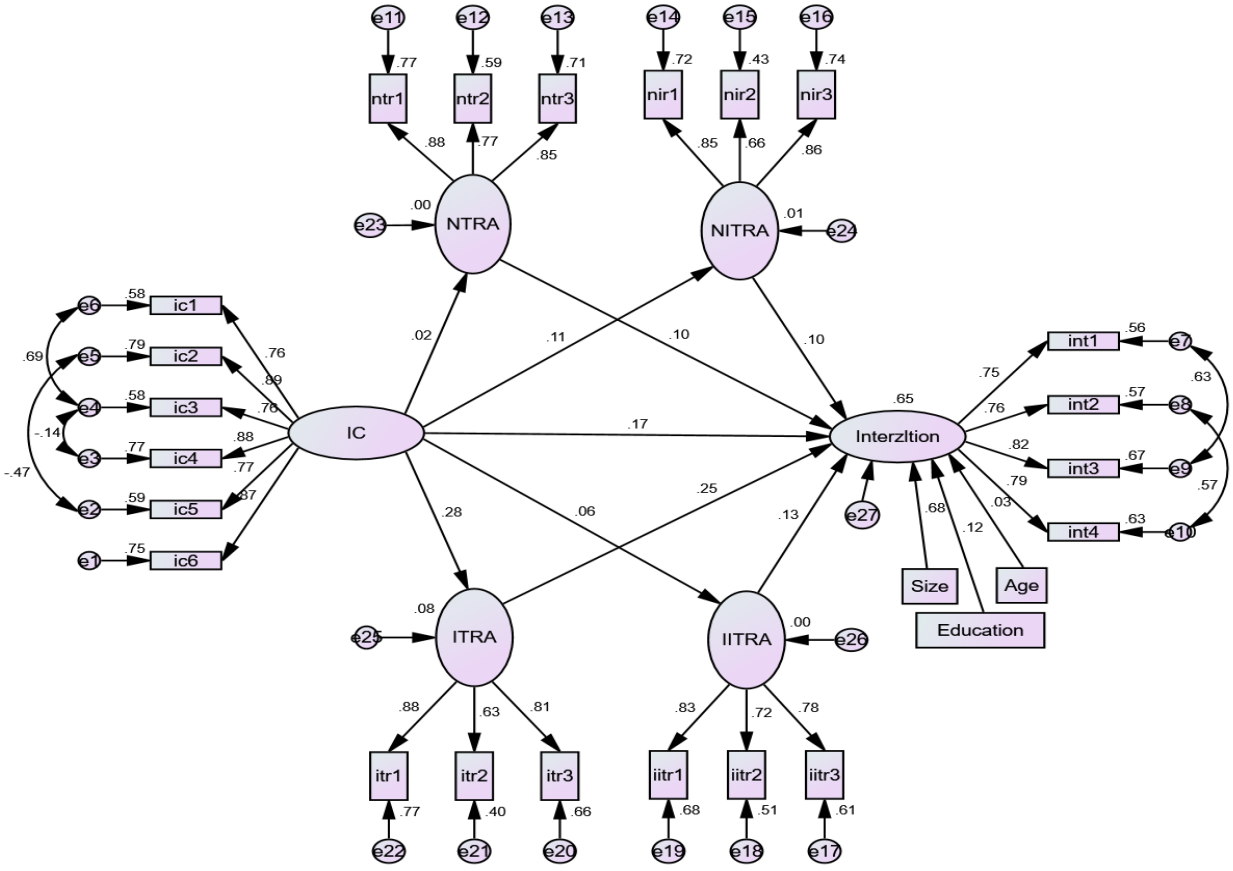

Fig 2. Structural Model

Table 7. Hypotheses Testing

Hypotheses	Direct effect	P values	Indirect effect	P value	Total effect	P value
H1. Internationalization← IC	0.170	0.006	0.092	0.001	0.262	0.001
H2. NTRA← IC	0.023	0.787	-	-	0.023	0.787
H3. INTRA← IC	0.105	0.282	-	-	0.105	0.282
H4. ITRA← IC	0.280	0.003	-	-	0.280	0.003
H5. IITRA← IC	0.064	0.424	-	-	0.064	0.424
H6. Internationalization← NTRA	0.101	0.090	-	-	0.101	0.090
Internationalization← NITRA	0.102	0.086	-	-	0.102	0.086
H7. Internationalization← ITRA	0.252	0.001	-	-	0.252	0.001
Internationalization← IITRA	0.134	0.013	-	-	0.134	0.013
Control Variables						
Internationalization← Firm Age	0.026	0.593	-	-	0.026	0.593
Internationalization← Firm Size	0.683	0.001	-	-	0.683	0.001
Internationalization← Managers Education	0.119	0.036	-	-	0.119	0.036

Note: IC=intellectual capital, NTRA=National tangible resource acquisition, NITRA= National intangible resource acquisition, ITRA= International tangible resource acquisition, IITRA= International intangible resource acquisition

Discussion

This study examined the importance of IC in acquisition of NTR, NITR, ITR and IITR that in turn facilitate internationalization process of SMEs. The contributions of prior studies to the existing literature of IC, resource acquisition and internationalization are not undervalued. However, several constraints and limitations are reported in the previous studies that are perhaps addressed by this study. For instance, this study checked the mediating role of the acquisition of NTR, NITR, ITR and IITR between IC and internationalization in SMEs sector that have never addressed in previous literature. Moreover, unlike previous studies e.g., (Fina and Rugman, 1996; Anwar et al., 2018b; Dabić et al., 2020) where RBV and internationalization theories are tested within a specified framework and in a limited scope. This study tests the both theories in a broad scope that is the acquisition of NTR, NITR, ITR and IITR through intangible capabilities (e.g. IC). We executed the join-ability of the RBV and internationalization in this study and partially confirmed that both theories can be complemented in term of internationalization process. Hence, the theoretical contribution of this study is worthy for researchers, scholars and academia. Our findings disclosed that IC is a significant predictor of SMEs internationalization in the transition economy China. The findings favor other studies that have found a significant relationship between IC and degree of internationalization (Pucar, 2012; Kidwell et al., 2020). Similarly, our findings match with (Assimakopoulos, 2012) who scrutinized that SMEs in China get enough benefits of IC when they plan for international markets. This study revealed unexpected outputs as it discovered that IC does not help SMEs in acquiring NTR and NITR in China. However, our study confirmed that managers and owners with intellectual skills can easily acquire ITR and IITR in the emerging market China. Our findings partially support (Ying et al., 2019) who revealed that IC significantly assists emerging

SMEs in acquiring external resources. This is perhaps international investors and organizations in China provide their resources with a lower interest rate of return as compared to the national resources. Similarly, it can be argued from this research that firms looking for international market may focus on acquisition of international resources as compared to the national resources that can be needed for operational activities. For instance, (Degong et al., 2018) argued that international resources are very fruitful for sustainable competitive performance and profitability in emerging markets. Hence, it can favor our results that international resources can spur internationalization process of SMEs in the transition economy China. We revealed that NTR and NITR do not facilitate internationalization in the SMEs sector. Moving back to the claim that firms perhaps focus on international resources rather believing in national resources when they enter into a foreign market. However, our findings favored the hypotheses that both ITRA and IITRA have a significant influence on SMEs internationalization in the transition economy China. Our results partially support (Khan et al., 2019) that intangible resources are very prominent for sustainable competitive advantage and superior performance in emerging SMEs. However, we considered both tangible and intangible resources that can cause differentiation in the results with other studies. We revealed that NTRA, NITRA, ITRA and IITRA partially mediate the relationship between IC and SMEs internationalization in the transition economy China. Our results significantly match (Ying et al., 2019) who revealed that external resource acquisition plays a partial mediating role between IC and competitive performance. However, our findings do not substantially match (Jiang et al., 2018) who revealed that external resource acquisition significantly mediates the relationship between entrepreneurial orientation new venture performance. Our study scrutinized that external perform a partial mediating role between IC and internationalization process of SMEs. It can be aligned with a prior study conducted by (Anwar et al., 2018b) who revealed that top managers psychology traits directly influence SMEs internationalization in emerging economies. We argue that intellectual skills of top management give equal benefits in term of resource acquisition and internationalization.

Implications for Managers and Policy Makers

Considering the novelty of the model as well as mixed results, this study suggest several useful implications for top managers and owners of SMEs as well as for policy makers. Our findings confirmed that IC is a significant predictor of SMEs internationalization in China. Hence, Chinese firms should encourage and promoted intellectual managers during internationalization process. We revealed surprising results such as IC does not significantly facilitate Chinese SMEs in acquisition of NTR, ITR and IITR but only help in acquiring ITR. It unleashes that perhaps national resources in China are not easily accessible due to high cost and regulations. Hence, policy makers need to evaluate the reasons of preferring international resources over national. Moreover, Chinese SMEs need focus on the improvement of IC of their managers because mere ITR are not sufficient for operational activities and superior performance. For instance, (Liu et al., 2019) scrutinized that firms need tangible and intangible resources for internationalization process. However, our study concluded that NTRA and NITRA have not a significant influence on SMEs internationalization while only ITRA and IITRA significantly help Chinese SMEs towards internationalization. As aforementioned in this study, Chinese SMEs focus on ITRA and IITRA over national resources. It leads a significant implication for policy makers to unleash the reason of difficulty in access to TRA as compared to internationalization resources. Considering the control factors, our study resulted that larger firms have more export activities as compared to small firms. Similarly, firms where educated managers are working are more inclined towards internationalization. However, our study states that there no significant role of age of firms in the model. Parsimoniously, we suggest Chinese SMEs to extend their employees and hire highly educated managers in order to enter into a foreign market easily. To summarize, our findings state that Chinese SMEs use their IC to acquire ITR that in turn help them in internationalization process. The findings of this stud are useful for SMEs working other

emerging markets and especially Pakistan. Because, CPEC is going to start operational activities in the near future which will open a new trade zone for Chinese and Pakistani SMEs. Hence, managers and owners of SMEs in both nations can invest sufficient amount in IC and formulate their strategies for acquiring external resources to make a successful entry in CPEC. In other words, Chinese and Pakistani SMEs need satisfactory tangible and intangible resources to launch their operation in the CEPC. Similarly, firms from other regions can also get equal benefits of the study and can reconfigure their strategic policies for internationalization process.

Limitations and Future Research Suggestions

Despite the significant novelty in the model, there are a few limitations that need to be addressed in future studies. Perhaps the major constraint of the research is targeted population that is only China. However, other emerging firms are also significantly looking for international markets and exports activities. For instance, (Anwar et al., 2018b) examined that Pakistani SMEs have a strong desire of international markets but due to lack of support they cannot expand their business effectively. Hence, we recommend testing the model in the neighbor country Pakistan to check if they are also willing to participate in the CPEC. Additionally, evidence from other emerging economies can give useful implications. We tested the influence of IC to test the model. However, it will better to test the influence each dimension; human capital, relational capital and structural capital on SMEs internationalization with mediating role of tangible and intangible resource acquisition. Another important barrier of this study is ignoring the role of nature of industry, size of firms, age of firms and educational background of the top managers and owners. These factors can be tested in future study because it can influence acquisition of resources in SMEs. For instance, (Mudalige et al., 2019) demonstrated that firm level and individual level dynamic capabilities affect internationalization process of SMEs. It can be worthy to test if certain capabilities influence acquisition of resources in the transition economy. We also recommend collecting evidence from different emerging markets to gain valuable insights. Similarly, data from developed and emerging markets can help in generating useful implications for policy makers.

References

Abecassis-Moedas, C., Ben Mahmoud-Jouini, S., Dell'Era, C., Manceau, D., & Verganti, R. (2012), "Key resources and internationalization modes of creative knowledge-intensive business services: The case of design consultancies", *Creativity and innovation management,*Vol. 21 No. 3, pp 315-331.

Adomako, S., Amankwah-Amoah, J., Dankwah, G. O., Danso, A., & Donbesuur, F. (2019), "Institutional voids, international learning effort and internationalization of emerging market new ventures", *Journal of International Management,*Vol. 25 No. 4, pp 100666.

Aghazadeh, H., Zandi, F., Amoozad Mahdiraji, H., & Sadraei, R. (2023), "Digital transformation and SME internationalisation",Vol. No.

Ahmad, M., Wu, Q., & Khattak, M. S. (2022), "Intellectual capital, corporate social responsibility and sustainable competitive performance of small and medium-sized enterprises: mediating effects of organizational innovation", *Kybernetes,*Vol. No. ahead-of-print.

Aldibiki, A., & El Ebrashi, R. (2023), "The role of networks and capabilities in the internationalization of SMEs in North Africa: The case of Egyptian SMEs", *Thunderbird International Business Review,*Vol. 65 No. 6, pp 581-597.

Allmén Sjöberg, A., & Nordström, J. (2019). Key factors for success in SMEs for developing market shares in Sweden. In.

Andersson, S., & Sundermeier, J. (2019), "Firms' use of organizational, personal, and intermediary networks to gain access to resources for internationalization", *Thunderbird International Business Review,*Vol. 61 No. 4, pp 609-621.

Anjum, N. A., Shahid, Z. A., Mubarik, M. S., & Mazhar, U. (2024), "Role of green innovation and sustainable supply chain management in firm internationalization", *Review of International Business and Strategy,*Vol. No.

Anwar, M., Khan, S. Z., & Khan, N. U. (2018a), "Intellectual capital, entrepreneurial strategy and new ventures performance: Mediating role of competitive advantage", *Business and Economic Review,*Vol. 10 No. 1, pp 63-93.

Anwar, M., Scheffler, M. A., & Clauss, T. (2022), "Digital capabilities, their role in business model innovativeness, and the internationalization of SMEs", *IEEE Transactions on Engineering Management,*Vol. No.

Anwar, M., Shah, S. Z. A., & Khan, S. Z. (2018b), "The role of personality in SMEs internationalization: Empirical evidence", *Review of International Business and Strategy,*Vol. 28 No. 2, pp 258-282.

Ardito, L., D'Angelo, V., Petruzzelli, A. M., & Peruffo, E. (2021), "The role of human capital in the foreign market performance of US SMEs: does owner ethnicity matter?", *Journal of Intellectual Capital,*Vol. 22 No. 7, pp 24-42.

Assimakopoulos, D. (2010), "Introduction: innovation in Chinese firms", *Journal of Knowledge-based Innovation in China,*Vol. 2 No. 1, pp 5-6.

Assimakopoulos, D. (2012). Innovation in China. In (Vol. 30, pp. 153-154): Taylor & Francis.

Autio, E., Sapienza, H. J., & Arenius, P. (2005). International social capital, technology sharing, and foreign market learning in internationalizing entrepreneurial firms. In *International entrepreneurship* (pp. 9-42): Emerald Group Publishing Limited.

Bansal, S., Garg, I., Jain, M., & Yadav, A. (2023), "Improving the performance/competency of small and medium enterprises through intellectual capital", *Journal of Intellectual Capital,*Vol. 24 No. 3, pp 830-853.

Barney, J. (1991), "Firm resources and sustained competitive advantage", *Journal of management,*Vol. 17 No. 1, pp 99-120.

Barney, J. B., & Arikan, A. M. (2005), "The resource-based view: origins and implications", *The Blackwell handbook of strategic management,*Vol. No., pp 123-182.

Cabrilo, S., & Dahms, S. (2018), "How strategic knowledge management drives intellectual capital to superior innovation and market performance", *Journal of knowledge management,*Vol. 22 No. 3, pp 621-648.

Cai, L., Hughes, M., & Yin, M. (2014), "The relationship between resource acquisition methods and firm performance in Chinese new ventures: The intermediate effect of learning capability", *Journal of Small Business Management,*Vol. 52 No. 3, pp 365-389.

Chen, F.-W., Lin, M.-X., & Wang, T. (2018), "Sustainable resource acquisition path: A dynamic model of embedded entrepreneurial network governance under uncertainty", *Sustainability,*Vol. 10 No. 11, pp 4061.

Child, J., Karmowska, J., & Shenkar, O. (2022), "The role of context in SME internationalization–A review", *Journal of World Business,*Vol. 57 No. 1, pp 101267.

Cho, J., & Lee, J. (2018), "Internationalization and longevity of Korean SMEs: The moderating role of contingent factors", *Asian Business & Management,*Vol. 17 No., pp 260-285.

Dabić, M., Maley, J., Dana, L.-P., Novak, I., Pellegrini, M. M., & Caputo, A. (2020), "Pathways of SME internationalization: A bibliometric and systematic review", *Small Business Economics,*Vol. 55 No., pp 705-725.

Dalziel, T., Gentry, R. J., & Bowerman, M. (2011), "An integrated agency–resource dependence view of the influence of directors' human and relational capital on firms' R&D spending", *Journal of Management Studies,*Vol. 48 No. 6, pp 1217-1242.

Dar, I. A., & Mishra, M. (2019), "Internationalisation of SMEs: development and validation of a multi-dimensional measurement scale", *International Journal of Entrepreneurship and Small Business,*Vol. 38 No. 4, pp 507-520.
Degong, M., Ullah, F., Khattak, M. S., & Anwar, M. (2018), "Do international capabilities and resources configure firm's sustainable competitive performance? Research within Pakistani SMEs", *Sustainability,*Vol. 10 No. 11, pp 4298.
Demartini, C., & Trucco, S. (2016), "Does intellectual capital disclosure matter for audit risk? evidence from the UK and Italy", *Sustainability,*Vol. 8 No. 9, pp 867.
Díaz-Fernández, M. C., González-Rodríguez, M. R., & Simonetti, B. (2015), "Top management team's intellectual capital and firm performance", *European Management Journal,*Vol. 33 No. 5, pp 322-331.
Du, J., Guariglia, A., & Newman, A. (2015), "Do social capital building strategies influence the financing behavior of Chinese private small and medium–sized enterprises?", *Entrepreneurship theory and practice,*Vol. 39 No. 3, pp 601-631.
Fernandes, D., Lynch Jr, J. G., & Netemeyer, R. G. (2014), "Financial literacy, financial education, and downstream financial behaviors", *Management science,*Vol. 60 No. 8, pp 1861-1883.
Fernández-Alles, M., Hernández-Roque, D., Villanueva-Flores, M., & Díaz-Fernández, M. (2022), "The impact of human, social, and psychological capital on academic spin-off internationalization", *Journal of International Entrepreneurship,*Vol. 20 No. 3, pp 433-473.
Fina, E., & Rugman, A. M. (1996), "A test of internalization theory and internationalization theory: The Upjohn company", *MIR: Management International Review,*Vol. No., pp 199-213.
Gaur, A. S., Kumar, V., & Singh, D. (2014), "Institutions, resources, and internationalization of emerging economy firms", *Journal of World Business,*Vol. 49 No. 1, pp 12-20.
George, D., & Mallery, P. (2016). Frequencies. In *IBM SPSS statistics 23 step by step* (pp. 115-125): Routledge.
Gruenhagen, J. H., Sawang, S., Gordon, S. R., & Davidsson, P. (2018), "International experience, growth aspirations, and the internationalisation of new ventures", *Journal of International Entrepreneurship,*Vol. 16 No., pp 421-440.
Gupta, O., & Roos, G. (2001), "Mergers and acquisitions through an intellectual capital perspective", *Journal of Intellectual capital,*Vol. 2 No. 3, pp 297-309.
Hair, J. F., Anderson, R. E., Babin, B. J., & Black, W. C. (2010). Multivariate data analysis: A global perspective (Vol. 7). In: Upper Saddle River, NJ: Pearson.
Hair Jnr, J. F., Black, W. C., Babin, B. J., & Anderson, R. E. (2010), "Multivariate data analysis",Vol. No.
Haji, A. A., & Mohd Ghazali, N. A. (2018), "The role of intangible assets and liabilities in firm performance: empirical evidence", *Journal of Applied Accounting Research,*Vol. 19 No. 1, pp 42-59.
Hitt, M. A., Bierman, L., Uhlenbruck, K., & Shimizu, K. (2006), "The importance of resources in the internationalization of professional service firms: The good, the bad, and the ugly", *Academy of management journal,*Vol. 49 No. 6, pp 1137-1157.
Holterman, P. (2011). *Entrepreneurial orientation as moderator for export performance.* University of Twente,
Hu, L. t., & Bentler, P. M. (1999), "Cutoff criteria for fit indexes in covariance structure analysis: Conventional criteria versus new alternatives", *Structural equation modeling: a multidisciplinary journal,*Vol. 6 No. 1, pp 1-55.
Huang, C.-C., & Huang, S.-M. (2020), "External and internal capabilities and organizational performance: Does intellectual capital matter?", *Asia Pacific Management Review,*Vol. 25 No. 2, pp 111-120.

Inkinen, H. (2015), "Review of empirical research on intellectual capital and firm performance", *Journal of Intellectual capital,*Vol. 16 No. 3, pp 518-565.
Jain, N. K., Celo, S., & Kumar, V. (2019), "Internationalization speed, resources and performance: Evidence from Indian software industry", *Journal of Business Research,*Vol. 95 No., pp 26-37.
Jiang, X., Liu, H., Fey, C., & Jiang, F. (2018), "Entrepreneurial orientation, network resource acquisition, and firm performance: A network approach", *Journal of Business Research,*Vol. 87 No., pp 46-57.
Johanson, J., & Vahlne, J.-E. (2017). The internationalization process of the firm—a model of knowledge development and increasing foreign market commitments. In *International business* (pp. 145-154): Routledge.
Jung, S., Kim, J. H., Kang, K. H., & Kim, B. (2018), "Internationalization and corporate social responsibility in the restaurant industry: risk perspective", *Journal of Sustainable Tourism,*Vol. 26 No. 7, pp 1105-1123.
Kadochnikov, S. M., & Fedyunina, A. A. (2018), "High-skilled interregional migration and high-growth firms in Russia", *Area Development and Policy,*Vol. 3 No. 2, pp 241-257.
Kamath, G. B. (2017), "An investigation into intellectual capital efficiency and export performance of firms in India", *International Journal of Learning and Intellectual Capital,*Vol. 14 No. 1, pp 47-75.
Kamukama, N., Kyomuhangi, D. S., Akisimire, R., & Orobia, L. A. (2017), "Competitive advantage: Mediator of managerial competence and financial performance of commercial banks in Uganda", *African Journal of Economic and Management Studies,*Vol. 8 No. 2, pp 221-234.
Khan, S. Z., Yang, Q., & Waheed, A. (2019), "Investment in intangible resources and capabilities spurs sustainable competitive advantage and firm performance", *Corporate Social Responsibility and Environmental Management,*Vol. 26 No. 2, pp 285-295.
Khattak, M. S., Wu, Q., & Ahmad, M. (2023), "Influence of financial resources on sustainability performance of SMEs in emerging economy: the role of managerial and firm level attributes", *Business Strategy & Development,*Vol. 6 No. 4, pp 669-683.
Kianto, A., Ritala, P., Spender, J.-C., & Vanhala, M. (2014), "The interaction of intellectual capital assets and knowledge management practices in organizational value creation", *Journal of Intellectual capital,*Vol. 15 No. 3, pp 362-375.
Kidwell, R. E., Fuentes-Lombardo, G., Sanchez-Famoso, V., Cano-Rubio, M., & Kloepfer, K. E. (2020), "Human capital in the internationalization of family firms", *Thunderbird International Business Review,*Vol. 62 No. 4, pp 353-369.
Kim, S. Y., & Tran, D. B. (2023), "Intellectual capital and performance: evidence from SMEs in Vietnam", *Asia-Pacific Journal of Business Administration,*Vol. No.
Korsakienė, R., Liučvaitienė, A., Bužavaitė, M., & Šimelytė, A. (2017), "Intellectual capital as a driving force of internationalization: a case of Lithuanian SMEs",Vol. No.
Laud, G., Karpen, I. O., Mulye, R., & Rahman, K. (2015), "The role of embeddedness for resource integration: Complementing SD logic research through a social capital perspective", *Marketing Theory,*Vol. 15 No. 4, pp 509-543.
Lee, H., Kelley, D., Lee, J., & Lee, S. (2012), "SME survival: The impact of internationalization, technology resources, and alliances", *Journal of small business management,*Vol. 50 No. 1, pp 1-19.
Lee, K., & Wang, L. (2023), "Chinese high-tech export performance: effects of intellectual capital mediated by dynamic and risk management capabilities", *SAGE Open,*Vol. 13 No. 1, pp 21582440231153039.

Lee, R., Tuselmann, H., Jayawarna, D., & Rouse, J. (2019), "Effects of structural, relational and cognitive social capital on resource acquisition: a study of entrepreneurs residing in multiply deprived areas", *Entrepreneurship & Regional Development,*Vol. 31 No. 5-6, pp 534-554.

Lee, S. H., Leem, C. S., & Bae, D. J. (2018), "The impact of technology capability, human resources, internationalization, market resources, and customer satisfaction on annual sales growth rates of Korean software firms", *Information Technology and Management,*Vol. 19 No., pp 171-184.

Li, G., Luo, Z., Anwar, M., Lu, Y., Wang, X., & Liu, X. (2020), "Intellectual capital and the efficiency of SMEs in the transition economy China; Do financial resources strengthen the routes?", *PloS one,*Vol. 15 No. 7, pp e0235462.

Li, W., Liu, Z., Xia, S., Yan, J., Xiong, Y., Sakka, G., & Li, R. Y. (2022), "How can emerging-market SMEs domestically benefit from their performance in developed countries? Empirical evidence from China", *Journal of Business Research,*Vol. 142 No., pp 200-210.

Li, Y.-Q., & Liu, C.-H. S. (2018), "The role of problem identification and intellectual capital in the management of hotels' competitive advantage-an integrated framework", *International Journal of Hospitality Management,*Vol. 75 No., pp 160-170.

Ling, Y.-H. (2012), "A study on the influence of intellectual capital and intellectual capital complementarity on global initiatives", *Electronic Journal of Knowledge Management,*Vol. 10 No. 2, pp pp154-163-pp154-163.

Liu, Y., Kim, J., & Yoo, J. (2019), "Intangible resources and internationalization for the innovation performance of Chinese high-tech firms", *Journal of Open Innovation: Technology, Market, and Complexity,*Vol. 5 No. 3, pp 52.

MacKenzie, S. B., & Podsakoff, P. M. (2012), "Common method bias in marketing: Causes, mechanisms, and procedural remedies", *Journal of retailing,*Vol. 88 No. 4, pp 542-555.

Mataveli, M., Ayala Calvo, J.-C., & Gil, A. J. (2024), "The role of intellectual capital and service agility in banking service provision: the perspective of Brazilian export companies", *International Journal of Emerging Markets,*Vol. 19 No. 2, pp 475-493.

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,*Vol. 9 No. 6, pp 469-487.

Meliciani, V., & Tchorek, G. (2019), "Internationalization strategy, financial constraints and assets (in) tangibility. A study of euro area countries after the 2008 crisis", *The Journal of International Trade & Economic Development,*Vol. 28 No. 2, pp 161-188.

Meyer, K. E., & Xin, K. R. (2018), "Managing talent in emerging economy multinationals: Integrating strategic management and human resource management", *The International Journal of Human Resource Management,*Vol. 29 No. 11, pp 1827-1855.

Mudalige, D., Ismail, N. A., & Malek, M. A. (2019), "Exploring the role of individual level and firm level dynamic capabilities in SMEs' internationalization", *Journal of international Entrepreneurship,*Vol. 17 No., pp 41-74.

Mun, H. J. (2019), "The home country boundness of technological resources and internationalization performance", *Management Decision,*Vol. 57 No. 9, pp 2325-2343.

Muneeb, F. M., Karbassi Yazdi, A., Hanne, T., & Mironko, A. (2024), "Small and medium-sized enterprises in emerging markets and foreign direct investment: an integrated multi-criteria decision-making approach", *Applied Economics,*Vol. No., pp 1-18.

Murthy, V., & Abeysekera, I. (2007), "Human capital value creation practices of software and service exporter firms in India", *Journal of Human Resource Costing & Accounting,*Vol. 11 No. 2, pp 84-103.

Nivoix, S., & Marcon, C. (2023). *Firm Internationalization: Intangible Resources and Development*: Taylor & Francis.

Onkelinx, J., Manolova, T. S., & Edelman, L. F. (2016), "The human factor: Investments in employee human capital, productivity, and SME internationalization", *Journal of International Management,*Vol. 22 No. 4, pp 351-364.

Otcenášková, T., & Bureš, V. (2018), "Self-assessment of intellectual capital in an organisation: Inclusion of internal view, dynamics, and topicality", *Journal of Intellectual Capital,*Vol. 19 No. 2, pp 387-406.

Pigatto, G., Santini Pigatto, G. A., Satolo, E. G., & Negreti, A. d. S. (2019), "The importance and the adaptation of internal resources as a competitive advantage for the internationalization of food companies: An analysis of Brazilian companies", *Grey Systems: Theory and Application,*Vol. 9 No. 3, pp 305-320.

Pucar, S. (2012), "The influence of intellectual capital on export performance", *Journal of Intellectual Capital,*Vol. 13 No. 2, pp 248-261.

Radulovich, L., Javalgi, R. G., & Scherer, R. F. (2018), "Intangible resources influencing the international performance of professional service SMEs in an emerging market: Evidence from India", *International Marketing Review,*Vol. 35 No. 1, pp 113-135.

Rakshit, S., Islam, N., Mondal, S., & Paul, T. (2022), "Influence of blockchain technology in SME internationalization: Evidence from high-tech SMEs in India", *Technovation,*Vol. 115 No., pp 102518.

Rehman, S. U., Bresciani, S., Ashfaq, K., & Alam, G. M. (2022), "Intellectual capital, knowledge management and competitive advantage: a resource orchestration perspective", *Journal of Knowledge Management,*Vol. 26 No. 7, pp 1705-1731.

Ruzzier, M., & Ruzzier, M. K. (2015), "On the relationship between firm size, resources, age at entry and internationalization: the case of Slovenian SMEs", *Journal of business economics and management,*Vol. 16 No. 1, pp 52-73.

Sachitra, V., & Chong, S.-C. (2018), "Resources, capabilities and competitive advantage of minor export crops farms in Sri Lanka: An empirical investigation", *Competitiveness Review: An International Business Journal,*Vol. 28 No. 5, pp 478-502.

Sandberg, S., Sui, S., & Baum, M. (2019), "Effects of prior market experiences and firm-specific resources on developed economy SMEs' export exit from emerging markets: Complementary or compensatory?", *Journal of Business Research,*Vol. 98 No., pp 489-502.

Santhosh, C., & Bala Subrahmanya, M. (2019), "Internationalization of SMEs in emerging economies: Critical role of firm-level resources", *Transnational Entrepreneurship: Issues of SME Internationalization in the Indian Context,*Vol. No., pp 37-53.

Sapienza, H. J., Autio, E., George, G., & Zahra, S. A. (2006), "A capabilities perspective on the effects of early internationalization on firm survival and growth", *Academy of management review,*Vol. 31 No. 4, pp 914-933.

Shane, S. A. (2003). *A general theory of entrepreneurship: The individual-opportunity nexus*: Edward Elgar Publishing.

Song, Z.-f. (2018). *The relationship among top managerial social capital, resource acquisition and the growth performance of small and medium-sized travel agencies.* Paper presented at the Proceedings of the 2018 1st International Conference on Internet and e-Business.

Sui, S., & Baum, M. (2014), "Internationalization strategy, firm resources and the survival of SMEs in the export market", *Journal of International Business Studies,*Vol. 45 No., pp 821-841.

Suseno, Y., & Pinnington, A. H. (2018), "Building social capital and human capital for internationalization: The role of network ties and knowledge resources", *Asia Pacific Journal of Management,*Vol. 35 No. 4, pp 1081-1106.

Terblanche, W., & De Villiers, C. (2019), "The influence of integrated reporting and internationalisation on intellectual capital disclosures", *Journal of Intellectual Capital,*Vol. 20 No. 1, pp 40-59.

Ullah, R., Ahmad, H., Rehman, F. U., & Fawad, A. (2023), "Green innovation and Sustainable Development Goals in SMEs: The moderating role of government incentives", *Journal of Economic and Administrative Sciences,*Vol. 39 No. 4, pp 830-846.

Vătămănescu, E.-M., Gorgos, E.-A., Ghigiu, A. M., & Pătruț, M. (2019), "Bridging intellectual capital and SMEs internationalization through the lens of sustainable competitive advantage: A systematic literature review", *Sustainability,*Vol. 11 No. 9, pp 2510.

Wei, F., Abbas, J., Alarifi, G., Zhang, Z., Adam, N. A., & de Queiroz, M. J. (2023), "Role of green intellectual capital and top management commitment in organizational environmental performance and reputation: Moderating role of pro-environmental behavior", *Journal of Cleaner Production,*Vol. 405 No., pp 136847.

Westhead, P., Wright, M., & Ucbasaran, D. (2004), "Internationalization of private firms: environmental turbulence and organizational strategies and resources", *Entrepreneurship & Regional Development,*Vol. 16 No. 6, pp 501-522.

Xin, Y., Khan, R. U., Dagar, V., & Qian, F. (2023), "Do international resources configure SMEs' sustainable performance in the digital era? Evidence from Pakistan", *Resources Policy,*Vol. 80 No., pp 103169.

Xu, J., & Wang, B. (2019), "Intellectual capital performance of the textile industry in emerging markets: A comparison with China and South Korea", *Sustainability,*Vol. 11 No. 8, pp 2354.

Ying, Q., Hassan, H., & Ahmad, H. (2019), "The role of a manager's intangible capabilities in resource acquisition and sustainable competitive performance", *Sustainability,*Vol. 11 No. 2, pp 527.

Yordanova, D., Dana, L.-P., Manolova, T. S., & Pergelova, A. (2024). Digital Technologies and the Internationalization of Small and Medium-Sized Enterprises. In (Vol. 16, pp. 2660): MDPI.

You, Y., Wang, C., & Xu, D. (2019). *The Impact of Resources of China's SMEs on Their Internationalization Performance.* Paper presented at the 2019 International Conference on Pedagogy, Communication and Sociology (ICPCS 2019).

Youndt, M. A., Subramaniam, M., & Snell, S. A. (2004), "Intellectual capital profiles: An examination of investments and returns", *Journal of Management studies,*Vol. 41 No. 2, pp 335-361.

Zane, L. J., & DeCarolis, D. M. (2016), "Social networks and the acquisition of resources by technology-based new ventures", *Journal of Small Business & Entrepreneurship,*Vol. 28 No. 3, pp 203-221.

Zhang, X., Ma, X., & Wang, Y. (2012), "Entrepreneurial orientation, social capital, and the internationalization of SMEs: Evidence from China", *Thunderbird International Business Review,*Vol. 54 No. 2, pp 195-210.

Zhao, S., & Morgan, S. (2017). Business to Government Networks in Resource Acquisition: The Case of Chinese Private Enterprises. In *Business Networks in East Asian Capitalisms* (pp. 69-91): Elsevier.