

**Context-specific micro-foundations and successful SME
internationalisation in emerging markets: A mixed-method analysis of
managerial resources and dynamic capabilities**

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Abstract

Building on the resource-based view, this study aims to address the scant research on the context-specific micro-foundations that impact on internationalisation of SMEs in emerging markets. Therefore, the paper explores managerial resources and dynamic capabilities in three categories of international networking, vision, and experience and competence. In this regard, we employ a mixed-method analysis and focus on Iran as representative of a low supportive institutional context for SME internationalisation belongs to emerging markets. Hence, in qualitative analysis, we utilise multiple case study and conduct ten interviews, which led to the identification of fourteen important managerial resources and capabilities. This is followed by expert-based decision-making approaches, taking advantage of interpretive structural modelling (ISM) and Matrix-based Multiplication Applied to a Classification (MICMAC), which contributed to investigation the relative function of identified factors as well as proposing a conceptual framework for the inter- and cross-relationships among explored drivers in three targeted categories and provides theoretical and practical suggestions.

Keywords. *SME internationalisation; dynamic capabilities; international networking and vision; emerging markets; mixed-method analysis; ISM MICMAC.*

Introduction

In a rapidly evolving global business environment, it is inevitable for economies to promote and support the participation of firms from the country presence in global markets (Lindstrand & Hånell, 2017; Menzies et al., 2020). Particularly for Small and Medium-Sized Enterprises (SMEs), internationalisation, as known among the most intricate and challenging strategies, provides an opportunity not only to survive but also to look for success and growth (Dimitratos et al., 2016; Fernández & Nieto, 2005). While it is generally accepted that recent technological advancements, as well as the reduction in trade barriers, have assisted ventures in their internationalisation processes (Jafari-Sadeghi, Kimiagari, et al., 2020; Jean et al., 2020; Leonidou, 2004), it has also been observed that environmental changes have played only a limited or even negative role in decisions by ventures to expand their markets internationally (Acs et al., 2003; Dana & Wright, 2009). Thus, in this accelerating evolving environment, firms need to adopt an integrated policy, taking into account favourable and unfavourable environmental factors with their global activities (Chichilnisky & Heal, 1986; Lindsay et al., 2017).

In the international business literature, researchers have concentrated on the extents to which contributes to the internationalisation of SME. However, several shortcomings and gaps have been found in extant research. To start with, international entrepreneurship scholars have advocated a focus at different levels: some on the environmental characteristics (e.g., Bruton et al., 2010; Jafari Sadeghi et al., 2019), others on business characteristics (e.g., Henley & Song, 2020), however, there has been less attention to lower levels, in particular at the individual level (Adams et al., 2009; Gavetti, 2005). The scant research suggests more exploration of micro-foundations perspectives that potentially are more fundamental and stable (Chittoor et al., 2019). In this vein, the interest in micro-foundations stresses the significant role of international managers and entrepreneur as being the central decision-maker in opposition to the larger multi-national firms, in which the management team has the power of decision-making (Bhuian et al., 2005). In international SMEs, the founder, owner or/and manager is often willing to be the first person and to be in charge of making decisions for internationalisation (Jafari-Sadeghi, Nkongolo-Bakenda, et al., 2020).

Furthermore, exploring the micro-foundations constitute to better understanding of how micro-level drivers such as managerial resources and dynamic capabilities impact the processes of SME internationalisation at macro-level processes (Buckley et al., 2016; Hutzschenreuter et al., 2007). That is, the intertwined individuals' actions with firm outcomes ought to be supported by a relevant theory (Coviello et al., 2017). In this regard, Resource-Based View (RBV) provides a theoretical framework to explore comprehend how international SMEs leverage their managerial resources and capabilities to attain and sustain competitive advantage (Lukovszki et al., 2020; Sukaatmadja et al., 2020). In particular, RBV proposes that managers' dynamic capabilities contribute to the identification, creation, and integration of crucial resources for SMEs' survival and growth (Hernández-Linares et al., 2018; Wu, 2010).

Moreover, in the exploration of the micro-foundations of SME internationalisation, the context plays an important role. In this regard, Jafari Sadeghi et al. (2019) argue that context-specific

factors are particularly dependent on the characteristics of the people and place of SMEs. Such factors might not be influential for entrepreneurial internationalisation in other contexts. In this vein, the literature suggests that RBV seems to be mostly applied in the context of developed countries where the pushing factors suggest the market saturation and needs for moving to low-cost production environments (Cooper et al., 2020). Little is known about factors facilitating the successful internationalisation of SMEs originating from emerging markets where they seem to be different in competitive, economic, sociocultural, and political settings leading to management of resources and capabilities (Popli et al., 2017; Uner et al., 2020). Among emerging markets, Iran is a particular context since the country reflect important emerging market characteristics such as the high intervention of government in the economy, low infrastructure and unstable but growing economy (Astrov et al., 2018; Moradi, 2011). On the other hand, the country struggle with geopolitical challenges that extremely negatively impacted on internationalisation of firms in Iran (Jafari Sadeghi et al., 2018). That is the unique characteristics of Iranian allude to explore the context-specific drivers that entrepreneurs and manager leverage to successfully internationalise their SMEs.

Hence, building on the wealth of RBV and dynamic capabilities, the objective of this research is to explore and examine the key context-specific micro-foundations at the individual-level that constitute SME internationalisation from emerging markets. The research questions asserted for exploration are: “What are the pertinent managerial resources and dynamic capabilities for internationalisation of SMEs in Iran?”, “among explored drivers, what are their relative function?” and “what are the inter- and cross-relationships among identified drivers?” To address these research questions, the current study takes advantage of a mixed-method analysis. In its qualitative analysis using multiple case study method, this research employs a total number of ten interviews with managers and entrepreneurs of international SMEs in Iran. This led to the identification of fourteen important managerial resources and capabilities in three categories of international networking, vision, and experience and competence. Nonetheless, the classification, the importance, and the relationship amongst the extracted managerial resources and capabilities emanated from the qualitative section of the research was still questionable. Furthermore, to the best knowledge of the authors, the current literature also deals with this gap; hence, the authors implemented qualitative methods to investigate the relationship of the capabilities, alongside designing a conceptual model to illustrate their relationship. Accordingly, in quantitative synthesis, to design a clear and basic conceptual framework that demonstrates the relationship between extracted managerial resources and capabilities, a hybrid approach consisting of interpretive structural modelling (ISM) and Matrix-based Multiplication Applied to a Classification (MICMAC) has been scheduled. By implementing the hybrid method, the drivers, dependents, linkages and autonomous factors are identified, and a stage-based conceptual framework is illustrated.

This research makes some important theoretical and practical contributions. To start with, this is probably of the early studies employing the wealth of RBV to explore individual-level micro-foundations of SMEs internationalisation in a low supportive institutional context in emerging markets. Therefore, the current research sets on managerial resources and capabilities and identifies six drivers for international networking, four drivers for international vision, and four drivers for international experience and competence categories. This is followed by investigating the relative function of identified factors as well as proposing a conceptual

framework to highlight the inter- and cross-relationships among explored drivers in three targeted categories of managerial capabilities. Also, the paper contributes to the literature by taking advantage of a mixed-method employing multiple case study for qualitative as well as MCDM for quantitative analysis to meet its objectives. Finally, regarding practical contribution, this study sheds the light on the main important individual characteristics for SME managers and entrepreneurs who are based in emerging markets and seek to access international markets.

The remainder of this paper is designed as follows. The next section builds on the wealth material of RBV to identify the current understanding of managerial resources and dynamic capabilities. Furthermore, the qualitative study discusses the multiple case study method as well as the findings of interviews, which led to the identification of fourteen managerial capabilities. Subsequently, the quantitative analysis including the employed method and its findings is discussed. Further, we shed the light on the main theoretical contributions and practical implications of this research. Eventually, the concluding section summarises the research, discusses the research limitation as well as the proposed future studies.

The resource-based view and managerial resources and dynamic capabilities

In studying the firm's resources, Penrose (1959) was one of the first researchers that explained the influence of resources on the international performance of the ventures. She, initially, defined a firm as a "*collection of productive resources and then suggested that a firm with resources available for expansion over and above those required to maintain its position...may well find that opportunities for expansion into new areas look more promising than further expansion into existing areas*" (Penrose, 1959, p. 136). This led to building the conceptual basis of how specific ventures look to exploit global opportunities exceeding those that exist in the domestic environment. As such, RBV has been employed as one of the predominant theoretical frameworks in the firm investigation (e.g., Barney et al., 2001; Ruivo et al., 2015). The foundation of the RBV has been preliminarily created by Wernerfelt (1984) and Barney (1986 and 1991). Therefore, RBV has been employed to understand the extent to which competitive advantage within ventures is attained and how this advantage is to be sustained (Kull et al., 2016; Popli et al., 2017).

The dominant research in RBV emphasises resources that are inimitable, valuable, non-substitutable and rare resources (e.g., Hernández-Linares et al., 2018; Markman et al., 2004). These resources are inputs for the firm's strategy and highly influence its national and international performance. However, when it comes to small and medium-sized businesses, they are known for lack of firm-level resources (Jafari Sadeghi et al., 2019; Sakhdari et al., 2020). Therefore, SMEs highly rely on intangible individual-level resources such as managerial resources, their knowledge, innovativeness, etc (Jafari-Sadeghi, Kimiagari, et al., 2020; Sukumar et al., 2020). Managerial resources are precious, difficult to duplicate or be transferred and are seen as an asset for SMEs (Neher & Miles, 2020; Zulu-Chisanga et al., 2020). In this vein, for small enterprises' successful internationalisation, dynamic capabilities build on the wealth of manager's individual abilities to respond to the need for change that can involve the allocation of resources and operations (Easterby-Smith et al., 2009). Recently, a conceptual framework was presented to discuss and identify the factors in achieving strategic agility in international businesses, especially for multinational enterprises (MNEs) (Shams et al., 2020).

As such, the international performance is reached for small firms based on their capability portfolio as well as their potential to diversify, deploy and reconfigure capabilities (Prange & Verdier, 2011). In this regard, managers dynamic capabilities help to identify, create, combine, integrate, and exploit resources, which are crucial for SMEs' survival and successful performance within and across national boundaries (Boudlaie et al., 2020; Eisenhardt & Martin, 2000; Hernández-Linares et al., 2018). Therefore, this research takes advantage of the wealth material of the resource-based view to explore the managerial resources and dynamic capabilities of international SMEs. They include three categories of international networking, vision, and experience and competence.

International networking

The international business market is a complex environment, which is formed by interconnected different stakeholders such as suppliers and distributors, customers, competitors, involved in both public and private sectors (Garousi Mokhtarzadeh et al., 2020; Kalinic & Forza, 2012; Kim & Hemmert, 2016). Highlighting its crucial function in the internationalisation process, the literature highlights that international networking assists firms (SMEs in particular) exploit new opportunities to overcome their shortcomings of necessary resources (Chandra & Wilkinson, 2017; Mensah et al., 2021). Therefore, leveraging international networking is seen as an important strategy for SME managers looking at global markets as an opportunity for their business (Jafari-Sadeghi, Dutta, et al., 2020; Narooz & Child, 2017).

The internationalisation process of firms is found to be relatively quickly and their likelihood to be successful is higher when small businesses take advantage of the global networks chain (Felício et al., 2016; Lin et al., 2020). Furthermore, focusing on international SMEs, the literature highlights the entrepreneur's networking capabilities as an indispensable driver of their survival, success, and growth (Garousi Mokhtarzadeh et al., 2021; Karami & Tang, 2019; Lin et al., 2020). In this regard, Andersson and Victor (2003) found that international entrepreneurs leverage their international experience of living, studying, or working in foreign countries to build formal and informal networks for the international expansion of their ventures. Moreover, the recent advancement of technology, as well as the use of the internet and social media, has assisted entrepreneurial SMEs in developing their global networks SMEs (Cahen & Borini, 2020; Garousi Mokhtarzadeh et al., 2020; Jafari-Sadeghi et al., 2021).

International vision

Prior studies in international entrepreneurship emphasise the importance of the international vision of an entrepreneur, which increases the performance of the firm in their international activities (Bai et al., 2020; Johnson, 2004). The international vision of managers and entrepreneurs has been discussed to be a dominant determinant in SME internationalisation (Buccieri et al., 2020; Johnson, 2004), stressing the role of vision in the development of international strategies for small firms (Andersson & Evangelista, 2006). For example, literature implies that high technology and small ventures are usually driven by the vision to be global at or near inception, and mostly engage in early internationalisation exercises to keep their competitiveness, success, and growth (Johnson, 2004; Loane & Bell, 2006).

As a significant factor in international performance and market expansion, the vision enables international managers and their firm to look for new opportunities in the international arena (Autio et al., 2000; Nummela et al., 2004). Aspelund and Moen (2004), for instance, discovered that the international vision and customer orientation in the international market enable small ventures to create international competitive advantages. They also highlighted that the combination of technology with an international vision of entrepreneurial managers help SMEs to obtain a competitive advantage and to promote niche international strategies (Aspelund & Moen, 2004). Literature state that international market expansion of firms is influenced by the international vision as an element of manager's drive, which assist ventures to identify new opportunities (Andersson & Evangelista, 2006; Aspelund & Moen, 2004).

International experience and competence

Following the previous findings, it is discussed that the performance of a firm in the international markets can get influence by the former worldwide experience of managers or entrepreneurs (Hutchinson et al., 2006; Jafari Sadeghi & Biancone, 2018). This international experience is considered to have a significant impact on the decision-making processes for the maintaining and expanding of the venture's international strategy (Fischer & Reuber, 2003; Hutchinson et al., 2006; C. L. Wang, 2008). In this regard, entrepreneurial SMEs with management having a notable international experience might undertake more promising competitive opportunities in the global market rather than rivals (Westhead et al., 2001). Moreover, from a cross-country perspective, micro approaches and rationale for internationalisation have been presented and a theoretical framework has been designed in this regard via entrepreneurial action theory (Alonso and Kok, 2020). Some recent researches also investigated the main causes of success and failure in SMEs internationalisation (Lee et al., 2020).

Knowledge, as derived from the prior experience of the international entrepreneur (Reuber & Fischer, 1997; Rezaei et al., 2020), also have a crucial impact on the venture's resource garnering for internationalisation. Two types of international experience have found to be related to the ownership of former businesses. They incorporate prior experience in an entrepreneurial business and cooperation with former start-up experience (Busenitz et al., 2003). Loane and Bell (2002) also highlight that entrepreneur's family is an additional source of experience. Hisrich and Brush (1984) argue that the likelihood of entrepreneurship among the people who have seen a business manager in their family is higher than those who have not.

As discussed previously in the introduction section, this research benefits from both qualitative and quantitative research methods in international business researches. Moreover, in the quantitative section, a hybrid ISM-MICMAC approach has been employed. Nevertheless, the application of multiple methods and mixed methods has been frequently discussed among international business researchers, although the approach still seems to be insufficient or inadequate compared to single-method studies (Hurmerinta-Peltomäki, and Nummela, 2006). Few mixed-method studies apply both a quantitative and a qualitative investigation in international business or international entrepreneurial studies (Curado et al., 2018). Thus, this research seems innovative while including a qualitative research method to identify the managerial resources and capabilities in successful SMEs internationalisation

alongside a hybrid quantitative research method to investigate the relationship among the factors and develop a level-based conceptual framework.

Qualitative research design: Multiple case study

In order to explore the context-specific factors for successful SME internationalisation in emerging markets, this paper employs a multiple case study method in the context of Iran. Multiple case study methodology has been suggested as a comprehensive logical research approach that is unique as it deals with a broad range of evidence including interviews, documents, observations, and artefacts (Eisenhardt, 1989; Yin, 1981). This methodology has been accepted as a frequent and increasingly adapted research method in the field of international business and entrepreneurship (Eriksson et al., 2006; Wright & Dana, 2003). As such, it was deemed that multiple case study methodology is one the most appropriate method to answer the ‘how’ and ‘why’ questions being proposed in this research (Yin, 2009).

Regarding the selection strategy, this paper conducts purposive sampling, in which participants are selected based upon their ability to ‘purposefully inform an understanding of the research problem and central phenomenon in the study (Creswell, 2013, p. 125). In general, purposive sampling is employed to simplify the qualitative analysis process, in which the results of research is extracted from the synthesis of the data (Mason, 2006). Hence, the targeted sample of this research focuses on international entrepreneurs/managers since they are argued to be representative of SMEs, their operations and processes for decision-making (Jantunen et al., 2005; Mostafa et al., 2005). As such, in the selection of participants, they were required to be at a senior level such as founder (entrepreneur), owner, manager or central decision-maker in SMEs (ranged between 2 to 250 employees). As for the number of cases, there is no consensus among researchers and literature has spaciouly explained how many cases need to be incorporated (Patton, 1990). However, it is advised that the number of studied cases should not be less than four, since it falls to theory development and credibility shortcomings (Eisenhardt & Graebner, 2007; Perry, 1998). Hence, an invitation email has been sent to thirty-two international entrepreneurs. As result, we received fourteen responses (43.8%), in which a total number of ten cases (31.3%) accepted to participate in this research. Therefore, the researcher set up an individual appointment with each participant at their workplace to conduct the interview. Table 1 represents demographic information of studied cases based on the managers’ and firm’s characteristics.

Insert **Table 1** here

As known as the best tool for data collection (Malhotra, 2008; Mason, 2006), interviews have been conducted. Hence, a semi-structured and single setting interview in about one hour took place. In this vein, an interview protocol prepared to assist in bolding the discussion with the interviewee as well as the issues concerning the research area (Perry, 1998). The protocol was initiated with the introduction to the objective of the research, the process of the interview and the reasons they were chosen as suitable participants for the research. Part A of the interview protocol was used to collect general business information and interviewee details.

Part B seeks to explore the related international networking of international managers. Part C and D used probing questions to explore respectively the international vision and experience of international managers. Part D used probing questions to evaluate the international performance of the ventures, including all export markets in which they were operating. To assure the accuracy of the results, the entire interview was recorded by an audiotape device, rather than relying on observer notes alone.

The analysis of interviews is done based on a protocol since it is argued that setting up of an analysis manual is imperative as it assists in organising groups of similar text which are supporting in the interpretation of the data (Miller & Crabtree, 1999). It includes collecting the transcripts, synthesising interviewees responses, comparing them with each other. As such, interviews were synthesised separately and summarised based on the three themes (international networking, vision, and experience) through identifying the important factors proposed by the interviewees in answer to questions asserted by the researcher. As such, the responses are broken down, compared with those for their peers, and identified in constructs.

Findings of qualitative analysis

In the report of findings, we start with a brief background of the studied international SMEs. A total number of ten Iranian cases were involved in this research. The case I#01 is an online platform that collects hand made items in the clothing industry and sells them in national and international markets. In its operation in the ceramic industry, I#02 remanufactures and redesigns second-hand machinery and re-sell them to regional markets, particularly in the middle-east. I#03 is an active contributor in the automotive sector by producing tipper bodies, semitrailers, and similar products for business vehicles. The products of I#03 has been exported to more than fifteen countries. Case I#04 has more than 15 years of background in the plastic industry with different purposes such as automotive, construction, appliance, and manufacturing. Being involved in the glass industry, I#05 is a small company that exports a wide range of products such as coated glass, laminated glass, mirrors, and float glass to more than 50 countries worldwide. I#06 produces a wide range of cosmetic products (different shampoos, body and hair gels and creams, washing liquids, etc.) exports them to neighbouring countries such as Turkmenistan, Afghanistan, and Iraq. With over 10 years of activities, I#07 produces more than 20 pasteurised dairy products. Although being small, the company exports more than 80% of its production to Iraq and Russia. The case I#08 is involved in producing and packaging Iranian dried fruit, nuts seeds etc for national and international markets. There are also two small cases in the service sector, in which I#09 provides consultancy and advisory service for market expansion to foreign countries. Similarly, I#10 is a small non-profit advisor that aims to provide solutions for critical challenges in the global marketplaces.

The following section discusses the findings of the qualitative study.

International networking

The first category to discuss is managerial capabilities and stresses their international networking activity. As such, international managers were asked: *(i) to describe their current business relationships*, and *(ii) if their networking competencies impacted*

the international performance of their firms. The comparative analysis of responses from interviewees led to the identification of important drivers for international networking capabilities.

In this vein, six experts (I#01, I#02, I#03, I#04, I#05, I#06) were actively networking through international partnership. For instance, case I#01 emphasises that: “...networking is crucial for me and my business. If you want to expand your business abroad without support from local partners, everything gets complicated and you need to spend double or triple energy, time and money...” Therefore, there is a consensus among international managers that ‘Developing Relationship with International Partners’ is an important networking driver.

Moreover, eight out of ten experts (I#01, I#03, I#04, I#06, I#07, I#08, I#09, I#10) talked about the importance of networking with supply and distribution chain. In this regard, case I#08 highlight that: “in our products, there needs to use some raw materials that are not found in high quality in the domestic market and we have to import them from the international suppliers...” Similarly, case I#09 confirmed the importance of the international distributors: “we have a chain of advisers, marketers, and distributors in the target country, specifically in Iraq (international market).” Thus, ‘Developing Relationship with International Suppliers or Distributors’ is another identified networking driver.

Furthermore, as reflected by six out of ten experts (I#03, I#05, I#06, I#07, I#08, I#10), they are looking at attending ins events such as international exhibitions as a strong networking activity. This is reflected by case I#07: “in our business model, we look for trusted parties in international markets that we have less knowledge and control in. This helps us to reduce the risk of failure in that market. By the way, we found most of those trusted parties by participating in specialised exhibitions”. This leads to considering the ‘Participating in International Events’ as a networking driver.

Overall, a total of six key factors from the full analysis of the interviews are identified in relation to the influence of SME managers’ international networking capabilities on their international market performance. These factors include 1. ‘Developing Relationships with International Partners’, 2. ‘Developing Relationships with International Suppliers/Distributors’, 3. ‘Maintaining Relationships with Industry Relevant Authorities’, 4. ‘Participating in International Events’, 5. ‘Creating Ties with Foreign Customers’, and 6. ‘Creating Ties with Competitors’.

International vision

The next category to investigate is managerial capabilities and focuses on their international vision. All international managers were asked: (i) *whether they have the intention to target any new international markets within the next two years*, (ii) *if they aspire to increase the number of international customers*; and, (iii) *where the managers envisaged the international position of their firm to be in five years*. In this regard, the comparative analysis of responses from international managers resulted in the identification of important drivers of envisioning their international objectives.

Six out of ten experts (I#01, I#02, I#03, I#05, I#06, I#07) emphasised they are thinking about international markets. In this regard, case I#01 argue that: “Iraq is our biggest market

with more than 30% of the sales... I found this potential through different travel to the country. There are other examples that we entered the market due to my personal vision of the potential of the market and offering the most compliant items based on the culture of that market.” Therefore, ‘The Ability to Envision International Business in the Future’ is the first identified factor for international vision.

Moreover, eight experts (I#01, I#02, I#03, I#04, I#05, I#06, I#07, I#10) emphasised that they are willing to increase their international customers. In this regard, case I#06 highlight: *“In my opinion, all international companies would like to increase their sale in multiple markets...you can never find an international entrepreneur that does not like to increase its global customers. However, in our company, we plan to continuously improve the quality of products and make them attractive to international customers.”* Hence, ‘The Aspiration to Grow International Customers’ is another international vision factor.

Furthermore, six out of ten experts (I#01, I#05, I#06, I#07, I#09, I#10) proposed their desire to develop their quality in logistic, quality, pricing, etc. in their international activities. For example, case I#10 states that: *“the plan of this company for future is to develop our marketing channels in targeted countries through the networking. By doing so, many of the international challenges like logistics will be resolved through the channels. In the meantime, we are planning to actively promote our brand in a global context by continuously participating in international exhibitions.”* Consequently, this proposes ‘The Intention to Develop International Competencies’ as an international vision driver.

All in all, the full analysis of the interviews contributed to the identification of a total of four key factors in relation to the influence of SME managers’ international visioning on their international market performance. These factors include 1. ‘The Ability to Envision International Business in the Future’, 2. ‘The Aspiration to Grow International Customers’, 3. ‘The Intention to Develop International Competencies’, 4. The Emphasis of Business Mission Statement in International Outcomes’.

International experience and competence

The last category to be explored is managerial resources and highlights their international experience and competence. Therefore, international managers were asked: *(i) the level of education they attained, (ii) their previous international business experience, and (iii) their number of years experience in the current industry.* As such, the comparative synthesis between answers from international managers led to the identification of important dimensions for their international business experience and competence.

Seven of ten experts in our scope indicated that whether they obtained achieved an academic degree or professional certificate in their background, which assisted them in the process of firms’ internationalisation (I#01, I#02, I#04, I#05, I#07, I#08, I#10). In this regard, case I#05 argue that: *“I graduated from the engineering discipline...in our field (export compliance), the technical knowledge is highly required as we not only need to understand about the nature of violations etc. but even to be well prepared for giving technical solutions...”* Similarly, case I#07 leveraged the executive-oriented master’s degree in MBA as states: *“during the MBA program I developed my insight of international marketing as we had many case studies of real*

companies trading in global markets...” Thus, ‘Holding a Relevant Formal Qualification’ is an important asset for having international performance.

Moreover, A total of six experts (I#01, I#02, I#04, I#05, I#06, I#07) interviewed in this research highlighted that they attended conferences and workshops. For example, case I#02 discuss that that: “...*Although I have a high school degree but tried to update my knowledge by attending in some courses related to international business. As an example, I am currently participating in the training workshop about the challenges and restrictions on the process of internationalisation.*” Similarly, case I#01 added: “*In the last four years, I attended many conferences and workshops to improve my abilities about exporting through the technology. For example, a workshop in Milan about e-commerce and a seminar in London about online stores were the most influencing program I participated in.*” This suggests ‘Attending Learning Events’ as an important resource for international managers and entrepreneurs.

Ultimately, the results of the full analysis of interviews suggested a total number of four key resources in regard to the influence of SMEs manager’s international experience and competence. These resources include 1. Holding a Relevant Formal Qualification’, 2. ‘Attending Learning Events’, 3. ‘Experience (Intention) of Living Abroad’, and 4. ‘Experience (Intention) of Working in an International Firm’.

Altogether, the result of interviews with ten managers/ entrepreneurs of international SMEs in Iran led to the identification of sixteen managerial resources in three categories of International Networking, Vision as well as Experience and Competence. Table 2 represents the international managers’ indication of each identified factor.

Insert **Table 2** here

However, the identified factors do not have a similar role in the internationalisation processes of SMEs. Therefore, this research strives to disentangle the function of managerial resources and provide a better understanding of how they interact with each other. As such, we approached the same participants, shared the findings of their interviews, and requested them to participate in the quantitative analysis. As results, the findings qualitative study will be synthesised to shed the light on the function of explored context-specific resources as well as the relationship among them within and across three categories. This is particularly important since it can provide a conceptual model, which is useful for exploring the extent to which Iranian SME internationalise successfully. That is quantitative analysis.

Quantitative research design: MICMAC-ISM

After identifying and extracting the managerial resources and categorising them into three categories encompassing international networking, vision, and experience factors, a hybrid MICMAC-ISM approach has been implemented to classify the factors and present a stage-based conceptual model to illustrate the relationship among them. To present or test a model validity while access to numerical data is possible, statistical-based methods including structural equation modelling (SEM) are very popular (Mueller & Hancock, 2018). On the

other hand, while numerical data are not available and the factors are not measurable or qualitative, using expert-based and decision-making methods (e.g. ISM, Decision making trial and evaluation laboratory (DEMATEL), etc.) to present the relationship among the factors is recommended (Amoozad Mahdiraji et al., 2020). While the DEMATEL method is capable to analyse the cause and effect relationship among the factors (Liao & Chen, 2020), the ISM-MICMAC hybrid approach classifies the factors into four groups and illustrates a cause-effect diagram and a stage-based conceptual model. Furthermore, the ISM algorithm checks the validity of the questionnaires completed by the experts and avoids inconsistency problems dealing with methods such as DEMATEL(Kapse et al., 2018). Accordingly, considering the factors type (qualitative), unavailability of numerical data, and the abovementioned pro and cons among the methods, hybrid ISM-MICMAC has been implemented and presented in the following subsection. This hybrid approach is popular and reliable among scholars and has been used in many similar conditions (e.g., Sonar et al., 2020; W. Wang et al., 2018).

Furthermore, many scholars have developed the ISM-MICMAC method in different ways. From one perspective, some scholars investigated the uncertainty of the model and designed and applied a Fuzzy version of this approach (e.g. Singh et al., 2020; Shankar and Barve, 2021). Secondly, others have strived to combine the ISM-MICMAC approach with other multi-criteria decision-making (MCDM) models. In this regard, the combination of ISM-MICMAC with DEMATEL (e.g. Mishra, 2020; Yadav et al., 2020) to present a casual model is the most popular one. Moreover, using an analytical hierarchical process (AHP) (e.g. Ray and Kaba, 2020) or Technique for Order of Preference by Similarity to Ideal Solution (TOPSIS) (e.g. Jasiulewicz et al., 2021) besides the ISM-MICMAC to evaluate the importance of the identified criterias and factors have been designed by other scholars recently. Thirdly, many scholars have employed Structural Equation modelling (SEM) to validate the conceptual model emanated from the ISM-MICMAC approach (e.g. Ullah and Narain, 2020; Khaba et al., 2020).

ISM-MICMAC is an expert-based method widely used for identifying the relationship between the factors and designing a stage-based conceptual model in many scientific applications (Sonar et al., 2020). These methods were debuted in the 70s (ISM in 1973 by Warfield and MICMAC in 1971 by Godet) and since then they have been applied in many areas and recent research topics including lean management (e.g., Kaswan & Rathi, 2019); sustainability (e.g., Azevedo et al., 2019); information modelling (e.g., Tan et al., 2019); etc. This approach has been described in six steps as follows (Kapse et al., 2018; Sonar et al., 2020).

Step (1). Factor Identification. The factors could be emanated from a literature review, a survey, or qualitative research. This research benefits from a mixed-method approach; thus, the factors are resulted from the first stage of this research and presented in Table 2.

Step (2). Interactive Matrix Construction (IM). In this phase, first of all, pairwise comparisons (PWC) is performed among all factors. The total number of PWC is calculated by $PWC = c_2^n = \frac{n \times (n-1)}{2}$ (Beheshti et al., 2016). After, a matrix-based questionnaire (matrix $i-j$) is designed to evaluate the relationship between every two factors in a pair. A group of experts (mentioned in Table 1) participated in the second stage of the research to evaluate the relationship between factors. Due to COVID-10 pandemic restrictions, they participated in two

online group sessions to complete the designed matrix. Subsequently, the group of experts determined the relationship in each pair by the following rules.

- If factor (i) leads to factor (j), then the expert's panel inserts (V) in the questionnaire,
- If factor (j) leads to factor (i), then the expert's panel inserts (A) in the questionnaire,
- If factor (i) leads to factor (j) and vice versa, then the expert's panel inserts (X) in the questionnaire,
- If factor (i) does not lead to factor (j) and vice versa, then the expert's panel inserts (O) in the questionnaire; while. the main diagonal of the matrix is filled by (X).

Step (3). Final Reachability Matrix (FRM). The IM matrix is then transformed to zero and one matrix (ZOM); where (V) and (X) are transferred to (1) and (A) and (O) are transferred to (0). In this stage, the validity of the expert's opinions is checked and for possible inconsistencies, revision is performed on the ZOM to build a reliable matrix for further calculations which is called FRM. In this regard, the logic of the relationship among the factors is tested by a simple rule “if factor (M) is related to factor (N) and factor (N) is related to factor (P), then factor (M) is logically related to factor (P)”. In case this rule is not considered by the experts then a transitivity relationship occurs and notation (1*) is replaced for zero in all relevant cells. The FRM is a square $n*n$ matrix where i and j are the same. In this research, due to the high number of factors, this rule has been coded in MATLAB software and implemented on the FRM matrix.

Step (4). Driver-Dependent Power Map (DDPM). In this step (MICMAC step), first, the driver (DR) and dependence (DE) power of the factors are measured using the following equations.

$$\mathbf{DR} (i) = \mathbf{a}_{i.} = \sum_{j=1}^n \mathbf{a}_{ij} \quad (1)$$

$$\mathbf{DE} (j) = \mathbf{a}_{.j} = \sum_{i=1}^m \mathbf{a}_{ij} \quad (2)$$

Where DR(i) shows the driver power of each factor, DE(j) refers to the dependent power of each criterion and a_{ij} denotes the value of the FRM matrix. Based on the DR and DE values, a power map emanates and classifies the factor into four groups according to the following rules:

- Dependent factors with low DR and high DE,
- Driver factors with high DR and low DE,
- Linkage factors with high DR and high DE,
- Autonomous factors with low DR and low DE,

Step (5). Determining Factor Levels. In this step, the following rules are implemented to level the identified factors. Considering the high number of factors in this research, this step is also coded via MATLAB software.

- Identify the reachability or output set for factor (i). Determines the list of factors that are affected by the factor (i). This set can be extracted by the factors that have received value (1) in the i^{th} row.
- Identify the antecedent or input set for factor (i). Determines the list of factors that affect the factor (i). This set can be extracted by the factors that have received value (1) in the j^{th} column.
- Identify the intersection or common set for factor (i). Determines the list of factors that are reachable and also antecedent.
- If intersection and antecedent set are equal for factor (i), then consider that factor as a high-level factor and eliminate it from the FRM.
- Repeat the above activities until all factors are levelled.

Step (6). Stage-Based Conceptual Model. Design the stage-based model (ISM) according to the level of each factor and their relationships emanated from the stage (5).

Findings of Quantitative Analysis

According to the ISM-MICMAC hybrid approach illustrated previously, the results of implementing this method based upon the expert's panel opinion are highlighted in this section. Initially, the identified factors mentioned in Table 2 are inserted into a matrix-based questionnaire and then completed by the experts in two online group-based sessions according to the rules mentioned in step (2). Next, the IM has been transferred to the ZOM and by implementing the transitivity relationship rule through MATLAB software (according to step (3)), the final reachability matrix has resulted. Table 3 and Table 4 present the IM and FRM matrices.

 Insert **Table 3** here

 Insert **Table 4** here

Considering the resulted FRM, step (4) or MICMAC is implemented, and the driver-dependent power of each factor is measured and presented in Table 5. Furthermore, according to the rules mentioned in step (4), the Power map of the factors is designed and presented in Figure 1 where the x-axis denotes the driver power and the y-axis stands for dependent power.

 Insert **Table 5** here

 Insert **Figure 1** here

According to the above power map, it is clear that the results emanating from the qualitative stage are completely supported in this section. According to Figure 1, all identified factors are independent, dependents, or linkages and no autonomous factor with low independent and dependent power has been selected. This demonstrates that the extracted factors from the interviews and the expert's panel opinion completely support each other. For example, the 'Emphasis of Business Mission Statement in International Outcomes' (V4), 'Attending Learning Events' (E2) belong to the dependent category, 'Participating in International Events' (N4), 'Creating Ties with Competitors' (N6) are independent factors, and the others such as 'Developing Relationships with International Partners' (V1), 'Holding a Relevant Formal Qualification' (E1), etc. belong to linkage category. The analysis of factors' nature confirms that explored the combination of identified factors is satisfactory none of them fall into the autonomous category. This is important since autonomous factors are those that are not connected to the others and are normally deemed as not related to the explored phenomena.

Next, for identifying the factor levels, the rules mentioned in step (5) are coded in MATLAB software and after running the algorithm seven times, all factors were levelled. Thus, seven levels of factors were resulted and illustrated in Table 6. The reachability set, antecedent set, and intersection set for each run are also presented.

Insert **Table 6** here

Eventually, according to the above levels, and considering the relationship among the factors in each level and between levels, the level-based conceptual model is emanated and demonstrated in Figure 2.

Insert **Figure 2** here

According to Figure 2, the relationships are seen in within- and cross-level. In this regard, Level 1 refers to managers' international experience and competence, Level 2 and 3 highlights the relationships among their international visioning, and Level 4-7 reflects those for manager's international networking capabilities. This analysis led to the construct of a conceptual framework, which reflects the connection between identified factors from the interviews. Apart from the within-level relationship among factors, this proposed construct highlights the important function of N6, V3, and V4. In this regard, 'Creating Ties with Competitors' (N6) is a connection point between international networking and international vision, while 'The Intention to Develop International Competencies' (V3), and 'The Emphasis of Business Mission Statement in International Outcomes' (V4) are the link between manager's international experience and vision.

Theoretical and practical contributions

The results of this research provide an important theoretical and practical contribution to international entrepreneurship research. For instance, as a particularly important context, this paper focuses on emerging markets, which is known as constantly growing economies and

provide a good opportunity for SMEs to operate and grow (Filatotchev et al., 2009; Sandberg et al., 2019). However, due to the institutional environment and socio-cultural characteristics of the emerging market, SMEs leverage different resources and capabilities (comparing to those in developed countries) to have successful operation in national and international markets (Cooper et al., 2020). For example, comparing to developed countries, human, knowledge, technology, and natural resources are different in emerging markets, which highlight the necessity of exploring the consequences of theoretical frameworks such as RBV. Therefore, this research contributes to international business research by taking advantage of the resource-based view to exploring internationalisation of SMEs in emerging markets. Moreover, in the selection of the emerging market country, we focused on low supportive contexts for international activities and chose Iran. This sheds the light on the extent to which managers of small businesses and entrepreneurs in factors driven emerging markets to allocate resources to exploit opportunities outside their national boundaries.

Moreover, in using RBV, international business literature has mostly focused on resources at the country-level (national reserves of unique resources, infrastructure, etc.) or business-level such as technological capabilities (e.g., Bruton et al., 2010; Donnelly, 2019; Jafari Sadeghi et al., 2017). Therefore, given the constraint of the characteristics required for the internationalisation of entrepreneurial SMEs, this research focuses on micro-foundations and contributes to the extant research by identification of the context-specific managerial-level resources and capabilities that can lead to successful international entrepreneurship in emerging markets. Thus, building on the wealth of RBV, this study identified drivers of successful SME internationalisation based on three targeted categories managerial resources and capabilities including international networking, vision, and experience and competence. In this regard, the result of syntheses suggests six drivers for managers' international networking capabilities (e.g., developing relationships with international partners, suppliers and distributors, etc.), four drivers for managers' international visioning capabilities (e.g., their ability to envision international business in the future), and four managerial resources and competences such as their education as well as experience of living or working abroad.

Furthermore, this paper is the most likely of the earliest studies in the field using a mixed-method. As discussed earlier, the results of qualitative analysis led to the identification of context-specific managerial resources while, in using a multi-criterion decision-making approach, we relied on experts' opinion (here international managers/ entrepreneurs). The advantage of expert-based methods is that they are normally used where the sample size is too small for statistical analyses or the existing designs may fail to capture (Bashan & Demirel, 2019; Singh et al., 2020). As such, these methods can be used to explore similar complex qualitative concepts with a small sample size (expert such as international managers) quantitatively. Hence, for this research, MICMAC analysis reflected the function of each identified driver in four categories of autonomous, independent, dependent and linkage drivers. As result, this research highlights their function of the identified drivers, in which we found two independent, three dependent and nine linkage drivers for SME internationalisation. More importantly, running ISM analysis assisted in the exploration of the inter- and cross-relationships among targeted drivers in their categories. It also allows in proposing a conceptual framework for managerial resources and capabilities required for SME internationalisation in Iran (as representative of emerging markets). This framework help researchers to develop hypotheses for further exploration in different emerging contexts.

Regarding practical contributions, the findings of this research identify various managerial resources affecting the internationalisation-performance of small and medium firms. Managers of the international SMEs can take advantage of the key outcome of this research as a tool for reconfiguring their firm's processes so as to increase their competitive advantage and eventually international performance. Therefore, it is important for managers and entrepreneurs in emerging markets to develop the capabilities identified in this research. For instance, the findings of this research highlight that SMEs in emerging markets can build on their international networking capability of their managers and develop a relationship with international partners (N1) and supply/distribution chain (N2). Further, creating strong business ties with supply and distribution channels or local partners create an opportunity for small firms to better understand the complexity of the (mostly unknown) environment of the host context. Such networks can assist small firms to quickly access country-specific business approaches that are different from their host country so that they can gain an advantage of speed over rivals in global markets. Such networks can also support SMEs to create ties with formal authorities and introduce them to business networking events such as specialised exhibitions. Moreover, another interesting finding of this research emphasises the role of coopetition and suggests that creating ties with competitors (N5) assists international entrepreneurs to leverage their competitors' knowledge and experience in better envisioning their future in foreign markets (V1). This is particularly important for international SMEs that suffer from the lack of information due to newness and foreignness in the host country (Hagen et al., 2019).

Conclusion

In the internationalisation of firms and SMEs in particular, literature has benefited from a wide range of theories and perspectives. In this regard, the resource-based view is among the most employed theoretical frameworks in international entrepreneurship studies (Etemad, 2004; Nason & Wiklund, 2018). As such this paper was set to expand the current insights about RBV to new contexts, focusing on SME internationalisation in emerging markets. Therefore, the current study builds on managerial resources and dynamic capabilities to synthesise their international networking, vision, and experience and competence. To address objectives, we employed mixed-method analysis in the context of Iran, which is known as a low supportive context for firm internationalisation. Thus, we first took advantage of a multiple case study to interviewed ten Iranian international managers/ entrepreneurs, leading to the identification of fourteen managerial resources and capabilities. Subsequently, building on a multi-criterion decision-making approach, MICMAC and ISM were used to assess the relative function of identified factors and to investigate their inter- and cross-relationships in three targeted categories. This allows proposing a conceptual framework for further investigation.

Research limitation and suggestion for further studies

In conducting this research, several limitations have been witnessed. To begin with, the level of analysis for both qualitative and quantitative analyses was limited to the individual level. Therefore, future studies can explore resources and capabilities from the business and country level. For instance, researchers can investigate whether SMEs in emerging markets can leverage the availability of unique resources (natural, technological, etc.) that exist in their countries for their international business activities. Further, in exploring the micro-foundations of SME internationalisation, this research was limited individual level. Hence, we invite other studies to investigate the interplay between individual-level and organisational-level

antecedents of internationalisation. For instance, similar to Ferraris et al. (2019), future research can explore the extent to which international entrepreneurs' competencies can complement organisational capabilities and contribute to SMEs' international performance. Moreover, in the identification of managerial resources and dynamic capabilities, we focused on international networking, vision, and experience and competence. In this regard, the drivers for each dimension have been explored based on interviews. Therefore, future studies not only are recommended to modify and expand the identified drivers but also can go beyond three dimensions and explore other managerial aspects (such as risk-taking and innovativeness).

Furthermore, our MCDM analysis proposed a framework for the inter- and cross-relationship of the drivers where the sample size was limited to ten international SMEs' central decision-makers. This is due to the indication of the literature that highlights to ensure the quality of findings and accuracy of responses, the most knowledgeable person should be engaged in the research (Jafari Sadeghi et al., 2019). As such, international managers/entrepreneurs are engaged in this research. However, since participants were asked to reflect their opinion about their own firms, they might be biased for the desirable answers. Therefore, more research is required to test the significance of the proposed framework for international SMEs in the context of Iran. Alternatively, researchers can consider other emerging markets and compare the findings of this research with those in other locations such as East Asia, Africa, Europe, or South America. In this vein, BRICS¹ countries could be an appropriate context for further investigation since they are known as pioneers of emerging markets (Raghutla & Chittedi, 2020).

In the second stage of this research, a hybrid ISM-MICMAC approach was implemented to classify the factors and provide a basic cause-effect diagram among them. Alongside all of the advantages of this approach, some limitations are considered for further investigations. First of all, the ISM-MICMAC approach applied in this research was a deterministic version mainly suitable for stable environments. Thus, it is recommended to perform an uncertain version of this approach (e.g. Fuzzy) in future investigations to address the uncertainty. Moreover, the presented conceptual model has not been tested and the reliability of the designed model is questionable. Hence, the validity of the extracted model should be considered by other scholars in future researches by combining the ISM-MICMAC approach with SEM. Ultimately, to articulate more reliable and valid models, principal component analysis (PCA) could also be implemented for factor reduction when numeric data is available.

¹ Brazil, Russia, India, China, South Africa

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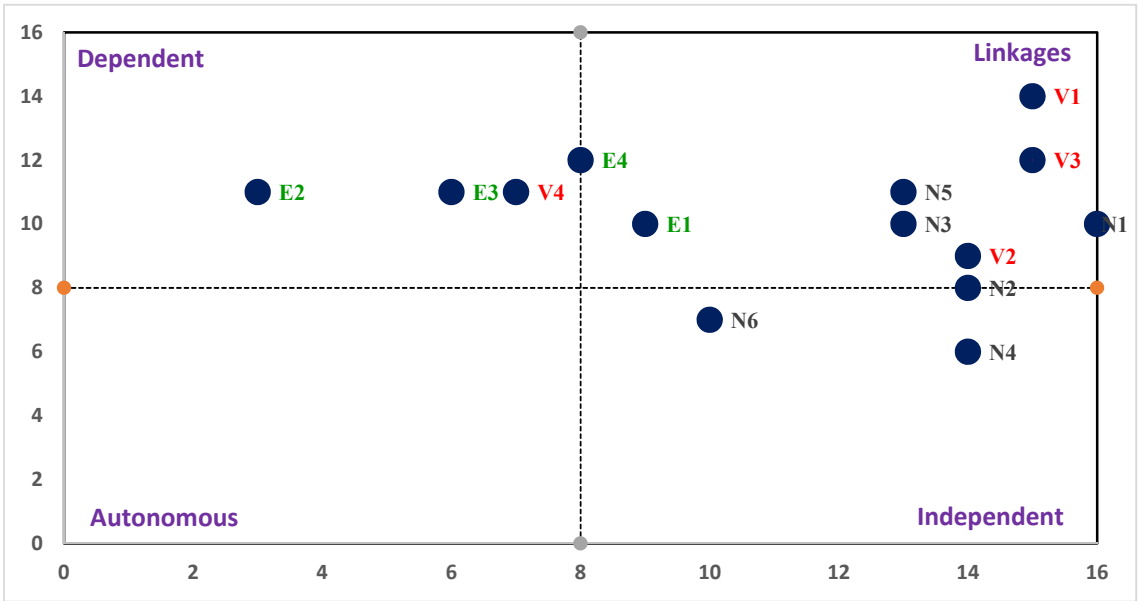


Figure 1. Power map

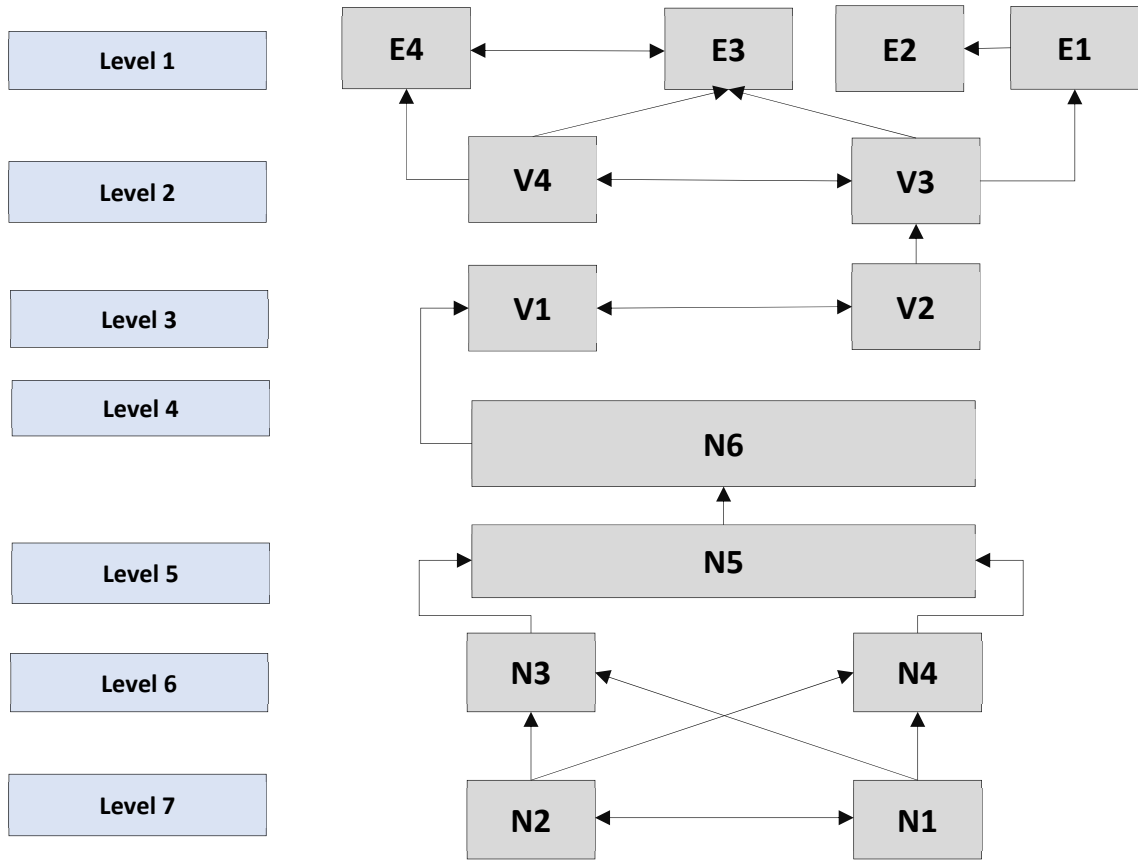


Figure 2. Level-based conceptual framework

Table 1. The demographic information of employed cases

Case #	<i>Managers' characteristics</i>				<i>Firms' characteristics</i>		
	Job role	Age	Gender	# of staff	Firm age	% Int. revenue	Industry
I#01	Co-founder & Sales Manager	50	Female	43	16	80% Highly International	Online store
I#02	Sales & Project Manager	40	Female	50	25	90% Highly International	Machinery reseller
I#03	Sales Manager & Member of Board	33	Male	90	16	90% Highly International	Tipper Manufacturer
I#04	Founder & CEO	45	Female	4	4	90% Highly International	Plastic producer
I#05	Founder & CEO	48	Male	250	8	30% Moderately International	Glass company
I#06	Founder & CEO	42	Female	26	5	40% Moderately International	Cosmetic producer
I#07	Factory Manager	48	Male	28	31	83% Highly International	Dairy company
I#08	Factory Manager	28	Male	200	6	26% Primarily Domestic	Dried fruit and nuts packaging company
I#09	CEO	58	Male	52	6	30% Moderately International	Internationalisation consultant
I#10	Sales Manager & Deputy CEO	37	Male	130	50	15% Primarily Domestic	non-profit advisor

Table 2. Experts' factor synthesis

		I#01	I#02	I#03	I#04	I#05	I#06	I#07	I#08	I#09	I#10
International networks											
N ₁	Developing Relationships with International Partners	X	X	X	X	X	X				
N ₂	Developing Relationships with International Suppliers/ Distributors	X		X	X		X	X	X	X	X
N ₃	Maintaining Relationships with Industry Relevant Authorities	X	X	X		X	X		X		
N ₄	Participating in International Events			X		X	X	X	X		X
N ₅	Creating Ties with Foreign Customers		X			X	X	X			
N ₆	Creating Ties with Competitors	X			X	X	X				X
International vision											
V ₁	The Ability to Envision International Business in the Future	X	X	X		X	X	X			
V ₂	The Aspiration to Grow International Customers	X	X	X	X	X	X	X			X
V ₃	The Intention to Develop International Competencies	X				X	X	X		X	X
V ₄	The Emphasis of Business Mission Statement in International Outcomes	X				X	X	X			
International experience and competence											
E ₁	Holding a Relevant Formal Qualification	X	X		X	X		X	X		X
E ₂	Attending Learning Events	X	X		X	X	X	X			
E ₃	Experience (Intention) of Living Abroad			X		X			X		X
E ₄	Experience (Intention) of Working in an International Firm			X		X	X			X	

Table 3. Interactive matrix (IM)

i/j	N₁	N₂	N₃	N₄	N₅	N₆	V₁	V₂	V₃	V₄	E₁	E₂	E₃	E₄
N₁	X	A	O	X	V	O	A	A	X	X	A	O	A	X
N₂	V	X	V	X	X	O	A	O	X	V	O	O	O	O
N₃	O	A	X	O	V	A	A	A	X	O	A	O	A	X
N₄	X	X	O	X	O	V	X	A	V	O	A	O	O	O
N₅	A	X	A	O	X	O	X	X	X	X	A	O	O	O
N₆	O	O	V	A	O	X	O	O	A	O	O	O	O	V
V₁	V	V	V	X	X	O	X	X	X	V	X	X	A	X
V₂	V	O	V	V	X	O	X	X	X	V	A	O	O	O
V₃	X	X	X	A	X	V	X	X	X	X	O	O	O	A
V₄	X	A	O	O	X	O	A	A	X	X	O	O	V	X
E₁	V	O	V	V	V	O	X	V	O	O	X	V	O	O
E₂	O	O	O	O	O	O	X	O	O	O	A	X	O	O
E₃	V	O	V	O	O	O	V	O	O	A	O	O	X	X
E₄	X	O	X	O	O	A	X	O	V	X	O	O	X	X

Table 4. Final reachability matrix (RFM)

i/j	1	2	3	4	5	6	7	8	9	10	11	12	13	14
1	1	1*	1*	1	1	1*	1*	1*	1	1	1*	1*	1*	1
2	1	1	1	1	1	1*	1*	1*	1	1	0	0	1*	1*
3	0	0	1	0	1	1*	1*	1*	1	1*	1*	1*	1*	1
4	1	1	0	1	1*	1	1	1*	1	1*	1*	1*	0	1*
5	0	1	0	0	1	1*	1	1	1	1	1*	1*	1*	1*
6	0	0	1	0	0	1	1*	0	1*	1*	1*	1*	1*	1
7	1	1	1	1	1	0	1	1	1	1	1	1	1*	1
8	1	0	1	1	+	0	1	1	1	1	1*	1*	1*	1*
					1									
9	1	1	1	0	1	1	1	1	1	1	1*	1*	1*	1*
10	1	0	0	0	1	0	0	0	1	1	0	0	1	1
11	1	0	1	1	1	0	1	1	0	0	1	1	0	0
12	0	0	0	0	0	0	1	0	0	0	0	1	0	0
13	1	0	1	0	0	0	1	0	0	0	0	0	1	1
14	1	0	1	0	0	0	1	0	1	1	0	0	1	1

Table 5. Driver power and dependent power of each factor

i/j	Driver Power (x)	Dependence Power (y)
N₁	16	10
N₂	14	8
N₃	13	10
N₄	14	6
N₅	13	11
N₆	10	7
V₁	15	14
V₂	14	9
V₃	15	12
V₄	7	11
E₁	9	10
E₂	3	11
E₃	6	11
E₄	8	12

Table 6. Factor levelling results

i/j	Reachability set	Antecedent set	Intersection set	Level
N₁	1,2	1,2	1,2	7
N₂	1,2	1,2	1,2	7
N₃	3	1,2,3	3	6
N₄	1,2,4	1,2,4	1,2,4	6
N₅	2,5	1,2,3,4,5	2,5	5
N₆	3,6	1,2,3,4,5,6	3,6	4
V₁	1,2,3,4,5,8,9	1,2,3,4,5,6,8,9	1,2,3,4,5,8,9	3
V₂	1,3,4,5,8,9	1,2,3,4,5,8,9	1,3,4,5,8,9	3
V₃	1,2,3,5,6,8,9,10,12	1,2,3,4,5,6,8,9,10,12	1,2,3,5,6,8,9,10,12	2
V₄	1,5,10,12	1,2,3,4,5,6,8,9,10,12	1,5,10,12	2
E₁	1,3,4,5,8,9,13	1,3,4,5,6,8,9,10,13	1,3,4,5,8,9,13	1
E₂	8,11,14	1,3,4,5,6,8,9,10,11,13,14	8,11,14	1
E₃	1,3,8,15,16	1,2,3,5,6,8,9,10,12,15,16	1,3,8,15,16	1
E₄	1,3,8,10,12,15,16	1,2,3,4,5,6,8,9,10,12,15,16	1,3,8,10,12,15,16	1