

The Impact of Managerial Dynamic Capabilities on the Internationalization Readiness Decision: Evidence from Jordan

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Abstract

This study tried to investigate the impact of managerial dynamic capabilities on the internationalization readiness, the study applied the random sampling technique, this study administered 131 respondents at medium and high managerial level from local Jordanian SMEs. Moreover, the simple linear regression test was applied on the primary data by using SPSS to examine the impact of dynamic capabilities with its combined dimension (i.e., sensing, seizing and reconfiguring) on the internationalization readiness. The study findings indicated that seizing and reconfiguring have the greatest impact and sensing with low impact on the internationalization readiness. The results show a positive and significant impact of the managerial dynamic capabilities on the internationalization readiness. More specifically, the seizing and reconfiguring dimensions have an impact on the internationalization readiness. At last, the scholar recommends in future researches to investigate the cost, competitive, government and market drivers and their impact. This study faced the limitations due to the quarantine and COVID 19, there was limitation to expand the research scope and to combine interviews with questionnaire as it was planned. The quarantine limited the sample to the managers and SMEs who works in Amman and forced us to approach a convenience sampling method with snowball sampling method.

Keywords: Dynamic capability, Internationalization readiness, Jordan, SMEs.

1.1 Introduction

Jordanian Small Medium enterprises (SMEs) showed radical reactions to the encounters of the globalization and the technological advancements in business functions. They introduced plans and efforts to face the relatively in the small market size in Jordan. Thus, many SMEs start to adopt internationalization as one of the most appropriate strategies to expand their scope and domain of activities (Al-Hyari, Al-Weshah & Alnsour, 2012).

The companies in business markets passed throughout radical shifts and transformations. This mandated the focus of the SMEs on internationalization which has positively contributed to the national developments of the economy and to enhance the job opportunities in emergent and developed markets (Jabar, Tajuddin & Paino, 2016). These essential shifts directed the attendance of distinctive capabilities to be able to handle them (Girod & Whittington, 2017). Organizations and through their endeavor to attain a sustainable competitive advantage, they need to acquire unique capabilities that can enhance the fit between the organization performance and its changing environment, these capabilities are dynamic in their nature and evolve over time. (Tece, 2007).

According to Adner and Helfat (2003), variances in management decisions and the capabilities of the managerial level of an organization had a significant impact on the organization performance and its profitability, they have settled that there is a need for different types of capabilities, namely, the “Dynamic Managerial Capabilities”. Therefore, the dynamic managerial capabilities are the capabilities with which managers build, integrate, and reconfigure organizational resources and competence”.

Scholars well-defined the internationalization readiness as “the level of preparation any organization should reach before the internationalization to ensure the success” (Tan, Brewer & Liesch, 2007). Dealing with any foreign market endures risks for organizations. According to above, the internationalization strategies must cover the precautionary plans to reduce, share or transfer the risks to any other party while doing any new business in uncertain environments (Tan et al., 2007). Accordingly, this research will study the dynamic managerial capabilities and their impact on the internationalization readiness in the Jordanian small and medium enterprises (SMEs).

The decision of expanding the home-based business outside the borders give the impression to be intricate. Further, the readiness of the Jordanian SMEs to internationalization is doubtful since there are some requirements before accepting this approach in terms of resources, capabilities, stimulus, managerial skills and the most important is being successful domestically. Thus, this study would like to investigate the impact of managerial dynamic capability on the internationalization readiness of the Jordanian SMEs.

The importance of this research is in intensifying the managers' prospects to different directions of getting into new the markets. Similarly, the outcomes will include the contribution in the design of the needed training programs and attention to develop the manager's dynamic capabilities in increasing internationalization readiness to reduce the risks and costs linked to this step. All, in turn, will help the SMEs to reorganize the urgencies, restructure the plans to grow corresponding to novel alternatives.

The theoretical position of this research is in responding to the gaps in the knowledge about the variables of interest, the dynamic managerial capabilities and internationalization readiness. This research will contribute to enriching the strategic management literature as it will clarify if dynamic capabilities are one of the main determinants to a successful decision to expand the operation from the local market to the international market for the Jordanian SMEs. It will likewise provide support to the future researching projects about the firms in evolving and emergent countries with many economic barriers like Jordanian SMEs.

1.2. Research Objectives

This research is a quantitative, primary, initial and explanatory research aims at analyzing critical questions about the Jordanian SMEs readiness to export or take any internationalization mode since there is a lack of appreciating to the readiness role in the business settings. This research objectives are:

- Finding the impact of the managerial dynamic capabilities on the internationalization readiness in Jordanian SMEs.
- Finding the impact of Sensing on the internationalization readiness in Jordanian SMEs.
- Finding the impact of Seizing on the internationalization readiness in Jordanian SMEs.
- Finding the impact of Reconfiguring on the internationalization readiness in Jordanian SMEs.

2.0 Theoretical Framework and Literature Review

2.1. Managerial Dynamic Capabilities

The dynamic capabilities are nearly emphasized on three fundamental basics for strategic people who are the identification of the environment, and the developments of the internal capabilities. Also, the evaluations of all opportunities and they are relevant to customers' requirements as part of "sensing" the new futures, mobilization of resources to approach these opportunities and then "seizing" the benefit of them (Teece, 2014; Teece, 2007). Furthermore, the "reconfiguring" of these scrutinized values. Consequently, sensing, seizing, and reconfiguring are essential steps for any organization that wants to sustain long-term orientation with consumers' needs.

The responding to the external environment (social, technologic, ecological, economic, political (STEEP)) factors is deprived of neglecting the adversaries and the competitive forces (Arikan, 2019; Teece, 2014). These dynamic capabilities are an indispensable part of the strategic direction. Organizations desire to realize the strategic fit between its resources and capabilities and the demands of its environment need to adopt coherent, cooperative and innovative strategies. As well, they shall aim to have a long enduring competitive advantage, procedures, daily work, routines, and processes are vital inputs of the dynamic capabilities when management think creatively and act entrepreneurially to reverse the bureaucracy and habits when they are outdated as well (Teece, 2007; Helfat&Peteraf, 2015; Teece, 2014).

Historically, the dynamic capabilities theory was initially inherited and received from the resource-based view by Barney (1991). Subsequently, many scholars confirmed the assumptions that resources arrangement will attain organizational success and stability (Helfat&Peteraf, 2015). Concerning that, dynamic capabilities view has alienated into many areas over sorts of literature, and the most well-known is the directions that stressed on the process-oriented approach and then the resource reconfiguration approach (Helfat&Peteraf, 2015).

The most lately empirical evidence changed the probes to the utilization of "dynamic capabilities-based theory" in the multinational enterprise (Teece, 2014). However, in 2020 the dynamic capabilities are still a trending topic. Within the

same context, it is essential to distinguish between the “ordinary” and “dynamic” capabilities. The ordinary skills are mainly intended for the sales and production of popular and classical products and services (Teece, 2014). Such capabilities could be either owned or outsourced according to its importance to the core business (Helfat&Peteraf, 2015; Teece, 2014). The ordinary managerial capabilities usually based on explicit knowledge and standardized benchmarking to evaluate the operational efficiency, the organizations can outsource or acquire them gradually. This case is not the case of the dynamic capabilities that are built by the implicit knowledge of the managers about the internal and external environment (Teece, 2014; Riviere et al., 2018).

2.2 Internationalization readiness

The internationalization readiness is designated as "the level of preparedness all firms should reach before internationalization to ensure the success" (Tan et al., 2007). According to research, most of the SMEs have limited their operating activities only to their local countries. Additionally, they do not have intentions or intends to move into any venture in a foreign country due to the high associated risks and costs associated with leaving home and penetrate international markets (Pinho, Martins, & Soares, 2018).

It is argued that by succeeding the internationalization readiness, any organization will genuinely overcome the risks through the learning phase (Pinho et al., 2018). These arrangements for the internationalization are linked to the organizational success in joint ventures, licensing or exporting agreements. In terms of internationalization readiness, firms are pigeonholed into four groups, including (Uner Cetin, & Cavusgil, 2020; Frieden, 1994).:

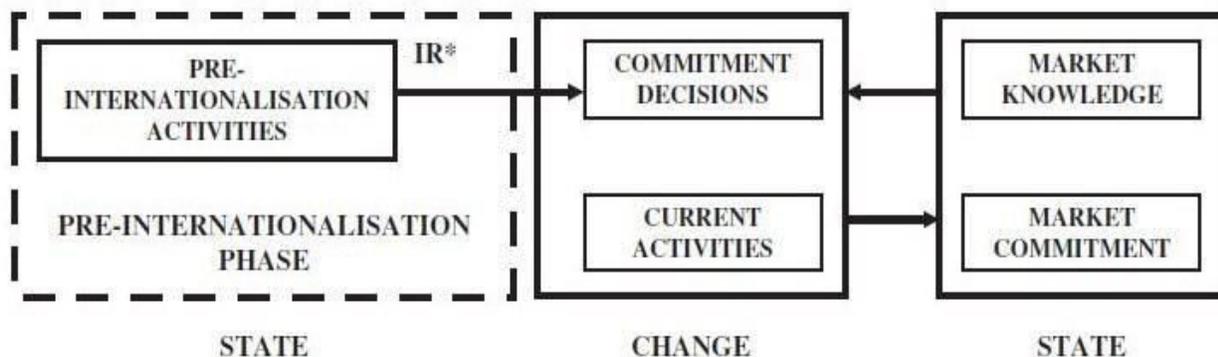
- The potential international organization.
- International organizations have little experience (i.e., export).
- The successful international organization.
- Noninteractional organizations.

In the SMEs, the Organization for Economic Co-operation and Development (OECD) introduced common barriers for SMEs to evaluate their internationalization readiness, including the below (Fliess& Busquets,2006):

- The shortage of liquidity and working capital
- The gaps in information and market analysis.
- Inability to understand the main differences and similarities between national and overseas potential customers.
- The lack of networking.
- The managerial capabilities.
- The distribution channels.

2.3 The Pre-Internationalization Phase

The pre-internationalization phase is imperative to the organizations which need to reach some readiness in their local environment in terms of financial capital, human capital, their merchandise or service competitive advantage. Further, they should develop the critical awareness of international markets and the precise entry mode and market selection process, besides, at the organization level, the managerial competency and commitment towards the internationalization plans would encourage the willingness for going international. (Hamidzadeh&Zargaranyazd, 2014). The last action of the pre-internationalization stage is to guarantee the quality and the capacity of the internal capabilities and resources since any shortage of adequate assets and abilities will hardly influence the internationalization readiness of the firms (Tan et al., 2007; Hamidzadeh&Zargaranyazd, 2014). Figure 1 exhibits the pre-internationalization process, according to (Tan et al. 2007).



* IR denotes internationalisation readiness

Figure (1): pre-internationalization stages (Tan et al., 2007).

In Figure 2 which presents the modern pre-internationalization model. In this model, it is noticeable that the process always starts with building an adequate knowledge about the targeted markets from different sources of information and the most important is to increase the absorptive capacity in which the organization can identify new knowledge, acquire it, put it in a productive use and assimilate it within the organization, this majorly depends on the dynamic capabilities that lead to knowledge integration. In the light of the gathered data, corrective actions will be taken like selecting the targeted country (i.e., market selection) and the entry mode (Casillas et al., 2009).

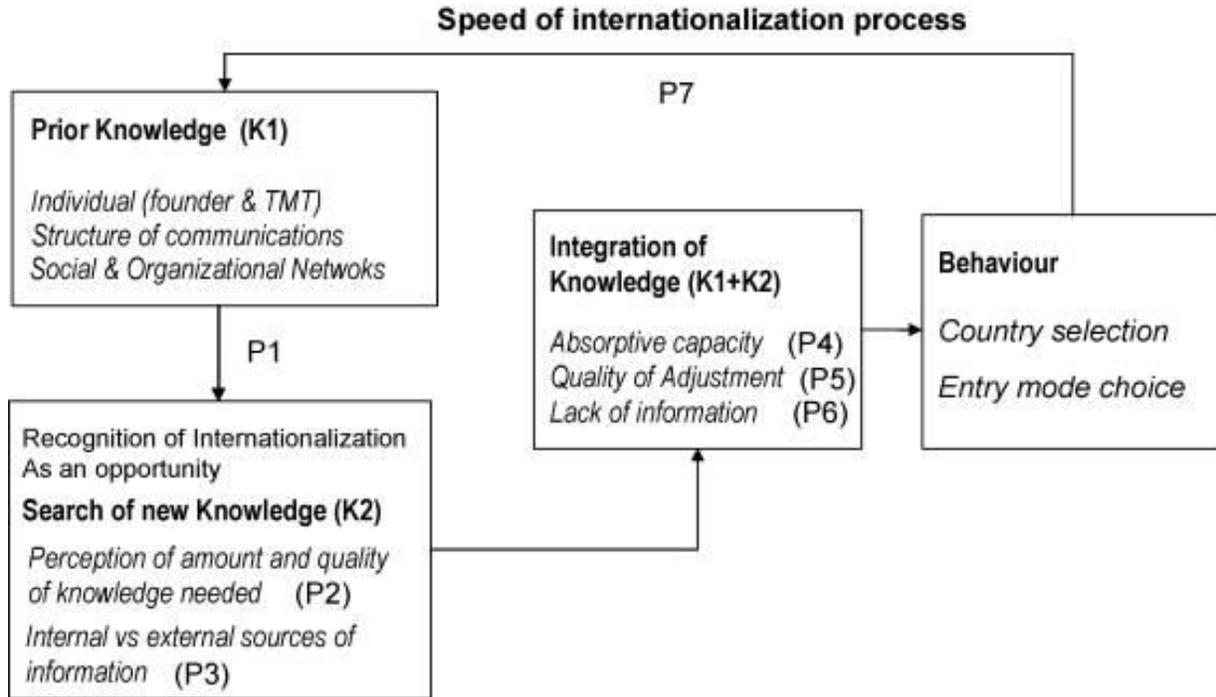


Figure (2):The pre-internationalization process (Casillas et al., 2009).

2.4 Literature review

The internationalization readiness and dynamic capabilities are from the most vital arguments in the strategic management research field. They reflect the organization able to adapt to global changes. Thus, these topics have resulted in the publication of many research papers; for example, *Uner et al. (2020)* investigated how dynamic capabilities affect the internationalization of Turkish hospitals. The methodology of their research designed based on the case study approach and the grounded theory, which is part of the inductive method. They conducted semi-structured, face-to-face interviews for 45 minutes to 70 minutes with executive managers and board members from 9 Turkish hospitals. The results showed that the dynamic capabilities of their hospitals helped to take the benefit of Turkey’s strategic geographical location and the entrepreneurial initiatives to expand its operations outside Turkey. Last, the results designated that the organizational capabilities in the domestic market helped hospitals to expand into other international markets which is the result of advancing knowledge and following the best managerial practice.

Arikan et al. (2019) examined the role of dynamic capabilities and their reflection on attaining the long-lasting competitiveness and internationalization in a multinational enterprise. Likewise, they analyzed the impact of deployment the heritage assets and assumed the same processes built-in and used in their home markets when they expand their business scope. They used the cross-sectional multi-case design to study five Italian firms. Also, they followed the critical review approach of academic literature and theories to support their results. In-depth semi-structured interviews over five years were conducted, and the research results indicated that the traditions and the dynamic capabilities support the multinational firms to redefine their boundary conditions. Furthermore, they concluded that the authentic firms avoid and restrict local adaptation of process and products in the countries they access. Nevertheless, they are motivated to internationalize if there is no risk, and it is advantageous to deploy preservation capabilities.

Riviere et al. (2018) examined the effect of organizational knowledge of internationalization on the improvement of internationalization ability. Also, they investigated the impact of this in developing a competitive advantage in multinational enterprises. Furthermore, they reviewed the implications for understanding the strategic renewal in all uncertain conditions. For the methodology, the researchers adopted the qualitative approach and conducted an in-depth case study and 11 semi-structured interviews in Microsoft company. The outcomes of the research specified that internationalization knowledge significantly impacts the development of strategic renewal in multinational organizations. Additionally, the results stressed on those managers who own sensing, seizing, and transforming capabilities to empower internationalization knowledge to play a successful role in strategic renewal.

Pinho et al. (2018) investigated the internationalization readiness factors considering; the innovation, the competition, the technological development and the manager's capability to take the opportunities (dynamic capability). Also, they studied how can the dynamic ability influence the internationalization readiness in the SMEs in Asian countries as per the "Global Entrepreneurship Monitor (GEM) sample". The study of *Pinho et al. (2018)* designed a sample of 198,339 entrepreneurs distributed over 69 countries and used the Adult Population Survey – GEM. They used the binomial logistic regression model for statistical analysis purposes. The results of the research revealed that there is a critical difference between the Asian countries and the rest of the sample in the innovation-related factors.

Niroula, (2018) has investigated the preparedness of handicraft industries to internationalization in Nepal, the researcher adopted the positivism philosophy, and he applied a descriptive research design with a deductive approach through collecting primary data from interviews with top management and questionnaire with management staff, 60 interviews were conducted in organization firm managers. The study also found out that the Nepalese handicraft organizations. However, they have substantial financial assets and can meet one of the main requirements of internationalization. Nevertheless, they were not ready for internationalization due to several reasons: Nepalese handicraft industries culture were not oriented toward internationalization culture or can adapt quickly with different cultures, the researcher also found, that the production departments in the Nepalese handicrafts organizations were not effective in terms of flexibility and readiness to make modifications and customization to their products to meet with different countries requirements. Also, the researcher found that Nepalese handicrafts organizations can't handle the implication of change required internally to adapt to internationalization and the workforce was not diversified or trained or have the required blend of skills that can be transferred to different markets in different countries.

Rosnan et al. (2018) explored the preparedness of the Malaysian (SMEs) to internationalization. They studied the relationship between foreign distribution, foreign marketing, foreign networks and entry strategy and their influence on the internationalization readiness for (SMEs) in Malaysia. The researcher conducted an exploratory study and obtained his primary data through 190 questionnaires. The researchers follow a two-stage analytical procedure to check for validity and reliability. The principal analysis was conducted through smart partial least square, path model and found that all foreign distribution, foreign marketing, foreign networks and entry strategy are significantly correlated to internationalization readiness for the SMEs and contribute to the tremendous success of the Malaysian organizations to expand their scope of operations which improves the economic indicators.

Bianchi, Carneiro and Wickramasekera, (2018) explored the factors that affect the organization commitment toward internationalization in two different countries in South America operating in two different eco-systems. A cross-sectional study through an online survey was conducted in Brazil and Chile. A sample frame was solicited from a national authority for organization registration records in each country, 136 respondents from Chile and 209 from Brazil representing top management and decision-makers were analyzed through confirmatory factor analysis. The finding confirmed the relevance of dynamic capabilities in terms of resources and capabilities on the internationalization readiness and commitment from the perspective of top management and decision-makers. Also, the researcher finds that top management and decision-makers perceive the internal barriers to affect the internationalization readiness and commitment of the Chilean organizations negatively in terms of lacking some managerial characteristics like knowledge and experience and high limitation in available stock. Instead, while in Brazil, top management and decision-makers perceive external barriers like high shipping and transportation cost as the main obstacle toward internationalization readiness and commitment.

Kraus, Eggers and Stieg (2017) have studied the successful drivers for internationalization. The study was applied to German SMEs, the research studied the complexity of the internationalization readiness, and they talked about the influence of globalization as one of the drivers for SMEs internationalization. A sample of top management German SMEs managers was administered through a questionnaire in an experimental research approach to examine how a set of strategic and structural variables could be the drivers for internationalization readiness and therefore, success. Kraus et al. (2017) applied a conjoint choice analysis to investigate the effect of market entry, target region, motives for internationalization, degree of internationalization, entry speed and financial resources as strategic variables and the influence of family-owned business status and the firm age as structural variables and their influence on a successful preparedness to internationalization. The findings found out that the strategic variables have a significant impact than

the structural variable, with the most critical driver is the financial resources and the source of financing for the SMEs in their internationalization was also considered to be from equity sources rather than debt sources.

Tallott and Hilliard (2016) examined the prospect of developing dynamic capabilities in SMEs in Ireland. The researcher had conducted a qualitative longitudinal observation-based research design and administered in-depth semi-structured interviews and informal meeting with top management and directors to collect the primary data, the secondary data was obtained through annual reports and strategic plans for ten years. The study found that dynamic capabilities which are recognized as sensing, seizing and reconfiguring activities can be developed through a deliberate strategic decision and by enforcing the learning process to establish path-dependency that allows for continuous improvement.

Pehrsson et al. (2015) examine the characteristics of the steady phases for three strategic business unit for Swedish organizations working internationally in the USA, and how the knowledge acquired from a local market and foreign operations has a significant favorable influence in building dynamic capabilities needed to have a sustainable competitive advantage that leads to superior financial performance. The methodology of the research was built in -depth case study for three organizations who were selected out of 18 Swedish organizations through theoretical sampling based on five criteria bases. Besides, the researcher collected their primary data through 108 semi-structured interviews with 58 respondents from top management, The comparative analysis with previous research and in an iterative way for the three proposed themes. This paper has added to the previous studies of internationalization entrepreneurship by building on dynamic capability theory. The study improves the understanding of the success of new ventures and the level of internationalization pursued by the organization. One of the main limitations in this study is not studying the cause and effect relationship that might undermine the values in the model and the researcher recommend studying in the future the effect of the organization size on its dynamic capabilities.

Hosseini (2013) formed an integrated research model of the entrepreneurial alignment and entrepreneurship for the aim of investigating the impact on the entrepreneurship. The suggested model classifying all organizations into non-entrepreneurial forced entrepreneurial, plus latent entrepreneurial, last, actual entrepreneurial organizations according to set of conditions the innovation and the strategic renewal. The researchers used a “multi-case study approach” to nominate the sample, then, the researcher applied the mix-method approach by sharing a questionnaire instrument and using in-depth interviews to evaluate the differential characteristics of non-entrepreneurial versus entrepreneurial organization). The verdicts proved that “forced entrepreneurial” businesses experience tremendous success in internationalization, international performance, involvement, also internationalization speed; this effect increases when the organization is working in dynamism business environment. However, they determined that genuine entrepreneurial organizations may demonstrate more sophisticated extents of internationalization and international performance compared to other forced entrepreneurial organizations.

Lin and Liu (2012) examined the association between the critical successor characteristics, the post-succession organizational change and the intensity of internationalization, likewise the performance. For the methodology, 187 observations collected from listed firms in Taiwan for five years from 2000 to 2005. The conclusions suggested that organizations would lead to more sophisticated levels of change in terms of internationalization in the case of developing its experiencing external strategies. Consequently, the organizations that face negative impacts of difference in terms of internationalization will face relatively low performance. This conclusion will be much more valid in the industrial environment as a complex business environment.

Jaio et al. (2011) explored the moderating role of environmental dynamism in the relationship between the innovation strategies and dynamic managerial capabilities. The primary purpose of their investigation is to assist the organizations in creating and maintaining long-term competitive advantage internationally by stressing on the role of dynamic capabilities, especially in the emerging markets. For the methodology, the researchers targeted 400 knowledge-intensive and high-tech firms in China. They used the hierarchical regression for the data analysis. The empirical results figured out that innovation strategy is significantly impacted dynamic capabilities.

H0₁: There is no statistically significant impact at $p \leq 5\%$ of the managerial dynamic capabilities with its combined dimension (Sensing, Seizing and Reconfiguring) on the internationalization readiness with its combined dimension (Functional readiness and Managerial commitment readiness) in the Jordanian SMEs.

3.0 Research Methodology

3.1 Population and Sample

The population of the current research entails the managers who work in the non-exporters and exporters SMEs. As per the published data on the Jordanian Ministry of Industry and Trade, the population size is 1,580 employees at the managerial levels. The sample size of 131 managers. Last, the manager is the unit of analysis.

3.2 Variables Measurement and Research Instrument

In accord with prior literature, the questionnaire instrument will be used to collect the data. The questionnaire will be adopted from published valid papers, also it will be modified to ensure therelevance with the Jordanian business environment. Table (2) shows the details of variables measurements, the questionnaire is detailed in appendix (1).

Table (2): Variable measurements

Variable/Dimension	Number of items	Reference
Managerial Dynamic Capabilities Elements		
▪ Sensing Capabilities	8	Garrido et al., 2020
▪ Seizing Capabilities	6	Garrido et al., 2020
▪ Reconfiguring Capabilities	5	Garrido et al., 2020
Internationalization Readiness Elements		
▪ The functional readiness.	5	Hamidizadeh&Zargaranyazd, (2014)
▪ The managerial commitment readiness.	4	Hamidizadeh&Zargaranyazd, (2014)

3.3. Research Model

In the light of the research hypothesis, figure 3.1 illustrates the research model.

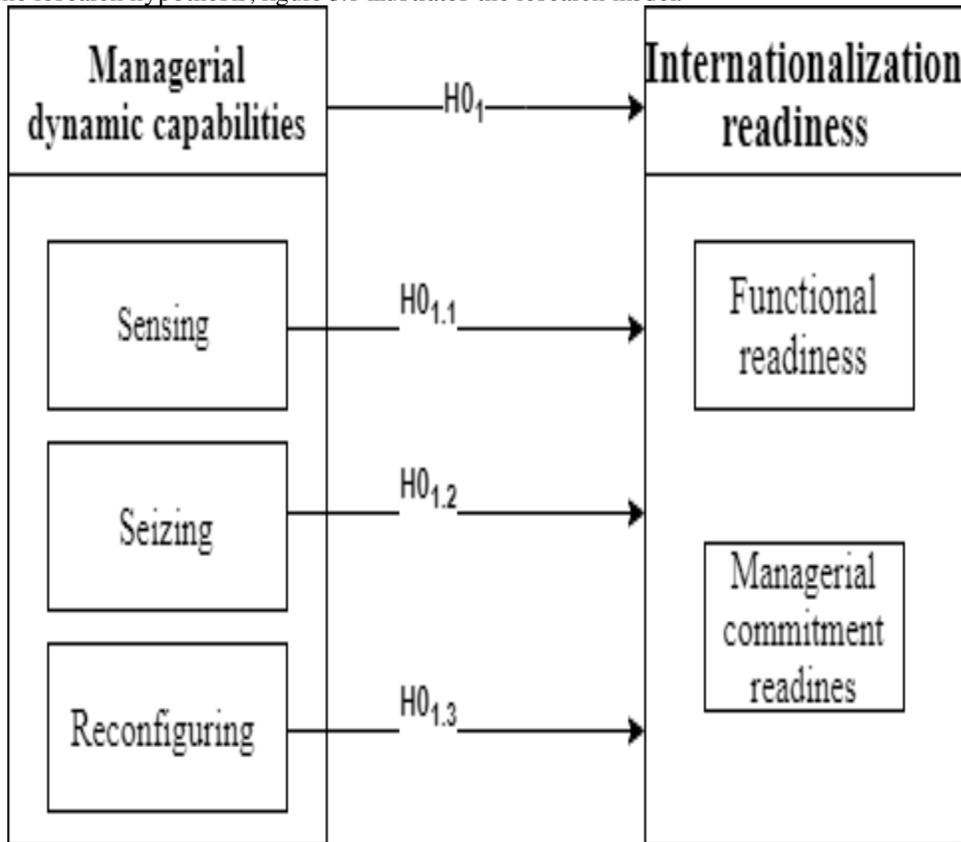


Figure (3): the impact of managerial dynamic capabilities on internationalization readiness

4.0 Data Analysis and Results

4.1. Descriptive Analysis

The descriptive analysis represents the main characteristics about the sample members (Green & Salkind, 2016). It shows the percentages and the frequencies of the demographic data, also, it illustrates the mean and the standard deviation values for the variables.

Table (3): Descriptive Statistics – Demographic

		<i>Frequency</i>	<i>Percent</i>	
Job Title (Description)	(1).	Engineer	12	09.2%
	(2).	Sales Manager	18	13.7%
	(3).	Logistics Manager	03	02.3%
	(4).	Purchasing manager	01	00.8%
	(5).	Operations Manager	07	05.3%
	(6).	Project Manager	09	06.9%
	(7).	General Manager	38	29.0%
	(8).	IT Manager	03	02.3%
	(9).	Supply Chain Manager	16	12.2%
	(10).	Financial Manager	24	18.3%
	(11).	Others	12	09.2%
Education Level	(1).	High school	05	03.8%
	(2).	Diploma	05	03.8%
	(3).	Bachelor's Degree	81	61.8%
	(4).	Master's degree	40	30.5%
Age groups	(1).	23- less than 29 years	15	11.5%
	(2).	29 less than 35 years	03	02.3%
	(3).	35 less than 40 years	79	60.3%
	(4).	40 less than 50 years	33	25.2%
	(5).	More than 50 years.	01	00.8%
Years of Experience	(1).	0-less than 5 years	07	05.3%
	(2).	5-less than 10 years	15	11.5%
	(3).	10-less than 15 years	34	26.0%
	(4).	15 years and more	75	57.3%
Number of employees in the firm	(1).	Less than 10 employees	21	16.0%
	(2).	10-50 employees	39	29.8%
	(3).	51-75 employees	10	07.6%
	(4).	76- 100 employees	15	11.5%
	(5).	100- 150 employees	05	03.8%
	(6).	More than 250 employees	41	31.2%
Sector Type	(1).	Industrial	19	14.5%
	(2).	Service	66	50.4%
	(3).	Agricultural	1	.8%
	(4).	Others	45	34.4%
Total			131	100%

The descriptive analysis results show that most of the respondents work as general managers (29%), followed by financial managers (18.3%) and sales managers (13.7%), this indicates that the sampled respondents are the decision-makers and the eligible to evaluate the strategic directions of the organizations. Therefore, their responses mirror the experience and the knowledge about the capabilities and the internationalization plans, as they are mostly the decision-makers and the readers of the external environment and internal capabilities.

The year of experience variable shows that 57.3% of the sample members have more 15 years of experience as well; these values confirm the role of the capability to evaluate the readiness to internationalization. Further, around 90% of the sample members are well educated with Bachelor or higher education academic qualifications. This indicates the academic qualifications that support their willingness to make the well-rooted decision based on analysis, in-depth readings and review of the international markets.

The descriptive analysis of the firms points out that there is a diversity in the firm’s size, which is measured based on the capabilities and resources in these firms. Also, there is diversity in the sectors as 14.5% of the sampled managers work in the industrial sector, and 50.4% of them work in the service sector as well this measurement also proves the Jordanian SMEs ability to access international markets bases on their various products and services.

Table 4.2 shows the mean and the standard deviation values of the internationalization readiness and the dynamic managerial capabilities. The mean value of the dynamic managerial capabilities is 4.004, which means an agreement towards the existence of this dynamism in the managerial vision to sense, see and reconfigure the opportunities, the Sensing ability has the highest mean value with 4.173 which indicates that the respondents believe that their SMEs define new opportunities, new market segments , also they focus on customer needs and on accumulating better knowledge about the environment of the market. However, the mean value is the least for internationalization readiness as a supportive sign of the gaps in the internationalization readiness. The standard deviation values are less than one and less than the mean values, which mirror a harmony in the observations and raise the ability to generalize the assumption that SMEs have similar conditions.

Table (4): mean and stranded deviation values

	Mean	Std. Deviation
Dynamic Capabilities	4.004	0.6889
Sensing	4.173	0.6645
Seizing	3.950	0.8487
Reconfiguring	3.816	0.7730
Internalization readiness	3.543	0.6954

4.2. Hypothesis Testing

In order to attain the study objectives in investigating the impact of managerial dynamic capabilities on the internationalization readiness, multiple regression model is used and analyzed to examine the null hypothesis as per table 4.4 as the below:

Dependent variable						
Internationalization Readiness	Independents	Hypothesis	T value	sig	β	VIF
	Managerial Capabilities	H0 ₁	3.371	0.001	0.653	---
	Sensing	H0 ₁₋₁	.351	.726	.038	2.383
	Seizing	H0 ₁₋₂	2.539	.012	.277	4.034
	Reconfiguring	H0 ₁₋₃	2.529	.013	.292	3.735
R	0.664					
R ²	0.441					
F	33.401					
Sig.*	0.000					

Table (4.4) presents the regression model for the SMEs; the results of the R-value is 66.4% as a strong correlation between independent variables and the internationalization readiness. The R^2 value is 44.1%, implies the variations in the dynamic capabilities' dimensions reveal 44.1% from the total change in the internationalization readiness. The F value of 33.401 and the p-value is less than 5%, which lead the researcher to reject the null hypothesis and accept the alternative one for the whole suggested model.

In more details, the sensing (P-value = .351; t= .726) and the seizing (P-value = .351; t= .726), last, the reconfiguring (P-value = .351; t= .726), which the t values is greater than 2 and the p-value is less than 5% means the significant impact. The beta values reflect that if the independent variable increase with one unit, the beta value increase/decrease with beta vale. In this study, the beta value is 27.7% for the seizing and its value is 29.2% for the reconfiguring. In other words, the if the seizing increase with one unit, the internationalization readiness will increase with 29.2%. Last, the VIF results evaluate the independence of the independent dimensions to confirm that there is no partial effect.

5. Conclusions

The academic literature stated that the dynamism, the internationalization readiness and the managerial characteristic helps the businesses to predicate the changes and proact to them before the rivals (Dodgson, 2018). Hence, the firms need to act in an innovative and risk-taking approach based on assessment and mitigation plans according to their sensing, seizing and reconfiguring actions (Fuerlinger, Fandl, & Funke, 2015; Riviere Suder, & Bass., 2018). The internationalization is one of the commonly followed strategies due to many drivers, including markets similarities, organization type (e.g., born global), governmental, de-regulation, cost and competitiveness drivers (Jabar Tajuddin, & Paino, 2013; Riviere et al., 2018). Scholars defined the internationalization readiness as “the level of preparation any organization should reach before the internationalization to ensure the success” (Tan, Brewer & Liesch, 2007). Dealing with any foreign market endures risks for organizations. The main objective of this study is to investigate the impact of the managerial dynamic capabilities which is operationalized as the sensing, the seizing and the reconfiguring on the internationalization readiness. The study applied the survey as a research instrument that was distributed to 13 respondents. The results show a positive and significant impact of the managerial dynamic capabilities on the internationalization readiness. More specifically, the seizing and reconfiguring dimensions have an impact on the internationalization readiness.

6. Limitations

This study faced the following limitations:

- Due to the quarantine and COVID 19, there was limitation to expand the research scope and to combine interviews with questionnaire as it was planned.
- The quarantine limited the sample to the managers and SMEs who works in Amman and forced us to approach a convenience sampling method with snowball sampling method.
- Due to the non-probabilistic sampling technique, the findings of this research can't be generalized to population and can serve as a pilot research study.

7. Recommendations

The study provides the following recommendations:

- Analyze other variables such as the market, cost, competitive, cultural and government drivers that might affect the preparedness and readiness for internationalization cultural factors.
- Study and compare the results in terms of the internationalization readiness between the SMEs and the large firms or multinational enterprise (MNEs).
- Identify the limitations that strict the internationalization readiness.
- Use the mixed method in terms of quantitative and qualitative to attain more comprehensive results.
- Use a probabilistic sampling technique to be able to generalize findings.

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