Internationalisation of microenterprises: 
systematic literature review

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Abstract: Microenterprises are the most common type of firm within the European Union, accounting for 93.2% of all enterprises. This study’s aim is to obtain an overview of the literature on microenterprises’ internationalisation; this is done by conducting a systematic literature review (SLR). The research question of this study is as follows: what is studied in an academic context about the internationalisation of microenterprises? The findings highlight that there is a lack of academic research focused on the internationalisation of microenterprises as a special group of enterprises. The study contributes to the field of international entrepreneurship and literature on microenterprises.

Keywords: microenterprise; micro-company; microfirm; smaller firm; internationalisation; export; international entrepreneurship.


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1 Introduction

Microenterprises, a subgroup of small- and medium-sized enterprises (SMEs), are clearly the most common type of SMEs, accounting 93% of all companies in the European Union (Muller et al., 2018). Microenterprises, as well as SMEs, are considered the backbone of the European Union’s (EU) economy, creating jobs, and contributing to economic growth. Microenterprises contribute to the economic development of emerging markets, for example, through employment generation and export revenues (Ghimire, 2011). Moreover, these 22.9 million microenterprises accounted for 29.4% of total employment in the EU (Muller et al., 2018). Microenterprises are a dynamic group of enterprises characterised by a large share of young business, higher growth rates, and high exit rates (Falk et al., 2014).

Globalisation and technological development have reduced the distances and accessibility of foreign market, enabling the exchange of previously non-tradable goods and services. These fundamental changes have also opened up opportunities for European SMEs. Nonetheless, barriers to internationalisation are unquestionably higher for SMEs than for large enterprises (European Commission, 2014). There is solid evidence that exporting have a positive effect on company growth and productivity (Eliasson et al., 2012). Also, at the microenterprise level, exporting contribute to the development of competitive advantages, enriches managerial skills, creates a better use of production capacity, and fosters business growth [Leonidou et al., (2007), p.736]. For small companies, the primary methods of foreign market entry are through exporting (Leonidou and Katsekeas, 1996; Lengler et al., 2016).

The share of SMEs involved in international activities is closely related to the size of the company. Previous empirical evidence has shown that microenterprises have substantially lower export participation rates compared with large-sized companies (European Commission, 2014; Eliasson et al., 2012; Harris and Li, 2009). Falk et al. (2014) noted that a likely explanation of the negative dependence of exporting on enterprise size is that microenterprises have lower resources in terms of financing, knowledge, and managerial skill and experience – indeed, one-person businesses rarely export. According to a survey of internationalisation of EIM Business and Policy Research (2010), 43% of microenterprises were involved in some form of internationalisation in 2006–2008, while the figure for small firms was 58% and for medium-sized firms 73%. Internationalisation includes exporting, importing, investing abroad, cooperation internationally, or having international subcontractor relations. Most commonly, microenterprises have direct exports (24%) or direct imports (28%) (EIM
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Business and Policy Research, 2010). Contrary to the assumption that microenterprises are focused solely on smaller and more familiar home markets, the survey of business owners [US Census Bureau (2008) as cited by McCormick and Fernhaber (2018)] reported that microenterprises constitute 44% of all export companies in the USA. Even though SMEs have less direct engagement in exporting, they have a significant role in the value chains of export trade as upstream suppliers. According to a Nordic study, when accounting for value-added indirect exports, cross-border trade is at least twice as significant for SMEs, as direct business export statistics bring out. For large Nordic export companies that do export directly to foreign markets, more than half of the value-added content originates with SMEs. Regarding geographical orientation, larger companies export proportionally more to distant foreign markets than SMEs (Statistics Denmark, 2017).

Despite the importance of this area, little is known about the international activities and export participation of microenterprises (European Commission, 2014; Harris and Li 2009). McCormick and Fernhaber (2018) noted how it is astonishing that microenterprises have been mainly dismissed in international entrepreneurship research. A recurring perception in prior empirical literature is that microenterprises are most often not separated from larger SMEs (e.g., Dimitratos et al., 2004; Falk et al., 2014; McCormick and Fernhaber, 2018). This is especially noteworthy given the large share of microenterprises in the economies in terms of their contribution to gross domestic product (GDP) and employment. However, there are reasonable grounds to assume that the firm-specific determinants of internationalisation and the uniqueness of their context differ between SMEs and microenterprises (Alonso and Kok, 2020; Falk et al., 2014; Gherhes et al., 2016; Kelliher and Henderson, 2006; McCormick and Fernhaber, 2018; Saarela et al., 2018).

Prior studies have indicated that understanding microenterprises’ internationalisation is vague, and studies on the SMEs’ internationalisation have neglected making a precise distinction between microenterprises with SMEs. The current paper aims to provide an overview of the internationalisation of microenterprises based on a systematic literature review (SLR). The research question of the current study is as follows: what is studied in an academic context about the internationalisation of microenterprises?

The remainder of the present study is organised as follows: the first part reviews the literature concerning internationalisation, its history, and the main theories concerning micro- and small enterprises. Section 3 explains the research methodology and highlights the results of the literature review. The main findings are discussed in Section 5.

2 Theoretical background

2.1 Microenterprises

According to the European Commission’s (2003) recommendation, SMEs are defined as firms with less than 250 employees; this includes medium-sized firms between 50 and 250 employees, small firms with less than 50 employees and microenterprises with less than ten employees. In addition, the European Commission references alternative to annual turnover and balance sheet totals by size class. Microenterprises, or companies with less than ten employees, has been described in the literature using
the following terms: microfirms, microbusinesses, micro-companies, and micro-sized ventures.

An essential difference between microenterprises and larger companies is the role of the impact of the founding entrepreneur, who often works alone or with a small amount of employees. The entrepreneur of the microenterprise is generally accountable for all decisions and because of the lack of normal decision-making models, there is a large amount of confidence in the entrepreneur’s opinions (Rice and Hamilton, 1979; McCormick and Fernhaber, 2018).

2.2 International process of enterprises

The definition of ‘internationalisation’ varies in accordance with the perceived phenomena (Shen et al., 2017). The earliest definition by Penrose (1959) defined internationalisation as core competences of a firm and opportunities in a foreign environment (Paul, 2020). In the current paper, ‘internationalisation’ follows the definition of Welch and Luostarinen (1988) “the process by which firms increase their international market commitments.” The recent literature studying the internationalisation of SMEs is already very wide and advanced on different approaches (e.g., Paul et al., 2017; Costa et al., 2016; Schellenberg et al., 2018; Kim and Hyun, 2019).

The barriers to SME internationalisation can be grouped into four main categories: financial, information, networking, and managerial capacity. However, the barriers can be internal and external (Cavusgil, 1984a; Leonidou, 2004; European Commission, 2010). SMEs face problems derived from a lack of resources, difficulties of accessing funding and technology, and limited management capabilities. These problems become more critical regarding the internationalisation process of SMEs, and issues such as productivity and market knowledge arise. Here, internationalisation is referred to a development process for which different models can be applied (see Bilkey, 1978; Bilkey and Tesar, 1977; Cavusgil, 1984a, 1984b; Reid, 1981; Leonidou and Katsikeas, 1996; Ruzzier et al., 2006; Welch and Wiedersheim-Paul, 1980; Wortzel and Wortzel, 1981) to succeed and, e.g., make exports become common operations for the firm. If the firm is committed to developing internationalisation, the level of involvement increases with time as the result of accumulated experience.

The traditional stage models of SME internationalisation include the Uppsala models (Johanson and Widersheim-Paul, 1975; Johanson and Vahlne, 1977) and innovation adoption models (I-models) (Cavusgil, 1980). According to these models, the internationalisation process is progressive development that happens in different stages. The initial exporting activities occur in markets with short psychic distance to the home country (Hermel and Khayat, 2011). The stage models have had a substantial influence on the studies that have focused on the internationalisation of small- and medium-sized companies. However, not all studies of the internationalisation process support these stage models (Coviello and McAuley, 1999). SMEs can explore exporting gradually (Johanson and Vahlne, 1977), start with a low commitment of resources, and obtain support and accompaniment along the exporting phase from experts from both private and public organisations that are specialised in SME consultancy.

The network approach dates from Johanson and Mattsson (1988). They argued that internationalisation occurs when the firm reflects its environment by considering its business networks and markets. A network is “an evolutionary process where firm first establishes its positions in new networks and then develops existing positions to increase
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its resource commitments” (Hermel and Khayat, 2011). Prior studies have recognised that network ties facilitate SMEs’ internationalisation (Chetty and Holm, 2000; Styles et al., 2006; Mitgwe, 2006).

The resource-based view (RBV) highlights the link between the international characteristics and performance of the firm and its diversity in relation to the resources and capabilities on which the firm bases its strategy (Wernerfelt, 1984). The RBV alleges that international small firms can leverage resources by developing differentiating capabilities that allow the firm to gain competitive advantages (Barney, 1991). Hermel and Khayat (2011) suggested that the capabilities and resources of an international microenterprise can define the degree and speed of internationalisation. First, though, microenterprises require resources to be introduced at the company level to engage in internationalisation.

International new ventures (INVs) or ‘born-globals’ are enterprises that become internationalised soon after beginning. According to Covello and Munro (1992), INVs outcome from the international awareness and talent to meet the international market demands of the management or entrepreneurs (Paul, 2020). Born-global firms can be defined as the newly founded company that immediately starts seeking superior international business performance from the application of knowledge-based resources to the sales of outputs in several countries (Knight and Cavusgil, 2004). Thus, exporting is associated with growth. Born-global firms are an example of small firms’ potential importance in the export growth of nations (Rennie, 1993; Knight and Cavusgil, 1996).

2.3 Systematic literature review

SLR differentiates from traditional literature review by offering an explicit and systematic review of the literature. SLR identifies relevant studies around the research topic and uses explicit methodology to summarise reviewed literature’s quality (Khan et al., 2003). Because of the explicit presentation of the research method, an SLR is well suited for identifying the gaps in the literature and generating recommendations for future research. It also helps to reduce data extraction and selection bias which could reduce the quality of the research (Grant and Booth, 2009).

Data extraction bias means that the author chooses too much or too little data from reviewed studies may lead to unclear or incorrect conclusions. It is minimised in SLR by taken out findings with standardised form and review them with at least two reviewers (Nightingale, 2009; Liberati et al., 2009). There is always a possibility for selection bias; for example, authors can choose merely the research material that corresponds with their personal goals and opinions. This is avoided so that authors must define clear inclusion and exclusion criteria for the SLR before carrying this process out (Liberati et al., 2009).

3 SLR

Because there is no standard process for an SLR, the authors of the current paper benchmarked existing SLR processes from the literature to create SLR processes suitable for the present article. A group of entrepreneurship articles (Bettinelli et al., 2017; Bouecken et al., 2015; Hurley, 2018; Liñán and Fayolle, 2015; Thorpe et al., 2005) using an SLR were reviewed and benchmarked. These reference articles were selected from
high-quality entrepreneurship journals to ensure the quality of their SLR processes. Two popular international journal quality guides – the Australian Business Deans Council (2020) and the Chartered Association of Business Schools (2018) – were applied to ensure that the articles were from high-quality entrepreneurship journals. SLR methods from these reference articles were then applied together with previous SLR theory to define the SLR process for the present study (Table 1).

### Table 1  SLR process

<table>
<thead>
<tr>
<th>Step name</th>
<th>Step description</th>
</tr>
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<tbody>
<tr>
<td>Step 1 Justifying the use of an SLR</td>
<td>Choice of an SLR over a traditional literature review is justified</td>
</tr>
<tr>
<td>Step 2 SLR research scope and used databases</td>
<td>The SLR’s research scope is defined, and databases are selected</td>
</tr>
<tr>
<td>Step 3 Search argument and systematic search</td>
<td>The search argument is developed explicitly and used in the selected databases to identify the group of articles for further study</td>
</tr>
<tr>
<td>Step 4 Classification process</td>
<td>The classification process is defined and used to modify the group of articles</td>
</tr>
<tr>
<td>Step 5 Summary of findings</td>
<td>The results of the SLR are summarised</td>
</tr>
</tbody>
</table>

The following subsections describe this step-by-step SLR process in further detail.

#### 3.1 Justifying the use of SLR

As described before in the SLR theory subchapter, SLRs excel at identifying research gaps in the literature and give more unbiased and balanced summaries of the literature compared with traditional literature reviews. An SLR is a good method to generate recommendations for future research, helping reduce selection and data extraction bias.

#### 3.2 SLR research scope and used databases

A clear research scope for the SLR and databases was set to minimise selection bias and increase transparency. The research scope of the SLR was set to articles written in English and published in peer-reviewed sources. The focus of the databases was set to the Web of Science and Scopus databases.

#### 3.3 Search argument and systematic search

A search argument was developed and tested in the selected databases. As a starting point, the search was narrowed to the title of the articles. Test searches with microenterprise and internationalisation-related search words were first performed to get a better idea of the research topic. The conjugation ‘OR’ was used between similar keywords and the wildcard character ‘*’ was used at the end of each keyword to take different words with the same stem into account.

After some test searches, two potential topic groups were defined by the authors to simplify the search argument. These topic groups were the internationalisation topic group, which includes internationalisation terminology, and the microenterprise topic group, which includes microenterprise terminology. Keywords from the test searches
were then divided into these two groups. If the keyword did not fit with one of the groups, it was removed. The topic groups were then combined with the conjunction ‘AND’ between the topic groups to create a joint search argument, which was then used for further test searches. After some follow-up test searches and changes in the topic groups’ keywords, the final version of the search argument was defined (Table 2).

<table>
<thead>
<tr>
<th>Step name</th>
<th>Search argument</th>
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</table>

The search argument was then used both in Web of Science and Scopus to select articles for further study. Here, 75 articles were selected from Web of Science, and 136 articles were selected from Scopus. Fifty six article duplicates were then identified and removed from the results, leaving 155 articles for further study.

3.4 Classification process

The classification process introduced by Thorpe et al. (2005) was applied to reduce selection bias when articles were reviewed in further detail. With this, the results were limited only to the articles in the scope of the research question. The articles were assigned into three groups according to set classification criteria: relevant studies (group A), studies in which the relevance is still unclear (group B), and non-relevant studies (group C). When the articles were assigned to these groups, the articles in group B were reviewed again and moved either to group A or group C. Finally, the articles in group A were selected for further study (Thorpe et al., 2005).

Because the focus of the current article is to identify the articles that contribute to knowledge of internationalisation of microenterprises, we set the following classification criteria: ‘the article studies microenterprises’ internationalisation and articles’ findings related to microenterprises can be separated from other possible findings of the study. The article’s title, abstract, and full text were first read by the authors, and the articles were classified into groups A, B, and C according to the findings from the articles. Then, the articles classified into group B were re-reviewed by the authors and classified either into group A or group C. In the end, 20 articles were left in group A.
<table>
<thead>
<tr>
<th>Article</th>
<th>Core topic</th>
<th>Source of data</th>
<th>Research method</th>
<th>Used microenterprise term</th>
<th>Used viewpoint of internationalisation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alonso and Kok (2020)</td>
<td>The rationale behind the internationalisation of microenterprises involved in the wine industry</td>
<td>Italy/Spain</td>
<td>Qualitative/multicase study</td>
<td>Microfirm</td>
<td>Export</td>
</tr>
<tr>
<td>Arslan et al. (2020)</td>
<td>Role of legitimacy in internationalisation to Africa of a Finnish service microenterprise</td>
<td>Finland*</td>
<td>Case study</td>
<td>Microfirm</td>
<td>A process that enterprises use to move from home market to international markets</td>
</tr>
<tr>
<td>Henley and Song (2020)</td>
<td>Role of innovation production to productivity performance in microenterprises</td>
<td>UK</td>
<td>Survey</td>
<td>Microbusiness</td>
<td>Expanding markets by entering foreign markets</td>
</tr>
<tr>
<td>Oliveira and Turčínková (2019)</td>
<td>Relationship between human capital in microenterprises and small enterprises and their respective behaviours in innovation and internationalisation</td>
<td>Portugal</td>
<td>Case study/survey</td>
<td>Microenterprise</td>
<td>Internationalisation based on exportation</td>
</tr>
<tr>
<td>McCormick and Fernhaber (2018)</td>
<td>Entrepreneurial perceptions impact to international growth in microenterprises</td>
<td>USA</td>
<td>Survey</td>
<td>Micro-sized venture</td>
<td>Enter the international market by entering through exporting</td>
</tr>
<tr>
<td>Tiwari and Kornelussen (2018)</td>
<td>Roles and sources of knowledge in the internationalisation of an emerging market-based exporting microenterprises</td>
<td>Nepal</td>
<td>Case study</td>
<td>Microfirm</td>
<td>Export</td>
</tr>
<tr>
<td>Falk and Hagsten (2015)</td>
<td>Determinants that affect export participation of SMEs</td>
<td>Sweden</td>
<td>Quantitative study</td>
<td>Microfirm</td>
<td>International trade/export</td>
</tr>
<tr>
<td>Giovannetti et al. (2015)</td>
<td>Relation between supply chain participation and the internationalisation of firms</td>
<td>Italy</td>
<td>Survey</td>
<td>Microfirm</td>
<td>Exporting: Taking part in importing activities and the global supply chain of exporting companies</td>
</tr>
<tr>
<td>Arpa et al. (2012)</td>
<td>Entrepreneurial orientation, market orientation, and internationalisation in born-global small businesses and microenterprises in Ireland</td>
<td>Ireland</td>
<td>Multicase study</td>
<td>Microbusinesses</td>
<td>A process that increases involvement in the international operations and international country</td>
</tr>
<tr>
<td>Keen and Etemad (2012)</td>
<td>Internationalisation intensity for rapid growth enterprises</td>
<td>Canada</td>
<td>Survey</td>
<td>Microenterprise</td>
<td>Expand beyond domestic market</td>
</tr>
</tbody>
</table>

Note: *company for which data were analysed was from Finland, but the investigated business area is Africa.
<table>
<thead>
<tr>
<th>Article</th>
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<th>Used microenterprise term</th>
<th>Used viewpoint of internationalisation</th>
</tr>
</thead>
<tbody>
<tr>
<td>11</td>
<td>Export propensity determinants of the UK SMEs</td>
<td>UK</td>
<td>Survey</td>
<td>Micro</td>
<td>Exporting</td>
</tr>
<tr>
<td>12</td>
<td>Resources and capabilities that distinguish between traditional, slow born-global and rapid born-global microenterprises</td>
<td>France</td>
<td>Multi-case study</td>
<td>Microfirm</td>
<td>Internationalisation process/pathways</td>
</tr>
<tr>
<td>13</td>
<td>How strategies for environmental protection can help SMEs in their internationalisation activities</td>
<td>Spain</td>
<td>Qualitative study</td>
<td>Microenterprise</td>
<td>Exporting</td>
</tr>
<tr>
<td>14</td>
<td>SME website adoption and functionality and how this relates to growth aspirations</td>
<td>UK</td>
<td>Quantitative study</td>
<td>N/A</td>
<td>Geographical expansion of customer base</td>
</tr>
<tr>
<td>15</td>
<td>Small firms’ internationalisation processes</td>
<td>Spain</td>
<td>Qualitative study</td>
<td>Micro-company</td>
<td>International activities</td>
</tr>
<tr>
<td>16</td>
<td>Internationalisation’s role in entrepreneurship</td>
<td>UK</td>
<td>Qualitative study</td>
<td>Microfirm</td>
<td>International entrepreneurship</td>
</tr>
<tr>
<td>17</td>
<td>Network use of small handicraft exporting companies in Tanzania</td>
<td>Tanzania</td>
<td>Survey/multi-case study</td>
<td>N/A</td>
<td>Enter foreign markets</td>
</tr>
<tr>
<td>18</td>
<td>Differences between micro- and small firms’ decisions to sell goods or services abroad</td>
<td>UK</td>
<td>Quantitative study</td>
<td>Micro</td>
<td>Internationalisation</td>
</tr>
<tr>
<td>19</td>
<td>Training and development requirements of owner-managers with export potential</td>
<td>Canada</td>
<td>Qualitative study</td>
<td>N/A</td>
<td>Exporting</td>
</tr>
<tr>
<td>20</td>
<td>Capacity and propensity of small firms to export</td>
<td>Australia</td>
<td>Survey</td>
<td>Very small firm</td>
<td>Export</td>
</tr>
</tbody>
</table>

Note: * company for which data were analysed was from Finland, but the investigated business area is Africa.
3.5 Summary of the findings

The 20 articles in group A formed the article group for further analysis. To minimise data extraction bias from the articles and summarise their main findings, six categories – reference, core topic, source of data, research method, used microenterprise term, and used viewpoint of internationalisation – were used to gather data from the articles. This led to the creation of the SLR result table, which summarises the main findings of the articles (Table 3).

4 Findings

4.1 Characteristics of the output of the articles

In the first stage of analyses we study the 155 articles. First, we notice that the terminology concerning microenterprises was heterogenous. We find several terms describing these companies, e.g., microventures, microbusinesses, microfirms, smaller-sized companies, micro-sized firms, very small firms. The diversity of the terminology may cause that it is challenging to find all articles that in fact handle microenterprises and some articles may be missing from our sample.

After the first reading, we narrow the number of the articles included in the analysis into 20 articles. The main reasons to leave out articles were following: first the articles concerning micro and small companies did not distinguish microenterprises from small companies, e.g., microenterprises are not regarded as an independent group. For example, we remove the article by Catanzaro et al. (2019) concerning French small business even the study sample include 79% of companies fewer than nine employees, but these microenterprises are not analysing as independent group distinguished from small firms. Second, we remove articles that did not cover the theme of internationalisation. Third, we focused on traditional companies, e.g., we leave out articles focused technology-intensive and high-tech companies in technology sector. However, there were only few articles to distinguish based on the last reason. Less than half of the articles concern exclusively microenterprises (Alonso and Kok, 2020; Arslan et al., 2020; McCormick and Fernhaber, 2018; Keen and Etemad, 2012; Hermel and Khayat, 2011; Philp, 1998). Majority of the articles deal with both small and microenterprises either comparing the different firm size categories or just include microenterprises as an own group in collected data.

Figure 1 Number of publications by year
Based on Table 1, we see that most of the articles are empirical and use quantitative methods for analysis. Seven papers present case studies. The studies on microenterprises are highly focused on European context – 14 of 20 papers used data from European countries. There are only two papers handling microenterprises in emerging economies – one study from Tanzania and one from Nepal. Also, only one paper is focused the USA, two Canada and one from Australia. Figure 1 presents the year of publications between years 1998–2020. The figure shows that most of articles are published since 2008. This trend corresponds to the study of Morais and Ferreira (2020) that noticed a distinct rise of articles focusing on SMEs’ internationalisation from 2006 onwards.

4.2 Key results of the research themes

To categorise the selected articles into different themes, we applied the categorisation presented by Morais and Ferreira (2020). This study developed an SLR based on SME internationalisation. Morais and Ferreira analysed 366 articles from the Web of Science and Scopus databases. The results of their study allow for the categorisation of the literature into three main clusters:

1. internationalisation process (including 169 articles)
2. specific factors/variables influencing internationalisation (132 articles)
3. internationalisation and performance (65 articles).

The first cluster comprises studies that deal with the strategic decisions that have led to internationalisation and factors influencing these decisions. Morais and Ferreria (2020) subdivided the first cluster’s articles into three topics of the internationalisation process that are:

1. strategies and mode of internationalisation
2. barriers, motivators and drivers for internationalisation
3. the role of networks in internationalisation.

The second cluster includes articles focusing on the variables regarding SMEs’ internationalisation and the impact of these variables on the success of these international ventures. Morais and Ferreia (2020) included variables such as ownership structure, human capital, and the effect of innovation and technology. The third cluster includes articles that investigated the output from internationalisation, that is, the overall performance of SMEs and the performance that the SMEs achieve in international markets.

In the current paper, we divided the articles into three categories. Articles that did not fit any of the categories were put into the class ‘others’. We did not specify the subcategories that were not clearly identifiable from the selected articles. The summary of the articles’ key contributions and theme categorising is presented in the following list.

Theme 1: international process

- Although entrepreneurial activities triggered a stronger internationalisation focus, other passive interventions that are beyond the influence or control of
microenterprises and that emerged unexpectedly can prompt direct actions (Alonso and Kok, 2020).

- Entrepreneurs’ experimental knowledge, which is obtained from social networks, previous experience, and participation in international trade fairs, may lead companies to the path of rapid internationalisation (Tiwari and Korneliussen, 2018).
- Belonging to a supply chain may, to some extent, foster the internationalisation of smaller and less efficient firms (Giovannetti et al., 2015).
- Microenterprises can find a competitive advantage in the international area from a proactive environmental strategy, but this effect is less accentuated for microenterprises than for larger SMEs (Martín-Tapia et al., 2010).
- The learning cycle, which allows companies to overcome internal and external barriers, enables SMEs to strategically position themselves. Companies tend to prefer alternative governance mechanisms, such as cooperation, in terms of high level of commitment and oversight of international activities (Arranz and De Arroyabe, 2009).
- Company networks have value-added benefits. Owner-managers networks can facilitate access to foreign markets (Rutashoby and Jaensson, 2004).
- Small firms’ international activities have a close relationship to entrepreneurship. International entrepreneurship is a heavily contextualised and socially constructed activity that occurs through shared cross-border coordination (Fletcher, 2004).
- A large proportion of microenterprises select ‘direct exporting’ as the entry mode to international markets. This is because of microenterprises’ limited business and social networks and their desire to obtain better control over their resources. Compared with small companies, microenterprises were more likely to use a reactive exporting strategy (Westhead et al., 2002).
- The owner-manager’s personal attitude toward exporting greatly affects his or her decision to engage in export activities. The owner-manager’s lack of foreign contacts and knowledge of potential foreign markets can be the main exporting problem (Carrier, 1999).

**Theme 2: specific factors/variables influencing internationalisation**

- In the case of microenterprises, there is no direct link between productivity and innovation output nor knowledge production. Microenterprises benefit from innovation indirectly through a learning-to-export effect, through which productivity improvements are obtained (Henley and Song, 2020).
- In medium-sized and large companies, the human capital base tends to be concentrated. Microenterprises and small firms that are engaged in business relations with their producer’s organisations have strong dependence on the regional market. This is an almost inevitable consequence of these companies’ scarce organisational resources (Oliveira and Turčínková, 2019).
- A company’s commitment to innovation significantly affects the relationship between entrepreneurial perception of prior growth and later internationalisation.
For highly innovative microenterprises, this relationship is U-shaped. Having innovative capabilities can help microenterprises detect and act like experienced and larger firms (McCormick and Fernhaber, 2018).

- Between microenterprises and SMEs, there are few differences in the relationship between exporting and labour productivity. The size of the firm and labour productivity are determinants that determine company’s probability of exporting (Falk and Hagsten, 2015).

- The following factors distinguished very small exporting firms from non-exporting ones: prejudiced commitment to exports; readiness to commit resources to exporting; not being prevented by a lack of access to management with skills specific to exporting; and having a product that is priced competitively in the market. A very small exporting enterprise is distinguished from its larger counterpart by its lack of access to export skills related to management, and the managers are less likely to have had experience in exporting (Philp, 1998).

- Owner-managers’ vision and ambitions related to global activities, resources, innovative products and processes, personal networks/strategic partnerships, and previous industry knowledge all contribute to owner managers’ decisions related to internationalisation (Arpa et al., 2012).

- To engage in the internationalisation process, microenterprises should start by deploying resources at the individual level. Microenterprises’ top managers have to be aware of the importance of microenterprises’ network capacities. In the process of internationalisation, microenterprises’ ability to form social capital is a crucial step. Unlike rapid born-global firms, which rely on intangible internal resources at the individual and firm levels, slow born-global microenterprises sell primarily to geographically close countries. Because of this, their internationalisation takes more time compared with rapid born-global firms (Hermel and Khayat, 2011).

- The empirical analysis shows the factors that determine the UK SMEs’ export behaviour. The size of the firm is an important factor among small firms. It helps explain the probability of product innovation (Añón Higón and Driffield, 2011).

- The article investigated SMEs’ level of website adoption and functionality and how this relates to SMEs’ growth desires, specifically to the geographical expansion of customer bases. The article also investigated if IT skill shortages could explain the gap between the possibilities offered by the Internet and the vast majority of the UK SMEs’ involvement (Williams et al., 2010).

**Theme 3: internationalisation and performance**

- N/A.

**Theme 4: others**

- The study provided knowledge about the types of justifications and their influences on professional service microenterprises’ internationalisation operations in Africa. The findings suggest that microenterprises can successfully perform internationalism
within hard-to-operate-in and relatively uncertain countries. Particularly, socio-political legitimacy has a big role in Africa (Arslan et al., 2020).

- The paper expanded understanding of rapid internationalisation and high-growth characteristics. The growth rates do not differ significantly between microenterprises and SMEs (Keen and Etermad, 2012).

We have included eight articles into the first cluster, highlighting international processes and networking. There are a few themes discussed in the articles: first, the articles highlighted the importance of different forms of networking of microenterprises. The lack of networking and foreign contacts has been seen as a barrier for entry (Tiwari and Korneliussen, 2018; Giovanetti et al., 2015; Rutashobya and Jaensson, 2004; Carrier, 1999). Second, the microenterprises follow a reactive export strategy (Westhead et al., 2002), following the Upsala model (Rutashobya and Jaensson, 2004). The earlier experience and networks of the owner-manager has a great influence on internationalisation processes (Tiwari and Korneliussen, 2018; Rutashobya and Jaensson, 2004; Fletcher, 2004; Carrier, 1999).

The second cluster contains nine articles. A significant portion of the articles emphasised the influence of owner-managers, managerial skills, and human capital on internationalisation (Oliveira and Turčíková, 2019; Philp, 1998; Arpa et al., 2012; Hermel and Khayat, 2011). The second theme highlights how innovation plays an important role in internationalisation. The direct or indirect benefits of innovations were discussed in some of the articles (Henley and Song, 2020; McCormick and Fernhaber, 2018; Añón Higón and Driffield, 2011). In addition, some articles analysed the relation between productivity, firm size, labour productivity, and website adoption on internationalisation (Henley and Song, 2020; Falk and Hagsten, 2015; Williams et al., 2010). There were two articles connected to sustainability: environmental protection (Martín-Tapia et al., 2010) and cause-related marketing (Arslan et al., 2020).

We did not categorise any of the articles into the third cluster on the output from internationalisation, for example, the performance that the company acquires in international markets and the overall performance of microenterprises. Also, in Morais and Ferreira’s (2020) study, the third category had the lowest number of articles. The shortage of articles in this category is easily explained because there are no studies on the long-term internationalisation operations of microenterprises.

5 Discussion

The current paper conducted an SLR of microenterprise internationalisation to find out what has been studied in an academic context about the internationalisation of microenterprises. We used the Web of Science and Scopus databases, finding 155 articles for further analysis. We identified that basic SLR practices were fulfilled; the review was based on a clear research question, the quality of the researched literature was reviewed, and the SLR process was conducted systematically through a step-by-step process. Clear inclusion and exclusion criteria were defined and followed to minimise selection bias. Additionally, the data were gathered first to the SLR result table and reviewed by multiple authors to minimise data extraction bias. However, the scope of the search could be expanded further from the title search field to the abstract and keywords search fields to potentially acquire even more articles. Finally, the transparency of the search could
have been developed even further to provide future studies with a better framework of the topic.

Based on the SLR, we found only 20 articles discussing the internationalisation of microenterprises spanning the period from 1988 to 2020. Typically, the articles were based on European data collected either by quantitative studies or qualitative case studies. There is a lack of studies focusing on developing economies, Asia, or the USA. Only six articles focused solely on microenterprises. Most the articles studied microenterprises as a part of SMEs or compared them with larger companies. Our conclusions point to the need to study microenterprises separately because of the uniqueness of microenterprises’ business characteristics (Kelliher and Henderson, 2006; Kelliher and Reinh, 2009).

The systematisation of the analyses resulted in the identification of three themes based on Morais and Ferreira (2020). The main themes emphasised the importance of networks in the microenterprises’ internationalisation process. The role of owner-managers, earlier experience, social networks, and human capital was underpinned as an important factor influencing internationalisation process and capabilities. The findings of the SLR highlight the role and influence of the entrepreneur and his background. However, fundamental studies on the internationalisation process and entry models of microenterprises are missing. Studies on output from internationalisation and its impact on microenterprises are lacking as well. Thus, there is a lack of long-term or retrospective studies on the internationalisation process of microenterprises.

The present study holds implications for the literature on international entrepreneurship. First, our findings are in line with previous indications (Alonso and Kok, 2020; Muller et al., 2018; Falk et al., 2014; McCormick and Fernhaber, 2018) that show that microenterprises are mainly ignored in the international entrepreneurship research, and the distinction between SMEs and microenterprises has been recognised only in a few studies. It is noteworthy that microenterprises internationalisation has not been studied from a business performance viewpoint. Studying internationalisation in microenterprises provides several possibilities and avenues for research. Joint studies covering different countries and economies would be welcome to bring about a deeper and more authentic view on microenterprises and their international challenges in the global context.

References


Internationalisation of microenterprises


