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# NEXUS OF ENTREPRENEURIAL CHARACTERISTICS, ORIENTATION, AND ECOSYSTEM REALMS IN SOUTH ASIAN SMES FOR GLOBAL MARKET REACH: AN ABDUCTIVE CONCEPTUAL ANALYSIS

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## ABSTRACT

Institutional voids, resource constraints, and heterogeneous entrepreneurial ecosystems are defining characteristics of the business environment across South Asia. Despite these unique contextual conditions, the extant literature indicates that the majority of research on small and medium-sized enterprises (SMEs) has been conducted in Western contexts, leaving a significant gap in understanding the internationalization of SMEs in South Asia. This paper seeks to address this important research lacuna. Adopting an interpretivist research paradigm, the study employs a qualitative research approach grounded in narrative inquiry and thematic analysis. To enhance methodological rigor and depth, the study follows an abductive research methodology and explicitly outlines its sequential research process. The proposed conceptual framework is underpinned by the integration of three complementary theoretical perspectives: Dynamic Capabilities Theory at the micro level, Bricolage Theory at the meso level, and Institutional Theory at the macro level of SMEs operating in South Asia. This multilevel theoretical integration facilitates theory synthesis and supports the development of a comprehensive conceptual model. The paper makes several novel contributions by offering an in-depth synthesis of the literature and advancing a multilevel theoretical framework for understanding SME internationalization in the South Asian context. It also discusses the implications of the proposed framework from theoretical, managerial, and societal perspectives. By integrating entrepreneurial characteristics, entrepreneurial orientation, and the entrepreneurial ecosystem across the micro, meso, and macro levels, respectively, the study introduces a novel theory synthesis that provides a holistic explanation of how South Asian SMEs can successfully internationalize and compete in global markets.

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## 1. Introduction

According to Asia's SME Monitor, SMEs account for approximately 76.6% of employment and contribute around 40.8% of output across the region. In India, over 36 million, 96.7% of Micro, Small and Medium Enterprises (MSMEs) employ around 60 million people (Verma, 2024). In Sri Lanka, SMEs represent more than 52% of businesses, contribute 45% of employment, and account for over half of GDP (Rathnasinghe, 2024). Pakistan's SMEs contribute approximately 40% of GDP (Competition Commission of Pakistan, 2023), while Bangladesh's Cottage, Micro, Small & Medium Enterprises (CMSMEs) account for 90% of the industrial units and employment (Hossin et al., 2023). In Nepal, MSMEs contribute about 22% of GDP and generate over two million jobs (Sharma, Banskota & Luitel, 2024). In Bhutan, over 95% of the total industries constitute SMEs, and their contribution stands at around 5% in the country (MoICE, 2023). In the Maldives, SMEs dominate the private sector, but in limited industries. In Afghanistan, SMEs operate largely in the informal economy, reflecting institutional fragility (Wasiq, 2026). The private sector, dominated by SMEs, is estimated at 98.5% of the business and contributes considerably to Afghanistan's economic development. (Wasiq, 2026).

South Asia holds approximately 1.87 billion people, a quarter of the world's population, and is characterized by substantial demographic weight, cultural diversity, and uneven economic development (Islam, 2022). The term *Global South Asia* refers to Afghanistan, Bangladesh, Bhutan, India, the Maldives, Nepal, Pakistan, and Sri Lanka. The region boasts significant genetic and environmental diversity, housing over 4,500 anthropologically defined groups that speak numerous languages and a diverse array of religious beliefs and cultures (Dokuru et al., 2024). This diversity has shaped heterogeneous entrepreneurial behaviors, institutional arrangements, and economic trajectories, and contributes approximately 4.5% to the global GDP (Lanka, 2026). While the region has experienced rapid economic growth, largely driven by India, it remains vulnerable to macroeconomic instability, political unrest, climate risks, and external shocks (Economist, 2023). Thus, the characteristics of South Asian development may be summarized as a "diversity-driven" and "culture-driven" economy (Tanabe, 2022). Historically, South Asia influenced by shared colonialisation (Osmani, 2018), undergone structural transformation, with services emerging as the dominant sector over the past three decades (Huq & Ichihashi, 2025), and many transitions in terms of diversified entrepreneurship and SMEs and inclusive growth (Chowdhury, 2025). However, there is a visible lacuna in encapsulating SMEs from the *South Asian* context.

From an antithetical perspective, Wales et al (2023a), stated that studies across South Asia have linked Entrepreneurial Characteristics (EC) to SME performance, access to finance, and business growth, but primarily focus on domestic rather than global reach outcomes. SMEs' decisions are primarily revolved around owner-managers (Idris, 2019). Entrepreneurial Orientation (EO), defined as innovativeness, risk-taking, and proactiveness, has been widely studied as a driver of performance and competitive advantage. While emphasizing the fact that a favorable

Entrepreneurial Ecosystem (EE) is vital for South Asian SMEs, Fuentes et al. (2024) stated that *integration* of EC, EO, and EE remains highly underexplored and this has to be bridged.

Extensive research has been conducted on entrepreneurial characteristics (ECs) (Barine, 2021), Entrepreneurial Orientation (EO) (Weeramanthri et al,), and Entrepreneurial Ecosystems (EE) (Birungi et al., 2025), worldwide and their influence on firm performance, growth, and internationalization (Wales et al., 2023). However, these constructs have been researched with limited integration or in isolation, explaining SME internationalization. Lux and Brown (2026) stated that studies isolate entrepreneurship and lacks integration of EC, EO, and EE. Recent work of Rahman et al. (2024) suggests that SME internationalization, especially in emerging economies, is driven by dynamic, cross-level interactions rather than isolated factors. Bamini et al. (2025) found that South Asian studies have largely focused on isolated aspects, and this contextual fragmentation tends to address only country-specific issues. Researchers have paid little attention in understanding the multi-dimensional linkages between fundamental components, such as funding access and mentoring support, with other factors, including entrepreneurial culture and government policy, and network possibilities (Bamini et al., 2025). This highlights the knowledge gap as a holistic approach for all dimensions, encapsulating South Asian countries.

Yan and Ahmad (2025) argued that theoretical linkages to global reach outcomes are not clearly articulated in existing studies. As South Asian SMEs operate in conditions of institutional voids, informality, and high uncertainty conditions, they require multiple overlapping lenses. Highlighting the existing studies on a fragmented approach and the lack of integration of related theories and concepts (Child et al. 2022), the single lens approaches such as the resource-based view, institutional theory, or dynamic capabilities (Dabi et al., 2020), hindering micro-level EC, meso-level EO, and macro-level EE into cohesive frameworks (Munteanu & Vanderstraeten, 2022). This highlights the need for *theory synthesis of* a theoretical foundation that integrates EO, EC, and EE at micro, meso (medium), and macro layers to explain heterogeneity in internationalization trajectories for SMEs.

From the empirical and *contextual* perspective, Wu et al. (2022) stated that most of the entrepreneurial research originates from the West and other parts of Asia. As growth dynamics, political transitions, colonial legacies, and demographic diversity are not similar, the generalized approach to entrepreneurship, SME, and ecosystem cannot be compared. While affirming such sentiments, Child et al. (2022) argued that South Asia's entrepreneurial environment is shaped by informality, weak governance, policy inconsistency, corruption, and structural inequalities. In this sense, institutional support, policy environment, or cultural orientation shape entrepreneurial behavior in South Asia. These shared institutional and socio-economic features could yield regionally relevant insights to enable SMEs' internationalisation.

In terms of *methodological* arguments, Polas (2025) stated that over-reliance on country-based case studies restricts the generalizability of the findings and common-method bias. Arguing on similar lines, Wube and Atwal, (2023) stated that SME studies are based on a single country and

rely on simple quantitative or qualitative surveys, but lack rigor and depth. This approach limits the ability to capture complexity in entrepreneurial behavior and ecosystem interactions.

Ferreira et al. (2023) sated that EC (micro), EO (firm), and EE (macro) operate at different levels. Hence, analysis at a single level may not provide an accurate picture. Therefore, a multi-level analysis is necessary. Ignorance of nesting effects, treating all variables at a single level, leads to imperfect modeling and inaccurate conclusions. Over-reliance on Western models leads to the need for unique approaches such as abductive reasoning for South Asia (Magodi et al., 2023).
In view of the above arguments from *contextual, theoretical, empirical, knowledge and methodological* perspectives, this conceptual paper systematically develops the following Research Questions.

1. To bridge the significant lacuna in literature from the South Asian perspective.
2. To identify the required attributes and antecedents for the SMEs to reach the global market (Internationalization)
3. To theorize and conceptualize such attributes and antecedents and to develop a model to reach the global markets.
4. To recognize the multi-dimensional nature of entrepreneurial characteristics, orientation, and ecosystems in the context of micro, meso, and macro layers.

## 2. Literature Review

### *2.1 Small and Medium Enterprises*

SMEs are independently owned and operated non-subsidiary firms(SME Outlook, 2000). The Corporate Finance Institute (Hilmersson et al., 2022) identifies SMEs by attributes such as annual sales, employee headcount, assets, market capitalization, or a combination of a few. SMEs are the backbone of any economy worldwide. While the CBSL defines SMEs as entities having an annual turnover of less than Rs 750 Mn (US$ 2.5 Mn) with less than 75 employees (SME Outlook, 2000). International Finance Corporation (IFC) defines SMEs primarily as those with fewer than 300 employees ( IFC, 2012).

### *2.2 The Challenges in Global Market Entry*

SME internationalisation research over the past two decades has shifted from market knowledge to a more practical approach (Bai et al., 2022). The growth of competition and technological advancement has prompted manufacturing firms to redesign their competitive postures in global markets (Wang & Guedes, 2025). Since resource endowments and dynamic capabilities influence the scope and speed of internationalization, International Entrepreneurship (IE) is essential factor of entry and sustainability (Córcoles et al., 2023). A study analyzes timing and experience as a challenge in pre- and post-internationalization (Wang & Guedes, 2025). Determining the country of approach in international business is a challenge (Ambos et al., 2020). Internationalization inherently involves complexity and uncertainty, making the process,

sequencing, and speed of foreign market entry persistent areas of concern (Niittymies, 2020). Perceived country distance is another challenge and opportunity (Nebus & Celo, 2020). Language barriers, cultural differences, currency exchange and inflation, and managing global teams, foreign politics, and policies are also challenges in global businesses (Cote, 2020). As SMEs typically operate under resource-constrained and asset-parsimonious conditions, they experience a 'liability of smallness' due to a lack of finance and information (Younis & Karmowska, 2025).

### *2.3 Entrepreneurship and SME*

The idea of SME and entrepreneurship development was first brought in as early as the late 1940s (Oladimeji et al., 2017). The competitive landscape for SME is changing, and understanding the who, what, when, and why of a company's internationalization has grown in importance (Chishty et al., 2025). Owners of the SMEs may operate them, but commonly, family members assist them (Gerald et al., 2020). Effective transition from the traditional economy towards a modern entrepreneurial economy is a necessary step toward sustained prosperity of developed nations (Lux et al., 2020). Also, Innovation-driven entrepreneurship has received increasing attention, and more recently, attention shifted to the quality over quantity of entrepreneurship (Carayannis et al., 2022). In South Asia, 61%–89% of MSMEs are in services, and many are engaged in traditional wholesale and retail trade, low-technology, and domestically focused businesses. Young entrepreneurs, start-ups, and technology-based SMEs are far more growth-oriented, have innovative mindsets, and look to tap regional and global markets (Bakhshi et al., 2023). 72%–85% of SMEs operate in rural areas, which is crucial for jobs for the unemployed or informal workforce.

### *2.4 Entrepreneurial Characteristics (EC)*

Entrepreneurship is fundamentally personal, and acknowledged the relevance of a psychological perspective by scholars (Lumpkin et al., 2011; Sugathadasa & Wijekumara, 2021). Entrepreneurship research has undergone a metamorphosis of knowledge. These are also limited to a system of economic, political, and legal rules and regulations (Nascimento et al., 2019).

Successful entrepreneurs act effectively by transmitting enthusiasm to the people around them and creating a favorable environment for achieving goals (Rosado-Cubero et al., 2022). A study on the growth of SMEs in *Côte d'Ivoire* exposed that each of the 'firm and entrepreneur characteristics' is associated with at least one of the growth measurements (Diabate et al., 2019). Research in Nigeria revealed that strong EC will ultimately lead to higher business performance, growth, and profits (Barine, 2021). Further, a study in the north eastern province in Sri Lanka proved that ECs such as motivation and goal orientation, social network, EO, and risk-taking propensity significantly affect SME success (Ahamed et al., 2021).

Entrepreneurial start-ups are positively affected by human capital and organizational resources, and individuals' perception of opportunities acts as a mediator within (Li, 2023; Ratnayake, 2024).

Hagen (1962), whose original work *On the Theory of Social Change,* uses two personality types, namely, authoritarian and innovative. While acknowledging that innovative entrepreneurs are visionaries who identify gaps or inefficiencies in the market and create solutions. Peters (2006) stated that there's no single personality profile to describe an entrepreneur, but certain characteristics are important to start and lead, such as curiosity, structured experimentation, adaptability, decisiveness, confidence, team building, risk tolerance, comfort with failure, persistence, innovation, and long-term focus (Barine, 2021).

### *2.5 Entrepreneurial Orientation (EO)*

EO characterizes how an organization creates value, capturing the decisions, methods, and actions that create competitive advantage (Solikahan & Mohammad, 2019; Achchuthan & Nimalathasan, 2012). EO was initially introduced based on realizing that organizations could "be entrepreneurial" like individuals (Wales et al., 2023a). The development of the EO construct is a manifestation of entrepreneurship as enterprise behavior (Solikahan & Mohammad, 2019). It is the firm's degree of proactiveness in its product-market unit (PMU) and its willingness to create new offerings. Entrepreneurship and entrepreneurship globalization are key components for the country's economic growth, to fuel economic transformation through ability and effectiveness. However, Bakashaba, (2025) argued that EO is not merely a performance enhancer but an application of orientation under correct circumstances to enhance performance. Previous research work (Wales et al., 2023a) provides the EO measurement that includes innovativeness, proactiveness, competitive aggressiveness, competitive energy, autonomy, and risk-taking.

### *2.6 Entrepreneurial Ecosystem (EE)*

EE is a set of interconnected actors, organizations, institutions, and business processes that formally and informally come together to connect, mediate, and govern performance within the local environment (Ferreira et al., 2023). Isenberg, (2015) suggested nine prescriptions for creating an EE. They are Stop Emulating Silicon Valley, Shape the Ecosystem Around Local Conditions, Engage the Private Sector from the Start, Favor the High Potentials, get a Big Win on the Board, Tackle Cultural Change Head-On, Stress the Roots, Don't Overengineer Clusters, Help Them Grow Organically, and finally, the Reform Legal, Bureaucratic, and Regulatory Frameworks.

One of the basic assumptions is that the internationalization process of SMEs differs significantly from that of established multinationals. Within the ecosystem, firms can jointly generate a competitive advantage since the combination of the resources of all agents can make them more valuable, rare, and difficult to imitate than they were in isolation (Ferreira et al., 2023).

Entrepreneurs' perceptions of opportunities are derived from the environment and its dynamism. It influences entrepreneurs' intentions to take risks and the complexities of starting new ventures (Shwetzer et al., 2019). Isenberg (2015) listed six distinct domains of the ecosystem,

namely policy, finance, culture, support, human capital, and markets. These pillars also focus on the presence of key factors such as human capital, finance, and services; the formal and informal institutions enabling entrepreneurship, and finally, reaching customers in domestic and foreign markets. The EE approach leaves focus on the market to a new economic view on people, networks, and institutions. Entrepreneurship is considered a panacea for economic infirmities; development and prosperity can be fostered through the organized availability of the required resources, ambidextrously (Mubarak et al., 2019).

### *2.7 Layers of Integrative Interactions*

Ferreira et al (2023) suggested that macro (agents), meso (different partners), and micro (Internal) level variables positively impact international performance. The concept of EE is gaining increasing attention because of its potential as a policy tool for promoting economic growth (Fuentes et al., 2024). In the study of technology transfer observed that different conceptual and theoretical perspectives have emerged on incorporating multiple layers of micro, meso, and macro perspectives. It has shaped the ways researchers situate, analyze, and interpret their data in the growing body of knowledge (Cunningham & Reilly, 2018). Micro-level dispositions help entrepreneurs develop international alertness even in constrained environments. Secondly, the interaction between EO and EE, the global reach behaviours is realized. Supportive ecosystems, such as export promotion programs, peer networks, industry associations, or cluster linkages, amplify proactive and risk-taking behaviours (Wurth et al., 2022). Thirdly, where ecosystem gaps persist, EC compensates for weak EE. Entrepreneurs rely on bricolage, improvisation, and frugal innovation to overcome institutional voids (Baker et al., 2005). Through informal networks, diaspora ties, and adaptive strategies, they create alternative pathways to access information, legitimacy, and external markets. Finally, integrative interactions as micro-level traits interact with meso-level networks and macro institutional structures to shape internationalization trajectories (Welter & Baker, 2021). This multi-level configuration results in heterogeneous pathways, demonstrating how South Asian SMEs internationalize despite structural constraints.

### *2.8 South Asian Contextual Conditions*

A conducive EE plays a crucial role, but such conditions are often poor in many regions, especially in developing countries (Arif & Herawan, 2025). The task is still tougher in the case of SMEs (Child et al., 2022). The effectiveness of EE varies depending on the socioeconomic and institutional contexts of each country. But a study of EE in East Java (Widayani et al., 2024) revealed that despite its developing economy, it produces positive impacts on SME performance comparable to those observed in more developed regions. This underscores the importance of context-specific strategies and the need for countries to develop localized benchmarks and best practices for their sociocultural, institutional, and economic frameworks. Hence, these crucial elements of the management process show strong continuity but differ from one country to another

(Arif & Herawan, 2025). The cultural or social norm reflects the characteristics of each nation (Khuong & Van, 2022). South Asia's cultural environment is characterized by collectivism, family dominance, and power distance, which shape how entrepreneurs perceive risk, authority, and opportunity (Bakhshi et al., 2023). Decision-making in business often requires approval from broader kinship structures. Collectivist values foster trust-based business networks but also reduce willingness to take international risks. Also, cultural embeddedness strengthens relational contracting, diaspora networking, and long-term partnerships (Khanna & Palepu, 2010). SMEs face challenges from limited access to finance, a lack of databases, low R&D expenditures, undeveloped sales channels, and low levels of financial inclusion (Yoshino & Taghizadeh-hesary, 2016). These conditions influence the internationalization of South Asian SMEs too.

## 3. Theoretical Foundations of the Study

The integration of Dynamic Capability, Bricolage, and Institutional Theories, will provide the multi-level understanding of EE to enter, adapt, innovate, and sustain competitiveness in the internationalisation of South Asian SMEs, even with constraints at Micro, Meso and Macro levels.

### *3.1 Dynamic Capability Theory (DCT)*

DCT elucidates the way organizations reach and sustain competitive advantage in dynamic environments by enhancing higher-order capabilities that prepare them to sense and seize opportunities, and reconfigure resources and competencies (Teece et al., 2007)**.** DCT emphasizes organizational ability to transform and renew its resources, and is very relevant in environmental volatility, technological disruption, and international market complexity, where static resources quickly lose value. The highlight of the theory is on managerial decision-making, learning mechanisms, and organizational processes as central drivers of sustained performance (Rahman et al., 2024). Dynamic capabilities operate as higher-order capabilities that govern the evolution and reconfiguration of ordinary or operational capabilities (Schriber & Löwstedt, 2020).

### *3.2 Bricolage Theory (BT)*

Bricolage, predominantly regarded for innovation and overcoming constraints in resource-scarce environments, has gained attention in recent years (Journal et al., 2024). Baker et al. (2005) state that bricolage explains how small firms create something by exploiting physical, social, or institutional inputs that other firms reject or ignore. BT refers to how firms make do with resources at hand, creatively recombining available assets to address new challenges and opportunities (Baker et al., 2005). Bricoleurs focus on improvisation, experimentation, and resource recombination to overcome constraints rather than acquiring (Donbesuur et al., 2023).

Bricolage is especially prevalent among SMEs and firms operating in resource-scarce or institutionally weak environments, where access to capital, technology, and formal support structures is limited (Paul & Flaminiano, 2024). The theory's application in this paper can be

explained in two dimensions. Firstly, the discussion is about the resource-constrained environment of the South Asian SME context. Secondly, it complements DCT by highlighting micro-level entrepreneurial actions.

### *3.2 Institutional Theory (IT)*

Institutional environments that influence strategic choices by imposing constraints while offering legitimacy and stability (Struckell et al., 2022)**.** IT explores how an organization's behavior is shaped by formal and informal institutional pressures, including regulations, norms, cultural beliefs, and cognitive frameworks (Scott, 2014). The theory is based on business choices that are not simply rational (Fields et al., 2010), but are also influenced by values, norms, and traditions. In *Stratified View of Institutional Fit*, Giodarno et al. (2021) stated that social influences shape actions in organizations, and the institutional pressures are often categorized as regulative, normative, and cognitive forces (Eitrem et al., 2024). South Asian business environments are frequently characterized by institutional voids, regulatory uncertainty, and weak enforcement mechanisms. The SMEs of the region navigate through these voids and demands while maintaining legitimacy in both domestic and international markets. The Institutional Theory offers a contextual foundation for this research by explaining the external institutional conditions and their influence on organizations' strategies, capability development, and entrepreneurial behavior. As per Balzano et al. (2026), the theory is important for exploring context-specific dynamics and variations in organizational behavior.

### *3.4 Synthesis of Theories*

The following synopsis further denotes the theory synthesis for SMEs in South Asia as per Table 1.

**Table 1: Synthesis of Theory**

| Theory | Core Focus | Relevance to SME Internationalization (South Asia) | Seminal / Key References |
|---|---|---|---|
| **Dynamic Capabilities Theory** | Sense, seize, and reconfigure resources to respond to change. | ECs, learning, flexibility, and EO drive SMEs' ability to adapt, innovate, and expand despite resource constraints. | ( Teece & Pisano, 1994); (Samsudin & Ismail, 2019) |
| **Bricolage Theory** | Creative use of available, overlooked, or constrained resources to pursue opportunities. | Resource-poor SMEs in South Asia overcome constraints through improvisation, networks, and interactions across micro–meso–macro levels. | (Baker et al., 2005); (Welter & Baker, 2021) |
| **Institutional Theory** | Firms are shaped by formal and informal institutions in emerging markets. | Institutional voids, cultural norms, and relational governance shape SME internationalization in South Asia. | (DiMaggio & Powell, 1983); (Fields et al., 2010) (Balzano et al., 2026) |

Source: Developed by the Authors

## 4. Methodology

This paper focuses on exploring the reasons, antecedents, and attributes of the SMEs' internationalisation from the South Asian perspective. It suggests an epistemology of qualitative research methodology. Chinyere and Val (2023) stated that the researcher can focus on phenomenological and narrative research, where new information and experiences can be unearthed. The crux of a conceptual paper as per Jaakkola (2020) is to focus on four dimensions, namely theory development, theory synthesis, typology development, and model development. Based on Jakkola (2020), this paper focuses on theory synthesis and model development from the South Asian perspective for SME internationalisation. The literature review, the propositions, and the theory synthesis led to the development of the concept indicator model.

This study proposes a set of innovative methodological approaches not only to enhance the robustness and rigor in terms of the methodology, but also to add new knowledge and contribute to future literature. The methodology for this study commences on inductive method based on the qualitative research paradigm. However inductive reasoning commences with a proposition that is then compared and tested with data, and only if found to be true leads to a specific conclusion (Mitchelle, 2018). Hence this study commences with the inductive approach and then followed the

abductive approach (Mitchelle, 2018) which is also known as abductive reasoning. Abductive approach which can be applied for both deductive or even inductive reasoning (Awusie & McDermott, 2017), addresses the weaknesses associated with both deductive and inductive approaches. Abductive reasoning, follows a realistic and pragmatist perspective, taking incomplete or rather incomplete conclusions based on narrative and thematic analysis or observations from reality that may then lead to a best prediction of the truth, or towards new theory (Mitchelle, 2018).

Further explaining and differentiating inductive and abductive approaches, Dudovskiy (2016) stated that in inductive inference, when themes are formed, the conclusion must also be true, but in abductive inference, such premises can be used to generate further testable conclusions, clarifying further doubts if any. This method can be conducted with focus group interviews to further clarify gaps in answers, doubts or grey areas. Such final outcomes affirm a better conclusion compared to inconclusive outcomes. This is the crux of the abductive method. Awuzie and McDermott (2017), while stating the abductive approach as the "logic of discovery" explained there are five steps for abductive approach namely, identification of stakeholders for the study as the first step, secondly, the extant role or the relationship among the stakeholders of the study, establish the pathways of communication between them, fourthly, identification of differences and gaps about peculiarities and perceptions and finally, the development of new theory or model formation. Davenport (2014) also argued that adopting multiple perspectives, leads to robust conclusions, typically overcoming bias and weaknesses from single method data analysis approaches. Janiszewski and Osselaer (2022) stated that the abductive approach is an intervention-based approach to generating testable theory based on already analysed data. For instance, with the given complex nature of this study and the envisaged findings, there can be further expansion using the abductive approach. Abductive reasoning is different to mixed methodology. Clarifying the difference between mixed methodology and the abductive approach, Kistruck and Shantz (2021) stated that the process of abductive experimentation is much more spacious in its quest for additional 'surprises' and 'doubts' with which to generate additional 'hunches' that alter the current knowledge base, but the mixed method essentially to corroborate or triangulate or to validate.

Highlighting the differences further, Kistruck and Shantz (2022) stated that the process of abductive experimentation is much more spacious in its quest for additional 'surprises' and 'doubts' with which to generate additional 'hunches' that alter the current knowledge base. This approach enhances the methodological depth, novelty and the robustness for this paper. The framework for the abductive methodology is given below in Figure 1.

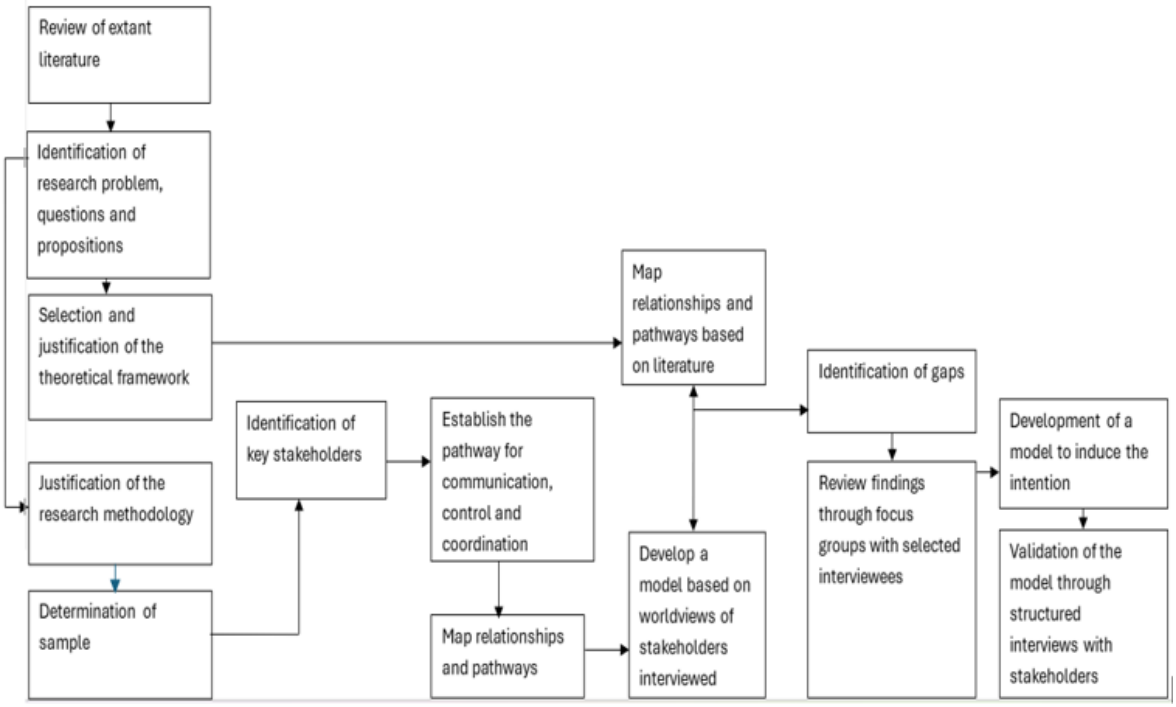


**Figure 1: Step by step approach to Abductive Methodology**

Source: Research Protocol for Abductive Approach based on (Awuzie & Mcdermott, 2018)

These rigorous qualitative procedures ensure cross-cultural validity, reliability, and analytical depth, as is necessary for complex research as denoted in table 2.

**Table 2: Research Framework for Abductive Methodology**

| | | | |
|---|---|---|---|
| **1** | Research Philosophy | Understanding SME behavior in context, practical, problem-driven research | Reflects Interpretivism with elements of Pragmatism |
| **2** | Methodological Approach | Iterating between theory and data<br>Data collection | Qualitative approach<br><br>Semi structured interviews |
| **3** | Data Analysis | Separating and Coding | Narrative and Thematic analysis |
| **4** | Contrasting & comparing | Outcomes/ conclusion with literature | Identifying the gaps in literature, outcomes, doubts, unrealistic areas etc |
| **5** | Preparing the abductive methodology | Preparing the probably questions to further clarify doubts | Conducting Focus Group interviews for the gaps and finalizing the affirmed conclusions |

Source: Framework developed by the Authors for Abductive Methodology

### *4.3 Structured Interview Protocol*

A semi-structured interview guide is based on theoretically sensitized (Schwalbe, 2019), open-ended questions, which are explicitly aligned with a qualitative abductive approach and theory-data iteration. In this approach, the questions are open enough to identify emergent insights to recognize processes, sequences, and critical incidents rather than plain opinions. The framed questions as "how," "why," and "what happened next," will probe and encourage narrative depth and temporal ordering (Nusser et al., 2024). The research questions need to be structured to examine the interaction of EC, EO, and EE elements in multiple layers, which shape global reach. This processual and mechanism-centric question design is essential to uncover causal mechanisms, particularly in situations where outcomes emerge through path-dependent/creation sequences of decisions and actions (Gurad & Karnøe, 2001). Identifying the sequences of entrepreneurial actions, conditions, and configurations, and the responses to constraints faced, will explain how global reach unfolds, rather than how much internationalization occurs (Rezende et al., 2018).

## 5. Theoretical Foundations & Propositions Formulation

### *5.1 Entrepreneurial Characteristics (EC) and Internationalisation of SMEs*

This paper attempts to understand how the interconnected concepts of EC, influence internationalisation of SMEs in the South Asian context. SMEs' internationalisation is also defined by a combination of internal capabilities, strategic decisions, and external environments (Chishty et al., 2025). Therefore, this research adopts a multi-theoretical foundation that provides a holistic explanation.

DCT states SMEs to integrate, build, and reconfigure internal and external resources / competencies to address and shape rapidly changing business environments. Therefore, it clarifies the mechanisms through which EC translates into international expansion. Stemming from DCT (Teece & Pisano, 1994), the entrepreneurs must have the 'sense' to seize and reconfigure in response to change. Peters (2006) stated that certain ECs are important when commencing a venture. Barine (2021) stated that ECs are essential for higher growth and performance. Hence, the following proposition is formulated.

> Proposition 1: Higher levels of entrepreneurial characteristics positively influence the internationalization process and performance of SMEs in South Asia.

### *5.2 Entrepreneurial Orientation (EO) and Internationlaisation of SMEs*

The roots of EO go back to Harper (1973) and Weeramanthri et al. (2022). SMEs cannot create value individually; the ecosystem should be a link created between EC, EO, and EE to create value (Ferreira et al., 2023). Ecosystems should create value, combining internal and external resources in the support ecosystem. BT (Baker et al., 2005) explains how bricolage practices are creatively using a diverse range of available materials, tools, and resources to solve issues to create value, in resource-constrained situations. EO, particularly innovativeness, proactiveness, and risk-taking, provides the strategic posture that motivates and legitimizes bricolage behavior within SMEs at the firm level (Meso). In the South Asian context, constraints are frequent, and EO-driven firms use informal networks, repurposing existing capabilities, and improving market strategies. Grounding in BT, the research moves beyond linear EO performance models. Solikahan and Mohammad (2019) explained that EO is the ability to create and value its willingness to produce new products, aligning with the market trends. EO as the organization's entrepreneurial behaviour (Lyon, 2000). Hence, the following proposition is developed.

> Proposition 2: Entrepreneurial orientation enables South Asian SMEs more likely to achieve a sustainable competitive advantage in international markets by engaging in bricolage practices

### *5.3 Entrepreneurial Ecosystem (EE) and Internationalisation of SMEs*

The understanding of EE remains essential since global markets keep developing(Bamini et al., 2025). EEs are complex and interconnected systems in which different actors and factors are coordinated. Although recent studies have made progress by incorporating complexity theory into this field of literature, the multilayer characteristics of an EE have been overlooked in those conceptualizations (Fuentes et al., 2024).

BT (Baker and Nelson, 2005) state from a bricolage perspective, ecosystems, where resources are shared, substituted, or jointly recombined. BT also accentuates that the entrepreneurial ecosystem is not merely a structural enabler but a contextual amplifier of bricolage capacity for internationalization. IT states SMEs behvaiour is shaped based on regulations, norms, informal institutional pressure, and frameworks (Scott, 2014). IT is based on business choices, not merely rational decisions, but also on economic aspects (Fields et al., 2014). Hence, the following proposition is formulated.

> Proposition 3: A conducive entrepreneurial ecosystem significantly enhances the international performance of South Asian SMEs.

### *5.4 Integration of Layers for Internationalisation of SMEs*

The sensitivity of SME internationalization is that many SMEs are likely to require external support, particularly from domestic institutions (Child et al., 2022). Both business networks and institutional forces are relevant to organizational efforts on its journey (Bai et al., 2022). The integration of institutional interactions can be through a multi-level lens. Micro-level traits interact with meso-level networks and macro institutional structures to shape internationalization trajectories (Paper et al., 2020). Entrepreneurial bricolage is a strategy for firms to survive and thrive by using overlooked or available resources to create value. The multi-level configuration results in heterogeneous pathways, demonstrating why South Asian SMEs internationalize despite structural constraints

Considering the three layers, DCT (Teece et al., 2007) focuses at micro layer. BT (Baker et al., 2005) emphasizes that entrepreneurial action emerges from the interaction between actors and their environments, rather than in isolated capabilities or resources(Journal et al., 2024). This assumes that SME global reach is not a linear or resource-abundant process, but an outcome defined by interactions across micro-, meso-, and macro structures, particularly in institutionally constrained environments such as South Asia. IT (Scott, 2014) focuses on the dynamic ecosystem of entrepreneurship, and bricolage emerges as an adaptive strategy where entrepreneurs continuously navigate constraints using available resources. This approach transcends traditional resource-based views, highlighting the entrepreneur's agility and capacity to innovate within limitations (Baker et al., 2005). Multi-level interpretation of bricolage positions as a dynamic mechanism that links individual agency, firm-level strategy, and ecosystem conditions. By adopting the theory, BT and

IT become a structuring mechanism that explains integration and contributes to the heterogeneous global reach outcomes. Hence, the following proposition is developed.

> Proposition 4: Entrepreneurial bricolage, shaped by the dynamic interaction of micro traits, meso-network resources, and macro-institutional conditions, enables the global reach of South Asian SMEs.

### *5.5 South Asian Contextual Conditions and the Internationalisation of SMEs*

The challenge of operating is greater with multiple environments and a variety of contextual elements; the task is still tougher with SMEs (Child et al., 2022). The effectiveness of EE varies depending on the socioeconomic and institutional contexts. IT (Fields et al., 2010) focuses on how social influences shape actions, and it explains how formal and informal institutional environments shape entrepreneurial behaviour, opportunity recognition, and strategic choices (Giadano et. al., 2021). The "institutional voids." Khanna and Palepu (2010) impose constraints on SMEs by limiting access to capital, reducing transparency, and increasing uncertainty. It also emphasizes that firms do not operate solely within formal structures but are embedded within informal institutions, cultural norms, social expectations, family systems, and relational networks. As the ground reality portrays greater binding towards the situation, it influences the speed, direction, and nature of SME internationalization. Based on the above, the following proposition is formed.

> Proposition 5: South Asian SMEs are affected by the interplay between contextual conditions and SME Internationalisation.

Based on the above arguments, literature review, proposition development, the following concept indicator model has been developed as denoted in Figure 2.

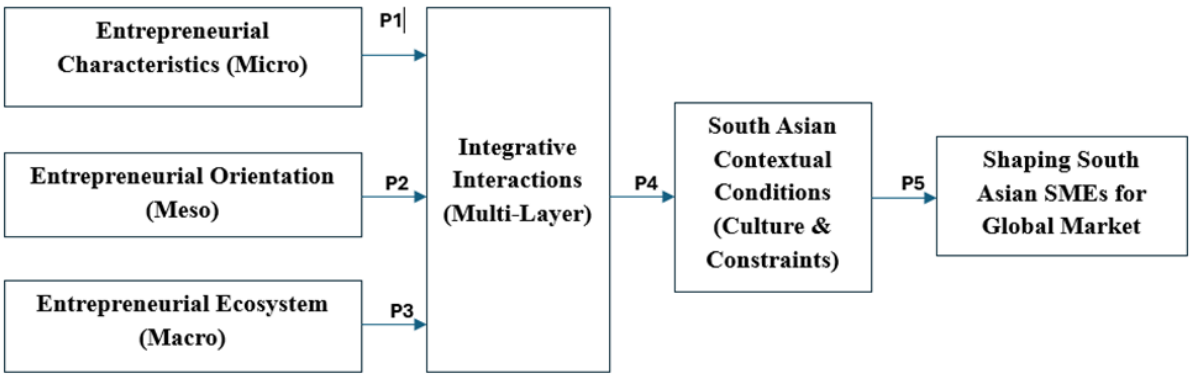


**Figure 2: Concept Indicator Model**

Source: Developed by the Authors

## 6. Implications

### *6.1 Theoretical Implications*

This paper focuses on theory synthesis, and the theories are DCT, BT, and IT. Hence, the contribution to the theory and academia would be immense. In addition, the paper not only bridges the knowledge gap but also will integrates EC, EO, and EE perspectives into a unified framework. Notably, how micro, meso, and macro factors interact. The findings refine and affirm how the existing theories work by showing how informal networks, cultural norms, and bricolage behaviours, or the required support from the institutions in South Asia.

### *6.2 Managerial Implications*

The framework provides actionable insights on leveraging personal traits, strengthening learning orientation, and using networks, especially diaspora and cluster ties, to enter and progress in global markets. It identifies the critical need for proactive opportunity recognition, continuous learning, and adaptability, especially when formal support structures are weak. The envisaged EC, EO, and EE dimensions may provide a totally new set of traits upon analysis.

### *6.3 Social Implications*

Development and strengthening can enhance employment, regional development, and global market access for SMEs. It also emphasizes social capital, trust-based networks, and community linkages, showing how local cultures and collective values contribute to broader economic and social development.

## 7. Conclusion

The paper emphasizes that internationalization of SMEs is not driven by isolated factors but arises from dynamic configurations of individual-level traits, firm-level strategic orientations, and ecosystem-level realms with enablers and constraints. Through the abductive methodology, the study not only connects empirical realities of South Asian SMEs with theoretical insights, allowing for a flexible, iterative exploration of complex interactions across micro-, meso-, and macro-level forces but also provides a novel approach with pragmatism with industry and country wise realities of SMEs. The concept indicator model also links with socio-cultural EC in shaping opportunity recognition and international commitment. Secondly, it identifies EO as a strategic need that mediates how firms leverage internal capabilities to navigate global markets. Thirdly, it positions the EE characterized by institutional quality, support structures, networks, and global linkages as a critical contextual layer that conditions SMEs' ability to internationalize. This paper also contributes to bridge the literature gap, identifying the antecedents of SME, theory synthesis and model development at multi layers. By integrating theories, the paper provides a multi-theoretical lens to interpret the non-linear, heterogeneous, and context-dependent nature of SME internationalization. Through this conceptualization, the study enriches theoretical discourse and offers practical insights for fostering globally competitive SMEs in South Asia.

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