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Antécédents de l'internationalisation des PME dans le secteur des TIC dans les Territoires Palestiniens

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Antecedents of SME Internationalization In The ICT Sector In The Palestinian Territories

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Statement of Authorship

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Abstract

Internationalization is a critical factor for the success of small and medium-sized enterprises as well as for global business operations. It enables organizations to overcome the constraints of local markets, achieve more efficient growth, access essential talent and resources, and diversify risk. These advantages contribute to sustained survival and expansion in an increasingly interconnected global environment. This is especially true for the Palestinian ICT sector, where internationalization is essential because the local market is small and faces political restrictions. For Palestinian SMEs, expanding globally is often the only way to grow, attract skilled workers, and maintain steady income, helping them manage the risks and uncertainties they face. Still, this goal comes with unique challenges. This study aims to identify the main factors that affect the success of Palestinian ICT firms in international markets, based on a review of existing research. It looks at environmental, firm, and managerial factors, and explores how these factors work together to help or hinder global expansion. The study employed multiphase mixed methods, utilizing both quantitative and qualitative approaches to collect data. quantitative methods provide closed-ended information, while qualitative methods offer open-ended information. The aim is to provide a more comprehensive understanding of the research problem. The findings highlighted that the three common antecedents were prominent factors in motivating/demotivating the ICT SME's researched for this study throughout their international journey. These themes have a dynamic dimension to them, as what is important to the SME's organizations changes over time. which require important attention in order to overcome challenges.

Keywords: Internalization, SME's, Antecedents, Information and Communication Technology (ICT), Palestinian Territories, Evirmonetial level (Home and Host), Firm level, Managerial level. Motivation theory.

Résumé

L'internationalisation est un facteur essentiel au succès des petites et moyennes entreprises (PME), ainsi que pour les opérations commerciales mondiales. Elle permet aux organisations de surmonter les contraintes des marchés locaux, d'atteindre une croissance plus efficace, d'accéder à des talents et des ressources cruciaux, et de diversifier les risques. Ces avantages contribuent à la survie et à l'expansion durables dans un environnement mondial de plus en plus interconnecté.

Ceci est particulièrement vrai pour le secteur des technologies de l'information et de la communication (TIC) palestinien, où l'internationalisation est indispensable en raison de l'étroitesse du marché local et des restrictions politiques. Pour les PME palestiniennes, s'étendre à l'échelle mondiale est souvent la seule voie pour croître, attirer des travailleurs qualifiés et maintenir des revenus stables, ce qui les aide à gérer les risques et les incertitudes auxquels elles sont confrontées. Cependant, cet objectif s'accompagne de défis uniques.

Cette étude vise à identifier les principaux facteurs qui affectent le succès des entreprises de TIC palestiniennes sur les marchés internationaux, en se basant sur une revue de la littérature existante. Elle examine les facteurs environnementaux, liés à l'entreprise et managériaux, et explore la manière dont ces facteurs interagissent pour faciliter ou entraver l'expansion mondiale.

L'étude a utilisé des méthodes mixtes multiphases, combinant des approches quantitatives et qualitatives pour la collecte de données. Les méthodes quantitatives fournissent des informations fermées, tandis que les méthodes qualitatives offrent des informations ouvertes. L'objectif est de fournir une compréhension plus complète du problème de recherche.

Les résultats ont mis en évidence que les trois antécédents communs étaient des facteurs prédominants pour motiver/démotiver les PME de TIC étudiées tout au long de leur parcours d'internationalisation. Ces thèmes présentent une dimension dynamique, car l'importance qu'ils revêtent pour les PME évolue avec le temps, ce qui nécessite une attention particulière pour surmonter les défis.

Mots-clés: Internationalisation, PME, Antécédents, Technologies de l'information et de la communication (TIC), Territoires palestiniens, Facteurs environnementaux, Facteurs d'entreprise, Facteurs managériaux, Théorie de la motivation.

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I dedicate this work to my family and to my beloved homeland, Palestine, which continues to face many hardships. I feel fortunate to have studied at the Université Polytechnique Hauts-de-France. The university offers a beautiful natural environment and a very supportive staff.

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List of Abbreviations

Small and Medium-sized Enterprises (SMEs)

Gross Domestic Product (GDP)

multinational corporations (MNCs)

Information and Communication Technology (ICT)

International New Venture (INV)

Resource-Based View (RBV)

Foreign Direct Investment (FDI)

The Market-Based View (MBV)

Network-Based View (NBV)

Ownership–location–internationalization (OLI)

Real Options Reasoning (ROR)

Entrepreneurial Orientation (EO)

Medium-sized Enterprises (MSMEs)

Market Orientation (MO)

West Bank (WB)

Information System (IS)

Introduction

Background of The Study

The contemporary global economy is characterized by an unprecedented level of interconnectedness, driven by the twin forces of globalization and rapid technological advancement. Over the last few decades, the landscape of international business has been profoundly reshaped, leading to a highly competitive and dynamic environment for organizations of all sizes (Kalinic and Forza, 2011). This transformation has been accelerated by innovations in communication and information networks, which have dismantled traditional barriers to trade and created a vast array of new opportunities. Within this evolving context, Small and Medium-sized Enterprises (SMEs) have emerged from the periphery of economic discourse to be recognized as central actors in national and global development. No longer viewed as merely smaller versions of large corporations, SMEs are now understood as vital engines of economic growth, innovation, and social mobility.

SMEs serve as the fundamental economic foundation for nearly every global economy. Comprising over 95% of registered businesses worldwide, they are responsible for more than 50% of employment and contribute upwards of 35% to the Gross Domestic Product (GDP) in numerous emerging economies (Alibhai et al., 2017). These enterprises are pivotal in creating the majority of new job opportunities, fostering a nation's economic diversification, and driving innovation from the ground up. In developing nations, their role is even more critical; they often represent the most viable pathway for poverty alleviation and the improvement of living standards by providing employment and income-generating opportunities where large-scale industry may be absent (Sanjo & Ibrahim, 2017b). Millions of SME projects are

widespread across the globe, spanning traditional sectors like agriculture and manufacturing to advanced fields within the computer and communication industries, providing a platform for entrepreneurs to realize their ambitions (Öhman, 2014).

Historically, the strategic horizons of most SMEs were confined to local or national markets. The prospect of "going international" was perceived as a high-risk endeavor reserved for large, resource-rich multinational corporations (MNCs). This perception was rooted in the significant challenges associated with international expansion, including the need for substantial financial capital, deep marketing expertise, and extensive international experience—assets typically beyond the reach of the average small business owner (Bellak & Luostarinen, 1994). This led to a substantial body of academic research on internationalization that focused almost exclusively on the strategies and operations of MNCs, leaving the SME context relatively underexplored (Rahman et al., 2017).

However, the dawn of the digital age and the proliferation of the internet have fundamentally altered this paradigm. The rise of the Information and Communication Technology (ICT) sector, in particular, has acted as a powerful equalizer. With intangible products like software and services that can be delivered across borders at a negligible marginal cost, ICT has lowered the barriers to international trade more dramatically than any trade agreement could have. This technological shift has given rise to a new phenomenon: the "Born Global" firm or International New Venture (INV). These are SMEs, often in high-tech sectors, that bypass the traditional, slow, incremental path to internationalization and instead pursue a global strategy from or near their inception (Oviatt & McDougall, 1994). This new

reality has spurred a wave of academic interest in understanding the unique factors—or antecedents—that drive the internationalization of modern SMEs.

This study aims to contribute to this critical body of knowledge. It seeks to deeply understand the antecedents that affect the process of internationalization for SMEs operating within the dynamic and globally integrated ICT sector. More specifically, it focuses on a context that is both unique and profoundly under-researched: the Palestinian territories. By examining the interplay of environmental, firm-level, and managerial factors, this research will analyze how Palestinian ICT SMEs navigate a complex web of local constraints and global opportunities to expand beyond their national borders.

The Palestinian Context: An Environment of Constraint And Resilience

To understand the internationalization of Palestinian ICT SMEs, one must first appreciate the extraordinary context in which they operate. The Palestinian territories present a unique paradox: an environment characterized by severe structural constraints and geopolitical instability, yet also home to a resilient, well-educated, and technologically adept population that has fostered one of the region's most promising ICT sectors.

On one hand, the Palestinian economy is dominated by small-scale enterprises. Micro, Small, and Medium-sized Enterprises (MSMEs) represent 97% of all businesses and employ 87% of the workforce, highlighting their absolute centrality to economic life (PADECO, 2025). However, these firms face a debilitating array of obstacles that stifle their growth. According to PADECO, these include inadequate management infrastructure, limited administrative capabilities, a chronic lack of market intelligence, and severely restricted

access to financial resources. The confluence of these challenges means that despite their prevalence, the contribution of MSMEs to the national GDP remains disproportionately low at just 24%.

This economic reality is situated within a geopolitical environment of prolonged conflict and occupation. The World Bank Group (2021) and other international bodies have extensively documented the structural impediments faced by the Palestinian economy. These include severe restrictions on the movement of people and goods between the West Bank, Gaza, and the outside world; limited access to advanced telecommunications infrastructure (e.g., the long-delayed and incomplete rollout of 4G services, with no access to 5G); and logistical hurdles for imports and exports. This environment creates profound uncertainty and significantly increases the costs and risks of doing business. Furthermore, critical elements of modern digital commerce, such as international e-payment gateways like PayPal, remain largely inaccessible for legal and political reasons, forcing firms to rely on cumbersome and less efficient alternatives (Sabri et al., 2010).

On the other hand, amidst these constraints, the Palestinian ICT sector has emerged as a inspiration of resilience and potential. The Palestinian territories are not rich in natural resources, but they possess a significant endowment of human capital. With a young, and notably, a highly educated population, investing in knowledge-based industries is the most logical and feasible path toward sustainable economic development (Almalki, 2012). The ICT sector, which globally reached a value of $5.5 trillion in 2020 (IDC), is the natural home for this talent. As of 2024, the Palestinian sector employs nearly 15,000 individuals and accounts

for approximately 3.3% of GDP, with some estimates placing its contribution even higher (World Bank, 2024; Pita, 2021).

The sector's growth is propelled by a vibrant ecosystem of over 698 registered ICT companies, a growing number of tech startups, strong partnerships between universities and industries, and an expanding network of incubators and accelerators (Pita, 2021; Portland Trust, 2022). Palestinian ICT firms have demonstrated a remarkable capacity for innovation, developing software, providing IT outsourcing services, and even designing the first Palestinian microchip amidst unprecedented conflict (World Bank, 2024). Many of these firms, particularly those classified as "born global," recognize from day one that their primary market lies beyond the constrained borders of Palestine (Simba et al., 2023). Approximately 40% of Palestinian ICT companies already participate in international exports, leveraging their skills, their fluency in English, and their proximity to European markets to compete globally (U.S. Department of Commerce, 2023).

This duality—an environment of immense constraint coupled with a sector of high potential and proven resilience—makes the Palestinian ICT sector a compelling and critical case for the study of SME internationalization. The conventional models and assumptions may not apply here. Understanding what drives these firms to look outward is not just an academic exercise; it is key to unlocking a vital engine for the region's economic development and stability.

Statement of The Research Problem

The overarching problem this research addresses is the significant gap in the academic and practical understanding of the specific antecedents that facilitate or obstruct the internationalization of SMEs within the unique and highly constrained environment of the Palestinian ICT sector.

While there is a substantial body of literature on SME internationalization, it is characterized by several deficiencies that this study seeks to address. These gaps collectively obscure the understanding of which internal factors (such as firm capabilities and managerial skills) and external factors (environmental, such as market conditions and institutional support) most significantly impact the internationalization decisions of Palestinian ICT SMEs. This knowledge deficit limits the ability of entrepreneurs, support organizations, and policymakers to formulate effective strategies for international expansion.

Therefore, the problem can be classified into four key deficiencies:

1.0 Theoretical Deficiency: The predominant theories of internationalization, such as the Uppsala model and the Resource-Based View (RBV), were largely developed and tested in the context of stable, developed economies. There is a limited application and testing of these frameworks in environments characterized by chronic conflict, political instability, and severe resource limitations. Consequently, existing theories may not sufficiently address or explain the unique dynamics at play, such as the role of resilience, the reliance on informal diaspora networks as a substitute for formal institutions, or internationalization as a survival strategy rather than purely a growth strategy.

2.0 Empirical Deficiency: There is a notable scarcity of rigorous empirical research, particularly quantitative analysis, that examines the internationalization processes of Palestinian ICT SMEs. The absence of reliable data restricts the formulation of evidence-based strategies and makes it difficult to assess the true impact of various potential drivers and barriers. Much of the existing information is descriptive or contained within industry reports, lacking the analytical depth of academic research.

3.0 Contextual Deficiency: There is a lack of adequate consideration for the unique socio-political and economic factors of the Palestinian territories within the current body of research. Strategies and conclusions derived from studies conducted in other developing or emerging markets may not be suitable or effective when applied to the Palestinian territories. Factors like "political instability" or "inadequate infrastructure" have a fundamentally different characters and persistence in the Palestinian context compared to nearly any other region, requiring a context-specific investigation.

4.0 Methodological Deficiency: The limited research that does exist tends to be predominantly qualitative. While valuable for providing rich insights, it is not sufficiently supported by quantitative analysis that can test hypotheses and identify the statistical significance of various antecedent factors. A mixed-methods approach could yield a more thorough and generalizable understanding of the factors that affect SME internationalization in this context.

In the absence of a comprehensive understanding of these antecedents, policymakers cannot design targeted interventions, support organizations operate without clear evidence of what works, and entrepreneurs themselves are left to navigate the complex path to

international markets through trial and error. This research is therefore urgently needed to fill this critical knowledge gap.

Purposes And Objectives of The Study

The purpose of this study is to identify, analyze, and evaluate the primary antecedents at the environmental, firm, and managerial levels that influence the internationalization of Small and Medium-sized Enterprises (SMEs) in the Palestinian ICT sector. By examining the complex interplay of these factors, this research aims to provide a deep, academic, and empirically grounded understanding of the drivers and barriers shaping the global expansion of these firms.

To achieve this purpose, the study will pursue the following specific objectives:

1. To explore the impact of environmental factors (home& host), such as the regulatory environment, market accessibility, institutional support, and the unique political and economic circumstances in the Palestinian territories, on the internationalization approaches adopted by these SMEs.
2. To investigate the influence of firm-specific factors , including technological capabilities, innovation potential, and human capital, on the internationalization initiatives of Palestinian ICT SMEs.
3. To analyze the significance of managerial factors, including the international experience, risk-taking propensity, global mindset, and networking skills of founders or CEOs, in facilitating the internationalization journey.

4. To develop practical, evidence-based recommendations for Palestinian ICT SMEs, policymakers, and support organizations, aimed at improving the international competitiveness and sustainable development of these businesses.

Research Questions

This study is guided by an main research questions: What are the key antecedents that determine the internationalization of Small and Medium-sized Enterprises in the Palestinian ICT sector?

To address this main question, the research will answer the following sub-questions:

1. What is the influence of environmental-level antecedents (both for home and host countries) on the internationalization of ICT SMEs in the Palestinian territories?
2. What is the influence of firm-level antecedents on the internationalization of ICT SMEs in the Palestinian territories?
3. What is the influence of managerial-level antecedents on the internationalization of ICT SMEs in the Palestinian territories?

Significance And Contribution of The Study

Examining the elements that affect the internationalization of Palestinian ICT SMEs is crucial due to the distinctive environment in which these companies function. The significance of this study and its potential contributions are multifaceted:

- Contribution to Theory: This research will contribute to the academic literature by testing and potentially extending established internationalization theories in a unique,

conflict-affected context. It will provide empirical evidence that can help refine models like the Resource-Based View (RBV) and Network Theory to better account for factors such as resilience, informal networks, and survival-driven entrepreneurship.

- Contribution to Practice: The findings will offer significant practical insights for entrepreneurs and managers of Palestinian ICT SMEs. By understanding the key success factors and common pitfalls, they can formulate more effective strategies for entering and competing in global markets, make better decisions about resource allocation, and strategically leverage their unique strengths.
- Contribution to Policy: This study will provide valuable, evidence-based recommendations for policymakers and support organizations (e.g., the Palestinian Ministry of Telecom and IT, PITA and PalTrade). The results will help in the formulation of targeted policies and initiatives that bolster the internationalization of Palestinian ICT SMEs, such as designing effective export promotion programs, improving access to finance, and providing relevant training and technical support.
- Broader Impact: The results of this research may serve as a valuable case study and a foundation for developing analogous support programs in other developing nations or conflict-affected regions that encounter similar obstacles to economic development and international integration.

Scope And Delimitations of The Study

To ensure a focused and feasible research project, the study is defined by the following scope and delimitations:

- Focus: The study focuses on the antecedents of internationalization (the factors that precede and influence the decision) rather than the performance outcomes of internationalization.
- Population: The research is limited to firms classified as Small and Medium-sized Enterprises (SMEs) according to the official Palestinian definition, operating within the Information and Communication Technology (ICT) sector. Micro-enterprises and large corporations are excluded.
- Geographic Scope: The empirical data collection will be focused on SMEs located in the West Bank excluding Gaza Strip, due to logistical and accessibility challenges associated with the war on Gaza.
- Methodological Delimitation: The study will rely on data provided by founders (owners) or senior managers of the SMEs and employees . Beside to that, it relays on experts viewpoints in the field which provides an expert perspective which is subject to the potential biases of self-reported data.

Structure of The Thesis

This thesis is organized into four chapters in addition to introduction and conclusion. Introduction has introduced the research, outlined the background, stated the problem, and presented the objectives, research questions, significance of the study and scope and delimitations of the study. Chapter 1 will provide a comprehensive review of the relevant academic literature, discussing the theoretical frameworks and empirical findings related to SME internationalization and its antecedents. Chapter 2 will detail the research methodology, including the research design, sampling strategy, data collection

instruments, and analytical techniques. Chapter 3 will present the analysis and findings of the empirical research. Finally, Chapter 4 will discuss the findings in relation to the literature, draw conclusions, highlight the study's implications for theory and practice, acknowledge limitations, and suggest avenues for future research. Conclusion It will summarizes the research problem and objectives, summarizes the main findings, discusses implications, recognizes limitations, suggests future research, and ends with a powerful closing statement about the relevance of the study

Part one

Conceptual Framework

Chapter One

Literature Review

1.1. Introduction

This chapter establishes the theoretical foundation of the research. It develops the topic, defines the research problem and questions, and outlines the study's design elements. To ensure a well-written, valid, and articulate study, a thorough review of the existing literature is presented as the groundwork for a substantial and contributing thesis.

The primary purpose of this chapter is to construct a well-documented argument for the research topic: "Antecedents of SME Internationalization in the ICT Sector in the Palestinian Territories" It aims to articulate the research questions derived from the current body of knowledge and to justify the chosen research methodology. This review will serve as a critical synthesis of what has been published on the topic by accredited scholars and researchers, rather than a simple bibliography of related works.

By analyzing and discussing the existing literature, this review will place the research focus into its proper context. It will effectively inform the reader about the current state of knowledge regarding SME internationalization. It will also highlight the gaps, tensions, and unresolved questions that underscore the need for this study. Therefore, this chapter will describe the overall topic, frame the approach taken for the literature review, and trace the evolution of the research "gap" from its origins to its current form.

1.2. ICT Sector In The Palestinian Territories

The Information and Communication Technology (ICT) sector is a key contributor to the Palestinian economy. It supports economic growth and employment, particularly in the context of persistent local challenges. Therefore, Small and medium-sized businesses often need to look beyond the local market to grow and maintain steady income, since the Palestinian market is small and faces political challenges. Therefore its essential to look at the main factors that shape global expansion, focusing on both outside obstacles and internal strengths. World Bank Group. (2021)

The Palestinian (ICT) sector is relatively small but plays a key strategic role. Even with its limited size, it shows strong ambition and has a growing international presence. Currently, the sector employs about 5,000 individuals across an estimated 250 companies operating in the West Bank and Gaza. A substantial portion of these companies are active internationally: 50% have established international partnerships, and 40% successfully export services globally. However, these export activities are generally limited in scope, focusing mostly on outsourcing services, software development, and research & development (R&D) for regional and international firms. The industry benefits from structured representation through organizations like "PITA" (Palestinian IT Association of Companies), which advocates for and represents over 170 companies with the clear goal of promoting the sector's growth and overall development.

Digital businesses are playing a bigger role in the Palestinian economy. In 2018, there were 677 ICT companies, up 34% from 2008. ICT sector jobs almost doubled in that time. About half of these companies focus on telecommunications, and 144 work in computer

programming and consulting. The ICT industry adds around $493 million to the economy, making up about 3% of the GDP. In 2017, exports of ICT services accounted for 15% of total service exports, a notable increase from just 0.6% in 2000. Furthermore, the monetary value of these service exports experienced substantial growth, rising from under $2 million in 2000 to over $85 million by 2017. Palestinian developers usually earn more than those in Vietnam and India, which can make it harder for them to compete internationally. Building strong technical and specialized skills in the local workforce is important for future success. Ibid

Although many companies in the sector are active internationally, their growth is held back by a difficult business environment. This falls short of global standards. On top of this, there are Israeli-imposed limitations on the importation of certain ICT products. These restrictions target items designated as "dual use." This makes it hard for companies to get the modern hardware and equipment they need to compete globally and grow their exports. Together, these infrastructure and regulatory issues limit the quality and range of services, making it difficult for Palestinian ICT exports to move beyond basic outsourcing in the long term. International Trade Administration, U.S. Department of Commerce. (2023)

1.2.1. ICT Sector and Opportunities And Challenges

The Palestinian ICT sector has to deal with many challenges, but it also it has important strengths and real opportunities to grow. The Palestinian ICT sector faces a complex array of challenges, but these are counterbalanced by significant inherent strengths and opportunities for growth. The external environment imposes severe constraints, most notably through

inadequate infrastructure and connectivity, where access to the internet and the importation of essential ICT hardware are hindered by restrictions imposed by Israel. Compounding this, the sector is challenged by persistent funding and investment deficiencies, stemming from limited access to financial resources and a continuing lack of investor confidence. These external pressures directly result in restricted market opportunities, limiting the sector's exports primarily to outsourcing and R&D services for external collaboration.

Internally, the sector faces with a persistent gap in talent and skill enhancement. While universities offer IT education, there is still a significant need for better alignment with the demands of the job market. This mismatch is reflected in the prevalent business model: the heavy reliance on outsourcing often leads company outsourcing often makes companies move quickly from one project to another, which can reduce their ability to build deep expertise in important new technologies like artificial intelligence, blockchain, cloud computing, and cybersecurity. Also, a strong tech sector needs a supportive community made up of experts, leaders, students, and employers who work together to encourage innovation and teamwork. Right now, this kind of community is missing role. Despite these difficult challenges, the Palestinian ICT sector possesses valuable assets that bolster its potential for international success. The region maintains an expanding talent reservoir, supported by higher education institutions that prioritize information technology competencies, and training initiatives that involve global corporations. Crucially, the sector benefits from the development of startup ecosystems, with business incubators and accelerators actively fostering the growth of nascent enterprises.

Establishing partnerships with Palestinian firms through outsourcing are considered a valuable technological asset; international and Israeli businesses find collaborating with them to be both economical and practical, benefiting significantly from the skilled workforce and commitment these firms offer for short- and long-term initiatives. (Anera. 2022).

The Palestinian ICT sector has clear avenues for advancement, focusing on both foundational infrastructure and strategic collaborations. A key opportunity is enhancing digital infrastructure. This foundational improvement is essential to support the developing startup ecosystem, where support for new enterprises through incubators, accelerators, and collaborations with international partners will foster growth. Furthermore, the digital transformation of public services through e-government and digital Services is already underway, enhancing both efficiency and accessibility. Finally, the sector is capitalizing on global collaboration, as alliances with international technology firms and organizations are promoting growth within the sector. Ibid

Studying how small and medium-sized enterprises in the ICT sector expand internationally is especially important for the Palestinian Territories. The digital economy provides a practical way to boost economic growth and create quality jobs, helping firms overcome the physical and political challenges that limit traditional industries. By focusing on this area, Palestinian companies can bring in foreign revenue and keep skilled workers, which supports economic diversification and strengthens national stability and growth.

1.3. The Internationalization of Small And Medium-Sized Enterprises (SMEs)

Over the past two decades, the global business landscape has been profoundly reshaped by the twin forces of globalization and internationalization. This has created a highly competitive environment for all organizations. Concurrently, rapid advancements in international communication, technology, and information networks have created an unprecedented array of opportunities (Kalinic and Forza, 2011). These challenges and opportunities are increasingly impacting Small and Medium-Sized Enterprises (SMEs), which are now recognized as vital engines for the development and evolution of the global economy.

Despite their growing importance, the internationalization of SMEs remains a relatively promising and underexplored area within academic research (Korsakiene & Tvaronavicien, 2011). Ongoing investigation into this field is essential for two main reasons. First, a growing number of SMEs are actively venturing into international markets. Second, the challenges they face in this journey—such as insufficient market knowledge, limited networks, financial constraints, and a lack of international experience—are particularly acute (Kalinic & Forza, 2012).

This thesis seeks to explore this contemporary phenomenon by focusing on SMEs within the Palestinian Territories that have successfully expanded their operations beyond national borders. Specifically, the study will examine ICT firms in the West Bank that have engaged in internationalization, aiming to understand the key factors that drive this process.

1.4. Foundational Concepts And Definitions

To properly analyze the academic literature, it's essential to define the key terms that are integral to this research.

- Antecedents of Internationalization: This research investigates the factors that precede and influence the internationalization of SMEs. While the term "antecedent" lacks a single, universally accepted definition, this study follows previous research (Kuivalainen et al., 2012) in using it to denote the motivations, triggers, and prior circumstances that contribute to an SME's internationalization process. These antecedents can include a wide range of environmental factors, organizational traits, and entrepreneurial characteristics that serve as the foundational elements for international expansion.
- Internationalization: This is the process of conducting business beyond national boundaries with the aim of creating value for the organization (Al-Hyari & Alnsour, 2012). It is not a single event but a dynamic and cumulative process. Internationalization can take various forms, including (1) direct exporting, (2) exporting via intermediaries, (3) non-equity contractual arrangements (like licensing), and (4) foreign direct investment (FDI) and other equity agreements (WTO, 2023).
- Small and Medium-Sized Enterprises (SMEs): There is no single, globally accepted definition of an SME. The criteria used often include the number of employees, annual turnover, or capital investment. These definitions are typically tailored to national contexts to reflect specific economic landscapes and policy goals (Sanjo & Ibrahim,

2017). For this study, the official definition provided by the Palestinian Ministry of National Economy will be used:

Table 1.1: Definition and criteria of SMEs in the Palestinian Territories

Classification	Number of Employees	Annual Turnover
Micro	1-4	< USD 100,000
Very Small	5-9	< USD 200,000
Small	10-19	< USD 500,000
Medium	20-49	< USD 2,000,000
Large	50+	> USD 2,000,000

Source: Ministry of National Economy-Palestine (2023)

Therefore, and according to the above table 1.1, the Palestinian SME's are the ones who employee between 10-19 (Small) with annual turnover no more than $500,000 or employees between 20-49 (Medium) with annual turnover no more than $2,000,000.

1.5. The Research Gap And Context

Research on SME internationalization has predominantly focused on firms in developed nations, with significantly less attention paid to those in developing countries (Ahmad & Kitchen, 2008). This gap is particularly wide when it comes to the unique context of the Palestinian territories.

SMEs face numerous challenges when entering international markets, which can be broadly categorized into internal and external factors.

- Internal factors include deficiencies in managerial skills, limited cultural familiarity, inadequate human resources, and a lack of knowledge about foreign markets.

- External factors include complex export regulations, limited access to financial resources, and various technical obstacles (Tesfom & Lutz, 2006).

These challenges are often amplified in developing nations. A lack of market intelligence, a shortage of employees with international experience, and inadequate governmental support can severely impact on SME's ability to internationalize (Lakshman et al., 2023). This thesis aims to address this research gap by providing a focused analysis of the antecedents driving internationalization among ICT SMEs in the specific and under-researched context of the Palestinian territories.

1.6. Studying SME Internationalization

SMEs are widely recognized for their constrained resources, often operating primarily within local markets and established by a small group of individuals. These businesses frequently face limitations in information access and operational capabilities (Bonfim et al., 2018).

A key challenge for SMEs is their lack of equivalent bargaining power and access to resources compared to large multinational corporations. SMEs that choose to pursue internationalization must recognize the heightened risks associated with entering new, unpredictable, and diverse markets, which differ significantly from their familiar domestic competitive landscape (Ibid).

Much of the existing research on internationalization has focused on multinational companies (MNCs), which has left SME entry mode research relatively underexplored (Rahman et al., 2017). Internationalization can be defined as the process of modifying

business operations—including strategies, structures, and resources—to align with international contexts (Öhman, 2014). It is broadly characterized as an ongoing process where relationships are perpetually established, nurtured, evolved, and dissolved to fulfill the organization's objectives (Johanson & Mattson, 1993).

A comprehensive definition of SME internationalization is as follows:

‘Internationalization concerns the relationships between the firm and its international environment, derives its origin from the development and utilization process of the personnel’s cognitive and attitudinal readiness and is concretely manifested in the development and utilization process of different international activities, primarily inward, outward and cooperative operations.’ (Lehtinen & Penttinen, 1999, cited in Ruzzier et al., 2006; Öhman, 2014)

This definition highlights the crucial relationship between the company and its international environment. Modern SMEs that can exploit non-export market entry opportunities such as foreign subsidiaries, international joint ventures, and strategic alliances are often referred to as Micro-Multinationals (Stoian et al., 2018).

The expanding body of literature on SME internationalization has increasingly emphasized the significance of individual cognition, interpretations, and perceptions in shaping these firms' international activities (Stoian et al., 2018). As previously noted, the internationalization of SMEs remains a relatively nascent and underexplored field of study (Öhman, 2014).

Interestingly, organizations may persist in their export activities not due to enhanced knowledge and learning, but because exporting is perceived as a commitment that cannot be undone (Wright et al., 2007). In today's global landscape, despite the pressing need for SMEs to internationalize, there remains a limited understanding of the obstacles that impede or delay this process (Rahman et al., 2017).

To comprehend the international entrepreneurial behavior of SMEs, it is essential to first analyze the individual who leads the organization (Stoian et al., 2018). While many researchers recognize the crucial importance of the entrepreneur and suggest that the analysis should be at the individual level, they often identify the firm as the entrepreneurial actor. The individual's understanding and interpretation of the global environment are essential for micro-multinational managers who are in direct contact with their international partners and markets (Ibid).

Research, particularly at the firm level, indicates that new technology-based enterprises have the capacity to establish networks that enhance the probability of opting for a joint venture as a strategy for entering foreign markets (Wright et al., 2007). Therefore, studying constrains is essential in understanding the SME's Internationalization, these are mainly related to the lack of networking.

1.6.1. Major Constraints

Many major constrains faced by the process of SME internationalization is the failure to examine why and how smaller firms in different national and industry contexts build their networks for international business (Nijkamp, 2003). Besides that, many SMEs seek to

maintain their independence and preserve control over their operations (Wright et al., 2007; Hessels, J., 2005).

On the other hand, network relationships with larger corporations may not be symbiotic and may reflect an asymmetry of interdependence, indicating a lack of equality in the relationship (Pfeffer, 1978). Network connections between smaller businesses and larger organizations can only be established in conducive environments that may need to be developed (CLARYSSE B., et al., 2005).

Larger corporations often have the capacity to appropriate innovative ideas. Moreover, SMEs are generally required to adhere to stringent standards regarding quality, delivery, and cost when engaging in transactions with more substantial clients (ACS Z. J, 1997).

At the same time, entrepreneurs with exposure to international markets may cultivate a global perspective as a consequence of their personal experiences, while those without such exposure may be reluctant to expand internationally (Wright et al., 2007).

The challenges faced by SMEs in their internationalization efforts can be mitigated through collaboration with larger multinational corporations, which can serve as conduits for global expansion. The process of internationalization for SMEs is enhanced when these larger entities provide design expertise, technological assistance, and quality assurance (Wright et al., 2007).

Furthermore, SMEs with constrained resources can still engage in foreign markets as a result of the internationalization efforts undertaken by their larger network partners. Recent studies on SME internationalization have increasingly centered on the entrepreneur as the

primary unit of analysis. Findings indicate that human resources are the most critical assets linked to firms that have engaged in internationalization, in contrast to those that have not pursued such avenues. Evidence shows that independent businesses with older principal founders, more resources, denser information and contact networks, and considerable management know-how were significantly more likely to be exporters (Ibid).

Additionally, companies often neglect to investigate the reasons and methods by which smaller enterprises in various domestic and industrial environments establish their networks, particularly in the context of conducting international business (NIJKAMP P., 2003). Despite that other factors drive the SME's into the international market.

1.6.2. Internalization Drivers

The key drivers of internationalization can be categorized into three main perspectives:

- The Resource-Based View (RBV): Decisions regarding internationalization are influenced by the resources and capabilities that the firm possesses (Kamakura et al., 2012).
- The Market-Based View (MBV): Firms are compelled to enter foreign markets due to the pressures they perceive in their existing markets (Makhija, M., 2003; Leonidou, L. C., & Katsikeas, C. S., 1996).
- The Network-Based View (NBV): Companies often enter new markets by leveraging network connections established with suppliers and various collaborators. These relationships serve as both formal and informal channels for acquiring information,

establishing contacts, and accessing additional resources (Johanson, J., & Mattsson, L.-G., 1987).

These drivers for internalization raise the question of whether the internalization has a positive effect on the SME's performance.

1.6.3. SME's Internationalization And Performance

Research has not yet provided adequate evidence to support the assertion that the level of internationalization has a positive impact on firm performance. The connection between internationalization and performance remains ambiguous; however, prevailing scholarly perspectives suggest that engagement in international markets is likely to enhance the business performance of SMEs. Export activities can enhance financial performance by boosting sales volume, enabling the realization of economies of scale, mitigating risks, and facilitating flexible access to locally embedded resources and knowledge of foreign markets. Despite this, internationalization can be understood as a dynamic process of growth and education, marked by outcomes that are fundamentally uncertain (De Noni & Apa, 2015; Wright et al., 2007)

The rise in international sales for technology-driven startups necessitates concurrent strategic adjustments to improve organizational performance Establishing a causal relationship between internationalization and firm performance is challenging, potentially due to issues related to time lags (Wright et al., 2007).

The research presented emphasizes the importance of incorporating geographic and industry contexts, temporal factors, firm-specific strategic considerations, and selection bias concerns into econometric models. Market failures associated with imperfect and asymmetric

information, externalities, incomplete property rights, suboptimal market structures, and inadequate regulation can hinder the growth of SMEs (Ibid).

In developing nations, SMEs play a crucial role, as they frequently represent the most viable opportunity for generating new employment opportunities, which in turn contributes to poverty alleviation and the improvement of living standards (Sanjo & Ibrahim, 2017b). Policymakers have the potential to promote international business engagement among SMEs by fostering the establishment of networks and collaborative frameworks. For instance, entrepreneurs with international experience may serve as mentors to those lacking such experience, thereby contributing to a broader strategy aimed at enhancing network development (Wright et al., 2007).

Most researchers view internationalization as a dynamic and evolutionary process by which firms increase both their awareness of international transactions as drivers for growth and their commercial engagement with other countries (Kamakura et al., 2012). Risk perception, a multifaceted endogenous and cognitive managerial feature, is regarded as “the subjective judgement that SME decision makers make about the characteristics and severity of a risk associated with an internationalization activity” (Bonfim et al., 2018).

Besides that, the capacity to tolerate ambiguity, defined as the degree to which managers can navigate uncertain and unclear circumstances, may serve as an indicator of their behavior in relation to risk perception. The process of internationalization is characterized by significant ambiguity and uncertainty. The influence of managers' perceptions of risk on the extent of a firm's internationalization can be enhanced and moderated by various entry strategies. These strategies range from exporting, which is perceived as a lower-risk option, to

more resource-intensive and riskier commitments associated with advanced entry modes such as global sourcing, licensing, franchising, strategic alliances, joint ventures, and ultimately, foreign direct investment (FDI) (Ibid).

Therefore, exporting is often the most feasible method of internationalization for SMEs, primarily due to their typically constrained resources, information access, and operational capabilities (Ibid). Researchers should refrain from assuming that the planning and change processes utilized by large organizations can be adapted to SMEs in a more informal or scaled-down manner (Banham, H. C., 2010).

This prove that, SMEs must possess the capacity to evolve and adjust in response to emerging external challenges. To elucidate complex issues, various tools and models are employed; among these, the "Degrees of Turbulence" model is introduced to aid owner-managers of SMEs in comprehending the external factors that influence their business activities (Ibid).

This is reflected on the relationship between internationalization and performance is likely to be enhanced when companies participate in organizational learning initiatives. The connection between internationalization and performance remains ambiguous; however, prevailing scholarly perspectives suggest that engagement in international markets is likely to enhance the business performance of SMEs (De Noni & Apa, 2015).

For example, export activities can enhance financial performance by boosting sales volume, enabling the realization of economies of scale, mitigating risks, and facilitating flexible access to locally embedded resources as well as knowledge of foreign markets. To

sum-up Internationalization can be understood as a dynamic process of growth and education, marked by outcomes that are fundamentally uncertain (Ibid).

On the other hand, understanding the entry modes for SME's can provide a view of different ways to engage in international business, which could affect its performance.

1.6.4. Entry Modes

Firms have various options for entering foreign markets, including direct and indirect exports, contractual arrangements such as licensing and franchising, joint ventures, acquisitions, and wholly-owned greenfield investments. The selection of an entry mode is a critical strategic decision that significantly influences a firm's resource allocation and the risks associated with the host market. This is related to the level of control; on the other hand, altering the mode of entry after the initial entry may significantly harm performance outcomes (Rahman et al., 2017).

It's noteworthy that a single SME's may employ various modes of entry concurrently, alongside offering diverse products or services (Kamakura et al., 2012). Expanding into international markets represents a critical strategic choice for SMEs seeking to broaden their customer base and sustain organizational development (Rahman et al., 2017).

Exports are recognized as the primary and most favored mode of entry for SMEs due to the reduced financial commitment and lower level of associated risk. This approach represents the most cost-effective, straightforward, and rapid method for achieving internationalization. The choice of entry mode into foreign markets is often influenced by institutional factors in the home country. However, the connection between these home

country factors and the entry mode decisions of SMEs is infrequently examined, particularly in the context of emerging markets. A recent extensive survey by Laufs and Schwens (2014) highlighted that the majority of research in this domain tends to concentrate on developed markets, revealing a notable lack of in-depth analysis regarding the influence of home country factors on the entry mode decisions of SMEs (Ibid).

On the other hand, barriers can affect the entry modes for SME's, as these barriers deter SME's from expanding internationally as discussed below.

1.6.5. Entry Barriers

SMEs face heightened susceptibility to institutional barriers due to their relatively limited scale. This necessitates a thorough examination of these challenges to ensure that anticipated growth is sustained (Rahman et al., 2017). Starting with the latent stages to decision making.

1.6.5.1 Latent Internationalization States

Latent stages refer to the various stages that SMEs reach when they expand internationally. These can be categorized into three main groups, according to Kamakura et al. (2012):

- Decisions concerning the commitment to international markets involve selecting specific countries based on factors such as physical and cultural distance, as well as determining the mode of entry into each market. This may include utilizing internal resources, forming alliances, or other strategies.

- Strategic product decisions: The organization must formulate strategies that align with the necessity of tailoring its product offerings and innovations to meet local demands. Simultaneously, it must pursue the development of economies of scale through standardization to maintain a competitive edge.
- The utilization of external technological resources is expected to rise as interactions with international consumers and suppliers develop further.

1.6.5.2 Decision-Making For Entry Mode

Rational SMEs tend to adopt a systematic approach to decision-making, which is reflected in their diverse range of entry modes in previous ventures. Additionally, these SMEs exhibit greater adaptability in choosing their operational strategies following market entry (Al-Hyari, & Alnsour, 2012).

There is a deficiency in our comprehensive understanding of the processes involved in making entry mode decisions. An entry mode can be characterized as an organizational framework that facilitates the introduction of a company's products, technologies, human expertise, management capabilities, or other resources into an international market. The selection of an international entry mode is a complex decision that requires careful evaluation of various factors, including uncertainty and risk, levels of control, commitment, anticipated returns, and additional strategic goals. For SMEs, most studies on entry mode choice rely on the same theories as are employed by the multinational enterprise literature, including transaction costs and Dunning’s ownership–location–internationalization (OLI) model (Ahi et al., 2016).

Child and Hsieh (2014) present four distinct models that leaders of SMEs can adopt. These models are characterized by varying degrees of planning and rationality:

1.6.5.2.1. Reactive

This approach involves responding to both internal and external influences, including unexpected interactions, short-term strategies, and decisions made amidst uncertainty and insufficient information. This response is also a reaction to an opportunity that emerges from an unforeseen occurrence (Foss et al., 2007; Jones et al., 2011).

1.6.5.2.2. Incrementalism

This suggests a process that is more analytical than instinctive (Lindblom, E., 1959). Decision-makers evaluate various options and establish objectives and goals, even when these are imprecise and lack thoroughness or a systematic approach (Child & Hsieh, 2014). This involves making choices based on the concept of "affordable loss" instead of focusing on the maximization of anticipated returns (Kalinic, 2014).

1.6.5.2.3. Bounded Rationality

The complex nature of the environment, coupled with the constrained capacity of humans to analyze and process information, renders the pursuit of maximization unattainable in practical decision-making scenarios (Simon, A., 1955).

1.6.5.2.4. Real Options Reasoning (ROR)

The most logical category is characterized by the capacity of managers to recognize, sustain, and leverage real options within their business contexts (Barnett, L., 2008). In periods of elevated uncertainty, companies may choose to reduce their immediate investments while simultaneously obtaining the option to invest in the future, anticipating a decrease in uncertainty at that later time (Brouthers et al., 2008).

1.6.5.3 Barriers to Entering Foreign Markets

Barriers which categorized mainly into two types: The home country and social barrier and legal system, as described below:

1.6.5.3.1. Home Country Barriers

According to Bhatti, D. (2012), economic and governmental barriers including:

- Legislative frameworks, regulations, and legal statutes
- Fiscal and monetary strategies
- Political stability
- Dismantling international trade obstacles and embargoes, or establishing export processing zones (EPZ)
- Factors such as political instability, legal and procedural impediments, corruption, and insufficient legal support

1.6.5.3.2. Social Barriers

Other researchers tends to overlook political instability as a significant obstacle to the internationalization of SMEs (Okpara & Kabongo, 2010). And focus on the social barriers including culture barriers which have impacted the internalization of SME's, described as:

- The social and cultural context constitutes an element of the informal institutional dimensions, as proposed by North (1990) (Rahman et al., 2017).
- These include the attitudes, tastes, beliefs, behaviors, lifestyle, and relationships among the population. In the context of international business operations, the influence of the social and cultural environment becomes significantly more pronounced (Ibid).
- The Uppsala model elucidates the concept of 'psychic distance' by examining various factors such as language, education, culture, political influences, business practices, and industrial development (Johanson et al., 1977).
- SMEs in developing nations are struggling to access sufficient opportunities in foreign markets. There exists a detrimental correlation between political instability and the performance of international business activities (Zeng, S. X et al., 2008).
- Political instability can elevate business costs and generate competitive disadvantages for both domestic and foreign enterprises. The adverse effects, such as heightened risk, increased expenses, market volatility, and diminished competitiveness, may dissuade certain investors from committing capital to areas characterized by political turmoil (Al-Hyari, & Alnsour, 2012).

1.6.5.3.3. Legal Systems

For both individuals and organizations, the framework of a constitutional society is essential. Established guidelines are applied to uphold principles of justice, equality, objectivity, and impartiality. Furthermore, procedures related to property ownership, tax obligations, and business operations must adhere to legal standards. The administration of these processes, influenced by factors such as scale, duration, and procedural demands, significantly impacts business operations and their efficiency. The degree of ease with which business can be conducted differs across nations, largely due to variations in legal frameworks (Hyari & Alnsour, 2012).

For example, corruption refers to the misuse of public authority for individual or private benefit. Typical manifestations of corruption include bribery, extortion, fraud, embezzlement, nepotism, cronyism, the misappropriation of public resources for personal use, and the trading of influence (Myint, U., 2000). This researcher will examine these barriers (Antecedents) in his study and further discuss them to understand their significance.

1.7. Antecedents of SME Internationalization

Antecedents relate to the factors and prior circumstances that influence the internationalization of SMEs. According to Ruzzier et al. (2006), the antecedents of internationalization encompass environmental factors, organizational traits, and the characteristics of entrepreneurs, all of which serve as essential preconditions for the process of internationalization. Kuivalainen et al. (2012) contend that recognizing the antecedents of

internationalization necessitates an examination of various factors across environmental, firm, and managerial dimensions.

1.7.1. Classifying Antecedents of Internationalization

The determinants influencing the internationalization decisions of SMEs have been examined under various terminologies by numerous scholars within the extensive SME literature. These terms include 'motives', 'stimuli', 'facilitating factors', 'antecedents', and 'drivers of internationalization' (Hutchinson et al., 2012).

The notion of 'antecedent' encompasses the factors that occur prior to the internationalization of SMEs. These antecedents can be categorized into two main groups: external factors and internal factors influencing SME's internationalization (Öhman, E., 2014).

According to Korsakiene & Tvaronavicien, (2011), the antecedents of internationalization can be categorized into four distinct subgroups:

- Characteristics of decision-makers
- Attributes of the firm
- Firm-specific elements
- Environmental influences

Internationalization can be examined through three distinct tiers: the country level, the industry level, and the firm level. When investigating the factors that explain internationalization, it is essential to consider a variety of influencing forces. These forces can

be categorized into four main types: global, international, domestic, and company-specific forces (Luostarinen, R., 1994).

On the other hand, Hutchinson et al. (2007) offer an alternative framework for categorizing the antecedents of internationalization in SMEs within their research focused on small and medium-sized retailers. They propose that these antecedents can be classified into two primary dimensions: macro-environmental factors and micro-firm-level factors. Furthermore, they identify a distinction between 'push' and 'pull' factors influencing internationalization:

- Push factors encompass elements such as economic conditions, regulatory frameworks, domestic market saturation, and competitive pressures within the industry.
- Pull factors are characterized by the potential for profit and the presence of economic and political stability in target foreign markets.

The researcher organized this literature review around examining the antecedents of SME internationalization through the lens of a framework established by Kuivalainen et al. (2012). As these as antecedents are highlighted mostly in the first phase when unstructured interviewed cared out and questionnaire, result were more confirmed later with phase two as will be discussed further later on and in chapter two, the antecedents of internationalization are to be evaluated across three distinct levels: managerial, firm, and environmental. Each of these levels includes various factors that discussed thorough analysis as follow:

- At the managerial level, key factors include entrepreneurial orientation and the mindset of management.
- At the firm level, it is essential to consider resources, networks, and knowledge as critical components of the analysis.
- Lastly, the environmental level highlights factors such as environmental dynamism, industry characteristics, and geographical distance.

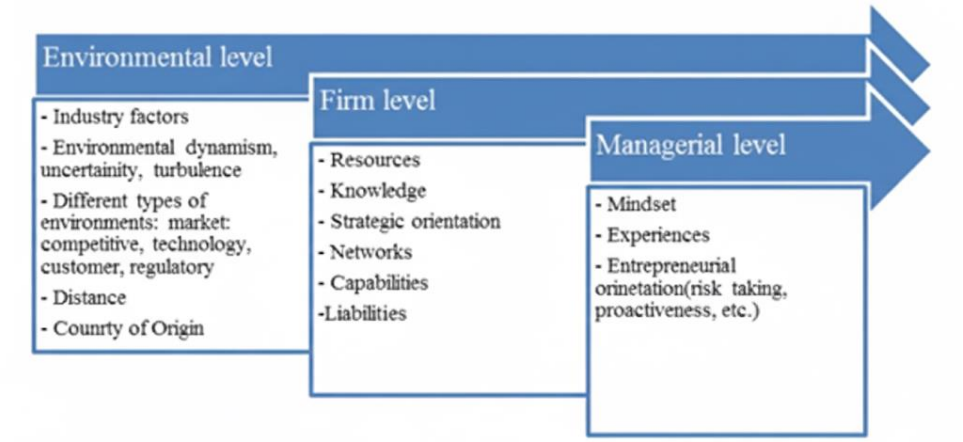

Figure 01: Antecedents of internalization, Kuivalainen (2012)

Selecting a framework that integrates insights from multiple theoretical perspectives is viable, as it has become increasingly challenging to encapsulate the concepts of internationalization through a singular traditional theoretical lens in the context of today's swiftly evolving global landscape. (Jansson, & Sandberg (2008). Therefore, Kuivalainen et al. (2012) in Figure (01) was chosen as the framework for this study, as it covers most of the variables and sub variables (dimensions) discussing the antecedents.

1.7.2. The Chosen Analytical Framework

The model presented by Kuivalainen et al. (2012). Provide an integration insights from multiple theoretical perspectives is Phenomena such as the rise of "Born Global" and the disruptive impact of technology have demonstrated the limitations of purely incremental or resource-based explanations.

The framework proposed by Kuivalainen et al. (2012) offers a robust and comprehensive structure for this purpose. It synthesizes key insights from various theoretical streams by categorizing the antecedents of internationalization into three distinct yet interconnected levels. The antecedents are evaluated across these three levels are:

- The Environmental Level : This level considers the external factors that create pressures and opportunities for the firm. It includes the dynamism of the industry, broader market characteristics (such as domestic market saturation, which acts as a "push" factor), and the challenges posed by geographical and psychic distance. This dimension captures the context in which the firm operates and makes its strategic choices.
- The Firm Level: This level examines the organization's internal resources, capabilities, and attributes. It includes a consideration of the firm's tangible and intangible resources (aligning with the Resource-Based View), the strength and reach of its business networks, and its accumulated knowledge. This level allows for an analysis of the specific competencies that enable a firm to compete internationally.
- The Managerial Level: This level focuses on the characteristics of the key decision-makers, particularly the founder or CEO. It encompasses crucial factors such as the

entrepreneur's international experience, risk perception, cognitive attributes like global mindset, and their overall entrepreneurial orientation. This aligns with literature that emphasizes the central role of the individual leader in shaping an SME's strategic direction (Stoian et al., 2018).

1.7.3. Justification For Using The Framework

The three variables structure of this model aligns exceptionally well with the research objectives of this thesis for several reasons:

- Comprehensiveness: It allows for a holistic investigation by simultaneously considering the individual (manager), the organization (firm), and the context (environment). This prevents a narrow focus on a single set of factors and provides a more nuanced understanding of the internationalization process.
- Relevance to SMEs: The framework gives significant weight to the managerial level, which is critically important in the SME context where the founder's vision and experience often dictate the firm's path.
- Adaptability to the Palestinian Context: The "environmental" level is particularly useful for analyzing the unique push factors (e.g., constrained local market, political instability) and pull factors (e.g., global ICT demand, networks) that characterize the Palestinian economy.
- Theoretical Integration: It provides a structured way to apply insights from multiple theories—such as the born global model, the Resource-Based View, and Network Theory—without being confined to a single perspective.

- The framework has match in many ways with the unstructured and questionnaire conducted by the researcher in the first stage of his research, the coding and themes formed appropriate to the model.

By adopting this framework, this study can systematically analyze the various antecedents influencing Palestinian ICT SMEs, ensuring that the complex interaction between the entrepreneur, the firm's capabilities, and the challenging external environment is thoroughly examined.

1.7.4. Antecedents At The Environmental Level

Various elements such as industry characteristics, the dynamism of the environment, and the diverse types of environments—including market competitiveness, technological factors, customer behavior, and regulatory contexts—along with the country of origin and geographical distance, are critical considerations when examining the potential antecedents of internationalization for SMEs at the environmental level (Öhman, E., 2014).

Luostarinen, (1979) classified the environmental influences on internationalization into two distinct categories: push factors and pull factors.

- Push factors pertain to elements originating from the home country that serve as motivating forces for pursuing internationalization.
- Pull factors are associated with macro-level conditions in the host country that exert an attractive influence, encouraging international engagement (Bellak & Luostarinen, 1994).

1.7.4.1 Home Country Factors

Luostarinen (1994) identified three primary domestic elements that serve as driving forces for the internationalization of Finnish companies:

- Limited domestic scale (market)
- Remote geographical position
- The accessibility of the domestic market

For example, Swedish SMEs identified the constrained size of the domestic market as a significant factor driving their decision to pursue international expansion (Rundh, 2006). Additionally, Finland's remote location, distanced from major markets, compels Finnish enterprises to seek opportunities in new international markets (Öhman, E., 2014).

In their research, Korsakiene and Tvaronavicien (2011) found that SMEs in Norway and Lithuania for example, operating within limited domestic markets, consider competitive pressure and closeness to customers and suppliers as significant factors influencing their internationalization efforts. Geographical closeness, coupled with historical and cultural connections, significantly impacts the decisions made by Finnish firms regarding the establishment of their international operations in adjacent nations (Lindström, 2003).

Other key factors include the saturation of the domestic market, regulatory frameworks, economic conditions, and competitive dynamics within the industry (Hutchinson et al., 2007).

1.7.4.2 Host Country Factors

According to Bellak & Luostarinen, (1994) The five primary motivations international firms to be more incline for pursuing internationalization relations with other, including:

- Anticipated growth in demand
- Wage levels
- Uncertainties surrounding integration strategies
- Concerns regarding access to markets
- The potential for achieving economies of scale

In addition to that Öhman, (2014) add to that various institutional factors, including political instability, corruption, government support, investments in research and development, legal frameworks, language barriers, and social attitudes, significantly influence a firm's decision regarding its entry mode (Öhman, E., 2014).

1.7.5. Firm-Level Factors

At the organizational level, it is essential to examine the resources, strategies, knowledge, capabilities, networks, and liabilities of SMEs when investigating the factors that contribute to their internationalization (Kuivalainen et al., 2012).

An examination of the three principal theoretical frameworks of internationalization is essential: the eclectic paradigm, stage models, and the network approach. Each of these

models seeks to elucidate the process of internationalization from the perspective of the firm level (Öhman, E., 2014).

The significance of a firm's attributes in the context of SME internationalization has been established. Consequently, it is appropriate to transition to an examination of the three predominant theories in international business research. These theories elucidate the factors influencing firms' decisions regarding internationalization at the organizational level: the eclectic paradigm, the stages model, and the networking approach (Ibid).

The first theoretical framework, the eclectic paradigm, posits that for a firm to successfully engage in internationalization, it must possess both ownership advantages and internalization (I) advantages. Additionally, the foreign market must provide locational (L) advantages that facilitate this process (Bevan & Estrin, 2004). Hollenstein (2005) employed the eclectic paradigm as the foundational framework for his research. Based on an extensive survey conducted among Swiss firms, he determined that the size and sector of a company significantly influence its internationalization process.

In general, ownership advantages encompass both tangible and intangible assets of a firm (Ruzzier et al., 2006). Tangible assets may include physical products or technologies, while intangible assets can consist of patents or brand identities held by the organization. Conversely, internalization advantages relate to a firm's ability to effectively manage and coordinate its internal activities within the value-added chain. Additionally, locational advantages refer to the institutional and productive elements offered by a specific geographic region. Hollenstein (2005) also identifies significant financial risks, inadequate capacities, and, to some extent, prior knowledge regarding international locations. The dimensions and

age of the firm should be assessed as precursors to internationalization, particularly within the framework of this thesis research (Öhman, E., 2014).

Enhanced market knowledge also contributes to a greater degree of international engagement, as this will enhance a company's understanding of market dynamics, leading to a corresponding increase in its resource allocation towards international markets. In essence, organizations acquire knowledge about conducting business in foreign environments, which often results in a progressive escalation of their international engagement. Initially, firms tend to deepen their participation in the markets where they are already established. Subsequently, they venture into new markets that present a greater degree of psychic distance (Ruzzier et al., 2006).

The second theoretical framework that seeks to clarify the process of internationalization from the perspective of firms is known as the stages model, which conceptualizes internationalization as a gradual, stepwise progression. This model was initially introduced by researchers from the Nordic region during the 1970s and is referred to as the Uppsala model The fundamental concept of the traditional Uppsala models posits that as firms acquire greater knowledge of foreign markets, their level of international engagement correspondingly escalates (Ruzzier et al., 2006).

According to Johanson and Vahlne (1997), it is suggested that both general and experimental market knowledge, along with the allocation of resources by companies, influence their decisions regarding commitment and business operations. This, in turn, enhances their market knowledge and subsequently leads to a greater commitment of resources to international markets. In essence, firms acquire insights into conducting business

in foreign contexts, which encourages a progressive escalation of their international engagement. Entities enhance their engagement in the markets where they are presently active. Subsequently, they will venture into new markets characterized by a greater degree of psychic distance (Ruzzier et al., 2006).

Korsakiene and Tvaronaviciene (2011) argue that stage models may not adequately account for the emergence of born-global firms. Similarly, Jansson and Sandberg (2008) contend that conventional stage models are insufficient to describe the experiences of 'leap-frogging' companies that engage in a swift and non-linear process of internationalization. Besides that, the dimensions and age of a firm significantly influence internationalization choices, particularly within the framework of Indian SMEs (Rajshekhar and Todd, 2011).

Consequently, the network approach may serve as a more suitable theoretical framework for elucidating internationalization decisions (Öhman, E., 2014). The third major theory of international business is the network theory. The stage models primarily focus on explaining the internationalization of firms through the lenses of managerial learning, enhanced market knowledge, and a sequential process. In contrast, the network approach emphasizes the significance of relationships within the business network and the understanding of the market. This distinction is articulated by Jansson and Sandberg (2008).

Networks can be especially beneficial for SMEs that are entering transition economies, as they can assist these businesses in addressing challenges associated with knowledge acquisition, technological advancement, and capital accumulation. It is advantageous for SMEs to collaborate with a partner. By engaging in cooperative efforts, SMEs can effectively

address the significant challenge associated with their internationalization, namely the scarcity of adequate resources and information (Zahoor et al., 2020).

On the other hand, the social capital framework clarifies how environmental volatility affects both the nature and significance of network relationships (Westhead et al., 2004).

1.7.6. Managerial Level Factors:

Internationalization is fundamentally recognized as a significant entrepreneurial endeavor (Lu & Beamish, 2001). Within the context of an SME, the owner-manager is not just an employee but a crucial, often crucial, asset in the internationalization process (Kannieß, 2010). The firm's strategic direction, particularly its international activities, is frequently a direct reflection of the leader's vision, ambitions, and capabilities. As Öhman (2014) notes, entrepreneurs are assuming a progressively significant role, particularly in recognizing business opportunities and developing strategies for international expansion. Therefore, it is crucial to evaluate the mindset of the CEO, their international exposure, and their orientation towards entrepreneurship as key antecedents to internationalization (Kuivalainen et al., 2012).

1.7.6.1 The Entrepreneur's Cognitive And Experiential Attributes

The expanding body of literature on SME internationalization has increasingly highlighted the significance of individual cognition, interpretations, and perceptions in shaping a firm's international activities (Stoian et al., 2018).

- Global Mindset and International Orientation: A global mindset can be characterized as a multidisciplinary framework that encompasses both cognitive and cultural aspects, which significantly affect a firm's international behavior and decision-making

(Miocevic & Karanovic, 2012). Research indicates a significant positive correlation between the competence of management, their international orientation, and this global mindset, and the level of internationalization exhibited by SMEs. This mindset also correlates with the firm's propensity to explore opportunities in foreign markets.

- International Experience and Skills: Managers who possess strong language skills and have direct experience gained from living, working, or traveling abroad are more likely to motivate their firms to pursue expansion into international markets (Hutchinson et al., 2007).

  This international experience provides them with valuable networks, a deeper understanding of foreign cultures, and a reduced perception of the risks associated with operating overseas.

1.7.6.2 Moderating Role of Managerial Demographics

The demographic characteristics of the leader can significantly influence their strategic choices. Factors such as age, educational attainment, and international experience serve to moderate the internationalization of firms and their motivations for pursuing foreign market opportunities (Weng-Tsung et al., 2013).

- Age: Research suggests that as CEOs age, their propensity to recognize potential international opportunities may diminish. Consequently, the age of a CEO can play a significant role in the internationalization decisions of an SME.
- Education: The educational background of a CEO is another important precursor to internationalization. Studies indicate that CEOs with a higher level of education are more inclined to embrace ambiguity and engage in risk-taking behaviors compared to

their less-educated counterparts. This tendency is positively associated with both the firm's internationalization and its overall performance.

1.7.6.3 Entrepreneurial Orientation and Commitment

Beyond cognitive traits and demographics, a proactive and committed strategic posture is essential for navigating the complexities of international markets.

- Entrepreneurial Orientation (EO): In the context of emerging markets like India, the internationalization of SMEs is significantly affected by their entrepreneurial orientation, management commitment, and human capital (Rajshekhar & Todd, 2011). A strong EO—characterized by proactiveness, innovativeness, and risk-taking—is significantly related to the internationalization choices made by SMEs.
- Management Commitment: The overarching dedication of management to internationalization exhibits a positive correlation with the extent of a firm's international engagement. Entrepreneurs who demonstrate a clear and sustained commitment to international markets appear to foster a competitive edge for their organizations (Ibid). This commitment ensures that the firm perseveres through the initial challenges and allocates the necessary resources to succeed abroad.

1.8. Synthesis of Empirical Literature on Internationalization Antecedents

In the preceding sections, this literature review has examined the primary theoretical frameworks that seek to expose the factors influencing the internationalization of SMEs. This section now transitions to a synthesis of key empirical studies that have tested these theories across various national contexts. By analyzing and assessing the principal outcomes of this

previous research, we can identify common patterns and lay the groundwork for understanding the specific research questions posed in this study.

Given that there is a relatively small body of research focusing specifically on the antecedents of internationalization for Palestinian SMEs within the Information and Communication Technology (ICT) sector, the insights derived from the global studies discussed herein provide a crucial foundation. However, as will be argued, these findings may not be directly transferable to the unique context of the Palestinian territories, thereby highlighting the critical gap this thesis aims to fill.

1.9. Analysis of Principal Findings From Previous Research

An examination of a wide range of empirical studies—from Jordan and Sri Lanka to Finland and Ghana—reveals several consistent themes regarding the antecedents of SME internationalization. These studies, while diverse in geography and methodology, collectively point to a confluence of managerial, firm-level, and environmental factors as the primary drivers and barriers.

1.9.1. Pervasive Theoretical Foundations

A striking consistency across the reviewed literature is the reliance on a core set of theoretical lenses. The Resource-Based View (RBV), the Uppsala Model (and its critiques), and Network Theory appear in the vast majority of studies. This indicates a broad consensus that a firm's internal resources, its learning process over time, and its web of relationships are the fundamental pillars for understanding internationalization. Newer perspectives like

Dynamic Capabilities and Institutional Theory are increasingly integrated to explain how firms adapt to changing environments and navigate regulatory landscapes, respectively.

1.9.2. Thematic Findings On Antecedents

The results of these diverse studies can be synthesized into three main categories, mirroring the Kuivalainen et al. (2012) framework:

- The Primacy of Managerial and Entrepreneurial Factors: A dominant theme is the central role of the entrepreneur or management team. Studies consistently find that Entrepreneurial Orientation (EO), managerial competence, and specific managerial characteristics have a significant positive influence on the internationalization process (Chandra et al., 2020; Zameem & Bhavan, 2024). Furthermore, Safari & Saleh (2020b) highlight managerial determinants such as technical skills, motivation to export, and risk-taking propensity. This confirms that in the SME context, the firm's international trajectory is profoundly shaped by the vision, experience, and mindset of its leaders.
- The Importance of Firm-Level Resources and Capabilities: The second major theme relates to the firm's internal assets. Key determinants include financial resources (or lack thereof, identified as "Capital Issues" by Herman et al., 2024), human resource management, technological capabilities, and product quality (Nurfarida, 2022). The study by Rua et al. (2018) in Portugal specifically found that intangible resources and absorptive capabilities were crucial for improving performance. This strongly supports the RBV, suggesting that firms internationalize successfully by leveraging their unique internal strengths.

- The Critical Influence of the External Environment: The third cluster of findings revolves around external and institutional factors. These can be both drivers and barriers. Positive influences include trade openness and a stable institutional environment (Ndofirepi, 2024), government support (Islam et al., 2023; Safari & Saleh, 2020b), and market size in the host country (Karabulut, 2013). Conversely, significant barriers include an unstable business environment, government and socio-cultural barriers (Nurfarida, 2022), mismanagement of domestic infrastructure like ports (Islam et al., 2023), and political instability. The study by Korsakienė & Tvaronavičienė (2012) provides a powerful example of how the national context shapes the internationalization path, with Lithuanian SMEs following a cautious, incremental approach while Norwegian SMEs leverage networks in a more entrepreneurial fashion.

1.10. Summary of Selected Empirical Studies

The following table provides a detailed summary of the key studies analyzed in this section, highlighting their context, theoretical underpinnings, methodology, and principal findings.

Table 1.2 : Summary of Selected Empirical Studies on SME's Antecedents for Internationalization

Category	Author(s)	Country Region	Dominant Theories	Methodology	Key Findings
Environmental, Firm & Managerial Levels	Al-Hyari et al. (2012)	Jordan	Uppsala, RBV, Network, Int'l Entrepreneurship	Questionnaire (250 SMEs)	Barriers (internal & external) negatively/positively affect international business performance.

Category	Author(s)	Country Region	Dominant Theories	Methodology	Key Findings
	Chandra et al. (2020)	Fiji	Uppsala, Network, INV, OLI, RBV, Institutional	Semi-structured interviews (30 SMEs)	Management competence, EO, and institutional environment are key factors influencing performance.
	Zahoor et al. (2020b)	37 countries	Network, RBV, Int'l Entrepreneurship, Uppsala	Multi-step literature review	Focuses on key trends and factors influencing internationalization through collaboration.
	Ndofirepi, T.M. (2024)	137 countries	Institutional, RBV	Secondary data (GEDI, WEF)	Positive influences: National Income, Institutions, Trade Openness, Risk Capital. Negative: Home-Country Networking.
	Zameem & Bhavan (2024)	Sri Lanka	RBV, Int'l Theory, EO	Questionnaire (490 SMEs)	Positive influence from EO, Managerial Characteristics, and Firm Characteristics.
	Nurfarida (2022)	Indonesia	RBV, Uppsala, Network	Literature Review (Daszkiewicz & Wach model)	Identifies key internal (HR, Product Quality, Finance) and external (Business Env., Gov't, Socio-Cultural) barriers.
	Islam et al. (2023)	Bangladesh	Uppsala, RBV	Qualitative interviews (16 SMEs)	Process affected by market knowledge, scams, port mismanagement, unregulated market, and government support.
	Karabulut (2013)	Turkey	Uppsala, RBV, Born Global	Questionnaire (267 SMEs)	Key reasons for expansion: Market size, selling products abroad, resource gathering, and growth.
	Safari & Saleh (2020b)	Vietnam	RBV, Contingency, Dynamic Capabilities	SEM (364 SMEs)	Identifies key managerial, organizational, and external (government assistance, market

Category	Author(s)	Country Region	Dominant Theories	Methodology	Key Findings
					demand) factors.
	Kasema, R. (2022)	Rwanda	RBV, Market-Based View	Mixed-Methods (Interviews, 105 Questionnaires)	Entrepreneurial elements are most critical, followed by market-level factors.
	Herman et al. (2024)	Indonesia	Network, RBV, Institutional, Dynamic Cap.	Qualitative (interviews, observation)	Key challenges: Capital, HR, Technology, Market Access. Need for government and private sector collaboration.
	Asemokha et al. (2019)	Finland	Uppsala, Dynamic Cap., Born Global, RBV, Network	Qualitative Case Studies (5 SMEs)	Highlights significance of global perspective, strategy, and networks across managerial, firm, and environmental levels.
	Calheiros-Lobo et al. (2023)	Global	Multiple Theories (Uppsala, RBV, Network, etc.)	Bibliometric Analysis (1920-2023)	Key determinants: Firm factors, innovation/digitalization, finance, market factors, institutional support.
	Korsakienė & Tvaronavičienė (2012)	Lithuania & Norway	Stage Models, RBV, Network	Questionnaire	Lithuanian SMEs are incremental; Norwegian SMEs are network/entrepreneurship-driven. Context matters.
	Zizah et al. (2010)	Malaysia	Uppsala, Network, INV, RBV	Delphi technique (32 experts)	Key elements: Motivational factors, Firm Characteristics, Industrial Factors, and External Factors/Networking.
	Öhman, E. (2014)	Finland & Estonia	Uppsala, OLI, Network, RBV, Born Global	Qualitative case study	Comprehensive analysis across Environmental, Firm, and Managerial levels.

Category	Author(s)	Country Region	Dominant Theories	Methodology	Key Findings
	Sui and Baum (2014)	Canada	IPM, INV, RBV	Longitudinal dataset	No single superior strategy; resource importance varies for Born-Globals vs. Gradual Internationalizers.
	Kwabena et al. (2019)	Ghana	TOE, DOI, TAM	Questionnaire	Technological, organizational, and environmental factors significantly influence digital payment adoption and SME performance

The synthesis of these studies provides a robust, evidence-based foundation for the framework of this thesis. It confirms that the antecedents to SME internationalization are consistently found at the managerial, firm, and environmental levels. However, it also reveals a critical insight: while the categories of factors are universal, their specific manifestation and impact are highly context-dependent.

The insights derived from studies in Jordan, Vietnam, or even Finland may not be directly relevant to the context of the Palestinian territories for several reasons:

- Unique Environmental Pressures: While many studies cite "political instability" or "government barriers," these terms do not capture the chronic and unique nature of the geopolitical environment in Palestine, which includes restrictions on movement, access to markets, and a complex regulatory environment shaped by occupation. These are not cyclical instabilities but structural, long-term constraints.
- Distinct Institutional Support: The "government support" factor in Palestine is fundamentally different from that in a sovereign state. It often involves a complex

ecosystem of international NGOs, donor agencies, and local business associations, each with its own agenda and limitations, rather than a cohesive national export strategy.

- The Amplified Role of Networks: Given the formal institutional voids and physical barriers, the role of informal and international networks is likely to be a far more critical antecedent than in other contexts. This relational capital may be the primary mechanism through which Palestinian ICT firms overcome their environmental constraints.

Therefore, while the existing literature provides the what—the key factors to investigate—it leaves a significant gap regarding the how and why in the specific case of Palestine. This study will use the established framework of managerial, firm, and environmental antecedents but will aim to provide a deeply contextualized analysis, exploring how these factors uniquely interact to drive the internationalization of a resilient and knowledge-intensive ICT sector operating under exceptional circumstances.

1.11. Discussion of Antecedents At The Environmental Level

The internationalization journey of SMEs is not determined solely by internally-driven competencies. A considerable body of research demonstrates that environmental-level determinants, particularly those related to the home and host countries, can either enable or inhibit international expansion. Factors such as institutional support, government policy, infrastructure, and socio-cultural compatibility are not merely a backdrop; they are an active force. The level of interaction between these environmental components and an SME's strategic choices often determines the success or failure of its internationalization journey.

The studies reviewed employ a variety of theoretical lenses—including the Uppsala Model, the Resource-Based View (RBV), Institutional Theory, and Network Theory—to understand how SMEs navigate these external environments. A common theme emerging from this literature is the powerful, often contrasting, role of home versus host country conditions.

1.11.1. The "Push" From Constraining- Home Country Environments

Many studies, especially those in developing economies, highlight the significant "push" effect of a constraining home country environments. In contexts like Jordan (Al-Hyari et al., 2012), Bangladesh (Islam et al., 2023), Indonesia (Nurfarida, 2022; Herman et al., 2024), and Fiji (Chandra et al., 2020), domestic barriers are often the most strong drivers of internationalization. These barriers frequently include:

- Institutional Voids: Factors such as bureaucratic inefficiency, unregulated markets (e.g., fraudulent buyers in Bangladesh), and inadequate legal frameworks present serious operational risks and increase the cost of doing business locally.
- Inadequate Infrastructure: Poor logistics, such as the port mismanagement noted by Islam et al. (2023), can make domestic operations unreliable and exporting a more attractive, albeit challenging, alternative.
- Lack of Government Support: The studies by Chandra et al. (2020) and Nurfarida (2022) underscore how policy inadequacies and a lack of targeted exportation programs can leave SMEs feeling unsupported, compelling them to seek more stable and predictable foreign markets.

These findings collectively signify the importance of institutional reformation and the creation of supportive domestic infrastructures to foster sustainable business growth. For SMEs in such environments, internationalization is often less a choice for growth and more a necessity for survival.

1.11.2. The "Pull" of Conducive- Host Country Environments

Conversely, the literature highlights the strong "pull" of favorable host-country conditions. Ndofirepi's (2024) broad, cross-national study suggests that key host-country attractors include national income levels, trade openness, and access to risk capital. This reinforces the idea that external market readiness is as critical as the SME's internal capabilities.

This opportunity-driven perspective is echoed by Karabulut (2013), whose study of Turkish SMEs found that while cost reduction was a factor, the primary motives for internationalization were access to larger markets and new resources. This aligns with a market-seeking behavior characteristic of firms looking to transcend the limitations of their domestic environment.

1.11.3. Mixing Both The Home And Host Environment

The most nuanced findings in the literature move beyond a simple push-pull dichotomy to explore how SMEs strategically interact with their environments.

- Partnerships as a Solution: Studies from Vietnam (Safari & Saleh, 2020b), Rwanda (Kasema, 2022), and Indonesia (Herman et al., 2024) all stress that internal skills are

not enough. They highlight the critical need for SME–government–private sector partnerships to overcome external limitations like access to technology, capital, and markets.

- The Power of Networks: Zahoor et al. (2020b) and Asemokha et al. (2019) move the discussion to a global scale, demonstrating that SMEs can flourish by embedding themselves in supportive global networks. As Network Theory suggests, these partnerships and international relationships allow firms to access resources and knowledge that help them transcend domestic limitations.
- Context-Driven Strategies: Öhman's (2014) comparison of Finnish and Estonian SMEs masterfully illustrates how the institutional context shapes strategy. Supported by a formal institutional environment, Finnish firms adopt formal strategies. In contrast, Estonian firms, operating in a less developed institutional context, rely on more adaptive, entrepreneurial approaches and informal networks to succeed.

Finally, the high-level bibliometric review by Calheiros-Lobo et al. (2023) synthesizes decades of research, underscoring that innovation, supportive policy frameworks, and institutional adaptability are increasingly vital environmental enablers for global success.

In summary, the selected studies consistently affirm that environmental factors in both the home and host countries are powerful antecedents of SME internationalization. The home country environment can act as either a incentive or a burden, depending on the level of institutional support and market saturation. The host country environment presents opportunities and threats based on its openness, regulatory clarity, and economic potential.

The use of multiple theoretical lenses across these studies captures the complexity of this relationship: SMEs are not passive recipients of environmental pressures. They actively develop internal competencies, respond to and shape their external environment through strategy and partnerships, and rely on improvisation and adaptation. This highlights a dual responsibility: firms must build their capabilities, and governments must recognize that SME internationalization is a policy-dependent, environmentally embedded process.

This synthesis provides a robust framework for the current study but also illuminates the research gap. While the types of environmental factors are well-documented, their specific character and impact in the unique geopolitical and economic context of Palestine are unknown. This thesis will explore how these environmental antecedents—shaped by chronic instability, institutional ambiguity, and the critical role which influence the internationalization journey of Palestinian ICT SMEs.

1.12. Antecedents At The Firm Level

While the external environment sets the stage for internationalization, the literature consistently demonstrates that a firm's internal characteristics, resources, and capabilities are the engine that drives the process. This section synthesizes the findings from numerous empirical studies that examine these firm-level antecedents, providing a comprehensive overview of the internal factors that enable or constrain an SME's ability to go global.

The studies reviewed, though geographically and methodologically diverse, converge on several key themes. They confirm that an SME's international journey is deeply rooted in

its intrinsic characteristics, its strategic capabilities, and, most importantly, its relational assets.

The assessment of significant findings from prior studies offers a crucial overview of discoveries, highlighting key outcomes and consistencies, identifying gaps, and illustrating their connection to the present research.

The Resource-Based View (RBV) is the most pervasive theoretical lens used in the reviewed studies, underscoring a strong consensus that what a firm has and what it can do are paramount. The findings highlight several critical firm-level capabilities:

- Technological and Marketing Capabilities: Cassia & Magno (2021) found that for Italian SMEs, IT capabilities, international marketing capabilities, and export operations capabilities were all positively associated with internationalization. This highlights that success is not just about having a good product, but also about having the digital infrastructure and marketing savvy to sell it globally.
- Innovation and Digitalization: Several large-scale reviews confirm the growing importance of a firm's innovative capacity. Calheiros-Lobo et al. (2023) identified innovation & digitalization as key determinants of success. Steinhäuser et al. (2020) further emphasized that digitalization, when coupled with a proactive strategy, is a significant facilitator of modern SME internationalization.
- Human Resources: A recurring barrier identified in multiple contexts is a deficiency in human resources. Both Nurfarida (2022) and Herman et al. (2024) in Indonesia point to human resource management as a critical internal challenge, reinforcing the idea that skilled and internationally-minded talent is a foundational resource.

Alongside internal resources, the firm's ability to build and leverage external relationships is identified as a critical antecedent. This strongly supports Network Theory.

- Network Involvement: Mikhailitchenko (2021), in a large study across the USA, China, and Russia, found that network involvement was a key factor that positively affects internationalization and even mediates the impact of a manager's global mindset.
- Collaboration as a Strategy: Zahoor et al. (2020b) focus explicitly on collaboration as a key factor, while Fernandes et al. (2023) theoretically support the link between internationalization and networks. This indicates that SMEs often overcome their internal resource limitations by accessing the resources of their partners.
- Institutional Networks: The study from Egypt (Aldibiki & Ebrashi, 2023) offers a shadow view, finding that non-business institutional networks and government support networks had a positive effect, while traditional interfirm networks did not. This suggests the type of network matters and is highly context-dependent. Finally, broader firm characteristics and strategic choices play a significant role.
- Firm Characteristics: Studies from Sri Lanka (Zameem & Bhavan, 2024) and Malaysia (Zizah et al., 2010) both identify "firm characteristics" as a distinct category of influential factors, suggesting that elements like firm size, age, and culture contribute to international readiness.
- Strategic Orientations: The study by C. I. Fernandes et al. (2020) in Portugal found that a firm's Market Orientation (MO) positively influences its internationalization. Similarly, Nave et al. (2024) explored the dimensions of International Entrepreneurial

Orientation (IEO), finding that innovativeness and competitive aggressiveness were particularly impactful for early internationalization.

1.12.1. Summary of Selected Empirical Studies On The Firm Level

The following table provides a detailed summary of the key studies focused on firm-level antecedents, highlighting their context, theoretical underpinnings, methodology, and principal findings.

Table 1.3: Summary of Selected Empirical Studies On Firm-Level Antecedents

Category	Author(s)	Country/Region	Dominant Theories	Methodology	Key Findings
Firm Level	Mikhailitchenko (2021)	USA, China, Russia	Network, Social Capital, Uppsala, Born Global	Questionnaire (1648 SMEs)	Positive antecedents: relationship commitment, global mindset, network involvement. Network involvement mediates the other factors.
	Cassia & Magno (2021)	Italy	RBV, Export Capabilities	Questionnaire (101 SMEs)	Positive factors: IT capabilities, international marketing capabilities, export operations capabilities.
	Nave, E., et al. (2024)	Portugal	IE Theory, Born Global, Network, RBV, Uppsala	Online questionnaire (171 SMEs)	Innovativeness and competitive aggressiveness impact early internationalization; risk-taking and proactiveness were not significant.
	Steinhäuser et	Not Specified	Uppsala,	Lit. Review	Internationalization

Category	Author(s)	Country/Region	Dominant Theories	Methodology	Key Findings
	al. (2020)		OLI, Network, RBV, Transaction Cost	(669 articles)	is influenced by networks, innovative capabilities, and strategic choices. Digitalization is significant.
	Herman et al. (2024)	Indonesia	Network, RBV, Institutional, Dynamic Cap.	Qualitative (interviews, observation)	Key challenges: Capital issues, Human Resource Management, Technology, and Market Access.
	Fernandes et al. (2023)	Not Specified	Network, Venture Capital, Transaction Cost, RBV	Bibliometric analysis	Key theoretical links: Internationalization and Networks, Venture Capital, Intrinsic Firm Characteristics, and Transaction Costs.
	Calheiros-Lobo et al. (2023)	Not Specified	Multiple Theories	Bibliometric Analysis (1920-2023)	Key determinants: Firm-Specific Factors, Innovation & Digitalization, Financial Resources, and R&D investment.
	Koprivnjak et al. (2021)	Croatia	Uppsala, Network	Survey (501 SMEs)	Key challenges: Financial barriers, administrative hurdles, market knowledge, and partner identification.
	C. I. Fernandes et al. (2020)	Portugal	RBV, Network, Dynamic Cap., INV/Born Global	Survey (320 SMEs)	Market Orientation (MO) and other strategic orientations positively influence SME internationalization.

Category	Author(s)	Country/Region	Dominant Theories	Methodology	Key Findings
	Nurfarida (2022)	Indonesia	Stage Models, RBV, Network	Literature Review	Identifies key internal barriers: Human Resources, Product Quality, and Financial Resources.
	Aldibiki & Ebrashi (2023)	Egypt	N/A	Questionnaire (300 SMEs)	Non-business institutional networks and government support positively affect internationalization capabilities; interfirm networks do not.
	Muhammad et al. (2009)	Malaysia	Globalization, Alliance, IEO	Literature Review	Key factors: Efficient management, sound finances, superior product quality, HR development, and strategic marketing.
	Li et al. (2014)	Canada	Org. Ecology, Structural Inertia	Questionnaires	Strategic inconsistencies (e.g., in product line breadth) negatively affect performance, but International Strategic Alliances can mitigate this.

The empirical evidence overwhelmingly confirms that the decision to internationalize is deeply intertwined with the firm's internal architecture. For a Palestinian ICT SME to succeed globally, it is not enough to simply have a desire to escape a constrained local market. The firm must possess a specific and potent combination of internal resources, dynamic capabilities, and relational assets.

This review provides a clear roadmap for the current study. The key firm-level antecedents to investigate within the Palestinian context include:

- Knowledge-Based Resources: Given the nature of the ICT sector, the most critical resources are intangible—the skills of the employees, the uniqueness of the software or service, and the firm's innovative capacity. This study assess how these knowledge assets are developed and leveraged.
- Network Capabilities: How do Palestinian ICT firms build and use networks to overcome physical and political barriers? Are they more reliant on formal business networks? The findings from Egypt suggest that the type of network is a critical variable to explore.
- Digital Readiness: As the literature highlights digitalization as a great enabler. This study will examine the extent to which Palestinian ICT firms have adopted advanced IT and international marketing capabilities, and whether this is a key differentiator between firms that internationalize and those that do not.

By focusing on these specific firm-level factors, this research can move beyond a general model to provide a clear and empirically grounded understanding of what makes a Palestinian ICT firm "internationalization-ready" from an internal perspective.

Interestingly, Nave et al. (2024) found that not all dimensions of entrepreneurial orientation (EO) weigh equally. While innovativeness and competitiveness had measurable effects on the early internationalization of Portuguese SMEs, risk-taking and proactiveness did not. This suggests that simply being bold is insufficient; firms must be rational, adaptive, and strategic in their market entry approach.

A recurring theme across the literature is the vital role of networks. Whether framed through Network Theory or Social Capital Theory, relationships appear to be the connecting bridge between the firm and the global marketplace.

Mikhailitchenko's (2021) multi-country study found not only that network involvement positively influences internationalization but that it also mediates the impact of relationship commitment and a global mindset. This raises a critical point: even if a firm has high motivation and a well-developed global perspective, these attributes may be fruitless without the appropriate networks to activate them. This aligns with the argument by Zahoor et al. (2020b) that cross-organizational collaboration is no longer optional but a necessity for international success.

While not always at the forefront of older research, digitalization is featured prominently in recent literature. Steinhäuser et al. (2020b) and Calheiros-Lobo et al. (2023) note that digital tools, e-commerce platforms, and robust IT infrastructure increasingly serve as powerful facilitators for SMEs. These findings are particularly momentous in the post-pandemic era, where digital readiness can directly influence, if not determine, a company's international resilience and competitiveness.

1.12.2. Developed Vs. Developing Economies In Contest

A significant insight emerges when contrasting the findings from developed and developing economies.

- In studies from developed economies like Finland, Portugal, and Italy, the discussion often centers on strategic choices, innovation, and market orientation as a means of achieving a superior competitive advantage.
- Meanwhile, studies from developing economies like Bangladesh, Indonesia, Egypt, and Zimbabwe highlight a different set of internal challenges. The focus shifts to overcoming internal deficiencies, such as limited capital, human resource gaps, and access to technology.

For exemple, Islam et al. (2023) describe Bangladeshi SMEs constrained by both external barriers and internal capacity gaps, including limited market knowledge. These findings are consistent with Herman et al. (2024), who found Indonesian firms were constrained by limited access to skills and capital. This shows that while the goal is the same, the starting point and the internal strategic priorities are vastly different depending on the context.

1.12.3 Summary

The diversity of methods in the literature—from large-scale surveys to bibliometric reviews—reinforces that SME internationalization is a multi-dimensional process contingent on many factors. There is no single map to follow. While classic studies (e.g., Muhammad et al., 2009) provide a timeless list of internal success factors like financial health and product quality, more recent research adds crucial layers like organizational agility, learning capacity, and ecosystem engagement.

The theoretical perspectives are similarly diverse. While RBV and Network Theory dominate, frameworks like Born Global Theory and Transaction Cost Theory enrich our

understanding, demonstrating that firm-level internationalization is an evolutionary process influenced by experience, perception, risk appetite, and often, sheer necessity.

In summary, the firm-level discussion indicates that internal success factors are critically important but are highly differentiated by context. A proactive SME in Finland with sophisticated tech has a different starting point than a resource-constrained firm in Indonesia. This points to a key message: firm-level internationalization is less about having it all and more about leveraging what you have. Through strategic foresight, adaptive learning, committed leadership, and relational capital, even a small firm can become a global player.

This literature provides a crucial lens for the current study. It prompts key questions for the Palestinian ICT sector:

- What are the most critical, leverageable internal resources for a Palestinian firm operating under unique constraints? Is it technical skill, cultural adaptability, or something else?
- How networks are used as a strategic asset to bypass physical and institutional barriers?
- Is the Entrepreneurial Orientation of Palestinian ICT firms driven more by proactive opportunity-seeking or by reactive, survival-driven necessity?

This study will aim to answer these questions, providing a deeply contextualized understanding of the firm-level antecedents that drive internationalization in one of the world's most challenging business environments.

1.13. Discussion of Antecedents At The Managerial Level

When considering SME internationalization research, it is crucial not to focus exclusively on externalities like market access or trade policy. A growing body of literature suggests that what occurs within the firm, and more specifically within the mind of the manager, is equally, if not more, prominent. The studies reviewed in this chapter consistently relay one message: managers matter immensely.

Across varying regions and sectors, the manager serves a pivotal role. This extends beyond their formal abilities or status to encompass their mindset, attitude towards risk, strategic leadership, and capacity for opportunity recognition.

A powerful internal force directing firms towards international markets is the manager's Entrepreneurial Orientation (EO)—their propensity to innovate, act proactively, and undertake calculated risks. The research by Zameem and Bhavan (2024) on Sri Lankan SMEs highlights that EO, which includes an openness to learning and prior experience, is a strong predictor of internationalization. This aligns with RBV and Internationalization Theory, which recognize managers as the primary possessors and mobilizers of a firm's critical internal resources.

This argument is strongly supported by Chandra et al. (2020) in their study of Fijian SMEs. Using a multi-theoretical lens, they found that managerial competence was a key determinant of success, particularly for firms operating in environments with unstable institutions or limited infrastructure. The implication is significant: the manager's mindset and

competence can enable a firm to internationalize even when the external environment suggests a local focus is the only viable option.

Furthermore, the manager's personal motivation is a critical psychological dimension. Karabulut (2013) found that for Turkish SME managers, the primary drivers for internationalization were not cost savings but rather the ambitious desire to grow, access new markets, and build their brands. This shows that internationalization is often not just a reaction to the firm's needs, but a proactive fulfillment of the leader's ambitions, a concept well-explained by Born Global and International Entrepreneurship theories.

The impact of managerial traits is amplified in resource-constrained environments. Herman et al. (2024) demonstrate that while Indonesian managers face major impediments—lack of capital, limited human resources, poor technology access—some firms still internationalize. The differentiating factor is collaborative, adaptive, and visionary leadership. This research highlights a crucial shift in thinking: even the most capable managers require a supportive ecosystem, necessitating strong networks and engagement with government and private sector partners.

This conclusion is echoed in the Rwandan context by Kasema (2022), who found that while many factors influence internationalization, the entrepreneurial factors related to the manager were the most decisive. This serves as a clear reminder that institutional support can only be effective when the leadership has the requisite vision and initiative.

In more developed contexts, the manager's role shifts from navigating deficiencies to strategic value creation. Asemokha et al. (2019), studying Finnish SMEs, showed that

managers who facilitated early international expansion possessed a global mindset, strategic planning capability, and high networking ability. Supported by Dynamic Capabilities and Network Theory, this view presents managers not merely as responders to change, but as shapers of it, leveraging their strategic foresight and social capital for competitive advantage.

Recent literature increasingly emphasizes the manager's psychological and cognitive attributes. Sandoval-Álvarez (2024) highlights the importance of Costa Rican managers' global experience, risk assessment capabilities, and proactive behavior. These are not "soft" skills; they produce concrete outcomes in how SMEs identify markets, manage uncertainty, and adapt to change. This perspective, reinforced by broad reviews from Calheiros-Lobo et al. (2023) and Steinhäuser et al. (2020b), suggests we should view internationalization not just as a strategy, but as a direct manifestation of a managerial mindset and capability.

Even with a visionary manager, internal limitations can present significant hurdles. Rikala et al. (2024) and the Congressional Research Service (2022) provide an alternative lens by examining managerial issues in terms of human capital. They highlight how skills gaps and talent shortages can impede organizational effectiveness and innovation. This adds a layer of complexity: a manager's vision is constrained if they lack a skilled team to execute it.

Table 1.4: Summary of Selected Empirical Studies On The Antecedents At The Managerial-Level

Category	Author(s)	Country/Region	Dominant Theories	Methodology	Key Findings
Managerial Level	Zameem & Bhavan (2024)	Sri Lanka	RBV, Int'l Theory, EO	Questionnaire (490 SMEs)	Positive influence from: Entrepreneurial Orientation,

Category	Author(s)	Country/Region	Dominant Theories	Methodology	Key Findings
					Managerial Characteristics, and Firm Characteristics.
	Chandra et al. (2020)	Fiji	Uppsala, Network, INV, OLI, RBV, Institutional	Semi-structured interviews (30 SMEs)	Management competence (MC), Entrepreneurial Orientation (EO), and institutional environment are key factors.
	Karabulut (2013)	Turkey	Uppsala, RBV, Born Global	Questionnaire (267 SME managers)	Key reasons for expansion (managerial motives): Market size, selling products abroad, gathering resources, growth.
	Safari & Saleh (2020b)	Vietnam	RBV, Contingency, Dynamic Capabilities	SEM (364 SMEs)	Managerial Determinants: technical skills, motivation to export, networks, perceived benefits, risk-taking propensity.
	Kasema, R. (2022)	Rwanda	RBV, Market-Based View	Mixed-Methods (Interviews, Questionnaires)	Entrepreneurial elements emerged as the most critical factors driving internationalization.
	Herman et al. (2024)	Indonesia	Network, RBV, Institutional, Dynamic Cap.	Qualitative (interviews, observation)	Highlights the need for capacity development in management, marketing, and capital procurement.
	Asemokha et al. (2019)	Finland	Uppsala, Dynamic Cap., Born	Qualitative Case Studies (5 SMEs)	Highlights significance of adopting a global

Category	Author(s)	Country/Region	Dominant Theories	Methodology	Key Findings
			Global, RBV, Network		perspective and implementing strategic approaches.
	Steinhäuser et al. (2020b)	Developed Economies	Uppsala, RBV, Network, OLI, etc.	Lit. Review (669 articles)	Success influenced by characteristics of CEOs, including age, education, and international experience.
	Sandoval-Álvarez (2024)	Costa Rica	Network, Dynamic Cap., RBV, Institutional	Online questionnaires (131 managers)	Emphasizes significance of managers' global experience, proactive behavior, and risk assessment.
	Öhman, E. (2014)	Finland & Estonia	Uppsala, OLI, Network, RBV, Born Global	Qualitative case study	Comprehensive analysis across Managerial Level (Leadership & Entrepreneurial Factors), Firm, and Environmental levels.
	Rikala et al. (2024)	Global	Skill Gap Theory, Human Capital Theory	Systematic-narrative literature review	Skill gaps in management and workforce impede organizational effectiveness and competitive edge.
	Congressional Research Service (2022)	USA	Human Capital Theory, Labor Market Mismatch	Descriptive and analytical	Managerial skill gaps lead to difficulty filling positions, wage pressures, and reduced innovation.
	Soomro et al. (2015)	UK	InfoSec Management Models	Systematic Literature Review	Information security should be a critical business concern addressed at the board of

Category	Author(s)	Country/Region	Dominant Theories	Methodology	Key Findings
					directors' level.
	Gjorevska, E. (2023)	North Macedonia	EO, Innovation Theory, Risk-Taking	Qualitative Multiple Case Study	Market immaturity encourages managerial risk-taking, innovativeness, and proactiveness.

1.14. Synthesis and Implications for the Palestinian Context

These studies provide clear evidence that the manager is at the center of the SME internationalization process. Their decisions, capabilities, and motivations are often more influential than the firm's structural advantages or disadvantages. However, the picture is nuanced. The managerial role is relational, interfacing with firm resources, market opportunities, and the institutional context. This synthesis leads to critical questions for the current study on the Palestinian ICT sector:

- What are the primary motivations of Palestinian ICT managers? Are they driven by ambition and opportunity-seeking (as seen in Turkey), or by the necessity to overcome the severe constraints of the local market?
- What specific competencies and cognitive traits (e.g., resilience, adaptability, network-building) are most critical for a manager to succeed in an environment of chronic geopolitical uncertainty?
- How significant is the skills gap within the Palestinian ICT sector, and how does it constrain the strategic vision of its leaders?

Chapter Two

Research Methodology

2.1. Overview

This chapter involved on the research design, research methodology, and strategy to use of mixed study. It is also modifying the basis behind the research methodology used and to point out on how this research was carried out. Besides, this chapter clarifies the data collection and analysis techniques that has been done. The further explanation outlines the steps taken in gathering, analyzing, ensuring, and validating the data. The study painted the design of this research which explains the chosen methodology, philosophical and evidences, explained the exploratory sequential mixed methods design and the convergent parallel design, and justify the use of sampling design. In addition to that, model development and instrument development. Followed by interpretation and defined the actions to collect and analyze the data. Afterward, illustrated how the results being validated, and finally the summary of the study.

2.2. Research Process

The research process of this study can be divided into several stages. The researcher first ideas was to study ICT SMEs and their internationalization. Therefore, the researcher started his thesis process with forming preliminary research questions and sub-questions, which summarized the overall topic and objectives of my research, and writing a preliminary research plan to limit the scope of the study.

When started reviewing the existing literature, in the field of SMEs' international business research, Managerial level convergent findings noted that there is a research gap in the field of ICT SMEs internationalization research. The literature showed that there are several foreign studies, which examine the internationalization process of SMEs. But, there only inadequate number of these studies focused on examining the phenomenon of SME internationalization in the context of Palestinian SMEs. Furthermore, a very limited number of these studies examined internationalization antecedents focusing on Palestinian ICT SMEs. Therefore, the researcher decided to scope his research to ICT SMEs' internationalization antecedents in the Palestinian context due to the specificity of the Palestinian undeveloped market in terms of its recent origins, it's very small size, political and economic instability, it's strong connection to the Israeli market, and it's heavy dependence on foreign aid. And due to ICT industry which has short traditions of internationalization.

The next stages of the research process which was named a preliminary stage involved an extensive study through the collection of various secondary data sources. Based on, the study started to write the first version of the literature review, in which it revised several times during the thesis writing process. During this step of evaluation carefully, the study decided to conduct mix mode method using unstructured interviews, interview, and questionnaire. Mix methods seemed to be a more appropriate method for the purposes of this study, as it provides grounds for more extensive research and greater opportunity for generalizability and validity (Brown et al., 2015). targeted samples were selected based on their size, ICT industry and role in market for internationalization, as explained in detail in the coming sections.

After analyzing research topic in the light of a tool provided (Schoonenboom & Johnson, 2017; Shorten & Smith, 2017; Creswell and Plano Clark, 2018; Wisdom & Creswell, 2013). The researcher finally chose interviews and questionnaire as my main data collection method. It was stated that mix mode method of interviews and questionnaire well suited for exploratory studies, may be an optimal method for a small population of possible respondents, where it may help to develop a deeper understanding and confirmation (Wisdom & Creswell, 2013).

At the phase one of the research, the researcher conducted an extensive research online. Since it was very big challenge to find suitable SMEs just through online research, telephone calls, and via e-mail and visits to chamber of trade and commerce, trade unions, the association of companies and NGOs in order to obtain representatives stakeholders to be researched. The criteria used for selecting potential cases are presented in this chapter of this study. Thanks to their suggestions.

In phase one found, six experts for unstructured interviews and then ten companies' owners and employees, the unstructured interviews and the questionnaire were conducted between January and August 2020. While in phase two, the study conducted through a structured interview with 18 experts followed by a 42 participations and SME's owners and employees for the questionnaire in the field of SMEs and ICT sector which best suited my study purposes. the study conducted the structured interviews and the questionnaire in parallel between June 7, 2023 and February 07, 2024. After the interviews and questionnaires were conducted, the study finally started writing the findings and the analysis & discussion. Simultaneously, the study revised both the literature review and the research questions to

match the focused scope of the study, and in response to the issues that emerged from the interviews. Among other things, some irrelevant theories were removed from the literature review. All in all, the study process lasted four and a half years, due to the delays caused by the outbreak of convid-19 pandemic.

2.3. Research Design

Research designs are styles of inquest within mixed methods approaches that deliver specific road for procedures in a research study (Creswell & Creswell, 2018; Johnson & Christensen, 2014). It is a strategies of examination (Meanwhile, Denzin & Lincoln, 2018). Furthermore, Wright, O'Brien, Nimmon, Law, and Mylopoulos (2016) explain the key to quality research design is relying on the alignment of the researcher's worldview with methodology of research approach and methods of specific data collection, analysis, and interpretation tools. As for this research, the researcher has applied mix mode research design throughout the study. This is due to its flexibility and emergent in nature as expounded by Maxwell, (2013).

This chapter explained how the study will find out and examine the antecedents of the Palestinian ICT SMEs and their effects on the process of internalization. These antecedents as presented in chapter one are at the environmental level (Home & Host), the firm level and finally and managerial level.

2.3.1. Mixed Methods Approach

The study has conducted the mixed method procedures to use both methods in collecting data, quantitative and qualitative methods. By definition both present different type

of information, the quantitative show close-end information, while the qualitative shows open-end information (w Creswell, J., 2014).

Unfortunately, and due to the scarcity of literature addressing mixed-methods research design that enable researchers to choose an appropriate framework. Although the advantage and favored, it as a design that could lead to significant challenges to integrate both qualitative and quantitative methods, particularly if the researcher lacks proficiency in one of the methodologies (Dawadi et al., 2021).

2.3.2. Justifications And Philosophy of Mixed Method Study

Combining two methodologies may prove to be more effective than relying on a single approach. As it has the potential to merge and enhance various data sources, thereby facilitating the examination of difficult issues (Poth & Munce, 2020). There are six major justification for mixed methods research.

First, this approach enables to expand investigation with more depth and breadth, to generalize findings, and a comprehensive understanding of a phenomenon or concept for individuals. To get the benefits of gathering both closed-ended quantitative data and open-ended qualitative data enhance the understanding of the research issue (Creswell, 2003).

Second, the integration of the two methodologies, researchers can achieve enhanced reliability and broader implications in their findings (Maxwell, 2016). And it facilitates the creation of a more comprehensive understanding and allows for a broader range of differing or supportive perspectives (Teddlie & Tashakkori, 2009). Moreover, results present a

comprehensive view on a phenomenon and yield further understanding of its various elements, which may assist in the development of strong theories (Ventakesh et al., 2013).

Third, this approach facilitates the understanding of logical differences between quantitative and qualitative paradigms, thus offering a corridor to honest understanding (Bergman, 2008). It helps in promoting a detailed knowledge of a research occurrence (Lund, 2012).

Forth, the approach eases the completion of more strong conclusions. Integrating qualitative methods compensate for the limitations of quantitative methods, and conversely (Plano Clark & Ivankova, 2016)

Fifth, data triangulation within a mixed-methods research framework is widely recognized as a technique for validating findings derived from each distinct methodological approach (Bergman, 2008).

Sixth, to enhance the accuracy and efficacy of conclusions, it is essential to utilize the findings from one methodological approach—whether qualitative or quantitative—to inform and influence the application of another methodological approach. This integrative strategy is articulated by (Plano Clark & Ivankova, 2016)

Generally speaking, the two methodologies may be integrated in a sequential manner, where the results from one method guide the other, or in a parallel manner, where they operate independently of one another (Ventakesh et al. 2013). Mixed methods philosophical positions are frequently referred to as dialectical stances (Greene, J. C. 2007). Each type of data collection has limitations and strengths, to overcome the limitation, the researcher is using

both methods, as this will provide a stronger understanding for the research problem (w Creswell, J., 2014). Mixed methods studies integrate various theoretical perspectives (Creswell et al., 2011). They help to explain why and how phenomena occur and explore the range of their effects (Pasick et al., 2009). Advanced frameworks in mixed methods research

Mixed methods research offers powerful tools for investigating complex processes and systems. Besides the two basic mixed method designs of exploratory sequential, and convergent parallel, we will use the advanced framework multi-stage to extend mixed methods research designs (W Creswell, J., 2014; Creswell et al., 2011).

2.3.3. The Exploratory And Convergent Parallel Design

The mix methods design in this research encompasses the exploratory sequential approaches, the convergent methods and multistage design (w Creswell, J. 2014). Choosing one of these methods is related to the research question or problem and the date collection method and results validity. In the exploratory sequential design, the findings from one method are used to inform the other method or phase. In contrast, convergent design focus on combining the phases so that the quantitative and qualitative results can be compared (Fetters MD et al., 2013). The exploratory sequential design collects qualitative data first, followed by quantitative data. This type of mixed methods research is used when the goal is to explore a topic before collecting any quantitative data (W Creswell, J. 2014).

In our study by conducting interviews and then using a survey to further explore and validate and measure these interactions. The researcher and due to the lack of information or previous research in the Palestine regarding the research questions, the researcher chose to use

what it is like ground theory, in order to go deep into understanding the phenomena of ICT SMEs internationalization in the Palestinian context in this period .This multistage mixed methods, started by the exploratory sequential approaches as the researcher started by interviews followed by questionnaire as the first phase. Then followed in the next phase 2 with convergent parallel by a much wider and deeper interviews followed by a questionnaire with more participates.

The convergent approach is one of the most well-known strategy in mixed methods research. In convergent approach, the researcher collect both qualitative and quantitative data, analyzes them separately, and then compares the results to determine whether the findings support or contradict each other (w Creswell, J. 2014). A convergent design grounded in logicality as its theoretical foundation represents an effective and widely embraced strategy for integrating mixed methods research (Creswell & Plano Clark, 2018). The combination of qualitative and quantitative methods is employed to achieve triangulated results within this design. Initially, two distinct data sets are gathered simultaneously, followed by independent analysis utilizing both quantitative and qualitative analytical techniques. (Schoonenboom & Johnson, 2017; Shorten & Smith, 2017; Creswell and Plano Clark, 2018; Wisdom & Creswell, 2013).

In a convergent design, the integration of both data will help to gain a complete understanding of the provided quantitative or qualitative results. It is an approach in which two data sets are combined to get a complete picture of the issue being explored and to validate one set of findings with the other (Creswell & Plano Clark, 2018).

In this study, the qualitative data via interviews and the quantitative data was collected through a survey. Then the results derived from these two data sources align or differ were used. Where the results are inconsistent, the researcher explains the findings by revisiting the data, gathering additional information, or assessing the quality of the dataset. The purpose of integration within a convergent parallel design is to produce outcomes and interpretations that enhance comprehension, are thorough, and are substantiated and verified (Creswell & Plano Clark, 2018).

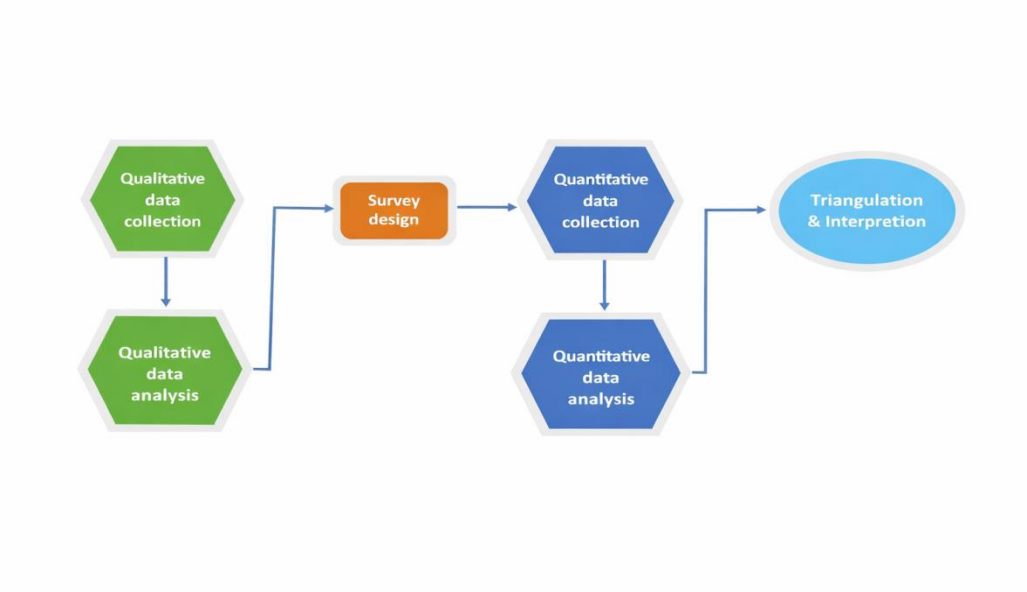

Figure 02: Exploratory sequential mixed methods design, Alele, (F., & Malau-Aduli, B. 2023)

In the analysis phase, the study used both methods to identify shared concepts within both sets of findings. Integration within a convergent design can through: a) first presenting the results of the qualitative study, followed by those of the quantitative study, b) second

converting qualitative data into numerical counts and subsequently incorporating this transformed qualitative dataset into the quantitative data.

2.4. Model Development

As previously stated in chapter one there were several models for module development have been developed and introduced by researchers. The research will use the Onwuegbuzie & Leech (2006) model which developed further by Kuivalainen et al. (2012) and Öhman (2014) as a base for understanding the antecedences that works as a push or pull forces for SME's to go international. The use of the model based on Onwuegbuzie & Leech (2006) model and the developed model of (Öhman 2014).

The Öhman model has been widely used and applied in model studies at the postgraduate level as well as research studies in antecedents of multiple case study of Finnish SMEs' Internationalization expansion into Estonia. As stated in table 2.1, by examining the antecedences related to home country and host countries. Home county elements including: home size, location, openness of the domestic market, While the host country comprise of: distance, location, costs etc. The table 2.1 shows the tested model antecedents of SME Internationalization.

Table 2.1: The Antecedents of SME Internationalization

Environmental level		Firm level	Managerial level
Home country	Host country		
Small size	Distance	Resources	Experience
Peripheral location	Location	Knowledge	Entrepreneurial orientation
Openness of the domestic market	Cost	Strategic orientation	Competence
Lack of skilled labor	Labor availability	Networks	Age
Tightening of corporate taxation	Growth of demand	Capabilities	Education
Increasing cost	Economies of scale	Liabilities	Commitment
	EU membership	Size, age, sector	Mindset

	Low completion level		
	Economic growth		
	Further internationalization opportunity		

Source: adjusted version based on the model developed by Elena Öhman (2014)

In our study, this model was integrated and adjusted for unstable and hostile environment and economic conditions. It can provide an opportunity to use this model in building the desired module. Furthermore, this model is flexible and can be used due to the similarities found in variables during the data collection phase, this model enhance our understanding of the antecedences of SMEs' internationalization in the ICT sector in the Palestinian territories, which will be examined further to examine variables. The model's antecedences are presented in three main levels: the environmental level, the firm level and finally the managerial level.

The environmental level antecedences of home and host country try to examine the surrounding environment that could facilitate the process or the opposite of SME's internationalization. The firm level focus on the firm itself, for example its: size- age- sector, resources, knowledge. Finally, the managerial which focus on the mangers, for example: mindset, experience, entrepreneurial orientation.

The study development model framework has three main phases the draft module development or the preliminary phase as stated involves the drafting of the Elena Öhman 2014. Then phase 1 the module was testing using mix method approach of qualitative and quantitative as stated in table 1. The developed integrated new model (phase 2) was tested

using mix method research design. The table 2.2 bellow shows the developed model variables based on the previous model:

Table 2.2: A Comparison Between The Model And The Integrated Developed Model

Environmental country level				Firm level		Managerial level	
Home / The model	developed model	Host /the model	developed model	The model	developed model	The model	developed model
Small size	One market/ Dependency	Distance	Digital payment	Size, age, sector		Mindset	
Peripheral location	Warzone	Location	Israeli market	Resources	Labor commitment, inconsistency of services, financial and technological resources,	Experience	
Openness of the domestic market	Unknown market	Cost	Covid 19	Knowledge	Certificate, technology trends,	Entrepreneurial orientation	International orientation
Lack of skilled labor	Training / Gap of skills	Labor availability	Competitive advantage	Strategic orientation	Strategic orientations	Competence	Competence
Tightening of corporate taxation	The law	Growth of demand	Global demand	Networks	Networking	Age	Age and experience
Increasing cost	Price of services	Economies of scale	Israeli market	Capabilities	Immature industry	Education	Education
	Time zone	EU membership	Trust	Liabilities		Commitment	commitment

	Information scarcity	Low completion level					
	Investments	Economic growth					
		Further opportunities					

Source: Developed by the researcher

2.5. Instruments Developments And Testing

Doyle et al. (2009) identified benefits or rationales for using mixed methods, including triangulation, and instrument development and testing. According to the data collect, the researcher is conducting data using interviews and questionnaire for every phase, the data collect aim at gathering information regarding the same variables (w Creswell, J. 2014). The two main instruments tested are both the interview at first step of data collection followed by a questionnaire that was developed for the objective of this study.

2.5.1. Qualitative Instrument

In this study, the interview was qualitative data collection method. The informed interviewees was obtained through the use of information sheet about the project and how the interview data would be used and outlined, informed interviewees on their right and also guaranteed the secrecy of the results (Wiles et al., 2007). For accuracy, the interviews were all recorded using a digital voice recorder, besides writing notes. When interviews finished, the researcher summarized the interview duration, the interviewee's responses throughout the interview, the location, marital status, age and occupation of the interviewee.

At the exploratory stage six interviews were conducted with six experts who agreed to participate, well knowledgeable in the ICT SMEs internationalization felid in order to obtain an overall view of ICT SMEs internationalization determinants, themes and subthemes. The

sample consists of academia, policy makers, government agencies, research institutes of incubators, non-governmental organizations. The expert's main criteria used in this study for choosing a panel includes: five years' experience and above and professionalism to elaborate on the subject, connections or networking with ICT SME's on the work field, and familiar of the international business concepts.

The researcher made appointments with them by a letter of consent, followed by a phone call. The researcher managed to interview them after some follow-up phone conversations. The interviews took one hour to one hour and a half. Both the recordings were write down and any issues related to the internationalization of SMEs were noted using codes and themes Appendix (1)

The searcher used interviews to examine variables an elements related to the antecedents. At the first stage, content analysis is used. Codes and themes formed which helped in drawing version one for the new model. Second stage was followed to validate themes. At the convergent approach the qualitative approaches, the structured interview was developed Appendix (2) The instrument have three main questions about the determinants of ICT SMEs international factors. They include three main questions of themes and 14 questions for subthemes of home country, three questions for subthemes for host country, nine questions for subthemes for firm level, six questions of subthemes for managerial level.

In the second phase the structured interview was developed. The researcher has interviewed 18 experts in the field of SMEs and ICT sector. 18 Structured interviews were conducted, four experts are from academic field, one from the government as policy maker,

five are from research institutes/incubators, eight are from Non-governmental organization, as shown Appendix (3)

2.5.2. Quantitative Instrument

The questionnaire instrument was developed. The questionnaire has used the themes that formed in the preliminary stage, 10 SME's were selected. The researcher used the snowball sampling technic to reach more SME's as official databases are not providing enough and accurate information.

Despite the fact that the ICT SMEs should be registered in Palestinian minister of Tele communications and Information Technology, Palestinian ministry national economy and in non-governmental organization like the Palestinian Information Technology Association (PITA). But the researcher faced some challenge to find the SME sample members as most of them are working with no formal registration officially.

The research verify the databases, according to the type of SME's business operations, number of workers and capital, theses condition are all according to previously mentioned condition and Palestinian law. The Appendix (4) below show the databases provided by some of the previously mentioned bodies, noting that most of these databases are outdated and do not reflect the actual figures.

From the official databases, only nine SME's completely verified and obtained while the other names are not either not related or do comply with the conditions. The aim of the questionnaire with ICT SMEs owners is to find out and determine the internationalization factors.

In the process at first the unclear questions regarding the questionnaire or structure of the questionnaire design were adjusted and a final version of the questionnaire was designed and developed. A three Likert scale was used (Disagree=1, Neutral=2 and Agree=3). The total questionnaire items are 26 questions using the previous themes results, with ten local firms using a purposive sample. Appendix (6)

The questionnaire in phase two step two has developed depend on phase one and used the 3 Likert scale (Disagree=1, Neutral=2 and Agree=3). The study has used the same criteria sample selection of phase one. While the total developed questionnaire items in the phase 2 are 33 items.

The questionnaire includes (10 questions) at the home country level (They include the effect factors on SMEs Internationalization: “WAR Zone" effect, graduates’ skills and market needs. Training, Investments, secure information, Time Zone, The law, the market size, Palestine and Israel Israeli market. At the host level the questionnaire includes (7 questions): Israeli market shortages in ICT, Demand of service, International expansion trust, and competitive advantage cost, inadequate payment system, Covide-19 effect. And (9 questions) at the firm level.

They include the effect of networking, certificates, labor commitment, and inconstancy of service, technology trend, strategic orientation, financial resources, technological resources, and immature industry. At the managerial level there are (7 questions). They include: the international orientation, competence, education, age and experiences, and commitment.

Table 2.3: The Questionnaire Structure

Section	ICT SMEs International Factors	Items Phase 1	Items Phase 2
1	Environmental factors for home and host country/ies	12	17
2	Firm factors	9	9
3	Managerial factors	5	7

Due to the challenges of finding SME's to participate, the researchers employ a snowball and purposive sampling strategy, selecting panel members who possess relevant expertise related to the issue under investigation (Cowan, D., et al., 2013). The selection of panelists is aligned with the specific objectives of the study. The researcher agrees with the notion that panelists are intentionally selected based on their knowledge and experience. This methodical selection process enables the researcher to obtain insights from individuals who are most qualified to contribute.

The criteria for the selection of panel members is important. It is essential to recognize that fulfilling every need is not a prerequisite for an individual to be selected for the panel. Certain criteria may be applicable to specific members while remaining irrelevant to others. It is essential to recognize that there is no predetermined size for the researcher. The number may vary significantly based on the objectives of the study (Habibi et al. 2014; Avella, 2016).

The criteria for the selection of panel members include:

- All working internationally at least 25% of their work.
- Considered SME according to the Palestinian law
- Possess a minimum of 5 years of professional experience.
- Have sufficient knowledge to provide in-depth analysis.
- Maintain numerous relationships with the subject.

- Comprehend fundamental principles of international commerce business.

In phase two, in the sample there are 42 participants' including: Academia, policymakers/government agencies, research institutes/incubators, non-governmental organizations and SMEs owners/employees. They are distributed geographically in the West Bank, from the north 32%, from the middle 33% and 35%.from the south of the West Bank.

Some of the previous experts and SME's owners and employees are circulated among 42 SMEs and experts in the West Bank. The study has used purposive sampling technique. To check the validity and improve the model numerical scale for analysis and to use the results for matching and comparing with the first stage to find: confirm, dis-confirm, or provide mixed results, or enhancing overall understanding of the problem. Appendix (5)

2.6. Data Collection And Analysis

Mixed methods research design is favored for its ability to combine both qualitative and quantitative approaches, which helps to minimize the limitations inherent in each (w Creswell, 2014). In this study, qualitative and quantitative data collection methods will be used in two phases in development model, namely — the exploratory sequential mixed method design in phase one, convergent mixed method design in Phase two.

In this study we combine and compare different perspectives, explain results, and develop better measurement instruments. By first collecting and analyzing qualitative data, and then administering these instruments to a sample. To understand results, the study incorporating individuals' perspectives, a more comprehensive understanding of the changes needed for marginalized groups by combining qualitative and quantitative data. The research problem was understood and measured well through quantitative and qualitative outcomes.

The qualitative exploration may occur usefully before developing a suitable measurement instrument (Creswell et al., 2011).

The researcher examined the problem from various perspectives to deepen and enrich the understanding of viewpoints. he study integrated both quantitative and qualitative data to gain a more comprehensive understanding of an issue. This approach helps to create a complementary picture, allowing for the comparison, validation, or triangulation of results. It also provides context for trends and enables the examination of processes and experiences alongside their outcomes.

For instance, as in this research using mixed method, one phase often builds on another, when a quantitative phase follows a qualitative phase, the researcher intends to create a survey instrument, intervention, or program that is informed by the insights gathered from the qualitative findings.

2.6.1. Phases of Data Collection

The research due to the lack of previous studies in the area, the researcher conducted the research on multiphase base. As explained this method is used in examining and explaining the antecedents' variables that guide the internalization for SME's working in the ICT sector. The study's goal, which is the initial step of the mixed methods research process, requires a decision about the overall long-term aim of the study (Newman et al.'s 2003).

The study goals is to understand the complex phenomena as this study is one of the first studies regarding the issue, digging out and examining the new variables , which will lead to the research objectives. Five major standard research objectives are related for the quantitative and qualitative phases of the study: (a) exploration, (b) description, (c) explanation, (d) prediction, and/or (e) influence (Johnson & Christensen, 2004).

This study has two phases next the preliminary phase. Phase one is and phase two.

The study first objectives' is focusing on exploring the internationalization issue further as mentioned in the introduction of this study, as this will enable us to understand the antecedents on the three levels: home and host environmental level, firm and managerial levels. To reach this goals, Bouyssou et al. (2006) proposed that, in the context of organizational problems, we are more interested in difficult procedures beside empirical and intuitive ones. The formal approaches are described as a set of explicit and clearly defined rules for gathering, analyzing, and processing data in order to develop recommendations (Bouyssou et al., 2006).

According to Bouyssou et al. (2006), such models improve transparency, encourage dialogue between various actors and stakeholders, and assist players in developing a shared understanding of the issue at hand in order to develop ideas for resolving it. Numerous parties involved in the issue of ICT SMEs internationalization in the Palestinian environment have various points of view and preferences. They are different in knowledge, experiences and understanding, therefore the researcher will gather this information and come out with a better understanding of the antecedences.

The researcher conducted the research phases based on data collection and analysis method to develop the model. The preliminary phase was conducted to develop the study variables, questions and antecedents.

2.6.1.1. The Preliminary Phase of Data Collection

The research is trying to understand the factors affecting the internalization of SME's. Referring to previous studies mentioned in chapter 1 the researcher will use the Onwuegbuzie

& Leech (2006) model which developed further by Kuivalainen et al. (2012) and Öhman (2014) as a base for understanding the antecedences that works as a push or pull factors for ICT SME's to go international. The research questions and sub-question of this thesis are defined as follows:

- What are the antecedents of internationalization for Palestinian ICT SMEs?
- What are the antecedents of main internationalizing factors?

This is due to the similarities found in preliminary analysis set of variables during the data collection phase. This model enhances our understanding of the antecedences of SMEs' internationalization in the ICT sector in the Palestinian territories.

The model's antecedences are presented in three main levels: the environmental level, the firm level and finally the managerial level. At the environmental level, this antecedences is try to examine the surrounding environment, that could facilitate the process of SME's international, or the opposite. The firm level focus on the firm itself, for example its: size- age- sector, resources, knowledge.... finally the last variable, the managerial which focus on the mangers themselves, for example: mindset, experience, entrepreneurial orientation.

Data in preliminary phase was collected using a number of methods such as document analysis interviews, and survey development and analysis. Data in phases 1, and 2 the draft of constructed data in the way of the proposed integrated model was tested using qualitative interviews and quantitative survey methods.

Results and integration are done to determine the Palestinian ICT SMEs model need to build internationalization business. In addition, it is also implemented to determine and select the matters that need to be included in the module and made them as the contents.

This study included three phases of analysis, which employed document, qualitative content analysis and quantitative survey methodologies for data collection and analysis. Data were sourced differently based on their stages, which required a distinct data gathering strategy to reach the sources. Each step yields distinct findings, which indicate the objectives to be fulfilled.

2.6.1.2. Phase One of Data Collection

To develop the antecedents model and make it more appropriate to the local environment, the researcher initially met individually with six experts in the field in an unstructured interviews, discussed the antecedents that affect the internationalization of SME's in the ICT sector in the Palestinian Territories,

Data collection method was both interviews and questionnaire with different samples. The sample size may vary between the qualitative and quantitative components (Creswell & Plano Clark, 2011). The participants involved in the qualitative aspect of the interview represent a subset of those engaged in the quantitative study. The researcher recognize that the merging process may become more complex when analyzing and interpreting the data. Additionally, one of the objectives is to integrate various results to create a cohesive understanding of the issue under investigation. At the same time, smaller qualitative component combined with a larger quantitative component enables researchers to conduct thorough qualitative investigations while also facilitating a robust quantitative analysis of the subject matter (Creswell & Plano Clark, 2011).

2.6.1.3. Phases Two of Data Collection

In Phases 2 is aiming to continue with verifying finding in the first phase. Therefore, this phase contains two main stages of qualitative and quantitative approach conducted in parallel. At the qualitative approach a convergent method was applied. At interviewing and surveying a larger group of experts for further understand and examine the antecedents at the same time. The second section is the quantitative approach which aim to verifying the findings but in a separate path. By the end of this phase the results are compared together to show conformity or divergence.

The overview of testing phases of research design is shown in Table (2.4) below, which includes the stages of the research, the means of data collection and its sources, the approaches and results of the data analysis, and the measures used to maintain the study‘s trustworthiness.

Table 2.4: phases of data collection

Phase 1	Method	Categories	Sampling	Purpose	Result
Stage 1	Qualitative: Unstructured interviews with (six) experts	Academia, Policy makers/ Government agencies, Research institutes/incubators, Non-governmental organizations	A purposive Sampling: Recommendation came from experts. snow Ball sample	Examine and comparing existing model and variables with the current Palestinian content	Built an initial model using (coding and themes) used to build the question naire used in second stage.

Stage 2	Quantitative: Questionnaire	10 SME's owners and employees	A purposive Sampling: Snow ball	Validating the variables from stage one	Variables validated and mostly confirmed with first stage results, further stages will examine the variables on a wider scale
Phase 2	Method	Categories	Sampling	Purpose	Result
Stage 1	Qualitative Structured interviews with 18 experts	Academia, policymakers/government agencies, research institutes/incubators, non-governmental organizations	Purposive sample	To develop and update the previous model by verifying /expanding variables	Coding and themes used to build a deeper understanding of the model. Findings converted to a numerical scale for analysis.
Stage 2	Questionnaire	Academia,	Purposive	To check the	Numeric

	circulated among 42 SMEs and experts in the West Bank	policymakers/government agencies, research institutes/incubators, non-governmental organizations.SMEs owners/employees	sampling	validity and improve the model	al scale for analysis and to use the results for matching and comparing with the first stage to find: confirm, dis-confirm, or provide mixed results, or enhancing overall understanding of the problem.

2.7. Data Analysis

The first interviews with six experts were coded and themes and subthemes were recognized. The fulfilled questionnaire is then analyzed, any elements received 51% of agreement were considered significant and valid, a new version model formed reflecting the two previous stages. The questionnaire data was then analyzed using the statistics package SPSS. The detailed method of analysis is explained in the Chapter three and four which

highlight the results. However, the following general principles are given as an overview: data was coded and transformed into different types of variables. Descriptive statistics were generated for each variable by using frequency distribution. For categorical data, frequencies and percentages were used to describe each variable for the population.

The researcher analyzes the two databases (qualitative and quantitative) distinctly and uses the findings from the initial exploratory database to develop quantitative measures. This approach requires the researcher to carefully consider the steps of qualitative data analysis and identify which findings should be further explored (w Creswell, J. 2014). The researcher employs grounded theory, and the theoretical model generated may serve as a framework to be tested in the subsequent quantitative phase. A qualitative case study can produce various instances that highlight significant variables in the subsequent quantitative phase. The sample in the qualitative phase should be excluded from the quantitative phase to avoid unnecessary duplication of responses.

2.8. Validity And Reliability

Trustworthiness in mixed methods research primarily due to the differing criteria used to evaluate quantitative and qualitative methodologies. In quantitative studies, it is essential for the research to demonstrate internal validity and reliability to ensure generalizability. Conversely, qualitative research emphasizes the importance of credibility, transferability, dependability, and conformability, which are often considered the "gold standard". To effectively evaluate the quality of mixed methods studies and their findings, researchers must enhance the accuracy in reporting both quantitative and qualitative data (Brown et al., 2015).

To enhance the accuracy and credibility of the study, the authors employed a variety of strategies. The researcher utilized diverse data sources, including interviews and survey responses, to triangulate their research findings. And implemented member checking to verify the accuracy of the data collected. For example the research conducted in the being unstructured interviews, then and to validate the results, a survey conducted to verify findings from the interviews. After that the research conducted a thorough and deep interviews with knowledgeable experts at the same time a questionnaire carried out paralleled to verify and increase rigor and credibility of their study. “Generate data which hold independently of both the research setting and the researcher or interviewer” (Silverman, 1993, p.92).

The concepts of reliability and validity can be formularized as trustworthiness, accuracy and quality in the qualitative model (Golafshani, 2003). Lincoln and Guba (1985, p. 301) suggested techniques to make the findings trustworthy. The credible findings through triangulation, an activity that makes possible checking preliminary findings and interpretations against archived “raw data”; and an activity providing for the direct test of findings and interpretations with the human sources from which they have come the constructors of the multiple realities being studied (member checking)”.

In this study, triangulation (preliminary analysis, interviews and questionnaire surveys) was used to get reliable findings. Literature reviews were also used in the preliminary stage and to support the findings.

Regarding validity and reliability, in this study there is diverse population and situations for interviews and questionnaires. From literature the research findings can be valid and reliable and they are readily to use because the findings provide insight, understanding,

and work with diverse populations and situations to bring about desired change (Corbin & Strauss, 2008, p. 301). According to Maxwell (1992), “understanding” is a more basic concept for qualitative research than validity.

2.9. Summary

As the researcher has used the multiphase mixed method in his research, this is related to the topic searched and to the challenges the researcher faced due to the lack of previous studies related to research problem associated to the local environment. The researcher used the exploratory sequential mixed methods at the first level, using this method the researcher started with the qualitative data collection, by meeting six experts in the field, conducted unstructured interviews , analyzed the interviews into codes and themes, which allow the researcher to form the first version of his model. Using the finding from the first stage, the researcher conducted a short questionnaire distributed on ten firms Appendix (4), to validate the results from stage one. By the end of the level, the researcher was able to present the first version of antecedents’ model, which allow the researcher to move to the next level in the research. Following that, the researcher use the convergent mixed methods moved to the next level, at the first stage, a deep structure interviews conducted with 18 experts in the field, these interviews analyzed thoroughly and at the same time the next stage conducted by a questionnaire distributed at Palestinian SME's working in the field in addition to the interviewees who interviewed. The results then analyzed.

Finally, both the data from the interviews and the questionnaire were combined to find out conformity or divergent. The researcher purposely invited a panel of 18 actors representing various stakeholders .The invitation were based on the researcher's knowledge

and experience, this choice was made. However, the researcher argues that the panel size is adequate to achieve the study's purposes, because reaching consensus on a larger panel in the circumstances of the present study would have been too challenging given their minimal background in using such techniques.

Finally the researcher after finishing with the two research method and mixing results, the findings are presented to clarify the antecedents that affects the internalization of SME's in the Palestinian territories. The findings will be discussed further in the coming fourth chapter.

Part two

Empirical Study

Chapter Three

The Findings

3.1. Introduction

In this chapter, the study describe the mix method analysis of the data, including the practical steps involved in the analysis. In the qualitative phase, the study analyzed the data into generative themes, which will be described individually. Then it describes how the themes overlap. Next links the findings to the theory body in Chapter four. Evaluating whether and how the data illuminated and answered the research sub-questions will be considered in Chapter 4, where the primary question of this study will also be answered.

Analysis of the data was guided by revealing model by means of which is aimed to view the description against the context in which it was set and the subjective viewpoints of the participants. Participants of research have their experience and relationship in ICT SME's, which form part of the analysis of the group that they form, in which this give meaning to their answers. As the theoretical framework was SME's internationalization, it was found that the framework of the research is appropriate for the study as it enabled me to explore the SMEs international factors in the context of Palestinian ICT environments. In analyzing and interpreting the qualitative interviews and quantitative questionnaires, the finding was revealed in two phases. Included in this chapter: Data analysis process, explaining the relationship between finding and research method. Phase One Exploratory Findings shows the Step one Coding of Themes. Phase two findings including qualitative findings, quantitative findings, and finally the convergent findings.

3.2. Data Analysis Process

In analyzing the data, part of the process implied the understanding how the study was actually to make sense of the data. This chapter exposes the evaluation model that will be designed to provide understanding to the problem statement articulated in the preceding chapter. The study was concerned with evaluating the antecedents of SME's Internationalization in the ICT sector in the Palestinian territories, the primary aim intent to identify the actual antecedents that precede before the process of moving SME's to the international business. The second purpose is to rank the antecedents by level of importance as perceived by participations. The researcher used the multi phases mixed methods designs to report the study results, The table 3.1 shows the steps.

Table: 3.1 Multi Phases Mixed Methods Designs

Phase 1: Exploratory Sequential Mixed Method Design	Step One: qualitative unstructured interviews with six experts	Codes and themes
	Step Two: A quantitative 3 Likert scale (Disagree=1, Neutral=2 and Agree=3), questionnaire using the previous themes results, with ten local SME's.	The findings of this phase used in the next phase.
Phase 2: Convergent Mixed Method Design	Step One: A qualitative research method was conducted an 18 structured interviews. There three themes. The environmental home country level with 14 subtheme questions. Followed by the environmental level host country subthemes with 11 questions. Then the firm level theme with 8 subtheme questions. Last the managerial level theme, consist of 6 subtheme questions.	They were asked the validated questions in phase two. Frequencies and percentages were used (51% and above is considered valid and significant, and less than 51% considered insignificant). Beside a one sample t-test was used to realize the level of agreement.
	Step Two: Quantitative research of 3 Likert scale (Disagree=1, Neutral=2 and Agree=3) questionnaire of 42 participants'. Some previous experts and SME's owners and employees.	A descriptive results of the level of agreement to the antecedents that affect the SME's internalization
	Step Three: The convergent findings	The Quantitative levels results of

		(High, Moderate and Low) and Qualitative levels results of (Agree, Neutral, Disagree) will be converged to results level of (Confirm, Enhance, Contradict, Enhance/Mixed, Enhance/Mixed

3.3. The Research Method And Findings

This study investigates the internationalization of Palestinian SMEs, particularly their outsourcing activities. In particular, it will identifies the main factors that determine the Palestinian ICT SMEs internationalization main model. The study further explores these factors for SMEs to go international based on main levels of environmental home and host country factors, the firm factors, and from the managerial factors. It identifies the role of environmental home and host level, firm and managerial level in pushing SMEs to go international. Finally, this study investigates the factors influencing SMEs' international engagement. The study measures SMEs' internationalizing factors based on the research results.

This study was conducted in the West Bank, used both primary and secondary data. The secondary data obtained from various resources to highlight the research context and to form the SMEs database from which the study sample was drawn. this data was gathered through literature, ministries in Palestine, trade unions and non-governmental organizations data resources. While the primary data was gathered with mix methods of interviews and survey questionnaires administered to SMEs owners/managers and experts whose areas are related to SMEs' international activities.

In this research, the researcher used the multiphase design including two main phases (phase one: exploratory sequential mixed methods design, while phase two: convergent mixed method design). Integrating results from various phases may be challenging due to data

collection and using mix method of research. The accuracy and validity of each dataset must be considered, as well as whether philosophies related to quantitative and qualitative research can or should be combined (Creswell et al., 2011).

In phase one, the exploratory sequential mixed methods design was used. The first step was with the qualitative unstructured interviews conducted with six experts to identify the themes. In the second step, the quantitative survey was developed and conducted with 10 SME'S owners and employees. Frequencies and percentages, beside a one sample t-test were used to realize the level of agreement.

In phase two, convergent mixed method design was used. At first, a structured interview was conducted with 18 experts. They were asked to validate the themes resulted in the last two steps. Analysis of frequencies and percentages were used (51% and above is considered valid and significant, and less than 51% considered insignificant), beside a one sample t-test were used to realize the level of agreement. In the second step, a descriptive study used a questionnaire on 42 participants' of experts, (owners and employees) was conducted. A descriptive analysis of the level of agreement to the antecedents that affect the SME's internalization, mean comparison test (independent t-test).

Within the table, the researcher have indicated when a quotation was drawn from the interviews with special focusing on the ICT SME's experts in West Bank regarding the firms' internationalization. Take a close look at the three main methods available to knowledge intensive SMEs and provide a framework to analyze these methods and their outcomes. The framework was tested by (Kuivalainen et al., 2012) with results from a research project focusing on the start-up patterns and outcomes of internationalization of Finnish SMEs.

3.4. Phase One: The Exploratory Findings

This phase consists of two steps. The first step is qualitative unstructured interviews with six experts conducted to identify the themes. In the second step, a quantitative survey conducted with ten local firms. Frequencies and percentages, beside a one sample t-test were used to realize the level of agreement. The table 3.2 shows the steps.

Table 3.2: Phase 1 Exploratory Sequential Mixed Method Design

Phase 1: exploratory sequential mixed method design	Step One: Qualitative unstructured interviews with six experts	Coding and themes
	Step Two: A quantitative 3 Likert scale (Disagree=1, Neutral=2 and Agree=3), questionnaire using the previous themes results, with ten local SME's.	The findings of this phase are used in the next phase.

3.4.1. Step One: Coding And Themes

We are especially focusing on the six ICT SME's experts in West Bank early phases of firms' internationalization. We take a close look at main methods available to knowledge intensive SMEs and provide a framework to analyze these methods and their outcomes. The framework was tested by (Kuivalainen et al., 2012) with results from a research project focusing on the start-up patterns and outcomes of internationalization of Finnish SMEs.

The Purposive sample of six experts in the ICT SMEs field was interviewed personally to discuss the proposed themes and subthemes that positively make challenges for ICT SME's going internationally (Öhman 2014). The researcher purposely invited the experts who representing various stakeholders. The invitation were based on the researcher's and other experts knowledge and experience profile.

The sample consists of Academia, Policy makers, government agencies, research institutes of incubators, Non-governmental organizations. The expert's main criteria for choosing a panel includes: five years and above of experience and professionalism to elaborate on the subject, connections or networking with ICT SME's on the work field, and familiar of the international business concepts.

In this step it was numbered each 'turn unit' of the transcribed participant point of view. This enabled clearer presentation of data when the themes were described and supported by quotations in the final written thesis, then followed the theme analysis process. Open coding required reading the data in order to understand of how patterns could be clustered and coded. Open coding involves naming the identified patterns or categories of expression, breaking them down into discreet parts, closely examining them, comparing them for similarities and differences, and questioning the phenomena.

Selective coding was the final process whereby all themes, from the document of the combined participant's themes, were divided into a selected number that comprised the final presentation. Within the tables indicated a quotation was drawn. As well as allowing for expression on other issues. Participants' experience could be established into themes, as it is found that the participants' had an influence on outcome.

These main themes, generated and developed from the sample of six interviewed experts in the ICT SME's in the West Bank. Depends on, to understand factors affecting the internalization of SME's, and the impacts of its antecedences on the ICT SME's internationalization.

The developed model has argue that there are three antecedences levels: environmental level, firm level and finally the managerial level. The environmental level focuses on the surrounding environment consists of the home and host countries. Home County involves home size, location, openness of the domestic market. Then the host country comprise of: distance, location and costs.

The firm level focus on the firm itself. It includes the size- age- sector, resources, knowledge. Finally the managerial level. After that correct the previous model accordingly to the response received, and to verity the results the researcher conducted a Preliminary adjusted model was developed as showed in the appendix , based on three variables: Environmental level of home and host country, the firm level, the managerial level. Appendix (7)

3.4.2. Step Two: Quantitative Findings

The following results of step one of this research. As a result, a quantitative 3 Likert Scale (Disagree=1, Neutral=2 and Agree=3), questionnaire was developed using the previous themes results. A purposive sample with 10 experts.

The preliminary questionnaire was developed as follow: a first draft questionnaire been prepared, ten experts answered the questionnaire to validate the themes and subthemes. We try to expand the accuracy of previous circumstances of the phase one experts.

The sample specification include. All of the experts are working internationally for at least 25% of their work. They were considered ICT SME's according to the Palestinian law. Then the results were correlated and the new adjusted model was tested. Results are presented

in the following at the environmental level of home country level followed by host country level, then the firm and managerial level.

3.4.2.1 Environmental Level

On the environmental level, the researcher is examining the options of firms owners/managers who agree to participate in the questionnaire, answering the questions regarding the research variable on the environmental level including home and host country.

3.4.2.1.1. Home Country

The 10 subthemes in the home country level include warzone, the gap of graduate skills, the training skills, not sufficient investments, Secure Information, time zone. The law, unknown market, one market, and dependency. The result as follows in table 3.3:

Table 3.3: Home Country

Home country	Theme/ sub-theme	One Sample Test		Percentages			Result
Questions		Mean	S.D	Disagree	Neutral	Agree	
The ICT SME's face the “WAR Zone" stereotyping where international companies are reluctant to do business.	WAR Zone	2,80	0,42	0.0%	20%	80%	Agree
There is a GAP between graduates’ skills and market needs.	GAP of Graduate skills	2,80	0,42	.0%	0.0%	100%	Agree
Training to enhance the graduates’ skills are needed.	Training skills	2,40	0,52	0.0%	20%	80%	Agree
Investments in the ICT’s are not	sufficient Investments	2,70	0,67	10.0%	10%	80%	Agree

sufficient.							
There is a the lack of information security	Secure Information	2,80	0,42	0.0%	20%	80%	Agree
ICTs and international companies with similar "Time Zone" will facilitate doing business.	Time Zone	3,00	0.0	0.0%	0.0%	100%	Agree
The law is lack to issues affecting outscoring negatively. For example, copy right, legal ownership and taxations.	The law	2,90	0,32	0.0%	10.0%	90.0%	Agree
The market is unknown for international companies which it is difficult to develop such a business.	Unknown Market	2,80	0,63	10.0%	0.0%	90.0%	Agree
Palestine and Israel are considered as one market which allows us to do business in the Israeli market.	One Market	2,70	0,67	10.0%	10.0%	80.0%	Agree
Palestinian ICT's are working outsources to the Israeli companies.	Dependency	3,00	0.0	0.0%	0.0%	100%	Agree

In table 3.3, on the environmental level- home country, the participates are highly agree with the question regarding" Warzone" stereotype, in which make international firms are reluctant to do business with Palestinian firms which would negatively affect the doing international business with the Palestinian firms.

Then, in table 3.3, the participants are totally agree with the question regarding the existing "GAP" between university graduate skills and market needs. In the table, participates

are highly agree with the question that "Training to enhance the graduates' skills are needed. The participants highly agree that there is an investment in the ICT sector are not sufficient".

After that, in Table 3.3, participants are highly agree with the "lack of international secure information and its impact on the willingness for international firms to conduct business with Palestinian firms". In Table 3.3, participants are highly disagree with the question regarding the "Price of services provided by the Palestinian ICT SME's are higher than the regional counterparts".

In table 3.3, the participants are highly agree with the question regarding the "Similar Time Zone between the Palestinian territories and international firms home country, facilitate business.

Table 3.3, the participants are highly agree regarding the "The Palestinian law is still lack legal issue of protection of intellectual property right: such as copy rights, legal ownerships and taxations". In table 3.3, the participants are highly agreed that "Palestinian territories are considered unknown globally". In table 3.3, the participants are highly agree with the question regarding the "Palestinian territories and Israel are considered geographically one market". The participants in table, participants totally agree with "Palestinian ICT SME's depend partially on the Israeli companies".

3.4.2.1.2. Host Country

In the host country there are six subthemes they are the demand of service, the international expansion, Lack of trust, Competitive advantage, Digital payment and Covide-19 effect. The results as follows in table 3.4.

Table 3.4: Host Country

Host country		One Sample Test		Percentages			Result
Questions	Themes/sub themes	Mean	S.D	Disagree	Neutral	Agree	
High Israeli market demand due to shortages in ICT professionals.	Demand of service	3,00	0.0	0.0%	00.0%	100%	Agree
High demand on the ICT service internationally is expanding.	International expansion	3,00	0.0	0.0%	00.0%	100%	Agree
Lack of trust between internationals and local SME's.	Lack of trust	2,10	0,88	30.0%	30.0%	60%	Neutral
SME's competitive advantage is cost comparing with competitors.	Competitive advantage	2,70	0,67	10.0%	10.0%	80%	Agree
Inadequate digital payment system negatively affects the ICT development.	Digital payment	2,80	0,63	10.0%	0.0%	90%	Agree
Covide-19 has positive impact on the international demand for ICT services.	Covide-19 effect	3,00	0.0	0.0%	0.0%	100%	Agree

In table 3.4: On the environmental level- host country, according to the participants, they are totally agree (100%) regarding the "The demand on the ICT sector service internationally is expanding". But, the participants are very neutral (100%) to the question of the "lack of trust between international companies and local ICT’s in which its percentage is (60%).

It also showed that, the participants agree with (80%) to the question of the "Palestinian SME's have a competitive advantage, related to the cost of services" comparing to other competitors, especially in neighboring countries.

90% of the participants agreed with the question of "Inadequate digital payment system affects which negatively affects the ICT development". Accordingly, the participants totally agree with (100%) regarding that the "Covide-19 had a positive impact on the ICT services demand internationally".

3.4.2.2 Firm Level

There are nine subthemes, they includes networking, certificates, labor commitment, inconstancy of service, technology trend, strategic orientation, financial resources, technological resources, immature industry, the following table 3.5 showed the results.

Table 3.5: Firm Level Findings

Firm Level	One Sample Test			Frequencies and percentages			Result
Questions	Themes/sub themes	Mean	S.D	Disagree	Neutral	Agree	
ICT SME's lack of adequate networking with international companies.	Networking	3,00	0.0	0.0%	0.0%	100%	Agree
ICT SME's lack of desired certificates needed to work in the ICT sector.	Certificates	2,10	0,74	20.0%	50.0%	30.0%	Neutral
ICT SME's suffer of labor commitment.	Labor commitment	2,90	0,32	0.0%	10.0%	90.0%	Agree
ICT SME's suffer inconstancy of service provided level.	Inconstancy of service	2,90	0,32	0.0%	10.0%	90.0%	Agree
ICT SME's lack to update of technology.	Technology trend	2,90	0,32	50.0%	40.0%	10.0%	Neutral
There is no international Strategic orientation to expand for the majority.	Strategic orientation	1,60	0,84	60.0%	20.0%	20.0%	Neutral
Lack of financial							

resources is a challenge for the Palestinian ICT SME's.	Financial resources	2,00	0,94	40.0%	20.0%	40.0%	Neutral
Lack of technological resources (hardware and software) is a major problem for the ICT SME's.	Technological resources	2,20	0,92	30.0%	20.0%	50.0%	Agree
The immature local market affect ICT SME's competency.	Immature industry	2,60	0,70	10.0%	20.0%	80.0%	Agree

Table 3.5 results on the firm level has showed that 100% of the participants are highly agree with the question the "Palestinian SME's lack to adequate networking". The participants were neutral with the question the "Palestinian SME's lack needed and necessary certificates to work in the ICT sector" in which it is clear that and according to the participants opinion they neutral when it comes the need for work certificates.

50% of the participants consider certificates requirement is essential for work with international firms, while 30% think it is important. 90% the participants are highly agree with the question the "Palestinian SME's suffer from labor commitment". The same percentage of 90% where the participants are highly agree that the "Palestinian ICT SME's suffer from inconstancy in the level of service provided".

50% disagree with the question that "ICT SME's have no follow-up of new technology". Accordingly only 10% agree of this notion. A 60% of the participants disagree and 20% are neutral with the question "There is no Strategic orientation to expand internationally for the majority of the ICT SME's".

Regard the “Lack of financial resources is a problem for the ICT SME's", the participants are equally disagree and neutral of 40% are neutral where as 20% think it is problem. On the firm level, 50% the participants think the "Lack of technological resources (hardware and software) is a major problem for the Palestinian SME's".80% of the participants believe that "The most of ICT SME's immature affect their ability to compete"

3.4.2.3 Managerial level

At the managerial level there 5 subthemes. They are International orientation, Competence, Education, Age and experiences, and Commitment. They were analyzed in the table 3.6 as follows.

Table 3.6: Managerial level findings

Managerial level:		One Sample Test		Frequencies &percentages			Result
Questions	Themes/subthemes	Mean	S.D	Disagree	Neutral	Agree	
The owner’s lack the international orientation and experience to do international business.	International orientation	2,00	1,05	50.0%	0.0%	50.0%	Neutral
The owner’s lack competence a abilities to go internationally.	Competence	1,70	0,95	60.0%	10.0%	30.0%	Neutral
The owner’s lack education level to go international	Education	1,20	0,63	90.0%	0.0%	10.0%	Disagree
The young age of ICT’s owners is limited their experience, affect their doing business.	Age and experiences	2,20	0,79	20.0%	40.0%	40.0%	Neutral
SME's owners							

have high commitment toward their business and are willing to develop it.	Commitment	2,80	0,63	10.0%	0.0%	90.0%	Agree

Table 3.6, at the managerial level, 50% agree that "The owners of the ICT SME's lack to the international orientation and the experience to do business in the international business". On the other hand, 50% believe that the owners of the Palestinian firms do not lack the experiences needed and the orientation toward expanding to the international market.

The participants were neutral with the question "The owners of the Palestinian SME's lack competence which allow them to go international" in which it is clear that and according to the participants opinion they do show a mixed opinion answering the question, with only 30% agree with the question. On the managerial level, the participants were highly disagree with 90% to the question the "The owners of the ICT SME's lack the education level to go international , while only 10% agree with the question.

The personal experience of the owners, only 20% believe that the owners age make a problem to conduct international business, while 40% think it is not a problem. 90% of the participants are highly agree that the "ICT SME's owners have high commitment toward their business and are willing to develop it", while only 10% did not believe that.

3.5. Phase Two: Convergent Mixed Method Findings

This phase included the qualitative research method, in parallel with a quantitative research method, followed by the convergent findings report in table 3.7

Table 3.7: Convergent Mixed Method

Phase 2: Convergent Mixed Method Design	Step One: A qualitative research method was conducted an 18 structured interviews. There three themes. The environmental home country level with 14 subtheme questions. Followed by the environmental level host country subthemes with 11 questions. Then the firm level theme with 8 subtheme questions. Last the managerial level theme, consist of 6 subtheme questions.	They were asked the validated questions in phase one. Frequencies and percentages were used (51% and above is considered valid and significant, and less than 51% considered insignificant). Beside a one sample t-test was used to realize the level of agreement.
	Step Two: Quantitative research of 3 Likert scale (Disagree=1, Neutral=2 and Agree=3) questionnaire of 42 participants'. Some previous experts and SME's owners and employees.	A descriptive results of the level of agreement to the antecedents that affect the SME's internalization
	Step Three: the convergent findings	The Quantitative levels results of (High, Moderate and Low) and Qualitative levels results of (Agree, Neutral, Disagree Agree) will be converged to level results of (Confirm, Enhance, Contradict, Enhance/Mixed, Enhance/Mixed

The report in this on the qualitative findings of the structured interview was conducted with 18 experts. Followed by quantitative finding of the questionnaire. And then present the convergent of data findings.

3.5.1. Step One: The Qualitative Research Method

The researcher conducted the qualitative research method by conducting 18 structured interviews with expert in the field, discussing the research variables in details, starting with the environment, firm and managerial variables.

3.5.1.1 Environmental Level

On the environmental level, the following questions and answers are focused around interviewee's option on the home and host country levels, that influence conducting international business.

3.5.1.1.1. Home Country Level

Interviewee were asked the validated themes resulted in the last two steps Interviewee were asked the validated themes resulted in the last two steps with focusing on the home country factors that make the local SME's seek to do business with international firm. Analysis of frequencies and percentages were used (51% and above is considered valid and significant, and less than 51% considered insignificant), beside a one sample t-test were used to realize the level of agreement.

The finding introduce the qualitative findings of environmental level of home and host country, firm level, and managerial level. In this phase a qualitative study was conducted of 18 experts, they include: 4 experts from Academia from Palestine Polytechnic and Hebron University located in industrial city of Hebron; one expert belongs to Policy makers and government agencies from the Palestinian Ministry of Telecom & IT; five experts from research institutes/incubators, they were from PPU Business Incubator, development and startups expert, Hebron municipality- Innovation Techno Park- HITEC, Bzu HUB (Birzeit University), and PITA(Former manager); and eight experts belongs to Non-governmental organizations. They are Palestinian Information Technology Association of Companies (PITA), Gaza sky Geeks, Peeks, IPSD Innovative Private Sector Development Project, Portland Trust, PUM -Pal Pro consulting & Investment Services, Hebron Municipality, and

Business Alliance. The researcher met 18 experts were interviewed face to face in the field of ICT SMEs between June 2023 and August, 2023, as the findings shown.

The environmental level consist of home country level with 14 subtheme questions. Followed by the environmental level host country subthemes with 11 questions as follows:

1. Question 1: Home country ICT SME's face the "WAR Zone" stereotyping problem, where international companies reluctant to do business with.

The qualitative results (M 2.27, SD = 0.88). "Certainly Palestine is an unstable warzone, lack of solid infrastructure in communication and transportation, foreign companies are unsure of Palestinian firms capability to accomplish the job, problems in telecommunication technology like 4G and electricity instability and transportation"

There two main point of views, some of the experts seen the "Warzone stereotype" as negative effect on the internationalization business, especially when it comes to lack of capabilities to accomplish the job, weak infrastructure. Beside to that the feeble promotion carried out formally and by firm's lack of important networking.

The perceived risk associated with operating in politically unstable regions, commonly referred to as "impression risk," is a prominent topic among experts. Ibrahim Al-Sharef acknowledges that this danger is a significant concern for many foreign firms. Omar Al-Sahili supports this view, arguing that instability has "adverse effects" and emphasizing that investment inherently "requires stability." Yahya Al-Shannar describes it as a "significant issue, owing to political instability and closures," while Amjad Qaisi states that addressing it "requires considerable effort to ascertain the truth." Conversely, some professionals in the

Information and Communication Technologies (ICT) sector downplay the importance of this issue. Abeer Abu Ghaith claims that the "warzone is inconsequential to international business in the ICT sector." Khaled Abu Al-Khair also describes it as "not a significant" issue, and Rand Safi agrees, asserting that it is "not really a problem." However, within this group, Jawad Abu Allan adds a warning, noting that while it may not be generally detrimental, "it is a problem, particularly in Gaza."

2. Question 2: ICT SME's face a Gap of graduate required skills to match market needs.

Experts think the gap exist between university graduates' and ICT market needs there where they Agreement (M= 3.00, SD = 0.00).

Experts widely agree that there is a significant skills gap between graduates of Palestinian universities and the needs of the job market, particularly in the ICT industry. George Urses attributes this gap to "universities still employing conventional academic methods" and corporations that are "incapable of assimilating graduates and unable to grow." Tamer Al-Atrash shares this view, asserting that there is a disparity between the competencies of Palestinian university graduates and the demands of the market. Amjad Qaisi emphasizes the seriousness of the situation, stating that the "gap exists," is "evidently" problematic, and reflects a lack of alignment between universities and market demands. He calls for initiatives to "bridge the gap." Amany Maady points out that the rapid changes in the sector have led to graduates who are "not prepared," lacking both "technical and soft skills." Jawad Abu Allan offers a partial defense, noting that the differences are "justifiable to some degree" and "typical," as a student focusing on "technical courses in software" will naturally lack skills in "management or communication." Abeer Abu Ghaith argues that even though a pervasive "gap" exists, there are still elevated expectations despite "variations in governmental support."

This necessitates that graduates actively cultivate essential attributes such as self-learning, problem-solving, critical thinking, and time management. Sami Abu Sneina highlights a talent exodus, noting that "distinguished individuals typically engage with financial institutions and banks," rather than entering the "outsourcing sector."

3. Question 3: In the home country ICT SME's face a lack of training skills to match market needs. They agree (M = 3.00, SD = 0.0).

Expert opinions strongly support implementing targeted training programs to address the skills gap and enhance graduate readiness for the global market. However, some experts caution against overestimating the full impact of such training. Omar Al-Sahili emphasizes a specific training need by stating, "Workers need training on how to deal with other cultures, such as time commitment." To put this into practice, Yahya Al-Shannar suggests concrete steps like "establishing a post-graduation training program and initiating communication with foreign firms." The importance of customization in training is echoed by Abeer Abu Ghaith, who insists that "the training should be tailored to meet market needs." Jawad Abu Allan proposes a training duration, advocating for "training for 3 to 6 months, which will enhance graduates' skills." Nevertheless, Omar Al-Sahili provides a significance perspective, acknowledging that while "training could solve the issue partially," it is not a complete remedy. He stresses the need to also focus on "motivation for graduates" and ensure a clear understanding of "the market needs."

4. Question 4: The investment in the ICT sector is not enough. They Agree with the question (M = 2.33, SD = 0.87).

Experts share a range of opinions on investment and funding for the Palestinian ICT sector, but most are not optimistic. Many point to a lack of foreign investment, which they attribute to risks from the Israeli occupation, the small size of the market, and travel restrictions. Amany Maady notes that most investments come from donors rather than investors. George Urses also highlights the absence of foreign investment, saying the market is too small and unattractive, and that local firms are not interested in research. He adds that there is still a need for external support, such as incentive packages for startups, aid, tax exemptions, and investment funds. Sami Abu Sneina believes investment in the sector is minimal. Amjad Qaisi acknowledges that some investments exist, but says current funding for capacity building and outsourcing is not enough. Rand Safi agrees, calling the investment insufficient and pointing out that funding often depends on donor evaluations. Yahya Al-Shannar suggests that high levels of investment are not always necessary, and that focusing on training and business development could help, especially since most companies in the sector are small. Finally, Abeer Abu Ghaith criticizes current funding mechanisms as too rigid and not suitable for startups, and suggests they should be more flexible and allow time for companies to grow without different agendas. Amany Maady also observes that there are no mutual funds available.

Essentially, pushing international is affected by insufficient capital investment, as lack of investment lead to shortage in available resources, capabilities (Asemokha, A.et al., 2020).

5. Question 5: Lack of information security concerns arise when international companies work with Palestinian ICT SME's. Results confirmed the statement the "Lack of information security" ($M = 2.50$, $SD = 0.74$).

Opinions on information security and cyber security in the Palestinian ICT sector vary. Some experts are concerned about the sector's ability to meet international standards. Hashem Al-Tamimi points out that worries about security laws and authorities discourage some international companies, such as those from Germany, from working with local firms. He also mentions that technical skills are limited and there is little investment in this area. Sami Abu Sneina agrees, saying that in fields like AI, there is not enough protection, which worries international partners. Amjad Qaisi notes that there is little focus on information security, making international firms more cautious. Yahya Al-Shannar adds that only one Palestinian company he knows has strong information security, while others struggle. On the other hand, some experts believe local firms are capable. Abeer Abu Ghaith says Palestinian firms are technically able to handle these issues. Amany Maady feels that the level of cyber security is similar to other regions. Jawad Abu Allan and Khaled Abu Al-Khair offer a middle view, saying that Palestinian firms can meet information security standards but may still face cyber security threats. George Urses also notes that Israeli-American firms in Israel are able to manage cyber security issues, which does not stop them from working with Palestinian ICT companies.

6. Question 6: Palestinian SME's prices for services are relatively high. They confirmed the question (M = 2.86, SD = 0.52).

Experts have different views on pricing, competition, and costs in the Palestinian ICT sector, showing a gap between actual costs and business strategies. Most agree that prices in Palestine are higher than in major outsourcing countries. Abeer Abu Ghaith and Sami Abu Sneina point out that prices are above those in India, the Philippines, and Eastern Europe or Egypt. Abu Sneina adds that higher prices come with better quality. Yahya Al-Shannar says

prices are similar to Eastern Europe but lower than in the US and Israel, and believes higher costs can be justified by better service. Omar Al-Sahili sees prices as falling between those in Eastern Europe and Asia, but still higher than in Jordan and Egypt. High costs are mainly due to local factors. George Urses mentions high salaries, rent, and operating costs in cities like Ramallah, made worse by poor planning and cost estimation. Urses and Hashem Al-Tamimi also connect rising wages to the close relationship with Israel, which draws skilled workers away and creates a labor shortage. On competition, Rand Safi and Amani Maady say that price is not the main factor when competing with Asian or Eastern European firms, so specialization is key. Hashem Al-Tamimi notes that Gaza competes mainly on price, while the West Bank focuses on excellence in AI and specialized skills. Because of the cost gap, Ibrahim Al-Sharif says West Bank companies often outsource work to Gaza, where prices are lower. Despite these challenges, Khaled Abu Al-Khair reports that Palestinian companies have an average profit margin of about 30%.

7. Question 7: Limited "Time Zone" differences between the Palestinian territories and international companies facilitate business.

They confirm with the question (M = 2.63, SD = 0.50). Which would affects positively the SME's in their business, as with timing gab being narrow, international companies find it easier to communicate and coordinate work. Which in return will improve the chances SME's to have efforts to expand and reach international market and especially with the European market

Other study show the same result, and specially for SME's, as the peripheral location play an important role ease the process of going international, as close location between home

and host country is enhancing the chances of doing business between firms, this is as a result to the culture similarities and geographic proximity (Öhman,2014) .

On the other hand, some differences in product (service) specification than the EU market, for example product (service) liability, legislations governing this market, these differences pose challenges for international market entry, this is normally addressed as psychic distance in business. (Asemokha, A.et al., 2020)

Most experts interviewed see the Palestinian time zone as a strength for the ICT sector, especially in supporting around-the-clock work with international partners. Abeer Abu Ghaith and Jawad Abu Allan both highlight this benefit, with Abu Ghaith describing it as positive and close to key markets, and Abu Allan noting it allows for continuous work as the world moves from east to west. Opinions about the US market are mixed but often positive. Sami Abu Sneina says the time zone helps Palestinian firms attract US customers, while Yahya Al-Shannar observes that US companies with offices in Europe or Israel may prefer partners in those locations. On the other hand, Amani Maady, Amjad Qaisi, and George Urses find the time zone suitable for Europe but challenging or even negative for the US. There is clear agreement that the time zone is well-suited for the European market. Rand Safi also points out that offering services in Arabic is another advantage beyond just the time zone.

8. Question 8: The Palestinian law is appropriate in relation to (taxations, investment's laws and employees' rights).

They confirmed the theme with (M = 1.50, SD = 0.90), Clearly, the business environment factors cost like taxation and bureaucracy procedures still plays a crucial role in firms decision to go international markets in other countries with benefits of lower production and service costs (Öhman, E, 2014). The interviewees proposed stressed the points:

Experts have different views on the Palestinian regulatory environment for the ICT sector. Some, like Tamer Al-Atrash, point to government progress, such as expanding fiber services, working on G4 and G5 telecommunications, and encouraging investment in information security and electronic payments. George Urses says the current investment law is better than the older Jordanian law, showing some improvement. Hashem Al-Tamimi and Amjad Qaisi find the taxation law helpful, besides that, Abeer Abu Ghaith notes that starting a business has become easier. Still, many agree that major legal and bureaucratic challenges remain. Amani Maady and Abeer Abu Ghaith criticize the labor law, saying it does not fit the sector's needs and makes it hard for companies to let employees go. Sami Abu Sneina says that registering a company can take up to a year, much longer than in Israel, and points out problems with unclear taxes' laws and getting business names approved. Jawad Abu Allan mentions high registration costs, no tax exemptions, and an unstable environment. He also notes that laws about financial transactions and property rights are not fully developed, and the judiciary is weak. Other issues include the need for a physical office, problems for owners with different nationalities, difficulties with money transfers, and delays in passing the intellectual property law.

9. Question 9: Palestinian territories market's is unknown for the international companies.

The respondents' means is 2.77 and standard deviation Is 0.44, which specify that there is an agreement between participates with the unknown market .

Many interviewed expert stressed that the Palestinian market's is still unknown, the market size is small, SME's needs more experiences, and the market should be institutionalized (putting rules and procedures, norms and customs). In addition, of the closed

area with Israeli, it is harden the Palestinian firms' opportunities to be known to the international firms .

Increase awareness will improve the international market penetration, being attractive, succeeding to put the Palestinian market on the map. This will contribute to improve its experiences, attractiveness and contribute in the local economy ."Experience before moving to work with international companies is essential, proof of concept is a condition to prove experience". "The value of the contribution of small and medium-sized companies in the ICT sector is approximately $300 million In Palestine…". "We need to institutionalize the sector to become known in the international market…the number of large and small companies is approximately between 2000 and 1700".

Experts generally agree that the Palestinian ICT sector struggles to gain international recognition, even though some companies have foreign connections. Osamah Dwaik describes the market as unattractive, unknown, and expensive. Abeer Abu Ghaith points out that Palestine is often seen as a warzone rather than a business destination, a perception made worse by the presence of Israeli firms with international ties. Musa Irfaiah highlights a political challenge, explaining that because Palestine is not recognized as a state, international companies tend to work with Israeli firms instead. This closeness to Israel can help some business, but Hashem Al-Tamimi believes it also creates obstacles, as working through Israeli companies makes it harder for Palestinian firms to build their own reputation. Amjad Qaisi and Khaled Abu Al-Khair both mention the market's small size and limited competitiveness. Al-Khair adds that exports are minimal and the market is not taken seriously in outsourcing due to high costs. George Urses agrees, saying the market is too small to compete and lacks enough skilled people and technical resources.

Despite these hurdles, some experts see potential and existing efforts to improve visibility. Yahya Al-Shannar advocates for continued outreach, stressing that while "a lot has been done, but still not enough, we neEven with these challenges, some experts believe there are opportunities and ongoing efforts to raise the sector's profile. Yahya Al-Shannar encourages continued outreach, saying that while progress has been made, more needs to be done to connect with international companies. Amani Maady is more optimistic, noting that some international firms already know about Palestinian companies and suggests that taking part in trade shows could help further. Rand Safi sees promise in the market's young population and its growing appeal to freelancers, even though it is still small and not widely recognized. However, Hashem Al-Tamimi points out that regional laws, such as the nationalization service required by some governments like Saudi Arabia, make it harder to do business with nearby countries.

10. Question 10: Palestinian market and Israeli are considered one market.

According to the findings the means is 1.73 and standard deviation is 0.90, which specify that there is a neutral agreement. Despite the political agreement between the Palestinian and Israel called "Paris protocol" singed in 1993, which emphasized on the unity of Palestine and Israel customs, many interviewed expert express that, the Palestinian market and Israeli are not considered one market, due to many differences and reasons including:

Experiences, Israeli companies still do not assign a whole project to the Palestinian companies. Differences in laws, education and government regulations. Most relations with Israeli firms are subcontracts. On the other hand, some still agree that both market are related, due to the weakness the Palestinian suffer from in software, market scope, human resources and limited technical resources.

Finally and by combing both results present that there a confirm agreement that Palestinian market and Israeli are not considered one market. Experts have different views on how the Palestinian and Israeli ICT markets relate to each other. Most see them as separate, with only limited and complicated interactions, and Israel often has the upper hand. George Urses stands out by saying they are really one market, especially in IT and software, but he also points out that the Palestinian side faces challenges like a small market, few skilled workers, and less technical experience. Most other experts clearly say the markets are separate. Amani Maady says they are separate, partly because Palestine is seen as a warzone. Amjad Qaisi also says they are separate, even though Israeli companies sometimes work with Palestinian firms. Yahya Al-Shannar explains that while Palestinian companies do some work for Israeli firms in IT, this is limited because of big differences in education, laws, and career paths. Jawad Abu Al-Aoun agrees, adding that Israel seems to benefit from the situation. Khaled Abu Al-Khair also says that Israeli firms are not a gateway to the Palestinian market.

11. Question 11: Palestinian SME's depend on the Israeli companies in their work.

As the neutral agreement with means is 2.09 and standard deviation Is 0.94, Many interviewed expert think that, Palestinian SME's mostly do not depending on the Israeli in their work, this is due to that Israeli companies still depends on Palestinian ICT SME's in their projects and to reach international market. Despite that, Palestinian firms could benefits from working with the Israeli firms as they are well known and have substantial experiences in the international ICT business. Therefore, the increase in cooperation can provide the Palestinian SME's with good opportunity to gain experience and access to the international market.

Israel is considered a "Hub" and has R&D and offices for international companies, therefore a lot of Palestinian companies are working in the outsourcing type of business, but

with unstable relation, they only get leftover work from the Israeli companies". Experts are divided, but most agree that the Palestinian ICT sector still relies heavily on the Israeli market for most of its work, even though it aims to work more with international partners.

Many experts recognize this dependence. Sami Abu Sneina says that most Palestinian firms get their work through Israeli companies, and Rand Safi also points out the reliance on the Israeli market. Amjad Qaisi explains that this is partly because key infrastructure, such as internet connections, runs through Israel, and because Israeli firms have a high demand for services. He adds that while there are some direct connections with international firms, most work still comes from Israeli companies. Amani Maady sees this relationship as harmful, saying Palestinian companies only get a small share of the business, while Israeli firms have more experience, knowledge, and better infrastructure. She also mentions that Israeli companies prefer working with Palestinian firms because it is easier for them to manage. Musa Irfaiah agrees, noting that Israeli firms have a strong international reputation and often rely on Palestinian firms to get their work done.

Omar Al-Sahili offers a more balanced perspective, saying the dependency is both true and not true. He explains that Palestinian firms do not rely on Israeli companies to reach international markets. Instead, Israeli firms turn to Palestinian companies when they need extra help or want to cut costs. On the other hand, some experts either reject the idea of dependency or want to move past it. Abeer Abu Ghaith says that Palestinian firms already work directly with international clients. Tamer Al-Atrash expresses the sector’s goal to break away from the Israeli market and serve international firms directly.

12. Question 12: Palestinian SME's have competitive advantages in both cost and service quality. The result is "enhance" which aim at improving our understanding (M = 2.14, SD = 0.90).

Experts point out that the Palestinian ICT sector already has some competitive strengths, but also faces an urgent need to specialize in certain areas. Several experts agree that Palestinian firms already possess key advantages that appeal to international clients. Amjad Qaisi summarizes the Israeli and international market needs as the equation "Price + Quality + time zone," all of which he believes "are available in the Palestinian market." Yahya Al-Shannar similarly lists existing advantages as Cost competition, Quality assurance, Geographic location, and Speed of delivery. In terms of human capital, Khaled Abu Al-Khair notes a strong advantage in mastering English and Arabic languages for back-office work, while Osama Dweik praises the inherent creativity of Palestinian companies, suggesting they're not just "work[ing] like a machine." Furthermore, Qaisi points out that "Working with Israeli companies benefit the Palestinian firms."

Despite these advantages, there is a strong consensus that the sector is missing essential specialization. Hashem Al-Tamimi states directly that "Specialization in work is essential, Palestinian firms still missing it," a view echoed by Amani Maady, who stresses that the "need for specialization is greater than openness" and notes there is "no clear specialization in the Palestinian territories." To gain a competitive edge and move up the value chain, experts recommend focusing on high-tech areas. Yahya Al-Shannar advocates for the sector to become "Tier1 in technology" by concentrating on: Cyber security, Big data, Internet of things and Artificial intelligence. He also emphasizes the need to focus on product development instead of relying on outsourcing only. George Urses provides a similar list of

strategic focus areas: Mobile development, Artificial intelligence, Game development, and Software testing, noting that software development is the true value-add, as "Hardware testing is not value added.

13. Question 13: The Palestinian industry is immature, is not fully developed, instable and lack market contributors or organization.

They agree with the question (M = 2.45, SD = 0.82). Especially as the Palestinian market is small and immature to influence the internationalization of the firm. As expanding to the international business is a natural initial step due to the diminishing demand of local market (Asemokha, A.et al., 2020). Öhman, E. (2014) has confirmed that the small market size and limited domestic demand benefits and effect on the decision to go international. The experts believe that:

Most experts see the Palestinian ICT sector as small, immature, and lacking organization, with limited competitiveness. While there is some debate about how it should develop, many agree the market is still emerging and not yet mature. George Urses links this to the sector being a small, uncompetitive market, mostly controlled by large family companies that are not planning to expand. Amani Maady describes the sector as nearly chaotic, with unclear direction and not enough organization. She emphasizes that real progress will require more collective work, rather than relying on individual efforts.

Experts have different views on how the sector should develop. Abeer Abu Ghaith believes the sector needs to gain knowledge through outsourcing before moving on to product development. In contrast, Sami Abu Sneina thinks outsourcing will not help and that growth must come from developing products. Other experts point to structural and government issues

as reasons for slow progress. Yahya Shinar notes that the sector lacks government support, clear incentive laws, financial backing, and a fully developed legal environment.

14. Question 14: Digital payment difficulties negatively affects the ICT development.

They agree the question theme (M = 1.93, SD = 1.00).

Experts are divided on how easy and reliable digital payments and money transfers are for the Palestinian ICT sector. Some see no real problem, while others point to serious challenges.

A number of experts downplay the problem, asserting that there are "No major problem" (Osamah Dwaik, Omar Al-Sahili, Khaled Abu Al-Khair). Sami Abu Sneina goes further, claiming there's "No major issue with digital payment," and that it's "even easier than in Israel." Rand Safi agrees there's "No problem with bank transfer," noting that some issues only arise from companies' lack of knowledge regarding taxes and fees.

On the other hand, many experts identify serious obstacles, especially with US-based platforms and international transfers. For example, PayPal does not allow money transfers to Palestinian areas. Some experts also mention problems with digital payments due to security concerns and missing e-signature regulations. Others report that American companies and some banks in the Netherlands and Dubai refuse to work with Palestinian firms. There are also specific issues with digital payments in the Gaza Strip.

3.5.1.1.2. Host Country Level

Interviewee were asked the validated themes resulted in the last two steps with focusing on the host country factors that push international firm to do business with other foreign firms. Analysis of frequencies and percentages were used (51% and above is

considered valid and significant, and less than 51% considered insignificant), beside a one sample t-test were used to realize the level of agreement.

1. Question 1: Demand of services: Due to lack of professional workers in Israel in field of ICT, a high demand of service in Palestine exists. They Agree with the question (M = 2.50, SD = 0.71).

Most experts agree that Israel's main reason for working with the Palestinian ICT sector is economic. They want to solve their own labor shortages and reduce costs. Amani Maady explains that Israeli companies lack enough IT specialists, so they look to the Palestinian market for talent. She points out that over 5,000 permits have been given to Palestinian IT engineers to work in Israel in recent years. Maady also notes that the short distance makes it easier for Israeli firms to meet, train, and communicate with Palestinian IT specialists. Omar Al-Sahili adds that Israeli companies are attracted by the lower cost of services in the Palestinian market. On the other hand, Sami Abu Sneina cautions that Israeli companies do not usually seek business partnerships with Palestinian firms. Instead, he says Israeli businessmen invest mainly for profit, not for genuine collaboration.

2. Question 2 International expansion: The demand in the ICT sector service internationally is expanding, there is an agreement, and result confirmed theme (M = 2.60, SD = 0.52).

Most experts say that international companies outsource ICT services mainly to save money and find skilled workers. They also recognize there are unique challenges and outside influences in the Palestinian market.

The fundamental drivers are clearly articulated by Sami Abu Sneina, who believes the "only two reason which force international firm to outsourcing are: looking for talents and reduce cost." This is corroborated by Hashem Al-Tamimi, who notes that "Most international companies try to reduce costs," and by Omar Al-Sahili, who states companies simply "search for who can do the job." Amani Maady and Jawad Abu Al-Aoun specifically mention that European companies, such as Portuguese firms, are "looking for experienced human resources to work for them" or "search for talented employees." Amjad Qassis adds that Palestinian companies engage with international firms to gain valuable experiences that lead to better service quality and qualifications.

However, the experts also highlight the context surrounding this demand. Abeer Abu Ghaith notes the existence of a "fierce competition between Indian, Philippines, east European firms" for this international demand. Rand Safi points out that the COVID-19 pandemic made "Outsourcing and remote working became more popular." Yahya Al-Shannar mentions that the current global landscape presents "hiccups in business" due to a "weakness in global demand" and the negative effects of the Russia-Ukraine war, though he suggests the resulting recession presents a "good opportunity for companies to get to know and build relationships and vetting vendors." He also notes that many international firms were introduced to Palestinian companies through their local offices in Israel. Finally, George Urses points to internal Palestinian constraints, stating that local firms "suffer from lack of diversity in experiences to meet international demand, and are limited in resources," and Jawad Abu Al-Aoun introduces the less tangible factor that "empathy with Palestinian cause can play a role in doing business with Palestinian firms" on occasion.

3. Question 3 lack of trust: There is lack of trust between international companies and local Palestinian SME's. There is an agreement and the result confirmed theme, the question (M = 2.33, SD = 0.90).

Experts agree that trust in Palestinian software developers and firms is not given right away, but is built over time through strong performance and good relationships. Some, like Osama Dweik, say they have more confidence in Palestinian developers than others. Amani Maady believes that experience shows their quality, knowledge, and commitment are strong, and that competition is based on quality rather than price. Others, such as Jawad Abu Al-Aoun and Rand Safi, simply state that trust is present. Still, some experts remind us that trust must be earned. Sami Abu Sneina and Omar Al-Sahili both say that trust develops after working together. Khaled Abu Al-Khair highlights the importance of personal relationships in building trust and believes Palestinian firms can prove themselves. On the other hand, Ibrahim Al-Sharif points out that a lack of trust can be a problem if it exists.

3.5.1.2 Firm Level

Interviewee were asked the validated themes resulted in the last two steps with focusing firm level factors that affect firm ability to do business with other foreign firms. Analysis of frequencies and percentages were used (51% and above is considered valid and significant, and less than 51% considered insignificant), beside a one sample t-test were used to realize the level of agreement.

1. Question 1: Palestinian SME's lack adequate networking with international companies. There is an agreement and confirmed with the question (M = 2.50, SD = 0.89).

Most experts are critical of the networking and business development abilities of Palestinian ICT firms, pointing out a major gap in international market access and promotion. However, there are a few examples of success.

A majority of experts emphasize the severe lack of robust international networking. George Urses is particularly strong on this point, stating "Networking do not exists," and noting that while international companies like Microsoft have strong ties with Israeli firms, there are "no relationships between Palestinian companies and international companies." Rand Safi "Totally agree[s]" that there is "no access to foreign markets." Yahya Al-Shannar summarizes the deficit, saying Palestinian companies "suffer from a weak network of relationships" and lack enough experiences, knowledge, and relationships. He and Jawad Abu Al-Aoun critique the lack of official support, with Al-Aoun noting that "without proper networking nothing works," and that "the official authorities are negligent" in this matter.

The experts cite several practical Experts point to both practical and strategic challenges in building networks. Amani Maady says firms struggle with presenting themselves and are not yet prepared, lacking knowledge of foreign company needs, event participation, and pitching skills. Yahya Al-Shannar and Abeer Abu Ghaith mention external barriers, such as travel restrictions due to the Israeli occupation and difficulties with international cultural differences. Amjad Qassis adds that firms lack initial contacts and need better self-promotion, noting that connecting with international companies is difficult without government support. some firms have established links. Osama Dweik believes "Personal relationships are the secret of success." Khaled Abu Al-Khair notes that "diaspora firms owners" try to establish links, and that "Personal relationships plays an important role in

building a network." He advocates for more deliberate "business development activities" to introduce companies. Ibrahim Al-Sharif notes that some local firms "act as brokers and build good networking." On a governmental level, Tamer Al-Atrash offers an optimistic note that the "Ministry of communication is working on building networks with international firms through foreign ministry." Ultimately, the existing successes are small-scale, as Omar Al-Sahili suggests that only "The Palestinians firms reached the international level," while Sami Abu Sneina dismisses networking as "not a major issue," suggesting it depends on each firm's individual efforts.

2. Question 2: Palestinian SME's lack needed and necessary certificates to work in the ICT sector. There is a neutral agreement, and confirm with the question (M = 2.17, SD = 0.58).

Experts have different opinions about whether formal certification, like ISO, is necessary for Palestinian ICT firms to win international business. Most agree that certification can help, but it is not always required. Ibrahim Al-Sharef and Jawad Abu Aoun both say that international companies usually do not ask for certificates or do not have specific requirements. Yahya Al-Shannar also believes there is no need for certificates and that showing a firm's capabilities through a pilot task is often enough. On the other hand, Omar Al-Sahili thinks certificates in areas such as quality, business ethics, and security are important for firms to be included on outsourcing company lists. Some experts take a middle position, saying that the need for certification depends on the requirements of the international firm or the specific task. Abeer Abu Ghaith and Sami Abu Sneina add that having certificates can improve a firm's chances, and sometimes only insurance certificates for data security are

needed, but there is no universal rule. Amani Maady notes that the situation is unclear and points out that many Palestinian firms do not invest in staff development or certification because of time and financial constraints.

3. Question 3: Palestinian SME's suffer from labor lack of commitment. There is agreement with the question and confirm (M = 2.77, SD = 0.44),

Experts point out major problems with how jobs are structured and how secure they are in the Palestinian ICT sector. These issues, along with pay gaps and limited company resources, lead to frequent staff turnover.

The prevailing employment model is one of staff augmentation and task orientation, where employment is temporary and project-based. Omar Al-Sahili and Amjad Qassis both confirm that outsourcing relies on "staff augmentation," while Khaled Abu Al-Khair notes that employment is task-oriented, meaning "The day the project ends, workers leave the company." George Urses explains this is due to the "weak financial capabilities for Palestinian firms," forcing them to avoid full-time employment.

This temporary model, combined with low wages, drives a critical problem with employee retention. Urses notes that salaries for graduates are low (ranging from $800-$1200), which are "weak and unattractive." This financial pressure means "Employees at the first opportunity, they leave companies they work for and may even travel abroad." Amani Maady emphasizes the stark difference, noting that "The salary is double in Israel compared to the salary in Palestine." This leads to a lack of job security, evidenced by employees leaving even for a salary increase of only $100, according to Urses. This flight of talent is reflected in

the high demand for workers, with Yahya Al-Shannar citing a need for "1,700 engineers" and suggesting a shift from an oligopoly to a perfect competition market to address the issue.

The impact of this environment on employee commitment is debated. Sami Abu Sneina broadly asserts that there is a "labor lack of commitment," but Abeer Abu Ghaith offers a counterpoint, suggesting that employee motivation is driven by a search for "job security and an educational opportunity," implying that "labor commitment is not an issue" if these needs are met. However, she points to the sector's challenge with scalability, or the "inability to acquire an appropriate number of workers when needed." Conversely, Osamah Dweik downplays the retention issue entirely, claiming "No issue with high employee turnover," due to a "decent number of available human resources."

4. Question 4: SME's suffer from inconstancy in the level of service provided. There is neutral agreement with the question confirm (M = 1.83, SD = 1.03).

Most experts agree that inconsistent service is not a widespread problem in the Palestinian ICT sector, though a few say it can affect certain companies. The general opinion is that service quality remains steady and professional. Omar Al-Sahili says inconsistency is not an issue, even during conflict, and that Palestinian firms have shown professionalism worldwide. Jawad Abu Aoun, Amjad Qassis, and Khaled Abu Al-Khair also see no major problem, with Al-Khair noting that minor changes may happen due to staff turnover. Yahya Al-Shannar believes service is consistently reliable, which has helped firms succeed internationally, often through Israeli partners. Amani Maady adds that service quality is generally medium or higher, and this consistency is a key strength. On the other hand, George

Urses thinks a lack of specialization causes some inconsistency. Abeer Abu Ghaith and Sami Abu Sneina also mention that some companies do face this issue.

5. Question 5: SME's follow new trend in technology. There is agreement and confirmed with the question (M = 2.45, SD = 0.82).

Experts disagree on whether the Palestinian ICT sector can keep up with new trends and technology. Some, like Amjad Qassis and Abeer Abu Ghaith, are optimistic. Abu Ghaith points out that being close to the advanced Israeli ecosystem is an advantage. On the other hand, George Urses is critical, saying Palestinian companies are far behind in hardware and software and struggle to keep up with changes. Amani Maady offers a middle ground, noting that while small and medium-sized enterprises follow new trends, the main challenge is a lack of experience in areas like AI and blockchain. This suggests the issue is more about deep technical skills than simple awareness.

6. Question 6: Strategic orientation to expand internationally is clear with most of the SME's. There is a neutral agreement with the question (M = 2.15, SD = 0.80).

Most experts agree that the Palestinian ICT sector must look beyond its borders to survive and grow, since the local market is too limited. Although many firms want to expand globally, they often face both internal challenges and political barriers.

Experts view global focus not as an option but as a necessity. Khaled Abu Al Khair and Jawad Abu Aoun stress that it is a "most to have international orientation" because the "local market is too small," leaving "no other choices for Palestinian firms." Tamer Al-Atrash reinforces this mindset, stating that anyone in the sector "has to work on the idea that the world is my market." The drivers for this global pursuit are multifaceted, including the weakness of the Palestinian market, global demand, the competence of local talent, and even

the "fear of accusation of normalization with the Israeli companies" (Jawad Abu Aoun). Yahya Al-Shannar links the ultimate goal to long-term development, noting that the aim is never "outsourcing only," but to "develop firms and build new products" to improve the local economy.

Even though going global is necessary, experts say it is not easy. Musa Irfaiah and Omar Al-Sahili note that many business owners are not prepared for international markets or lack the needed resources. Amjad Qassis connects this to the small size of most firms, which makes it hard for them to meet requirements like securing donor funding. Abeer Abu Ghaith adds that travel restrictions, visa issues, and limited access to finance are major obstacles. She suggests that firms should first establish a small presence abroad and then expand. Amani Maady explains that a firm's focus matters: outsourcing can help a company go international, but focusing only on local business does not. George Urses also points out that entering the Arab market is tough, since many Arab companies prefer to work with Israeli firms, partly because they do not fully trust Palestinian companies.

7. Question 7: Financial resources for the Palestinian SME's are available. There is disagreement and confirm with the question (M = 1.67, SD = 0.98).

Most experts agree that limited access to financial resources and investment is a major barrier to the growth of the Palestinian ICT sector. They mainly point to external and structural issues, but a few believe internal management problems are the main obstacle.

A strong consensus exists that there is a "Clear difficulty in obtaining financial resources" and "no available fund" (Rand Safi). George Urses attributes this to the "unstable political situation" which makes banks reluctant to lend small business due to risk, further

hindered by the banks' "limited capabilities." Amjad Qassis confirms that "banks are reluctant to provide loans." Jawad Abu Aoun simply states that firms are "Incapable of acquiring finance." Amani Maady sees this as a fundamental "big challenge" that directly impacts a firm's "ability to develop their work, increase their size, business model and profitability."

The lack of funding critically limA lack of funding makes it hard for firms to expand internationally. Abeer Abu Ghaith points out that small projects struggle with weak financial support and few investors, and they need money for market research, learning about foreign markets, and traveling abroad. Yahya Al-Shannar agrees, saying it is difficult to get funds for basics like building websites, traveling, and attending meetings. Khaled Abu Al Khair adds that limited budgets, even with a 30% profit margin, force companies to focus on short-term tasks and hire temporary staff. the issue is not purely financial. Omar Al-Sahili asserts that "it is not the matter of financial resources unavailability, it is the lack of strategy." Similarly, Sami Abu Sneina characterizes the problem as "a pure managerial problem rather than financial," suggesting the constraints lie in internal decision-making and planning, not just external funding sources.

8. Question 8: Lack of technological resources (hardware and software) exists for SME's

There is a neutral agreement, and confirm with the question (M = 2.50, SD = 0.80).

Most experts agree that the Palestinian ICT sector has enough technological resources, thanks to outside support and its location near key markets. Omar Al-Sahili and Jawad Abu Aoun both say there is no shortage of hardware or software. Amjad Qassis also sees no major hardware issues, and says any software challenges are eased by the sector’s access to the Israeli market. Khaled Abu Al Khair notes that while Palestinian firms may lag slightly in technology, international companies supply the necessary software, especially since most

local work involves basic coding and testing. Abeer Abu Ghaith adds that the real challenge is not technology, but a shortage of skilled people.

9. Question 9: SME's owners normally build their online profile

They is agreement and confirm with the question (M = 2.50, SD = 1.00).

Experts agree that Palestinian ICT firms face major challenges in marketing and promoting themselves. Many struggle with basic business development tasks. Amani Maady highlights issues with building a profile, marketing, and networking. Amjad Qassis points out that branding and marketing are very limited and need much improvement. Sami Abu Sneina also notes problems with firms building their public profiles. To address this, Abeer Abu Ghaith suggests hiring professionals in foreign markets to introduce Palestinian firms. Mohannad Al Jaabari adds that having a strong profile is important because it helps firms showcase their past work and client feedback.

10. Question 10: SME's owners have the ability to compete with other international companies

Neutral agreement with the question (M = 2.14, SD = 0.90). Repeated question. This question consider redundant, as the researcher wanted to double check the answer with question number. Check The Question 2: Palestinian SME's owners have acceptable competences (knowledge, abilities, skills) under Managerial Level coming forward.

3.5.1.3 Managerial Level

1. Question 1: The owners of the SME's have international orientation toward international market. They Agree with the question (M = 2.36, SD = 0.93).

Experts are split on the strategic direction and management skills of Palestinian ICT firm owners. Many agree that while these owners aim for international markets, their limited management and soft skills remain a significant challenge.

On the one hand, a necessity-driven, global focus is acknowledged. Tamer Al-Atrash states emphatically that the mindset should be "The world is my market," and believes managers/owners "have the vision to reach the international market." Amani Maady confirms this focus is due "out of necessity," as the Palestinian market "is too small." Amjad Qassis also asserts there is "international orientation for international markets." Jawad Abu Aoun and Ibrahim Al-Sharef minimize the issue, with the latter noting that while orientation may not be "systemized or strategic," it is "not a problem" in general.

On the other hand, a large group of experts points to a critical skills gap in management that prevents the realization of this vision. Yahya Al-Shannar highlights the sensitivity of the issue, noting that owners are often engineers with "limited managerial experiences," and require training in skills like presentation, communication, and dealing with other people. Khaled Abu Al-Khair agrees, stating that most managers/owners "are technical with no managerial experience" and "do not know-how to conduct feasibility study, or establish a small business." Rand Safi notes that while most have the orientation, they "do not understand the procedural steps." George Urses sees the problem as a lack of foresight, arguing that owners "do not focus on the international business, they do not think outside the box." Musa Irfaiah and Hashem Al-Tamimi confirm the existence of a problem, with the latter noting that many still "focus on the local market instead of the international market," a perspective supported by Omar Al-Sahili who says that while some have strategic orientation, others remain "locally oriented, which is not enough in the world of business."

2. Question 2: Palestinian SME's owners have acceptable competences (knowledge, abilities, skills). There is a neutral agreement, and enhanced (our understanding) with the question (M = 2.25, SD = 1.00)

Many experts agree that Palestinian ICT firms struggle mainly because they lack non-technical and managerial skills. This makes it hard for them to compete internationally, even if their technical work is strong. Khaled Abu Al-Khair points out that most company owners have technical backgrounds but little management experience. As a result, companies often face issues like poor project management, as Musa Irfaiah observes. George Urses adds that weak administrative skills and a lack of professionalism, which he describes as the inability to organize and coordinate, are also problems. He believes that skills such as self-learning, problem solving, and critical thinking are missing. Yahya Al-Shannar suggests that managers should adopt a corporate mindset rather than an ownership mindset to help the sector grow. The shortage of soft skills also affects how these firms engage with the market. Sami Abu Sneina notes that poor marketing skills hold companies back, and that Indian firms often win more business by building better relationships, even though Palestinian service quality may be higher. Abeer Abu Ghaith also points out that not understanding other cultures and lacking international market experience are major barriers to global success.

3. Question 3: The owners of the Palestinian SME's have appropriate education.

The experts agree with the question and confirmed the theme (M = 2.83, SD = 0.58)

Experts agree that education is not an issue for the Palestinian ICT workforce. Instead, the main challenge is the mindset and management skills of business owners. Sami Abu Sneina, Amani Maady, and Amjad Qassis all say there is "no problem with the level of

education" and that most people in the sector are "educated and IT graduates." Abeer Abu Ghaith adds that most employees "are educated" and that their "mindset is important when dealing with international firms." Still, this agreement on technical skills points to a gap in management. Yahya Al-Shannar notes that while owners are educated, many "need training to manage their business" because failure often happens when they cannot shift from a "family oriented mind into the mindset of corporation."

4. Question 4: SME's owners are right in age and experiences for international business.

There is agreement, and the question confirmed (M = 2.64, SD = 0.67). Experts say that Palestinian ICT firm owners and managers are technically skilled, but many have limited experience working internationally or scaling their businesses. Amjad Qassis observes that most owners are over 40 and have strong backgrounds in IT and business. Amani Maady believes age is not a key factor in business success. Still, several experts note that experience is often narrow. George Urses highlights a lack of work with international firms, and Sami Abu Sneina mentions some general weaknesses in experience. Abeer Abu Ghaith adds that while firms, especially in Gaza, have experience, they often lack the resources to grow. Yahya Al-Shannar is optimistic about the future, saying the younger generation is aware, creative, and understands international business, though they currently have limited connections abroad. He expects these networks will develop over time.

5. Question 5: Research Question 12: SME's owners normally build their online profile.

The respondents has confirmed with (M = 2.50, SD = 1.00).

Experts widely agree that Palestinian ICT firms face serious challenges in marketing, branding, and building professional profiles. This lack is a major barrier to winning international business. Amjad Qassis points out that marketing and branding are very limited

and much more needs to be done. Amani Maady and Sami Abu Sneina also highlight problems with building company profiles and creating effective marketing networks. Mohannad Al Jaabari stresses that having a strong profile is crucial for showing previous work and client feedback to potential international partners. To help solve this, Abeer Abu Ghaith recommends hiring professionals in foreign markets whose main job is to introduce and promote Palestinian firms.

6. Question 6: SME's owners have competency in English language. There is agreement with the question (M = 3,00 SD = 0.00).

Experts agree that proficiency in English and Arabic is a key competitive advantage for the Palestinian ICT sector internationally. Amjad Qassis describes language as crucial for business, while Hashem Al-Tamimi emphasizes the importance of English in global markets. Yahya Al-Shannar and Jawad Abu Aoun also note that English skills strengthen competitiveness. Khaled Abu Al-Khair adds that fluency in both languages offers a significant edge when engaging with major markets such as Saudi Arabia and the Gulf countries.

7. Question 7: SME's owners suffer from lack of managerial skills. There is agreement and confirm with the question (M = 2, 80 SD = 0.42), the experts think:

Experts widely agree that the biggest challenge for Palestinian ICT firms is a serious shortage of managerial skills and focus. Hashem Al-Tamim observes that this lack is very clear, and Sami Abu Sneina also points out a weakness in managing firms. Khaled Abu Al-Khair believes most problems owners face are related to management. George Urses adds that many firms do not prioritize management and often do not have dedicated managers or departments. To address this, Yahya Al-Shannar suggests that firm owners should receive training to become effective managers. Abeer Abu Ghaith sums up the impact, saying that

firms struggle with a lack of managerial skills, understanding their needs, and making ongoing improvements.

3.5.2. Step Two: Quantitative Finding

In the second step of phase two, a descriptive study used a questionnaire on 42 participants' of experts, (owners and employees) was conducted. A descriptive analysis of the level of agreement to the antecedents that affect the SME's internalization, mean comparison test (independent t-test).

A quantitative of 3 Likert scale (Disagree=1, Neutral=2 and Agree=3),in addition to (N/A= 0), questionnaire was developed using the previous themes and subthemes results, to be precise of theses orientations (Chresell, 2013), where local firms were questioned. Findings were organized using the answers for each theme, if research questions were supported in the main themes.

3.5.2.1 Environmental Level

The researcher is conducting a quantitative study, aiming to find out the level of influence the environment has on the internalization process at both the home and host countries according to the participates.

3.5.2.1.1. Home Country

The following are the median and standard deviation for every question at the environmental level of home county, answered by participates as shown in table 3.8

Table 3.8: Quantitative Results

Theme/subthemes	Quantitative results
1. Warzone	High agreement with the statement the "WAR Zone" stereotyping problem" (M = 2.74, SD = 0.59)
2. Gap of skills	High agreement with the statement “Gap of skills" (M = 2.76, SD = .58).
3. Training	High agreement with the statement the "Training is needed" (M = 3.00, SD = 0.00).
4. Investment	High agreement with the statement the "is not enough investment” (M = 2.76, SD = 0.48).
5. Information security	High agreement with the statement the "Lack of information security” (M = 2.50, SD = 0.74).
6. Price	High agreement with the statement the "High service's price" (M = 2.48.54, SD = 0.83).
7. Time zone	high agreement with the statement “Limited Time Zone" (M= 2.48, SD 0.83),
8. Palestine law	Moderate agreement with the statement " the Palestinian law" (M = 1.88, SD = 0.94)
9. Unknown market	High agreement (M= 2.67, SD=0.610) Palestine market is unknown for international companies.
10. One market	Low agreement with the statement the” one market with Israeli" (M = 1.26, SD = 0.54).
11. Dependency	A moderate agreement with (M= 2.17, SD=0.82) of dependency.
12. Competitive advantages	High agreement with the statement the " SME's competitive advantages" (M = 2.57, SD = 0.70)
13. Immature industry	High agreement with the statement the " The Palestinian industry is immature" (M = 2.43, SD = 0.77)
14. Digital payment	High agreement with the statement the "Digital payment" negatively effects (M = 2.74, SD = 0.59)

1. Question 1: At the environmental level in the home country ICT SME's face the "WAR Zone" stereotyping problem, where international companies are reluctant to do business.

Table (3.8) shows the quantitative data obtained from questions answered by the participates when asked if ICT SME's face the "WAR Zone" stereotyping problem, which affects the decision of doing business with the ICT SME's .

Results showed high agreement with mean (2.74) and SD of (0.59) that the warzone has negative effects on the ICT SME's internalization. Regards the negative effect of warzone stereotype, some of the experts believe that the "Warzone stereotype" it is related to the lack of capabilities to accomplish the job and weak infrastructure. Beside to that the weak of formal promotion and networking.

2. Question 2: At the environmental level in the home country ICT SME's face a Gap of graduate required skills to match market needs.

In table (3.8) the participants are highly agreed with the statement with (M = 2.76, SD = .58).It is clear there is a Gap of ICT SME's of graduate skills and market needs, which negatively affects hiring capable knowledge and skills needed for the ICT market. Where most of skilled persons are local university graduates.

3. Question 3: At the environmental level in the home country ICT SME's face a lack of training skills to match market needs. In table (3.8) the participants are highly agreed with the statement with (M = 3.00, SD = 0.00). It is clear there is a need to develop training to enhance market needs.
4. Question 4: At the environmental level in the home country ICT SME's investment in the ICT sector is not enough to enhance their desired needed.

Related to investments amount in the ICT SME's Table (3.8) the surveyed participants said, it is not enough, where there is a high agreement with (M 2.76 and SD 0.48), in which it is essential and have a profound affect the internalization.

Despite that, some of the experts think investments are not the main issue, but investing in training and business development is more crucial. Other point of views are seeing the lack or uneven distribution of investment or depending on donors, as being essential to address. Pushing international is affected by sufficient capital investment to address resources and capabilities. (Asemokha et al., 2020).

5. Question 5: At the environmental level in the home country ICT SME's lack of information security, where concerns arise when international companies deal with ICT SME's.

Table ((3.8) shows that there is a high agreement with (M 2.50 and SD of 0.74) that information security is essential and have a profound effect on internalization of ICT SME's in their business, as Lack of information security a bad publicity to the international companies that it is risky to deal with local ICT SME;s. despite this fact many experts disagree, and believes that Palestinian firms are not suffering from the lack of information security issues.

6. Question 6: At the environmental level in the home country ICT SME's services prices are relatively high.

Table (3.8) shows that the participants have moderate agreement with (M 2.10 and SD 0.91), that the price of service is relatively high with could impact internationalization.

They believe that even the prices for services by the ICT SME's are relatively high compared with surrounding countries, it would affects the SME's in their business. The lowest cost of service provided could have a positive effect on attracting international firms to do business with local firms, even though the this competitive can be found with other competitors, therefore the quality of service still play an important role (Öhman, 2014).

7. Question 7: At the environmental level in the home country ICT SME's "Time Zone" in Palestine is similar time zone with international companies.

Table (3.8) about the theme of time zone shows that there is a high agreement with (M 2.48 and SD 0.83) of the limited "Time Zone" differences between the Palestinian territories and international outsourcing companies especially in Europe, in which it facilitates business doing.

8. Question 8: At the environmental level in the home country ICT SME's, where the Palestinian law, is it appropriate in relation to (taxations, investment laws, employees' rights) According to Table (3.8) there is a moderate agreement with (M 1.88 and SD 0.94), which indicate that the participants agree moderately that the Palestinian law is appropriate and acceptable when it comes to taxations, investment laws, employees' rights.
9. Question 9: At the environmental level in the home country ICT SME's Palestinian territories market's is unknown for the international companies.

Table (3.8) showed that there is a high agreement with (M 2.67, SD 0.61), which indicate that participants are highly agree that Palestinian territories market's is unknown for international companies. Some of the expert has indicated that the Palestine market's is still unknown, due to many reason, including the market size is still small, experiences, and the market should be institutionalized (putting rules and procedures, norms and customs) before it can penetrate other markets, in addition to that, the existing of Israeli firm working in the ICT sector harden the chances for Palestinian firms to be known to the international firms.

Increase awareness will improve the international market penetration, despite small market size, being unattractive, succeeding in put the Palestinian market on the map, will contribute to improve its experiences, attractiveness and contribute in the local economy.

10. Question 10: At the environmental level in the home country ICT SME's Palestinian market and Israel market are one market.

Table (3.8) According to the quantitative, there is a moderate agreement with mean (1.26) and standard deviation of (0.54), which indicate that participants do not agree that the Palestinian SME's depend on the Israeli companies in its business.

11. Question 11: At the environmental level in the home country ICT SME's Palestinian market depends on Israel market.

Table (3.8) According to the quantitative, there is a moderate agreement with mean (2.17) and standard deviation of (0.82), which indicate that participants do not agree that the Palestinian SME's depend on the Israeli companies in its business.

12. Question 12: At the environmental level in the home country ICT SME's have a competitive advantage.

In table (3.8) showed there is a high agreement with the statement the “ICT SME's have competitive advantages" (M = 2.57, SD = 0.70). Having a competitive advantages is a must in this time, companies compete over having advantages in cost or quality of service to be able to do business with international companies. Otherwise and without any advantage or specialization business chances would have little to zero chances.

13. Question 13: At the environmental level in the home country ICT SME's industry is immature, not fully developed, instable, and lack market contributors.

Table (3.8) it indicated that there is high agreement with the statement that the “The Palestinian industry is immature" (M = 2.43, SD = 0.77).

14. Question 14: At the environmental level in the home country, how digital payment difficulties negatively affects the ICT SME’s development?

According to In the quantitative, there is a high agreement with mean 2.74 and standard deviation of 0.59, which indicate that participants are highly agree that the digital payment difficulties are negatively affects the ICT development. In the Palestinian market, the digital payment still in its early stage, many restriction are in place when dealing with transfers. This is due to security restrictions and the fear of many international organizations when it comes to money transfer, like PayPal.

In the ICT SME’s as many experts expressed, the sector depends mainly on electronic money transfer, such as bank transfer or other forms of digital payment, when it comes to bank transfer some experts believe that it is not an issue, while the issue exist in the other forms of digital payment due to security reasons and regulations.

3.5.2.1.2 Host Country

In the following table (3.9) we introduce the questionnaire results to examine the extent to which the sample members, who are institutional owners and experts in this field, agree with the host country subthemes stated in the qualitative study.

Table 3.9: Host Country Result

Theme/ subthemes	Quantitative Data
1. Demand of service	Moderate agreement with the statement" the lack of professional workers in Israel lead to high demand"(M = 2.14, SD = 0.87)
2. International expansion	High agreement with the statement " ICT sector service internationally is expanding "(M = 2.86, SD = 0.42)
3. lack of trust	Moderate agreement with the statement "the trust between international companies and local Palestinian SME's"(M = 2.29, SD = 0.86)

1. Question 1: At the environmental level in the host country ICT SME's, as due to lack of ICT professional workers in Israel, there is a high demand exist on the Palestinian ICT service.

According to table(3.9) of respondents, there is a moderate agreement with mean of 2.14 and standard deviation of 0.87, which indicate that there participates moderately agree that there is a high demand for Palestinian service from Israeli firms.

2. Question 2: At the environmental level in the host country ICT SME's as due to lack of ICT professional workers in Israel, there is a high demand exist on the Palestinian ICT service.

According to table (3.9), there is a high agreement with mean of (2.86) and standard deviation of (0.42), which indicate that there is an expansion of international demand in the ICT sector service.

Despite of the international demand, international firms work to attract talented people to reduce cost and to benefit from experience. Even though, the speculation can fire completion and penetrate international market. Therefore, most of the interviewed experts highlighted that there is a high international demand to the ICT services.

3. Question 3: At the environmental level in the host country ICT SME's as due to lack trust internationally of local ICT's professional service.

Table (3.9) According to results there is a moderate agreement with mean of 2.29 and standard deviation of 0.86, which indicate that participates think there is miss of trust between international companies and local Palestinian ICT SME's.

3.5.2.2 Firm level

In the following table (3.10) we introduce the survey results to examine the extent to which the ICT SME's sample members, who are institutional owners and experts in this field, agree or disagree with the firm level subthemes of (lack adequate networking, lack certificates, labor lack of commitment, Inconstancy of service, trend in technology, strategic orientation, financial resources, technological resources, online profile, ability to compete) that were stated in the qualitative study.

Table 3.10: Firm Level Results

Theme/subthemes	Quantitative Data
1. lack adequate networking	High agreement with the statement "lack of adequate networking with international companies"(M = 2.88, SD = 0.40)
2. Lack certificates	Moderate agreement with the statement "necessary certificates to work in the ICT sector" (M = 2.31, SD = 0.81)
3. labor lack of commitment	Moderate agreement with the statement "labor lack of commitment"(M = 2.19, SD = 0.94)
4. Inconstancy of service	Moderate agreement with the statement "inconstancy in level of service provided "(M = 2.26, SD = 0.86)
5. Trend in technology	High agreement with the statement" SME's follow new trend in technology"(M = 2.43, SD = 0.860)
6. Strategic orientation	Moderate agreement with the statement" Strategic orientation for SME's"(M = 1.74, SD = 0.86)
7. Financial resources	Low agreement with the statement "Financial resources for "SME's"(M = 1.60, SD = 0.80)
8. Technological resources	Moderate agreement with the statement Lack of technological resources for "SME's"(M = 2.02, SD = 0.92)
9. Online profile	High agreement with the statement SME's build an online profile "(M = 2.48, SD = 0.83)

10. Ability to compete	High agreement with the statement SME's ability to compete" (M = 2.36, SD = 0.88)

1. Question 1: Palestinian SME's lack of adequate international companies networking.

Accordingly, table (3.10) indicated that there is a high agreement with the theme when they were asked if the Palestinian SME's lack adequate networking with international companies. (M 2.88 and SD of 0.40), which indicate that participates agree.

The adequate international networking includes profiling, relationships, start initial contact and promotion. In which can be overcome by building relationships and real work experiences between international firms and Palestinian firms. Some barriers for building networking come from: Not enough personal relationships, Business development manager does not exist, Lack of official authority backup and support, Not enough experiences and knowledge, Not paying attention to the importance of profiling, participating in events to introduce themselves and have the skill of presentation, bitching and establish initial contact., Different in culture and understanding business practice and norms, Israeli restriction on traveling or physically access to meet Israeli and international firms.

Clearly, networking is important to the international market, is speed up the process of internalization, as teaming up with big players will positively enhance the opportunities to penetrate the international market, in addition to that, there is a consensus on the relationship between establishing network and earning trust between firms, will eventually boost the international transaction. Asemokha, A.et al (2020). This is also mentioned and highlighted by other study, as it is risky to work without networking, firms should first establish a contact before going international. Öhman, E. (2014)

2. Question 2: Palestinian SME's lack to the needed and necessary certificates to work in the ICT sector.

According to table (3.10), there is a moderate agreement with mean of 2.31 and standard deviation of 0.81, which indicate that participates do not fully agree when they were asked if Palestinian SME's lack to the needed and necessary certificates to work in the ICT sector.

3. Question 3: Palestinian SME's suffer from labor commitment

According to table (3.10), there is a moderate agreement with mean of 2.19 and standard deviation of 0.94, which indicate that participates moderately agree when they were asked do you think if the Palestinian SME's suffer from labor lack of commitment.

4. Question 4: SME's suffer from inconstancy in the level of service provided

According to table (3.10), there is a moderate agreement with mean of (2.26) and standard deviation of (0.86), when asked if the Palestinian SME's suffer from labor lack of commitment. On the other hand, many participations emphases that the inconstancy in the level of service is not an issue faced by Palestinian firms. As they demonstrated their ability in providing medium and above constant level of services. In contrast, some firms face the high turnover in labor which sometime affect the level of services. They maintain a constancy in service is the main assets for firms.

5. Question 5: SME's follow new trend and update of new technology.

According to table (3.10), there is a high agreement with M 2.43 and SD 0.86, which indicate that participates moderately agree when they were asked if the Palestinian SME's follow up and update of new trend in technology.

6. Question 6: Strategic orientation to expand internationally is clear with most of the SME's

According to table (3.10), there is a moderate agreement with M 1.74 and SD 0.86, which indicate that participates are moderately agree when they were asked if there is a clear strategic orientation to expand internationally with most of the SME's.

7. Question 7: Financial resources for the Palestinian SME's are available

According to table (3.10), there is a low agreement with M 1.60 and SD 0.80, which indicate that participates are disagree when they were asked if financial resources for the Palestinian SME's are adequate.

8. Question 8: Lack of technological resources (hardware and software) exists for SME's.

Table (3.10), they are don’t fully agree with M of 2.02 and SD 0.80, when they were asked if the ICT SME's face a lack of technological resources (hardware and software).

9. Question 9: SME's owners normally build their online profile.

According to table (3.10), there is a high agreement with M 2.48 and SD 0.83, which indicate that participates are fully agree when they were asked if SME's owners normally build their online profile.

10. Question 10: SME's owners have the ability to compete with other international companies.

Table (3.10) indicate High agreement with the statement SME's ability to compete" (M = 2.36, SD = 0.88).

3.5.2.3 Managerial level

In the following table (3.11) we introduce the survey results to examine the extent to which the ICT SME's sample members, who are institutional owners and experts in this field, agree or disagree with the firm level subthemes of (SME's owners' international orientation, SME's owners competences, education, age & experiences, commitment, English language, lack of managerial skills) that were stated in the qualitative study.

Table 3.11: Managerial level

Theme/subthemes	Quantitative Data
1. SME's owners' international orientation	Moderate agreement with the statement SME's international orientation " (M = 2.12, SD = 0.92)
2. SME's owners competences	High agreement with the statement SME's owners competences " (M = 2.50, SD = 0.71)
3. Education	High agreement with the statement SME's education " (M = 2.83, SD = 0.38)
4. Age & experiences	High agreement with the statement SME's age and experience" (M = 2.50, SD = 0.63)
5. Commitment	High agreement with the statement SME's commitment" (M = 2.86, SD = 0.35)
6. English language	High agreement with the statement SME's English language" (M = 2.52, SD = 0.80)
7. Managerial skills	Moderate agreement with the statement SME's Lack of managerial skills " (M = 2.29, SD = 0.83)

1. Question 1: The owners of the SME's have international orientation toward international market

According to table (3.11), there is a moderate agreement with mean of 2.12 and standard deviation of 0.92, which indicate that they are disagree when they were asked if the SME's owners' have an international orientation.

2. Question 2: Palestinian SME's owners have acceptable competences (knowledge, abilities, and skills).

According to table (3.11), there is a high agreement with M 2.50 and SD 0.71, which indicate that participates are highly agree when they were asked if the Palestinian SME's owners have acceptable competences of (knowledge, abilities, skills).

3. Question 3: The Palestinian SME's owners have appropriate education.

According to participants table (3.11), there is a high agreement with mean of 2.83 and standard deviation of 0.38, which indicate that participates highly agree when they were asked are the owners of the Palestinian ICT SME's have appropriate education.

Most participates think that the owners of the ICT SME's have appropriate education, whereas most owners are highly educated and most are IT graduated from universities. But they facing the challenge of managing business depend family management oriented. Other consider that education have a moderate effect on doing international business decisions. The study shows that, compared to owners with less education, owners with a high level of education, appear to be more likely to tolerate ambiguity, and take risks, which related positively to the firms' internationalization decisions and performance (Wneg-Tsung et al. 2013).

4. Question 4: Do SME's owners have the appropriate age and experiences for doing international business

Accordingly, table (3.11) shows high agreement of the age experience fit, M 2.50 and SD 0.63, which indicate that participates are highly agree when asked the Palestinian SME's owners if there a fit between age and experiences for doing international business. Sometimes the issue is the lack capacity or scalability, with the age matter as not related or important to the process of going international.

While other, firms owners' previous international experience seem to have a wide market knowledge, and confidence in taking decisions to go international, this tend to move into foreign markets more often than other companies. However, unless the owner is part of the board of director which will weaken the relationships between internalization and performance, meanwhile previous experience have moderate effect on the international business process (Wneg-Tsung et al., 2013). This will properly indicate a high level of experience which will improve the chances of understanding the business environment and challenges including the international market's needs.

5. Question 5: SME's owners have high commitment toward their business

As showed in table (3.11), there is a high agreement M 2.86 and SD 0.35, which indicate that participates highly agree when they were asked do the owners of the Palestinian SME's are committed to their business and to the international operations. Most participates think that the Palestinian SME's owners have commitment toward their business, in which and it could lead to better chances of going to international.

Some experts interviewed describe the SME's as business owners' baby committed to, especially as they spent a lot of time and efforts building and developing it. Furthermore, the owners consider the business as their main source of income, and need to pay attention to seize limited opportunities.

Another study showed that management's commitment toward their business in case of Indian SMEs, related positively with a firms' degree of internationalization (Rajshekhar & Todd, 2011)

6. Question 6: SME's owners have competency in English language

Table (3.11) shows the data answered by participates when they were asked if the SME's owners have competency in English language. Accordingly, there is agreement with (M 2.52 and SD 0.80), which indicate that participates are highly agree that the Palestinian SME's have competency in English language.

This would help as shown in the sample to:

- Mastering English language is crucial for business these days
- English language excellence provide a competitive advantage in addition to Arabic language for expanding business to Arab countries specially golf stats
- English language provide a doorway for penetrating new markets and go international

7. Question 7: SME's owners suffer from lack of managerial skills

In Table (3.11), there is moderately agreement with mean of (2.29) and standard deviation of (0.83), which indicate that they agree when they were asked if the SME's owners suffer from lack of managerial skills which would affect their doing international business.

Most participates agreed that the Palestinian SME's owners suffer from the lack of managerial skills which would negatively affect the chances to international business. Some experts think SME's seriously suffer from the managerial skills shortages. This will properly indicate an issue need to be taken seriously by SME's managers in order to manage their business in the management area, which will eventually will increase and improve the chances for the business to go international.

3.5.3. The Convergent Findings

In convergent the combined quantitate and qualitative findings, presented as data convergence labels such as: confirm, contradict, enhance, and mixed, the researcher used this labels and developed it further based on the study by presented by Fitzpatrick, 2016, as shown in table 3.12.

Table 3.12: Data Convergence Labels.

Quantitative level	Qualitative Result	Data Convergence Label
High	Agree	Confirm
High	Neutral	Enhance
High	Disagree	Contradict
Moderate	Agree	Enhance
Moderate	Neutral	Confirm
Moderate	Disagree	Enhance/Mixed
Low	Agree	Contradict
Low	Neutral	Enhance/Mixed
Low	Disagree	Confirm

Confirm label was utilized to describe the positive alignment between the quantitative and data convergence labels qualitative results…contradict label was used only once in the study and addressed the lack of agreement between the findings.

As Fitzpatrick, (2016) describe it, data convergence labels—confirm, contradict, enhance, and mixed—came from my efforts to describe how the data came together in this study… the data convergence labels were intended to describe the relationship between the separate methodological strands at each point of convergence.

In those situations where I felt that the data directly addressed the same issue, the data were labeled as either confirming or contradicting one another. For those situations where the data had both points of confirmation and contradiction, the data were labeled as having mixed convergence. In several cases, the quantitative and qualitative data provided different perspectives on the same phenomenon or added a richness of understanding but did not directly confirm nor contrast with one another. In these cases, the forms of data were labeled as enhancing the understanding of the phenomenon.

The development and use of the confirm and contradict labels was rather straightforward. For example, the confirm label was utilized to describe the positive alignment between the quantitative results The contradict label was used only once in the study and addressed the lack of agreement between qualitative and quantitative results with regard to participants'.

The mixed label was used to illustrate alignment of participants' definitions of program success between both the survey and case study data The enhance label was developed to describe instances when the qualitative and quantitative data addressed the same phenomenon but in different and illuminating ways.

See Appendix (8) which present the detailed result for both the quantitative and qualitative results and data convergence label.

3.5.3.1 Home Country Level

Below the quantitative and qualitative results at the environmental level- home country, showing the degree of convergence results between the two research methods, as shown in table 3.13.

Table 3.13: Home Country Level Results

Code	Quantitative agreement degree	Qualitative agreement degree	Convergence Label results
1. Warzone	(M = 2.74, SD = 0.59)high	(M 2.27, SD = 0.88) Neutral	Enhance
2. Gap of skills	(M = 2.76, SD = .58) high	(M= 3.00, SD = 0.00) Agree	Confirm
3. Training	(M = 3.00, SD = 0.00) high	(M = 3.00, SD = 0.0) Agree	Confirm
4. Investment	(M = 2.76, SD = 0.48) High	(M = 2.33, SD = 0.87) Agree	Confirm
5. Information security	(M = 2.50, SD = 0.74). High	(M = 2.40, SD = 0.84) Agree	Confirm
6. High Price	(M = 2.10, SD = 0.91)moderate	(M = 2.86, SD = 0.52) Agree	Confirm
7. Time zone	M = 2.48.54, SD = 0.83) High	(M = 2.63, SD = 0.50) Agree	Confirm
8. Palestine law	(M = 1.88, SD = 0.94)moderate	(M = 1.50, SD = 0.90)disagree	Enhance/mixed
9. Unknown market	(M = 2.67, SD = 0.61) High	(M = 2.77, SD = 0.44) Agree	Confirm
10. One market	(M = 1.26, SD = 0.54) Low	(M = 1.73, SD = 0.90 Neutral	Confirm
11. Dependency	(M = 2.17, SD = 0.82) moderate	(M = 2.09, SD = 0.94) Neutral	Confirm
12. Competitive advantages	(M = 2.57, SD = 0.70)high	(M = 2.14, SD = 0.90) Neutral	Enhance
13. Immature industry	(M = 2.43, SD = 0.77)High	(M = 2.45, SD = 0.82) Agree	Confirm
14. Digital payment	(M =2.74, SD = 0.59)High	(M = 1.93, SD = 1.00) Neutral	Enhance

3.5.3.2 Host country level

Below the quantitative and qualitative results at the environmental level- host country, showing the degree of convergence results between the two research methods, as shown in table 3.14.

Table 3.14: The Host Country Convergent Results

Theme/subthemes	Quantitative agreement degree	Qualitative agreement degree	Convergence Label results
1. Demand of service	Moderate (M = 2.14, SD = 0.87)	Agree (M = 2.50, SD = 0.71),	Enhance
2. International expansion	High M = 2.86, SD = 0.42)	Agree (M = 2.60, SD = 0.52)	Confirm
3. Lack of trust	Moderate (M = 2.29, SD = 0.86)	Agree (M = 2.33, SD = 0.90).	Confirm

3.5.3.3 Firm Level Convergent Findings

Below the quantitative and qualitative results at the firm level, showing the degree of convergence results between the two research methods as shown in table 3.15.

Table 3.15: Firm Level Convergent Results

Theme / subthemes	Quantitative agreement degree	Qualitative Agreement degree	Convergence Label results
1. Lack adequate networking	High (M = 2.88, SD = 0.40)	Agree (M = 2.50, SD = 0.89)	Confirm
2. Lack certificates	Moderate (M = 2.31, SD = 0.81)	Neutral (M = 2.17, SD = 0.58),	Confirm
3. Labor lack of commitment	Moderate (M = 2.19, SD = 0.94)	Agreement (M = 2.77, SD = 0.44),	Enhance

4. Inconstancy of service	Moderate (M = 2.26, SD = 0.86)	Neutral (M = 1.83, SD = 1.03).	Confirm
5. Trend in technology	High (M = 2.43, SD = 0.860)	Agree (M = 2.45, SD = 0.82),	Confirm
6. Strategic orientation	Moderate (M = 1.74, SD = 0.86)	Neutral (M = 2.15, SD = 0.80).	Confirm
7. Financial resources	Low (M = 1.60, SD = 0.80)	Disagree (M = 1.67, SD = 0.98)	Confirm
8. Technological resources	(M = 2.02, SD = 0.92)	Agree (M = 2.45, SD = 0.82),	Confirm
9. Online profile	High (M = 2.48, SD = 0.83)	Neutral (M = 2.15, SD = 0.80).	Confirm
10. Ability to compete	High (M = 2.36, SD = 0.88)	Neutral (M = 2.14, SD = 0.90).	Confirm

3.5.3.4 Managerial Level Convergent Findings

Below the quantitative and qualitative results at the managerial level, showing the degree of convergence results between the two research methods as shown in table 3.16.

Table 3.16: Managerial level convergent findings

Theme/subthemes	Quantitative agreement degree	Qualitative agreement degree	Convergence Label results
1. International Orientation	Moderate (M = 2.12, SD = 0.92)	Agree (M = 2.36, SD = 0.93)	Confirm
2. Owners competences	High (M = 2.83, SD = 0.38)	Neutral (M = 2.25, SD = 1.00)	Enhance
3. Education	High (M = 2.50, SD = 0.63)	(M = 2.83, SD = 0.58)	Confirm
4. Age & experience	High (M = 2.86, SD = 0.35)	Agree (M = 2.64, SD = 0.67)	Confirm

5. Owners' commitment	High (M = 2.52, SD = 0.80)	Agree (M = 3,00 SD = 0.00)	Confirm
6. Competency in English	High (M = 2.52, SD = 0.80)	Agree (M = 3,00 SD = 0.00)	Confirm
7. lack of managerial skills	Moderate (M = 2.29, SD = 0.83)	Agree (M = 2,80 SD = 0.42)	Enhance

The following is a table summarizes the three previous tables and show the level of convergent the three main variables, its clearly show an agreement option between participates on the environmental and firm levels, while it show neutral agreement on the managerial level. This help in understanding the consensus and differences between participates when it comes to their viewpoints.

Table: 3.17: Antecedents level of agreement

	One Sample Test		Frequencies and percentages			
Variables	Mean	S.D	Disagree	Neutral	Agree	Result
Environmental level						
Home country level	2,67	0,17	9,1%	14,5%	76.4%	Agree
Host country level	2.77	0.30	8.3%	6.7%	85%	Agree
Home and Host country	2.72	0.18	8.8%	11.8%	79.4%	Agree
Firm Level	2.32	0.26	23.3%	21.1%	55.6%	Agree
Managerial level	1.98	0.46	46%	10.0%	44.0%	Neutral

3.6. Study Final model

The following figure 3 is the final version of antecedents model according to the convergent findings for the three different levels: Environmental, Firm and Managerial.

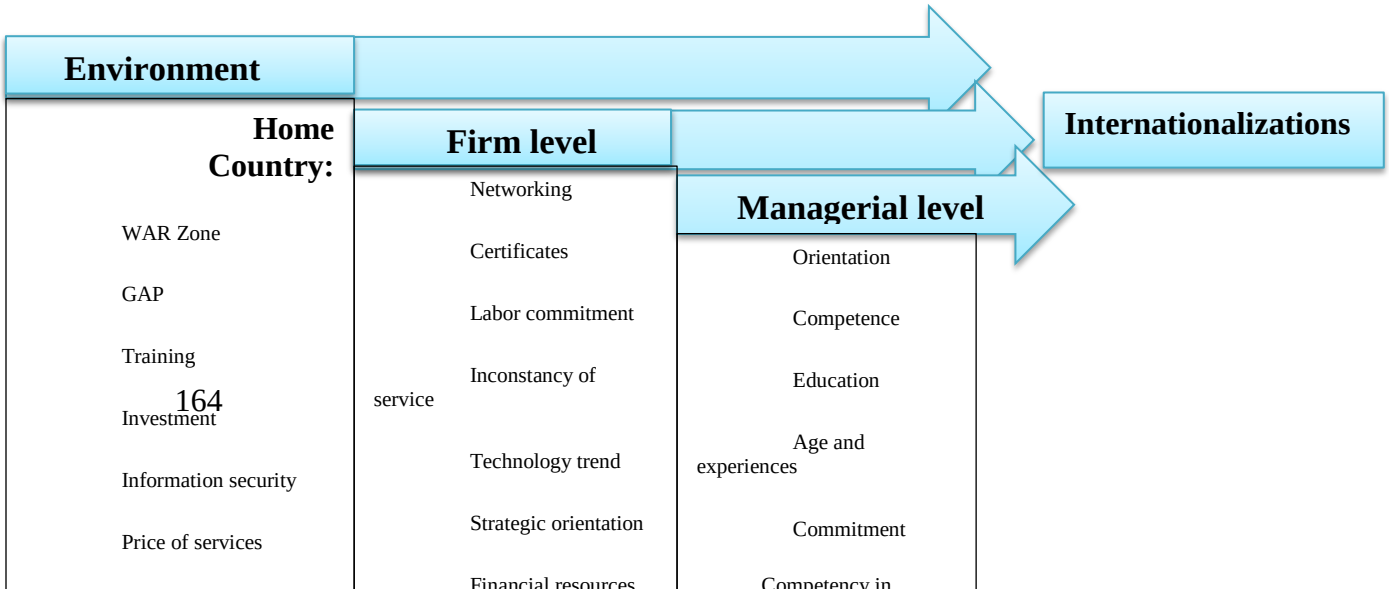

Figure 03: Model 's Final version for the antecedents that affect the internalization of SME's in the Palestinian territories working in ICT sector, at the three levels (Environmental. Firm, managerial)

In this research the researcher used the multiphase mixed method to form the final version of model, which clearly describe the antecedents on the three level (Environmental. Firm, managerial) and its effects on the internalization process for SME's in the ICT sector at the Palestinian territories. This model has gone though many amendments though the research process, the aim is to present a model reflect the real variables affecting the internalization, the model has been validated and verified many times.

Chapter Four

Discussion

4.1. Introduction

The purpose of this mix mode of qualitative and quantitative grounded theory study was to identify what antecedents ICT SME's to go internationally, leading to a model of internationalization. This chapter includes a discussion of major findings as related to the literature on ICT's SME in an unstable environment, most regulated by political Israel occupation, organization in Palestine, needs and worker motivation, and what implications may be valuable for use by legislators, corporations, and ICTs who work in or plan to be part of international market outsourcers. Also included is a discussion on connections to this study and antecedents theories and workplace policies. The chapter concludes with a discussion of the limitations of the study, areas for future research, and a summary.

This study investigates the internationalization of Palestinian SMEs, particularly their outsourcing activities. In particular, this study identifies the main factors that stimulate ICT SMEs to international outsource and the main model. This study further explores the processes and strategies undertaken by SMEs to go international. This study also identifies the role of environmental home and host level, firm and managerial level in facilitating SMEs to go international. Finally, this study investigates the factors influencing SMEs' international engagement. The policy measures to foster SMEs' internationalizing are formulated based on the research results.

The study was conducted in West Bank, and used both primary and secondary data. The primary data was gathered with mix methods of interviews and survey questionnaires administered to SMEs owners/managers and experts whose policy areas are related to SMEs' international activities. The study first stage of qualitative unstructured interviews with six experts was conducted to identify the themes. In the second stage, the quantitative survey conducted with ten local firms to validate the results from the unstructured interviews, Frequencies and percentages, beside a one sample t-test were used to realize the level of agreement. In the third stage, a structured interview was conducted on eighteen experts. They were asked the validated themes. Frequencies and percentages were used (51% and above is considered valid and significant, and less than 51% considered insignificant), beside on a one sample t-test were used to realize the level of agreement. In the fourth stage a questionnaire on 42 participants' of experts, owners and employees. A descriptive statistics of the level of agreement to the antecedents that affect the SME's internalization, mean comparison test (independent t-test) The secondary data obtained from various government institutions was used to highlight the research context and to form the SMEs database from which the study sample was drawn.

This chapter contains discussion and future research possibilities to help answer the research questions: (R1): What antecedents ICT SME's to stay in International market long term? (R2): what motivates ICT SME's on the Environmental level including home and host country factors on the process of SME Internationalization? (R3): what is the role of firm level on the process of SME Internationalization? (R4): how do managerial level have any influence on the process of SME Internationalization?

The theory for what motivates ICT SME’s to stay in or go to international market is multi-dimensional and comprised of five themes: (a) the environmental level of home and host country factors interest as external and internal environmental needs and priorities change, (b) firm level based on firms capabilities, (c) the managerial level of direct owners and manager influence on firm development is critical. Some factors relate primarily to the individual, some to the workplace, and some are a combination of the successful relationship of both. All of these factors help contribute to an international environment where SME’s are challenged and can continuously grow.

4.2. Interpretation of The Main Findings

While their ICT specialties, paths, and experiences may include variation for each organization, each of the three common antecedents were prominent factors in motivating/demotivating the ICT SME's researched for this study throughout their international journey. These themes have a dynamic dimension to them, as what is important to the SME's organizations changes over time. Each theme is described in detail in the follow sections.

4.2.1. The Effect of Environmental Level of Home And Host Country

Interest in international market is the priority as firms’ needs and priorities change. This study’s conclusion that environmental fit of both home and host country with firm and managerial factors is essential to motivating ICT SME's to go internationally. Results agrees with the historical literature that indicates firm's fit is a primary contributor and a good predictor of internationalization (Yildiz, et al., 2023). Internationalization fit relates solely to

an ICT's interest (Vuorio, & Torkkeli, 2023). While firms can expose to being international, one cannot force them to succeed in a specific software market. It was concluded that small, and medium-sized enterprises who had start the international market, some expressed having been faced more environmental challenges (Shafi, Liu, & Ren, (2020).

While some participants did internationalizing being exposed as subcontractors for Israeli firms, their involvement was their own idea. All participants described desired and abilities' to do their work with international firms directly. Participants cited readiness of the overall challenge of their chosen markets, often described as enjoying the problem solving, achievement, continuous learning, creativity, and the variety in their work.

4.2.1.1 The Effect of Home Country

The effect of home country characteristics on the ICT SME's internationalization was tested the Palestinian context. The findings show the relationship with the subthemes.

1. War zone Area

Warzone was indicated as a challenges for ICT SME's and consistent with literature (Noor, & Walsh, 2020). Managing in a war stereotyping problem. Combing both results present a determinant result. There is contradicting point of views. Regards the negative effect of warzone stereotype, especially when it comes to lack of capabilities to accomplish the job and infrastructure, which could affect the local firm's abilities.

2. The Gap of Skilled People

In home country, the exist as a result of no match of graduates and market needs, In most it consistent with literature and related to lack of coordination between universities, market needs, and the rapid changes in the ICT sector requirements, in which the training can enhance the graduates skills needed.

3. Investments Are Not Enough:

The experts present that investment is not the main issue, but investing in training and business development is more crucial. Other point of views are seeing the lack or uneven distribution of investment, in which it sometimes depend on donors priorities.

4. The Information Security:

There is a mix of experts agree with the idea that Palestinian firms lack any standards regarding the information security, which lead to reluctance, fear, and working with Palestinian firms. It show them as incapable of dealing with the issue, not practicing data protection regulations. But, some of the experts believe that Palestinian firms are not suffering from the lack of information security issues, many international firms are not deterred from conducting business. Combining, there is agreement that the lack of information security as it is an actual problem faced by SME's owners. Which if improved could improve SME's chances of working with international companies and expand internationally.

5. Insufficient Capital Investment:

Pushing internationalization is affected by insufficient capital investment, as lack of investment lead to shortage in available resources, capabilities (Asemokha, et al., 2020). On the other hand, others believe that the Palestinian market is too small to attract investors, and if investment is really needed it should be used to build capacity. Combing both results

present a specific result, there is a clear agreement that the lack of enough investment as it is an actual problem faced by SME's owners. Which if improved could improve SME's capabilities and to acquire more fund from banks of investor which as result would give it the resources needed to build their capacities and expand their business internationally. The impact of firm size was positive for all active enterprises at the national level and on territorial economic growth. The empirical findings are relevant to encourage and offer support to SMEs' development through their strategies (Gherghina, et al., 2020).

6. ICT SME's Prices:

It was proposed that Palestinian for services are relatively high. The participates agrees with this subtheme which could impact going international. But they think that the price is not all the story, rather than the quality of service that play an important role in internationalizing the local firms. As Palestinian ICT SME's prices as being high compare to other countries. This is due to the higher operational cost, and high technical requirements imposed by international firms. As this could force international companies to reach for cheaper countries. The lowest cost of service provided has normally a positive effect on attracting international firms to do business with local firms, even though the this competitive can be found with other competitors, therefore the quality of service still play an important role (Öhman, 2014) .

7. Time Zone" Differences:

Regards the "Time Zone" differences between the Palestinian territories and international outsourcing companies. The results present that there a high agreement that a time zone approximately is actually an opportunity to for SME's to work with international companies and expand internationally, especially in the European countries. As many interviewed expert repeatedly focus on idea that time zone approximately is an essential, on

the contrary, some sees it as an disadvantage when it comes and continuity of work around the o'clock. As the peripheral location play an important role to ease the process of going international, as close location between home and host country is enhancing the chances of doing business between firms, this is as a result to the culture similarities and geographic proximity (Öhman, 2014). But, these differences pose challenges for international market entry, this is normally addressed as psychic distance in business (Asemokha, A.et al., 2020).

8. The Local Law:

The effect of local law of taxations, investment, and employees' rights is appropriate. Some participates agree moderately and others disagree that the Palestinian law is appropriate. They described the law: it is immature, need improvements, inefficient judiciary system, labor law is facing ambiguity, taxation system and intellectual property rights, highlight the importance of an updated legal procedures, facilitate establishing firms, updating the work and employees law so it can accommodate the changes in business environment, otherwise, this will make the legal business environment unattractive for international companies.

Eventually, this will pave the road for more adequate ecosystem, which encourage to establish new business and facilitate their operations. On the other hand, other experts, view the Palestinian laws as suitable in many aspects, including tax law, but there is still a room for more improvements, especially when it comes to registration process, incentives, fees, judiciary system, organizing laws to arrange the relationships between employees and employers.

Combing both results present that there a high agreement that Palestinian law needs updated to current standards, international companies need to see that the law is clear and provide incentives and protection if needed. Which would affects negatively the business

environment for the SME's, if law is an immature and lack the necessary means to motivate, protect and facilitate work. Which in return impeded any chance for SME's to do business internationally. Clearly, the business environment factors cost like taxation and bureaucracy procedures still plays a crucial role in firms' decision to go international searching for other countries with lower production /service costs and other benefits. Öhman, E. (2014)

9. Local ICT Market Is Unknown To The International Firms:

Through the quantitative and qualitative data obtained, participants agree that the Palestinian ICT market of SME's is unknown for international companies. Which reduce the chances and increase the challenges for SME's to internationalizing.

The participants believe that the Palestinian territories market's is still unknown, due to many reason, including the unattractive of small market size, experiences, and not institutionalized with low rules, procedures, norms and customs. In addition, the existing competition of Israeli firm working in the ICT sector harden the chances for Palestinian firms to be known to the international firms. Increase awareness of the market will improve the international market penetration, and will contribute to improve experiences, attractiveness and contribute in the local economy (Sudirjo, 2023)

10. Palestinian And Israeli Are Considered One Market:

The quantitative and qualitative results obtained from participants, showed that answers do not agree completely that the Palestinian market and Israeli are considered one market.

Even with the economic ties between both the Palestinian market and Israeli is obvious, which clearly open opportunities for the Palestinian SME's. They have strong relationships with Israeli companies and international companies. At the same time in the ICT

sector things are different. Experts' think that Israeli companies still do not assign a whole project to the Palestinian companies. -Differences in laws, education and government regulations.

The idea that both markets are separates, and the only reason for Israel-International firms conducting business with the Palestinian firms is saving cost. But, some still agree that both market are related. The Palestinian suffer from the limited in technical capabilities, market scope, human resources, and technical resources as discussed before in chapter two.

11. SME's Depend On The Israeli Companies

According to the quantitative, there is a moderate agreement, While according to the qualitative neutral agreement between participates with regards to the question.

The business relation between the Palestinian SME's and Israeli companies exists, the matter of dependency is still questionable. This still as a result of too many reason, like Paris protocol of Palestine and Israel economic agreement 1993, and lack of trust and security reasons. Despite of this fact, the cooperation, between both sides can provide the Palestinian SME's with good opportunity, experience and access to the international market.

12. The Competitive Advantages

The ICT SME's competitive advantages in cost and service quality was approved. The quantitative and qualitative results showed an enhance agreement, and it is a must in this time to do business with international companies. Palestinian ICT SME's have the advantages in areas of Arabic and English languages especially for the golf states.

The Role of Cultural in Competence in the Internationalization of SMEs was discussed (Fakhreldin, & Anis, 2021). Beside that the cost, quality of services, and geographical approximate to other countries like the European market. The results are consistent with literature (Fariborzi, Osiyevskyy, & DaSilva, 2022). In addition to the time of service delivery and the relationship between timing, speed, and performance in foreign market network entry was approved (Hilmersson, Schweizer, & Chetty, 2022). As some experts summarize what the international firms are looking for Price, Quality, and time zone. In addition to knowledge and technical capabilities have positive relation with international performance (Asemokha, et al., 2020).

13. Immature of The Palestinian ICT

Combing both results present that there a confirm agreement that the Palestinian industry is immature, is not fully developed, instable and lack market contributors, which negatively doing business, and especially internationally, a lot need to be done especially by the government and the local organization in coordination with firms to enhance the business practice and sector organization.

As experts' emphases that such a market is characterized as being chaos, direction is ambiguous, need organizing. Even though outsourcing is still a critical step to reach product development. Which is needed for market to mature and to coordinate activities, building knowledge and experiences, lead to firms unable to develop or do international business. Asemokha, A.et al (2020) confirmed, and discussed the small market size and limited domestic demand and its effect on the decision to go international (Öhman, E. 2014).

14. Digital Payment Difficulties

Combing both results present that there a confirm agreement that the digital payment difficulties negatively affects the ICT development. But, there is no agreement of its' negative effect in Palestine international payment. Digitalization impact on the Internationalization of SMEs is a crucial in the process of internalization (Gaweł, et al., 2023).

In the Palestinian market, the digital payment still in its early stage, many restriction are in place when dealing with money transfers. This is due to security restrictions and the fear of many international organizations when it comes to money transfer, like PayPal.

In the ICT sector as experts expressed, the sector depends mainly on electronic money transfer, such as bank transfer or other forms of digital payment. Some experts believe that it is not an issue, while the issue exist in the other forms of digital payment due to security reasons and regulations. On the other hand, other experts believe that the money transfer has no main obstacles on the contrary it is even easier than in Israel.

Even though that, with the contradicting views about the issue of digital payment, and despite to some challenges, it is extremely important to eliminate these challenges by the local authorities, as this will impact the process of going international. The Host country politics and internationalization (Cuervo-Cazurra, et al., 2023).

4.2.1.2 The Effect of Host Country

To continue in this part to answer the part (R1) related to host country theme. In the following will be discussed in detail in qualitative and quantitative frameworks of this study. The discussion includes "pull" factors" was then adopted to describe host country-based macro factors that serve as global pull forces (Bellak, C., & Luostarinen, R. 1994).

1. Lack of ICT Professionals In Israel

Combing both results of the Quantitative and qualitative, the participates noted that the lack of professional workers in Israel in felid of ICT, will push the demand of Palestine ICT services. It will push up the outsourcing of Palestinian firms. Giving access permissions to enter Israel for over 5000 Palestinian software specialties is a clear example for this shortage. Some of the interviewed highlighted that is much easier comparing when working with oversees. As the cost of service is lower, and high quality, the higher demand is expected. In which it enables the Palestinian firms, to overcome the weak of local demand. Other study results confirmed (Öhman, E. 2014).

2. The Demand In The ICT Is Expanding

Combing both results present that there an agreement that the demand in the ICT sector service internationally is expanding. Therefore, it is up to the Palestinian firms to take the advantage of going international, gaining knowledge, experiences and build their network.

Despite the variability in the international demand, international firms are attracting talented people, reducing cost, and benefit from experienced workers. In the force of competition, the Palestinian firms have the ability to compete and penetrate international market. Therefore, most of the interviewed experts highlighted that there is a high international demand for the Palestinian firm.

3. The Lack of Trust With The Palestinian ICT SME's

Combing both results present that there an agreement that there is lack of trust between international companies and local Palestinian ICT SME's. Trust between firms is done due to the highest standards, establishing and building business associations. Trust comes as stated through showing good experiences, good work quality and high confidence in Palestinian

firms. The role of trust in the digital interactive model for SME speed internationalization (Mohamad, et al., 2021).

4.2.2. The Firm Level Factors

The firm level main question (R3): what is the role of firm level on the process of ICT SME's Internationalization? In this part to answer the study question we will answer the sub questions related to subthemes. The discussion will be introduces as subthemes of the firm level as follows:

1. ICT SME's lack of Adequate Networking

Combing both results present that there an agreement that here the Palestinian SME's lack of adequate networking with international companies.

Some barriers for building networking come from: not enough personal relationships, business development manager does not exist, lack of official authority backup and support, not enough experiences and knowledge, not paying attention to the importance of profiling, participating in events to introduce themselves and have the skill of presentation, bitching and establish initial contact, different in culture and understanding business practice and norms, and Israeli restriction on traveling or physically access to meet Israeli and international firms.

Clearly, networking is important to the international market, there is a consensus on the relationship between establishing network and earning trust between firms, will eventually boost the international transaction (Asemokha, A.et al (2020). This is also highlighted by (Öhman, E. 2014).

The government firms have to overcome this lack of networking by building relationships, and enhance the chances for going international (Masuda, et al., 2022).

Combing both results of quantitative and qualitative study, the experts confirm the agreement that the Palestinian ICT SME's lack needed and necessary certificates to work in the international companies. They think it is not sense the important of having these certificates to go international. Some international firms ask for specific type of certificates, like; ISO quality assurance certificate, business ethical code of conduct, data security and some type of insurance certificate. But, most international firms do not list it as a precondition for conducting business with Palestinian firms. On the other hand, some firms do not pay attention to obtain certificates as this will need time and money. Pacheco, et al., (2022) approved that the certifications enhance internationalization of SMEs.

2. ICT SME's Lack of Labor Commitment

Combing both results of quantitative and qualitative present that there no agreement of the question that Palestinian SME's suffer from lack of labor commitment. Firms who works in the ICT sector will suffer from needed employees dominated by large firms.

Hang, (2021) showed that educating and training labor force is important to meet market demand in during globalization and integration era. Most of the Palestinian ICTs depends on temporary workers, and task orientated. The challenge of this business model is to use employee when needed and not hiring full time employees. The Palestinian engineers who working with different firms depending on the task need are looking for opportunity to develop their skills, as there is clearly lack of job security in this business model. Atmaja, et al., (2022) indicates that the performance depends on the development of human resources quality, economic potential, and financial governance policy.

3. Inconstancy Level of ICT Service

Examining both results of the quantitative and qualitative findings show that there is almost no agreement that SME's suffer from inconstancy in the level of service provided. Which indicate that the Palestinian firms generally do not suffer from the inconstancy issue to do international business. The high employees turnover increase the level of inconstancy services to the international market. Lack of smart could lead to inconstancy in the level of service, this may affect firm ability to provide some services (Marikyan, et al., 2023). But, many participations emphases that the inconstancy in the level of service is not an issue faced by Palestinian firms at this stage.

4. ICT SME's Follow New Trend In Technology

Result combination of results present that there is an agreement that ICT SME's follow new trend in technology, which indicate that the Palestinian firms indeed follow the latest in technology. Some participations believe that ICT SME's firms indeed follow the new trend in technology and follow the Israeli technological trend, while they have some shortages in new and advanced technology such as artificial intelligence and block chain. The opposite point of view, think the firms are late software and hardware, “they do not keep up to date with the latest trend in technology”.

Follow new trend in technology enable firms to do international business with foreign firms with confidence that their equipment with the latest and most advance technology in software and hardware (Dana, et al., 2022).

5. The ICT SME's International Strategic Orientation

The results present that there is almost no agreement that ICT SME's Strategic orientation to expand internationally is clear with most of the SME's. Which indicate that participates indicate that the strategic orientation is not clear for the Palestinian firms. This will negatively affect the Palestinian firms going international business, without proper strategic orientation, relationships, and networking. The experts believe that ICT strategic orientation face challenges regards to the drives for internationalization, including the following which discussed in the research:

-The weakness of the local market and being too small, the global demand

-The competences point of experiences, quality, human resources, abilities in knowledge, and specialization, some experts think of obstacles are deterring firms from having international strategic orientation, including: The fear of accusation of normalization with the Israeli companies, in addition to the traveling restrictions, and obtaining needed finance to do so. Finally the lack of project management by firms' owners.

Despite the fact that, many Palestinian firms still seek for opportunities to go international, to apply the expression "land and expand". Especially as Arab world firms that dealt with are opening the gate for Palestinian firms to establish relationships and conduct business.

In addition to, the expression "land and expand" refers to the idea of Palestinian firm gain ground in the international market and then expand to other markets, which reflect the international orientation many firms adapt. One study emphases on the market seeking orientation, were firms targeting new markets to expand their business, firms’ owners depending on information acquired (Öhman, E. (2014).

6. Financial Resources For The ICT SME's

Combing both results that no firm can go international without proper financial resources. Many participates agree that the financial resources is a challenge, this due to mainly reasons including: uncertain environment, banks are reluctant to lend as it is risky, lack of investors, limited budget, and profit margin Palestinian limited financial resources, this includes: Task job business model with temporary, employees' scheme, few market research, less ability to travel and meet international firms, less establishing websites and marketing, less ability to develop, increase it size or develop the business model.

On the other hand, and despite all mentioned challenges, some experts still believe that the lack of financial resources is not an issue as the main issues are lack of strategy and the issue is merely a managerial problem rather than a financial one. The financial resources are viewed as important, as these sufficient resources are important prerequisites for international expansion Öhman, E. (2014).

7. Lack of Technological Resources (Hardware And Software)

Combing results present that there is agreement that Palestinian firms do not suffer from the lack of technological resources. There is no main issue related to the lack of technological resources (hardware and software. Some Palestinian firms suffer from a skilled and professional employees, rather than from a technological shortage in software or hardware.

8. ICT SME's Build Their Online Profile

The results confirm agreement that Palestinian firms build their online profile and highlight the step's importance for going international. The importance of online profiling

needs to hire a professional people to help which will help by introducing Palestinian firms to the business world.

Building a profile, will improve firms' chance of building a network and marketing the firms internationally. Online profiling is essential step in the process of internalization (Handoyo, et al., 2021).

4.2.3. Managerial Level

In this part, in the following through answering of sub question of this main question the study through qualitative and quantitative study will test to answer the question (R4): how do managerial level have influence the process of ICT SME's for Internationalization?

1. ICT SME's Owners' International Orientation

The quantitative and qualitative data answered by the participants when asked if the owners of the ICT SME's have international orientation toward international market. Both results enhance agreement with most of the SME's owners. Which indicate that owner's international orientation is still need to be addressed further. No firm can go international without owners seriously. Furthermore, owners could face difficulties if they have not the capability and welling to practice international orientation (Chandra, et al., 2021).

It is consistent with (Chandra, et al., 2021), that the reasons for not having international orientation by ICT SME's related to limited countries orientations, locally oriented, limited managerial experience and know-how, no professional manager in project management, systemized strategy, and depend on reaction strategic orientation. Accordingly,

there is a total agreement that global mindset facilitate operating business in the international market (Asemokha, et al., 2020). Despite this fact, some of the experts interviewed believe "The world is our market", owners are moving toward the international market out of necessity due to small market small size.

2. SME's Owners' Competences

Our findings suggest that results enhance that Palestinian SME's owners have acceptable competences knowledge, abilities, and skills. Opinions were divided regarding the question. Experts think Palestinian SME's owners lack to managerial skills including marketing skills, professionalism in business practice, governing business, ownerships mentality instead of corporation in managing business, lack of self-learning, problem solving and critical thinking skills, and lack of different culture understanding

The entrepreneurial competencies, including business skills, management, human relations, conceptual understanding, and attitude, are crucial to the success of SMEs indicated by Pratikto, Heri & Winarno, Agung & Restuningdiah, Nurika. (2023), as a successful Key for SME's in previous studies to contribute significantly to GDP and survive in different economic conditions.

3. SME's Owners Appropriate Education

Most participates agreed when asked if the owners of the Palestinian SME's have appropriate education as most owners are highly educated, IT specialist graduated from universities.

"The challenge of managing business with the family oriented mindset instead of corporate mindset, which will improve their managing capabilities". Other consider that "education have moderate effect on doing international business". Our results are consistent

with previous studies documenting demographic disparities in entrepreneurship and provide more generalizable evidence about the relationship between entrepreneurship education and subsequent entrepreneurship. The study shows that, compared to owners with less education, owners with a high level of education, appear to be more likely to tolerate ambiguity, and take risks. Which positively related to the firms' internationalization decisions and performance (Wneg-Tsung et al. 2013; Sá C, et al., 2025) .

4. SME's Owners' Age And Experiences

Most participates agreed on the owners have the appropriate experiences and fit age to do international business. The matter of age are not related to the process of going international.

Some experts highlighted to the issue of limited international experience, market knowledge, and confidence. However, unless the owner is part of the board of director which will weaken the relationships between internalization and performance, meanwhile previous experience have moderate effect on the international business process (Wneg-Tsung et al., 2013)

5. ICT SME's Owners' Commitment

When they were asked are the SME's owners have high commitment toward their business. Most participates agreed on Palestinian SME's have commitment toward their business and would lead to better chances of moving to international business. They spent time and efforts building and developing it. Furthermore, the owners consider the business as their main source of income, and need to pay attention to seize limited opportunities. Management's commitment toward their business are positively related to firms' internationalization (Rajshekhar & Todd 2011; Zahoor, et al., 2022).

6. SME's Owners Language Competency

Quantitative and qualitative data answered. Most participates agreed that the owners of the Palestinian SME's have competency in English language, in which it would lead to better chances of moving to international business, this obvious by:

Mastering English language beside other languages including Arabic language is crucial for business, provide a competitive advantage, and a doorway for penetrating new markets and go international (Jones, et al., 2021). Specially, as Arabic language is useful for expanding business to Arab countries particularly golf stats.

7. SME's Owners Managerial Skill

According to findings answer if the SME's owners suffer from lack of managerial skills. Most agreed that owners of SME's suffer the lack of managerial skills which would negatively affect the chances of moving to international business. Therefore, experts' recommend is to have training designed for managers and owners. Results consist with the literature where managerial and organizational capabilities for the inbound internationalization of small and medium-sized enterprises (Bianchi & Stoian, 2024).

4.3. Implications For Theory And Research

Chapter one included descriptions of several internalization models. These models included in this study fits with these models is discussed in the following sections. How SMEs identify and take advantage of the variety of possibilities present in global marketplaces has been the subject of a sizable amount of study (Varga, J. (2021).

The debate on outsourcing internationalization holds that enterprises outsource existing business processes internationally as a means of reducing costs and achieving greater efficiency (Doh, 2005; Farrell, 2005; Ramamurti, 2004). One can easily comprehend the focus

on outsourcing by companies, given the visibility of companies and the fact that their actions may create hundreds or thousands of new jobs in an overseas location and simultaneously eliminate a similar number of jobs in the home country. Not surprisingly, outsourcing has caught the attention of managers, policy-makers, and researchers (Levy, 2005; Lewin, Peacock, Peeters, Russell, & Sutton, 2005). Outsourcing by SMEs, on the other hand, has received far less attention in the business press or in academic research. Scholars typically

Companies turn to outsourcing their IT services in order to keep up with changes and to remain competitive (Nyameboame & Haddud 2017). Rajaeian, Cater-Steel and Lane (2017) defined outsourcing as the use of external service providers to deliver maintenance and support internally. According to Chang, Gurbaxani and Ravindran (2017) and Varajãoa, Cruz-Cunha and Da Glória Fraga (2017), outsourcing has a number of benefits to organizations such as cost reduction, leveraging dealer competencies in highly specific areas, avoid technological oldness, improve information system (IS) management and maintain or increase flexibility.

Based on Kuivalainen model, Internationalization related to the process of modifying a business (including its environment of home, host country, the firm and managing abilities). It comprises strategy, structure, and resources to conduct business worldwide (Vahlne, 2020). This concept considers behavioral and economic factors in addition to the dynamism and revolutionary character of internationalization. Numerous opportunities are available to SMEs when they operate in the global market, including access to bigger markets, technology benefits, technical level upgrades, risk mitigation, and financing (Jiang, et al., 2020).

At each level several factors need to be analyzed, for example at the environment level these factors includes industry factors and environmental dynamism, uncertainty and

turbulence, while at the firm level for example resources, networks and knowledge, finally and at the managerial level for example entrepreneurial orientation and managements' mindset and experiences (Kuivalainen, O., Sundqvist, S. & Saarenketo, S. 2012).

4.4. Implications of the Research Findings

4.4.1. Academic implication

The developed model is this this research is formed by using a combines views from several theoretical perspectives, as it is reasonable to adopt a framework that incorporates ideas from several theoretical viewpoints because it is getting harder to understand internationalization principles using just one conventional theoretical framework in today's quickly changing world (Öhman, 2014).

The findings of our study have some implications for the discourse of SME's internationalization theories, namely the Uppsala Model/the Stage Theory, the Network Model, the Resource-Based View (RBV) Model and the International New Venture (INV)/Born Global Firms theory. The international theory (Kuivalainen, O., Sundqvist, S. & Saarenketo, S. 2012).

- Uppsala Model

In traditional SME's there strong evidence to support the Uppsala Model. The seeking target geographically and culturally close foreign markets in their initial plans where the experts reported that their international relationship were actually sent to high-income large markets. . Johanson and Vahlne (2009) emphasized that business networks are a critical factor in the modern age of internationalization. Hence, Johanson and Vahlne (1977, 1990) who

assumed the importance of psychical distances in the internationalization process., psychical distances are important considerations. Europe, Israel, Arab world markets become an important factor when ICT SMEs increase their intensity.

On the other hand, SME's in the ICT sector, as many interviewees have mentioned not necessarily follow the same path, the advance in technology and communication have changed the way SME's work and expand, as described later in born global theory, where SME's ICT can start doing business globally from day one.

- Network Model of Internationalization

The findings support to the Network Model of internationalization. In line with Johanson and Mattsson (1988), we found that network relationships are crucial for ICT SME's internationalization. ICT SMEs build more intensive interactions and close relationships with various government agencies and non-government actors. SMEs obtain reliable opportunity information and foreign market knowledge from external actors in the networks, most notably business associates/partners, foreign buyers and business associations/ chambers. Accordingly, we found that SMEs require financial, managerial, technical and promotional assistance from government agencies and non-government sources to do international business and to sustain and expand their activities.

- Resource-Based View (RBV)

Our results afford mixed evidences for the RBV theory. On the one hand, SME owners' work resources experience may give SMEs valuable foreign market knowledge that can be of competitive advantage for business initiation and international expansion (Barney, 1991; Chatterjee & Wernerfelt, 1991). As well, foreign investors may provide SMEs with

equipment and techniques that can meet foreign markets' standards or that are rarely possessed by their local competitors. On the line with Barney (1991), we found that SMEs tend to build competitive advantage on the uniqueness of their products. They tend to differentiate the products that international firms need. Unique products can be SMEs' valuable and rare assets and source of competitive advantage, but they may have used it to compete in region market and it thereby does necessarily lead SMEs to the international market.

- International New Venture (INV)/Born Global Theory.

The findings of our study give an early indication of the INV theory. SMEs in with high interaction with foreigners can become international earlier. High contact to foreigners may influence SMEs' international orientation since firms' starts (Poulis & Yamin, 2009). Moreover, SMEs are more likely to engage internationally if the local population is small and the industries are less developed. There is also an indication in Palestine a small market and less developed industry and the main international outsourcing destination. ICT SMEs, mostly produce unique and high quality software products.

- Internationalization Theory

The Internationalization comprises growing the degree of international participation, commitment and acquiring more knowledge and experience (Ahmad, 2014). According to the preliminary phase of the model, firms are involved in international activities followed agreement to engage in export-related activities. Slowly, firms establish international branches, then firms establish their local manufacturing plants in international markets. Experience obtained in their domestic market is a crucial factor for firms in internationalizing. Firm first operate in familiar markets with less spiritual distance (Andersen et al., 2014). The

theory does not focus on how born global firms, and ignored the contractual entry modes and joint venture model (Ahmad, 2014; Sharma & Erramilli, 2004).

To sum up, we found evidence to support various SME internationalization theories and we therefore stop from concluding which internationalization theory is superior to explain SME internationalization. Rather, we argue that SME internationalization is determined by several factors including, but not limited to, firms' the economic factors of home and host country, firm and management factors, internal resources, network relationships, government assistance, international barriers, the economic conditions in the target markets, and the interplay among those factors. Hence, we argue that the international theory with its development phases and general conceptual framework of internationalization proposed by (Öhman, 2014) are explain the case of Palestinian ICT SMEs. In general conceptual framework, internationalization is determined by home and host country factors, management factors and firm (and owner) characteristics. The more specific theoretical frameworks proposed by the Network Model, the RBV and the INV theory could be more appropriate to investigate SME internationalization.

The findings of our research also have implications for the academic discourse on SME's internationalizing. We found that the dimensions of the model Kuivalainen, et al., 2012; Öhman, 2014), exhibit similar general themes to those reported by previous studies. Hence, we suggest the academic discourse on these areas depart from the debate over international determinates typology towards the identification of specific factors that SMEs encounter in various international stages.

4.4.2. Policy Implications

The government and NGOs trade unions should design international assistance based on accurate and updated information on international obstructions encountered by SMEs. Accordingly, the government should have a good understanding of the types and the strictness of barriers faced by SMEs, with which effective policy measures to remove the ICT international barriers can be formulated. The results in chapter 3 exposed that confusions about the types and the difficulty level of international barriers may lead to uncertain policy areas. This confusions of barriers between policy makers and SMEs are not common, even in developed countries. To obtain accurate information, government and NGOs agencies should collect feedback from SMEs and various actors in the internationalizations networks. For example, government agencies can regularly perform SME surveys in cooperation with NGOs trade unions, universities, and research institutes.

They should identify SMEs with international orientations in terms of home and host challenges, managers/owner characteristics, and firm/ business characteristics. SMEs have international orientation to do international business if they have considerable experience, education, age, or commitment to do business in the international market". On the other hand, 50% believe that the owners of the Palestinian firms do not lack to the experience needed and the orientation toward expanding to the international market. 90% of the SME's owners have the desired level of education, 80% think their age is not a problem where is it 47 years in the Palestinian society, and 90% of the experts think that ICT SME's owners have high commitment toward their business development.

The ICT SME’s can identify their international potential in terms of their owner characteristics, firm characteristics and managerial or business undertakings. SMEs have

greater potential to become international if they have considerable market experience or produce types of products that have a large contribution to international markets. Despite the small market size the contribution of small and medium-sized companies in the ICT SME's is approximately $300 million In Palestine". SMEs have greater potential to become international and to have higher software intensity for example, if they have owners or managers with overseas work experience, they actively seek to participate in or have good network relationships with non-government actors.

However, the identification of potential international does by SME's itself. The government and NGOs assistance programs to SMEs should in general aim to enhance the competitiveness of SMEs in all sectors, and to help SMEs to perform better both in domestic and international markets. The ability SMEs with international potential will help the government in achieving their economic development goals. The government should address the problems encountered by international SMEs to sustain and expand their international bases.

Our study revealed that at the international level, SMEs still face severe barriers such as warzone area stereotype, the existence of Israeli market build a barrier preventing the Palestinian subcontractors from doing business or build their reputation, the local market is small and unknown, competitiveness abilities of human and technical resources, high cost services compared to the region, and investment and other local legislations. Accordingly, the government should provide appropriate assistance to remove those barriers and closely monitor SMEs' international performance beyond initial international success.

The government's effort to foster SMEs' internationalizing take into consideration SMEs international plans. We found that SMEs have its international plans but they need promotional assistance, including SME catalogues publication or online promotion on the website of the Ministry of Cooperatives and SMEs, can be expanded to include as many SMEs as possible, including non-intender SMEs.

The state should be knowledgeable of the functions and role of non-government actors in the internationalizations network such as business associations/chambers, research institute/ universities, finance/microfinance institutions and other non-government organizations. The ministries intervention should take into account the network relationships between SMEs and other stakeholder's. Thus, the agencies must explain the fitting level of intervention for policy areas. Indirect intervention by non-government actors in the network, and government may intensify the efforts to address the business environment barriers in home and host markets such as SMEs' insufficient knowledge of target markets' regulations, procedures and business practices, and the negative image of Palestinian warzone markets.

On the contrary, indirect intervention may be preferred over direct intervention for the international tasks which civil society actors already provide. The public authorities can start a new form of financial institutions, banks services and structures to support SMEs internationalization. The government can also assign one public body to facilitate, connect, coordinate and monitor the masses of private and public agencies that have the same area of interest or assistance (Senik et al., 2011). For example, the government may assign the ministry of national economy, Ministry of IT, to pool all information regarding International

opportunity from various institutions/ sources. The cycle work of various activities is expected to increase the effectiveness of the International support.

The SMEs' internationalization requires to express a policy support focus. The extant literature suggests that there is a sufficient of international obstacle types met by SMEs, which may lead to various types of international assistance by public and private organizations with different interests and emphases (Senik et al., 2011). This may lead to spread, ineffective international assistance supply. However, the results reveal that the SME's Internationalizing can be clustered into general themes/dimensions.

Accordingly, the internationalization determinants can also be grouped into four general themes that can form the base for strategy emphasis. We argue that four international strategy emphases proposed by (Kuivalainen et al., 2012) and developed further by (Öhman, 2014) including business environment of home and host country emphasis, firm access emphasis, and business managerial capabilities emphasis, are still proper for the case of Palestinian SMEs. These strategies can assist as a regulation or main orientation for assistance by various agencies that share the same objectives to raise SMEs internationalization.

4.4.3. Managerial Implications

The findings of this study have several important implications for SMEs with intention to internationalization. SMEs may attempt to initiate international to geographically and culturally close markets (i.e. Arab and Israel bordering countries) but should not neglect international opportunities in large and high-income markets, regardless of their distances. Our results show that some of SMEs initiate international to distant markets. SMEs should use

and get the benefits of the trade agreements between Palestine with different international communities.

SMEs must proactively seek assistance from government and non-government organizations. SMEs may arrange the types of assistance that increase the SMEs' prospect to make contact with potential foreign buyers. SMEs may look to participate in international shows, exhibitions or expos. However, SMEs may be unwilling to bear the cost to participate in international trade fairs, particularly when the travelling costs are not covered. The alternatives to international trade fairs are SME catalogue publications or online promotion at the website of the Ministry of planning and International Cooperatives and SMEs, as both increase SMEs' likelihood of exposure to foreign buyers without experiencing high costs for SMEs.

SMEs should first seek financial support from a special financial institution. Besides that, they should grow and keep close relationships with non-government actors in the networks. Non-governments as important as the formal relationships with government in facilitating SMEs internationalization. Some networks can help SMEs to internationalize include, business associations/chambers, business partners/associates, private companies/state owned enterprises, universities/research institutes, suppliers, distributors and Palestinian emigrants worldwide.

For the current international SME's, the owner and the managerial team should keep actively seeking to participate in various international assistance programs. The results show that the SME's face barriers such as human resources, financial and practical barriers to expand international. The natures of assistance that might be helpful to remove those barriers

include managerial training (e.g. business planning, marketing, cultural differences awareness, language skills and knowledge of export procedures) and financial support.

International SMEs should continue and strengthen their relationships with non-government actors in the networks. For example, SMEs may seek advice or information regarding expansion opportunities from business associations/chambers and business partners/associates. In addition, they should build networking with Palestinian and Arab emigrant communities to access multiple foreign markets. The role of the Palestinian diaspora is still very limited and ineffective in facilitating SME internationalization, where other communities such as China, Japan and Korea are active (Zhou et al., 2007). Despite the challenges, current SME's internationals should consider expanding their activities. Their expansion may begin from the initial market of neighboring countries, to West European countries, to North America, and to East Asia. It is likely that some countries share some similarities in terms of culture, consumer preferences and business environment, all of which enhance the chance of a successful expansion.

Conclusion

This Conclusion begins by presenting the main findings of the research. Some findings come from a review of the relevant literature, while others are drawn from data collected during the conducting the research and analyzing the data. The chapter concludes with a set of summary of findings, final recommendation, limitations of study and suggestions for further studies.

The Main Findings:

Although each organization has different ICT specialties, paths, and experiences, the three common antecedents were key factors that influenced the ICT SMEs studied during their international journey. These themes are dynamic, as the priorities of the SMEs change over time. The following sections describe each theme in detail.

The Effect of Environmental Level For Home And Host Country

As organizations respond to new challenges, more are looking to expand internationally. This study shows that when the environments of the home and host countries align well, and when firms have strong leadership and resources, ICT SMEs are more likely to enter foreign markets. The findings support earlier research, confirming that a good environmental fit is a strong predictor of internationalization. For ICT firms, this fit often matches their strategic goals. Although some companies find opportunities abroad, success in specialized software markets can still be uncertain. The study also finds that SME's often face greater environmental challenges when going global.

Many participants began their international experience by subcontracting with Israeli firms before deciding to pursue their own paths in global markets. They expressed a strong preference for working directly with international companies and felt confident in their ability to succeed. They described enjoying the challenges of solving problems, achieving goals, learning new skills, being creative, and experiencing the variety that comes with their work.

The Effect On Firm Level:

The main challenge for Palestinian ICT SMEs is the gap between their strong technical skills and their weaker organizational strategies, which holds them back from expanding internationally. These firms keep up with new technology trends and usually deliver reliable service, showing they have skilled teams and good technical resources. However, they face difficulties with organization and accessing new markets. Many struggle to build strong networks with international partners because of travel restrictions, limited management experience, and not giving enough attention to building a professional online presence or joining global events. This lack of external engagement is made worse by unclear international strategies, which makes it harder for these companies to form partnerships and secure funding.

This lack of strategic maturity is made worse by two main internal problems: not enough financial resources, since banks are hesitant to lend in an uncertain environment, and too much dependence on short-term, task-based business models. Although many employees are committed, this approach creates job insecurity for skilled workers, making it hard for companies to keep talent and build deep expertise in areas like AI and blockchain. Experts agree that certifications such as ISO are helpful, but Palestinian firms often skip them because

they are expensive and time-consuming. To move forward, these companies need to see international growth not just as a technical issue, but as a challenge that also requires better strategy, management, and networking.

The Effect On Managerial Level

The main finding about how management affects internationalization is that the biggest internal barrier is owners lacking key managerial skills. This gap limits the impact of their technical expertise and dedication. Even though these owners are well-educated IT professionals, speak English well, and are highly committed to their businesses, they are still not fully prepared for global growth.

This happens because many owners approach their businesses more like families than corporations, and often lack professionalism in project management, strategic planning, and corporate governance. Although they know they must look beyond local markets, their approach to international business is usually reactive instead of planned. The main issue is not a lack of motivation or intelligence, but a real need to build stronger management skills. Research also shows that these skills are essential for expanding internationally. To help the ICT sector grow, technically skilled entrepreneurs need to become more strategic and business-minded.

Final Recommendation

The findings highlight two main points. First, they provide academic support for a hybrid internationalization model. Second, they offer practical guidance for policy makers and managers to address long-standing challenges.

The study shows that no single theory fully explains how Palestinian SMEs expand internationally. Instead, it supports a broader framework that brings together several factors. The research finds that strong connections with international partners can make up for limited government support. It also finds that companies often start by entering nearby markets that share similar cultures. Overall, the study suggests that internationalization depends on a mixture of outside challenges, company resources, and management choices, not just one advantage or a simple process.

In practice, the research calls for more strategic action. Policy makers should base their support on detailed information from SMEs and focus on creating new financial institutions and a central group to coordinate international help. Managers need to work on their weak points by building stronger ties outside of government by using affordable tools like online marketing to reach international markets. These steps can help them deal with both outside and inside challenges.

Research Limitations

This research has a number of limitations regarding the scope of the study, the sample selection, the data and the estimation techniques. With respect to the scope of the study, this research is confined to SMEs' outsource internationalization. Thus, this research incorporates SMEs' inward internationalization activities (such as integration of foreign technology) and cooperative international activities (such as licensing, and subcontracts). Further, this study restricts the analysis to SMEs' ICT international activities. Thus, this study incorporates other forms of indirect internationalization through other firms, involvement in global supply chains and foreign investment to set up works or software facilities overseas. Indirect exporting is an

increasingly viable internationalization strategy for SMEs due to passing trade barriers, transportation costs, and remain as true decisions for SMEs owed to their risk aversion and lack of internal resources (Hessels & Terjesen, 2010).

This research emphases on the internationalization of SMEs only working in the ICT sector, covers only eleven countryside in West Bank (WB) including East Jerusalem out of fifteen countryside's in Palestine. The WB contribute about 60% of total GDP and about 70% of total SMEs internationalization (PCBS, 2024). The WB are also populated by two third of the total population and 60% of total SMEs in Palestine. Therefore, the selection of the research region lets to some degree the generalization of the study's results. The results of the study reflect the characteristics of all Palestinian areas in the West Bank. In particular, the results may reflect all SMEs where the same of international barriers of transportation, communication and logistics infrastructure.

This study discuss how to become internationalized with focus on ICT sector. The results show initial indications of SMEs' internationalization processes and determinants. However, our study does not exactly do city-by-city and product-by-product analysis of SME internationalization processes and determinants. This study limits the situation to the supply-side inquiry of SME internationalization and is therefore small of explanation regards to the demand-side issues of internationalization. In this study, the environmental host market determinants of customers, government and regulations and the home market barriers are discussed from SMEs' perspectives and so could be not enough to be overall demand-side aspects of internationalization.

The data collection of this study was conducted in 2020 to 2024. Hence, the results of this study do not capture the impact of the Israeli war on Palestine that took effect from 7 October 2023 till 2025. The war may increase the trade barriers among member economies (World Bank, 2024) and may therefore bring about more negative attitudes towards internationalization barriers. The war may also change the SME internationalization pathways and market orientation where Palestinian SMEs can be more declined to initiate or expand international.

The study uses SMEs' point of view in discussing the role of home country factors in international assistance. We did conduct interviews/surveys with local government agencies. Hence, the results do capture local governments' perspective on SMEs' development. Local governments have more and more important roles in policymaking (Tengerapena, et al., 2025). It is possible that local governments have changing policies concerning local SMEs' market orientation. For example, some local governments may certify local SMEs to focus on local markets or to sell their products to large exporters domestically as opposed to committing to direct exporting (Nguyen, & Ngo, 2021). In contrast, some other local governments may endorse the local SMEs to initiate trading for various reasons such as the area's closeness to neighboring countries.

Finally, this study uses mix mode convergent approach to analyze the SMEs international factors data measured with Likert-scale questions and interviews. Hence, the study did not conduct a comparison of firm performance before and after internationalization, with which more advanced data analysis methods such as difference-in differences can be employed.

Recommendations For Future Research

To increase the generalization of the research results, the scope of the study can be expanded to include other regions in Palestine. In particular, future study can attempt to include Gaza strip which part of the Palestinian territories that is located close to Egypt. To seizure the variation in SME internationalization processes across north and south governesses, a number of variables at district level can be added. For example, districts may differ in infrastructure and in the ICT growth and operation levels, all of which may affect the internationalization of local SMEs (Hagsten & Kotnik, 2017). Accordingly, comparison areas of SME internationalization needs a larger sample size. The sample size should be calculated and randomized for each district to ensure sample sufficiency to perform statistical inferences at governorate level.

On the other hand, future research can be more detailed on SME internationalization in a particular region or product industry. For example, case studies of SME internationalization in marble and stones tourist industry areas such as Hebron and Qabatia can be considered. Case studies can also be drawn upon internationalization of SMEs in specific industries such as tourist handicrafts, food and beverages, and garment and fashion fittings. Exact revisions will allow more precise policy measures recommendation to raise SME internationalization. Future research can consider add in various forms of internationalization including direct exporting, indirect-exporting. The relationship between SMEs and performance across various forms of internationalization can tell the right decision of some SMEs.

The merger of the analysis of internationalization also allows the presence of micro-sized enterprises that are less likely to perform international activities. SMEs’

internationalization process involves other actors in internationalization networks, distributors, suppliers, associations/chambers, financial organizations and other agencies (Zain & Ng, 2006). Future studies can consider SMEs' international doings to understand how the network relationships can foster SMEs internationalization.

Future studies can also consider a more complex definition of international SMEs. The definition by kind of international business can they do, or by the number of international employees. The number of employees may not always represent the size of the enterprise's business activities. Hence, future research on SME internationalization can consider SME definitions that incorporate other dimensions of size including, for example, assets and turnover values.

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Appendix

Appendix (1):Table Experts- unstructured interviews (Phase One Stage One)

Name	Organization	Date	The interview
Sudqi salaymeh	ORCAS	16/01/2020	Un-structured interview
Ahmad Al sahib	Trusted system	26/02/2020	Un-structured interview
Mohammad Qaisi	Aelisoft	16/6/2020	Un-structured interview
Fadi Fannoun	PlanB	16/6/2020	Un-structured interview
Thaer Ayasi	Transcend	26/6/2020	Un-structured interview
Rasem Suwan	Technology and entrepreneurship incubator	08/08/2021	Un-structured interview

Appendix (2): Table Questionnaire participants in (Phase One Stage Two)

Name	Company	Email
1. Morad Abu Sbah	PalPortal	info@pal-portal.ps
2.Yousef Haymoni	Plan B	yousefheimouni@gmail.com
3. Ahmad Al-sahab	Trusted Systems	info@ts.com.ps
4.Khaldoun Halawani	Elegantbits	kldoon@live.com
5.Ahmad Sultan	Transcend	info@transcend.ps
6.Mohammad Al qaisi	Aeliasoft	info@aeliasoft.com
7.Anas Jlouni	Super Code	info@supercode.ps
8.Abeer Abu Ghath	Mena Alliances	info@menaalliances.com
9.Anas ajlouni	Super code	anss.ajlony1995@gmail.com
10.Ibrahim Sharif	Waha	Eng_ibrsh@hotmail.com

Appendix (3) Table List of experts structured interview (Second Phase-Stage One)

Expert Name	Categories	Organization	The interview
1. Radwan tahboub 2. Hashem Tamimi 3. Mousa Alrefaya 4. Mohannad Jabari	Academia	Palestine Polytechnic University (PPU) Hebron University	Structured interview
Tamer N.M. Atrash	Policy makers/ Government agencies	The Palestinian Ministry of Telecom & IT	Structured interview
5. Ali Ramadan 6. Jawad AbuOwn 7. Ibrahim Ribhi Al-Sharif 8. George Yerousis 9. Abeer Abo Ghaith	Research institutes/incubators	PPU Business Incubator Partners for Sustainable Development – PSD Hebron municipality-Innovation Techno Park-HITEC Bzu HUB (Birzeit University) MENA Alliances	Structured interview
10. Amany Maady 11. Rand Safi 12. Khaled Abu Alkheir 13. Yahya Shunnar 14. Osama Dweik 15. Omar AlSahili 16. Amjad Qasas 17. Sami Taha	NGO	Palestinian Information Technology Association of Companies – PITA Gaza sky Geeks IPSD Innovative/DAI Development Project Portland Trust Hebron Municipality	

		Business Alliance Pal Professionals Consulting and Investment Services Sada Intelligence	
Total	18		

Appendix (4) Table SME's Databases

Organization registration	Database	Initially Verified	Finally Verified
Minister of Tele communications and Information Technology	719	67	6
The Palestinian Information Technology Association (PITA)	53	35	3
Total	872	102	9

Appendix (5): Table list of participants in the questionnaire (Second Phase-Stage Two) conducted between (7/01/2024-07/02/2024)

NO	Name	Organization	City
1.	Aymen Talahmeh	Co. Te. De Technologies	Hebron
2.	Khaldoun Halawani	Elegantbits	Hebron
3.	Mohammad Qaisi	Aeliasoft for software development	Hebron
4.	Mohanad Jabari	Hebron University –IT lecturer & expert	Hebron
5.	Ibrahim Ribhi Al-Sharif	HITEC - Hebron Innovation Techno Park	Hebron
6.	Osama Dweik	Head of IT Department- Hebron Municipality	Hebron
7.	Zahraa Shabana	AHL Logics	Hebron
8.	Abeer AbuGhaith	MENA Alliances	Hebron
9.	Tamer N.M. Atrash	MTIT	Hebron
10.	Radwan tahboub	Palestine polytechnic university	Hebron
11.	Hashem Tamimi	Palestine Polytechnic University	Hebron
12.	Mousa Alrefaya	Palestine Polytechnic University	Hebron

13.	Ali Ramadan	PPU Business Incubator	Hebron
14.	Ahmad Tamimi	Sada Intelligence company	Hebron
15.	Ahmad Saheb	Trusted Systems	Hebron
16.	Fadi Fannoun	The Vast Lab	Hebron
17.	Sami Taha	Sada Intelligence company	Jerusalem
18.	Rajai M. Nuseibeh	SFL Sigma Labs	Jerusalem
19.	Adel Ewaida	AL-Andalus software development	Ramallah
20.	Salam Modallal	Xngage	Ramallah
21.	Rimah Hammad	Senior Software Development Engineer- Al-Ghassan Systems	Ramallah
22.	Rand Safi	Gaza Sky Geeks-Mercy Corps	Ramallah
23.	George Yerousis	Birzeit University	Ramallah
24.	Amjad Qasas	Pal Professionals Consulting and Investment Services CO.	Ramallah
25.	Jawad AbuOwn	Partners for Sustainable Development	Ramallah
26.	Samia Totah	Bisan Systems Ltd.	Ramallah
27.	Omar AlSahili	Business Alliance	AlBireh
28.	Khaled Abu Alkheir	DAI- International Trade and Development	Ramallah
29.	Amany Maady	The Palestinian Information and Technology Association of companies- PITA	Ramallah
30.	Laith Kassis	Enter Ventures	Birzeit

31.	Mahmoud Mardawi	NourSoft	Jenin
32.	Abdullah Ahmad	Foothill Technology Solutions	Nablus
33.	Karam Shawish	Foothill Technology Solutions	Nablus
34.	Anonymous	Foothill Technology Solutions	Nablus
35.	Ammar Haj Hamad	Fratello Software House	Nablus
36.	Anonymous	Jaffa company	Nablus
37.	Majed	Fratello SW House	Nablus
38.	Adel Jodalah	Radix Technologies	Nablus
39.	Mohannad Hijawi	Spark for Consulting and Training	Nablus
40.	Jafar Shunnar	TAP	Nablus
41.	Ibrahim Abu Zahra	Xngage	Nablus
42.	Rashed Abu U hamed	Xngage	Nablus

Appendix (6)

Questionnaire

Antecedents of SME's Internationalization in the ICT sector in the Palestinian territories

Thanks for your willingness to cooperate and spending some time on answering the questionnaire , I am working on my PhD with the Université Polytechnique Hauts-de-France in the area of SME's and the process of internalization in the ICT sector, trying to understand the factors with come before and affect SME's going international.

The study will have a positive impact on our understanding to the process of SME's internalization (outsourcing)

Please note that participation is voluntary and the information will be strictly confidential, and it is not required to mention any personal information if needed. We ask you to answer all paragraphs of the questionnaire, as it does not take more than five minutes to answer. With many thanks for the cooperation

Mohamamd Herbawi-Hebron University

Environmental level		Strongly Agree	Agree	Neutral	Disagree	Strongly diagree
1.1 Home country						
1	In the ICT sector, SME's face the "WAR Zone" stereotyping problem, where international companies are reluctant to do business.					
2	There is a GAP in skills between graduates and market needs					
3	Training to enhance the graduates skills is needed.					
4	There is no enough investment in the ICT sector.					
5	Lack of information security concerns arise when international companies deal with Palestinian SME's					
6	Palestinian SME's prices for					

	services are relatively high					
7	Limited "Time Zone" differences between the Palestinian territories and international outsourcing companies especially in Europe facilitate business					
8	The Palestinian law is appropriate in relation to (taxations, investment laws, employees' rights)					
9	Palestinian territories market's is unknown for international companies					
10	Palestinian market and Israeli are considered one market					
11	Palestinian SME's depend on the Israeli companies in its work					
12	Palestinian SME's have competitive advantages in both cost and service quality					
13	The Palestinian industry is immature, is not fully developed, instable and lack market contributors					
14	Digital payment difficulties negatively affects the ICT development					
1.2 Host country						
1	Due to lack of professional workers in Israel in felid of ICT, a high demand of service exists					
2	The demand on the ICT sector service internationally is expanding					
3	There is lack of trust between international companies and local Palestinian SME's					
4	Have the competitive advantages when it came to cost and service level					
Firm Level						

1	Palestinian SME's lack adequate networking with international companies					
2	Palestinian SME's lack needed and necessary certificates to work in the ICT sector					
3	Palestinian SME's suffer from labor lack of commitment					
4	SME's suffer from inconstancy in level of service provided					
5	SME's follow new trend in technology					
6	Strategic orientation to expand internationally is clear with most of the SME's					
7	Financial resources for the Palestinian SME's are available					
8	Lack of technological resources (hardware and software) exists for SME's					
9	SME's owners normally build their online profile					
10	SME's owners have the ability to compete with other international companies					
Managerial level						
1	The owners of the SME's have international orientation toward international market					
2	Palestinian SME's owners have acceptable competences (knowledge, abilities, skills)					
3	The owners of the Palestinian SME's have appropriate education					
4	SME's owners are right in age-experiences for work needs					
5	SME's owners have high commitment toward their business					
6	SME's owners have competency in English language					
7	SME's owners suffer from lack					

	of managerial skills					

If there is any information you want to add, please write it down

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Appendix (7) Phase One -Stage one- Codes and themes

Internationalization of SME's:

Antecedents in the ICT sector in the Palestinian Territories

Category	Code	Theme
Environmental level 1.0		
1.1 Environmental level-Host	Israeli high experience	Israeli Market
	Israeli manpower shortage	
	Not trust with the Palestinians companies	Trust
	High Global demand	Global demand
	competitive advantage in price	competitive advantage
	Inadequate digital payment	digital payment
	Covide-19 impact	Covide-19
1.2 Environmental level-Home	WAR Zone	WAR Zone
	GAP between universities graduates	GAP
	training organization	training
	investment in the ICT sector	investment
	lack of information security	information security
	price of services	price of services
	Time Zone	Time Zone
	Palestinian law	Palestinian law
	Unknown companies for international companies	Unknown companies
	geographically one market (Israel and Palestine)	one market
	Dependence market	Dependency

2.0 Firm Level	lack adequate networking	networking
	lack of necessary certificates	certificates
	lack of labor commitment	labor commitment
	inconstancy in the level of service	Inconstancy of service
	New trend in technology	Technology trend
	no Strategic orientation	Strategic orientation
	Lack of financial resources	financial resources
	Lack of technological resources	technological resources
	Immature industry	Immature industry
3.0 Managerial level		
	SME's lack the orientation	orientation
	lack competence	competence
	lack of education	education
	Owners young Age and experiences	Age and experiences
	Owners commitment	commitment

Appendix (8): Result For Both The Quantitative And Qualitative Results And Data Convergence Label.

One-Sample Statistics				One-Sample Test Test Value = 2		Agreement result based on t test	a					
							disagree		neotral		agree	
	N	Mean	Std. Deviation	t	Sig. (2-tailed)		N	%	N	%	N	%
1.1 Home country [In the ICT sector, SME's company in the Palestinian territories face	10	2,80	0,42	6,000	0,000	agree	0	0,0%	2	20,0%	8	80,0%
1.1 Home country [There is a GAP between universities graduates and market needs	10	3,00	.0000[a]			agree	0	0,0%	0	0,0%	10	100,0%
1.1 Home country [No local training organization is available keen to enhance skills fo	10	2,40	0,52	2,449	0,037	agree	0	0,0%	6	60,0%	4	40,0%
1.1 Home country [There is more and more investment in the ICT sector, companies a	10	2,70	0,67	3,280	0,010	agree	1	10,0%	1	10,0%	8	80,0%
1.1 Home country [There is some concern about lack of information security from com	10	2,80	0,42	6,000	0,000	agree	0	0,0%	2	20,0%	8	80,0%
1.1 Home country [The price of services provided by the Palestinian SME's is higher t	10	1,30	0,48	-4,583	0,001	diagree	7	70,0%	3	30,0%	0	0,0%
1.1 Home country [The similar Time Zone between the Palestinian territories and inte	10	3,00	.0000[a]			agree	0	0,0%	0	0,0%	10	100,0%
1.1 Home country [The Palestinian law is still lack issue affecting outscoring like copy	10	2,90	0,32	9,000	0,000	agree	0	0,0%	1	10,0%	9	90,0%
1.1 Home country [The Palestinian territories is considered unknown for international	10	2,80	0,63	4,000	0,003	agree	1	10,0%	0	0,0%	9	90,0%
1.1 Home country [Palestinian territories and Israel is considered geographically one	10	2,70	0,67	3,280	0,010	agree	1	10,0%	1	10,0%	8	80,0%
1.1 Home country [Palestinian SME's working in the ICT sector depend partially on the	10	3,00	.0000[a]			agree	0	0,0%	0	0,0%	10	100,0%
Total of Home country	10	2,67	0,17	12,333	0,000	agree		9,1%		14,5%		76,4%
1.2 Host country [Israeli market face a shortage in ICT professionals, needs more and	10	3,00	.0000[a]			agree	0	0,0%	0	0,0%	10	100,0%
1.2 Host country [The demand on the ICT sector service internationally is expanding]	10	3,00	.0000[a]			agree	0	0,0%	0	0,0%	10	100,0%
1.2 Host country [There is lack of trust between international companies and local Pal	10	2,10	0,88	0,361	0,726	neotral	3	30,0%	3	30,0%	4	40,0%
1.2 Host country [Palestinian SME's have a competitive advantage when it comes to c	10	2,70	0,67	3,280	0,010	agree	1	10,0%	1	10,0%	8	80,0%
1.2 Host country [Inadequate digital payment system affects negatively the ICT develo	10	2,80	0,63	4,000	0,003	agree	1	10,0%	0	0,0%	9	90,0%
1.2 Host country [Covide-19 had a positive impact on the demand for ICT services inte	10	3,00	.0000[a]			agree	0	0,0%	0	0,0%	10	100,0%
Total of Host country	10	2,77	0,30	8,189	0,000	agree		8,3%		6,7%		85,0%
Total of Home and Host country	10	2,72	0,18	12,989	0,000	agree		8,8%		11,8%		79,4%
2.0 Firm Level [Palestinian SME's lack adequate networking with international compa	10	3,00	.0000[a]			agree	0	0,0%	0	0,0%	10	100,0%
2.0 Firm Level [Palestinian SME's lack needed and necessary certificates to work in th	10	2,10	0,74	0,429	0,678	neotral	2	20,0%	5	50,0%	3	30,0%
2.0 Firm Level [Palestinian SME's suffer from labor lack of commitment]	10	2,90	0,32	9,000	0,000	agree	0	0,0%	1	10,0%	9	90,0%
2.0 Firm Level [Palestinian SME's suffer from inconstancy in the level of service provid	10	2,90	0,32	9,000	0,000	agree	0	0,0%	1	10,0%	9	90,0%
2.0 Firm Level [Palestinian SME's do not follow new trend in technology when it comes	10	1,60	0,70	-1,809	0,104	neotral	5	50,0%	4	40,0%	1	10,0%
2.0 Firm Level [There is no Strategic orientation to expand internationally for the major	10	1,60	0,84	-1,500	0,168	neotral	6	60,0%	2	20,0%	2	20,0%
2.0 Firm Level [Lack of financial resources is a problem for the Palestinian SME's]	10	2,00	0,94	0,000	1,000	neotral	4	40,0%	2	20,0%	4	40,0%
2.0 Firm Level [Lack of technological resources (hardware and software) is a major p	10	2,20	0,92	0,688	0,509	neotral	3	30,0%	2	20,0%	5	50,0%
2.0 Firm Level [The immature of most of the Palestinian SME's affect their competenc	10	2,60	0,70	2,714	0,024	agree	1	10,0%	2	20,0%	7	70,0%
Total of Firm Level	10	2,32	0,26	3,934	0,003	agree		23,3%		21,1%		55,6%
3.0 Managerial level [The owners of the Palestinian SME's lack the orientation and the	10	2,00	1,05	0,000	1,000	neotral	5	50,0%	0	0,0%	5	50,0%
3.0 Managerial level [The owners of the Palestinian SME's lack competence which all	10	1,70	0,95	-1,000	0,343	neotral	6	60,0%	1	10,0%	3	30,0%
3.0 Managerial level [The owners of the Palestinian SME's lack the needed education	10	1,20	0,63	-4,000	0,003	diagree	9	90,0%	0	0,0%	1	10,0%
3.0 Managerial level [The past age of most Palestinian SME's is relatively young, whic	10	2,20	0,79	0,802	0,443	neotral	2	20,0%	4	40,0%	4	40,0%
3.0 Managerial level [SME's owners have high commitment toward their business and	10	2,80	0,63	4,000	0,003	agree	1	10,0%	0	0,0%	9	90,0%
Total of Managerial level	10	1,98	0,46	-0,139	0,893	neotral		46,0%		10,0%		44,0%