

The Effect of Business Mentoring, Digital Capability, and Quality Management Capacity on MSMEs' Export Performance: The Mediating Role of Export Readiness

Intan Maria Lewiayu Vierke^{1*}; Muhammad Aqib Shafiq²

¹Department of International Trade for the ASEAN and PRC Region, Politeknik APP Jakarta, Indonesia, 12630

²Department of Business Administration, Ghazi University, Pakistan, 32200

¹intanmarialewiayuvierke@gmail.com; ²mastoiqib@gmail.com

Abstract – This study examines the effects of business mentoring, digital capability, and quality management capacity on MSMEs' export performance, with export readiness serving as a mediating variable. The study was conducted among MSMEs in DKI Jakarta. Using a quantitative explanatory design and SEM-PLS analysis, data were collected from 100 export-oriented MSMEs through an online questionnaire. The results indicate that business mentoring, digital capability, and quality management capacity significantly enhance export readiness, and export readiness significantly improves export performance. However, export readiness does not significantly mediate the relationship between these three internal capabilities and export performance. The novelty of this study lies in its integration of business mentoring, digital capability, and quality management capacity within a single conceptual framework grounded in the Resource-Based View, Dynamic Capabilities Theory, and Export Readiness Theory, while empirically testing the mediating mechanism of export readiness in a metropolitan MSME context. The findings highlight that strengthening internal capabilities is essential to building export readiness. However, additional external factors are required to translate that readiness into measurable export performance.

Keywords: MSMEs, business mentoring, digital capability, quality management capacity, export readiness, export performance.

In the era of globalization and economic digitalization, Micro, Small, and Medium Enterprises (MSMEs) play a strategic role in driving national economic growth, including export activities (Añón Higón & Bonvin, 2024). In Indonesia, MSMEs contribute more than 60% of the GDP and absorb approximately 97% of the workforce, yet their contribution to national exports remains relatively low at approximately 14–15% (BPS Batang, 2024). This disparity indicates that the primary challenge lies not in the number of MSMEs, but in their internal capabilities and export readiness to compete in international markets.

One significant factor in enhancing MSMEs' export capacity is business mentoring. Mentoring programs have been widely implemented by the government and related institutions to improve managerial knowledge, understanding of export regulations, and strategies for international market penetration of MSMEs. Conceptually, business mentoring can be viewed as a means to strengthen intangible resources such as knowledge, experience, and business networks. From the Resource-Based View (RBV) perspective, these resources are valuable, difficult to imitate, and have the potential to create a competitive advantage (Barney, 1991). However, despite the availability of various mentoring programs, not all MSMEs can convert mentoring into tangible improvements in export performance, thus, their effectiveness still requires deeper examination.

In addition to mentoring, digital capability is a key factor supporting the internalization of MSMEs. It enables these

I. INTRODUCTION

enterprises to access global market information, communicate with international partners, manage cross-border supply chains, and promote products efficiently. However, digital adoption among Indonesian MSMEs remains uneven, only approximately 38.7% have adopted these technologies, specifically regarding their utilization for export activities (Febriani & Nasution, 2025). Within the framework of Dynamic Capabilities Theory (DCT), digital capability allows firms to sense opportunities, seize international markets, and reconfigure internal processes in response to global competition (Teece, 2018).

Quality management capacity is equally significant, as export products must meet international standards of consistency, safety, and certification. Many MSMEs still encounter challenges in implementing structured quality management systems, limiting their ability to sustain long-term relationships with foreign buyers (Bertrand et al., 2022). From the Resource-Based View perspective, quality management capacity represents a strategic internal resource whose impact on export performance depends on systematic implementation and organizational readiness.

In this context, the concept of export readiness becomes increasingly relevant. Export readiness reflects the extent to which MSMEs possess the resources, capabilities, commitment, and strategic orientation necessary to engage effectively in export activities. Export Readiness Theory (ERT) emphasizes that firms with a high level of export readiness are better able to convert internal resources into sustainable export performance (Gerschewski et al., 2020). Without adequate readiness, MSMEs that utilize mentoring, digital technology, or quality management systems remain at risk of failing in their export activities.

DKI Jakarta provides a highly relevant context for examining MSME export readiness due to its role as the dominant center of Indonesia's national economy and trade. MSMEs account for approximately 98.78% of total business units in the province, with roughly 337,429 units distributed across five administrative cities and the Thousand Islands (Wijatmoko, 2023). The number of MSMEs supported through the Jakpreneur program also

indicates a positive growth trend, reaching 243,972 businesses in 2023, an increase of 8.23% from 225,415 units in the previous year (Nurhaliza, 2023). While many MSMEs in Jakarta have adopted digital technology to expand market reach and improve operational efficiency within an increasingly digital ecosystem, levels of digital adoption and export readiness remain uneven. This condition is reflected in the limited contribution of MSMEs to national exports, specifically only about 15.7% of Indonesia's total exports originate from the MSME sector and merely 4% of MSMEs are integrated into global supply chains (Ayudiana, 2025). These figures indicate that abundant resources and a large domestic market do not necessarily translate into strong export performance without optimal support in international standards compliance, global networking, and digital capacity enhancement.

From an academic perspective, studies on the effects of business mentoring, digital capability, and quality management capacity on MSMEs' export performance continue to exhibit significant gaps. For instance, a study finds that digital literacy and self-efficacy significantly influence export intentions but do not simultaneously incorporate mentoring or quality management (Johnatan, 2025). Similarly, another Indonesian study emphasizes the role of mentoring in achieving international quality standards and accessing global markets, yet it does not quantitatively test its impact on export performance (Ferdiansyah & Nasution, 2025). Furthermore, studies on digital export program readiness confirm the importance of digital readiness for overseas expansion but fail to connect it with quality management capacity and export readiness as a mediating variable (Robiyatuladawiyah & Rajiyem, 2023). In addition, international research grounded in the Resource-Based View and contingency theory identifies internal capabilities and management control as key determinants of SME export performance, yet it does not comprehensively integrate mentoring and digital aspects (Safari & Saleh, 2020). Lastly, a study on innovation capability demonstrates a positive relationship with export performance, despite a tendency to focus more broadly on SMEs and entrepreneurial orientation (Ribau et al., 2017).

Previous studies have mainly examined direct effects of single variables or general SME

contexts without integrating business mentoring, digital capability, and quality management capacity within a unified framework based on Resource-Based View, Dynamic Capabilities, and Export Readiness Theory, particularly with export readiness as a mediating variable. Therefore, this study examines the effects of these three variables on MSMEs' export performance, using export readiness as a mediating variable among MSMEs in DKI Jakarta, aiming to contribute theoretically to the MSME internationalization literature and provide practical insights to strategies that strengthen global export competitiveness.

The Resource-Based View (RBV) posits that MSMEs' export performance depends on valuable, rare, inimitable, and non-substitutable internal resources (Barney, 1991), such as managerial knowledge, organizational capabilities, export experience, and quality management systems. In this study, business mentoring, digital capability, and quality management capacity are viewed as strategic resources that enhance export readiness and performance, provided they are effectively managed, thereby explaining performance disparities among MSMEs in DKI Jakarta. Dynamic Capabilities Theory (Tece, 2018) extends the RBV by emphasizing a firm's ability to sense, seize, and reconfigure resources in dynamic international markets, highlighting digital capability and mentoring outcomes as mechanisms that strengthen adaptability and sustainable export performance. Meanwhile, Export Readiness Theory (Gerschewski et al., 2020) stresses that internal resources and capabilities must be transformed into operational readiness encompassing knowledge, processes, commitment, and infrastructure before affecting export performance. Thus, this study positions export readiness as a mediating variable linking business mentoring, digital capability, and quality management capacity to MSMEs' export performance (see Figure 1).

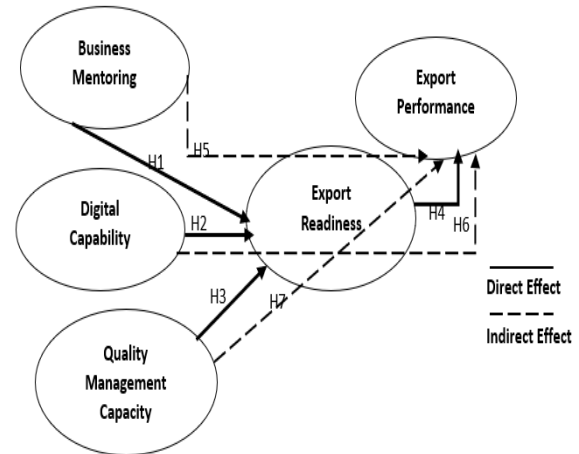


Figure 1 Theoretical Framework

The following section presents the hypothesis development narrative, synthesizing theoretical foundations and empirical evidence to formulate the proposed relationships among business mentoring, digital capability, quality management capacity, export readiness, and MSMEs' export performance.

In accordance with the Resource-Based View (RBV), business mentoring strengthens MSMEs' intangible resources, such as knowledge, experience, and managerial competencies, representing valuable and hard-to-imitate strategic assets that enhance internal readiness for international markets. The intensity, relevance, and applicability of mentoring determine its effectiveness. Empirical studies confirm that mentoring improves export knowledge, reduces uncertainty, strengthens strategic planning, and significantly enhances export readiness (Heriqbaldi et al., 2025; Calheiros-Lobo et al., 2023; Singh et al., 2024).

Digital capability reflects MSMEs' ability to leverage digital technologies in alignment with Dynamic Capabilities Theory, enabling the sensing, seizing, and reconfiguring of resources within international markets. Through the utilization of digital platforms, marketing competence, and cross-border communication, digital capability enhances export readiness. Empirical evidence indicates that technology adoption, digital competence, and enhanced information access significantly improve a firm's readiness and its capacity to manage the complexities of exporting (Zhang et

al., 2025; Denicolai et al., 2021; Añón Higón & Bonvin, 2024).

Quality management capacity denotes MSMEs' internal ability to maintain consistent standards that align with export requirements. From the perspective of the RBV, this constitutes a credibility-enhancing strategic resource. Prior studies demonstrate that quality management systems, compliance with international standards, and continuous improvement practices significantly strengthen operational readiness and foster long-term international relationships, thereby positioning quality capacity as a prerequisite for effective export participation (Parast & Safari, 2022; Pacheco et al., 2022; Imran et al., 2018).

Export Readiness Theory posits that internal preparedness encompassing product quality, documentation, financial health, logistics, and market knowledge is a key determinant of export success. Empirical findings confirm that firms with higher levels of readiness achieve stronger export performance, accelerated sales growth, enhanced risk management capabilities, and sustainable international expansion (Gerschewski et al., 2020; Melese, 2024; Singh et al., 2024).

RBV and Export Readiness Theory suggest that business mentoring enhances export performance indirectly through improved internal readiness. Empirical evidence demonstrates that knowledge-based support and the development of managerial capabilities significantly influence export outcomes by enhancing organizational readiness (Ferrerias-Méndez et al., 2019; Vardarsuyu et al., 2024; Singh et al., 2024).

Furthermore, Dynamic Capabilities Theory posits that digital capability affects export performance through operational and strategic readiness. Studies confirm that export readiness serves as a mediator in the relationship between technology usage, digitalization, and export performance (Oh & Hwang, 2025; Goldooz & Zakery, 2024; Añón Higón & Bonvin, 2024).

Quality management capacity also affects export performance indirectly, as their effectiveness depends on a firm's systemic readiness to implement standards within export

operations. Empirical research demonstrates that export readiness mediates the relationship between internal quality capabilities and export outcomes (Imran et al., 2018; Gerschewski et al., 2020; Calheiros-Lobo et al., 2023).

This study proposes the following hypotheses:

- H1. Business mentoring has a positive and significant effect on MSME export readiness.
- H2. Digital capability has a positive and significant effect on MSME export readiness.
- H3. Quality management capacity has a positive and significant effect on MSME export readiness.
- H4. Export readiness has a positive and significant effect on MSME export performance.
- H5. Export readiness mediates the effect of business mentoring on MSME export performance.
- H6. Export readiness mediates the effect of digital capability on MSME export performance.
- H7. Export readiness mediates the effect of quality management capacity on MSME export performance.

Based on the theoretical and empirical discussion, this study aims to examine how business mentoring, digital capability, and quality management capacity influence export readiness and subsequently impact MSME export performance. The findings are expected to provide practical implications for MSME actors and policymakers, particularly in designing mentoring programs, digital transformation initiatives, and quality management enhancements to improve MSME export readiness and performance sustainably (Table 1). Furthermore, this study seeks to address a gap in the literature by offering a more comprehensive understanding of the mediating mechanism of export readiness in translating internal resources and strategic capabilities into tangible export performance, particularly within the context of MSMEs in developing countries such as Indonesia.

Table 1 Summary of Key Findings from Previous Studies

No	Relationship	Synthesis of Previous Research Findings
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1	Business Mentoring → Export Readiness	Empirical studies indicate that business mentoring enhances export knowledge, understanding of international trade procedures and regulations, and internal readiness of MSMEs regarding products, documentation, and export decision-making. The intensity of mentoring and the quality of mentor support contribute significantly to the improvement of export readiness.
2	Digital Capability → Export Readiness	Digital capability enables MSMEs to access export market information expeditiously, facilitates communication with international buyers, and improves the efficiency of marketing and cross-border transactions. The utilization of digital platforms and digital marketing competencies is shown to positively influence MSMEs' export readiness.
3	Quality Management Capacity →Export Readiness	Product quality consistency, compliance with international quality standards, and the implementation of quality control systems improve operational readiness of MSMEs to enter export markets while mitigating non-tariff barriers.
4	Export Readiness → Export Performance	MSMEs with higher levels of export readiness tend to have greater export opportunities, achieve faster export value growth, and realize more sustainable expansion into international markets.
5	Business Mentoring → Export Readiness → Export Performance	Export readiness acts as a mediating variable bridging the effect of mentoring on export performance. Knowledge and experience gained through mentoring enhance internal readiness prior to translating into tangible improvements in export performance.
6	Digital Capability → Export Readiness → Export Performance	Digital capability does not directly increase export performance without adequate internal readiness. Export readiness mediates this relationship by transforming digital capability into export opportunities and actualization.
7	Quality Management Capacity →Export Readiness →Export Performance	The impact of quality management capacity on export performance is primarily indirect. Export readiness allows MSMEs to integrate quality systems with export processes, thereby improving export success and sustainability.

II. METHODS

This study employs a quantitative explanatory design to examine the causal relationships among business mentoring, digital capability, and quality management capacity on export performance, with export readiness as a mediating variable. Grounded in the Resource-Based View, Dynamic Capabilities Theory, and Export Readiness Theory, the study posits that export performance of MSMEs is influenced by internal resources, adaptive capabilities, and organizational readiness.

A cross-sectional approach was utilized, with data collected at a single point in time through an online questionnaire distributed to MSMEs in DKI Jakarta possessing either export potential or prior export experience. Respondents were MSME owners or primary managers, as these individuals possess comprehensive knowledge of business strategy and export activities.

Purposive sampling was employed based on the following criteria: (1) MSMEs operating for at least one year; (2) participation in business mentoring or training programs; (3) utilization of digital technology in business

operations; and (4) demonstrated export interest, readiness, or experience. A total of 100 valid responses were obtained between April and June 2025. In accordance with the 10-times rule in SEM-PLS, this sample size is deemed adequate given the number of indicators used in the model. All items were measured using a five-point Likert scale (ranging from 1 = strongly disagree to 5 = strongly agree).

Five constructs were analyzed: business mentoring (X_1), digital capability (X_2), quality management capacity (X_3), export readiness (M), and export performance (Y). Data were processed using SmartPLS. The measurement model (outer model) was evaluated through convergent validity ($AVE \geq 0.50$), internal consistency reliability (Cronbach's alpha and Composite Reliability ≥ 0.70), and discriminant validity using the Fornell-Larcker criterion and HTMT (< 0.90).

The structural model (inner model) was assessed using R^2 to determine explanatory power, Q^2 for predictive relevance, and path coefficients (β) to evaluate the direction and magnitude of relationships. Statistical significance was tested through bootstrapping with a threshold of $t > 1.96$ and $p < 0.05$. Mediation analysis was conducted to examine the indirect effects of the independent variables

on export performance through export readiness, following established PLS-SEM procedures (Hair et al., 2021).

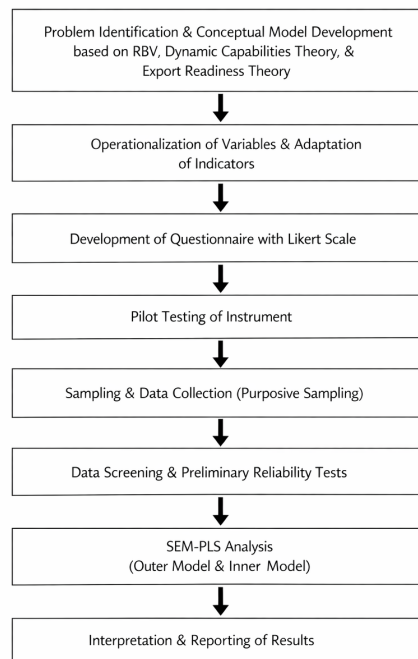


Figure 2 Research method flowchart

The overall research procedure was conducted systematically, beginning with the identification of research problems and theoretical framework development, followed by instrument design and questionnaire distribution, data

collection, and SEM-PLS analysis for hypothesis testing and mediation assessment. The methodology flowchart illustrating these sequential stages can be seen in Figure 2.

Table 2 Demographic Profile of Respondents

Demographic Variable	Category	Frequency (n)	Percentage (%)
Gender	Male	54	54%
	Female	46	46%
Age	< 25 years	10	10%
	25–35 years	40	40%
	36–45 years	32	32%
	> 45 years	18	18%
Education Level	Junior High School or equivalent	6	6%
	Senior High School or equivalent	24	24%
	Diploma (D1–D3)	26	26%
	Bachelor's Degree (S1)	36	36%
	Master's Degree or above (S2+)	8	8%
Type of MSME (Export-Oriented, Product-Based)	Processed Food & Beverage	33	33%
	Fashion & Apparel	25	25%
	Handicrafts & Creative Products	20	20%
	Cosmetics, Herbal & Personal Care	12	12%
	Other Export-Oriented Products	10	10%
Business Experience	1–3 years	38	38%
	4–6 years	34	34%
	> 6 years	28	28%
Participation in Business Mentoring / Training	1 time	28	28%
	2–3 times	44	44%

	> 3 times	28	28%
Type of Mentoring Received	Export procedures & documentation	62	62%
	Digital marketing & platform utilization	71	71%
	Quality management & standardization	48	48%
Utilization of Digital Technology in Business	Marketing & promotion	82	82%
	Communication with buyers/customers	76	76%
	Accessing export market information	64	64%
Main Digital Platforms Used	Online transactions & marketplaces	69	69%
	Instagram	73	73%
	TikTok	55	55%
	Facebook	42	42%
	WhatsApp Business	68	68%
	Marketplace (Shopee, Tokopedia, etc.)	70	70%
Location	DKI Jakarta	100	100%

Table 2 shows that the majority of MSME respondents are male (54%) and predominantly aged 25–35 (40%), indicating that export-oriented MSMEs in Jakarta are largely managed by individuals in their productive age. Most respondents hold either a diploma (26%) or a bachelor's degree (36%), reflecting a relatively adequate educational background to adopt business mentoring programs and digital technologies. In terms of business type, processed food and beverages (33%), fashion and apparel (25%), and handicrafts and creative products (20%) dominate the sample, aligning with Indonesia's main MSME export commodities. All respondents have participated in business mentoring, with most attending mentoring activities two to three times (44%), these programs primarily focused on digital marketing (71%), export procedures and documentation (62%), and quality management and standardization (48%). Furthermore, the high level of digital technology utilization—particularly for marketing and promotion (82%), communication with buyers (76%), and online transactions (69%)—confirms that the sample is consistent with the research context of export-oriented, digitally enabled MSMEs.

III. RESULTS AND DISCUSSION

Assessment of the outer model represents the initial stage in the Partial Least

Squares Structural Equation Modeling (PLS-SEM) analysis. This stage aims to assess the validity and reliability of the measurement model, ensuring that the indicators accurately and consistently represent their respective latent constructs. In accordance with the research framework, this study examines five latent variables: business mentoring, digital capability, quality management capacity, export readiness, and export performance. The outer model assessment focuses on convergent validity, discriminant validity, and construct reliability.

Convergent validity is assessed through indicator outer loadings, Average Variance Extracted (AVE), and composite reliability. An outer loading exceeding 0.70 indicates a strong contribution of the indicator to the construct, while an AVE exceeding 0.50 suggests that the construct explains more than 50% of the variance in its indicators. As shown in Table 3, all indicators exhibit outer loadings ranging from 0.713 to 0.879. Moreover, all constructs yielded AVE values exceeding the recommended threshold of 0.50, confirming that convergent validity was satisfactorily achieved (see Table 3).

Construct reliability was evaluated using Cronbach's Alpha and Composite Reliability (CR). Cronbach's Alpha measures internal consistency under the assumption of equal indicator contribution, while CR provides a more precise estimate by accounting for actual indicator loadings. The results indicate that all constructs demonstrate Cronbach's Alpha and

CR values exceeding 0.70, confirming that the measurement instruments used are reliable (see Table 3).

Table 3. Summary of Validity and Reliability Analysis

Constructs	Indicators	Outer Loading	Cronbach's Alpha	Composite Reliability	AVE
Business Mentoring (BM)	BM1	0.742	0.821	0.874	0.583
	BM2	0.801			
	BM3	0.789			
	BM4	0.756			
	BM5	0.771			
Digital Capability (DC)	DC1	0.734	0.808	0.865	0.563
	DC2	0.769			
	DC3	0.823			
	DC4	0.761			
	DC5	0.718			
Quality Management Capacity (QMC)	QMC1	0.842	0.835	0.889	0.616
	QMC2	0.793			
	QMC3	0.817			
	QMC4	0.754			
	QMC5	0.779			
Export Readiness (ER)	ER1	0.864	0.848	0.900	0.643
	ER2	0.802			
	ER3	0.783			
	ER4	0.771			
	ER5	0.812			
Export Performance (EP)	EP1	0.879	0.857	0.907	0.661
	EP2	0.824			
	EP3	0.801			
	EP4	0.792			
	EP5	0.765			

Discriminant validity was assessed using the Fornell–Larcker criterion and the Heterotrait–Monotrait Ratio (HTMT). According to the Fornell–Larcker criterion, the square root of the AVE for each construct must be greater than its correlation with other

constructs. As presented in Table 4, this condition is met for all constructs. Additionally, all HTMT values remain below the threshold of 0.90, confirming adequate discriminant validity (see Table 5).

Table 4. Fornell-Larcker Criterion

Constructs	X1	X2	X3	M	Y
Business Mentoring (X1)	0.763				
Digital Capability (X2)	0.641	0.750			
Quality Management Capacity (X3)	0.612	0.667	0.785		
Export Readiness (M)	0.703	0.726	0.748	0.802	
Export Performance (Y)	0.658	0.684	0.719	0.781	0.813

Table 5. HTMT (Heterotrait-Monotrait Ratio)

Constructs	X1	X2	X3	M	Y
Business Mentoring	—				
Digital Capability	0.782	—			
Quality Management Capacity	0.741	0.798	—		
Export Readiness	0.836	0.852	0.871	—	
Export Performance	0.793	0.818	0.846	0.889	—

The inner model evaluation aims to assess the structural relationships among latent constructs and to determine the predictive capability of the proposed model. This evaluation involves the coefficient of determination (R^2), predictive relevance (Q^2), and hypothesis testing via path coefficient analysis.

The R^2 value indicates the proportion of variance in endogenous variables explained by the exogenous constructs. As shown in Table 6, export readiness has an R^2 of 0.598, indicating that business mentoring, digital capability, and quality management capacity collectively

explain 59.8% of the variance. Meanwhile, export performance has an R^2 of 0.642, suggesting that export readiness, business mentoring, and digital capability explain 64.2% of the variance. These results demonstrate moderate to strong explanatory power.

Predictive relevance was assessed using the Q^2 value obtained through the blindfolding procedure: $Q^2 = 1 - (1 - R12) \times (1 - R22)$. $Q^2 = 1 - (1 - 0.598) \times (1 - 0.642)$. $Q^2 = 1 - (0.402 \times 0.358)$. $Q^2 = 1 - 0.144 = 0.856$. A Q^2 value greater than zero indicates that the model has strong predictive relevance.

Table 6. R^2 (Coefficient of Determination)

Endogenous Variable	R^2	Explanation Strength Category
Export Readiness (M)	0.598	Moderate
Export Performance (Y)	0.642	Moderate–Strong

Hypothesis testing was conducted using bootstrapping, with a relationship considered significant if t-statistic > 1.96 and p-value < 0.05 . The results in Table 7 indicate that business mentoring has a positive and significant effect on export readiness (H1: $\beta = 0.318$; $t = 3.764$; $p = 0.000$), digital capability has a significant effect on export readiness (H2: $\beta = 0.346$; $t = 4.118$; $p = 0.000$), and quality management capacity exhibits the strongest effect on export readiness (H3: $\beta = 0.371$; $t = 4.492$; $p = 0.000$). Export readiness also has a strong and significant effect on export performance (H4: $\beta = 0.524$; $t = 6.103$; $p = 0.000$), confirming that MSMEs with higher readiness levels are more capable of realizing export opportunities, increasing export sales, and expanding international market reach. These findings support the core propositions of the Resource-Based View (RBV), Dynamic Capabilities Theory (DCT), and Export Readiness Theory (ERT) by demonstrating that internal resources and capabilities—developed through mentoring, digital integration, and quality control—form the foundation of strategic readiness that drives competitive export outcomes.

However, the indirect effects of business mentoring, digital capability, and quality management capacity on export performance via export readiness are found to be statistically insignificant: H5 ($\beta = 0.067$; $t = 1.284$; $p = 0.200$), H6 ($\beta = 0.081$; $t = 1.447$; $p = 0.149$), and H7 ($\beta = 0.054$; $t = 1.032$; $p = 0.302$). This indicates that while internal capabilities significantly enhance export readiness, they do not automatically translate into improved export performance through mediation alone. Theoretically, this study contributes to the literature by refining the RBV, Dynamic Capabilities, and Export Readiness perspectives, emphasizing that capability accumulation represents a necessary but insufficient condition for performance realization; export performance depends not only on internal readiness but also on complementary factors such as market access, experiential learning, and strategic alignment. Thus, export readiness functions as a direct performance driver, while mentoring, digital capability, and quality management capacity primarily strengthen the internal capability base that underpins sustainable internationalization.

Table 7. Hypothesis Test Results (Path Coefficients)

Hypothesis	Path	Path Coefficient	t-Statistic	p-Value	Result
H1	X1 \rightarrow M	0.318	3.764	0.000	Accepted

H2	X2 →M	0.346	4.118	0.000	Accepted
H3	X3 →M	0.371	4.492	0.000	Accepted
H4	M →Y	0.524	6.103	0.000	Accepted
H5	X1 →M →Y	0.067	1.284	0.200	Rejected
H6	X2 →M →Y	0.081	1.447	0.149	Rejected
H7	X3 →M →Y	0.054	1.032	0.302	Rejected

The hypothesis testing results (H1) presented in Table 7 indicate that business mentoring (X1) has a positive and significant effect on export readiness (M), with a path coefficient of 0.318, a t-statistic of 3.764, and a p-value of 0.000 ($t > 1.96$; $p < 0.05$). This suggests that more intensive and higher-quality mentoring increases MSMEs' readiness to enter export markets by facilitating the transfer of knowledge, experience, and practical guidance needed to address export procedural and operational complexities. Table 2 supports this finding, revealing that 100% of respondents had participated in mentoring programs, with 44% attending 2–3 sessions and 28% attending more than three sessions. The most common mentoring topics were digital marketing and platform utilization (71%), export procedures and documentation (62%), and quality management and standardization (48%), demonstrating their strong relevance to export readiness. Additionally, 72% of the SMEs had 1–6 years of business experience, suggesting that mentoring plays a critical role in accelerating readiness during the early growth phase.

Table 3 further confirms the construct validity of business mentoring, as all indicators exhibit adequate outer loadings, with the relevance of mentoring content (BM2) recording the highest loading at 0.801, indicating that the alignment between mentoring material and MSMEs' real needs is central to building export readiness. These findings are theoretically supported by the Resource-Based View and Dynamic Capabilities Theory, emphasizing structured and continuous capability development as a source of competitive advantage (Barney, 1991; Teece, 2018). Empirically, the results are consistent with prior studies demonstrating that business mentoring significantly enhances MSMEs' export readiness by strengthening knowledge, skills, and adaptive capabilities

required to meet international market demands (Calheiros-Lobo et al., 2023). Therefore, this study contributes to existing theory by reinforcing the argument that mentoring is not merely an external support mechanism but a strategic process of internal capability orchestration that transforms experiential learning into export readiness, thereby extending RBV and Dynamic Capabilities perspectives within the context of MSME internationalization in emerging economies.

The hypothesis testing results (H2) in Table 7 indicate that digital capability (X2) has a positive and significant effect on export readiness (M), with a path coefficient of 0.346, a t-statistic of 4.118, and a p-value of 0.000 ($t > 1.96$; $p < 0.05$), demonstrating that stronger digital capability enhances Jakarta MSMEs' readiness to enter export markets through improved mastery of digital platforms, online marketing, and access to international market information. Table 2 reinforces this finding, indicating high digital technology utilization, with 82% of MSMEs using digital tools for marketing and promotion, 76% for communication with international buyers, 69% for online marketplace transactions, and 64% for accessing export market information. Key platforms include Instagram (73%), e-commerce marketplaces (70%), and WhatsApp Business (68%), underscoring digital capability as a core component of export readiness in strengthening product visibility, cross-border communication, and global information access.

Additionally, Table 3 confirms the construct validity of digital capability, as all indicators exhibit adequate outer loadings, with digital marketing competency (DC3) indicating the highest loading at 0.823, followed by online communication and digital channel management. This confirms that measurable digital capability effectively represents MSMEs' technological readiness. These findings are consistent with the Resource-Based

View and Dynamic Capabilities Theory, emphasizing the strategic importance of integrating and leveraging digital technology to enhance internal readiness (Barney, 1991; Teece, 2018), and align with prior studies demonstrating that digital capability significantly strengthens export readiness through improved market access, operational efficiency, and adaptability to international trade dynamics (Goldooz & Zakery, 2024). Therefore, this study contributes to existing theory by clarifying the role of digital capability as a dynamic strategic resource that translates technological adoption into export readiness, thereby extending RBV and Dynamic Capabilities perspectives within the MSME internationalization framework, particularly in emerging market contexts.

The hypothesis testing results (H3) in Table 7 indicate that quality management capacity (X3) has a positive and significant effect on export readiness (M), with a path coefficient of 0.371, a t-statistic of 4.492, and a p-value of 0.000 ($t > 1.96$; $p < 0.05$), indicating that stronger quality management capacity increases Jakarta MSMEs' readiness to enter export markets. These findings confirm that compliance with quality standards and product consistency are fundamental prerequisites for export readiness. Table 2 further supports this finding, indicating that 48% of respondents have participated in mentoring related to quality management and standardization, while most operate in processed food and beverage (33%), fashion and apparel (25%), and handicrafts and creative products (20%)—sectors that demand strict quality control and compliance with export standards—thereby demonstrating a growing awareness that quality management serves as the foundation of export readiness.

Table 3 reinforces the construct validity of quality management capacity, as all indicators exhibited adequate outer loadings. The availability of quality control personnel (QMC1) recorded the highest loading at 0.842, followed by quality consistency and compliance with export standards, confirming that the construct accurately demonstrates MSMEs' preparedness to meet international requirements. These findings align with the Resource-Based View and Export Readiness Theory, emphasizing internal quality capability as a strategic resource determining export

readiness (Barney, 1991; Gerschewski et al., 2020), and are consistent with prior studies indicating that quality management significantly enhances MSMEs' export readiness prior to contributing to actual export performance (Calheiros-Lobo et al., 2023). Thus, this study makes a theoretical contribution by strengthening the conceptualization of quality management capacity as a foundational strategic asset that bridges internal operational excellence and export readiness, thereby extending RBV and Export Readiness Theory within the MSME internationalization context, particularly in emerging economies.

The hypothesis testing results (H4) in Table 7 indicate that export readiness (M) has a positive and significant effect on export performance (Y), with a path coefficient of 0.524, a t-statistic of 6.103, and a p-value of 0.000 ($t > 1.96$; $p < 0.05$), demonstrating that export readiness is a primary determinant of Jakarta MSMEs' export performance and a key mechanism for transforming export potential into tangible outcomes. Table 2 supports this finding, revealing that 64% of respondents have access to export market information, 69% utilize digital technology for transactions and marketing, and major platforms such as marketplaces (70%) and Instagram (73%) are widely used. Furthermore, 72% of the MSMEs have 1–6 years of business experience, underscoring export readiness as a crucial factor in the transition from domestic to sustainable export activities.

Table 3 further confirms the construct validity of export readiness, as all indicators demonstrate strong outer loadings. Product readiness for export (ER1) exhibits the highest loading at 0.864, followed by documentation and logistics readiness, indicating that product, administrative, and operational preparedness are core drivers of export performance. These findings are consistent with the Export Readiness Theory, which posits that internal readiness determines export success (Gerschewski et al., 2020), and align with prior studies indicating that export readiness serves as a critical link between MSMEs' internal capabilities and actual export performance in international markets (Gkypali et al., 2021; Singh et al., 2024). Therefore, this study makes a theoretical contribution by strengthening the

empirical positioning of export readiness as a multidimensional strategic construct that operationalizes internal capabilities into measurable export outcomes, thereby refining the Export Readiness Theory within the MSME internationalization framework, particularly within emerging market settings.

The hypothesis testing results (H5) in Table 7 indicate that export readiness does not significantly mediate the effect of business mentoring on the export performance of Jakarta MSMEs, as indicated by an indirect path coefficient of 0.067, a t-statistic of 1.284, and a p-value of 0.200 ($t < 1.96$; $p > 0.05$). Despite business mentoring significantly affecting export readiness (H1), this improvement does not automatically translate into higher export performance through mediation. Table 2 helps explain this result, revealing that 72% of respondents have 1–6 years of business experience, reflecting early- to mid-stage exporting; despite 100% participation in mentoring programs—with 44% attending 2–3 sessions—the focus remains on foundational capacity building, including export procedures and documentation (62%), digital platform utilization (71%), and quality standardization (48%), rather than immediate quantitative export outcomes, suggesting a time lag between readiness development and performance realization.

Table 3 further demonstrates that mentoring indicators strongly capture knowledge enhancement and readiness development but do not directly represent export performance outcomes. These findings align with the Resource-Based View and Export Readiness Theory, proposing that developing internal resources through mentoring is a necessary but insufficient condition to directly enhance export performance (Barney, 1991; Gerschewski et al., 2020). Furthermore, the results are consistent with prior studies indicating that mentoring impacts export performance indirectly, requiring greater international exposure, experience, and strategic maturity before yielding significant performance gains (Calheiros-Lobo et al., 2023; Sadeghi et al., 2023). Therefore, this study makes a theoretical contribution by clarifying the mediating role of export readiness in translating mentoring-based capability development into performance outcomes,

extending the RBV and Export Readiness theories by demonstrating that the mere accumulation of capabilities does not automatically generate export performance without the presence of complementary experiential and strategic integration factors within the Jakarta MSME context.

The hypothesis testing results (H6) in Table 7 demonstrate that export readiness does not significantly mediate the effect of digital capability on the export performance of Jakarta MSMEs, as reflected by an indirect path coefficient of 0.081, a t-statistic of 1.447, and a p-value of 0.149 ($t < 1.96$; $p > 0.05$). Despite digital capability significantly affecting export readiness (H2), this enhancement has not yet translated into higher export performance through mediation. Table 2 indicates that digital technology usage remains concentrated on digital marketing and product promotion (71%) and communication with potential international buyers (65%), while more strategic uses—such as logistics integration, international order management, and market analytics—remain limited. Furthermore, 72% of respondents have 1–6 years of business experience, suggesting that digital capability primarily supports early-stage readiness rather than measurable export performance outcomes.

Table 3 confirms that the digital capability indicators are valid and reliable, with the ability to use digital platforms for international marketing (DC1) indicating an outer loading of 0.789 above the required threshold. However, these indicators mainly capture operational and informational capacities rather than direct performance generation. The consistency between strong measurement validity (Table 3) and the non-significant mediation effect (Table 7) indicates that digital capability substantially strengthens export readiness but remains insufficient to enhance export performance without deeper market experience and strategic integration. These findings align with the Resource-Based View and Dynamic Capabilities Theory, as well as prior studies demonstrating that digital capability exerts a stronger influence on internationalization readiness than on short-term export performance (Barney, 1991; Denicolai et al., 2021; Teece, 2018). Therefore, this study makes a theoretical contribution by refining the positioning of digital capability as

a dynamic, enabling resource that builds readiness capacity rather than directly generating export outcomes, thereby extending RBV and Dynamic Capabilities perspectives within the MSME internationalization literature, particularly in the context of emerging economies.

The hypothesis testing results (H7) in Table 7 indicate that export readiness does not significantly mediate the effect of quality management capacity on the export performance of Jakarta MSMEs, as indicated by an indirect path coefficient of 0.054, a t-statistic of 1.032, and a p-value of 0.302 ($t < 1.96$; $p > 0.05$). Despite quality management capacity significantly affecting export readiness (H3), this enhancement does not directly translate into higher export performance through mediation. Table 2 supports this finding: while 48% of respondents have engaged in quality management and standardization mentoring, 72% possess only 1–6 years of business experience, suggesting that most MSMEs remain in early to middle stages of export development. Thus, quality capacity serves primarily to meet basic standards and ensure product consistency—enhancing eligibility for export markets but not necessarily increasing export sales, market expansion, or short-term export value.

Table 3 further confirms that the construct is valid and reliable, with the availability and consistency of quality control systems (QMC1) showing the highest outer loading of 0.842, indicating strong internal capability to maintain standards rather than a capacity to generate direct export performance outcomes. These findings align with the Resource-Based View and Export Readiness Theory, which posits that quality capability is a necessary condition for internationalization but its impact on export performance is contingent upon subsequent factors such as market access, international distribution networks, and sustained foreign demand (Barney, 1991; Gerschewski et al., 2020). The results are also consistent with prior studies demonstrating that improvements in quality and standards compliance exert a stronger influence on readiness and market legitimacy than on short-term MSME export performance (Calheiros-Lobo et al., 2023; Chou et al., 2024). Therefore, this study makes a theoretical contribution by

reinforcing the conceptual distinction between foundational capability and performance realization, extending RBV and Export Readiness Theory by empirically demonstrating that quality management capacity functions as a strategic threshold resource that enables export readiness but requires complementary market and network factors to generate measurable export performance.

IV. CONCLUSION

This study demonstrates that business mentoring, digital capability, and quality management capacity significantly enhance the export readiness of MSMEs in Jakarta, confirming the critical role of internal capabilities in preparing firms for international markets. Export readiness, in turn, has a strong positive effect on export performance, indicating that higher levels of preparedness enable MSMEs to transform internal resources into tangible export outcomes. However, export readiness does not significantly mediate the relationship between internal capabilities and export performance, suggesting that such readiness alone is insufficient without complementary factors such as market access, strategic networks, and financial support.

Theoretically, these findings reinforce the Resource-Based View, Dynamic Capabilities Theory, and Export Readiness Theory by demonstrating that internal capability development serves as the foundation for export preparedness, despite performance outcomes remaining contingent on broader strategic integration. Practically, the results underscore the necessity of aligning mentoring, digital transformation, and quality management initiatives with ecosystem-based support, including market linkage programs, certification facilitation, and international networking.

This study has several limitations. First, the cross-sectional design limits the ability to capture long-term or time-lagged effects. Second, the focus on MSMEs in Jakarta restricts the generalizability of the findings, and the reliance on self-reported export performance may introduce bias. Future studies should employ longitudinal approaches, expand

to diverse regional or sectoral contexts, and incorporate objective export performance indicators. Further studies may also explore the role of external ecosystem factors in strengthening the link between export readiness and performance.

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Author Contributions:

I.M.L.V.; conceived and designed the study; collected the data; contributed data and analysis tools; performed the analysis; and wrote the manuscript. M.A.S.; performed the analysis; and wrote the manuscript.

Data Availability Statement:

The data supporting the findings of this study are available from the corresponding author (I.M.L.V.) upon reasonable request. The dataset consists of 100 valid responses collected through an online questionnaire distributed via Google Forms. Due to privacy and confidentiality considerations, the raw data cannot be shared publicly; however, anonymized data may be provided for academic purposes upon reasonable request.

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