

Owing to their gigantic participation in global economic growth, the phenomenon of SMEs internationalization has become the centre of attention for numerous researchers. The firms operating from low-tech industry and from developing nation were largely ignored. Internationalization phenomenon from underdeveloped cluster of a developing nation facing daunting challenges that hinder SMEs performance and growth; turns out to be an attention-grabbing area – hence, worth-investigating.

The purpose of this study is to investigate the challenges of manufacturing born global SMEs from surgical instrument manufacturing cluster Sialkot, Pakistan. More specifically, the objective is to explore the kind of challenges and their effect on the performance of these born global SMEs. To carry out this research, data was collected through a questionnaire from 100 respondents (managers/entrepreneurs). Based on the findings, the study identify the challenges like employees' loyalty, shortage of skilled technical workforce, retention of experienced and skilled workforce, staff motivation, staff recognition and promotion, staff development, and performance appraisals.

The results of this study also support the hypothesis that poor management skills (FIRM, marketing, finance, and production) are challenges and contribute to the poor performance of manufacturing born global SMEs. Manufacturing born global SMEs are facing challenge of lack of government policy on born global SMEs, tax issues and reduced rebates, and shortage of skilled labor force.