

Strategic orientation and business performance

An empirical study in the UAE context

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Abstract

Purpose – The purpose of this paper is to examine the role of strategic orientations (technology, alliance, and market orientations) of small and medium-sized enterprises (SMEs) in an emerging market, namely Dubai in the United Arab Emirates.

Design/methodology/approach – Drawing upon data from 200 Dubai SMEs, this study uses a structured survey that was developed from a methodical literature review. Both descriptive and inferential statistics were used to evaluate the findings.

Findings – The findings revealed that market orientation has a positive effect on business performance compared to technology and alliance orientations within SMEs in the Dubai marketplace.

Research limitations/implications – This study offers SMEs a better understanding of their strategic orientations to enhance business performance. However, this study is limited to only SMEs operating in the Dubai marketplace. Future research could also look at other markets and use qualitative research methods.

Originality/value – This study provides important insights that could guide SMEs in their understanding of strategic orientations and the benefits for business performance. These findings reinforce the growing empirical evidence of the positive effect of market orientation, as being a strategic direction for SMEs, on business performance.

Keywords United Arab Emirates, Strategic orientation, Emerging markets, Business performance, Small and medium-sized enterprises

Paper type Research paper

Introduction

Small and medium-sized enterprises (SMEs) drive economic development (Eggers *et al.*, 2013) and are essential to local entrepreneurship and innovation (Massa and Testa, 2008), having advantages over larger firms with their characteristic of close management, informal structures and flexible cultures, high adaptability, less reluctance to explore new technologies, specialized technical and marketing expertise, and close market proximity (Allocca and Kessler, 2006; O'Regan *et al.*, 2006). SMEs play important roles in technological advancement and customized products and services (Mulhern, 1995; Teece, 2010) even though, compared to large firms, they are faced with challenges, which

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include a lack of economies of scale, limited resources and capabilities, smaller market sizes, and a greater vulnerability to market shifts and environmental shocks (Cagliano *et al.*, 2000; Gronum *et al.*, 2012).

The SME's strategic orientation has significant implications for managers entering sectors that are dominated by large firms and adopting an appropriate strategic orientation can provide efficiencies for SMEs in particular industries (Aragon-Sanchez and Sanchez-Marin, 2005; Blumentritt and Danis, 2006). The majority of the strategic management research to date has been conducted in large firms and in the context of developed markets and has been focussed on market orientation (Avci *et al.*, 2011; Gao *et al.*, 2007; Shah *et al.*, 2015). To expand the scope of such research and to overcome the limited research in this area, this study was conducted in an emerging market (e.g. Dubai, the United Arab Emirates (UAE)), focussing on SMEs and other types of strategic orientations (e.g. technology and alliance orientations) and their business performance (Laukkanen *et al.*, 2013).

The empirical investigation of the strategy-firm-performance relationship requires appropriate underlying concepts and measures for the local (UAE context) market in order to contribute to the field of strategic management and emerging market literatures (Morgan and Strong, 2003; White, 1986). Some researchers have found that firms with a more market orientation perform better (Tseng and Liao, 2015). Other research studies have failed to find similar relationships between technology and alliance orientations and business performance (Cui and O'Connor, 2012; Prajogo *et al.*, 2013). Further, the specific context of SMEs and the UAE may moderate the relationship between strategic orientations and business performance. Hence, this study explores the question of which strategic orientation is suitable for SMEs to better perform in a small and quickly maturing marketplace (Wiklund and Shepherd, 2005). This paper is organized as follows: first, the background and hypotheses are presented, followed by a description of the method. A discussion of the test results and their implications are offered, followed by an examination of the limitations, opportunities for future research, and conclusion.

Background and hypotheses

In the UAE, namely Dubai, as is found elsewhere in the world, SMEs comprise the majority of firms (more than 90 percent) in the service and manufacturing sectors (DCCI, 2010). Dubai in the UAE is of particular interest because it is ranked as the most innovation-driven economy in the Arab world, moving from an oil-based, to a knowledge-based, economy (Dubai 2020 Expo, 2014). Further, it is becoming a free market economy integrating into the world economy (Knight, 2011). However, the liberalization and privatization of the local market economy are currently taking place where the legal requirements combined with weak regulations, the aggressive management and business culture, and the internalization of business and market activities, have formed a highly competitive environment for SMEs to perform in the local marketplace (Brik *et al.*, 2011; Mytelka, 2000; Rettab *et al.*, 2009). Hence, these reforms and changes are reflected in the SME's strategic orientation and long-term investment.

Strategic orientations and perspectives

A firm's strategy can substantially influence its structure, its activity, its investment, its relation to the market, and its business performance (Chan *et al.*, 1997; Valos and Bednall, 2010; Vanhaverbeke and Peeters, 2005). A firm (e.g. an SME) can utilize strategy as a key to solving problems, creating new capabilities, and improving business performance

(Beard and Dess, 1981; Sarker and Palit, 2015). A strategy can provide a framework that permits a firm and its manager to assemble specialized assets, to identify opportunities for providing valued products and services to customers, and to deliver those products and services for higher profits in the marketplace. Further, the approaches to strategy measurement include narrative (e.g. description), classificatory (e.g. typology and taxonomy), and comparative (e.g. construct) while the construct development approach is able to test for unidimensionality, reliability, convergent, discriminant, and predictive validity (Venkatraman and Ramanujam, 1986).

A firm can formulate and adopt the best strategies by coordinating their approaches in establishing industry positions (Porter, 1980) and/or by focussing on their resources, competences, and capabilities (Wernerfelt, 1984) to achieve fit with their internal and external competitive factors, thereby sustaining competitive advantage and business efficiency (Ali *et al.*, 2010; Blumentritt and Danis, 2006). But these strategy types are not necessarily mutually exclusive (White, 1986). To gain better performance, a firm needs to exhibit internal strategic consistency and its strategy match the environmental contingencies (Pittino and Visintin, 2009; White, 1986). Sustainable competitive advantage is reflected in a firm's ability to influence customers and respond to competitors and environmental changes (Aaker, 2001), which leads to the continual exploration of new products and services (Hamel and Prahalad, 1989; Sutton, 2002). It is the strategic orientation of a firm that enables it to achieve these goals, with a particular emphasis on the unit-level, by guiding its marketing activities and business operations (Chan *et al.*, 1997; Gatignon and Xuereb, 1997). Strategic orientation guides the (strategic) direction that a firm intends to pursue in order to monitor its activities for better business performance (Gao *et al.*, 2007). These strategic orientations are stable and not industry specific (Chan *et al.*, 1997) and include technology (Gatignon and Xuereb, 1997), alliance (Batonda and Perry, 2003), and market (Jaworski and Kohli, 1993), orientations.

Technology orientation and business performance

A technology-oriented firm seeks to acquire new and advanced technologies to develop new processes, products, and services, although the rate of technological changes within its industry might affect its technological adoption or development (Gao *et al.*, 2007; Liu *et al.*, 2013). Past research has found a positive relation between technology orientation and business performance (Santhanam and Hartono, 2003). Further, the importance of technology orientation to innovation has been long recognized (Humphreys *et al.*, 2005); however, the relationship between technology orientation and business performance has been given less attention in the literature (Tzokas *et al.*, 2015; Voss and Voss, 2000). Hamel and Prahalad (1994) argue that a firm that has a high technology orientation achieves better business performance when technology changes rapidly because a firm is able to introduce new processes, products, and services to satisfy customer changing needs and to gain an advantage over competitors. A technology-oriented firm that combines customer-value innovation with technological innovation has a greater chance of sustaining high profit and performance (Batra *et al.*, 2015; Gatignon and Xuereb, 1997). However, given the technological advances in the dynamic Dubai marketplace, SMEs need to experiment with new technologies to be able to survive (Gao *et al.*, 2007; Srinivasan *et al.*, 2002). Technological adoption or development in Dubai varies for different SMEs depending on the firms' resources and on the dynamism of the marketplace. However, there appears to be a general recognition of the importance of technology, with the recent development of the Dubai

Internet City, Techno Park, and Smart Government among other initiatives, creating significant activities in sectors such as information and computer technology (Grant *et al.*, 2007). In this context, the following hypothesis is proposed:

- H1. Technology orientation will have a significant positive effect on a firm's business performance.

Alliance orientation and business performance

Business networks and strategic alliances are important mechanisms to drive a firm's success through enhancing learning, developing a market focus, transferring technology and expertise, sharing costs and risk, increasing production efficiency, and encouraging firm and industry collaboration (Baker *et al.*, 2015; Kotabe *et al.*, 2014). These types of relationships offer a firm access to information, knowledge, resources, capabilities, and technologies that enable it to perform and compete more effectively in the marketplace (Ireland *et al.*, 2002; Wilson *et al.*, 2014), and especially important for SMEs with limited resources and capabilities (Baum *et al.*, 2000). SMEs in Dubai are encouraged to establish trade relationships, network with business partners and link with customers, which further enable them to access resources and capabilities without merging with others, maintaining flexibility and adapting to environmental changes (De Villiers-Scheepers, 2012). Further, Dubai is acutely aware of its dependence on the outside world. To this end, a number of free trade zones have been set up allowing full foreign ownership of firms and significant tax benefits. Outside of these zones, the legal requirements of the ownership law, limiting foreign investments to 49 percent, may present obstacles to the formation of business networks and strategic alliances. Complicating the situation are personal networks (*Alaqah Shakh-sia* in Arabic), which may lead to business behaviors based on personal connections and social networks rather than business networks and strategic alliances (Hutchings and Weir, 2006). This is not necessarily a limitation as position in the network may either promote or inhibit collaboration. Therefore, the following hypothesis is proposed:

- H2. Alliance orientation will have a significant positive effect on a firm's business performance.

Market orientation and business performance

A market-oriented firm has a focus on customers and competitors, so as to increase its knowledge, generate actions and encourage innovation (Berkhout *et al.*, 2010; Goldsmith, 2010). Previous research studies have established a positive relationship between market orientation and business performance (Noble *et al.*, 2002; Wilson *et al.*, 2014), although this relationship becomes negative during an economic crisis (Grewal and Tansuhaj, 2001). Market orientation "helps managers to be more connected to the business environment, such an orientation appears to play a role for allowing the industrial firm to devise innovative solutions to business problems" (Hult *et al.*, 2004, p. 436). To achieve higher business performance, SMEs can choose carefully the markets in which they operate by focussing on exact product groups, avoiding a wide spread of their marketing activities, and avoiding operating in markets dominated by large firms (Adams and Hall, 1993; Verhees and Meulenberg, 2004). SMEs are encouraged to conduct market research to better understand customers and competitors (Brush, 1992; Callahan and Cassar, 1995). However, Allocca and Kessler (2006) argue that SMEs have fewer marketing resources, do less market research, lack

presence in readily accessible markets, and have fewer recognized brands. There is increasing evidence to propose that emerging markets have a higher proportion of demand uncertainty where customers want to be directed rather than listened to, as they explore various product and service categories (Gao *et al.*, 2007). The lack of market research and information in Dubai is an additional limiting factor to SMEs seeking to understand customer and competitor behaviors and to have future diversifications; as well as the weak market regulations and the high market competition that might influence their innovation initiatives to respond to continuously changing market needs (Brik *et al.*, 2011; Hertog, 2010; Rettab *et al.*, 2009). In this context, the following hypothesis is proposed:

H3. Market orientation will have a significant positive effect on a firm's business performance.

Methodology

Sampling

A sample of SMEs is used from a range of service and manufacturing industries from the Dubai marketplace in the UAE (Table I). This is to allow a generalization beyond particular industries with the diversity representing a better snapshot of the scope of the marketplace (Dawes, 2000). The Dubai Chamber of Commerce and Industry (DCCI) classification of SMEs is adopted: small firms (1-9 employees), medium (10-199 employees), and large (more than 200 employees) (DCCI, 2010). According to this criterion, a target sample frame of 600 SMEs was identified from the DCCI database using a stratified sampling technique (Homburg and Jensen, 2007). Beyond the information contained in Table I, it is noted that 97 percent (194/200) of the respondents were owners/managers while the remaining 3 percent (6/200) of respondents were senior staff within their firms.

Category	%
<i>Industry of firm</i>	
Information and communication technology	31.5
Healthcare services	13.5
Entertainment and media	13.5
Manufacturing and industrial engineering	13.0
Construction and architecture	7.5
Retail and repairing services	7.0
Other services	14.0
<i>Size of firm</i>	
1-9 employees	36.5
10-99 employees	50.5
100-199 employees	13.0
<i>Gender of individual</i>	
Male	78.0
Female	22.0

Notes: ^aOther services include financial intermediation and insurance, education, training, and consultancy, tourism and hospitality, and real estate and renting services; ^beight surveys were incomplete; three of these were from the information and communication technology sector and five were from other service areas

Table I.
Sample composition^{a, b}

Survey development and measures

A non-experimental cross-sectional survey design was used to gather information. The initial survey was developed from a methodical review of the literature. The survey includes constructs and items regarding each relationship under investigation is shown in list below.

Constructs, measurement items, coefficient α , and loadings:

- (1) Technology orientation ($\alpha = 0.884$):
 - Item1: our firm's policy is to adopt up-to-date technologies (0.791);
 - Item2: our firm purchases and uses technologies to position itself ahead of competitors (0.811);
 - Item3: our firm is often to be first to try out new methods and technologies (0.798);
 - Item4: our firm frequently improves internal processes such as speed, reliability, and information management (0.701); and
 - Item5: our firm allocates resources for investments in latest technologies and future forecasted technological changes (0.765).
- (2) Alliance orientation ($\alpha = 0.839$):
 - Item1: our firm has proactive relationships with partners, suppliers, and sub-contractors (0.551);
 - Item2: our firm has memberships in local and/or international business and industry associations (0.740);
 - Item3: our firm systematically identifies possible strategic partners to explore new knowledge and technology in order to improve resources and capabilities (0.695);
 - Item4: our firm has collaborative agreements with other firms to in/ outsource research and development activities (0.808); and
 - Item5: our firm has proactive networks with other firms to share innovation benefits and risks (0.786).
- (3) Market orientation ($\alpha = 0.831$):
 - Item1: our firm has proactive dialogues and mutual relationships with customers (0.772);
 - Item2: our firm is geared toward quality customer service culture (0.819);
 - Item3: our firm implements immediate responses when our customers are targeted by other firms (0.787);
 - Item4: our firm frequently takes advantage of targeted opportunities to benefit from competitors' weaknesses (0.554); and
 - Item5: our firm encourages internal sharing of market information to understand consumer/competitor behaviors (0.663).
- (4) Business performance ($\alpha = 0.871$):
 - Item1: our firm's customer satisfaction (0.486);
 - Item2: our firm's sales growth (0.861);

- Item3: our firm's profit growth (0.880);
- Item4: our firm's return on investment (0.822); and
- Item5: our firm's market share (0.770).

They were measured using a seven-point Likert scale with end points of "1-strongly disagree" and "7-strongly agree." Technology orientation was defined as the technological policy, position, and adoption of a firm and was measured using a five-item scale, adapted from Allocca and Kessler (2006), Aragon-Sanchez and Sanchez-Marín (2005), and Salavou *et al.* (2004). Alliance orientation was defined as the firm's collaborative agreements and networks with business groups and supporting industries, and was measured using a five-item scale adapted from the Aragon-Sanchez and Sanchez-Marín (2005), Hoffmann and Schlosser (2001), and Martensen *et al.* (2007) studies. Market orientation was defined as the customers, competitors, and inter-functional market information sharing of a firm, and was measured using a five-item scale adapted from the Kohli *et al.* (1993), Narver and Slater (1990), and Pelham and Wilson (1996) studies. Business performance was measured using a five-item scale, adopted from the Aragon-Sanchez and Sanchez-Marín (2005), Klomp and van Leeuwen (2001), and Linder (2006) studies. However, due to confidentiality concerns, self-reporting financial and non-financial measures were used (Avci *et al.*, 2011).

Before data collection, the survey was modified to suit the local market and was pre-tested with owners/managers, academic researchers, and industry and market experts ($n = 30$) to establish the content validity. Based on their feedback, a number of items were reworded to improve clarity (Dillman, 2007). The final version of the survey was sent to another sample ($n = 24$) to be pilot tested (Hunt *et al.*, 1982). To assess the reliability and validity (internal consistency), the coefficient α and average item-total correlations and inter-item correlations among constructs and items in scales were calculated (Venkatraman, 1989). The coefficient α 's for all constructs were above the cutoff value of 0.60 and the internal consistencies (item-to-total and inter-item correlations) for all items were above the minimum criteria of 0.50 and 0.30, respectively (Hair *et al.*, 2006).

Data collection

The data used to test the hypotheses were drawn from a target group of owners/managers of SMEs operating in the Dubai marketplace. The rationale for selecting individuals with senior-level responsibilities was based on the notion that their values and philosophies influence the strategic choices and decisions of their firms (Covin and Slevin, 1990), which makes them key informants who know the overall strategies of their firms (Kumar *et al.*, 1993).

A modified version of the total design method was followed in an effort to increase the response rate (Dillman, 2007). All respondents received a folder which included a cover letter, the survey and a postage-paid return envelope. The survey was conducted by using an extrapolation method such as successive waves (Armstrong and Overton, 1977). Three weeks after the first delivery of 600 surveys and introductory letters, reminder letters were sent to non-respondents and a total of 208 surveys were returned (Table I). A total of 200 usable and completed surveys (excluding eight incomplete ones) were received for an overall response rate of 33.33 percent.

The potential for non-response bias was assessed by using the extrapolation technique of Armstrong and Overton (1977), comparing the difference between early-respondents

($n = 150$) and late-respondents ($n = 50$) with regard to the mean values of constructs, revealing that non-response bias did not appear to be a significant issue. As this study collected data from a single respondent in each responding firm, a test for common method variance was also conducted by using the Harman's single factor test (Podsakoff *et al.*, 2003). As a single factor did not emerge from the factor analysis and the first factor did not account for most of the common variance, common method variance did not appear to be a problem (Doty and Glick, 1998). Following data collection, the completed surveys were further analyzed using a series of statistical assessments.

Results

Correlation analysis

The statistical examination of constructs for the reliability and varimax rotation factor analysis was conducted with no significant problems observed. After the initial examination, 20 items were included in the factor analysis (Manning and Munro, 2006). Many bivariate correlations between items were in excess of 0.30 and the correlation matrix was considered to be appropriate for exploratory factor analysis. A cutoff loading of 0.30 was used to screen out items that were weak indicators. The KMO Measure of Sampling Adequacy (KMOSA) = 0.898 was greater than 0.60 and Bartlett's Test of Sphericity = 2149,372, $p < 0.001$ was significant. Twenty items loaded on the four constructs accounting for 66.06 percent of the total variance were extracted with eigenvalues greater than 1. All items had communalities ≥ 0.30 . Further, the normality of distributions was performed and indicated abnormal distributions for all constructs. In order to resolve this issue of normality, the score of each construct was transformed (Tabachnick and Fidell, 2001).

Hypotheses testing

A multiple linear regression (MLR) analysis was applied to assess the relationships between constructs. An MLR was performed between strategic orientations (technology, alliance, and market orientations) as the independent constructs and business performance as the dependent construct. The multiple correlation coefficient ($R = 0.483$) was significantly different from zero, $F(3, 196) = 19.852$, $p < 0.05$, and 23.3 percent of the variation in the dependent construct was explained by the set of independent variables ($R^2 = 0.233$, adjusted $R^2 = 0.221$). Only market orientation, $sr_i^2 = 0.07$, $t = -4.161$, $p < 0.05$ was found to significantly and uniquely contribute to business performance. Both technology orientation, $sr_i^2 = 0.008$, $t = -1.424$, $p < 0.05$ and alliance orientation, $sr_i^2 = 0.01$, $t = -1.876$, $p < 0.05$ were found not to provide any significant unique contribution to business performance. The equation of prediction produced by this analysis describes the relationship between the variables as follows:

$$\begin{aligned} \text{Business Performance} = & -0.337 \times \text{MarketOrientation} - 0.141 \\ & \times \text{Alliance Orientation} - 0.100 \\ & \times \text{Technology Orientation} + 2.476 \end{aligned}$$

Discussion

This study explores the role that strategic orientations play on business performance of firms in the emerging market context. It thereby empirically tests unexplored relationships in the existing literature between technology, alliance, and market orientations, and the business performance of SMEs in a small local market that is quickly

maturing, such as Dubai in the UAE. In addressing the above mentioned unexplored relationships, a number of contributions are offered to scholars about the role of strategic orientations and business performance within SMEs.

First, the outcome constitutes a significant contribution to advancing our understanding of strategic orientations impacting on the business performance of SMEs in the local Dubai marketplace. It reveals that only market orientation, compared to technology and alliance orientations, as a source of competitive advantage has a significant correlation with business performance (Dong *et al.*, 2013; Tsai and Chi, 2015). It provides an important empirical evidence that even in an emerging marketplace like Dubai, market orientation influences the degree of emphasis placed on business performance within SMEs (Lee *et al.*, 2015). Further, by researching these strategic orientations in a sample of SMEs from the local Dubai marketplace, it provides contextually diverse evidence that benefits enhance directional focus of SMEs.

Second, SMEs do not have an orientation toward technology in a relationship that has a non-significant effect on their business performance. This finding is consistent with previous studies (Chae *et al.*, 2014; Prajogo *et al.*, 2013). The link between technology orientation and business performance might not be linear and is mediated by other factors (e.g. innovation). SMEs are sometimes unable to respond effectively to the emergence of new technologies (Tripsas and Gavetti, 2000) and are unwilling to change. They might stick to dominant internal routines that increase the dependence on existing resources and capabilities and prevent the development of new ones (Gilbert, 2005). This type of internal rigidity is observed when SMEs are faced with threats (e.g. industrial competition) from the external environment to their business performance and eventual survival (Bao *et al.*, 2011). This may be explained by the slow pace of technological changes in the local marketplace and the tendency of local SMEs to develop incremental technologies or adopt advanced technologies through licensing or joint-venturing with foreign firms entering the local marketplace.

Third, the finding of a non-significant effect of alliance orientation on business performance within SMEs in the local market is different from the finding of previous studies (Brouthers *et al.*, 2014; Hung *et al.*, 2014). The findings show that SMEs need to utilize their business networks and strategic alliances to collaborate more effectively. The ability of SMEs to deal with behavioral uncertainty in the alliance, to resourcefully continue checking the risk of opportunistic behavior of the partner firm, and to risk leak core knowledge influences the usefulness of the collaborative relationship (Spithoven *et al.*, 2013). However, SMEs should note that the diversity of resources in any alliance and collaboration portfolios appears to benefit them when resources and capabilities are shared across partners (Cui and O'Connor, 2012). This may also indicate that the impact of personal networks on business operation and performance is in need of future research.

Fourth, market orientation has a significant effect on business performance within SMEs in the context of the local marketplace. This finding is similar to previous studies (Doyle and Armenakyan, 2014; Sarker and Palit, 2015). Market orientation seems to be a wise choice for SMEs which will enable them to gain better business performance despite many foreign firms entering the market with different approaches to customers, competitors, and the local marketplace. As SMEs are known to be small in size, they are advantaged to have environments where most individuals can have direct access to customers and provide feedback on their demands and possibly offer customized

solutions to their problems (Herb *et al.*, 2001). The findings imply that SMEs understand the importance of customer needs, competitive actions, and internal sharing of market information. This point to recognition of the importance of a firm's market orientation would reflect in its growth trajectory (e.g. business performance), (Ryals, 2005; Von Hippel, 1988).

Managerial implications

This study offers a number of implications for SMEs operating in Dubai. There is a very useful lesson for managers related to resource allocation guidance and strategic focus. SMEs can either develop incremental technologies or adopt advanced technologies through licensing, or through joint-ventures, with firms entering the local marketplace with new or advanced technologies. SMEs need to customize technologies to suit the local marketplace requirement. This could encourage policymakers in Dubai to invest in technology centers and institutions to facilitate and finance technologies across different SME industries. A technology fund for SMEs to access is another step forward to strengthen the knowledge and technological capital of the Dubai marketplace. Another implication is that SMEs will need to revisit their strategic alliances in order to enhance knowledge, transfer technology, and expertise, share costs and risk, increase production efficiency, and encourage firm and industry collaboration. Then, market orientation, in a better understanding of customers and competitors, has a unique contribution to make to business performance within SMEs. The findings might further encourage SME managers to initiate specific actions for strategic orientations to achieve better business performances.

Limitations and further research

This study emphasizes the importance of strategic orientations and links them to business performance, but it does not investigate other strategic orientations (e.g. entrepreneurial, learning and selling orientations). This is a topic for future research study. Another limitation is the unit of analysis, the perceptions of top management personnel. There is a need to understand the role of individuals in the strategic actions of the firm and how they affect business performance and growth. By using multiple respondents (from different functional units or management levels) in each firm, a clearer picture could be developed from inside the firm. This study is also limited by its cross-sectional design, as a longitudinal study could better assess the relationships over time. The absence of the significant relationship between technology and alliance orientations, and business performance, provides an avenue for further research. Although the study was conducted in Dubai, many countries in the Middle East, Africa, Asia, Latin America, and the Caribbean encounter similar situations. Further research is necessary to conduct cross-national studies.

Conclusions

This study examines the role of strategic orientations in driving SMEs in the UAE (Dubai) context to better perform. It lends support to the outcomes of previous studies and provides useful insights into strategic orientations (technology, alliance, and market orientations) and the business performance of SMEs in emerging markets. The findings of this study reveal that market orientation strongly influences the business performance of SMEs in the Dubai marketplace, and that the links between technology and alliance orientations and business performance are non-significant.

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