IRAQI Academic Scientific Journals

العراقية المجلات الأكاديمية العلمية

University of Kut Journal

ISSN (E): 2616 - 7808 II ISSN (P): 2414 - 7419

js.uokut.edu.iq

k.u.c.j.sci@alkutcollege.edu.iq

Special Issue – The 9th Scientific Conference for Administrative and Economic Sciences – 2 – 3 May 2026

The impact of proactive and responsive market orientation on the financial performance of SMEs

Azhar nsaif jasim [1]

Abstract

In today's era one of the significant predictor that enhances the performance of the company and make them market competitive is market orientation and in this work, it is measured with two new proxies (i) responsive (ii) proactive. The proactive and responsive orientation was the independent factors while the performance is dependent factor. The responses are collected from 72 respondents belonging to SMEs in Iraq. The collection tool was survey and the research design used was correlational. The research purpose used in this research is explanatory and the research approach used is quantitative. The research was conducted using the SmartPLS software, and the results showed that using these two approaches has a positive impact. Therefore, SMEs should focus on these proactive and responsive approaches to improve their financial performance.

Keywords: Proactıve Orientation, Responsıve Orientation, Financial Performance, SMEs

Affiliation of Author

[1] College of Administration and Economics, University of Kut, Iraq, Kut, 52001

[1] azhrnassif@gmail.com

[1] **Corresponding Author**

Paper Info.

Published: Aug. 2026

أثر التوجه الاستباقي والاستجابة السريعة لاحتياجات السوق على الأداء المالي للشركات الصغيرة والمتوسطة

أزهر نصيف جاسم [1]

المستخلص

في عصرنا الحالي، يُعدّ التوجه السوقي أحد أهم العوامل المؤثرة في تحسين أداء الشركات وتعزيز قدرتها التنافسية في السوق. في هذه الدراسة، تم قياس هذا التوجه باستخدام مؤشرين جديدين: (أ) التوجه الاستجابي، و(ب) التوجه الاستباقي. وقد مثّل كل من التوجه الاستباقي والتوجه الاستجابي عاملين مستقلين، بينما كان الأداء هو العامل التابع. تم جمع البيانات من 72 مستجيبًا من أصحاب الشركات الصغيرة والمتوسطة في العراق. استُخدمت الاستبانة كأداة لجمع البيانات، واعتمد تصميم البحث على المنهج الارتباطي. يهدف هذا البحث إلى التفسير، ويعتمد المنهج الكمي. استُخدم برنامج PLS-SEM الإحصائي للتحليل. أظهرت النتائج أن أداء الشركات الصغيرة والمتوسطة يتأثر إيجابًا بكلا التوجهين، الاستجابي والاستباقي. وهذا يعني أن على هذه الشركات التركيز على هذين التوجهين لما لهما من دور في تحسين أدائها.

الكلمات المفتاحية: التوجه الاستباقي، التوجه الاستجابي، الأداء المالي، الشركات الصغيرة والمتوسطة

انتساب الباحثين

[1] كلية الإدارة واقتصاد، جامعة الكوت، العراق، الكوت، 52001

[1] azhrnassif@gmail.com

[1] **المؤلف المراسل**

معلومات البحث

تاريخ النشر: آب 2026

Introduction

Organizations must develop strategies to maintain competitiveness and support performance in the current environment due to rapid changes in customer requirements and technological advancements in the market [1]. Therefore, market orientation is considered essential for increasing productivity and is a fundamental element in gaining a competitive advantage [2].

Market orientation has been defined in the literature in various ways, according to [3], This orientation involves enabling, disseminating, and distributing information, with a focus on changing market trends to meet consumer demands.It was further defined by [4] It ensures the provision or creation of value for customers, which in turn gives them a competitive advantage. [5].

According to [6], It argues that market orientation is a fundamental approach that enables companies to excel in their environment.

In addition, market orientation provides companies with valuable information. [7]. Therefore, market orientation comprises two fundamental concepts: proactive and responsiv. according to [8]. Proactive orientation focuses on anticipating events and understanding consumer needs, while responsive orientation emphasizes a company's ability to respond to changes in consumer demands. [9]. This saves time in finding new, previously undiscovered markets. [10].

[11] Companies should use these two approaches to increase their expansion. A significant thread of research indicates a positive correlation between market orientation and organizational performance with various studies confirming this link with quantitative measurements of managerial effectiveness, financial outcomes, innovation capabilities, and export productivity [12]. As a result, although the general relationship between market orientation and business productivity has been thoroughly studied, the sub-dimensions, PROC and RESP, have received less attention, resulting in conflicting conclusions about the impact of market orientation on performance in various economic contexts [13] In contrast to [14] who discovered a positive correlation in the public sector, [15] found no significant relationship between market orientation and performance in Ghanaian industries. Although responsive orientation has limitations under certain circumstances, focused studies on the impact of PROC and RESP orientations on firm productivity show a generally positive relationship [16]. The literature is categorized into four strands: the relationship between market orientation and firm performance; the link between competitive advantage, market orientation, and firm performance; an exploration of dynamic capabilities; and the investigation of market orientation's impact on performance through the lens of dynamic capabilities.

this study intends to further evaluate how RESP and PROC orientations influence the performance of small and medium-sized enterprises (SMEs), addressing a gap in existing research regarding the ramifications of these specific orientations on organizational effectiveness.

1.1 SMES IN IRAQ: AN OVERVIEW

Small and medium-sized businesses, or SMEs, now play a significant role in society. These companies run their operations on a small scale. Their operations are small in terms of the number of employees and the rate of employee turnover. SMEs are businesses that are open to innovation and serve as a basis for both economic growth and employment opportunities. SMEs can be found in nearly every industry, including manufacturing, services, and technology. SMEs are characterized by their high degree of adaptability and responsiveness to market shifts.

The management of SMEs are management by small team and the decision related to the employees and consumers are taken quickly. SMEs acts as a source of economic growth as they drive competition and encourages innovation. These organizations always work for the economic and social well-beings. The definition related to SMEs varies from region to region but the most common criteria include the size of employees, assets and turnover. Some classify SMEs as the firm that has employees less than 250 and also have a benchmark related to the annual monetary value. But this criteria changes from region to region.

The small and medium enterprises are deemed to be the integral part. From the global perspective, the SMEs are the economic organizations that have employees less than 250 individuals and have an annual sale of < than 125 million. The global economies bifurcated SMEs in three types namely Medium size SMEs, small sized SMEs and micro sized SMEs. The micro sized SMEs are those organization that have employees less than 9 and have an annual sale of < than 3 million. The small sized SMEs are those organization that have employees less than 50 and have an annual sale of < than 25 million. The Medium size SMEs are those organization that have employees < than 250 and have an annual sale of < than 125 million. To sum up, the organizations that have employees in the range of 1 to 9 are termed as micro-sized companies, the organizations that have employees in the range of 10 to 49 are termed as small-sized companies, the organizations that have employees in the range of 50 to 249 are termed as medium-sized companies and the organizations that have employees more than 250 are termed as large-sized companies.

Concerning Iraq, The Kurdistan Region Statistical give statistics related to the market size of SMEs. The statistics considered the industrial SMEs and concluded that the total number of SMEs operating in Iraq is 37000, and the employees working in those SMEs are 117,000 which only represent the 1% of the total workforce. Apart from industrial SMEs the overall SMEs operating in Iraq are 608500. If we compare the SMEs of Iraq with other closest regions such as North Africa region, Turkey and Middle East the volume of SMEs in Iraq is considered to be low (IOM, UN migration, Iraq).

In Iraq, the SMEs are found in all the industries excluding the gas sector and oil exporting companies which are led by the large firms. The survey was done in different cities of Iraq which includes Babylon, Sulaymaniyah, Baghdad, Ninewa, Basra, Karbala and Erbil. The selection of SMEs are done randomly and it has been observed that 33% of the SMEs are working in retailing and wholesale trading, 15% of the SMEs belongs to hostility and 7% belongs to information and communication. Apart from them 9% belongs to other service business. In 2021, the turnover reported for SMEs was 220000 and for medium size enterprises it is reported 660,000 (IOM, UN migration, Iraq).

According to COSIT (Central Organization for Statistic and Information Technology) the SMEs can be defined in term of SMEs business. The SMEs is reflected as small, if the employees are less than 10 and medium if it is 10 or more but less than 30 employees. Table (1) presents the definition of SMEs in Iraq.

Table (1): Definition of SMEs in Iraq

Small	1-9 employees
Medium	10-29 employees

With respect to Baghdad, around 20% of the small industrial ventures are owned by the governorates of city. The different types of SMEs are working in Bagdad which includes food and agriculture, automotive, carpentry and construction, chemical and materials, education and technology, general trade, hospitality, manufacturing and textile, medical services and other services. In this study the manufacturing SMEs were taken for analysis.

2. CONCEPTUAL FRAMEWORK AND LITERATURE

2.1 THEORTICAL BACKGROUND

The idea of resource based theory has been introduced to overcome the challenges of competitive advantage in environmental models. The theory explains a connection between the organization resources within the firms and the competitive edge adored by firms. The resources of the business enable them to initiate policies that enhance their performance and efficiencies. These resources can be bifurcated in to three types i.e., human, organizational and physical resources. The physical resources of the firms involves the physical assets such as location, equipment, furniture, plants, raw material and technology. The human resources of the firm involves experience, training, judgement and intelligence. The organizational resources involves planning, coordinating, planning systems, informal and formal reporting [17].

The concept of resource based view theory stated that every organization hold some unique intangible and tangible competences that are VRIN (valuable, rare, inimitable, and non-substitutable). These competences are utilized by the organization to gain comparative advantage and productivity that are superior from other similar organizations According to [18] possession of intangible capabilities and assets help the organizations to gain inimitable core competencies which are utilized by the firms to beat their competitor by doing activities in a different manner. Thus, if the firm found their capabilities and resources rare, valuable for their customers, and difficult to copy for their competitors will lead the firm to gain competitive edge and expand their productivity huge amount of literature support this concept and utilizes such resources as discussed in the RBV theory [19]. Originally the concept of resource based view was developed in the domain of strategic management [20]. which continue to evolve in the domain of SMEs. It is because today era involves dynamic market and fierce competition, and it became important to explore either the recourses hold by the SMEs are enough to face such competitions. The main argument of the theory emphasized that to gain advantage the frim holds their strategic assets above normal level [21]. Based on the RBV it has been aruged that business that hold high innovation competences can achieve firm performance. Firms that use their strategic resources i.e., innovation capability, market orientation, TMT shared leadership gain high performance.

2.2 DEVELOPMENT OF HYPOTHESES

2.2.1 PROACTIVE AND RESPONSE ORIENTATION AND SMES PERFORMANCE

Within the scientific discourse surrounding market orientation, a vital debate exists regarding its implications for firm performance, particularly among small and medium-sized enterprises (SMEs). As highlighted by [3] market orientation allows firms to navigate market impositions effectively, while [8]posit that market-oriented firms significantly enhance innovation capabilities. However, [22] suggests a counterpoint, arguing that leading firms often lose market share by being overly responsive to consumer demands. This notion is challenged by [23] who assert that a crucial aspect of market orientation—proactive orientation—is frequently overlooked. This proactive perspective emphasizes the importance of identifying and fulfilling future consumer needs [24] characterized market orientation as inherently entrepreneurial, driving companies to discover and meet customer demands. further refined the concept of market orientation to encompass both proactive and responsive dimensions. Responsive orientation is defined as the organizational competencies that facilitate knowledge acquisition to effectively satisfy current consumer needs, thereby fostering product innovation as firms modify offerings based on customer feedback the impact of both proactive (PROC) and responsive (RESP) orientations on organizational performance, particularly in the context of innovation and competitive advantage, has been documented. However, much of the existing literature centers on larger firms. Studies indicate that PROC positively influences company performance, while RESP orientation contributes to improved performance only under specific conditions [25].

Research focusing on SMEs is notably scarce. For instance, [26] analyzed 186 high-tech firms in China, concluding that both proactive and reactive approaches favorably impact innovation strategies through a study involving SMEs from Canada and France, confirmed that managerial attitudes towards PROC and RESP orientations could enhance SME performance. Investigated the influence of these orientations on productivity and product innovation within MSMEs in the culinary sector of D.I. Yogyakarta, employing questionnaires and Structural Equation Modelling (SEM). Their findings established a positive relationship between both orientations and firm performance. whose study on 306 organizations revealed that both PROC and RESP orientations enhance firm productivity through fostering a learning orientation, highlighted significant correlations between proactive orientation, market orientation, and the productivity of export-focused SMEs in South Africa, positing these orientations as key predictors of productivity gains. Based on this discourse, two hypotheses have been proposed:

H1 posits a significant relationship between proactive orientation and SME performance, while H2 asserts a significant relationship between responsive orientation and SME performance, underscoring the importance of these orientations in achieving superior firm performance and innovation.

2.3 CONCEPTUAL MODEL

Figure 1 illustrates the conceptual model of this study, depicting the hypothesized relationships between proactive orientation, responsive orientation, and SME performance.

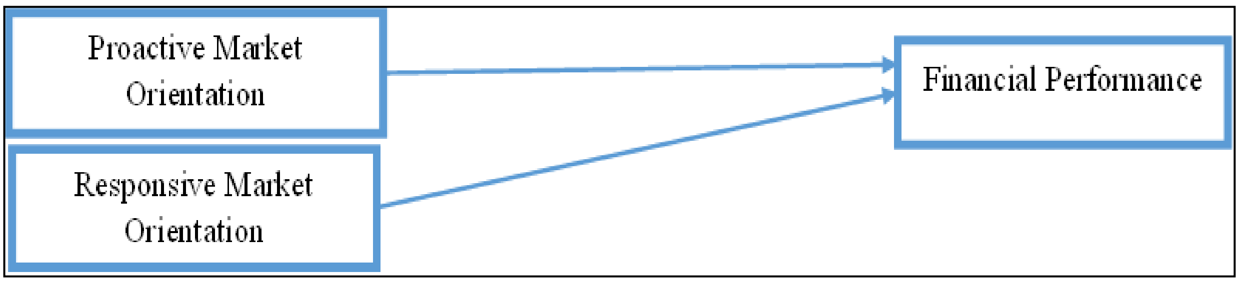

Figure (1): Conceptual Model

3. METHOD

3.1 RESEARCH PHILOSOPHY

[27] defined research philosophy as a belief on how the data over a research should be utilized, gathered and analyzed. The research philosophy based on this study is positivism as the aim of this research is to inspect the association between proactive and responsive orientation and performance of the firm. The research include the development of the hypotheses which later on can be examined using the quantitative technique. The data was taken from the primary source. The positivism technique was selected as it gives a standard of reliability and validity and the result of the research can be applicable to a large number of audience [28].

3.2 RESEARCH APPROACH

The deductive approach is best fit in this study as the aim of this work to test the developed theory and association between the factors.

3.3 RESEARCH DESIGN

According to [28] research design depends on the philosophical assumption of the studies, the nature of inquiry, the research problem that needs to be addressed in the study and the research method utilized. The research design used in this invetsigation is explanatory as the purpose of this work is to look for explanation on the nature of association and to explore the cause and affect link between the factors [29] In this study, the quantitative data is utilized and the correlational research design is followed as the purpose of this work is to inspect the link between the PROC and RESP orientation and SMEs performance.

3.4 DATA COLLECTION PROCESS

The investigation utilizes primary data collected through a questionnaire designed with a five-point Likert scale, from 1 (strongly disagree) to 5 (strongly agree). The questionnaire targets senior management personnel responsible for various departments and is disseminated both online and offline. It consists of two segments: the first part gathers demographic data, while the second part probes into market orientation and financial performance variables. Market orientation is evaluated through two key dimensions: PROactive (PROC) and RESponsive (RESP) orientation. and RESP orientation is measured using eight statements from the same authors. Financial performance is evaluated using four specific items based on the study with all items requiring responses on the five-point Likert scale.

3.5 SAMPLE SIZE

The sample size of the study are 72 employees of the SME companies.

3.6 SAMPLING TECHNIQUE

The sampling process applied in this work is the concept of purposive sampling. This sampling is best fit in this case, as in this work the researcher want to gather response from the individuals who work for SMEs and have in-depth knowledge related to the idea of market orientation and performance. By collecting data using purposive sampling ensures that the respondents can share valuable insights and can help the researcher to achieve their research objective.

3.7 DATA EXPLORATION

The technique applied to evaluate the quantitative data is descriptive analysis and statistical analysis.

The responses were explored by utilizing PLS-SEM Software version 4.0. The respondent's profile is evaluated using factors such as age, history, ownership and number of employees and the chart are made by using the excel sheet. The statistical analysis is applied by using the PLS-SEM software. The result is evaluated by observing at the validities namely discriminant and convergent. The data validity was ensured by evaluating the validities i.e., convergent and discriminant, whereas the association between the factors are assessed by utilizing the path analysis.

3.8 ETHICAL ISSUES

In this study these four ethical concerns are considered. The scholar ensure that the participants are informed that their responses will be treated anonymously. The respondents consent were taken prior before participating them in the research. Before taking the consent, the information related to the research purpose should be taken in to consideration. They were given the liberty that they can take out from the research at any time. The scholar also ensured that the confidentiality should be maintained and the gathered data will be utilized for this educational purpose.

4. RESULTS

4.1 RESPONDENTS CHARACTERISTICS

The respondents of the collected responses are reported in figures 2 to 5. These figures explains the characteristics of the population. The demographics profile is explained in terms of factors which include gender, history, and ownership and employee size. The figure 2 explain the employees' bifurcation in terms of gender. It has been observed that out of 72 respondents, 46 of them are male and rest 26 are female.

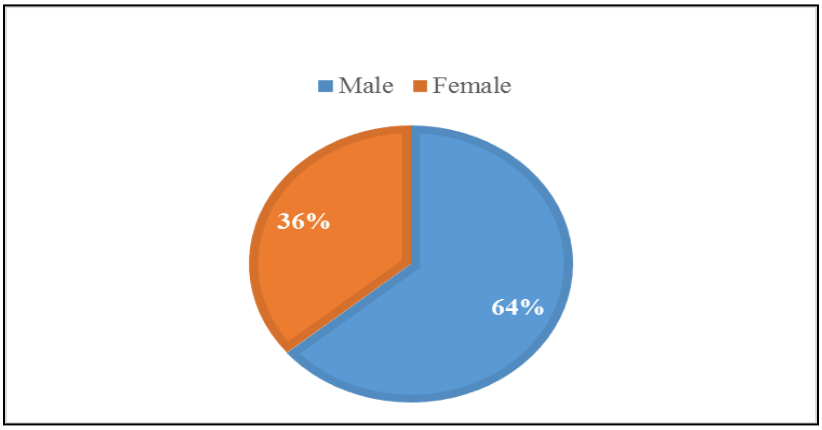

Figure (2): Gender

Figure (3) explains the respondents in terms of organization history. The figure shows that out of 72 respondents, 43% of the respondents work in an organization that have an age of 10 or more but less than 20 years. 22% of the respondents work in an organization that have an age of 20 or more but it is less than 30. 20% of the employees employed in a company that have an age of less than 10. While 15% of the employees employed in a company that has an age of more than 30.

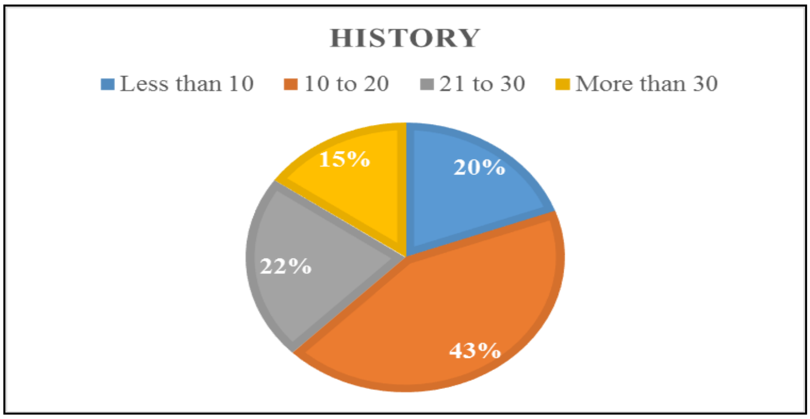

Figure (3): History

Figure (4) explains the ownership structure of the organization to whom the respondents belong. The finding indicates that out of 72, 58% of the employees work in an SME which is local and private and nature. 27% of the respondents work in an SME which is local and public. While 15% of the respondents belongs to an ownership which is not disclosed and marked as others.

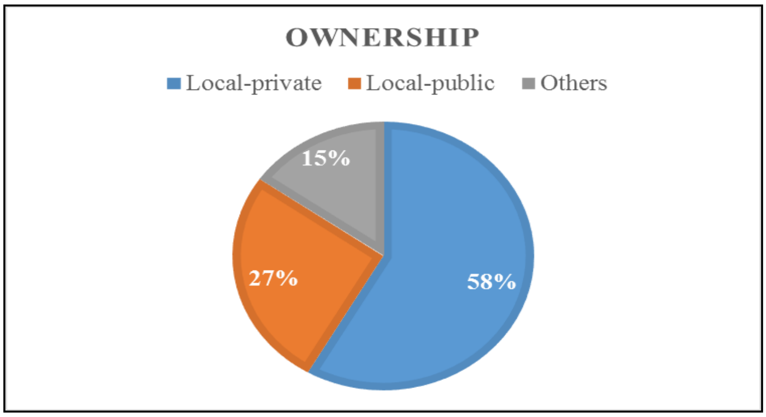

Figure (4): Ownership

Figure (5) explains the employee size of the organization to whom the respondents belong. Out of 72 respondents, 15 of them work in an organization that have employees less than 10, 36 of them are those who have employees less than 10 or more but less than 15. 13 of them work in an organization that have employees more than 15 but less than 20. While 8 of them work in an organization that has employees more than 20 and maximum 30.

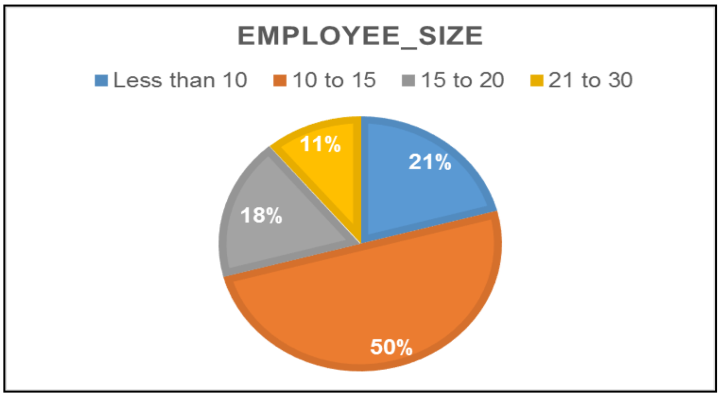

Figure (5): Employee Size

To test the developed hypotheses this study utilized PLS-SEM software following [2] and [28] .This software is chose because of its abilities to analyze numerous dependent and independent variables. To explore the mediation associations and to tackle the small simple size and the problem of multicollinearity [12]. Conferring to [8] this software overcomes the constraints of AMOS and LISREL and considered to be one of the best option while comparing to other structural equation model that are covariance based. The software follows two stage approaches i.e., evaluation of validity (convergent and discriminant) and path analysis. Figure 6 presents the resulting research model generated from the PLS-SEM software.

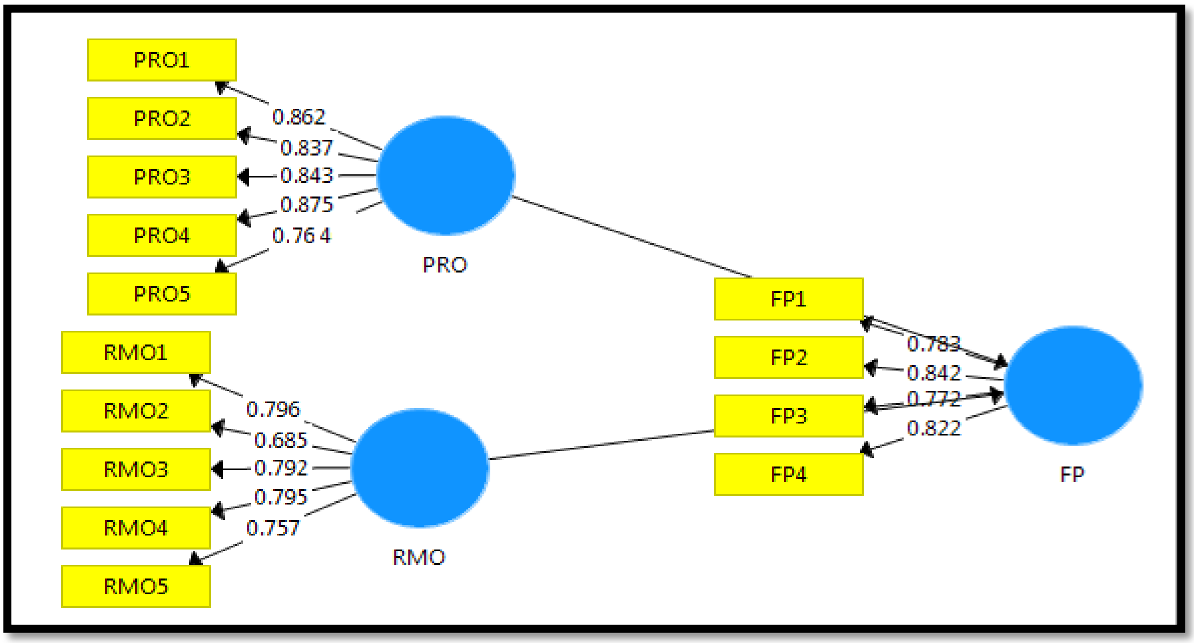

Figure (6): PLS-SEM Model

Figure (6) shows the research model from PLS-SEM software. The two variables PRO and RMP acts as independent factors and FP used as a dependent factor. The yellow boxes show the number of items.

4.2 ASSESSMENT OF VALIDITIES (CONVERGENT AND DISCRIMINANT)

In the measurement model the association amongst each variable and its items is evaluated. The valuation is done in terms of evaluation of convergent validity, reliability of individual items and internal consistency [30]. To assess the internal consistency the value of Cronbach's alpha (α) is evaluated. The Cronbach's alpha estimates the reliability of the intercorrelations of the dependent and independent factors. As comprehended from table 2 the value of Cronbach's alpha is greater than 0.7 indicating that all the factor items have a greater level of consistency at internal level. The composite reliability was utilized to measure the construct level reliability. The composite reliability depicts that either the variable items shows same association under the construct level or not. The higher the value composite reliability the higher is the reliability. The table (2) shows that each construct displayed the value of higher than 0.7 which satisfied the benchmark given by [1]. The convergent validity is evaluated by observing at the outer loadings and the values of AVE (Average

Variance Extracted). It explains how each construct item converge or have a high variance share [30]. The table 2 shows that all the outer loadings have a value higher than 0.7 satisfying the benchmark value of 0.7. Moreover, the value of AVE is higher than 0.5 indicating that each variable explain half than of their indicator variance.

Table (2): Convergent Validity

Factors	Cronbach's Alpha	Composite reliability	AVE
FINP	0.821	0.881	0.649
PRO	0.837	0.890	0.628
RMO	0.825	0.876	0.587

After convergent, the discriminant validity is analyzed. The discriminant validity depicts that each factor is distinctive and different from other factors constructs. It is confirmed by analyzing the criteria of Fornell-Larcker, Cross loadings and HTMT. Firstly, discriminant validity is established by evaluating the criteria of Fornell-Larcker, as seen from the table (3). Moreover, the square root of AVE of each factor is greater than the other factor indicating that discriminant validity is confirmed. From the table it is confirmed that the upper values are larger than the lower values confirming the discriminant validity.

Table (3): Fornell-Larcker

	FINP	PRO	RMO
FINP	**0.805**		
PRO	0.494	**0.792**	
RMO	0.526	0.563	**0.766**

Another test used to confirm the discriminant validity is cross loading. Cross loading explains the extent to which the variable is connected to its relevant construct. The construct is decided based on the highest factor loading and if any loading is loaded other than construct then it is eliminated from the model. The cross loading of this research is reported in table (4). It has been seen that all the items are loaded in their relevant construct.

Table (4): Cross loadings

	FINP	PRO	RMO
FINP1	**0.783**	0.408	0.343
FINP2	**0.842**	0.351	0.382
FINP3	**0.772**	0.342	0.381
FINP4	**0.822**	0.466	0.545

PRO1	0.419	**0.862**	0.491
PRO2	0.378	**0.837**	0.434
PRO3	0.355	**0.843**	0.399
PRO4	0.456	**0.875**	0.483
PRO5	0.316	**0.764**	0.397
RMO1	0.509	0.452	**0.796**
RMO2	0.356	0.430	**0.785**
RMO3	0.404	0.477	**0.792**
RMO4	0.344	0.416	**0.795**
RMO5	0.363	0.371	**0.757**

Another test using which discriminant validity is confirmed is HTMT (Heterotrait-Monotrait Ratio). The table (5) displayed the HTMT value. The HTMT explains the pair of variables in a matrix. The outcome shows that all the variables have a value less than 0.85 signifying the confirmation of the discriminant validity.

Table (5): HTMT

	FINP	**PRO**	**RMO**
FINP			
PRO	0.586		
RMO	0.608	0.679	

4.3 STRUCTURAL MODEL

After the confirmation of the convergent and discriminant validity the structural test is performed. Table (6) demonstrates the outcomes of the path coefficients and developed hypotheses are tested. The first path analysis shows the connotation among the proactive orientation and performance of the organization. The second path analysis shows the association among the responsive orientation and performance of the organization. As seen from the table 6, the association among the proactive orientation and responsive orientation is found positive and significant.

Table (6): Path Analysis

	Beta Value	**T-Statistics**	**Prob Value**
PRO→ FINP	0.290	2.334	0.020
RMO→ FINP	0.363	3.359	0.001

4.4 DISCUSSION

The positive association between proactive orientation is found positive and significant. The outcome aligns with the literature of [15] and [6] The association between the company performance and responsive orientation is found positive and significant. The outcome aligns with the literature of [23] and [28] The result is supported with the literature of [19]. The outcome indicates that both orientation (proactive and responsive) improves the firm performance. According to [11] these two orientations i.e., proactive, and responsive orientation supports the firm to accept change paradox and remain consistent which in turn helps the firm to improve their performance. The response market orientation helps the company to comprehend the wants of the consumers and demands timely. This timely information helps the firm to develop or reform the existing strategies by aligning them with the needs of the consumers which in turn improve the performance of the company. Whereas proactive orientation involves exploring and developing new market opportunities. When the firms actively involved in exploring and addressing the new trends it helps them to improve their performance.

5. Conclusions

This study examined the impact of proactive and responsive market orientations on the financial performance of small and medium-sized enterprises (SMEs) in Iraq. The findings indicate that both proactive and responsive orientations have a positive and significant influence on SME performance. Data were collected from 72 respondents using a structured questionnaire and analyzed through the PLS-SEM approach. The results confirm that organizations adopting both orientations are better positioned to improve their competitiveness and financial performance. Therefore, SMEs should continuously develop proactive capabilities to identify future market opportunities while maintaining responsive capabilities to satisfy current customer needs and adapt to changing market conditions.

6. Recommendations

1. SME managers should strengthen both proactive and responsive market orientations as integral components of their business strategies.
2. Organizations should invest in market research to better understand current customer needs and identify future market opportunities.
3. Continuous monitoring of competitors and market trends should be adopted to enhance strategic decision-making.
4. SMEs should encourage innovation by promoting a culture that supports creativity, learning, and knowledge sharing.
5. Training programs should be provided to improve managers' capabilities in market analysis and strategic planning.
6. Future studies are encouraged to include larger sample sizes, additional market orientation dimensions, and different industrial sectors to improve the generalizability of the findings.

6.1 MANAGERIAL IMPLICATIONS

In a dynamic business environment, managers must seek strategies to enhance their competitive position by implementing these two approaches.Research on both proactive and responsive approaches has been observed to significantly improve the performance of small and medium-sized enterprises (SMEs). It is recommended that managers focus on understanding consumer needs and investing in research and development activities to improve operational processes. Market research can reveal consumer needs and preferences, helping to understand and develop rapid response strategies that align with market demands.Engaging in the market and building strategic alliances enhances SMEs' expertise, improving their competitive advantage. Continuously monitoring market sectors and trends helps identify potential opportunities and threats.

6.2 LIMITS AND DIRECTION FOR FUTURE

Just similar to other studies, this work also have certain drawbacks. The first drawback is related to the size of the respondents. In this work, the small size is used i.e., 72 respondents. The second drawback is associated to the variables. In this study the limited numbers of variables are used to explain the performance of the SMEs. The market orientation can be bifurcated in to five types but in this study only two market orientations is used. The third drawback is related to the result generalizability. The result can only be generalized to SMEs only. The fourth drawback is related to the country. The data is taken from the one country SMEs i.e., Iraq. The stated drawbacks can be addressed by the future studies.

REFERENCES

[1] Barney, J. B. (2001). Resource-based theories of competitive advantage: A ten-year retrospective on the resource-based view. Journal of management, 27(6), 643-650.

[2] Drnevich, P. L., & Kriauciunas, A. P. (2011). Clarifying the conditions and limits of the contributions of ordinary and dynamic capabilities to relative firm performance. Strategic Management Journal, 32(3), 254–279.

[3] Mahmoud, M. A. (2011). Market orientation and business performance among SMEs in Ghana. International Business Research, 4(1), 241-251.

[4] Yoshikuni, A. C., Galvão, F. R., & Albertin, A. L. (2022). Knowledge strategy planning and information system strategies enable dynamic capabilities innovation capabilities impacting firm performance. VINE Journal of Information and Knowledge Management Systems, 52(4), 508-530.

[5] Jamaludin, M., Busthomi, H., Gantika, S., Rosid, A., Sunarya, E., & Nur, T. (2022). Market orientation and SCM strategy on SME organizational performances: the mediating effect of market performance. Cogent Economics & Finance, 10(1), 2157117.

[6] Hou, J. J. (2008). Toward a research model of market orientation and dynamic capabilities. Social Behavior and Personality: an international journal, 36(9), 1251-1268.

[7] Bamfo, B. A., & Kraa, J. J. (2019). Market orientation and performance of small and medium enterprises in Ghana: The mediating role of innovation. Cogent Business & Management, 6(1), 1605703.

[8] Hoopes, D. G., & Madsen, T. L. (2008). A capability-based view of competitive heterogeneity. Industrial and Corporate Change, 17(3), 393-426.

[9] Correia, R. J., Dias, J. G., & Teixeira, M. S. (2020). Dynamic capabilities and competitive advantages as mediator variables between market orientation and business performance. Journal of Strategy and Management, 14(2), 187-206.

[10] Kohli, A. K., Shervani, T. A., & Challagalla, G. N. (1998). Learning and performance orientation of salespeople: The role of supervisors. Journal of Marketing Research, 35(2), 263–274

[11] Kebede, A. M., & Tegegne, Z. L. (2018). The effect of customer relationship management on bank performance: In context of commercial banks in Amhara Region, Ethiopia. Cogent Business & Management, 5(1), 1499183.

[12] Liao, S. H., Chang, W. J., Wu, C. C., & Katrichis, J. M. (2011). A survey of market orientation research (1995–2008). Industrial marketing management, 40(2), 301-310.

[13] Munawar, F., Rahayu, A., Disman, D., & Wibowo, L. (2019). The role of proactive market orientation and management commitment to internal resource on export performance of handicraft industry. Management Science Letters, 9(11), 1711-1722.

[14] Tseng, C. H., Chang, K. H., & Chen, H. W. (2019). Strategic orientation, environmental innovation capability, and environmental sustainability performance: The case of Taiwanese suppliers. Sustainability, 11(4), 1127.

[15] Kohli, A. K., & Jaworski, B. J. (1990). Market orientation: the construct, research propositions, and managerial implications. Journal of marketing, 54(2), 1-18.

[16] Naidoo, V. (2010). Firm survival through a crisis: The influence of market orientation, marketing innovation and business strategy. Industrial marketing management, 39(8), 1311-1320.

[17] Protogerou, A., Caloghirou, Y., & Lioukas, S. (2012). Dynamic capabilities and their indirect impact on firm performance. Industrial and corporate change, 21(3), 615-647.

[18] Murray, J. Y., Gao, G. Y., & Kotabe, M. (2011). Market orientation and performance of export ventures: the process through marketing capabilities and competitive advantages. Journal of the academy of marketing science, 39(2), 252-269.

[19] Gao, Y., Ge, B., Lang, X., & Xu, X. (2018). Impacts of proactive orientation and entrepreneurial strategy on entrepreneurial performance: An empirical research. Technological Forecasting and Social Change, 135, 178-187.

[20] Olafson, L., & Schraw, G. (2006). Teachers' beliefs and practices within and across domains. International journal of educational research, 45(1-2), 71-84.

[21] Wilden, R., Gudergan, S., & Lings, I. (2019). The interplay and growth implications of dynamic capabilities and market orientation. Industrial Marketing Management, 83, 21-30.

[22] Tjahjadi, B., Soewarno, N., & Gunawan, G. M. (2020). Effect of information capital readiness on business performance in Indonesian MSMEs: does online market orientation matter?. Journal of Asian Finance, Economics and Business, 7(12), 267-274.

[23] Eisenhardt, K. M., & Martin, J. A. (2000). Dynamic capabilities: what are they? Strategic Management Journal, 21(10-11), 1105-1121.

[24] Hsu, L. C., & Wang, C. H. (2012). Clarifying the effect of intellectual capital on performance: the mediating role of dynamic capability. British journal of management, 23(2), 179-205.

[25] Makkonen, H., Pohjola, M., Olkkonen, R., & Koponen, A. (2014). Dynamic capabilities and firm performance in a financial crisis. Journal of Business Research, 67, 2707–2719.

[26] Iyer, P., Davari, A., Srivastava, S., & Paswan, A. K. (2021). Market orientation, brand management processes and brand performance. Journal of Product & Brand Management, 30(2), 197-214.

[27] Morgan, R. E., Strong, C. A., & McGuinness, T. (2003). Product-market positioning and prospector strategy: An analysis of strategic patterns from the resource-based perspective. European Journal of Marketing, 37(10), 1409-1439.

[28] Casadesus-Masanell, R., & Ricart, J. E. (2010). From strategy to business models and onto tactics. Long range planning, 43(2-3), 195-215.

[29] Barreto, I. (2010). Dynamic capabilities: A review of past research and an agenda for the future. Journal of management, 36(1), 256-280.

[30] Kharabsheh, R. A., Jarrar, K., & Simeonova, B. (2015). The impact of competitive strategies on responsive market orientation, proactive market orientation, learning orientation and organizational performance. Journal of Strategic Marketing, 23(5), 423-435.