


## The Impact of Strategic Orientations on Export Performance: The Mediating Role of Dynamic Capabilities in Export-Oriented Small and Medium-Sized Enterprises (Case Study: Tehran Province)

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### ABSTRACT

The present study was designed and conducted to investigate the underlying mechanisms in the relationship between strategic orientations and export performance, specifically examining the mediating role of dynamic capabilities in this relationship among export-oriented small and medium-sized enterprises (SMEs) in Tehran Province. Philosophically, the study was grounded in the positivist paradigm and employed a deductive approach. It is classified as a descriptive-explanatory study. The overall research design was cross-sectional and survey-based, and the statistical population consisted of all active export-oriented SMEs in Tehran Province. Using a purposive convenience sampling method and based on the partial least squares (PLS) sample size rule, a sample of 185 firms was determined. Standardized and previously validated questionnaires from the domestic literature were distributed among senior managers or export managers of these firms. The measurement instruments covered three constructs—strategic orientations (including market orientation, entrepreneurial orientation, and learning orientation), dynamic capabilities, and export performance—using a five-point Likert scale. Their validity and reliability were confirmed through content validity, convergent validity (AVE > 0.50), discriminant validity (Fornell-Larcker criterion), Cronbach's alpha (0.76–0.91), and composite reliability (above 0.80). Data analysis was performed using structural equation modeling based on the partial least squares method in SmartPLS 4 software. The findings revealed that strategic orientations did not have a significant direct effect on export performance ( $\beta = 0.13$ ,  $t = 1.54$ ). However, their effect on dynamic capabilities ( $\beta = 0.58$ ,  $t = 8.42$ ) and the effect of dynamic capabilities on export performance ( $\beta = 0.42$ ,  $t = 5.67$ ) were both positive and statistically significant. Furthermore, the indirect effect of strategic orientations on export performance through dynamic capabilities was significant ( $\beta = 0.24$ ,  $t = 4.89$ ), confirming the full mediating role of dynamic capabilities in this relationship. Among the three dimensions of strategic orientation, market orientation emerged as the strongest predictor of dynamic capabilities. These findings indicate that strategic orientations contribute to superior export performance only through the development and enhancement of dynamic capabilities.

**Keywords:** Strategic Orientations, Dynamic Capabilities, Export Performance, Small and Medium-Sized Enterprises, Tehran Province.

## 1. Introduction

Export performance has become one of the most critical indicators of competitiveness, growth, and strategic sustainability for small and medium-sized enterprises (SMEs), particularly in emerging markets where domestic demand, institutional volatility, and resource constraints often limit long-term business development. SMEs are widely recognized as flexible, entrepreneurial, and opportunity-seeking firms, yet their survival in international markets depends on more than operational efficiency or short-term sales expansion; it requires the ability to identify foreign market opportunities, configure scarce resources, respond to competitive pressure, and continuously adapt to environmental change (Barringer & Ireland, 2021; Longenecker et al., 2022). In this regard, export activity is not merely a transactional extension of domestic business but a strategic process through which firms learn, innovate, form international networks, and build competitive advantage. The literature on SME internationalization has increasingly emphasized that export success is shaped by a combination of internal strategic orientations, organizational capabilities, managerial cognition, and external market conditions (Haddoud et al., 2022; Zahoor et al., 2023). Therefore, understanding why some SMEs achieve superior export performance while others remain unstable or underperforming requires attention to both the strategic posture of firms and the organizational capabilities through which strategies are translated into effective international action.

Strategic orientation refers to the dominant strategic logic through which a firm interprets its environment, allocates resources, and defines competitive behavior. From the perspective of strategic management, firms that possess clear strategic orientations are more likely to recognize market signals, pursue opportunities, engage in innovation, and align internal processes with external demands (Hitt et al., 2023). In export-oriented SMEs, strategic orientation is particularly important because these firms often face liabilities of smallness, foreignness, and resource scarcity. Unlike large corporations, SMEs usually lack extensive financial reserves, formalized international departments, and broad market intelligence systems. Consequently, their ability to develop a coherent strategic direction becomes central to international competitiveness. Previous studies have shown that strategic orientation can affect export-related outcomes by shaping decision-making, marketing behavior, innovation efforts, and responsiveness to foreign

market changes (Hajipour et al., 2015; Mosleh et al., 2016). However, the relationship between strategic orientation and export performance is not always direct or uniform, because strategic intent must be operationalized through specific capabilities that enable firms to sense, seize, and transform opportunities in dynamic environments.

Among the most frequently examined dimensions of strategic orientation are market orientation, entrepreneurial orientation, and learning orientation. Market orientation reflects the extent to which firms generate market intelligence, understand customer needs, monitor competitors, and coordinate internal activities to create superior value. In export markets, market orientation enables SMEs to identify changing customer preferences, adapt products and communication strategies, and strengthen their position in competitive foreign environments. Studies conducted in Iranian export contexts have shown that market-related capabilities and strategic market awareness are important drivers of export growth and export performance, especially in SMEs that must compete under institutional and environmental uncertainty (Rezaei Dolatabadi & Alikhasi, 2020; Yazdani & Yousefi, 2020). Market orientation also provides a foundation for export marketing effectiveness, because firms that understand foreign customers and competitors are better able to select appropriate market entry strategies, adjust pricing and distribution policies, and maintain customer satisfaction.

Entrepreneurial orientation is another essential component of strategic orientation and generally refers to the firm's tendency toward innovativeness, proactiveness, and risk-taking. For export-oriented SMEs, entrepreneurial orientation is especially relevant because entry into foreign markets often requires risk acceptance, opportunity recognition, and willingness to invest in uncertain environments. Entrepreneurially oriented firms are more likely to explore new markets, introduce differentiated products, and challenge established competitors. Prior research on Iranian SMEs has indicated that entrepreneurial orientation can contribute to export performance and export capability by encouraging innovation, opportunity exploitation, and proactive market behavior (Elhami & Sadeghi, 2016; Karami et al., 2018). Similarly, entrepreneurship research argues that entrepreneurial behavior allows smaller firms to overcome resource limitations by relying on creativity, flexibility, and opportunity-driven decision-making (Barringer & Ireland, 2021). Nevertheless, entrepreneurial orientation alone may not guarantee export success unless the firm also possesses

organizational mechanisms that convert entrepreneurial intentions into repeatable and adaptive export routines.

Learning orientation represents the firm's commitment to knowledge acquisition, knowledge sharing, and continuous improvement. In turbulent international markets, learning orientation enables SMEs to absorb information from customers, competitors, partners, and institutions and convert it into improved strategies and routines. Learning is particularly important in export activity because firms often enter markets characterized by unfamiliar regulations, cultural differences, distribution structures, and competitive patterns. A proactive learning culture can help exporting firms identify mistakes, refine strategies, and develop capabilities that support long-term performance. Gnizy et al. argue that proactive learning culture strengthens export performance through a dynamic capabilities perspective, indicating that learning-oriented firms are better equipped to renew their resources and respond to environmental shifts (Gnizy et al., 2021). Migdadi also emphasizes that learning orientation contributes to innovation performance through the mediating role of dynamic capabilities, suggesting that learning must be embedded in adaptive organizational processes to generate performance outcomes (Migdadi, 2022). Therefore, learning orientation may function as a critical antecedent of capability development rather than merely as a direct predictor of performance.

Dynamic capabilities have emerged as a central theoretical lens for explaining how firms adapt, renew, and sustain competitiveness in changing environments. Unlike ordinary capabilities, which support routine operational efficiency, dynamic capabilities refer to the firm's ability to integrate, build, reconfigure, and renew resources in response to environmental change. This distinction is particularly relevant for exporting SMEs because foreign markets are characterized by volatility, competitive pressure, regulatory variation, and shifting customer expectations. Dynamic capabilities allow SMEs to transform strategic orientations into practical responses by enabling them to reconfigure export resources, develop new market knowledge, redesign processes, and adapt products or services to foreign market requirements. Faroque et al. identify the microfoundations of dynamic capabilities in international marketing and show that managerial cognition, market learning, networking, and adaptive routines are crucial for effective international performance (Faroque et al., 2022). Similarly, Zahoor et al. demonstrate that collaboration and dynamic capabilities enhance SME export performance, highlighting the importance of relational and

adaptive mechanisms in international competitiveness (Zahoor et al., 2023).

The mediating role of dynamic capabilities has received increasing attention in recent export and SME research. The central assumption is that strategic orientations provide direction, but dynamic capabilities provide the operational and adaptive mechanism through which this direction is transformed into export outcomes. Ismail and Kuivalainen directly examine strategic orientations, dynamic capabilities, and export performance in SMEs and show that environmental dynamism conditions the effectiveness of these relationships (Ismail & Kuivalainen, 2023). Monteiro et al. also report that dynamic capabilities mediate the relationship between entrepreneurial orientation and export performance, suggesting that entrepreneurial posture must be accompanied by capability renewal to generate international results (Monteiro et al., 2021). In the Iranian context, Ghaderi et al. show that dynamic capabilities mediate the effect of external social capital on export performance, while Norouzi et al. demonstrate that knowledge management, management innovation, and dynamic capabilities influence the performance of exporting companies (Ghaderi et al., 2022; Norouzi et al., 2021). These findings collectively support the argument that dynamic capabilities are not peripheral variables but core mechanisms in the strategic management of export-oriented SMEs.

Recent studies have also expanded the relevance of dynamic capabilities beyond traditional export management by linking them to digital readiness, innovation, green strategy, circular economy, service innovation, and collective knowledge formation. For example, Tenggono et al. emphasize dynamic managerial capabilities as a basis for strategic agility and digital readiness, indicating that managerial adaptability is becoming increasingly important in uncertain and technology-driven environments (Tenggono et al., 2025). Nosratpanah et al. show that dynamic service innovation capabilities influence firm performance through service innovation and competitive advantage, while perceived environmental dynamism shapes the strength of these effects (Nosratpanah et al., 2025). Mondal et al. connect dynamic capabilities with green strategy, green entrepreneurship, and circular economy, demonstrating that capability renewal is also vital for sustainability-oriented business models (Mondal et al., 2025). Pusenius et al. further conceptualize collective knowledge formation as a dynamic capability, underscoring the importance of organizational learning and knowledge integration in adaptive performance (Pusenius et al., 2025).

Park et al. also highlight cultural dynamics and the evolution of innovation capability in emerging market firms, suggesting that capability formation is shaped by broader institutional and cultural contexts (Park et al., 2025). These developments reinforce the theoretical relevance of dynamic capabilities for export-oriented SMEs operating in complex and changing environments.

Export performance itself is a multidimensional construct that includes both objective and subjective indicators. Objective indicators may include export sales growth, export profitability, export intensity, and market share, whereas subjective indicators may include managerial satisfaction, perceived success, and achievement of export objectives. The multidimensionality of export performance is important because SMEs often lack fully standardized export records or may evaluate export success not only in financial terms but also in relation to market learning, continuity, and strategic positioning. Haddoud et al., in their systematic review of SME export performance determinants, show that export outcomes are influenced by a wide range of firm-level, managerial, strategic, and environmental factors (Haddoud et al., 2022). In domestic studies, export performance has likewise been linked to organizational, strategic, environmental, and innovation-related factors, indicating that no single factor is sufficient to explain export success (Faryabi et al., 2021). Export incentive programs, foreign market attractiveness, and export capabilities have also been shown to contribute to export performance, emphasizing the combined role of internal capabilities and external support mechanisms (Sanobar et al., 2019).

Within the Iranian export environment, SMEs operate under distinctive challenges, including market turbulence, regulatory complexity, sanctions-related constraints, exchange-rate volatility, and limitations in access to international financial and distribution networks. These conditions intensify the need for strategic clarity and dynamic adaptation. Iranian studies have indicated that export performance is influenced by strategic orientation, marketing capabilities, export knowledge, internet marketing capabilities, innovation, export incentives, and dynamic export capabilities (Faryabi et al., 2021; Hajipour et al., 2015; Kanchka Monfared et al., 2020; Yazdani & Yousefi, 2020). Research on export intention among SMEs also suggests that managerial perceptions, organizational readiness, and strategic commitment are critical to international engagement (Yazdanpanah & Taheri, 2015). Moreover, studies on export capability show that entrepreneurial orientation may enhance export capability

through organizational learning and innovation performance, again implying that strategic orientations operate through intermediate organizational mechanisms (Feiz & Shabani, 2018). These findings provide a strong empirical basis for examining the mediating function of dynamic capabilities in the relationship between strategic orientations and export performance.

Despite the growing body of research, several gaps remain. First, many studies have examined individual strategic orientations separately, while fewer have integrated market orientation, entrepreneurial orientation, and learning orientation into a broader strategic orientation framework. Second, although prior research has documented direct relationships between strategic orientations and export performance, the mechanisms through which these orientations produce export outcomes remain insufficiently clarified, particularly in emerging market SMEs. Third, dynamic capabilities have been recognized as important, but their role as a full mediating mechanism between strategic orientations and export performance requires further empirical examination in Iran's export-oriented SME sector. Fourth, the Tehran Province context deserves specific attention because it contains a high concentration of exporting SMEs and represents a central commercial and institutional hub in Iran. Research on manufacturing and exporting firms in different Iranian provinces has shown that strategic complexity, strategic orientation, and export capabilities are relevant to export performance, but the interaction among these variables remains underexplored (Ghaderi et al., 2022; Kaffash Joudi, 2022; Moseleh et al., 2016). Therefore, a model that simultaneously examines strategic orientations, dynamic capabilities, and export performance can contribute both theoretically and practically to the literature on SME internationalization.

Accordingly, the aim of the present study is to examine the effect of strategic orientations on export performance with emphasis on the mediating role of dynamic capabilities among export-oriented small and medium-sized enterprises in Tehran Province.

## 2. Methods and Materials

From a philosophical perspective, the present study is situated within the positivist paradigm, which emphasizes objective reality, precise measurement, and the empirical testing of hypotheses. Accordingly, a deductive approach was adopted to test the conceptual model. In other words, hypotheses were derived from the general theories of

dynamic capabilities and strategic orientations and subsequently tested within the target population. In terms of purpose, this study is classified as descriptive-explanatory research, as it not only describes the status of the variables but also seeks to explain the causal relationships among them.

The overall research design was survey-based with a cross-sectional approach. Given the study's objective of understanding the relationships among constructs at a specific point in time, this design enabled the simultaneous collection of data from a sufficiently large sample and the analysis of complex relationships using advanced statistical techniques. Although this design has limitations regarding definitive causal inference compared with longitudinal designs, it was deemed entirely appropriate for testing the present conceptual model due to its strong theoretical foundation.

The statistical population consisted of all active export-oriented small and medium-sized enterprises (SMEs) in Tehran Province. The inclusion criteria were: (1) possession of a valid business license issued by the Tehran Provincial Organization of Industry, Mine, and Trade; (2) classification as an SME based on the number of employees (10–250 employees); and (3) completion of at least one full export cycle during the two years preceding the study. These clearly defined boundaries ensured that the findings would be highly relevant and generalizable to the target population. As the province hosting the highest concentration of such enterprises, Tehran provides an ideal setting for examining export dynamics in Iran. Due to the lack of access to a comprehensive and up-to-date sampling frame, a non-probability purposive convenience sampling method was employed. Sample size determination followed the commonly used rule of thumb in partial least squares structural equation modeling (PLS-SEM), which suggests that the sample size should be at least ten times the maximum number of indicators associated with any construct in the model. Considering the complexity of the conceptual model, an initial target sample of 200 firms was established. After eliminating incomplete and invalid questionnaires, 185 usable questionnaires remained for final analysis. Respondents consisted of senior managers or export managers, who were considered the most knowledgeable individuals regarding organizational strategies and performance.

The primary data collection instrument was a standardized and structured questionnaire consisting of three separate sections designed to measure the three principal

constructs of the conceptual model. All items were measured using a five-point Likert scale ranging from “Strongly Disagree” (1) to “Strongly Agree” (5). Prior to the main data collection phase, the questionnaire was pilot-tested on 30 firms from the target population to assess content validity and preliminary reliability, yielding satisfactory results. Strategic orientations were measured using a composite instrument encompassing the dimensions of market orientation, entrepreneurial orientation, and learning orientation. The market orientation dimension was adapted from the scales developed by Narver and Slater (1990) and Kohli and Jaworski (1990). Entrepreneurial orientation was measured based on the conceptual framework proposed by Lumpkin and Dess (1996), while learning orientation was developed using the scale proposed by Walker et al. (2021). The validity and reliability of this composite instrument had previously been confirmed and standardized in domestic studies, including Mosleh et al. (2016) and Hajipour et al. (2015).

Dynamic capabilities were measured using a questionnaire based on the classical definition proposed by Teece et al. (1997) and further elaborated by Eisenhardt and Martin (2000). The instrument assessed three dimensions: integration, reconfiguration, and learning. The validity of this questionnaire has been confirmed in several domestic studies, including Ghaderi et al. (2022) and Norouzi et al. (2021). Export performance was assessed using a multidimensional scale covering both objective dimensions (sales growth and profitability) and subjective dimensions (market share and managerial satisfaction). The theoretical foundation of this scale was derived from Cavusgil and Zou (1994) and enriched with supplementary items from more recent sources (Hadoud et al., 2022). The validity and reliability of this instrument have been repeatedly confirmed in domestic studies such as Rezaei Dolatabadi and Alikhasi (2020), Karami et al. (2018), and Faryabi et al. (2021), and normative values for Iranian enterprises have been reported.

Validity and reliability, as the two pillars of measurement quality, were rigorously evaluated. Content validity was established through expert review by a panel consisting of five university professors and three experienced export managers, with the Content Validity Ratio (CVR) exceeding 0.75 for all items. Construct validity was examined through confirmatory factor analysis in terms of both convergent and discriminant validity. Convergent validity was confirmed by Average Variance Extracted (AVE) values greater than 0.50 and Composite Reliability (CR) values exceeding 0.70 for all constructs. Discriminant validity was verified using the

Fornell–Larcker criterion and cross-loading analysis. Reliability was assessed using Cronbach’s alpha coefficients, which ranged from 0.76 to 0.91 across all constructs, exceeding the recommended threshold of 0.70 and aligning with standards reported in domestic validation studies such as Feyz and Shabani (2018) and Sanobar et al. (2019). Composite reliability values for all constructs also exceeded 0.80.

Data analysis was conducted using two complementary software packages. In the first stage, data were entered into SPSS version 26 for descriptive analyses and assessment of multivariate analysis assumptions, including tests of data normality. The results indicated that some variables deviated from a normal distribution, thereby supporting the selection of the partial least squares approach. In the second stage, the conceptual model and research hypotheses were tested using structural equation modeling based on the partial least squares method in SmartPLS version 4. The selection of PLS-SEM was based on several methodological considerations, including the complexity of the conceptual model with mediating relationships, the adequacy of the sample size, the predictive orientation of the research, and the robustness of the method to violations of multivariate normality assumptions. The measurement model and structural model were assessed simultaneously through two separate stages to ensure the validity and reliability of the constructs before examining the structural relationships among them. Throughout all stages of the study, ethical considerations—including obtaining informed consent from respondents, ensuring confidentiality of information, and conducting anonymous data analysis—were strictly observed.

### 3. Findings and Results

As an initial step in the analysis, prior to hypothesis testing, the demographic characteristics of the sample were examined. Among the 185 analyzed questionnaires, the largest proportion of firms operated in the food industry (26.5%), followed by chemical and plastic products (19.5%) and apparel and textiles (17.8%). Regarding firm size, 58.9% of respondents represented small enterprises (10–49 employees), while 41.1% belonged to medium-sized enterprises (50–250 employees). Furthermore, analysis of export experience indicated that 38.4% of firms had between 2 and 5 years of export experience, 35.1% had between 5 and 10 years, and 26.5% had more than 10 years of export experience. This distribution reflects a balanced representation of firms at different levels of export maturity, thereby facilitating the analysis of causal relationships across diverse groups.

Following the description of sample characteristics, descriptive statistics for the main research constructs—including mean, standard deviation, minimum, and maximum values—were calculated. The results are summarized in Table 1. Strategic orientations exhibited a relatively favorable mean score (3.69 out of 5), with market orientation achieving the highest mean (3.82) and learning orientation the lowest (3.51). Dynamic capabilities were evaluated at a moderate level, with a mean score of 3.47, indicating a relatively limited capacity among these firms for resource reconfiguration and adaptation to change. Finally, export performance obtained the lowest mean score among the principal constructs (3.41), and its relatively wide score range (1.83–4.76) suggests substantial variation in export success among the firms studied.

**Table 1**

*Descriptive Statistics of the Main Research Constructs*

Construct	Mean	Standard Deviation	Minimum	Maximum
Strategic Orientations (Overall)	3.69	0.74	1.92	4.85
Market Orientation	3.82	0.68	1.75	4.92
Entrepreneurial Orientation	3.74	0.81	1.67	4.89
Learning Orientation	3.51	0.85	1.50	4.75
Dynamic Capabilities	3.47	0.78	1.63	4.81
Export Performance	3.41	0.83	1.83	4.76

Prior to testing the structural model, the fit of the measurement model was assessed through confirmatory factor analysis. The standardized factor loadings of all indicators on their respective constructs exceeded the acceptable threshold of 0.60, ranging from 0.67 to 0.89,

indicating a strong relationship between each indicator and its latent construct. Convergent validity indices, including Average Variance Extracted (AVE) and Composite Reliability (CR), were calculated for all constructs, and the results are presented in Table 2. All AVE values exceeded

the threshold of 0.50, CR values surpassed the recommended level of 0.70, and Cronbach's alpha coefficients ranged from 0.76 to 0.91. These values confirm satisfactory convergent

validity and internal consistency of the measurement instruments, indicating that the indicators of each construct consistently measure a common concept.

**Table 2**

*Convergent Validity and Reliability Indicators of the Research Constructs*

Construct	AVE	CR	Cronbach's Alpha
Strategic Orientations	0.62	0.87	0.82
Market Orientation	0.65	0.89	0.85
Entrepreneurial Orientation	0.59	0.85	0.79
Learning Orientation	0.61	0.86	0.81
Dynamic Capabilities	0.64	0.88	0.84
Export Performance	0.67	0.90	0.87

After establishing convergent validity, discriminant validity was examined using the Fornell–Larcker criterion. According to this criterion, the square root of the AVE for each construct should exceed its correlations with other constructs in the model. As shown in Table 3, this condition was satisfied for all constructs. The values on the main diagonal (square roots of AVE) were consistently larger than

the off-diagonal inter-construct correlations. For example, the square root of AVE for dynamic capabilities (0.80) exceeded its correlations with strategic orientations (0.58) and export performance (0.49). This pattern confirms that each construct shares more variance with its own indicators than with other constructs, thereby demonstrating satisfactory conceptual distinctiveness.

**Table 3**

*Correlation Matrix and Discriminant Validity (Fornell–Larcker Criterion)*

Construct	1	2	3	4	5	6
1. Strategic Orientations	0.79					
2. Market Orientation	0.83	0.81				
3. Entrepreneurial Orientation	0.86	0.59	0.77			
4. Learning Orientation	0.82	0.56	0.62	0.78		
5. Dynamic Capabilities	0.58	0.52	0.51	0.49	0.80	
6. Export Performance	0.44	0.41	0.38	0.36	0.49	0.82*

Having confirmed the adequacy of the measurement model, the structural model was subsequently estimated to test the research hypotheses. First, the explanatory power of the model was evaluated using the coefficient of determination ( $R^2$ ) for endogenous variables. The  $R^2$  value for dynamic capabilities was 0.34, indicating that strategic orientations (through their three dimensions) explained approximately 34% of the variance in dynamic capabilities. For export performance, the  $R^2$  value was 0.41, meaning that 41% of the variance in export performance was explained by the combined effects of strategic orientations and dynamic capabilities. Both  $R^2$  values fall within the moderate-to-high range, indicating satisfactory explanatory power of the conceptual model.

In addition, the predictive relevance index ( $Q^2$ ), calculated using the blindfolding procedure, was employed

to assess the predictive capability of the model. The  $Q^2$  values for dynamic capabilities (0.21) and export performance (0.27) were both positive and greater than zero, indicating adequate predictive relevance for these endogenous constructs. Subsequently, path coefficients ( $\beta$ ), t-statistics, and significance levels for both direct and indirect relationships were estimated using the bootstrapping procedure with 5,000 resamples. The results are summarized in Table 4. The direct effect of strategic orientations on dynamic capabilities ( $\beta = 0.58$ ,  $t = 8.42$ ,  $p < .001$ ) and the direct effect of dynamic capabilities on export performance ( $\beta = 0.42$ ,  $t = 5.67$ ,  $p < .001$ ) were both positive and statistically significant. However, the direct effect of strategic orientations on export performance ( $\beta = 0.13$ ,  $t = 1.54$ ,  $p = .124$ ) was not statistically significant.

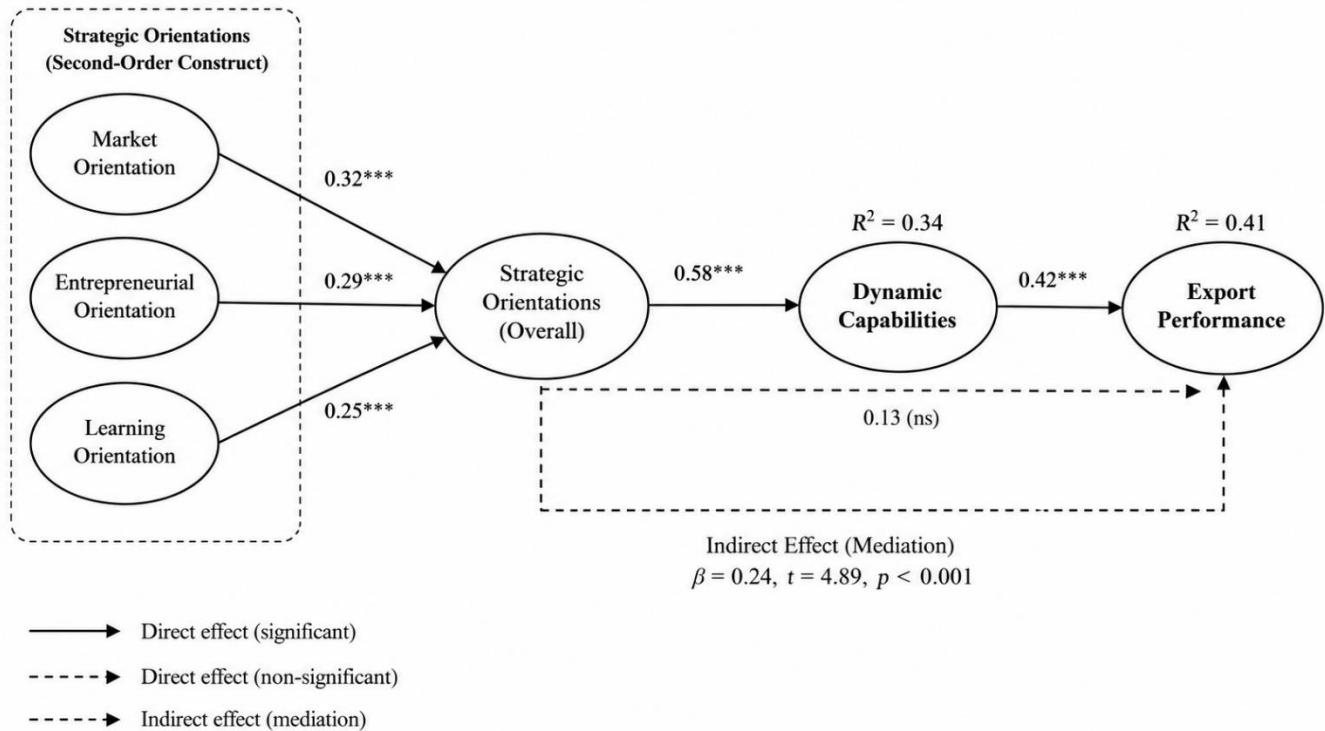
**Table 4**

*Path Coefficients and Significance Statistics of the Structural Model*

Path	Path Coefficient ( $\beta$ )	t-value	Significance Level (p)	Result
Strategic Orientations $\rightarrow$ Dynamic Capabilities	0.58	8.42	< .001	Supported
Dynamic Capabilities $\rightarrow$ Export Performance	0.42	5.67	< .001	Supported
Strategic Orientations $\rightarrow$ Export Performance (Direct)	0.13	1.54	.124	Not Supported

**Figure 1**

*Final Research Model*



Note: \*\*\*  $p < 0.001$ ; ns = non-significant.

To address the central research question regarding the mediating role of dynamic capabilities, the indirect effect of strategic orientations on export performance through dynamic capabilities was analyzed. The indirect effect coefficient ( $\beta = 0.24$ ) was significant ( $t = 4.89, p < .001$ ). Based on the implications of the Baron and Kenny mediation framework, because the direct relationship between strategic orientations and export performance was not significant whereas the indirect relationship was significant, the full mediating role of dynamic capabilities was confirmed. In other words, strategic orientations can improve export performance only through the enhancement of dynamic capabilities, and without this mediating channel, their direct influence on export performance cannot be detected.

A similar pattern emerged at the level of the dimensions of strategic orientation. The disaggregated analysis revealed that market orientation ( $\beta = 0.32, t = 4.28, p < .001$ ), entrepreneurial orientation ( $\beta = 0.29, t = 3.91, p < .001$ ), and learning orientation ( $\beta = 0.25, t = 3.52, p < .001$ ) all exerted positive and significant effects on dynamic capabilities and consequently influenced export performance indirectly. Notably, market orientation emerged as the strongest predictor of dynamic capabilities among the three dimensions, which is consistent with previous findings highlighting the primacy of market orientation within the Iranian export context. Taken together, these findings present a coherent narrative in which strategic orientations serve as the initial driving force that shapes dynamic

capabilities, and these capabilities, in turn, determine success in foreign markets.

#### 4. Discussion and Conclusion

The primary objective of the present study was to examine the effect of strategic orientations on export performance through the mediating role of dynamic capabilities among export-oriented small and medium-sized enterprises (SMEs) in Tehran Province. The findings revealed that strategic orientations did not exert a statistically significant direct effect on export performance. However, strategic orientations demonstrated a strong and significant positive effect on dynamic capabilities, and dynamic capabilities, in turn, exerted a significant positive effect on export performance. Furthermore, the indirect effect of strategic orientations on export performance through dynamic capabilities was significant, confirming the existence of full mediation. At the dimensional level, market orientation, entrepreneurial orientation, and learning orientation each positively influenced dynamic capabilities, with market orientation emerging as the strongest predictor. Collectively, these findings suggest that strategic orientations alone are insufficient to generate superior export outcomes; rather, their influence materializes through the development of adaptive, learning-based, and resource-reconfiguring capabilities that enable firms to respond effectively to international market challenges.

One of the most important findings of the study is the absence of a significant direct relationship between strategic orientations and export performance. Although this result may initially appear inconsistent with traditional strategic management assumptions, it is highly compatible with contemporary capability-based perspectives of the firm. Strategic orientations represent managerial intentions, organizational values, and strategic directions; however, these orientations do not automatically translate into performance outcomes. Firms may possess a strong commitment to customers, innovation, and learning, yet remain unable to transform these strategic intentions into tangible export success if they lack the organizational capabilities necessary to implement them. This interpretation aligns with the strategic management perspective advanced by Hitt et al., who argue that competitive advantage emerges not merely from strategic positioning but from the organizational capacity to execute and sustain strategic initiatives (Hitt et al., 2023). Similarly, Longenecker et al. emphasize that SMEs often face

implementation challenges because limited resources and managerial constraints prevent strategic intentions from being fully operationalized into market outcomes (Longenecker et al., 2022). Therefore, the non-significant direct effect observed in the present study may reflect the reality that strategic orientation serves as a necessary but insufficient condition for export success.

The significant positive relationship between strategic orientations and dynamic capabilities constitutes another major finding of this study. This result indicates that organizations characterized by stronger market orientation, entrepreneurial orientation, and learning orientation tend to possess superior abilities to integrate, reconfigure, and renew resources in response to environmental changes. From a theoretical perspective, this finding is consistent with the view that strategic orientations provide the cognitive and behavioral foundations upon which dynamic capabilities are developed. Strategic orientations influence how managers interpret environmental signals, allocate resources, and prioritize organizational learning, thereby creating conditions that foster capability development. This finding supports the arguments of Ismail and Kuivalainen, who demonstrated that strategic orientations contribute significantly to the development of dynamic capabilities among exporting SMEs operating in dynamic environments (Ismail & Kuivalainen, 2023). Likewise, Migdadi found that learning orientation facilitates organizational adaptability and innovation through capability-building processes, emphasizing that knowledge acquisition and learning behaviors serve as essential antecedents of dynamic capability development (Migdadi, 2022). The present findings therefore reinforce the notion that strategic orientations function as strategic antecedents that shape the firm's adaptive capacity.

The strong positive effect of dynamic capabilities on export performance also deserves careful attention. This result suggests that SMEs that possess greater capacities for resource integration, organizational learning, and strategic reconfiguration are more successful in achieving export growth, market penetration, and overall international performance. Export markets are characterized by uncertainty, rapidly changing customer preferences, technological developments, regulatory variation, and intense competition. Under such conditions, firms that can continuously renew their resource base and adjust their strategies are more likely to sustain competitive advantages. The findings support the arguments advanced by Faroque et al., who identified dynamic capabilities as a central

mechanism through which firms navigate international marketing challenges and adapt to foreign market demands (Faroque et al., 2022). Similarly, Zahoor et al. concluded that dynamic capabilities significantly enhance SME export performance because they enable firms to transform collaborative resources and market knowledge into competitive advantages in international markets (Zahoor et al., 2023). Domestic evidence also supports this conclusion. Ghaderi et al. found that dynamic capabilities positively influence export performance by allowing firms to leverage external social capital more effectively (Ghaderi et al., 2022). Likewise, Norouzi et al. reported that dynamic capabilities strengthen organizational performance by facilitating the conversion of knowledge management and innovation initiatives into operational outcomes (Norouzi et al., 2021).

Perhaps the most theoretically significant finding of the study is the confirmation of the full mediating role of dynamic capabilities. The mediation analysis demonstrated that strategic orientations influence export performance only through their impact on dynamic capabilities. This finding has important implications for both strategic management theory and international entrepreneurship research. It suggests that dynamic capabilities represent the missing link between strategic intent and organizational outcomes. Strategic orientations create the motivation and direction for organizational action, while dynamic capabilities provide the mechanisms through which those intentions are transformed into effective responses to environmental opportunities and threats. This result is strongly aligned with the findings of Monteiro et al., who reported that dynamic capabilities mediate the relationship between entrepreneurial orientation and export performance among internationalized firms (Monteiro et al., 2021). Likewise, Ismail and Kuivalainen found that strategic orientations generate superior export outcomes primarily through capability-building processes rather than through direct effects (Ismail & Kuivalainen, 2023). The present study extends these findings by demonstrating that this mediating mechanism is also evident within the context of Iranian export-oriented SMEs.

The dimensional analysis of strategic orientations offers additional insights into the mechanisms underlying export success. Among the three dimensions examined, market orientation emerged as the strongest predictor of dynamic capabilities. This finding suggests that firms that systematically collect market intelligence, monitor competitors, understand customer needs, and coordinate

organizational responses are more capable of developing adaptive capabilities. In highly competitive export environments, market knowledge serves as a critical input for capability development because it enables firms to identify opportunities for resource reconfiguration and strategic renewal. This result is consistent with the findings of Hajipour et al., who reported that strategic orientation, particularly market-focused strategic behavior, enhances export performance through organizational capability development (Hajipour et al., 2015). It is also consistent with the work of Rezaei Dolatabadi and Alikhasi, who highlighted the importance of export marketing capabilities as a mechanism linking managerial commitment and export experience to export performance (Rezaei Dolatabadi & Alikhasi, 2020). The prominence of market orientation may reflect the realities of export competition, where responsiveness to customer needs and market conditions becomes a prerequisite for successful adaptation.

Entrepreneurial orientation also demonstrated a significant positive influence on dynamic capabilities. This finding supports the argument that firms characterized by innovativeness, proactiveness, and willingness to take calculated risks are more likely to develop organizational routines that facilitate adaptation and resource renewal. Entrepreneurial firms tend to experiment with new ideas, enter new markets, and pursue emerging opportunities, all of which require flexible organizational structures and adaptive capabilities. The present finding is consistent with prior studies conducted in both domestic and international contexts. Karami et al. found that entrepreneurial orientation positively influences export performance among SMEs by encouraging innovative and proactive market behavior (Karami et al., 2018). Similarly, Elhami and Sadeghi reported that entrepreneurial orientation contributes to export success because it promotes opportunity recognition and strategic flexibility in international markets (Elhami & Sadeghi, 2016). Feiz and Shabani further demonstrated that entrepreneurial orientation enhances export capability through organizational learning and innovation performance, highlighting the mediating role of capability-related mechanisms (Feiz & Shabani, 2018). These studies collectively support the interpretation that entrepreneurial orientation acts as an important antecedent of dynamic capability development.

Learning orientation also exhibited a significant positive relationship with dynamic capabilities, although its effect was slightly weaker than that of market orientation and entrepreneurial orientation. This finding nonetheless

reinforces the growing recognition of organizational learning as a foundation for adaptive capability development. Firms operating in international markets continuously encounter new information, changing customer preferences, and evolving competitive conditions. Learning-oriented organizations are more likely to acquire, disseminate, and utilize knowledge effectively, thereby strengthening their ability to adapt and innovate. This finding corresponds closely with the work of Gnizy et al., who found that proactive learning cultures enhance export performance through dynamic capabilities (Gnizy et al., 2021). It also aligns with the arguments of Migdadi regarding the central role of learning orientation in capability formation and innovation outcomes (Migdadi, 2022). Furthermore, recent research by Pusenius et al. emphasizes that collective knowledge formation itself can be conceptualized as a dynamic capability, further highlighting the strategic importance of learning processes in organizational adaptation (Pusenius et al., 2025).

The findings of the present study are also relevant in light of recent developments in the dynamic capabilities literature. Contemporary research increasingly recognizes that dynamic capabilities are not limited to traditional resource reconfiguration but encompass broader organizational capacities related to digital transformation, innovation, sustainability, and strategic agility. For example, Tenggono et al. demonstrate that dynamic managerial capabilities contribute to strategic agility and digital readiness in complex organizational environments (Tenggono et al., 2025). Nosratpanah et al. show that dynamic innovation capabilities affect organizational performance through service innovation and competitive advantage mechanisms (Nosratpanah et al., 2025). Mondal et al. similarly emphasize the role of dynamic capabilities in supporting green entrepreneurship and circular economy initiatives (Mondal et al., 2025). Park et al. further highlight the importance of adaptive capability development in emerging market firms facing cultural and institutional change (Park et al., 2025). Viewed through this broader lens, the present findings suggest that export-oriented SMEs in Tehran are likely to benefit not only from strengthening traditional export capabilities but also from developing broader adaptive competencies that support long-term competitiveness.

From a practical standpoint, the findings indicate that managers should avoid assuming that strategic orientation alone will automatically improve export outcomes. Strategic planning, customer focus, entrepreneurial behavior, and organizational learning are valuable, but their effectiveness

depends on the extent to which they are translated into dynamic organizational processes. Firms that fail to develop adaptive capabilities may possess strong strategic visions yet struggle to respond effectively to environmental change. Conversely, firms that actively invest in learning systems, knowledge integration mechanisms, market intelligence processes, and resource reconfiguration routines are more likely to convert strategic intentions into sustainable export success. This interpretation is consistent with the broader export performance literature, which emphasizes the importance of capability development as a bridge between strategy and performance outcomes (Faryabi et al., 2021; Haddoud et al., 2022). Consequently, the study contributes to both theory and practice by demonstrating that dynamic capabilities represent the central mechanism through which strategic orientations generate export performance among SMEs.

Several limitations should be considered when interpreting the findings of this study. First, the cross-sectional design limits the ability to establish definitive causal relationships among the variables. Second, the study relied on self-reported questionnaire data obtained from managers, which may be subject to common method bias and social desirability effects. Third, the sample was restricted to export-oriented SMEs located in Tehran Province, potentially limiting the generalizability of the findings to other regions, industries, or larger organizations. Finally, the study focused on dynamic capabilities as the sole mediating mechanism and did not examine other potentially influential organizational factors such as innovation capability, organizational culture, digital maturity, or international networking capabilities.

Future studies could employ longitudinal research designs to examine how strategic orientations and dynamic capabilities evolve over time and influence export performance across different stages of internationalization. Researchers may also investigate additional mediating and moderating variables, including innovation capability, digital transformation readiness, organizational resilience, market turbulence, institutional support, and environmental uncertainty. Comparative studies across industries, provinces, and countries could provide valuable insights into contextual differences in the strategic orientation–performance relationship. Moreover, mixed-method approaches combining quantitative and qualitative techniques may offer deeper understanding of the organizational processes through which dynamic capabilities are developed and sustained.

Managers of export-oriented SMEs should prioritize the development of dynamic capabilities alongside strategic planning initiatives. Investments in market intelligence systems, organizational learning programs, knowledge-sharing mechanisms, and adaptive decision-making processes can strengthen the firm's ability to respond to changing international market conditions. Policymakers and export development agencies may support SMEs by providing training programs focused on capability development, international market analysis, innovation management, and strategic agility. Furthermore, organizations should establish structures that facilitate continuous learning, cross-functional collaboration, and resource reconfiguration so that strategic orientations can be effectively translated into superior export performance and sustainable international competitiveness.

### Authors' Contributions

Authors contributed equally to this article.

### Declaration

In order to correct and improve the academic writing of our paper, we have used the language model ChatGPT.

### Transparency Statement

Data are available for research purposes upon reasonable request to the corresponding author.

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### Declaration of Interest

The authors report no conflict of interest.

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### Ethics Considerations

In this research, ethical standards including obtaining informed consent, ensuring privacy and confidentiality were considered.

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