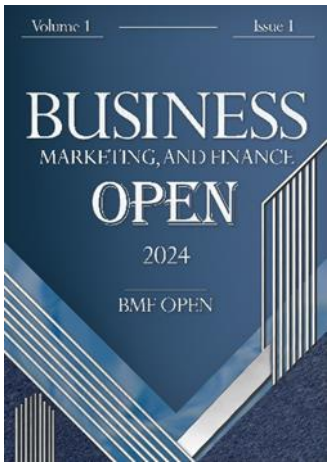
Examining the Impact of Market-Strategic Orientations on Firm Profitability Through the Mediating Role of Social Efficiency and Commercial Efficiency – Case Study: Small and Medium Enterprises in Mashhad



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Abstract: The objective of the present study is to investigate the impact of market-strategic orientations on firm profitability through the mediating role of social efficiency and commercial efficiency in small and medium enterprises (SMEs) in the city of Mashhad. This study is descriptive-analytical in nature and type. The statistical population of this research includes all managers of small and medium industrial enterprises in Mashhad, totaling 240 individuals. The sample size was determined to be 148 people using Cochran's formula, and the sampling method applied was simple random sampling. The data collection tool was a questionnaire. To analyze the data, the structural equation modeling (SEM) technique was employed. The findings of this study indicate that market-strategic orientations, including customer orientation, competitor orientation, and technology orientation, have a positive effect on firm profitability through the mediating role of social efficiency. Additionally, the results showed that market-strategic orientations, including customer orientation, competitor orientation, and technology orientation, have a significant effect on firm profitability through the mediating role of commercial efficiency. Moreover, the findings revealed that a coherent vision has a positive impact on social-commercial efficiency. On the other hand, the impact of commercial and social efficiency on profitability was found to be significant. One of the most important dimensions and characteristics of any scientific research is its innovation and novelty, and the most significant innovation of this research lies in its conceptual model and the relationships among its variables, which have not yet been studied in any domestic research. Based on the research findings, it is recommended that managers of small and medium industrial enterprises in Mashhad adopt a comprehensive and long-term strategy to enhance profitability based on market-oriented and strategic goals, thereby ensuring the long-term survival of the firm. This study was conducted exclusively in small and medium enterprises; therefore, caution must be exercised when generalizing the findings to other firms and manufacturing institutions.

Keywords: Market-strategic orientations, Firm profitability, Social efficiency, Commercial efficiency, Small and medium enterprises.

1. Introduction

In today's dynamic and increasingly competitive business environment, firms are compelled to adopt more adaptive, market-sensitive, and strategically aligned approaches to maintain and enhance profitability. Particularly

for small and medium-sized enterprises (SMEs), the ability to respond effectively to market demands and strategic pressures has become a fundamental requirement for sustainable performance. Strategic orientation—defined as an organization's directional focus that guides its behaviors in competitive environments—has emerged as a core determinant of firm success, especially when aligned with market orientation and supported by internal capabilities such as efficiency in operations and social responsiveness [1]. The complex interaction between strategic positioning, internal organizational capabilities, and firm outcomes underscores the need for integrated frameworks that can explain how strategic orientations influence profitability through both commercial and social mediating mechanisms.

Market orientation, which includes customer orientation, competitor orientation, and responsiveness to technological shifts, plays a central role in helping firms navigate complex market structures and respond to external pressures [2]. Firms that exhibit strong market orientation are more likely to anticipate customer needs, monitor competitor strategies, and adopt emerging technologies effectively—all of which are foundational to sustaining competitive advantage and profitability [3]. However, market orientation alone may not be sufficient to guarantee performance outcomes unless it is integrated into a broader strategic orientation that includes innovation, agility, and proactive planning [4]. Particularly for SMEs operating in emerging economies or competitive sectors, strategic orientations must also include forward-looking capabilities and the capacity to transform strategic insights into operational efficiency and stakeholder value [5].

One of the critical channels through which market-strategic orientations influence firm performance is commercial efficiency—the ability of an enterprise to convert its resources, knowledge, and capabilities into effective market offerings. Commercial efficiency not only serves as an internal performance indicator but also functions as a strategic lever through which firms can actualize their market and strategic priorities [6]. SMEs that build systems for measuring and improving commercial efficiency are better positioned to capitalize on market opportunities and to achieve profitability targets. This view aligns with recent empirical evidence showing that strategic orientations positively impact business outcomes when mediated by commercial efficiency metrics [7]. Additionally, strategic alignment in operational areas such as marketing, logistics, and customer service enhances the commercial viability of market-oriented strategies [8].

Beyond internal operational performance, social efficiency—defined as a firm's capacity to meet social expectations, build stakeholder trust, and operate ethically—has become increasingly relevant in the evaluation of firm performance. In environments where social capital and public perception influence consumer behavior and regulatory support, the integration of social efficiency into performance frameworks becomes critical [9]. Firms that strategically invest in socially responsible practices often achieve indirect financial benefits, including brand loyalty, reduced reputational risks, and enhanced employee engagement [10]. Social efficiency also complements commercial efficiency by creating the conditions under which market-strategic orientations can be sustainably implemented, particularly in community-dependent or regulation-intensive sectors [11]. Consequently, the dual role of commercial and social efficiency as mediators in the relationship between strategic orientation and profitability merits empirical investigation.

While large firms often possess the resources and strategic infrastructure to simultaneously pursue market responsiveness, commercial optimization, and social engagement, SMEs may encounter significant constraints. Limited capital, smaller operational scales, and weaker institutional support mechanisms often force SMEs to make trade-offs between strategic initiatives [12]. Nonetheless, research indicates that SMEs with well-developed market-strategic orientations can outperform larger rivals if they effectively leverage internal efficiencies [13]. This requires

a deeper understanding of how internal efficiency mechanisms mediate the relationship between strategic orientations and firm outcomes in the SME context [14].

Moreover, strategic orientation must be viewed not merely as a static characteristic of firms but as a dynamic capability that evolves in response to changing market conditions. The agility with which SMEs align their strategic orientation to environmental changes—including technological advances, shifts in consumer behavior, and policy alterations—is critical to their survival and growth [15]. Empirical studies have shown that the capacity to reconfigure strategic priorities in line with environmental feedback loops significantly enhances firm performance in volatile sectors [16]. This capability is particularly crucial for SMEs in developing countries, where institutional volatility and resource scarcity demand strategic precision and operational adaptability [17].

Several recent studies support the notion that market-strategic orientations influence firm performance through a network of interrelated mediating factors, including commercial processes, innovation systems, and stakeholder engagement platforms [1]. For instance, the integration of strategic orientation with innovation capability has been found to enhance commercialization success and profitability, particularly in high-competition markets [18]. Similarly, the use of strategic metrics to monitor and guide market responsiveness has been linked to stronger financial outcomes in both product and service-based sectors [19]. The growing consensus in the literature is that strategic orientations do not act in isolation but rather exert their impact through internal and external mechanisms that must be clearly mapped and measured [20].

In light of the aforementioned findings, the present study investigates the impact of market-strategic orientations—namely customer orientation, competitor orientation, and technology orientation—on the profitability of small and medium-sized enterprises, with commercial and social efficiency serving as mediating variables. By focusing on SMEs operating in the industrial zones of Mashhad, Iran, this study aims to address gaps in the literature concerning the internal mechanisms that facilitate the link between strategic orientation and profitability in developing economy contexts [21]. Specifically, it explores how SMEs can harness internal efficiencies to translate strategic insights into measurable performance gains.

The conceptual model underpinning this research draws upon the resource-based view and dynamic capabilities theory, which suggest that competitive advantage is rooted in the firm's ability to deploy and renew strategic assets in alignment with market demands [22]. By applying this model in an empirical setting, the study contributes to the growing body of evidence on the mediating role of efficiency mechanisms in strategy-performance relationships. The study also extends previous models by explicitly incorporating both commercial and social efficiency as dual mediators, thereby offering a more comprehensive framework for understanding profitability in SMEs [5].

In summary, while strategic orientation and market orientation have been individually linked to firm performance in various studies, their combined effects—particularly when channeled through commercial and social efficiency—remain underexplored in the SME sector. This study addresses this gap by empirically testing a model that integrates strategic and market orientations with dual mediating mechanisms to predict profitability.

2. Methodology

This study employed an applied research design with a descriptive-correlational approach using structural equation modeling (SEM) to examine the relationships among market-strategic orientations, commercial efficiency, social efficiency, and firm profitability. The statistical population consisted of managers of small and medium-sized industrial enterprises located in the city of Mashhad, Iran. A total of 240 managers were identified as the target

population. Using Cochran's formula, a sample size of 148 participants was determined to ensure adequate representation. The sampling method used was simple random sampling to eliminate selection bias and enhance the generalizability of the findings within the specified population.

The data collection instrument was a structured questionnaire designed to measure the constructs of customer orientation, competitor orientation, technology orientation, coherent vision, commercial efficiency, social efficiency, and profitability. Each construct was operationalized through multiple items based on validated scales from previous studies, and participants were asked to rate their agreement on a five-point Likert scale ranging from "strongly disagree" to "strongly agree." The questionnaire was distributed in person and electronically to the selected managers, and responses were collected over a defined period to ensure consistency in data gathering procedures.

Data analysis was conducted using SPSS-27 and SmartPLS-3 software. First, data screening procedures, including the Kolmogorov–Smirnov test, were performed to assess the normality of the variables. Since all variables demonstrated non-normal distribution, non-parametric methods were employed where necessary. Convergent validity was evaluated using the average variance extracted (AVE), and discriminant validity was assessed through the Fornell and Larcker criterion. Internal consistency was confirmed using Cronbach's alpha and composite reliability (CR). Structural equation modeling (SEM) with the partial least squares (PLS) approach was utilized to test the hypothesized relationships and mediating effects. Path coefficients, t-values, and R^2 and Q^2 statistics were examined to evaluate model fit and predictive power.

3. Findings and Results

Before taking any further steps, it is essential to test the normality of the collected data to ensure the appropriate statistical test is used for hypothesis testing. A normal distribution implies that the distribution of variables is symmetrical around the mean, such that the distribution graph resembles a bell curve. If the variables are not normally distributed, the distribution deviates from the bell shape and skews either to the left or right of the mean. When the distribution of variables is normal, parametric tests are used to test the hypotheses. Otherwise, non-parametric tests are employed. To examine normality, the Kolmogorov–Smirnov test is used. If the significance level of this test is less than the error threshold of 0.05, it indicates a non-normal distribution. If the significance level is greater than 0.05, it indicates that the data for that variable are normally distributed.

Table 1. Normality Test Results for the Variables in the Study

Variable	Statistic	Significance Level	Result
Customer Orientation	0.093	0.00	Not Normal
Competitor Orientation	0.114	0.00	Not Normal
Technology	0.133	0.00	Not Normal
Coherent Vision	0.098	0.00	Not Normal
Commercial Efficiency	0.101	0.00	Not Normal
Social Efficiency	0.088	0.00	Not Normal
Profitability	0.116	0.00	Not Normal

The significance level for all variables was found to be less than 0.05, indicating that the distribution of data for these variables is not normal ($P < 0.05$).

Table 2. Results of Cronbach's Alpha Coefficient and Composite Reliability

Research Constructs	Cronbach's Alpha ($\alpha > 0.7$)	Composite Reliability (CR > 0.7)
Customer Orientation	0.852	0.890
Competitor Orientation	0.958	0.961
Technology	0.912	0.928
Coherent Vision	0.872	0.902
Commercial Efficiency	0.901	0.935
Social Efficiency	0.916	0.962
Profitability	0.938	0.945

As shown in Table 2, the values of Cronbach's alpha and composite reliability for the variables are reported. Based on the accepted thresholds for both criteria, it is concluded that the values of Cronbach's alpha and composite reliability for all research constructs are acceptable.

Table 3. Results of Convergent Validity Assessment Using AVE Criterion

Construct	AVE > 0.50
Customer Orientation	0.54
Competitor Orientation	0.64
Technology	0.58
Coherent Vision	0.56
Commercial Efficiency	0.59
Social Efficiency	0.61
Profitability	0.52

The results of the convergent validity assessment are presented in Table 3. As shown, and based on the established threshold for this criterion, it can be concluded that all constructs in the study meet the acceptable level of convergent validity, confirming the adequacy of the measurement models.

Table 4. Results of Discriminant Validity Assessment Using Fornell and Larcker Method

Variable	Customer Orientation	Competitor Orientation	Technology	Coherent Vision	Commercial Efficiency	Social Efficiency	Profitability
Customer Orientation	0.76						
Competitor Orientation	0.54	0.71					
Technology	0.66	0.53	0.74				
Coherent Vision	0.58	0.65	0.53	0.77			
Commercial Efficiency	0.55	0.63	0.65	0.53	0.82		
Social Efficiency	0.54	0.63	0.68	0.59	0.61	0.79	
Profitability	0.68	0.63	0.58	0.61	0.71	0.66	0.81

The results of the discriminant validity test using the Fornell and Larcker (1981) method are shown. As observed, the square root of AVE for each latent variable, which is placed in the diagonal cells of the matrix, is greater than the correlation values between that construct and other constructs, which are located in the lower-left off-diagonal cells. Therefore, it can be stated that the constructs (latent variables) in this model interact more strongly with their own indicators than with those of other constructs. In other words, the discriminant validity of the model is at an acceptable level.

Table 5. Results of Measurement Model Quality Assessment

Construct	CV Com
Customer Orientation	0.56
Competitor Orientation	0.55
Technology	0.56
Coherent Vision	0.54
Commercial Efficiency	0.55
Social Efficiency	0.59
Profitability	0.51
Mean	0.55

As shown, this index is positive for all variables in the study, and the overall mean value is 0.55, which indicates a desirable quality of the measurement models.

Therefore, all criteria—including Cronbach's alpha, the significance of factor loadings between items and latent variables, composite reliability, AVE, discriminant validity based on the Fornell and Larcker method, and the measurement model quality index—confirm the adequacy of the measurement model. This implies that the questionnaire used in this study accurately measures the constructs intended by the researcher.

Table 6. R^2 Coefficients of the Research Variables

Variable	R^2
Customer Orientation	–
Competitor Orientation	–
Technology	–
Coherent Vision	–
Commercial Efficiency	0.673
Social Efficiency	0.241
Profitability	0.617

An R^2 value of 0.33 or higher indicates the strength of the relationship between the construct and the endogenous constructs.

Table 7. Q^2 Coefficients of the Research Variables

Variable	Q^2
Customer Orientation	0.43
Competitor Orientation	0.56
Technology	0.54
Coherent Vision	0.47
Commercial Efficiency	0.58
Social Efficiency	0.49
Profitability	0.56

Regarding all endogenous constructs, Q^2 values of 0.02, 0.15, and 0.35 are interpreted as small, medium, and large predictive relevance, respectively. Based on these thresholds, it can be stated that this criterion is at an appropriate level for the variables and indicates that the predictive power of the model regarding these variables is satisfactory.

Main Hypothesis 1: The hypothesis stating that market-strategic orientations positively affect firm profitability through the mediating role of commercial efficiency was supported. The path coefficient from the Sobel test was

0.878, and the t-value exceeded the critical value of ±1.96. Therefore, the null hypothesis is rejected at the 95% confidence level. This means that greater attention to commercial efficiency enhances the positive relationship between market-strategic orientations and firm profitability.

Main Hypothesis 2: The hypothesis asserting that market-strategic orientations positively influence firm profitability through the mediating role of social efficiency was also confirmed. The Sobel test yielded a path coefficient of 0.794 with a t-value greater than 1.96, which falls outside the critical region. Thus, the null hypothesis is rejected with 95% confidence, indicating that increased attention to social efficiency strengthens the positive link between market-strategic orientations and profitability.

Sub-Hypothesis 1-1: The mediating role of commercial efficiency in the relationship between customer orientation and profitability was supported. The path coefficient was 0.623, and the corresponding t-value exceeded 1.96, leading to the rejection of the null hypothesis at the 95% confidence level. Therefore, enhancing commercial efficiency improves the positive effect of customer orientation on firm profitability.

Sub-Hypothesis 1-2: The mediating effect of commercial efficiency in the relationship between competitor orientation and profitability was confirmed. The Sobel test showed a path coefficient of 0.875 with a t-value above 1.96. As a result, the null hypothesis is rejected at the 95% confidence level, suggesting that commercial efficiency strengthens the positive influence of competitor orientation on profitability.

Sub-Hypothesis 1-3: The mediating effect of commercial efficiency in the relationship between technology orientation and profitability was supported. The Sobel test yielded a path coefficient of 0.887 with a t-value above the critical threshold. Hence, the null hypothesis is rejected at the 95% confidence level, indicating that commercial efficiency reinforces the positive impact of technology orientation on profitability.

Sub-Hypothesis 2-1: The mediating role of social efficiency in the relationship between customer orientation and profitability was validated. The Sobel test result showed a path coefficient of 0.552 and a t-value above 1.96. Therefore, the null hypothesis is rejected at the 95% confidence level, indicating that social efficiency positively moderates the relationship between customer orientation and profitability.

Sub-Hypothesis 2-2: The mediating effect of social efficiency in the relationship between competitor orientation and profitability was supported. The path coefficient was 0.630, and the t-value exceeded 1.96. This leads to the rejection of the null hypothesis at the 95% confidence level, showing that higher levels of social efficiency enhance the positive influence of competitor orientation on profitability.

Sub-Hypothesis 2-3: The hypothesis suggesting that social efficiency mediates the relationship between technology orientation and profitability was confirmed. The path coefficient was 0.883, and the t-value exceeded 1.96. Therefore, the null hypothesis is rejected at the 95% confidence level, supporting the view that social efficiency positively contributes to the relationship between technology orientation and firm profitability.

Hypothesis 3-1: The direct effect of coherent vision on commercial efficiency was supported. The path coefficient was 0.765, and the t-value was greater than 1.96. Accordingly, at the 95% confidence level, the hypothesis that coherent vision positively affects commercial efficiency is accepted.

Hypothesis 3-2: The direct effect of coherent vision on social efficiency was also confirmed. The path coefficient was 0.408, and the t-value exceeded 1.96, leading to the acceptance of the hypothesis at the 95% confidence level that coherent vision positively influences social efficiency.

Hypothesis 4: The direct effect of commercial efficiency on social efficiency was supported. The path coefficient was 0.607, and the t-value was higher than the critical value of 1.96. Thus, the hypothesis that commercial efficiency positively affects social efficiency is confirmed at the 95% confidence level.

Hypothesis 5: The hypothesis that commercial efficiency positively influences profitability was confirmed. The path coefficient was 0.445, and the t-value exceeded 1.96, indicating statistical significance at the 95% confidence level. Therefore, the direct positive impact of commercial efficiency on profitability is validated.

Hypothesis 6: The effect of social efficiency on profitability was also supported. The path coefficient was 0.356, with a t-value greater than 1.96, demonstrating significance at the 95% confidence level. Thus, the hypothesis that social efficiency positively affects profitability is accepted.

Hypothesis 7: The direct influence of market-strategic orientation on profitability was confirmed. The path coefficient was 0.707, and the t-value exceeded 1.96. Therefore, the null hypothesis is rejected, and the positive effect of market-strategic orientation on firm profitability is supported at the 95% confidence level.

Hypothesis 8: The direct impact of coherent vision on profitability was not supported. The path coefficient was 0.181, but the t-value did not exceed 1.96, falling within the critical region. Consequently, at the 95% confidence level, the null hypothesis cannot be rejected, and the hypothesis that coherent vision has a significant positive effect on profitability is not confirmed.

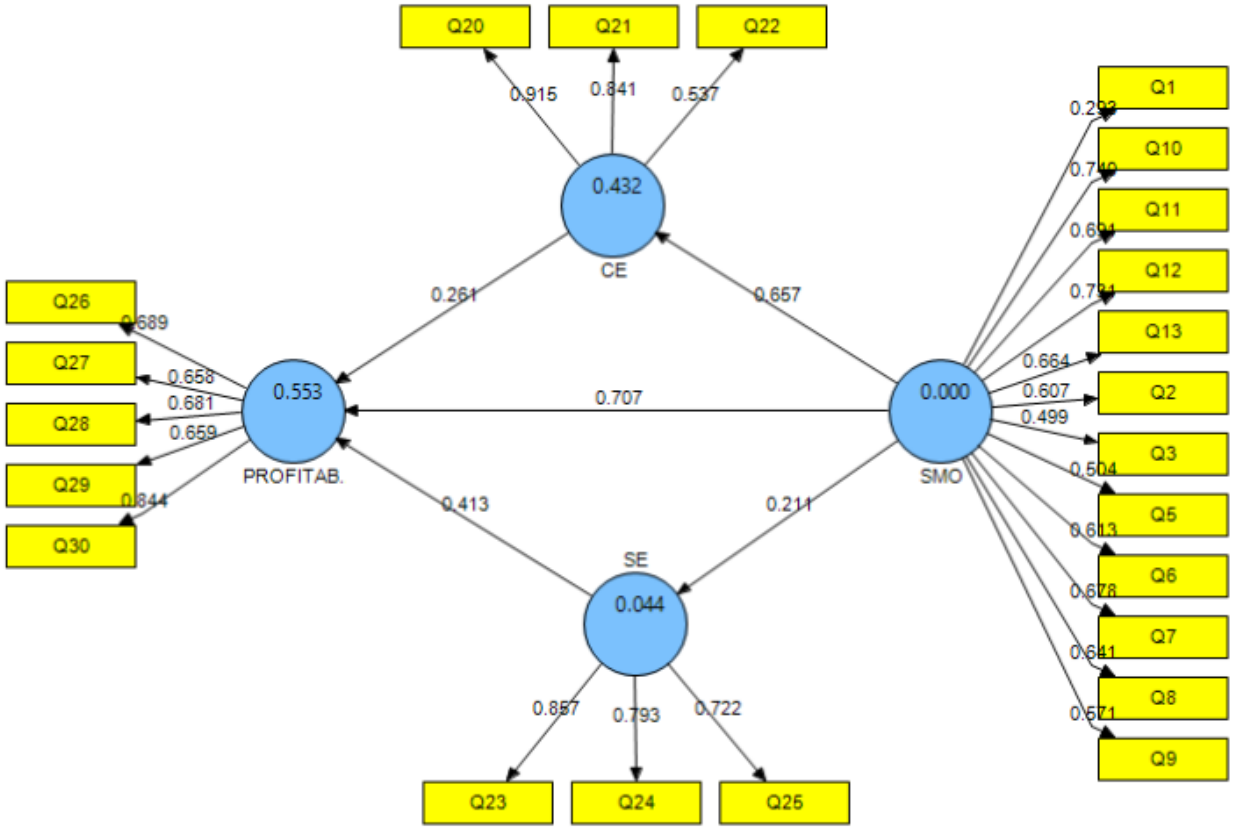

Figure 1. Model with Standard Coefficients for Main-hypotheses

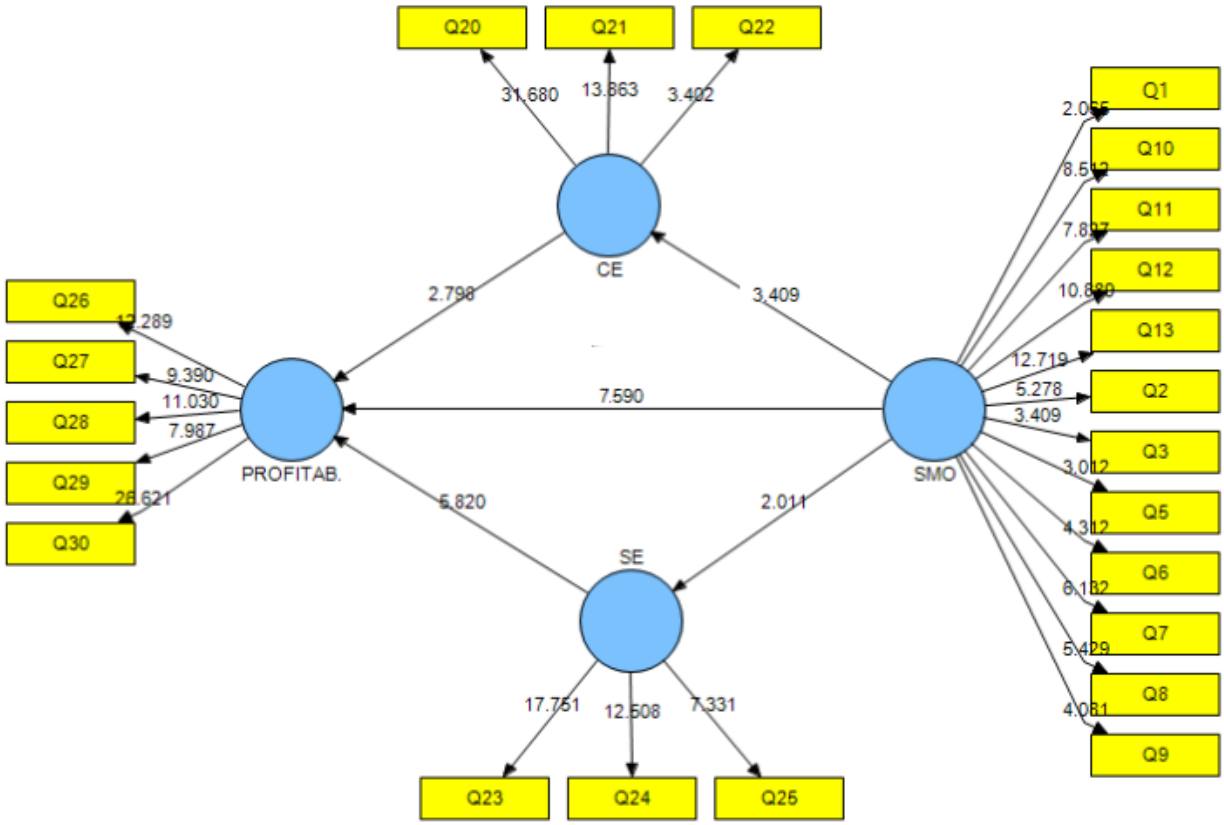

Figure 2. Model with T-values for Main-hypotheses

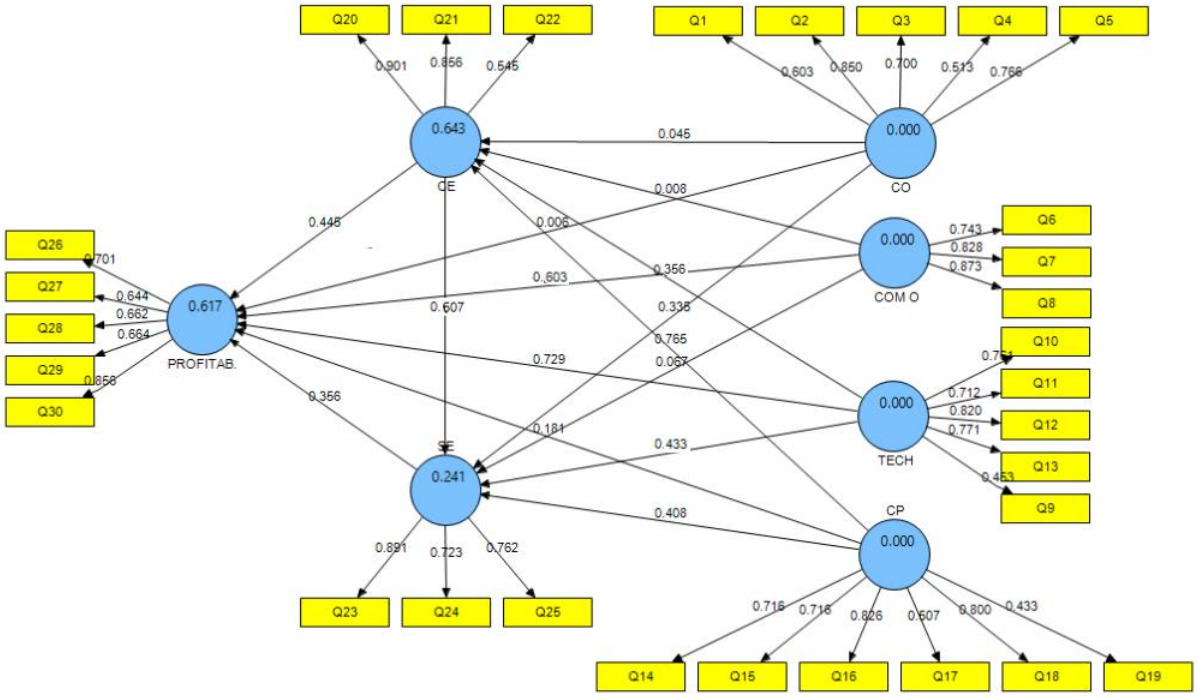

Figure 3. Model with Standard Coefficients for Sub-hypotheses

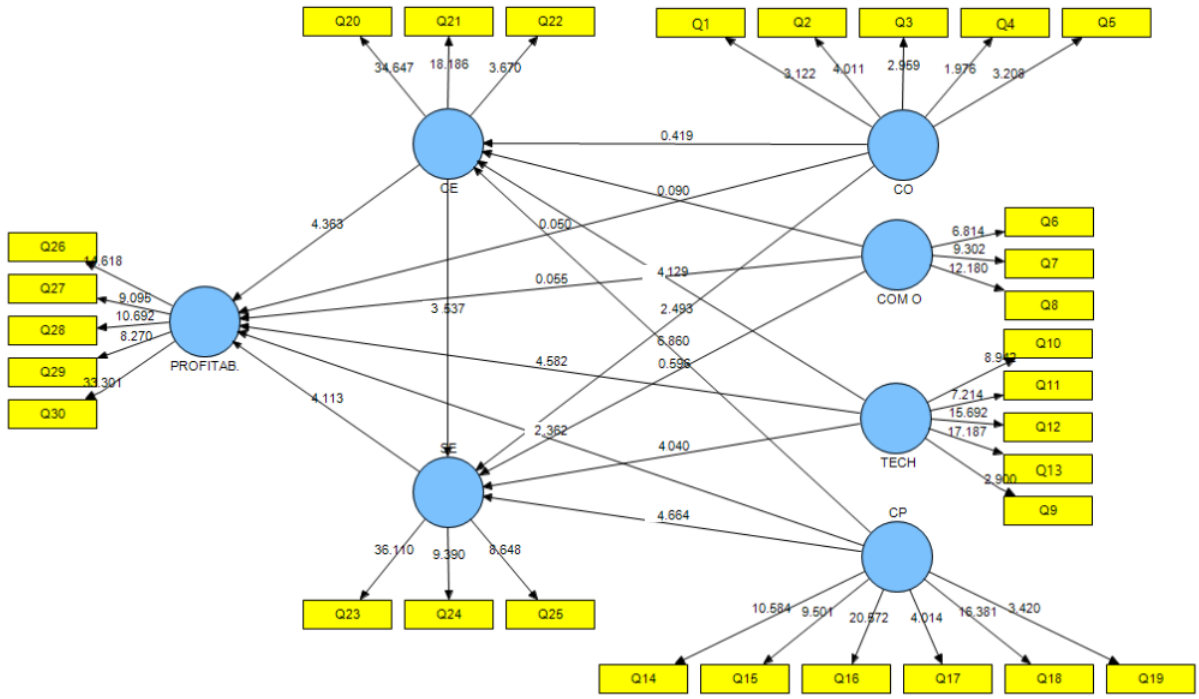

Figure 4. Model with T-values for Sub-hypotheses

4. Discussion and Conclusion

The results of this study provide strong empirical evidence supporting the proposed dual-mediation model, which posits that market-strategic orientations positively influence firm profitability through the mediating effects of commercial and social efficiency. The findings confirm that customer orientation, competitor orientation, and technology orientation—when integrated with a clear strategic direction—significantly enhance firm profitability. Notably, commercial efficiency emerged as a stronger mediator compared to social efficiency, suggesting that internal operational performance plays a more dominant role in linking strategic orientation to profitability among SMEs in industrial zones. These findings validate the theoretical proposition that the pathway from strategy to performance is not direct, but rather is facilitated by internal organizational mechanisms.

The positive effect of market-strategic orientations on profitability through commercial efficiency aligns with prior studies that emphasize the importance of internal capability in transforming strategic intent into financial performance. Research has demonstrated that aligning strategic orientations with operational structures significantly enhances performance outcomes [7]. In particular, firms that prioritize commercial efficiency—defined as the ability to optimize resources, reduce costs, and improve service delivery—are better equipped to exploit market opportunities [6]. This finding is consistent with the resource-based view, where internal capabilities, rather than external positioning alone, explain sustainable profitability. Similar patterns have been reported in the food and beverage sector, where strategic orientation enhances competitiveness only when paired with process efficiency [5].

The mediating role of social efficiency was also found to be significant, supporting the notion that ethical practices, social engagement, and responsiveness to stakeholder expectations are essential components of modern strategic performance. This finding corroborates earlier research which posits that socially responsible firms experience enhanced financial performance by fostering trust, legitimacy, and employee commitment [9]. Social efficiency complements commercial operations by aligning a firm's strategic objectives with societal expectations,

resulting in reputational capital and stronger stakeholder relationships [10]. In manufacturing contexts, failure to meet these social standards has been linked to suboptimal profitability [11]. Therefore, SMEs that balance operational excellence with social responsiveness are more likely to sustain their profitability in competitive environments.

Each component of market-strategic orientation—customer orientation, competitor orientation, and technology orientation—demonstrated a significant positive impact on profitability when mediated through efficiency. These results are in line with earlier findings that emphasize the multidimensional nature of strategic orientation. Firms that actively monitor customer needs, analyze competitor strategies, and integrate technology are better positioned to achieve superior outcomes [3]. The integration of these orientations creates a dynamic capability that allows firms to adapt quickly and implement strategic responses with operational precision [2]. This is particularly crucial for SMEs that may lack the resource buffers of larger firms and must therefore rely on market intelligence and operational agility to remain viable.

An important contribution of this study is the identification of coherent vision as a significant antecedent of both commercial and social efficiency, though not a direct predictor of profitability. This result aligns with previous findings that suggest strategic vision serves as a foundational construct that enables the effective implementation of orientation-driven strategies [15]. A coherent vision helps align employee efforts, shape organizational culture, and provide clarity in decision-making, all of which facilitate internal efficiency. Although the vision itself may not directly generate profits, it enables the systems and behaviors that do [16]. This underscores the distinction between strategic intent and strategic execution—where the former is necessary but insufficient without the latter.

The direct effects of commercial and social efficiency on profitability further affirm the dual importance of operational excellence and ethical engagement. Firms that optimize their operations gain cost advantages, while those that operate with social responsibility gain stakeholder support—both crucial in enhancing financial performance [8]. These findings are consistent with studies showing that the commercialization of sustainability-oriented innovations contributes significantly to profitability, especially when aligned with internal efficiency metrics [14]. Moreover, socially responsible strategies are increasingly linked to customer loyalty and brand equity, thereby affecting the bottom line [9].

The direct positive relationship between market-strategic orientation and profitability corroborates a broad literature base asserting that firms with proactive strategic behavior tend to outperform those with reactive or passive strategies [20]. Strategic orientation equips firms with the foresight and adaptability necessary to navigate environmental uncertainties and to capitalize on emerging opportunities [19]. This is particularly important in developing economies, where market volatility and institutional gaps pose additional challenges [17]. By maintaining a clear strategic posture, SMEs can enhance their resilience and responsiveness, both of which are linked to improved profitability [4].

The dual-mediation model proposed in this study contributes to strategic management theory by integrating both commercial and social dimensions of efficiency into the strategy-performance relationship. This approach addresses calls in the literature for more holistic models that reflect the multifaceted realities of contemporary business environments [1]. Previous research has shown that the omission of internal mediating mechanisms results in incomplete models of strategic performance [21]. By simultaneously accounting for commercial and social efficiency, this study offers a more nuanced understanding of how SMEs can translate strategic orientation into measurable outcomes.

This study, while comprehensive, is not without limitations. First, its cross-sectional design limits the ability to establish causality between strategic orientation, efficiency mechanisms, and profitability. A longitudinal approach would offer stronger insights into how these relationships evolve over time. Second, the study is geographically limited to SMEs operating in industrial zones in Mashhad, Iran. As such, the findings may not be fully generalizable to firms in other regions or sectors, particularly those with different institutional environments. Third, although the model included commercial and social efficiency, it did not account for other potentially significant mediators such as innovation capability, leadership style, or digital transformation readiness. Future studies should incorporate these additional variables to enrich the explanatory power of the model.

Future research should consider longitudinal designs that capture the temporal dynamics of strategic orientation and its impacts. Studies could also explore industry-specific factors to assess whether certain sectors benefit more from strategic orientations mediated by efficiency. Comparative studies across different regions and economic systems would help validate the model in diverse contexts. Researchers should also investigate other mediators or moderators—such as innovation, environmental dynamism, or digital maturity—that may shape the relationship between strategic orientation and firm performance. Mixed-method approaches, combining quantitative and qualitative data, could yield richer insights into the mechanisms through which strategic alignment is operationalized in practice.

SME managers should prioritize the development of both commercial and social efficiency systems to translate strategic goals into profitability. Investing in process optimization, employee training, and customer responsiveness can strengthen commercial efficiency. At the same time, cultivating ethical practices, community engagement, and transparent governance can enhance social efficiency. Managers should ensure that strategic vision is clearly communicated and consistently applied across the organization, creating alignment between long-term goals and daily operations. Policymakers can support these efforts by offering capacity-building programs, financial incentives for innovation, and platforms for market intelligence sharing. Encouraging SMEs to adopt holistic strategies that combine profitability with social responsibility will improve competitiveness and sustainability in the long term.

Authors' Contributions

Authors equally contributed to this article.

Ethical Considerations

All procedures performed in this study were under the ethical standards.

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Conflict of Interest

The authors report no conflict of interest.

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