

Strategic Orientation and Organizational Survival: The mediating role of Organizational Ambidexterity

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Abstract

There is a substantial void in the literature on the role of strategic orientation in the manufacturing and small and medium enterprises, despite it is suggested as a valuable remedy for organizational success and survival. In this study, drawing on resource dependence theory, we develop a model that theorize and examine an indirect relationship of strategic orientation and organizational survival via mediation of organizational ambidexterity. For the purpose to test the model, using a cross sectional design with a rigorous probability sampling procedure of systematic sampling, we collected data from 1030 respondents representing manufacturing as well as small and medium enterprises. We employed a causal steps approach of mediation analysis which confirms that organizational ambidexterity as a statistically significant mediator between the direct relationship of strategic orientation and organizational survival. The study findings contribute to strategic management literature by discussing the underlying mechanisms of conversion of strategic orientation with the organizational survival by considering the significant mediating role of organizational ambidexterity in the manufacturing sector SMEs of Pakistan.

Key words: *Strategic Orientation, Organizational Survival, Organizational Ambidexterity, and Manufacturing Sector SMEs.*

Introduction

In today's dynamic and uncertain business environment, the rate of failure of businesses has increased than ever before (Govindarajan & Srivastava, 2016). The survival of organizations is the ultimate and most crucial objective for firms and their managers and owners (Stubbart & Knight, 2006). Most of the theories of organizational studies consider survival as an appropriate

consequence for organization where managers improve their organization ability to acquire resources, establish their organizations internally as a social organism and successfully interact with competitive external environment (Greenwood & Suddaby, 2006). According to Joseft et al., (2017), organizational survival (OS) could be defined as the situation where organization has continued its business operations, maintained its original ownership, and remained financially solvent.

The survival of an organization depends on deliberate actions taken by its management, not mere chance (Balch, 1987). Continuous learning, effective organizational strategies, and human intentions are the main determinants of OS (Kaufman, 1991). For survival of any organization, there must be strategic consistency in competitive behavior of that organization (Lamberg, Tikkanen, Nokelainen, & Suur-Inkeroinen, 2009). So, for that purpose, appropriate strategic orientation (SO) is required to effectively and properly pay attention to various stakeholders.

SO is defined as the path that an organization plans to follow in order to improve its market share and enhance its productivity (Lee, Chan, & McNabb, 2017). SO plays an important role in long term organizational success because it influences and directs the conduct of routine business operations (Sinkovics & Roath, 2004). It is built on practices which allows firms to apply its knowledge pertaining to the important stakeholders effectively, hence developing competitive advantage, and resultantly innovative behavior and superior performance could be achieved (Ferraresi, Quandt, Santos, & Frega, 2012). Voss & Voss (2000) placed emphasis on applying a multidimensional SO in order to improve product innovation, increase company performance, and satisfy stakeholders.

Organizational ambidexterity (OA), as defined by Gupta, Smith, and Shalley (2006), is a term used to describe the ability of an organization to balance the exploration and exploitation of economic and business prospects as well as opportunities. Similarly, Raisch and Birkinshaw (2008) defined the concept of OA as the capacity of a corporation to efficiently handle its existing business needs while aligning itself with those changes occurring in the environment. The organizations having higher level of ambidexterity are more likely to utilize its SO to ensure its long run survival. When a firm is ambidextrous, it has more chances to out-perform its competitors. We postulated that for positive impact of SO on OS, an organization is required to be ambidextrous.

The primary purpose of this study was to study the connection between SO and OS. It is logical to consider OA as a mediator in the direct link between SO and OS. According to resource dependence theory proposed by Pfeffer and Salancik (1978), an organization's ability to acquire resources efficiently is crucial for its survival. Every organization relies on resources found in its operating environment, and its survival depends on effectively engaging with and extracting resources from this environment. Accordingly, we believe that ambidextrous organizations with both aspects of exploration and exploitation are more interactive with the environment to triumph the necessary resources that play important role in the OS. In this way, this study contributes to strategic management literature by providing in-depth understanding of the utility of SO and OA in ensuring long run survival of organizations of manufacturing and SMEs enterprises of Pakistan that are rarely study in the literature.

Literature Review

Organizational survival

OS is the implicit target of every organization in contemporary era, which requires the investment of resources and energy (Abd-Hamid, Azizan, & Sorooshian, 2015). OS is suggested as the state or capability of organizations to continue or live or exist, often in spite of complexity, dangers or challenges. It has both subjective and objective connotations (Sheppard, 1994). The continuous existence of the organizations is the most objective indicator to measure organization survival, but it will become difficult to measure in acquisition or merger of organizations (Delacroix & Carroll, 1983). An organization is considered as survived organization as long as organization receives inputs from stakeholders and furnishes output to its customers and clients. On the other hand, the organization are considered as failed organizations when combination of its resources cannot fulfill the demand of its customers and clients (Sheppard, 1993). According to the perspective of resource dependency theory, the survival of an organization hinges on its ability to acquire resources effectively (Pfeffer & Salancik, 1978). Every organization's required resources are situated within its operating environment, making survival dependent on the organization's skill in engaging with and extracting resources from its environment. (Adam & Alarifi, 2021; Barringer & Harrison, 2000).

From the resource dependency theory standpoint, an organization's survival is contingent upon its ability to acquire resources effectively (Pfeffer & Salancik, 1978). These necessary resources are found within the organization's operational environment, emphasizing the crucial role of the organization's capacity to engage with and extract resources from its surroundings for survival.

Various researchers have attributed different prerequisites for OS. Many studies on OS have emphasized the significance of factors such as firm size, sector, export activity, and innovation intensity (Mas-Verdu, Ribeiro-Soriano, & Roig-Tierno, 2015). However, Irrespective of size, age and industry, success and survival of entrepreneurial firms depends upon the entrepreneurial orientation, organization, competencies and environment (Abd-Hamid, Azizan, & Sorooshian, 2015). Rey-Martí, Porcar, and Mas-Tur (2015) explored the role of entrepreneurs' motivation in ensuring OS. Gudmundsson and Lechner (2013) attributed entrepreneur's cognitive biases as an important determinant of OS. According to Rosanas (2008), the essential requirement for an organization's long-term survival is the willingness of its employees to collaborate and openly share knowledge with one another in order to address the firm's challenges. Piderit (2000) pointed out the importance of employees' attitude towards organizational change and marked it as an essential element for OS. Technical and managerial skills both are required to improve the OS chances with slightly different intensities depending upon the environment in which business is carried out (Sarta, Durand, & Vergne, 2021; Ruef & Scott, 1998). Organization having higher learning capabilities and better knowledge sharing culture has greater chances of survival (Tesavrita & Suryadi, 2016). Some other researchers related entrepreneurs' motivation (Rey-Martí, Porcar, & Mas-Tur, 2015; Zahra, 1996), cordial Relations with customers and employees (Ajayi & Morton, 2015), innovativeness marketing practices (Naidoo, 2010), learning (Casey, 2005), adaptation (Cameron, 1984; Whetten, 1981), higher levels of industry-specific experience (Dahl & Reichstein, 2007) to OS.

According to Josefy, Harrison, Sirmon and Carnes (2017), proposed that OS is composed of three main components i.e. maintenance of original ownership of an organization, continued business operations, and remaining solvent. Dahl and Reichstein (2007) proposed that in case if an organization fails to survive, it will either be taken over or exited from the industry. The ability of strategy-making processes to adjust and renew itself is crucial for OS (Burgelman, 1991).

Organizations striving for prolonged survival are better prepared to handle rare but impactful events and environmental disruptions by enhancing their resilience (Burnard & Bhamra, 2011).

Strategic orientation

Strategic orientation (SO) of an organization is the set of principles that influences and guide the organizational procedures, develop and anticipate organizational behaviors that ensure the capabilities and performance of the organization (Beliaeva, Shirokova, Wales, & Gafforova, 2020; Glaveli & Geormas, 2018). SO carries significant implications for the effective and efficient management of organizational resources. This importance has elevated its prominence in the literature of strategic management and entrepreneurship (Hakala 2011). Slater and Narver (1993) and Niemand et al. (2021) suggested that the facets of SO can fundamentally determine the business efficiency and organizational performance. Aragon-Sanchez and Sanchez-Marin (2005) suggested the four dimension of SO which includes market orientation, entrepreneurial orientation, relationship orientation and technological orientation. Organizations can maximize its productivity and performance through the proper implementation of their SO in accordance to the environmental conditions and organizational resources (Deutscher et al., 2016; Ho, Plewa & Lu, 2016).

SO focuses on how organization should interact with its external environment which includes its customers, competitors, and essential technology to run its business (Ardito, Raby, Albino, & Bertoldi, 2021), which in turn, helps in providing a strategic direction for shaping appropriate behaviors so as to achieve better performance (Morgan & Strong, 2003). According to Lau, Yiu, Yeung and Lu (2008), SO is the business direction and objectives that the top management of a firm wants to achieve and sets the overall position of that firm in its respective industry. SO facilitate the organizational abilities in implementing both radical and incremental innovation in product, processes and technology (Yang et al, 2012; Al-Mohammad, 2010).

Various other scholars also identified the role of SO in transformation and renewal of organizations for better performance and long term survival (Theodosiou, Kehagias, & Katsikea, 2012). SO is associated to the decisions that organization craft for the achievement of higher productivity (Kumar et al, 2011). Considering the differences in SO of various organizations, which enables them to effectively organize themselves internally and position themselves to successfully meet the demands of their competitive environment externally (Beliaeva, Shirokova, Wales, & Gafforova, 2018), have a profound impact on the organizational performance (Soda, Tortoriello, & Iorio, 2018).

Organizational Ambidexterity

OA is the one of the significant topic in the organizational management research have developed in ephemeral way. According to Tushman and O'Reilly, OA is described as the organizational abilities to concurrently pursue radical and incremental innovation mutually from hosting several paradoxical structures, procedures, and cultures inside the distinct organization. Raisch and Birkinshaw (2008) defined the concept of OA as the capacity of a corporation to efficiently handle its existing business needs while aligning itself with those changes occurring in the environment.

Organization can apply ambidexterity into a classification of the three categories: structural and simultaneous, sequential as well as and contextual ambidexterity (Raisch et al., 2009; Simsek et al., 2009). Sequential ambidexterity inferred that a firm emphasis on one of the contending

goals and objectives subsequent to another; simultaneous or structural ambidexterity inferred that a firm allocate diverse tasks to distinctive sub-units of the firm; and the contextual ambidexterity is suggested as the condition where every member of the firm can shift among the challenging tasks of exploration as well as exploitation as the opportunity or demand arises (Batra, & Dhir, 2022; Gupta, Smith, & Shalley, 2006).

Raisch et al. (2009) emphasized the importance of OA in effective strategic renewal of any organization. Similarly, Capron and Mitchell (2009) also hinted the effectiveness of OA in strategically renewing the organization. Bodwell, and Chermack (2010) did the same by focusing on the importance of OA in case strategic renewal. According to Harreld, O'Reilly and Tushman (2007), ambidextrous organizations need to accomplish two crucial tasks. Firstly, to sense changes in their competitive environment accurately, which includes expected changes in technology, competition, customers' taste, and legislation. Secondly, in order to exploit the opportunities, to avoid threats by rearrangement of both tangible and intangible assets to cope up with new challenges. Strategic and business learning of organizations leads to OA (exploration and exploitation) and hence to the long term survival (Yan, Yu, & Dong, 2016). The internet age has made it imperative for firms to adapt to their environment, introduce creativity into their operations, and diversify their products. These elements are essential prerequisites for long-term survival (Raphan & Friedman, 2014).

Organizational Ambidexterity as a Mediator

In contemporary competitive environment, the survival of an organization depends upon the characteristics of agility, innovativeness, proactiveness, autonomy and appropriate alignment of its resources and procedures (Gibson & Birkinshaw, 2004). OA helps a firm in achieving an alignment in its current operations and effective adaptation to the fluctuating environmental demands (O'Reilly & Tushman, 2013). It provides a conducive environment for a firm to perform sustainably and survive in longer run (Gibson & Birkinshaw, 2004; Weiss & Kanbach, 2022). OA is the capability of the organization to implement the both incremental and radical transformation (Homburg, Krohmer, & Workman, 2004; Menguc & Auh, 2005).

The existing literature shows that the implementation of SO is significant for transcribing ambidextrous decision into innovative ambidexterity (Gatignon & Xuereb, 1997). Smith and Tushman (2005) suggested that the organizational cultures, forms, and procedures to resource-allocation are shaped by the decision of top management which ultimately enable organization in exploration and exploitation of opportunities. Based on the above discussion, it is postulated that OA mediates the relation between SO and OS. Based on the theory and empirical studies as stated above, we put forth the following conceptual framework of the study followed by the respective hypothesis of each relationship:

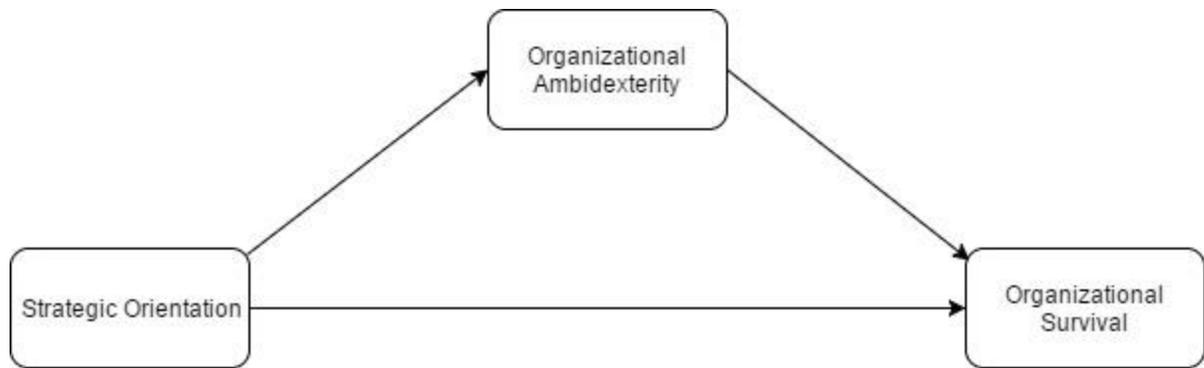


Figure 1 Theoretical Framework

Hypotheses

- H1.** SO and OS are positively interrelated.
- H2.** SO has positive and significant impact on OA.
- H3.** OA has positive and significant impact on OS.
- H2.** The relationship of SO and OS is mediated by OA.

Methodology

Sampling and data collection procedure

In order to test the mediation model of the study, keeping in view the constraints of time, funding, and availability of potential respondents, we used a cross-sectional design and chosen individuals as a unit of analysis. For the purpose of a sampling frame, we collected a complete list of list of 2500 SMEs from SMEDA (Small and Medium Enterprise Development Authority), online business dictionary and Pakistan Chamber of Commerce & Industry. We initiated the data collection process in September 2018 by using a probability sampling technique of systematic sampling with the help of instrument of a questionnaire. The cover letter attached to the questionnaire elucidated the study's purpose, guaranteed confidentiality, and kindly requested the voluntary participation of the respondents. A total of 2500 questionnaires were dispersed in the selected manufacturing and SMEs. Initially, we received a low response rate and collected a total of 358 filled in questionnaires. Following brainstorming sessions and numerous reminders through telephone calls, the data collection team successfully gathered a total of 1063 responses, out of which 1030 were deemed usable for the data analyses conducted in this study.

Measures

In this study, perceptions on the all three research study's variables were measure on a five-point Likert scale. The independent variable i.e., SO containing four dimensions naming, entrepreneurial orientation, technology orientation, relationship orientation, and market orientation were measured with a total of 30 items scale that was borrowed form Narver & Slater, 1990; Covin & Slevin, 1989; Slater & Narver, 2000). We adopted a 12-item scale of (Lubatkin et al. 2006) to measure the two facets of exploratory and exploitative of OA. Finally, the dependent variable i.e., OS having three dimension of operations, ownership, and solvency was measured using the 17-item scale of Josefy, Harrison, Sirmon & Carnes, (2017). The psychometric properties of all the scales used in

this research have been found appropriate in the previous research and we also confirmed the face and content validity of the measurement instrument through academician of management studies. The reliability of the instrument was estimated by coefficients of Cronbach's α that was found satisfactory as all scales' α scores were above the cutoff criteria 0.70. For instance, we found value of Cronbach's α 0.841 for 30 items of SO, α score of 0.824 for 12-item of OA and for 17-item of OS we found coefficients of Cronbach's α as 0.839.

Control variable

To ensure more accurate estimations, this study focused on contextual and background factors that likely influence outcomes for SMEs. The study included the following control variables: business age, business size, education level of owner/managers, and experience of owner/managers. Business age was categorized as follows: 1= 1 to 5 years, 2 = 6 to 10 years, 3 = 11 to 15 years, 4 = 16 to 20 years, and 5 = business age exceeding 20 years. Business size was coded as; 0 = no employees more than 50 and less than 100, and 1 = number of employees more than 100 and less than 250. Experience of owner/managers was coded as; 1= 1 to 5 years, 2 = 6 to 10 years, 3 = 11 to 15 years, 4 = 16 to 20 years, and 5 = job experience exceeding 20 years. Education was assessed through four dummy variables: postgraduate degree, bachelor's degree, intermediate degree, and high school education or lower.

Results

Table-1 depicts the values of SD (Standard Deviations), Means, and the correlations among research variables. SO correlated significantly with OS ($r = 0.38$), and OA ($r = 0.43$). OA correlated significantly with OS ($r = 0.54$). To examine the mediating effects supporting these relationships, analysis can be conducted following the guidelines recommended by Baron and Kenny (1986).

Table 1. Descriptive statistics summary

Variable Name	Mean value	S D value	A	B	C	D	E	F	G
Business_age	3.4	.88	1						
Business size	2.9	.85	.09	1					
Work experience	2.7	.86	.12*	.01	1				
Education level	2.6	.89	.04	.03	.02	1			
SO	3.8	.90	.07	.10*	.08	.05	1		
OA	3.9	.94	.03	.09	.02	.03	.31**	1	
OS	3.6	.92	.01	.05	.04	.09	.38**	.44**	1

Note: SO (Strategic Orientation); OA (Organization Ambidexterity); OS (Organizational Survival); SD (Standard Deviation)

Causal steps approach

To test the mediation model of the study we employed Baron and Kenny (1986) four steps procedure that is termed as causal steps approach which states that independent and dependent variable should be significantly interrelated, the relationship between the independent variable and the mediators should be statistically significant. Additionally, there should be a significant relationship between the mediators and the dependent variable. Finally, when the mediator is introduced into the model, the association between the independent and dependent variables should

weaken or disappear. In our such analyses, we confirmed the role mediation of OA between relationship of SO and OS. Table 2, and 3 present the findings of causal steps approach.

In the sequential steps approach, we utilized SPSS version 20 to conduct a simple regression analysis, aligning with the four mediation conditions outlined by Baron and Kenny (1986). The first condition was satisfied as indicated in Table 3, demonstrating a direct and positive relationship between SO and OA ($\beta = 0.31$, $t = 5.74$, $p < 0.001$). Our findings also affirmed the second condition, revealing a direct and positive link between SO and OS ($\beta = 0.38$, $t = 8.08$, $p < 0.00$). The third condition of the statistical approach was similarly validated, showing a direct and positive relationship between OA and OS ($\beta = 0.44$, $t = 8.14$, $p < 0.00$). These results from the simple regressions confirm the initial three steps outlined by Baron and Kenny (1986).

Table 2. Results of Regression

Independent variable	OA					OS				
	R ² Value	Std. Erro r	Bet a	t- value	Sig.	R ² Value	Std. Erro r	Bet a	t- value	Sig.
SO	0.32	0.054	0.31	5.74	0.001	0.24	0.078	0.38	8.08	0.00
OA (Mediator)	--	--	--	--	--	0.22	0.044	0.44	8.14	0.00

Note: The regressions are performed separately between one independent, mediator and independent variable: SO (Strategic Orientation); OA (Organization Ambidexterity); OS (Organizational Survival)

The fourth condition was met according to the results of multiple regressions presented in Table 3. When OA was included as the mediator, the direct effect of SO on OS became insignificant ($\beta = 0.11$, $t = 1.17$, $p = 0.30$). Thus, it show full mediation as described by the Baron and Kenny (1986).

Table 3. Result of multiple regression Analysis

Model Name	Factor	R ² Value	F Value	Std. Error	Beta	t-value	Sig. Level
A	SO	0.34	97.28	0.084	0.11	1.17	0.30
	OA			0.054	0.46	8.51	0.00

In our current study, we employed the normal test theory approach to determine both the size and significance of the indirect effect of SO on OS. This method provided statistics for the total, direct, and indirect effects (Preacher & Hayes, 2008). The results, as presented in Table 4 using the PROCESS Macro version of SPSS, revealed that SO had an insignificant direct effect ($\beta = 0.11$, $t = 0.30$). However, the outcomes from the Normal Test Theory ($Z = 4.87$, $p < 0.001$) confirmed the indirect effect ($0.48 - 0.12 = 0.36$) of SO on OS.

Table 4. Decomposition of effect

Mediation Models	Total_effect	Direct_effect	Indirect_effect
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							Normal Test Theory		
	<i>Beta</i>	<i>t</i>	<i>p</i>	<i>Beta</i>	<i>t</i>	<i>p</i>	<i>Beta</i>	<i>Z</i>	<i>p</i>
SO → OA → OS	0.48	7.82	0.00	0.12	1.40	0.08	0.36	4.87	0.00

Note: SO (Strategic Orientation); OA (Organization Ambidexterity); OS (Organizational Survival).

Discussion and Conclusion

While the literature acknowledges the significant role of SO in OS (Durand & Coeurderoy, 2001; Knotts, Jones, & Brown, 2008; Naidoo, 2010; Urde, 1994), the precise mechanisms governing its effectiveness for ensuring survival remain unclear. This study advances this inquiry by proposing that the impact of SO on OS is contingent upon the levels of OA. Thus, our research contributes to a deeper understanding of these underlying processes and the specific conditions under which SO can be effectively utilized, ensuring long-term survival.

Primarily, this study contributes to theoretical understanding in two key areas. Firstly, the research findings enhance the strategic management literature by delving into the internal "black box" between SO and OS, viewed through the lens of OA. Previous studies have predominantly focused on a single or a couple of dimensions of SO. For instance, entrepreneurial orientation (e.g., Covin, Green, & Slevin, 2006; Stam, & Elfring, 2008; Rauch Wiklund, Lumpkin, & Frese, 2009; Wiklund & Shepherd, 2005), market orientation (Hult, Ketchen Jr, & Slater, 2005; Kara, Spillan, & DeShields Jr, 2005; Kirca, Morgan, Vorhies, & Mason, 2009; Narver & Slater, 1990), competitor orientation (Lichtenthaler, 2016; Limbu, Jayachandran, & Babin, 2014), and customer orientation (Franke & Park, 2006; Homburg, Müller, & Klarmann, 2011; Macintosh, 2007). In contrast, this study operationalizes SO by focusing on its multiple dimensions, including market, entrepreneurial, relationship, and technology orientation.

However, few studies have attempted to elucidate the intricate processes and sub-processes involved in the relationship between SO and OS. We adopted a strategic management perspective to explain how SO can be utilized to guarantee OS, positing OA as a crucial mediator in this relationship. Consequently, our study unveiled the reasons behind the indecisiveness observed in the impact of SO on OS until now. Moreover, this research builds upon previous studies on SO and OS (e.g., Durand & Coeurderoy, 2001; Knotts, Jones, & Brown, 2008; Naidoo, 2010; Urde, 1994) by providing a more intricate understanding of how SO and OA collaboratively ensure OS.

Secondly, our study empirically delved into the mediating role of OA in the relationship between SO and OS. Balancing the conflicting interests of diverse stakeholders poses a significant challenge for organizations when setting an appropriate SO (Simons, 1991). Despite this complexity, very few studies have explored why SO might not yield fruitful outcomes. The limited understanding of this phenomenon largely stems from overlooking the contextual factors that influence the effectiveness of SO. In this regard, our research expands the current understanding of the role of OA by positioning it as a pivotal mediator in the connection between SO and OS. Consequently, this study makes significant contributions to the literature on SO and OS, viewed through the lens of OA.

Thirdly, through empirical study of SMEs in Pakistan, we contributed to the existing literature on SO by explaining its importance in developing economies. Pakistan, being a developing economy of South Asia, which has experienced quick economic growth and innovation in past

years and has a tremendous potential for the creation of employment opportunities, generation of revenue and technological advancement (Yasir & Majid, 2017). In comparison to developed economies, developing economies encounter challenges due to their underdeveloped institutional frameworks and ineffective legal systems (Iriyama, Kishore, & Talukdar, 2016), making their environments more complex. In light of this context, our study suggests that SO serves as a crucial supplementary strategy for organizations to ensure their survival in developing economies. Consequently, our research offers significant implications for OS in developing economies, underscoring the importance of OA in the interplay between SO and OS.

Managerial Implications

In the current competitive business landscape, multidimensional SO has emerged as a pivotal phenomenon for organizations. Our study provides owners and managers with valuable insights on how to navigate the conflicting interests of stakeholders, ensuring long-term survival. From a managerial perspective, our findings emphasize that a comprehensive and multidimensional SO is an effective approach to secure OS. Managers should prioritize essential dimensions of SO by responsively addressing the needs of vital stakeholders.

The market dimension of SO, encompassing customers, competitors, and inter-function coordination, demands managers' keen awareness and careful attention. Additionally, managers should cultivate qualities of innovation, proactivity, and risk-taking to embrace the entrepreneurial dimension effectively. Establishing and nurturing effective relationships across the supply chain is crucial, addressing the relationship dimension of SO. Moreover, managers must focus on acquiring innovative technologies to enhance processing and production efficiency, highlighting the significance of the technology dimension within SO.

Additionally, the study results underscore that possessing a multidimensional SO alone is insufficient to guarantee OS; the critical factor lies in OA. Managers must strike a balance between exploring new business opportunities and exploiting existing ones for optimal performance. On one hand, managers need to meticulously define their SO to ensure survival. Simultaneously, organizations must exhibit ambidexterity in identifying and capitalizing on opportunities within their industries.

Overall, the study findings suggest that an appropriate SO, coupled with the ambidextrous nature of the organization, offers a robust solution for ensuring survival in today's highly competitive business environment. Therefore, in practical terms, firms need not only to strategically orient themselves but also to adeptly manage the equilibrium between exploring new avenues and exploiting existing opportunities for their long-term survival.

Limitations and Future Research

This study had a few limitations that could be addressed in future research endeavors. Firstly, since the findings were based on survey data obtained from small and medium-sized enterprises (SMEs) in the manufacturing sector in Pakistan, our results might be specific to both the sector and the country. Hence, it is crucial to exercise caution when generalizing our findings to other industries or developed economies. Nevertheless, extending our research to SME sectors in other developing economies could provide valuable insights and serve as a fruitful avenue for further investigation.

Secondly, while we explored the mediating role of OA in the relationship between SO and OS, it is plausible that other factors, such as absorptive capacity (van Doorn, Heyden, & Volberda, 2017) or structural flexibility (Majid, Yasir, & Yasir, 2017), might have influenced this relationship as well. To gain a more comprehensive understanding of the topic, future research endeavors could delve into these additional factors, broadening the scope of exploration in this area.

In conclusion, our study offers valuable insights into the topic by both theoretically and empirically investigating the intricate connections between SO and OS, elucidating the mediating role of OA. These findings contribute significantly to the understanding of the subject. We anticipate that our research will serve as a catalyst for future studies, inspiring further exploration into how multidimensional SO and effective OA can play vital roles in ensuring an organization's long-term survival.

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