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Small and medium emprises performance in Dubai: A critical role of technological factor and environmental factor

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A B S T R A C T

In Dubai, the government alone cannot bring about economic development and provide jobs to all and sundry. Businesses established by individuals and corporate entities aid the government in the provision of jobs to people and contribute to the economic growth and development of a country. The role of SMEs is crucial in most of the countries of the world and they contribute significantly towards provision of employment opportunities in their local communities and development of their economies. The main objective of this study is to examine the factors influencing the performance of SMEs in the UAE. The findings from the analysis found that technological factors and environmental factors have a positive and significant impact on SMEs performance. This study has a significant contribution to the body of literature as it provides a worthy theoretical framework in it. Besides theoretical contribution, this study also provides practical implications to SMEs, government and policymakers. The future direction of this study would enhance the future body of literature.

1. Introduction

The performance of Small and Medium-scale Enterprises (SMEs) has attracted attention in the literature in recent time (Lutfi, 2022; Smerecnik & Andersen, 2011). This is because it is considered as a tool for enhancing the economy, springboard for sustaining economic development, and a major provider of employment (Kareem et al., 2021; Petzold et al., 2019). In every country, the government alone cannot bring about economic development and provide jobs to all and sundry (Andarwati et al., 2020). Businesses established by individuals and corporate entities aid the government in the provision of jobs to people and contribute to the economic growth and development of a country (Jeong & Chung, 2022; Sin et al., 2016). Thus, the impact of Small and Medium-scale Enterprises (SMEs) cannot be globally underestimated (Sin et al., 2016), in complementing government efforts in enhancing economic development especially when the performance of SMEs is appreciable (Albassami et al., 2019; Udriyah et al., 2019). SME is a household concept and has been defined differently by researchers because there is no universally agreed definition (Al Badi, 2018; Khalili & Asmawi, 2012). Majorly, its definitions focus on the economic, social and cultural characteristics of each country and are often dependent on turnover, capital assets, size, labor skills, ownership or firm's legal status (Al Badi, 2018; Chege & Wang, 2020). The general principles for SME definition comprise staff numbers, sales volume, and the level of investment. For instance, the European Commission defines SMEs as firms having employees ranging from 10–49 and medium-sized businesses as those having 50–250 employees (Ju et al., 2013; Purwanto, 2022). In the global economy, the operations of SMEs occupy a central position in the economic landscape particularly for countries that are developing (Lo et al., 2016; Petzold et al., 2019).

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In the context of UAE, the framework for defining SMEs is derived from Cabinet Resolution No. 22 of 2016 which applies number of employees, gross assets, and annual sales turnover to classify small businesses into categories (Alshirah et al., 2021; Nuseir, 2018). Arising from this, small businesses in UAE refer to firms that have less than AED 2m as an annual turnover and a maximum of 50 full-time employees, while medium-sized firms refer to any firm that has an annual turnover ranging from AED 2 to 200m and 50-200 employees on full time basis (Gupta & Mirchandani, 2018; Muhammad Siddique, 2015). However, the two Emirates comprising Dubai and Abu Dhabi adopt their own definitions of SME. The definition of SME in the context of Abu Dhabi was issued by a decree on 30 June 2013. It defines micro and SMEs by employees' number in each firm where a firm with less than 5 employees is considered as micro; between 5 and 19 employees as small; between 20 and 49 as medium; and more than 50 as large (Bin & Hui, 2021; Yaseen & Marwan, 2016). The SME sector in the country has an estimated number of 350,000 enterprises (Basri & Siam, 2019; Thaha et al., 2021). Globally, over 95% of enterprises are SMEs and they form about 60% of private sector global employment (Ng & Hamilton, 2021). Specifically, Lythreatis et al. (2019) argue that SMEs constitute 99% of the global business population. In UAE, small businesses constitute about 95 per cent of all private businesses, and the SME sector alone provides employment for about 86 per cent of the active workforce in the country (Hamad & Leslie, 2013; Temouri et al., 2022). Based on estimates, Dubai accounts for about 45% of the entire SMEs in UAE; Abu Dhabi has about 32% of it; while Sharjah has about 16% (Farouk Abdel Al et al., 2017; Kashmoola & Ahamat, 2021). Thus, SMEs are an essential mechanism for driving economic growth and job creation (Almtiri & Miah, 2019; AlSharji et al., 2018).

The role of SMEs is crucial in most of the countries of the world and they contribute significantly towards provision of employment opportunities in their local communities and development of their economies at large (Al Matroushi et al., 2018; Alshehhi & Kasim, 2020; Polas et al., 2021). In order to avoid excessive reliance on foreign direct investment, many countries have laid more emphasis and focused on SMEs as a new mechanism for improving the growth and development of their economy (Alzaabi & Omar, 2021; Ghandour, 2018; Zacca et al., 2017). However, the concept of small and medium enterprises SMEs is relative and dynamic; hence there is no universal definition for SMEs. Each country tends to adopt definitions based on the needs of public policy, the level of economic development, the role SMEs are expected to play in the economic development of that country and the programmed of assistance designed to achieve the goal (Bhatti, 2017; Sherif et al., 2019; Shrivastava & Riaz, 2022). SMEs have been discussed in the literature as the vital source of new product development and new technologies (AlMujaini et al., 2021; Alsharji et al., 2017). In the contemporary competitive business environment, the persistent problem confronting business stakeholders, government and other stakeholders is to recognize and support the factors that will encourage and motivate SMEs for the purpose of economic growth and development. Thus, the improvement of SMEs performance becomes a key to encouraging SMEs (Alkaabi, 2021; Bakhouche et al., 2020; Elbeltagi et al., 2013; Siddique, 2014). The SME sector provides over 86% of UAE employment, and 50% of its industrial output (Abudaqa et al., 2020; Ajmal et al., 2021; Ghak & Zarrouk, 2022; GHANEM & Hamid, 2020). Indeed, there appears to be an agreement that the development of SMEs in UAE is a step towards building a vibrant and diversified economy (Caiazza, 2016; Kumar, 2014; Zaidan, 2017; Zarrouk et al., 2020).

The main objective of this study is to examine the factors influencing the performance of SMEs in the UAE. To begin with, this study aims to examine the relationship between technological factors and SMEs performance in UAE. Secondly, this study is designed to examine the relationship between environmental factors and SMEs performance in UAE. Thirdly, the purpose of this study is to examine the relationship between ABC system adoption and SMEs performance in UAE. Furthermore, this study is to examine whether ABC system adoption mediates the relationship between technological factors and SMEs performance in UAE. In the same way, this study is to examine whether ABC system adoption mediates the relationship between environmental factors and SMEs performance in UAE. As regards to some issues covering theoretical, contextual, practical and methodological issues in the background of the study and problem statement, this study stands out in its contribution to the extant body of knowledge. In the first instance, the study will contribute to the body of knowledge by extending literature on SMEs performance to UAE particularly Dubai and Abu Dhabi. Additionally, the study made a novel significant to the body of existing knowledge by making use of ABC adoption as a mediator. This concept has rarely been applied in the SMEs research context and management research, hence bridging the existing research lacuna in this area of study.

2. Literature Review

2.1 Technological Factor, Environmental Factor and SME Performance

Environmental context relates to inhibiting and facilitating factors in the organizational areas of operations (Jeong & Chung, 2022; Petzold et al., 2019; Smerecnik & Andersen, 2011). The environment of an organization comprises the whole physical and social factors that have an impact on the decision-making process of an organization (Andarwati et al., 2020; Lutfi, 2022). The surroundings within which an enterprise operates can improve the development of a business or limit its operation simply because of changes in business environment (Jeong & Chung, 2022; Lo et al., 2016; Zarrouk et al., 2020). Thus, the business environment offers a window to market threats and opportunities which SMEs and other organizations have to take cognizance of and respond to (Ju et al., 2013; Muhammad Siddique, 2015; Tirupathi et al., 2020). In contemporary society, the business environment tends to be the most dynamic challenge organizations are confronting (Ju et al., 2013; Kareem et al., 2021). In order to enhance their performance, organizations are trying to reduce the fall-out from price wars, continuous cost efficiency

drives, and concurrently optimize new opportunities in the market (Ghak & Zarrouk, 2022; Kareem et al., 2021; Tirupathi et al., 2020). Business environment and its associated factors are described in different ways in the literature. Nuseir (2018) posits that the business environment is characterized by fast changes in market and technology that pose a risk to the processes of product or service. Environmental changes, as claimed by them, comprise continuous changes in technology, stiff competition, and market demands, which all have impact on business performance (Murad et al., 2022). According to Tirupathi et al. (2020), there are three perspectives to the business environment. The first one relates with the individuals outside the organization that interrupt the organizational undertakings, including government regulations, sellers, competitors, and clientele (Chege & Wang, 2020; Tirupathi et al., 2020). The second perspective lays emphasis on the exterior forces such as intricacy, munificence and lethargy. The third perspective is related to the sensitivities of decision-making on environmental aspects. Other studies such as Ju et al. (2013) look at the business environment from the view of competitive pressure and government support. Consequently, competitive pressure and government support are considered as environmental factors that influence the adoption of Management Accounting Innovations and the performance of SMEs in general (Chege & Wang, 2020; Nuseir, 2018). Although other environmental factors such as economic and social values, stakeholders' collaborations, consumers' readiness, partners' readiness, external pressure among others have been used in the literature but competitive pressure and government regulation are found to have more significant powers than the rest (Alshirah et al., 2021; Caiazza, 2016; Purwanto, 2022).

H_1. *Technological factors have an impact on ACB system Adoption.*
H_2. *Technological factors have an impact on SME performance.*
H_3. *Environmental factors have an impact on ACB system Adoption.*
H_4. *Environmental factors have an impact on SME performance.*

2.2 ABC System Adoption and SME Performance

To understand the relationship between ABC system adoption and SME performance, many studies have examined the performance of SMEs in different contexts most especially in the developed nations (Andarwati et al., 2020; Kareem et al., 2021; Lutfi, 2022; Petzold et al., 2019), and the consensus among the scholars is that the contribution of SMEs is germane for the development of a nation and that ABC reduces cost allocation inaccuracies and improves organizational performance (Lutfi, 2022; Nuseir, 2018). Also based on the reviewed literature above, this current research focuses on examining ABC adoption and SME performance. In Thailand, Ju et al. (2013) study was purposely on the assessment of activity-based costing and its impact on business performance. It was in their study that ABC extensive use for cost analysis, cost evaluation and cost strategy significantly impact business performance both financial and non-financial. Mohammed (2019) in their study found that there is a positive relationship between ABC implementation and performance. Similarly, Jeong & Chung (2022) examined the ABC implementation effect on SMEs performance. The model for the study was designed starting from the distinctive characteristics of the SMEs' collaborative culture. The findings of the study provided evidence that ABC influences the performance of SMEs in the Italian context. Likewise, in the research carried out by Bakhouche et al. (2020) it was found that ABC usage positively influences SMEs performance. It was further concluded that the modern cost management techniques such as ABC are relevant factors influencing SMEs performance in the context of the study. Similarly, Chege & Wang (2020) assessed how ABC application enhances firm performance in the Chinese manufacturing industry. From their analysis they established that successful application ABC significantly influences organizational performance and enhances quality production. Bakhouche et al. (2020) used a regression path-analysis in assessing how management account system information mediates decentralized structure and organizational performance in the developing countries of Africa. The findings from their study also established a mediating role of MAS such as ABC in enhancing the direct relationship between decentralized structure and organizational performance. Also, Abudaqa et al. (2020) investigated how ABC adoption enhances organization performance and the findings of their study affirm that ABC adoption impacts organization performance in the Moroccan firms. This finding was also affirmed by Elbeltagi et al. (2013) who found that ABC implementation has a positive impact on organizational financial performance. Temouri et al. (2022) extended on the previous studies and integrated ABC in evaluating information technology-organizational performance nexus in the context of Iraq. The findings from their study established that there is a direct relationship between information technology and organization performance. However, the relationship is partially mediated by ABC implementation. In a similar study, Abudaqa et al. (2020) investigated the mediating effect of management account system (MAS) on organizational factors such as competition intensity, innovation and technological factor on the performance of organization in the context of Malaysia. They found that MAS mediates the relationship between the organizational factors and its performance. The theoretical framework of the study is available in Fig. 1.

H_5. *ABC system adoption has an impact on SME performance.*
H_6. *ABC System Adoption mediates the relationship between technological factors and SME performance.*
H_7. *ABC System Adoption mediates the relationship between environmental factors and SME performance.*

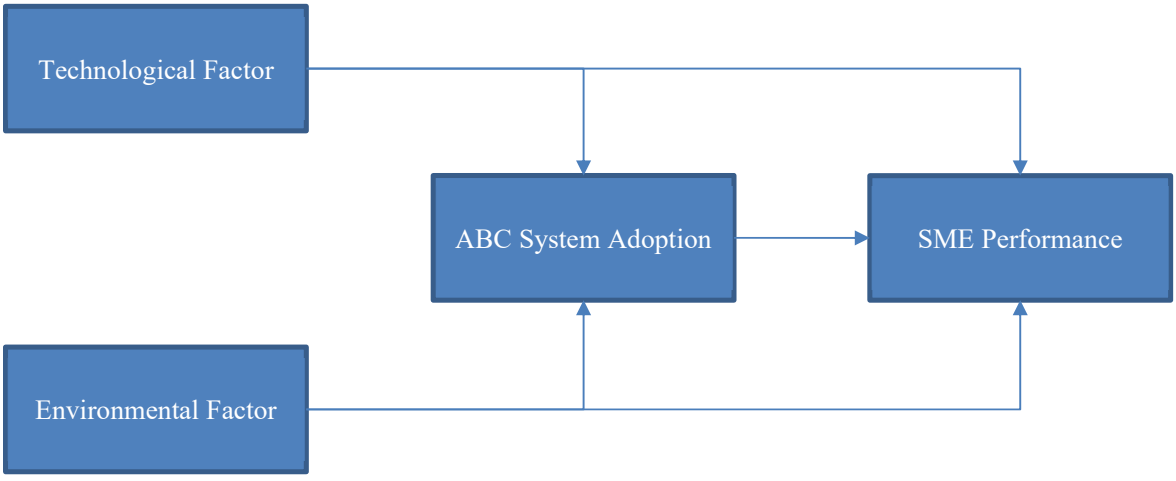


Fig. 1. Theoretical Framework

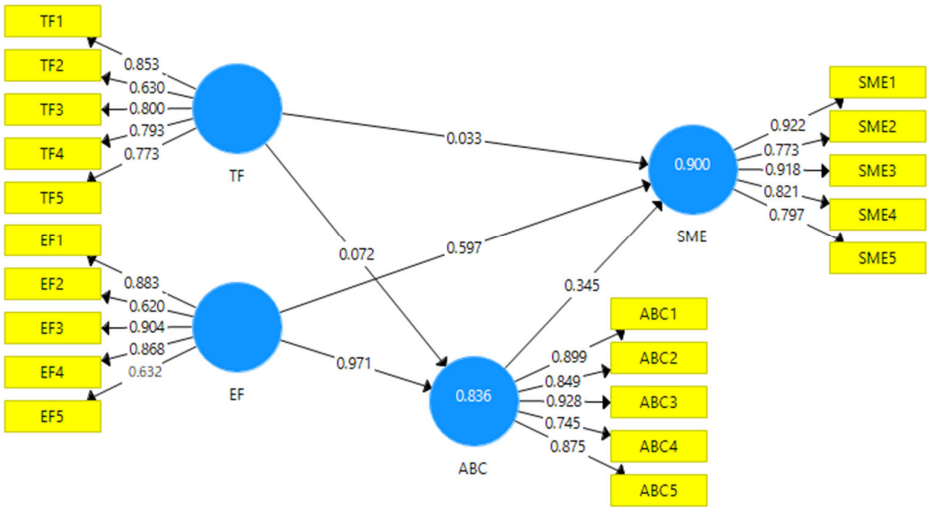
3. Methodology

Since this study involved the collection of data primarily from the owners and operators of SMEs, cross-sectional research design and survey method was employed. Cross-sectional design deals with the gathering of data from multiple units once or at a single point in time over a period of days, weeks or months in order to meet the research objectives. It is found appropriate in this study because it is capable of revealing the relationships among variables. In order words, cross-sectional design assist in achieving the objectives of this study and to answer the research questions by creating avenue for the assessment of the relationship between the independent variables of this study (technology, organization, environment), mediating variable (ABC system adoption), and the dependent variable (SMEs performance). The population of this study was all SMEs in Dubai and Abu Dhabi. Based on the statistical information available on the SME report of Dubai, a total number of SMEs stood at 151,875 (Tirupathi et al., 2020). Since the study intends to generalize its findings on the entire population, the use of probability sampling method and simple random sampling technique is justified. The scale items for ABC system adoption were taken from Ahmad et al. (2017). The scale items for environmental factors were taken from Chege & Wang (2020). The scale items for technological factors were taken from Chege & Wang (2020). The scale items for SME performance were taken from Lo et al. (2016). An online questionnaire was used to collect data from the respondents in this study. Employing the online data collection method aids in eliminating the problem associated with missing data which is predominant in self-administering survey instruments. This is as result of the features of online data collection approach whereby respondents will not be able to proceed to the next page or submit the questionnaire form without filling all the required questionnaire boxes. Furthermore, online data collection procedure is common now in social and management sciences studies since the advent of the COVID-19 pandemic which interrupt face to face interaction due to the social distancing policy and work from home policy being implemented by various government organizations and business enterprises. Hence, it will be quite difficult for the researcher to follow the common traditional face to face meeting with SMEs owner and or managers of the sampled sectors. Therefore, the current study adopted the online data collection procedure. The period of collating data commenced in the early month of May 2021 through to the end of? June 2021. A total of 384 copies of questionnaires were sent to the study participants/respondents, however, 274 copies of the questionnaire were filled by the respondents. However, 110 sampled respondents were unable to fill the questionnaire. The analysis indicates that 274 filled questionnaires out of 384 questionnaires expected to be filled represent an overall response rate of 71 percent. Therefore, the valid response rate of the respondents is adequate for conducting this research.

4. Findings

4.1 Convergent Validity

In this section of the study, the convergent validity was checked with the help of factor loadings, composite reliability, and average variance extraction (Fig. 2). Furthermore, Smart PLS 3 software was used and PLS algorithm calculations were identified. The factor loadings for all the scale items are greater than 0.60 that is recommended by the study of Hair Jr et al. (2014) for modern studies. Similarly, the value of composite reliability for each variable was greater than 0.70 which is recommended by Hair et al. (2007) for these studies. On the other hand, the value of AVE for each variable was greater than 0.50. According to the calculation and values, it was concluded that there is validity and reliability in the scale items (see Table 1).



ABC = ABC System Adoption, EF = Environmental Factor, SME = SME Performance, and TF = Technological Factor

Fig. 2. Measurement Model

Table 1
Convergent Validity

Variables	Items		Factor Loadings	Cronbach's Alpha	CR	AVE
ABC System Adoption	ABC1	Product costs must be highly reliable to compete in our markets.	0.899	0.911	0.935	0.742
	ABC2	Operating cost data are extremely important because of our cost reduction efforts.	0.849			
	ABC3	Cost information is the most important factor in pricing decisions.	0.928			
	ABC4	ABC receives strong active support from the owner of SMEs.	0.745			
	ABC5	SME owners provide adequate resources to the ABC adoption effort.	0.875			
Environmental Factor	EF1	Government regulations support SMEs.	0.883	0.830	0.880	0.604
	EF2	Government makes available necessary infrastructure for the performance of SMEs.	0.620			
	EF3	Organization innovation and initiatives improve SMEs performance.	0.904			
	EF4	Our enterprise has a competitive advantage over its rivals.	0.868			
	EF5	Government develop polices for SMEs.	0.632			
SME Performance	SME1	We have more repeat sales in our enterprise.	0.922	0.902	0.927	0.720
	SME2	It is easy to see repeat clients in our enterprise.	0.773			
	SME3	Most of our employees do not intend to work for a different company.	0.918			
	SME4	Our project duration has been reduced.	0.821			
	SME5	Our enterprise has more open sharing of information with our customers.	0.797			
Technological Factor	TF1	Technology promotes business efficiency.	0.853	0.838	0.881	0.598
	TF2	Use of technology enhances quick service to customers.	0.630			
	TF3	Use of technology enables the firm to get market information.	0.800			
	TF4	New technology improves the existing business processes.	0.793			
	TF5	Some applications were replaced by a new system in the firm.	0.773			

ABC = ABC System Adoption, EF = Environmental Factor, SME = SME Performance, and TF = Technological Factor

4.2 Discriminant Validity

This section of the study has results for discriminant validity that was calculated with the help of the PLS Algorithm calculator. Furthermore, the modern and most recommended method HTMT was used to check the discriminant validity between the variables. In this way, all the values for each variable were less than 0.90 which is recommended by Gold et al. (2001), for contemporary studies. According to these outcomes of Table 2, there was a clear discriminant validity between the variables used in the theoretical framework.

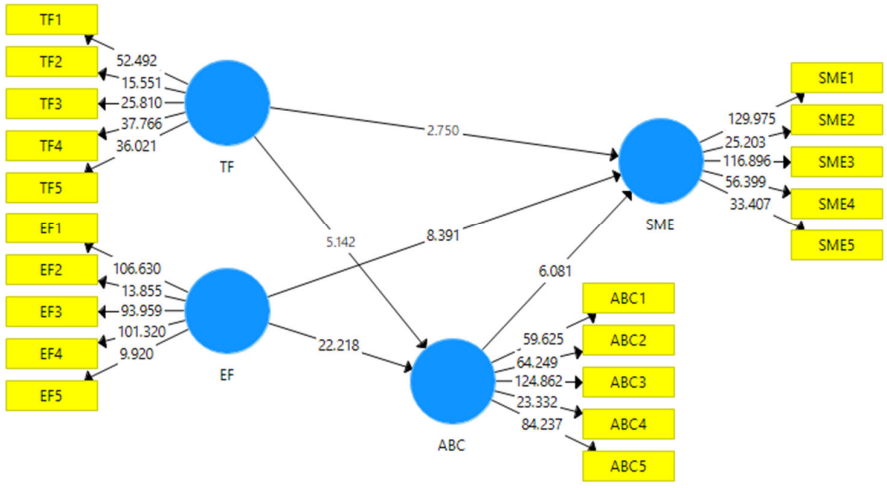
Table 2
Discriminant Validity

	ABC	EF	SME	TF
ABC				
EF	0.872			
SME	0.853	0.791		
TF	0.754	0.683	0.681	

ABC = ABC System Adoption, EF = Environmental Factor, SME = SME Performance, and TF = Technological Factor

4.3 The PLS-SEMs Results

This section of the study has results of direct impacts available in Table 3. According to the findings of the study, TF has an impact on ABC and H1 is significant (β = 0.072, t = 5.142 and p = 0.000). Secondly, according to the findings of the study TF has an impact on SME and H2 is significant (β = 0.033, t = 2.750 and p = 0.012). Thirdly, according to the findings of the study EF has an impact on ABC and H3 is significant (β = 0.971, t = 22.218 and p = 0.000). Fourthly, according to the findings of the study EF has an impact on SME and H4 is significant (β = 0.597, t = 8.391 and p = 0.000). Lastly, according to the findings of the study ABC has an impact on SME and H5 is significant (β = 0.345, t = 6.081 and p = 0.000). The measurement model is available in Fig. 2.



ABC = ABC System Adoption, EF = Environmental Factor, SME = SME Performance, and TF = Technological Factor

Fig. 3. Measurement Model

Table 3
Direct Impacts

Direct Impacts	Original Sample	Standard Deviation	t Values	P Values	Results
TF → ABC	0.072	0.014	5.142	0.000	Significant
TF → SME	0.033	0.012	2.750	0.012	Significant
EF → ABC	0.971	0.044	22.218	0.000	Significant
EF → SME	0.597	0.071	8.391	0.000	Significant
ABC → SME	0.345	0.057	6.081	0.000	Significant

ABC = ABC System Adoption, EF = Environmental Factor, SME = SME Performance, and TF = Technological Factor

4.4 Mediation Impacts

This section of the study has results of mediation analysis available in Table 4. According to the results, ABC mediates the relationship between TF and SME and H6 is significant (β = 0.025, t = 2.272 and p = 0.012). Furthermore, the findings of the study reveal that ABC mediates the relationship between EF and SME and H6 is significant (β = 0.335, t = 5.534 and p = 0.000).

Table 4
Mediation Impacts

Indirect Impacts	Original Sample	Standard Deviation	t Values	P Values	Results
TF → ABC → SME	0.025	0.011	2.272	0.012	Significant
EF → ABC → SME	0.335	0.061	5.534	0.000	Significant

ABC = ABC System Adoption, EF = Environmental Factor, SME = SME Performance, and TF = Technological Factor

5. Discussion and Conclusions

The findings from the analysis found that technological factors have a positive and significant impact on SMEs performance. Earlier research has also highlighted technological factors as a critical component in enhancing a company's overall commercial performance (Khalili & Asmawi, 2012; Nuseir & Aljumah, 2020; Petzold et al., 2019). This finding provides support to extant literature (Andarwati et al., 2020; Gupta & Mirchandani, 2018; Lutfi, 2022; Smerecnik & Andersen, 2011). The findings solidify the existing evidence on positive technological factors and SMEs performance relationship. This gives support to the assumption of TOE framework which states that technological factor forms an indispensable part of the whole organizational competitive advantage that enhance task, targets and performance of organizations (AlMujaini et al., 2021; Caiazza, 2016; Gupta & Mirchandani, 2018; Sidek & Abdulraqeeb, 2022). In addition, technological resources remain the basis of new

era organizational competitive advantage (Al Matroushi et al., 2018; Zacca et al., 2017). Technological factors are seen as a tool in managing organizational capabilities while a firm's human resource constitutes the drivers of such capabilities (AlMujaini et al., 2021; Smerecnik & Andersen, 2011). The assumption of Resource-Based View theory of value, rareness, inimitability, and substitutability cannot be achieved without the influence and contribution of the technological capabilities of the organization (AlMujaini et al., 2021; Zaidan, 2017). The result of these findings revealed that organizations should recognize that the adoption and implementation of technology will provide solutions to the organizational existing problems and offer new opportunities for production which will further enhance its performance (Sherif et al., 2019). In addition, this finding purported that enhanced organizational performance and organizational accomplishment are contingent upon its technological availability (Alkaabi, 2021; Andarwati et al., 2020; Caiazza, 2016). Hence, it can be asserted that technological factor increases information flows both within and outside of firms by removing interaction obstacles and enhancing the interconnection of corporate networks, thereby promoting creativity and enhancing organizational performance (Alshirah et al., 2021; Kareem et al., 2021; Sin et al., 2016). The result of the analysis shows that environmental factors have no positive and significant effect on SMEs performance in UAE. This finding is inconsistent with the findings of some extant literature such as Gupta & Mirchandani (2018) whose result indicated a significant relationship between environmental factors and organizational performance. However, the findings are in tandem with the result of (Al Badi, 2018; Ghak & Zarrouk, 2022) who found that environmental factors or context have no significant impact in enhancing organizational performance and innovativeness. Although, one of the justifications for the inconsistency of the current findings and that of extant literature could be related to industry/sector under consideration, contextual background and organizational size. Another explanation for such findings is also related to the fact that changing environmental factor may force businesses to involve in exploitative and exploratory activities (Andarwati et al., 2020; Kareem et al., 2021; Petzold et al., 2019), which although influence the operational activities of the business but not on its performance (Bin & Hui, 2021; Yaseen & Marwan, 2016). Even so, the findings are not in tandem with the assumption of the TOE framework which also described environmental factors as a catalyst for organizational performance enhancement. The finding from the study discovered that ABC system adoption has a positive and significant effect on SMEs performance in UAE. Though, studies such as the work of (Ajmal et al., 2021; Alshirah et al., 2021) showed that ABC system adoption has no positive and significant effect on SMEs performance because lack of resources, expertise, and cost factor are the main reasons for the rejection of ABC system in SMEs. But this current study in line with Kumar (2014) has shown that ABC system adoption has a positive and significant effect on SMEs performance.

6. Implications

6.1 Theoretical Implications

This study has added knowledge towards SMEs performance in UAE regarding the direct relationship between ABC adoption, technologically factor, organizational factor and environmental factor use consistent term throughout on SMEs performance. In fact, the study discovered that environmental factors are not impressive in UAE SMEs, therefore this research integrates various constructs into one comprehensive research framework, which included technology factor, organization factor, environmental factor and ABC adoption. The reasons for choosing these variables are due to the fact that it is a superior platform that can help in acquiring valuable information and knowledge from customers in which assisting the development of products or services and indirectly impact on the SMEs performance of an organization in UAE. Secondly, this study contributes by examining ABC adoption as a mediator between the independent variables (technological factor and environmental factor) and dependent variable (SMEs performance). There are empirical studies that have examined the relationship between technological factor, environmental factor and ABC adoption and SMEs performance in UAE. Unfortunately, the context of ABC adoption acting as a mediator is scanty. Therefore, the purpose of this study is to add knowledge to the mediating role of ABC adoption in the relationship between the independent variables and dependent variables among SMEs. From the findings, it has indicated that ABC adoption acts as a mediator to strengthen the relationship between technological factor, organizational factor and environmental factor and SMEs performance.

6.2 Practical Implications

Besides theoretical contribution, this study also provides practical implications to SMEs, government and policymakers. In this study, some of the variables are found to have a significant relationship in SMEs performance. In contrast, one of the variables was found to have a non-significant relationship on SMEs performance. As a result, SMEs, government and policymakers should be aware of the important variables to an organization in UAE. The findings of the study serve as a guide for SME owners and managers, and can assist them in understanding the elements needed for successful SMEs performance that supports the long-term viability of their business. The findings of the study indicated that technological factors and organizational factors are the key determinants of SMEs performance in UAE. In fact, organizational factors provide good and supportive learning for employees and employees can acquire knowledge and skills from the training, and this will, in the end, affect SME performance. In terms of technological factors, if an organization is technology-oriented, the organization is more likely to offer a supportive working environment, encourage employees to discover new ideas, and empower employees with resources to innovation, which benefits the organization’s activities, and help in improving the SMEs performance. Thus, SME owners and managers need to integrate these elements in their strategic planning to enhance their SMEs performance, in turn help the business to remain competitive in the market.

7. Future Directions

First, a longitudinal study is proposed for a future research study to generalize the results. This is because the current study was based on a cross-sectional design, which is the measurement of the sample that was gathered at a time, and the self-report might be subjected to social desirability bias. Hence, it could be helpful if future researchers employ a longitudinal study to provide more insights regarding the relationship between technology, organizational and environmental factors on ABC adoption among SMEs in UAE. Furthermore, the future research can be considered with a vast number of sample sizes, to get a large number of sample sizes as the number of collections in the current study was not representative of the whole population of SMEs in Dubai and Abu Dhabi. Thus, it is suggested to get involved both online and offline methods when collecting data such as walk-in physically to companies and token appreciation should be given as well as online email and other online methods.

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