

## Market Pull and Technology Push as Drivers for Circular Economy Implementation in SMEs: The Role of Environmental Orientation

**Francisco J. Sáez-Martínez**

Faculty of Economics, Universidad de Castilla-La Mancha, Spain

**Ángela González-Moreno**

Faculty of Economics, Universidad de Castilla-La Mancha, Spain

**Marcos Carchano**

Faculty of Economics, Universidad de Castilla-La Mancha, Spain

### Abstract

This study examines the factors influencing the adoption of circular models in the Spanish manufacturing sector, considering regulatory, technological, cultural, and social aspects. It specially focus on the role of environmental orientation as a moderator of these drivers. Based on a sample of 300 SMEs and using an ordered logistic regression model (OLOGIT), significant relationships are identified between circular economy implementation and eco-innovation, regulatory compliance, the adoption of new technologies, and human capital development. The results show that these factors positively drive the transition toward a circular economy. However, a negative and significant effect is observed regarding the satisfaction and adaptation of products and services to customer needs in the implementation of circular strategies. This may be due to the fact that, in many cases, consumer demand remains oriented toward linear production and consumption models. In addition, a negative moderating effect of environmental orientation is found on the relationship between regulation and circularity, and a positive moderating effect on the relationship between eco-innovation and circularity. These findings highlight the need for strategies that balance regulation, innovation, and organizational culture to facilitate the transition toward a more sustainable production model.

### Keywords

Circular economy, environmental orientation, SMEs.