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### IMPACT OF STRATEGIC BUSINESS MANAGEMENT ON ORGANIZATIONAL PERFORMANCE: MEDIATING ROLE OF ORGANIZATIONAL CULTURE AND MODERATING EFFECT OF CROSS-CULTURAL MANAGEMENT

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**ABSTRACT**

Organizations are increasingly challenged to align strategic business management with cultural dynamics to achieve sustainable performance. Prior research has emphasized the independent importance of strategy, organizational culture, and cross-cultural management; however, integrated investigations that simultaneously examine their interrelationships remain limited. Addressing this gap, the present study draws upon Cultural Intelligence (CQ) theory to develop and test a model that explains how strategic business management influences organizational performance, with organizational culture as a potential mediator and cross-cultural management as a moderator. The primary aim of the study was to explore whether strategic business management directly improves organizational performance, whether organizational culture mediates this relationship, and whether cross-cultural management strengthens the effect of strategy on performance. A quantitative, cross-sectional research design was employed, targeting top- and middle-level managers working in medium- and large-scale manufacturing firms in Pakistan. Data were collected through a structured questionnaire and analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) in SmartPLS. The findings reveal that strategic business management has a significant positive impact on organizational performance, highlighting the importance of deliberate and well-aligned strategic practices. Contrary to expectations, organizational culture did not mediate the relationship between strategy and performance, suggesting that in certain contexts, strategic initiatives may directly influence outcomes without relying on cultural assimilation. Cross-cultural management significantly moderated the strategy–performance relationship, demonstrating that effective handling of cultural diversity enhances the translation of strategic intent into improved performance.

**Keywords:** Strategic Business Management, Organizational Performance, Organizational Culture, Cross-Cultural Management

**Introduction:**

Organizations must navigate not only competitive pressures but also the complex dynamics of workforce diversity and strategic orientation (Hung et al., 2022). A growing scholarly discourse emphasizes how organizational effectiveness now hinges on the interplay between strategic business management and cross-cultural dynamics. Researchers increasingly argue that success in multicultural, transnational contexts depends less on isolated functional practices and more on how strategy is shaped by and embedded in culture (Anjum et al., 2025). At both macro and micro levels, businesses are encouraged to foster adaptive cultures capable of aligning strategic imperatives with the multicultural realities of global operations (Köksal et al., 2023). This conversation has

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naturally expanded toward understanding how organizational culture and cross-cultural management jointly influence performance creating fertile ground for examining how these dimensions interrelate within a strategic framework. Recent empirical studies reinforce the notion that organizational culture is closely linked to corporate performance (Niu et al., 2022). Christopher (2022) found that dimensions such as involvement, adaptability, consistency, and mission, per the Denison model, bear statistically significant relationships with corporate outcomes. Pedraza-Rodríguez (2023) emphasizes the role of culture in fostering innovation, especially within peripheral firms. Concurrently, research on cross-cultural management highlights the importance of cultural intelligence, communication adaptation, and leadership flexibility in enhancing global collaboration and overall organizational performance. Liu (2024) and Unachukwu (2023) document how training and cultural awareness correlate positively with employee performance and team outcomes.

Globally, firms grapple with challenges of intercultural misunderstanding, reduced synergy, and fragmented strategic alignment. In multinational enterprises, cultural gaps can undermine team cohesion, hampering communication and innovation (Amster, 2022; Ishchuk, 2023). At the national level, organizations face growing pressure to integrate diverse cultural attributes into coherent strategic directions, as indicated by shifting workforce demographics and increasingly globalized markets (Alateeg & Alhammadi, 2024). Regionally, smaller economies or peripheral firms often report underutilization of diverse cultural assets, which limits their innovation and competitiveness (Anjum et al., 2025). These concerns intersect directly with performance: failing to harness cultural diversity and align strategic goals risks stifling innovation, eroding employee engagement, and diminishing adaptive capacity (Deogaonkar & Nanoty, 2023). Deficiencies in organizational culture such as inconsistency or lack of strategic clarity can render strategic efforts ineffective (Christopher, 2022). This highlights the urgent need to understand how synchronized cultural and strategic management can address escalating global, national, and organizational challenges.

Although strong individual strands of literature explore either organizational culture's link to strategic management or cross-cultural management's influence on performance, few studies integrate all three constructs within a unified model. Christopher (2022) delineates how culture dimensions affect performance but stops short of explaining how these dimensions interact with formal strategic planning or cross-cultural competencies. Meanwhile, research on cross-cultural management demonstrates clear benefits of cultural intelligence and training (e.g., Liu, 2024; Unachukwu, 2023); yet, these studies often treat culture as static and focus primarily on operational outcomes rather than linking with strategic orientation.

This fragmentation yields multiple gaps. First, the dynamic interplay between organizational culture and strategic business management remains underexplored

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particularly how culture either enables or constrains strategy execution. Cross-cultural management literature typically emphasizes immediate collaboration outcomes, neglecting how such practices integrate into broader strategic systems or align with organizational culture (Raziq et al., 2024). Few empirical studies explicitly model the mediating or moderating role of cross-cultural management in the culture strategy–performance nexus. This gap impedes holistic understanding. Accordingly, there is a clear need for research that concurrently examines how strategic business management and organizational culture interact, how cross-cultural management practices interface with both, and how all contribute to organizational performance. Addressing this gap is critically important across academic, practical, and policy domains (Cai et al., 2023). Academically, integrating these strands advances theory by revealing how strategic alignment, culture, and intercultural competency coalesce to drive performance moving beyond siloed models to more systemic, contextually relevant frameworks. Practically, managers in globally operating firms or multicultural markets often struggle to align strategy with diverse cultural norms and leadership styles; insights into this integrated dynamic can help them shape culture-sensitive strategic plans and training programs, thereby improving cohesion, innovation, and productivity (Watanabe et al., 2024). Indeed, evidence shows cultural intelligence training improves performance, and cultural consistency enhances adaptability and innovation (Quadri et al., 2024). Policymakers and institutional bodies promoting national competitiveness or cross-border cooperation also benefit understanding this linkage can inform policy instruments that support culture-savvy leadership development and strategic capability building (Anjum et al., 2025).

This study fills a critical void by developing and empirically testing a model that integrates strategic business management, organizational culture, and cross-cultural management, and their combined effects on organizational performance. Its unique contribution lies in mapping how culture and cross-cultural practices mediate or moderate strategic execution, moving beyond fragmented insights. The approach adds depth by blending strategic theory with intercultural competency, offering a nuanced lens on performance outcomes. Grounded in Cultural Intelligence (CQ) theory, this research bridges strategic management and cultural dynamics (Turi et al., 2022). CQ theory, with its cognitive, motivational, and behavioral dimensions, provides a lens to understand how individuals and leaders adapt culturally within strategic contexts. By applying CQ as the theoretical nexus, the study elucidates how cultural insights enable strategic management and cultural alignment to translate into enhanced performance. This conceptual foundation bolsters both theoretical integration and practical relevance suggesting pathways to strengthen policy design, leadership development, and strategic culture alignment.

### **Theoretical Foundation**

Cultural Intelligence (CQ) theory originated from the work of Earley and Ang

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(2003) as a conceptual advance in understanding why and how individuals effectively adapt across culturally diverse contexts extending beyond conventional notions of general intelligence (Earley & Ang, 2003; Ang et al., 2020). Based on the concept of multi-loci intelligence inferred by Sternberg and Detterman (1986), CQ was conceived as a combination of metacognitive, cognitive, motivational and behavioral skills that can help people read, interpret, and act accordingly in multicultural contexts (Ang et al., 2020). CQ theory has been developed in a further dynamic direction, such as going beyond the idea of person-level aptitudes but reflecting on the complex multi-level dimensions (Ng et al., 2022), like organizational CQ as a systemic level ability going beyond what the sum of individual aptitudes adds up (Ng et al., 2022). This theoretical extrapolation emphasizes the flexibility of CQ along the levels of analysis, including individuals, teams and organizations, without detracting in its fundamental orientation towards cultural adaptation and cultural effectiveness.

The fundamental postulations of the theory are based on combining four intertwined aspects: metacognitive CQ is a reflective cultural cognition in which planning, monitoring, and adjustment of mental models are planned during intercultural interactions; cognitive CQ includes norm, value, and cultural knowledge; motivational CQ reflects energy, attention, and commitment to cross-cultural interaction; and behavioral CQ is the ability to perform the correct verbal and nonverbal behavior in cross-cultural contexts (Ang et al., 2020; Ng et al., 2009). The theory of CQ has found wide application in contemporary research in the different subjects such as cross-cultural psychology and management, organization behavior. The validity of CQ has been reconfirmed once again in empirical research: its connections with interpersonal communication, the psychological capital, and organizational citizenship behavior have been proved in learning institutions (Alifuddin & Widodo, 2022). CQ has also emerged as a dynamic characteristic in practical terms of leadership, organizational performance, and firm-wise adaptability despite turbulent and diverse cultural realities (Livermore et al., 2022; Earley & Ang, 2003). The contemporary view of CQ has stressed on its changeable and evolving nature. CQ is deemed a state-like system, and as such it can be cultivated and strengthened by training, experience, and learning providing the organizations with a strategic tool in developing culturally responsive and flexibility on their leaders and members (Livermore & Van Dyne, 2015; Earley & Peterson, 2004; Ang et al., 2020). Theoretically, CQ serves as an integrative lens linking strategic orientation, organizational culture, and cross-cultural practices. By conceptualizing CQ as a capability that enables individuals and organizations to decode diverse cultural cues, align behaviors, and actively shape culturally complex contexts, CQ offers a robust framework that supports the logic of a model one that interconnects strategic business management, organizational culture, and cross-cultural management in influencing performance outcomes.

### **Hypothesis Development**

Strategic management has long been championed as a cornerstone of organizational success, shaping trajectories of growth and sustained performance. The current literature stresses that proactive coordination of the strategic option like cost leadership, differentiation, or focus with the dynamic external environment gives companies the ability to gain competitive advantage (Al-Ariqi & Alhakimi, 2025). This relationship is also stamped by empirical inquiries in that organizations that implement Porter generic strategies report more prudent financial statistics, which entail the rate of returns on assets and wider performance measures (The Impact of Strategic Choices on Firm Performance. Strategic behaviour, backed by dynamic capabilities, intensifies the organizational performance according to systematic reviews as they help firms sense and seize the opportunities (Drago et al., 2022). These results are consistent with the Cultural Intelligence (CQ) theory which is based on an assumption that in diverse cultural settings, strategy implementation involves cultural understanding and flexibility that makes strategy more than planning, but a culturally dependent attribute, implying that the strategy is culturally contingent (Li et al., 2021). The feasible combination of strategic management with CQ makes the theoretical approach imply a more subtle process by which strategy, when implemented as a result of culturally informed procedures, augments performance outcomes.

It is conceptually sound to continue by suggesting that efficient strategic business management does not exist in the abstract minds, but rather by acting as a strategically smart and culturally aware actor leads to measurable changes in organizational performance (Koranteng et al., 2022). In environments where a culture of complexity and fast change may be a defining characteristic, i.e. multinational organizations or highly dynamic markets, excellent strategic design is not enough part of delivering on the strategic intent into organizational performance is the practice of cultural competency of implementation. Accordingly, and drawing upon both the empirical evidence of strategic-performance linkages and the cultural capacitance central to CQ theory, the following hypothesis is proposed:

***H1: Implementation of strategic business management significantly enhances organizational performance.***

Strategic business management has garnered extensive attention in contemporary study as a critical determinant of organizational outcomes. Debates center on whether the mere articulation of strategy suffices, or whether enduring cultural alignment is essential to translate strategy into meaningful performance gains (Batra & Dhir, 2023). Recent empirical inquiries highlight this nuance. In the Saudi steel manufacturing sector, evidence suggests that while strategic management significantly influences operational performance, the presence of a strong organizational culture enhances this relationship, acting as an intervening mechanism that amplifies strategic

effects. Theoretically, Cultural Intelligence (CQ) theory implies that strategy effectiveness is contingent upon shared values, norms, and cultural alignment that enable both planners and implementers to interpret, embrace, and enact strategic directives within organizational settings. Organizational culture may serve as the connective tissue that enables strategic intent to be embedded, interpreted, and accepted across organizational layers, thereby facilitating performance realization.

Extending this reasoning, organizational culture characterized by dimensions such as mission clarity, adaptability, consistency, and involvement has been consistently linked to organizational performance in the literature (Christopher, 2022). It acts not merely as a background context, but as an active medium that shapes how strategic actions are internalized, coordinated, and sustained. The interaction between strategic planning and cultural context reflects a dynamic symbiosis: strategy provides direction, while culture ensures coherence, motivation, and alignment across the workforce. Framed through the lens of CQ theory, culture may embody the collective interpretive frameworks and behavioral norms through which culturally intelligent strategic initiatives gain traction. Accordingly, it is conceptually compelling to assert that organizational culture mediates the strategic business management–performance linkage, serving as the vehicle through which strategic efforts are culturally assimilated and performance-enhancing behaviors are cultivated.

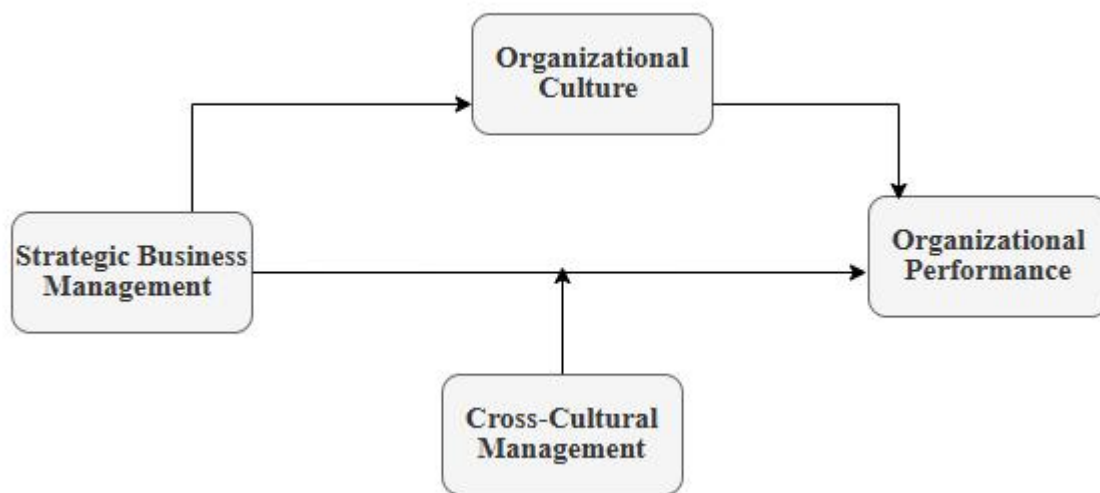
***H2: Organizational culture mediates the relationship between strategic business management and organizational performance.***

Strategic business management has long been recognized as a core driver of organizational performance, yet scholars increasingly debate whether its efficacy is context-contingent specifically, contingent upon the sociocultural or managerial environments in which it unfolds. Emerging empirical evidence highlights the importance of cross-cultural management (CCM) comprising practices such as culturally intelligent leadership, adaptive communication, and inclusive team dynamics in enhancing global collaboration and performance outcomes (Alvarez, 2022; Huang, 2023). This supports the view that strategic initiatives may yield divergent results depending on the quality of cross-cultural managerial infrastructure. Theoretically, Cultural Intelligence (CQ) and related cross-cultural frameworks suggest that organizations operating in multicultural contexts require not only well-crafted strategy but also managerial agility in navigating cultural differences. In such settings, CCM functions as a capability that can amplify or diminish the translation of strategic intent into tangible performance. Conceptually, this aligns with moderation logic: strategic management may lead to organizational success, yet the magnitude of that effect could vary significantly depending on how adeptly cultural diversity is managed.

Building on this integrative logic, cross-cultural management appears poised to act as a boundary condition, shaping the strength and possibly the direction of the

strategy–performance linkage. When strategic planning is complemented by culturally responsive leadership and inclusive practices, organizations are better positioned to align diverse units, harness collective intelligence, and sustain performance under culturally complex circumstances. Conversely, in the absence of robust CCM, even carefully designed strategic initiatives may falter due to miscommunication, resistance, or misaligned values. It is academically compelling to posit that cross-cultural management moderates the effectiveness of strategic business management: strategic efforts paired with strong cross-cultural practices translate into higher organizational performance compared to strategies implemented in culturally insensitive environments. Accordingly, the following hypothesis is proposed:

***H3: The positive relationship between strategic business management and organizational performance is stronger when cross-cultural management practices are more effectively implemented.***



**Figure 1: Research Model**

### **Methodology**

This study adopts a quantitative, cross-sectional research design, which is particularly suitable for examining the relationships among strategic business management, organizational culture, cross-cultural management, and organizational performance within a defined period of time. A cross-sectional approach enables the collection of data from a large population at a single point, thereby providing insights into the structural relationships between constructs without the extended time and resource commitments required by longitudinal studies (Creswell & Creswell, 2023). Quantitative methods are appropriate for this investigation as they allow for objective measurement, statistical testing, and validation of hypothesized relationships, ensuring empirical rigor and generalizability.

The target population for this study comprises top- and middle-level managers



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working in medium and large-scale organizations within the manufacturing sector of Pakistan. This population is relevant because managers are key decision-makers responsible for designing and implementing strategic business practices, fostering organizational culture, and managing cross-cultural interactions. Manufacturing organizations are particularly suitable as they often operate in dynamic and competitive environments, where strategic management and cultural practices significantly influence performance outcomes. Prior studies highlight that managerial perspectives from such organizations offer robust insights into organizational practices and their performance implications (Ahmad et al., 2022). A stratified random sampling technique employed to ensure adequate representation of different managerial levels and organizational sub-sectors within the manufacturing industry. Stratification minimizes sampling bias and enhances the precision of the findings by ensuring that respondents are drawn proportionally from relevant strata (Etikan & Bala, 2023). The sample size is determined using Item Response Theory (IRT), which is widely regarded as a robust method for establishing sample adequacy in behavioral and management research. Following established thresholds, a minimum of 10 respondents per item is considered adequate and therefore sample size was 280 and distributed 400 questionnaires to achieve minimum sample size. In response, we collected 321 responses and used in final data analysis. Data collected through a structured questionnaire distributed to the selected managers. The questionnaire items adapted from established scales to ensure validity and reliability. The analysis conducted using SPSS and SmartPLS. SPSS used to perform preliminary data analysis and SmartPLS utilized for structural equation modeling (SEM).

All constructs in this study measured using previously validated scales adapted from the extant literature. Strategic business management, organizational culture, cross-cultural management, and organizational performance operationalized using multi-item measures adopted from prior empirical research. Each construct assessed on a 7-point Likert scale, ranging from 1 = strongly disagree to 7 = strongly agree, which allows respondents to express varying degrees of agreement or disagreement and enhances measurement sensitivity. The adoption of established items ensures construct validity, while the Likert scale facilitates robust statistical analysis and comparability across studies.

### Data analysis:

**Table 1: Regression weights**

		CCM	OC	OP	SBM
<b>Cross-Cultural Management</b>	<b>CCM1</b>	0.821			
	<b>CCM2</b>	0.828			
	<b>CCM3</b>	0.819			
	<b>CCM4</b>	0.867			

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	CCM5	0.859			
	CCM6	0.789			
<b>Organizational Culture</b>	OC1		0.874		
	OC2		0.896		
	OC3		0.888		
	OC4		0.905		
	OC5		0.887		
	OC6		0.918		
	OC7		0.855		
	OC8		0.910		
<b>Organizational Performance</b>	OP1			0.867	
	OP2			0.909	
	OP3			0.869	
	OP4			0.911	
	OP5			0.846	
	OP6			0.860	
<b>Strategic Business Management</b>	SBM1				0.886
	SBM2				0.865
	SBM3				0.842
	SBM4				0.822
	SBM5				0.866
	SBM6				0.894
	SBM7				0.814
	SBM8				0.907

Factor loadings quantify the relationship between visible indicators and their latent constructs, and can be taken as a decisive gauge of how well a given indicator speaks to the theoretical dimension to which it is supposed to point. High factor loadings help with the assessment of construct validity and internal consistency as the items are solid indicators of a construct in structural equation modeling (Hair et al., 2022). Broadly, any loadings exceeding 0.40 would be acceptable when conducting an exploratory research and loadings greater than 0.70 would be acceptable in confirmatory research as the loadings indicate that more than 50% of the variance in the indicator can be attributed to the latent construct (Kline, 2023). Items displaying very low loadings can cause noise in the measurement model, and ought to be reconsidered unless there is strong theory-driven justification to retain them. The factor loadings in this study indicate

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robust measurement reliability across all constructs. Cross-cultural management (CCM) items loaded between 0.789 and 0.867, all exceeding the 0.70 threshold, signifying that these items consistently capture the essence of CCM. Organizational culture (OC) indicators ranged from 0.855 to 0.918, demonstrating exceptionally strong representation of the construct. Organizational performance (OP) items also performed well, with loadings between 0.846 and 0.911, reflecting high reliability. Strategic business management (SBM) indicators ranged from 0.814 to 0.907, further supporting their construct validity. Since all items exceeded the confirmatory benchmark of 0.70, they contribute significantly to their respective latent constructs, justifying their retention.

**Table 2: Reliability analysis**

	Cronbach's alpha	(rho_a)	(rho_c)	(AVE)
<b>Cross-Cultural Management</b>	0.910	0.912	0.930	0.690
<b>Organizational Culture</b>	0.964	1.000	0.969	0.795
<b>Organizational Performance</b>	0.940	0.942	0.953	0.770
<b>Strategic Business Management</b>	0.951	0.953	0.959	0.744

The reliability and validity statistics demonstrate strong measurement properties across all constructs. Cronbach's alpha values for all variables exceed 0.90, indicating excellent internal consistency (Hair et al., 2022). Composite reliability (pc) values also range from 0.930 to 0.969, surpassing the recommended 0.70 threshold, thereby confirming construct reliability (Kline, 2023). The Average Variance Extracted (AVE) values for all constructs lie between 0.690 and 0.795, well above the 0.50 benchmark, which confirms convergent validity and indicates that more than half of the variance in each indicator is explained by its respective construct. These results confirm robustness of the measurement model.

**Table 3: HTMT Ratio**

	CCM	OC	OP	SBM
<b>Cross-Cultural Management</b>				
<b>Organizational Culture</b>	0.043			
<b>Organizational Performance</b>	0.611	0.075		
<b>Strategic Business Management</b>	0.650	0.097	0.586	

The HTMT ratio results confirm discriminant validity among the study constructs. All values fall well below the conservative threshold of 0.85, indicating that the constructs are empirically distinct from one another (Henseler et al., 2015; Hair et al., 2022). The HTMT between cross-cultural management and organizational performance (0.611) and between strategic business management and organizational performance (0.586) suggests moderate correlations, yet not high enough to threaten discriminant validity. Low values between organizational culture and other constructs (0.043 and

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0.097) reinforce distinctiveness. These findings affirm that each construct measures a unique dimension within the model.

**Table 4: Model Fitness Indicators**

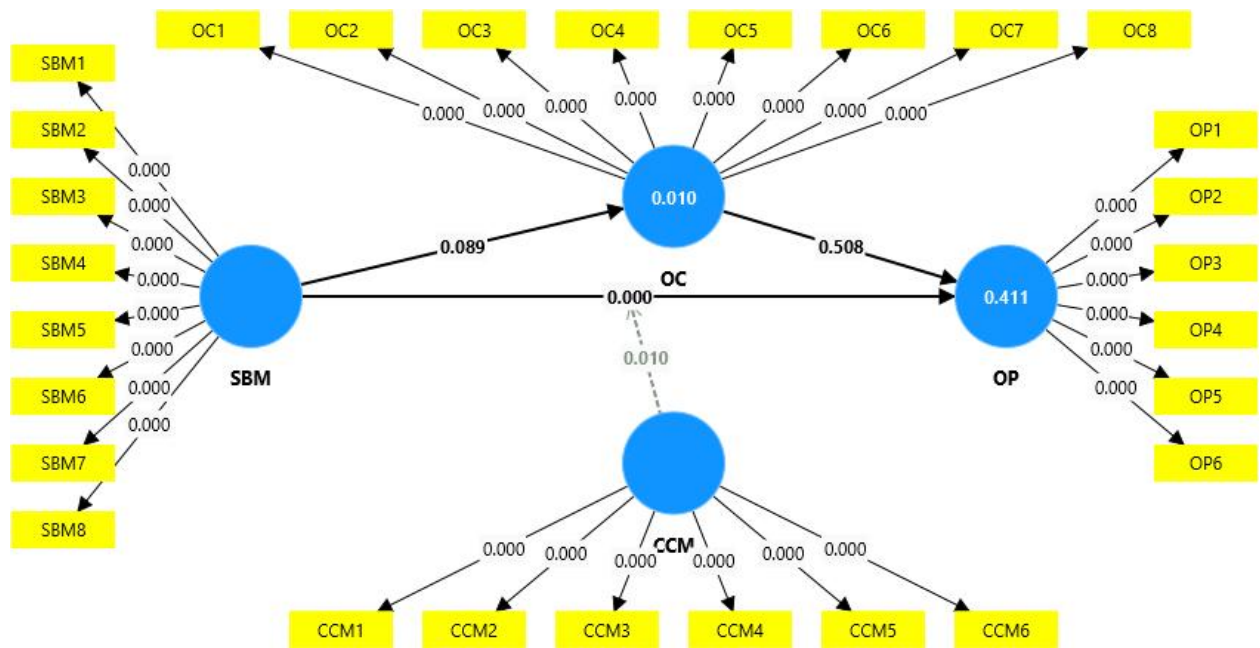
	Saturated model	Estimated model
<b>SRMR</b>	0.049	0.050
<b>d_ ULS</b>	0.964	1.001
<b>d_ G</b>	0.794	0.794
<b>Chi-square</b>	1411.649	1408.734
<b>NFI</b>	0.848	0.849

The model fit indices portray a sufficient fitness of the structural model. Both the saturated (0.049) and the estimated (0.050) models have Standardized Root Mean Square Residual (SRMR) values under the recommended range of 0.08, which means that both of them show a good fit (Hair et al., 2022). The discrepancy measures (d ULS and d G) indicate very small differences between the saturated and estimated models, consequently advancing to the adequacy. There is no significant difference in the chi-square values indicating model stability and the Normed Fit Index (NFI) values of 0.848 and 0.849 is almost at 0.90 indicating acceptable but potentially fixable fit in complicated models.

**Table 5: Coefficient of Determination**

	R-square	R-square adjusted
<b>Organizational Culture</b>	0.010	0.007
<b>Organizational Performance</b>	0.411	0.404

The R-square results indicate that strategic business management explains only 1% of the variance in organizational culture, suggesting a weak predictive relationship. However, 41.1% of the variance in organizational performance is explained by the model, reflecting a substantial explanatory power and highlighting the importance of strategic and cultural factors.



**Figure 2: Structural Equation Modelling**

**Table 6: Results**

Hypotheses	O	M	STDEV	T statistics	P values
Strategic Business Management -> Organizational Performance	0.355	0.354	0.059	6.058	0.000
Strategic Business Management -> Organizational Culture -> Organizational Performance	0.003	0.003	0.005	0.550	0.583
Cross-Cultural Management x Strategic Business Management -> Organizational Performance	0.115	0.115	0.044	2.590	0.010

The results of hypotheses testing provide clear insights into the relationships proposed in the study. The first hypothesis, which suggested that strategic business management positively influences organizational performance, is supported. The path coefficient ( $\beta = 0.355$ ), coupled with a highly significant p-value ( $p = 0.000$ ) and strong t-statistic ( $t = 6.058$ ), indicates a robust positive effect. This confirms that effective strategic practices significantly enhance organizational outcomes. The second hypothesis, proposing that organizational culture mediates the relationship between strategic business management and organizational performance, is not supported. The path coefficient ( $\beta = 0.003$ ) is negligible, with an insignificant p-value ( $p = 0.583$ ) and low t-statistic ( $t = 0.550$ ), suggesting that culture does not serve as a meaningful intermediary in this context. The third hypothesis, which proposed that cross-cultural management

moderates the relationship between strategic business management and organizational performance, is supported. The interaction term shows a significant positive effect ( $\beta = 0.115$ ,  $p = 0.010$ ,  $t = 2.590$ ), indicating that effective cross-cultural practices strengthen the impact of strategic management on performance.

**Discussion:**

The first hypothesis proposed that the implementation of strategic business management (SBM) significantly enhances organizational performance. As the hypothesis was empirically supported, a positive relationship between SBM and performance outcomes was confirmed as strong and substantial. This outcome demonstrates the theoretical discussion that effective and well-developed strategies that are well-implemented lead to the success of organizations as they allow firms to adapt, resource-align, and ensure competitive advantage (Al-Ariqi & Alhakimi, 2025; Drago et al., 2022). The evidence is consistent with the theory of Cultural Intelligence (CQ), which emphasizes that more sustainable efforts are contingent on strategies adapted to cultural situations and implemented via culturally smart approaches (Li et al., 2021). Past literature establishes confidence that organizations that embrace the aggressive strategic decisions (differentiating or focusing strategies) enjoy better financial and non-financial outcomes (Koranteng et al., 2022). This result is especially applicable in relation to the manufacturing industry in Pakistan where companies operating in a highly competitive environment and experiencing the impact of globalization have to greatly depend on their capacity to blend strategic intent and their operation execution. The strong support to this hypothesis helps to reassure the fact that effective strategic management when used with contextual awareness adds a significant value in enhancing organizational effectiveness.

The second hypothesis posited that organizational culture mediates the relationship between SBM and organizational performance. To the contrary, the outcomes failed to support this hypothesis because the organizational culture did not play a significant mediating role to the linkage. Contrary to the previous findings, this result does not focus on the role of culture as a process that determines the efficacy of strategy implementation (Christopher, 2022; Pedraza-Rodriguez, 2023). One of the possible explanations of such an outcome is the contextual features of the firms picked out as the sample. Facilitating/ mediating role of organization because organizational cultures in developing economies such as Pakistan may lag, be divided, get disinterested in the strategy formally or be adrift, which henceforth lower their ability to play as a mediator of function (Deogaonkar & Nanoty, 2023). Such a finding can also be attributed to methodological factors because cross-sectional data could not be fully representative of the long-term and changing impacts of cultural influences that tend to develop over time and require long timelines (Koksal et al., 2023). Other manufacturing sector organizations might rely more on top-down, directive style of strategy implementation,

whereby the influence of common cultural values in the determination of performance is constrained. Whereas the insignificance of this hypothesis might seem contradictory to theoretical anticipations, it offers important information regarding the complex interactions of organizational settings through which the strategic intent can be transmitted by avoiding the assimilation process to influence performance in a direct manner. This demonstrates the predisposition to future studies that seek to understand circumstances in which culture acts as a go-between or maybe consider differences by sectors, longitudinal effects or level of cultural maturity between organizations.

The third hypothesis proposed that cross-cultural management (CCM) moderates the relationship between SBM and organizational performance. These findings were in line with this hypothesis or suggestion that organizations that have effective cross-cultural practices saw increased positive effects of performance on relationships with the strategy. This result can be explained by the theoretical assumption of CQ, which demonstrates that strategic intent can be more successful in the course of being supported by cultural intelligence, adaptive communication, and inclusive leadership (Turi et al., 2022; Ng et al., 2022). Empirical research also endorses the same data with research findings that companies that pursue cultural diversity as well as training programs also promote collaboration, employee engagement, and the ability to innovate (Liu, 2024; Unachukwu, 2023). In a multicultural and competitive environment, the mediating function of CCM will be especially important since it will allow organizations to appeal to the strength of diverse workforces and, at the same time, reduce the risk of miscommunication, opposition, or cultural conflicts (Amster, 2022; Ishchuk, 2023). In the context of the manufacturing industry in Pakistan where the diversity of workforce is growing owing to international connections, the finding underscores the key role played by building cross-cultural competencies in managers. Handling the cultural diversity effectively, firms can enforce the implementation of their strategic initiatives and convert them to better organizational performance. This offers both the theoretical and practical support that CCM acts as a boundary condition, the positive effects of which on performance acts multiplicatively when cultural differences are handled wisely, and sensitively.

#### **Limitations and Future Directions**

This study is not without limitations, and acknowledging them is essential to contextualize the findings and provide pathways for future research. One limitation relates to the cross-sectional design, which captures relationships at a single point in time. While this design is effective for establishing correlations, it restricts the ability to infer causal directions among strategic business management, organizational culture, cross-cultural management, and organizational performance. Given that cultural dynamics and strategy implementation often evolve over extended periods, longitudinal studies would be valuable in uncovering the temporal effects of these constructs and providing

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stronger causal inferences (Creswell & Creswell, 2023). A limitation pertains to the sample and its contextual boundaries. Data were drawn exclusively from managers in the manufacturing sector of Pakistan, which, although relevant, constrains the generalizability of the findings to other industries or cultural settings. The manufacturing sector is characterized by hierarchical structures and efficiency-driven practices that may limit the role of culture as a mediating mechanism. Future research should expand to service sectors, high-tech industries, and multinational enterprises, where cultural adaptability and innovation may play a more central role in linking strategy to performance (Köksal et al., 2023). Cross-country comparative studies could illuminate how cultural and institutional environments influence the interplay of strategy, culture, and performance, offering broader insights into the external validity of the model.

The paper focused more on direct, mediating and moderating effects of the organizational culture and cross-cultural management but did not investigate other possible mediators and moderators. Transformational or ethical leadership could have an effect on the translation of strategy to performance, with external constraints like institutional pressures or turbulent market, being a potential determinant of such relationships (Batra & Dhir, 2023; Raziq et al., 2024). In the future studies, it may be interesting to take these contextual variables into account in order to gain a better understanding of the boundaries and contingencies that frame the strategy performance linkage. Moreover, the psychological safety, innovative behavior or cultural intelligence factors of a particular employee may be considered as fruitful mediators bridging terms like strategic intent to organizational outcomes in a more subtle way (Ng et al., 2022). The mediating influence of organizational culture is not significant that implies there is a necessity to examine cultural influence as a performance-enhancing tool in more detail under which it may have a mediating effect. Future studies might explore cultural maturity, subcultural diversification in organizations or, adherence of cultural values espoused by enacted values in the organization. Investigation of these dimensions is likely to assist in understanding whether the non-provision of mediation in this research is context-related or limited by methodology. Future research may attempt to examine other cultural contingencies, including moderation, whereby culture determines the intensity of strategy-performance relationships, distinctly not acting as a mediator.

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