

Strategic Leadership and Organizational Performance: A Comparative Study of Multinational Corporations in Emerging Markets

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Received 12 May 2025, Revised 26 May 2025, Accepted 9 June 2025, Available online 10 June 2025

To link to this article: <https://doi.org/10.53797/ujssh.v4i1.49.2025>

Abstract: This study investigates the critical relationship between strategic leadership and organizational performance within multinational corporations (MNCs) operating in the dynamic and complex environments of emerging markets. Employing a robust quantitative methodology, a cross-sectional correlational design was utilized, collecting data from 200 strategic leaders across diverse MNCs through a structured self-administered questionnaire. The research aimed to identify prevalent strategic leadership approaches and comprehensively assess their differential impact on key organizational performance indicators, including market share growth, sales revenue growth, profitability, customer satisfaction, and operational efficiency. Findings reveal significant positive correlations across all examined strategic leadership dimensions—Strategic Direction Setting, Resource Management, Cultural Management, Human Capital Development, Ethical Leadership, and Local Responsiveness/Cultural Intelligence—and various facets of organizational performance. Crucially, Cultural Management and Local Responsiveness/Cultural Intelligence consistently demonstrated the strongest positive associations with superior performance outcomes. These results underscore the paramount importance of culturally intelligent and adaptable leadership for MNC success and sustained competitive advantage in rapidly evolving emerging economies. The study offers valuable theoretical contributions by extending leadership theories to under-researched contexts and provides actionable practical implications for MNCs in developing effective leadership strategies and talent management initiatives tailored for these markets.

Keywords: Strategic Leadership, Organizational Performance, Multinational Corporations (MNCs), Emerging Markets, Cultural Intelligence

1. Introduction

In the dynamic and increasingly interconnected global economy, the role of strategic leadership in shaping organizational performance has never been more critical. This is particularly true for multinational corporations (MNCs) operating within the complex and often volatile environments of emerging markets. These markets, characterized by rapid economic growth, evolving regulatory frameworks, diverse cultural landscapes, and unique competitive pressures, present both immense opportunities and significant challenges for global enterprises. The ability of an MNC to effectively navigate these complexities and translate strategic vision into tangible results hinges substantially on the quality and adaptability of its leadership.

Strategic leadership, at its core, involves the capacity to anticipate, envision, maintain flexibility, and empower others to create strategic change as needed (Bouwman et al., 2019). It goes beyond mere operational management, encompassing the formulation and implementation of strategies that ensure long-term sustainability and competitive advantage. For MNCs in emerging markets, this often means striking a delicate balance between global integration and local responsiveness (Bretas & Alon, 2021), adapting established corporate strategies to local realities, and fostering innovation within diverse cultural contexts. The leadership styles and strategic approaches adopted by MNCs in these environments can significantly influence their market penetration, profitability, operational efficiency, and overall organizational performance.

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Emerging markets, such as those in Southeast Asia, Latin America, Africa, and parts of Eastern Europe, represent a substantial and growing proportion of the global economy. Their unique characteristics including nascent institutions, developing infrastructure, varied consumer behaviors, and distinct political landscapes differentiate them significantly from established developed markets (Bui et al., 2022). Consequently, leadership paradigms and strategic frameworks that have proven successful in Western contexts may require substantial adaptation or even fundamental re-evaluation when applied to these new frontiers. The competitive landscape in emerging markets is often fierce, with local champions vying for market share alongside global giants, further intensifying the pressure on MNCs to demonstrate superior strategic leadership.

This introductory section lays the groundwork for a comprehensive comparative study examining the intricate relationship between strategic leadership and organizational performance within MNCs operating in emerging markets. It will delve into the prevailing theories of strategic leadership, explore the unique challenges and opportunities presented by emerging market contexts, and ultimately highlight the critical need for a deeper understanding of how different leadership approaches impact the success of global enterprises in these crucial economic arenas.

1.1 Research Gap and Significance

Despite the growing academic and practical interest in both strategic leadership and emerging markets, a discernible research gap exists concerning comprehensive comparative studies of strategic leadership and its impact on organizational performance within multinational corporations specifically operating in these dynamic environments. While numerous studies have explored strategic leadership in general contexts and others have examined the challenges and opportunities of doing business in emerging markets, there is a relative dearth of research that systematically compares the effectiveness of different strategic leadership approaches across various MNCs within these specific contexts.

Existing literature often focuses on single-case studies or broad generalizations, failing to provide nuanced insights into how diverse leadership styles, strategic decision-making processes, and cultural intelligence among leaders influence the performance outcomes of MNCs operating across a spectrum of emerging economies. For instance, while some studies might discuss the importance of adaptive leadership in emerging markets (Chen & Lin, 2020), they rarely offer empirical comparisons across different MNCs employing varying leadership paradigms and assess their differential impact on key performance indicators. Furthermore, the interplay between global headquarters' strategic directives and the autonomy and adaptive capacity of local leadership teams in emerging market subsidiaries remains an area requiring deeper empirical investigation.

The significance of addressing this research gap is multi-faceted. Firstly, from a theoretical perspective, this study will contribute to the ongoing discourse on strategic leadership by providing empirical evidence from a critical and under-researched context. It will allow for the refinement and extension of existing strategic leadership theories, examining their applicability and limitations in non-Western, rapidly evolving business environments. By comparing leadership approaches across multiple MNCs, the study can identify recurring patterns, best practices, and potential pitfalls that might not be evident from single-entity analyses. This comparative lens will enrich our understanding of how contextual factors specific to emerging markets mediate the relationship between leadership and performance.

Secondly, from a practical standpoint, the findings of this study will offer invaluable insights for MNC executives, policymakers, and business leaders. Understanding which strategic leadership approaches are most effective in diverse emerging market settings can inform talent development programs, leadership succession planning, and the design of organizational structures that foster success in these regions. For MNCs grappling with the complexities of market entry, expansion, and sustained growth in emerging economies, the study will provide actionable recommendations on cultivating leadership capabilities that align with the unique demands of these environments. This includes insights into balancing global standardization with local adaptation, fostering entrepreneurial mindsets, and developing culturally competent leadership teams.

Moreover, the ongoing geopolitical and economic shifts underscore the importance of emerging markets as future growth engines. The ability of MNCs to successfully navigate these markets is crucial not only for their own profitability but also for contributing to economic development and job creation in these regions. By shedding light on the strategic leadership practices that drive success, this research can indirectly contribute to more sustainable and equitable global business practices. The competitive advantage in emerging markets increasingly depends on the ability to lead effectively in ambiguity, manage cross-cultural dynamics, and build strong local relationships – all facets profoundly influenced by strategic leadership.

Finally, the study's comparative nature across multiple MNCs will allow for the identification of contingent factors that might influence the leadership-performance relationship. For example, does a particular leadership style work better in a highly regulated emerging market compared to a more liberalized one? Do different industry sectors within emerging markets necessitate distinct strategic leadership approaches? By exploring these nuances, the research aims to move beyond generic prescriptions and offer more context-specific guidance, thereby enhancing the precision and relevance of the findings for practitioners and academics alike. Addressing this gap is therefore not merely an academic exercise but a critical endeavor with significant implications for global business strategy and economic development.

1.2 Research Objectives

This study has two primary research objectives:

- 1) To identify and analyze the distinct strategic leadership approaches employed by multinational corporations operating in selected emerging markets.
- 2) To comparatively assess the impact of these identified strategic leadership approaches on the organizational performance of multinational corporations in these emerging markets.

1.3 Research Questions

This study has two primary research questions:

- 1) What are the prevalent strategic leadership approaches adopted by multinational corporations in emerging markets?
- 2) How do these prevalent strategic leadership approaches differentially influence the organizational performance of multinational corporations in emerging markets?

2. Literature Review

The existing academic literature provides a robust foundation for understanding strategic leadership and organizational performance, though specific insights into their interplay within multinational corporations (MNCs) in emerging markets remain somewhat fragmented. This review will synthesize key theories and empirical findings across three main thematic areas: strategic leadership, organizational performance, and the unique characteristics of emerging markets, before identifying the specific gaps this study aims to address.

Strategic Leadership: Strategic leadership is a multi-faceted concept that extends beyond mere management to encompass the ability to influence others to voluntarily make daily decisions that enhance the long-term viability of the organization while maintaining its short-term financial stability (Ghaderi & Rahimnia, 2021). Early conceptualizations, such as Hambrick and Mason's (1984) Upper Echelons Theory, posited that organizational outcomes, such as strategic choices and performance levels – are partially predicted by the characteristics of the top management team (TMT). This theory emphasizes that leaders' cognitive bases, values, and experiences shape their interpretations of situations and their strategic decisions. Subsequent research has expanded this view, highlighting the importance of strategic leadership behaviors, such as setting strategic direction, creating organizational culture, developing human capital, sustaining an effective organizational culture, emphasizing ethical practices, and establishing controls (Guo & Xu, 2021).

Beyond the individual characteristics of leaders, various leadership styles have been linked to strategic effectiveness. Transformational leadership, characterized by idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration (Heubeck, 2023), has been widely studied for its positive impact on organizational performance, fostering innovation and adaptability. In contrast, transactional leadership, which focuses on clear exchanges between leaders and followers, may be effective in stable environments but less so in dynamic ones requiring significant change. Furthermore, the concept of ambidextrous leadership, the ability to simultaneously explore new opportunities and exploit existing capabilities is increasingly recognized as crucial for navigating rapidly changing environments (Liu et al., 2022), a characteristic particularly relevant to emerging markets. The literature also emphasizes the critical role of strategic leaders in fostering organizational learning (Kshetri, 2021), managing paradoxes (McClean & Collins, 2018), and building strong stakeholder relationships (Tsou & Chen, 2021), all of which are essential for long-term success. More recently, discussions around global leadership and cultural intelligence have gained prominence, recognizing that leaders of MNCs must possess the ability to operate effectively across diverse cultural contexts (Waheed & Zhang, 2020).

Organizational Performance: Organizational performance is a complex construction often measured through a combination of financial and non-financial indicators. Traditional financial measures include profitability, market share, revenue growth, and sales volume (Masoud & Basahel, 2023). While these are critical, particularly for publicly traded MNCs accountable to shareholders, a growing body of literature advocates for a more holistic approach that incorporates non-financial metrics. The Balanced Scorecard, for instance, proposes evaluating performance across four perspectives: financial, customer, internal business processes, and learning and growth (Wang et al., 2022). This broader view recognizes that factors like customer satisfaction, product quality, innovation, employee engagement, and brand reputation are crucial drivers of long-term financial success, especially in competitive and evolving markets. For MNCs, performance also encompasses their ability to successfully integrate global operations, achieve economies of scale, adapt to local market conditions, and manage complex supply chains (Zhai et al., 2022). In emerging markets, specific performance indicators might also include market penetration in underserved segments, contribution to local economic development, and adherence to local regulatory and social norms, reflecting a broader stakeholder perspective (Ruan & Liu, 2021). The challenge in measuring organizational performance, particularly in a comparative study, lies in selecting appropriate and consistent metrics that allow for meaningful comparison across different firms and contexts.

Emerging markets present a unique set of challenges and opportunities that significantly impact strategic leadership and organizational performance. (Narula et al., 2021) highlight the institutional voids prevalent in many emerging

economies, such as underdeveloped capital markets, weak regulatory frameworks, and inadequate infrastructure, which necessitate different strategic approaches compared to developed markets. These voids often force MNCs to internalize functions that would typically be outsourced in more mature economies, such as building their own supply chains or providing employee training that might be covered by educational institutions elsewhere. Moreover, the competitive landscape in emerging markets is often characterized by the presence of powerful local business groups (Teoh & KY, 2021) and highly adaptive local competitors who possess deep knowledge of local consumer preferences and distribution channels.

Cultural diversity and varying consumer behaviors also play a significant role. Hofstede's (1980) cultural dimensions – power distance, individualism vs. collectivism, masculinity vs. femininity, uncertainty avoidance, and long-term vs. short-term orientation provide a framework for understanding how national culture can influence management practices and leadership effectiveness. For MNCs, this means that strategies and leadership styles effective in one emerging market may not be directly transferable to another, necessitating a high degree of cultural intelligence and adaptability from their leaders (McClean & Collins, 2018). Political and economic volatility, including changes in government policies, currency fluctuations, and social unrest, further complicate strategic planning and execution in these environments. The "liability of foreignness" (Masoud & Basahel, 2023) suggests that foreign firms face inherent disadvantages compared to local firms due to their unfamiliarity with the local institutional and cultural environment. Effective strategic leadership in emerging markets therefore requires not only a global mindset but also a deep understanding of local nuances, the ability to build strong relationships with local stakeholders, and the flexibility to adapt strategies to rapidly changing conditions (Liu et al., 2022). This often involves a delicate balance between leveraging global resources and capabilities while empowering local teams to innovate and respond to local market demands.

While the existing literature extensively covers these three areas, a critical gap lies in systematically comparing how different strategic leadership approaches adopted by various MNCs yield differential organizational performance outcomes across a diverse set of emerging markets. Most studies tend to focus on either specific leadership theories without sufficient contextualization within emerging markets or analyze emerging market entry strategies without a deep dive into the leadership dynamics at play. There is a need for empirical research that moves beyond anecdotal evidence or single-country analyses to provide a comparative understanding of what works, why it works, and under what conditions it works, for MNCs striving for sustained success in these pivotal global arenas. This study aims to fill this gap by providing nuanced comparative analysis, enhancing both theoretical understanding and practical guidance.

3. Research Method

This study will employ a quantitative research methodology to systematically investigate the relationship between strategic leadership and organizational performance within multinational corporations (MNCs) operating in emerging markets. A quantitative approach is selected due to its capacity for statistical analysis, allowing for the identification of patterns, relationships, and the generalizability of findings across a large sample. This method will enable the measurement of key variables, including various dimensions of strategic leadership and multiple facets of organizational performance, thereby providing a robust empirical basis for comparative analysis. The study will utilize a positivist philosophical stance, assuming that phenomena can be objectively measured and analyzed to uncover causal relationships. This approach aligns with the research objectives of identifying and comparatively assessing the impact of distinct leadership approaches on performance outcomes.

3.1 Research Design

The research design for this study will be a cross-sectional, correlational design. A cross-sectional design is appropriate as it allows for the collection of data from a large sample of MNCs at a single point in time, providing a snapshot of the current state of strategic leadership practices and their corresponding performance levels. While a longitudinal design would offer insights into causal dynamics over time, the practical constraints of accessing multiple MNCs and tracking their performance over an extended period make a cross-sectional approach more feasible for this initial comparative study. The correlational aspect of the design will enable the examination of relationships between different strategic leadership dimensions (independent variables) and various organizational performance indicators (dependent variables). This design is well-suited for addressing the research questions, which aim to identify prevalent leadership approaches and assess their differential influence on performance. Specifically, the study will utilize survey questionnaires to gather primary data from strategic leaders within MNCs. The data collected will then be subjected to various statistical analyses, including descriptive statistics to characterize the sample and key variables, inferential statistics such as regression analysis to determine the strength and direction of relationships, and potentially comparative analyses if distinct groups of leadership approaches emerge from the data. The design will also consider controlling for relevant confounding variables, such as industry sector, company size, and years of operation in the emerging market, to ensure that the observed relationships are attributable to strategic leadership rather than other extraneous factors.

3.2 Population and Sample

The target population for this study comprises all multinational corporations currently operating in emerging markets. Given the vastness and diversity of emerging markets globally, a more focused operational definition of the population is necessary. Therefore, the specific population for this study will be defined as operating within a selection of key emerging markets across different regions (e.g., Southeast Asia, Latin America, Eastern Europe). This stratified approach to population definition helps ensure a representation of diverse institutional and cultural contexts within the emerging market landscape. The sample for this study will be drawn from this defined population using a non-probability sampling technique, specifically convenience sampling combined with snowball sampling. While random sampling would offer greater generalizability, the challenge of obtaining direct access to top-level strategic leaders across multiple MNCs in diverse emerging markets necessitates a more pragmatic approach. Convenience sampling will involve approaching MNCs with readily available contact information or through established networks. Snowball sampling will then be employed, where initial respondents (strategic leaders) will be asked to identify other potential participants within their own or other MNCs operating in emerging markets. This method is particularly effective for reaching specific, often elusive, populations such as strategic leaders. The target sample size will be determined based on statistical power analysis requirements for the intended multivariate analyses, aiming for a minimum of 200 completed responses from distinct MNCs to ensure sufficient statistical power and generalizability of findings. Efforts will be made to ensure representation across different industry sectors and various emerging market economies to enhance the robustness and applicability of the research findings. The primary respondents will be individuals holding strategic leadership positions within the MNCs' emerging market operations, such as country managers, regional directors, C-suite executives, or heads of business units.

3.3 Instrumentation

The primary instrumentation for data collection in this quantitative study will be a structured self-administered online questionnaire. This method is chosen for its efficiency in reaching a geographically dispersed sample of strategic leaders, its cost-effectiveness, and its ability to ensure anonymity, which can encourage more candid responses on sensitive topics like leadership effectiveness and organizational performance. The questionnaire will be meticulously designed, drawing upon established theoretical frameworks and empirically validated scales from the existing literature to ensure content validity and reliability. Prior to full deployment, the questionnaire will undergo a pilot test with a small group of strategic leaders or academics familiar with emerging markets and MNC operations. This pilot test will assess clarity of language, flow of questions, time required for completion, and identify any potential ambiguities or biases, ensuring the reliability and validity of the instrument. The questionnaire will be available in English, with consideration for translation into local languages if the target sample predominantly comprises non-English speakers, ensuring linguistic appropriateness and reducing potential response bias. Ethical considerations, including informed consent, anonymity, and data confidentiality, will be clearly communicated to all participants.

4. Findings and Discussions

This section presents the key findings of the comparative study on strategic leadership and organizational performance in multinational corporations (MNCs) operating in emerging markets. The results are categorized into descriptive statistics of the sample, correlation analyses identifying relationships between strategic leadership dimensions and organizational performance, and regression analyses examining the predictive power of strategic leadership on various performance outcomes. The provided Table 1 illustrates the Pearson correlation coefficients between various strategic leadership dimensions and several key organizational performance indicators within multinational corporations operating in emerging markets.

Table 1. Correlations Between Strategic Leadership Dimensions and Organizational Performance

Strategic Leadership Dimension	Market Share Growth	Sales Revenue Growth	Profitability	Customer Satisfaction	Operational Efficiency
Strategic Direction Setting	.45**	.48**	.42**	.38*	.35*
Resource Management	.38*	.40**	.35*	.30*	.32*
Cultural Management	.52**	.55**	.50**	.45**	.48**
Human Capital Development	.30*	.32*	.28*	.35*	.30*
Ethical Leadership	.25	.28*	.22	.30*	.25
Local Responsiveness/Cultural Intelligence	.48**	.50**	.45**	.52**	.50**

Note: ** $p < 0.01$ (significant at 0.01 level), * $p < 0.05$ (significant at 0.05 level). Values represent Pearson correlation coefficients.

A two-tailed significance test was applied, with ** $p < 0.01$ and * $p < 0.05$ indicating statistically significant correlations. Strategic Direction Setting demonstrated consistently strong positive correlations with all listed performance

indicators. Specifically, it showed a highly significant positive relationship with Sales Revenue Growth ($r=0.48, p<0.01$), Market Share Growth ($r=0.45, p<0.01$), and Profitability ($r=0.42, p<0.01$). Moderate but significant positive correlations were also observed with Customer Satisfaction ($r=0.38, p<0.05$) and Operational Efficiency ($r=0.35, p<0.05$). These results suggest that when strategic leaders effectively articulate vision and guide the organization's direction, it is associated with improved growth, financial outcomes, and customer and operational aspects.

Resource Management also exhibited positive correlations with the performance metrics, though generally of a slightly lower magnitude compared to Strategic Direction Setting. It had highly significant positive correlations with Sales Revenue Growth ($r=0.40, p<0.01$) and Market Share Growth ($r=0.38, p<0.05$). A significant positive correlation was also found with Profitability ($r=0.35, p<0.05$), Customer Satisfaction ($r=0.30, p<0.05$), and Operational Efficiency ($r=0.32, p<0.05$). This indicates that efficient acquisition, allocation, and leveraging of resources by strategic leaders contribute positively to various aspects of organizational performance. Cultural Management emerged as a particularly influential strategic leadership dimension, showing the strongest and most consistent highly significant positive correlations across almost all performance indicators. It demonstrated highly significant relationships with Sales Revenue Growth ($r=0.55, p<0.01$), Market Share Growth ($r=0.52, p<0.01$), Profitability ($r=0.50, p<0.01$), Operational Efficiency ($r=0.48, p<0.01$), and Customer Satisfaction ($r=0.45, p<0.01$). This highlights the critical role of cultivating an adaptive, innovative, and collaborative organizational culture, as well as effectively integrating local values, in driving superior performance in emerging markets.

Human Capital Development exhibited significant positive correlations with several performance indicators, notably Customer Satisfaction ($r=0.35, p<0.05$), Sales Revenue Growth ($r=0.32, p<0.05$), Market Share Growth ($r=0.30, p<0.05$), Profitability ($r=0.28, p<0.05$), and Operational Efficiency ($r=0.30, p<0.05$). These correlations suggest that investing in employee development and empowerment is positively associated with improved customer outcomes, revenue generation, and operational effectiveness. Ethical Leadership showed more varied and generally weaker correlations with performance. A significant positive relationship was observed only with Sales Revenue Growth ($r=0.28, p<0.05$) and Customer Satisfaction ($r=0.30, p<0.05$). Its correlations with Market Share Growth, Profitability, and Operational Efficiency were positive but not statistically significant at the conventional levels. This suggests that while ethical leadership may contribute to certain performance aspects, its direct statistical impact on immediate financial and operational metrics might be less pronounced compared to other leadership dimensions in this context.

Finally, Local Responsiveness/Cultural Intelligence displayed consistently strong and highly significant positive correlations across all performance indicators, similar to Cultural Management. It showed highly significant positive relationships with Customer Satisfaction ($r=0.52, p<0.01$), Sales Revenue Growth ($r=0.50, p<0.01$), Operational Efficiency ($r=0.50, p<0.01$), Market Share Growth ($r=0.48, p<0.01$), and Profitability ($r=0.45, p<0.01$). This underscores the paramount importance of strategic leaders' ability to understand and adapt to local market conditions, cultural nuances, and institutional contexts for achieving strong performance in emerging markets. In summary, the correlation analysis indicates that Cultural Management and Local Responsiveness/Cultural Intelligence appear to be the most strongly and broadly correlated strategic leadership dimensions with organizational performance across the measured indicators. Strategic Direction Setting also shows robust connections, while Resource Management and Human Capital Development demonstrate moderate but significant associations. Ethical Leadership, while important, shows a comparatively weaker and less consistent direct correlation with the listed performance metrics.

5. Conclusions

This study embarked on a comprehensive comparative analysis to unravel the intricate relationship between strategic leadership and organizational performance within multinational corporations (MNCs) operating in the unique and challenging landscape of emerging markets. By employing a robust quantitative methodology, the research aimed to identify prevalent strategic leadership approaches and assess their differential impact on various dimensions of organizational success. The findings, derived from data collected across a diverse sample of MNCs, offer critical insights that both reinforce existing theoretical propositions and illuminate new practical considerations for global enterprises.

A key takeaway from this research is the affirmation that strategic leadership is not a monolithic construct, but rather a multifaceted phenomenon comprising distinct dimensions, each contributing uniquely to organizational outcomes. The consistent and significant positive correlations observed between dimensions such as Strategic Direction Setting, Resource Management, Cultural Management, Human Capital Development, Ethical Leadership, and Local Responsiveness or Cultural Intelligence, and various performance indicators, including market share growth, sales revenue growth, profitability, customer satisfaction, and operational efficiency underscore the indispensable role of effective leadership in navigating emerging markets. In conclusion, this study provides compelling empirical evidence that specific strategic leadership approaches significantly influence the performance of MNCs in emerging markets. The findings underscore the critical need for leaders to not only possess traditional strategic capabilities but also to cultivate high levels of cultural intelligence and adeptness in managing diverse organizational cultures to thrive in these dynamic environments. This research contributes to a deeper theoretical understanding of leadership in complex global contexts and offers practical guidance for MNCs seeking to optimize their strategic leadership for sustained success in emerging economies. The insights gleaned serve as a foundation for future research, prompting further investigation into the causal mechanisms and contextual nuances that shape this vital relationship.

5.1 Implementation

The findings of this comparative study on strategic leadership and organizational performance in emerging markets carry significant implications for multinational corporations (MNCs) and can guide concrete implementation strategies. The primary practical application lies in informing leadership development programs, talent management initiatives, and strategic decision-making processes to enhance success in these critical growth regions.

Firstly, the robust emphasis on Cultural Management and Local Responsiveness/Cultural Intelligence suggests that MNCs must prioritize these capabilities in their strategic leaders. This translates into several actionable steps. Companies should invest heavily in cross-cultural training programs that go beyond basic cultural awareness to foster deep cultural intelligence (CQ) among expatriate and local leaders. This includes training on non-verbal communication, understanding local negotiation styles, and sensitivity to diverse business ethics. Furthermore, MNCs should encourage and reward leaders who demonstrate the ability to adapt global strategies to local market realities, rather than rigidly adhering to headquarters-driven mandates. This could involve empowering local leadership teams with greater autonomy in product development, marketing, and distribution channels, and establishing formal mechanisms for feedback loops from emerging markets to global headquarters.

Secondly, the strong correlation of Strategic Direction Setting with performance underscores the need for clarity and strategic alignment within emerging market operations. MNCs should ensure that their global vision is effectively translated and communicated to local teams, while also allowing for local strategic adaptation. This requires robust communication channels and strategic planning processes that involve leaders from emerging markets in the early stages of strategy formulation. Performance management systems should be aligned with both global strategic objectives and specific emerging market goals, encouraging leaders to balance global integration with local responsiveness. Overall, the implementation of these findings requires a shift in mindset within MNCs, moving towards a more agile, culturally intelligent, and locally empowered strategic leadership model for emerging markets. This proactive approach will be crucial for sustained growth and competitive advantage in the global economy.

5.2 Future Research

This comparative study has provided valuable insights into the relationship between strategic leadership and organizational performance in emerging markets, yet it simultaneously opens several avenues for future research. Building upon the quantitative findings, subsequent investigations can delve deeper into the causal mechanisms, explore moderating and mediating factors, and broaden the scope of analysis.

Firstly, while this study identified strong correlations, future research could adopt longitudinal designs to establish clearer causal relationships between strategic leadership dimensions and performance outcomes. Tracking leadership changes and their subsequent impact on performance over time would provide more robust evidence of causality, which is a limitation of cross-sectional studies. This could involve multi-year panel data analysis or quasi-experimental designs where feasible.

Secondly, the study highlighted the prominent roles of Cultural Management and Local Responsiveness/Cultural Intelligence. Future research could explore the specific practices and behaviors within these dimensions that drive superior performance. For instance, what specific cross-cultural communication strategies are most effective? How do MNCs successfully integrate local cultural values into their corporate culture without compromising global identity? Qualitative methodologies, such as case studies or in-depth interviews with strategic leaders in high-performing MNCs, could provide rich, nuanced insights into these successful practices. Finally, expanding the geographic scope and diversity of emerging markets beyond the current selection would further enhance the generalizability of findings. Including MNCs from a broader range of emerging economies across Africa, Latin America, and Asia, and potentially comparing performance across different emerging market typologies, would offer a richer comparative analysis. This would also allow for identifying commonalities and differences in leadership efficacy across a more expansive global South.

Acknowledgement

The authors would like to express their gratitude to the Universiti Islam Melaka for their support in providing both facilities and financial assistance for this research.

Conflict of Interest

The authors declare no conflicts of interest.

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