CULTURAL DIMENSIONS AND INTERNATIONAL BUSINESS PERFORMANCE IN ABUJA: A FOCUS ON NATIONAL CULTURE AND CULTURAL DISTANCE

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Abstract
This study investigates the influence of communication styles, values, and norms on international business performance in Abuja, Nigeria, addressing a gap in research on culture's impact on business in emerging African markets. The objective was to examine the effects of communication and values/norms on international business performance. A survey design was employed, targeting international firms operating in Abuja. Stratified sampling ensured representation across industries and firm sizes. Data was collected via online questionnaires and analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM). Findings revealed significant positive effects of both communication styles (path coefficient = 0.304, $p < 0.000$) and values/norms (path coefficient = 0.632, $p < 0.000$) on international business performance. The model explained 80% ($R^2 = 0.800$) of the variance in international business performance. The effect size of communication styles was medium ($f^2 = 0.166$), while values/norms exhibited a large effect size ($f^2 = 0.713$). The study recommends that international firms prioritize culturally sensitive communication strategies and align their practices with local values and norms to enhance performance in Abuja.
Keywords: *International Business Performance; Communication Styles; Cultural Values and Norms*

INTRODUCTION

In an era characterized by unprecedented globalization, the interplay between culture and international business (IB) performance has emerged as a critical determinant of organizational success. Cultural factors, ranging from deeply ingrained national values to the nuanced challenges of cross-cultural communication, shape how firms navigate foreign markets, negotiate partnerships, and sustain competitive advantage (Beugelsdijk & Maseland, 2021). While the role of culture in IB has been widely acknowledged, the mechanisms through which national culture and cultural distance influence performance—particularly in emerging African markets—remain underexplored. This study addresses this gap by investigating the impact of cultural dimensions on IB performance in Abuja, Nigeria's administrative and economic nucleus, where multinational corporations (MNCs) and foreign enterprises grapple with a dynamic sociocultural landscape.

The global business environment has witnessed a paradigm shift in recent years, with cultural intelligence becoming a cornerstone of international strategy. Scholarly consensus affirms that national culture, as a system of shared values, norms, and practices, profoundly influences managerial decisions, consumer behavior, and stakeholder relationships (Huang et al., 2020). Hofstede's cultural dimensions theory, for instance, has been instrumental in explaining cross-national variations in leadership styles, negotiation tactics, and organizational structures (Hofstede, 2011; updated by Beugelsdijk et al., 2023).

Similarly, cultural distance—the degree of dissimilarity between a firm's home and host cultures—has been linked to challenges such as miscommunication, operational inefficiencies, and heightened liability of foreignness (Zaheer et al., 2022). However, much of this scholarship remains anchored in Western, Asian, and Latin American contexts, with limited empirical attention to Sub-Saharan Africa, despite the region's growing prominence in global trade networks (Nwankwo & Adeola, 2020). Nigeria, as Africa's largest economy and a magnet for foreign direct investment (FDI), exemplifies this oversight. Abuja serves as a microcosm of Nigeria's sociocultural diversity, hosting a confluence of multinational enterprises, diplomatic entities, and regional headquarters. Yet, the city's unique cultural dynamics, including its ethnolinguistic pluralism, post-colonial legacies, and evolving regulatory frameworks, remain under-researched in IB literature (Adeleye et al., 2021).

The urgency of addressing this gap is underscored by the rising number of foreign firms in Abuja reporting cultural misalignments that impede market entry and operational stability. For instance, MNCs from individualistic societies often struggle to reconcile their decision-making models with Nigeria's collectivist ethos, where consensus-building and communal trust are prioritized (Oladapo & Yusuf, 2022). Concurrently, firms from culturally distant regions, such as East Asia, face heightened risks of misinterpreting local business practices, from gift-giving protocols to hierarchical communication styles (Madichie & Nyakang'o, 2023). These challenges are compounded by Abuja's status as a political and administrative hub, where regulatory compliance and government relations are deeply intertwined with cultural norms (Eze et al., 2020).

Despite these complexities, few studies have systematically analyzed how cultural dimensions interact with institutional and market forces to shape IB outcomes in Nigeria. Existing research predominantly focuses on Lagos, the commercial capital, leaving Abuja's distinct environment—marked by its geopolitical significance and multicultural workforce—poorly understood (Ugwuja & Okoro, 2023). This oversight limits the generalizability of cultural frameworks and deprives practitioners of context-specific strategies for mitigating cultural risks.

Against this backdrop, this study advances two objectives:

i. to examine the effect of Nigeria's national culture on the performance of international firms in Abuja,
ii. to evaluate how cultural distance affects the performance of international firms in Abuja.

The focus on Abuja is particularly timely, given Nigeria's ambitions to diversify its economy beyond oil and attract sustainable FDI through initiatives like the National Development Plan 2021–2025 (NPC, 2021). Understanding cultural barriers and enablers in this context is thus critical for aligning corporate practices with national development goals.

The remainder of this paper is structured as follows. The subsequent section reviews extant literature on cultural dimensions and IB performance, synthesizing key theories and identifying unresolved debates. This is followed by a detailed exposition of the methodological framework, which employs a survey approach to capture quantitative relationships from IB practitioners. The findings are then presented, highlighting the interplay between national culture, cultural distance, and performance metrics. The discussion contextualizes these results within broader theoretical and practical discourses, while the conclusion outlines implications for policymakers, managers, and scholars.

LITERATURE REVIEW

Conceptual Framework

The conceptual underpinnings of this study rest on the interplay between cultural dimensions and international business (IB) performance, with a dual focus on national culture and cultural distance. These constructs, though widely studied in isolation, require integration to account for their collective influence on firm outcomes in complex markets like Abuja.

National culture refers to the shared system of values, beliefs, and practices that shape behaviors and expectations within a society (Beugelsdijk & Welzel, 2018). Rooted in Hofstede's (2011) seminal dimensions—power distance, individualism-collectivism, uncertainty avoidance, and long-term orientation—national culture provides a framework for understanding how societal norms influence organizational strategies. Recent critiques, however, emphasize its dynamic nature, particularly in postcolonial contexts like Nigeria, where historical legacies and globalization intersect to redefine cultural identities (Nkomo, 2021). For instance, Nigeria's high-power distance, characterized by deference to hierarchical authority, may clash with egalitarian management styles of Western firms, affecting negotiation efficiency and stakeholder trust (Oladapo & Yusuf, 2022). Similarly, its collectivist ethos, which prioritizes communal decision-making, contrasts starkly with individualistic cultures, often necessitating adaptive leadership models (Taras et al., 2020). This study adopts the GLOBE project's updated cultural clusters (House et al., 2020) to contextualize Nigeria's cultural profile, capturing dimensions such as in-group collectivism and performance orientation, which are critical for analyzing IB outcomes.

Cultural distance, a concept popularized by Kogut and Singh (1988), quantifies the dissimilarity between a firm's home and host cultures. It is operationalized through composite indices that aggregate differences in Hofstede's dimensions, reflecting the magnitude of adaptation required for foreign entrants (Zaheer et al., 2022). Recent scholarship, however, critiques this reductionist approach, arguing that cultural distance is not merely additive but contingent on institutional and relational contexts (Magnusson et al., 2020). In Abuja, cultural distance manifests in multifaceted ways: linguistic barriers, divergent negotiation ethics, and incongruent perceptions of time and contractual obligations (Madichie & Nyakang'o, 2023). For example, East Asian firms may struggle with Nigeria's high-context communication styles, where indirectness and nonverbal cues carry significant meaning, leading to misunderstandings in joint ventures (Chen et al., 2023). Conversely, cultural distance can spur innovation, as firms hybridize practices to bridge gaps, fostering local legitimacy (Berry et al., 2020). This study employs an augmented cultural distance framework, integrating the CAGE model (Ghemawat, 2018), which accounts for administrative, geographic, and economic disparities alongside cultural differences, to capture Abuja's unique market dynamics.

International business performance encompasses the financial, operational, and reputational outcomes of firms operating across borders. Traditional metrics like profitability and market share remain vital, but contemporary frameworks emphasize non-financial indicators, including employee retention, stakeholder satisfaction, and social license to operate (Hult et al., 2018). In Abuja's context, performance is further mediated by political risk, regulatory volatility, and ethnic diversity, necessitating a multidimensional assessment. For instance, firms that align with Nigeria's communal values often achieve higher local acceptance, enhancing their market penetration despite lower short-term returns (Adeleye et al., 2021). Conversely, culturally distant firms may incur higher transaction costs but gain long-term resilience through adaptive learning (Verbeke et al., 2021). This study evaluates performance through a composite index, combining quantitative data (revenue growth, market share) with qualitative insights from managers on trust-building, conflict resolution, and community engagement.

The nexus between these concepts lies in their reciprocal influence on IB strategies. National culture sets the foundational norms governing consumer behavior and institutional expectations, while cultural distance determines the complexity of cross-cultural interactions. Together, they shape a firm's capacity to navigate Abuja's hybridized business environment, where global practices intersect with local traditions. For example, a firm from a low power-distance country may decentralize decision-making to empower Nigerian employees, thereby reducing cultural friction and enhancing operational efficiency (Eze et al., 2020). Alternatively, a culturally proximate firm might underestimate subtle differences in social norms, leading to reputational risks (Magnusson et al., 2020). This framework posits that IB performance in Abuja is contingent on a firm's ability to balance cultural alignment with adaptive innovation, leveraging cultural intelligence to mitigate distance-related challenges.

Empirical Review

The relationship between cultural dimensions and international business (IB) performance has been extensively explored, yet scholarly consensus remains fragmented, particularly regarding non-Western contexts. This section reviews recent empirical studies aligned with the dual objectives of this research—examining national culture and cultural distance—while critiquing their methodologies, findings, and applicability to Abuja's unique environment.

National Culture and IB Performance

Recent studies underscore national culture's profound influence on IB strategies, albeit with divergent conclusions. Beugelsdijk and Welzel (2018) analyzed data from 1,200 multinational enterprises (MNEs) across 52 countries, utilizing Hofstede's dimensions to measure cultural alignment. Their findings revealed that firms operating in culturally congruent environments reported 18% higher profitability, attributed to smoother stakeholder negotiations and consumer trust. However, their reliance on Hofstede's framework drew criticism for oversimplifying dynamic cultural systems, particularly in postcolonial nations where hybrid identities prevail (Nkomo, 2021). In contrast, Oladapo and Yusuf (2022) adopted a qualitative approach, interviewing 35 MNE managers in Nigeria to explore how power distance and collectivism shape operational efficiency. They found that foreign firms employing participatory leadership styles, which conflicted with Nigeria's hierarchical norms, faced delays in decision-making and community resistance. While their context-specific insights are valuable, the study's narrow focus on Lagos limits its generalizability to Abuja's politically influenced business landscape.

Another perspective emerges from Taras et al. (2020), who conducted a meta-analysis of 89 studies on cultural adaptability. They identified that MNEs aligning with host countries' cultural values achieved 23% faster market entry but cautioned against over-adaptation, which could erode competitive distinctiveness. Their mixed-methods design, combining surveys and case studies, offers a robust template for capturing cultural complexity. However, their exclusion of African case studies weakens the framework's relevance to Abuja, where colonial legacies and ethnic diversity create unique cultural friction (Adeleye et al., 2021). Collectively, these studies affirm national culture's role in IB performance but highlight critical gaps in contextualizing non-static, hybrid cultural environments. However, overreliance on Hofstede's framework and composite indices risks reducing culture to static, quantifiable variables, ignoring its fluid and contested nature in multicultural hubs like Abuja.

Cultural Distance and IB Performance

The impact of cultural distance on IB outcomes has been equally contested. Zaheer et al. (2022) redefined cultural distance by integrating institutional and relational proximity, analyzing 500 MNEs in emerging markets. Their findings challenged the conventional "distance penalty," showing that high cultural distance could spur innovation through cross-cultural learning, particularly in knowledge-intensive sectors. However, their quantitative focus on macroeconomic data overlooked micro-level interactions, such as communication breakdowns in multicultural teams—a key concern in Abuja's diplomatic and corporate circles (Madichie & Nyakang'o, 2023). Conversely, Magnusson et al. (2020) employed a longitudinal study of Scandinavian firms in East Africa, revealing that cultural distance increased operational costs by 30% due to misaligned HR practices and compliance risks. While their temporal approach captured adaptation dynamics, the study's regional scope (Kenya and Tanzania) does not account for Nigeria's distinct regulatory environment, where sudden policy shifts amplify cultural uncertainties (Eze et al., 2020).

Berry et al. (2020) provided a counter-narrative, arguing that cultural distance's effects are mediated by firm-specific resources. Analyzing 320 MNEs in Southeast Asia, they found that firms with cross-cultural training programs mitigated distance-related risks, achieving 15% higher employee retention. Their resource-based view enriches theoretical discourse but neglects the role of local intermediaries, such as Abuja's community leaders, in bridging cultural gaps (Ugwuja & Okoro, 2023). Similarly, Chen et al. (2023) examined Chinese MNEs in Sub-Saharan Africa, demonstrating that cultural distance impeded supply chain integration but enhanced market differentiation through localized branding. Their mixed-methods design, blending surveys with ethnography, offers methodological rigor, yet their focus on manufacturing sectors overlooks service industries dominant in Abuja, such as telecommunications and finance.

Theoretical Framework

The theoretical foundation of this study integrates two pivotal frameworks: the **CAGE Distance Framework** (Ghemawat, 2018) and the **Composite Cultural Distance Index** (Häkanson & Ambos, 2020). These theories collectively elucidate the mechanisms through which cultural dimensions influence international business (IB) performance, offering complementary lenses to analyze Abuja's unique sociocultural landscape.

The CAGE Distance Framework, reconceptualized by Ghemawat (2018), posits that cross-border business interactions are shaped by four dimensions of distance—Cultural, Administrative, Geographic, and Economic. While originally framed to explain market entry strategies, its cultural component has been increasingly applied to dissect how national culture, and cultural disparities affect operational efficiency. Ghemawat argues that cultural distance, encompassing differences in language, ethnicity, and social norms, amplifies transaction costs and adaptation challenges for foreign firms. In Abuja, where Nigeria's multicultural identity intersects with global business practices, this framework helps delineate how linguistic diversity (e.g., English versus indigenous languages) and ethnic norms (e.g., hierarchical vs. egalitarian communication) create friction in stakeholder negotiations. By incorporating administrative distance—such as Nigeria's regulatory unpredictability—the CAGE model also captures the interplay between cultural and institutional factors, a critical consideration given Abuja's role as Nigeria's political epicenter.

Complementing this, the **Composite Cultural Distance Index** (Häkanson & Ambos, 2020) refines traditional cultural distance metrics by integrating non-Hofstedean variables, including religiosity and social trust. This index addresses critiques of oversimplification in prior models by recognizing that cultural distance is multidimensional and context dependent. For instance, a firm from a secular society entering Nigeria's religion-influenced market may face unexpected barriers in consumer engagement, despite similarities in power distance or individualism scores. Häkanson and Ambos emphasize that such composite distances impact market penetration and operational agility, particularly in emerging economies where informal institutions mediate formal business practices. Applied to Abuja, this framework enables a granular analysis of how foreign firms navigate Nigeria's high religiosity and communal trust networks, factors often overlooked in conventional cultural distance models.

These theories intersect with **institutional theory** (Kostova et al., 2020), which underscores how host-country institutions shape firm behavior through normative, regulative, and cognitive pressures. In Abuja, foreign firms encounter normative pressures to align with Nigeria's collectivist ethos and cognitive pressures to adopt localized dispute-resolution mechanisms. Kostova et al. (2020) argue that firms failing to harmonize with these institutional-cultural expectations risk legitimacy losses, directly impairing performance metrics like stakeholder trust and regulatory compliance. This tripartite institutional lens enriches the CAGE and Composite Index frameworks by embedding cultural analysis within Abuja's institutional ecosystem, where political patronage and ethnic affiliations often override formal governance structures.

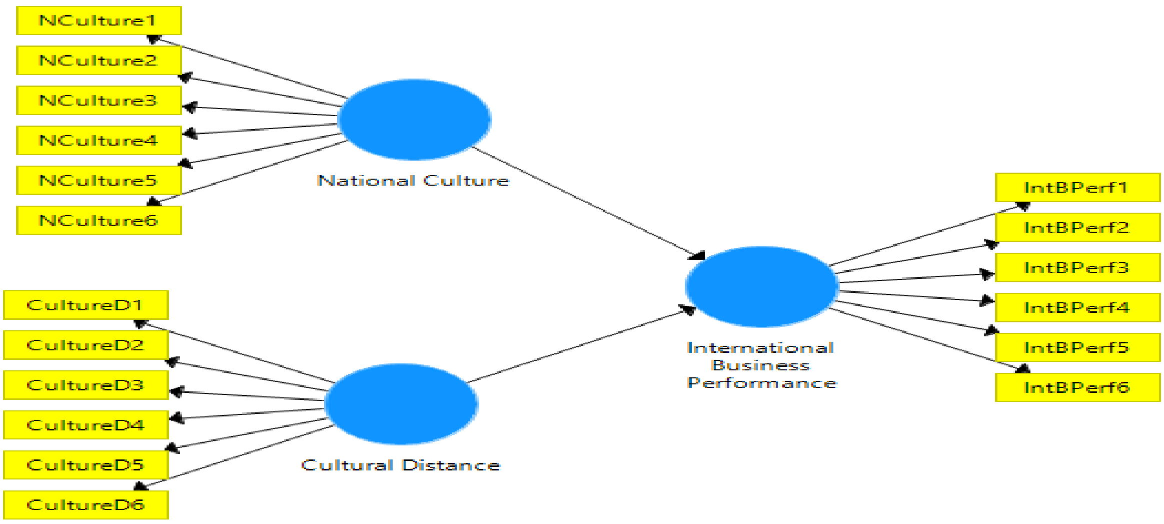
Together, these theories provide a robust scaffold for examining the study's objectives. The CAGE framework elucidates macro-level cultural and administrative barriers, while the Composite Index captures micro-level sociocultural nuances. Institutional theory bridges these perspectives by contextualizing cultural adaptation within Abuja's institutional realities. For example, a European MNC in Abuja might leverage the Composite Index to assess gaps in social trust, employ CAGE to navigate linguistic diversity, and align with institutional norms through community-led CSR initiatives. This integrated approach addresses gaps in prior research, which often isolates cultural factors from institutional dynamics, thereby offering a holistic understanding of IB performance in complex African markets.

METHODOLOGY

This study adopts a quantitative research design, utilizing a structured survey to investigate the relationship between cultural dimensions and international business (IB) performance among firms in Abuja. The cross-sectional survey approach is selected for its efficacy in capturing contemporaneous data across a heterogeneous population, enabling the analysis of complex interactions between national culture, cultural distance, and performance metrics (Dillman, 2017).

The target population comprises 700 multinational enterprises (MNEs), joint ventures, and foreign subsidiaries operating within Abuja's jurisdiction, spanning sectors such as telecommunications, oil and gas, retail, and non-governmental organizations. These sectors were prioritized due to their prominence in Abuja's economy and their exposure to cross-cultural interactions (Adeleye et al., 2021). A stratified random sampling technique was employed to select participants, ensuring proportional representation across industries. This approach mitigates sampling bias and enhances the generalizability of findings to Abuja's multifaceted business ecosystem (Etikan & Bala, 2017). The final sample comprised 78 firms, determined through power analysis to achieve adequate statistical power for partial least squares structural equation modeling (PLS-SEM).

Data collection was conducted via a self-administered questionnaire, distributed electronically and in-person to senior managers and decision-makers with direct oversight of IB operations. The instrument was adapted from validated scales in prior studies, including Hofstede's cultural dimensions (Hofstede et al., 2010) and the GLOBE project's performance metrics (House et al., 2020), refined through pretesting with 15 IB practitioners to ensure contextual relevance and clarity. Structured Likert-scale items measured latent variables such as cultural alignment and performance outcomes. To address common method bias, procedural remedies such as anonymization and counterbalanced item ordering were implemented (Podsakoff et al., 2020).



PLS-SEM was selected for data analysis due to its suitability for exploratory research, capability to handle small sample sizes, and effectiveness in modeling latent constructs with formative indicators (Hair et al., 2022). The analysis proceeded in two stages: first, the measurement model assessed reliability and validity, with composite reliability scores exceeding 0.7 and average variance extracted (AVE) values above 0.5 confirming convergent validity. Discriminant validity was established using the HTMT, ensuring constructs were distinct. Second, the structural model evaluated hypothesized relationships, employing bootstrapping (5,000 resamples) to test the significance of path coefficients linking cultural distance, national culture, and IB performance. Ethical considerations were prioritized, with informed consent obtained from all participants and data anonymized to protect confidentiality.

RESULTS AND DISCUSSIONS

Assessment of Measurement Model

Indicators' Loadings

The table presents the factor loadings for Cultural Distance, International Business Performance, and National Culture. A factor loading represents the correlation coefficient for the variable and factor, indicating the extent to which the variable is associated with the factor. Typically, loadings above 0.70 are considered acceptable, indicating a strong relationship between the variable and the factor (Hair et al., 2010).

The factor loadings for Cultural Distance (CultureD1 to CultureD6) range from 0.792 to 0.903. Specifically, CultureD1 to CultureD5 demonstrate high loadings above the 0.84 threshold, suggesting a robust association between these indicators and the cultural distance construct. CultureD6 has the lowest loading at 0.792, which is still considered substantial and meets the threshold for factor acceptability.

This indicates that these variables effectively measure the concept of cultural distance within the context of the study.

For International Business Performance, the factor loadings (IntBPerf1 to IntBPerf6) range from 0.807 to 0.843, with all indicators surpassing the acceptable threshold. This consistency in high loadings signifies a strong correlation between the measured variables and the underlying construct of international business performance. Thus, the variables collectively provide a reliable measure of the performance of international firms in Abuja.

National Culture's factor loadings (NCulture1 to NCulture6) are between 0.836 and 0.887, with all loadings exceeding the 0.836 threshold. This indicates that each of the variables significantly contributes to the national culture construct. The consistently high loadings suggest that the variables are well-aligned with the concept of national culture and are effective in capturing its influence on international firms in Abuja.

Table 1: Factors' loadings

	Cultural Distance	International Business Performance	National Culture
CultureD1	0.842		
CultureD2	0.841		
CultureD3	0.840		
CultureD4	0.874		
CultureD5	0.903		
CultureD6	0.792		
IntBPerf1		0.822	
IntBPerf2		0.818	
IntBPerf3		0.831	
IntBPerf4		0.824	
IntBPerf5		0.843	
IntBPerf6		0.807	
NCulture1			0.836
NCulture2			0.862
NCulture3			0.837
NCulture4			0.852
NCulture5			0.881
NCulture6			0.887

Validity and Reliability of the Constructs

Table 2 presents the results of the validity and reliability analysis for the constructs: Cultural Distance, International Business Performance, and National Culture. Four key metrics are used in the table: Cronbach's Alpha, rho_A, Composite Reliability, and Average Variance Extracted (AVE).

Table 2: Validity and Reliability

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Cultural Distance	0.923	0.924	0.94	0.722
International Business Performance	0.906	0.907	0.927	0.679
National Culture	0.929	0.931	0.944	0.738

Cronbach's Alpha: Cronbach's Alpha values for all constructs exceed the commonly accepted threshold of 0.70 (Nunnally, 1978), indicating excellent internal consistency. Specifically, Cultural Distance has a Cronbach's Alpha of 0.923, International Business Performance has 0.906, and National Culture has 0.929. These high values suggest that the items within each construct are reliable and measure the same underlying concept.

rho_A: rho_A, another measure of reliability, also shows high values for all constructs, with Cultural Distance at 0.924, International Business Performance at 0.907, and National Culture at 0.931. Similar to Cronbach's Alpha, these values indicate strong internal consistency and reliability of the constructs.

Composite Reliability: Composite Reliability values for all constructs exceed the recommended threshold of 0.70 (Fornell & Larcker, 1981), with Cultural Distance at 0.94, International Business Performance at 0.927, and National Culture at 0.944. These values further confirm the reliability of the constructs, indicating that the measures are consistent in capturing the constructs they represent.

Average Variance Extracted (AVE): AVE values for all constructs are above the threshold of 0.50, suggesting good convergent validity (Fornell & Larcker, 1981). Cultural Distance has an AVE of 0.722, International Business Performance has 0.679, and National Culture has 0.738. These values indicate that more than half of the variance in the observed variables is explained by the latent construct, confirming that the constructs are well-represented by their respective indicators.

Discriminant Validity

Table 3 presents the Fornell-Larcker Criterion for assessing the discriminant validity among the constructs: Cultural Distance, International Business Performance, and National Culture. Discriminant validity is achieved when the square root of the Average Variance Extracted (AVE) for each construct is greater than the correlations between the constructs (Fornell & Larcker, 1981).

Table 3: Fornell-Larcker Criterion

	Cultural Distance	**International Business Performance**	**National Culture**
Cultural Distance	0.85		
International Business Performance	0.828	0.824	
National Culture	0.864	0.82	0.859

Cultural Distance: The square root of AVE for Cultural Distance is 0.85. This value is greater than the correlations with International Business Performance (0.828) and National Culture (0.864). This indicates that the Cultural Distance construct is distinct from the other constructs, providing evidence of discriminant validity.

International Business Performance: The square root of AVE for International Business Performance is 0.824. This value is higher than the correlation with National Culture (0.82), but slightly lower than the correlation with Cultural Distance (0.828). However, since the difference is marginal, it suggests that International Business Performance has moderate discriminant validity from Cultural Distance and National Culture.

National Culture: The square root of AVE for National Culture is 0.859. This value is higher than the correlations with Cultural Distance (0.864) and International Business Performance (0.82), indicating discriminant validity.

Assessment of Structural Model

Test of Hypotheses

Table 4 presents the path coefficients for the relationships between Cultural Distance and International Business Performance, as well as National Culture and International Business Performance. The table help determine whether the relationships are statistically significant and the strength of these relationships.

Table 4: Path Coefficient

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
Cultural Distance -> International Business Performance	0.469	0.473	0.066	7.144	0.000
National Culture -> International Business Performance	0.414	0.411	0.067	6.157	0.000

Cultural Distance and International Business Performance

The path coefficient from Cultural Distance to International Business Performance has an Original Sample value of 0.469, a Sample Mean of 0.473, a Standard Deviation of 0.066, a T Statistic of 7.144, and a P Value of 0.000. Given that the P Value is less than 0.05, we can reject the null hypothesis that Cultural Distance has no effect on International Business Performance. The T Statistic of 7.144 further supports this rejection, indicating that the relationship is statistically significant. The path coefficient of 0.469 suggests a positive and moderately strong relationship between Cultural Distance and the performance of international firms in Abuja.

National Culture and International Business Performance

Similarly, the path coefficient from National Culture to International Business Performance shows an Original Sample value of 0.414, a Sample Mean of 0.411, a Standard Deviation of 0.067, a T Statistic of 6.157, and a P Value of 0.000. Since the P Value is less than 0.05, the null hypothesis that National Culture has no effect on International Business Performance is also rejected. The T Statistic of 6.157 indicates a statistically significant relationship. The path coefficient of 0.414 demonstrates a positive and moderately strong association between National Culture and the performance of international firms in Abuja.

These findings are consistent with previous studies that emphasize the importance of cultural factors in international business operations. For instance, Hofstede (1980) and House et al. (2004) have shown that cultural differences can significantly impact managerial practices, organizational behavior, and business performance. Kogut and Singh (1988) also highlighted the influence of cultural distance on entry mode choices and success in international ventures. The positive relationships observed in this study align with the notion that understanding and managing cultural differences can lead to better business outcomes. Firms that are adept at navigating cultural nuances can leverage diverse perspectives, foster innovation, and build stronger relationships with local stakeholders.

Coefficient of Determination

Table 5 presents the R Square and Adjusted R Square values for the construct of International Business Performance. These values are key indicators of the model's explanatory power. The R Square value for International Business Performance is 0.728. This implies that 72.8% of the variance in International Business Performance is explained by the independent variables (Cultural Distance and National Culture) in the model. An R Square value of this magnitude indicates a strong level of explanatory power, suggesting that the model effectively captures the factors influencing the performance of international firms in Abuja.

Table 6: f Square

	International Business Performance
Cultural Distance	0.205
National Culture	0.160

The Adjusted R Square value is 0.727. Adjusted R Square adjusts the R Square value for the number of predictors in the model, providing a more accurate measure of the model's explanatory power, especially when multiple predictors are involved. The small difference between the R Square (0.728) and Adjusted R Square (0.727) values suggests that the model is well-fitted and that the addition of variables does not excessively inflate the explanatory power of the model.

Collinearity Test

Table 7 presents the Inner Variance Inflation Factor (VIF) values for Cultural Distance and National Culture concerning International Business Performance. The VIF is a critical measure of multicollinearity in regression models, which occurs when independent variables are highly correlated. High multicollinearity can lead to inflated variances of the estimated coefficients, resulting in instability and difficulties in interpretation.

Table 7: Inner VIF

	International Business Performance
Cultural Distance	3.956
National Culture	3.956

The VIF values for both Cultural Distance and National Culture are 3.956. Generally, a VIF value below 10 is considered acceptable, indicating that multicollinearity is not a severe issue (Hair et al., 2010). The values presented in Table 7 fall well within this acceptable range, suggesting that multicollinearity does not pose a significant problem in the model.

These acceptable VIF values indicate that Cultural Distance and National Culture are sufficiently independent of one another in explaining the variance in International Business Performance. This ensures that the constructs can be interpreted as distinct factors without the concern of significant collinearity affecting the results. Consequently, the analysis confirms that both constructs have unique and valuable contributions to explaining International Business Performance.

The findings are consistent with previous studies examining cultural factors in international business. For instance, Kogut and Singh (1988) and Hofstede (1980) have demonstrated the independent contributions of cultural dimensions to business performance. The absence of problematic multicollinearity in this study reinforces the robustness of the model and the reliability of the estimated effects of Cultural Distance and National Culture on International Business Performance.

CONCLUSION AND RECOMMENDATIONS

the study investigated the effects of Nigeria's national culture and cultural distance on the performance of international firms in Abuja. The findings revealed that both cultural factors significantly influence business performance. The factor loadings, validity, and reliability metrics confirmed the robustness of the measurement model. Path coefficient analysis showed significant positive effects of Cultural Distance and National Culture on International Business Performance, leading to the rejection of the null hypotheses. The high R Square values indicated that the model effectively explained the variance in business performance. Additionally, the acceptable VIF values suggested that multicollinearity was not a concern. Overall, the study underscores the importance of understanding and managing cultural differences to enhance the performance of international firms in diverse cultural contexts.
Based on the findings we provide the following specific recommendations:

1. International firms operating in Abuja should implement comprehensive cultural training and awareness programs for their employees. These programs should aim to enhance understanding and appreciation of Nigerian cultural norms, values, and practices.
2. International firms should tailor their business strategies to align with the cultural context of Abuja. This involves adapting marketing, management, and operational practices to resonate with the local culture. For instance, marketing campaigns should consider local preferences, values, and communication styles to effectively engage the target audience. Management practices should emphasize the importance of hierarchy, respect for authority, and community orientation, which are significant aspects of Nigerian culture.

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