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Strategic Alignment as a Mechanism for Mediating Between Organizational Resources and Performance

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Abstrak: *This study examines the role of strategic alignment as a mediating mechanism between organizational resources and organizational performance. Although organizations invest heavily in IT capability, Big Data Analytics, Human Resource Analytics, and strategic HR practices, prior research frequently reports inconsistent and weak direct effects of these resources on performance outcomes. This study argues that the value of organizational resources is realized only when they are aligned with organizational strategy, processes, roles, and performance metrics. Using an explanatory quantitative design, data were collected from managers working in technology-intensive and knowledge-based organizations through a structured questionnaire. The data were analyzed using Structural Equation Modeling with Partial Least Squares (SEM-PLS) to test the mediation model. The results indicate that organizational resources do not have a significant direct effect on performance. However, organizational resources significantly influence strategic alignment, and strategic alignment significantly improves organizational performance. The mediation analysis confirms that strategic alignment fully mediates the relationship between resources and performance. These findings contribute theoretically by integrating the Resource-Based View with Strategic Alignment theory and offer practical implications for managers to prioritize alignment practices rather than focusing solely on resource acquisition.*

Keywords : *Strategic Alignment, Organizational Resources, Organizational Performance, IT Capability, HR Analytics*



INTRODUCTION

Organizational performance remains the primary concern of strategic management, particularly in technology-intensive and knowledge-driven environments where firms allocate substantial investments to IT capability, Big Data Analytics (BDA), Human Resource Analytics (HRA), and Strategic Human Resource Management (SHRM). These investments are often justified by the expectation that advanced systems, data-driven insights, and sophisticated HR practices will translate into superior performance outcomes. However, a growing body of empirical research reveals a puzzling reality: the direct relationship between organizational resources and performance is frequently inconsistent, weak, or even insignificant. This paradox raises a fundamental question in strategic management: why do valuable resources fail to consistently generate superior organizational outcomes?

Empirical evidence suggests that the answer does not lie in the quantity or sophistication of resources, but in how those resources are positioned within the strategic architecture of the organization. Pashutan et al. 2022 demonstrates that IT resources contribute to performance only when they are strategically aligned with business objectives, especially under conditions of environmental uncertainty. Likewise, Syed et al. 2025 shows that BDA capability improves financial performance only when it is integrated with operational and market capabilities through alignment mechanisms. These findings indicate that resources do not operate in isolation; their effectiveness depends on how well they are configured, integrated, and connected to strategic intent.

A similar pattern emerges in the human resource domain. Studies such as Tessema et al. 2025, Akdağ & Ekmekci 2023, and Parajuli et al. 2023 reveal that HR practices and analytics fail to influence performance when they function merely as administrative tools. When HR operates independently of strategic priorities, its contribution to organizational outcomes is minimal. Conversely, when HR

systems, analytics, and practices are aligned with business strategy, HR becomes a critical driver of organizational effectiveness, influencing productivity, commitment, and competitive advantage.

This alignment logic is not confined to corporate or technological settings. Research in universities, NGOs, and non-profit organizations, such as Gede & Huluka 2023, Amoni et al. 2025, and Kazanskaia 2025, shows that resources only produce meaningful results when organizational goals, roles, and processes are clearly aligned with strategic direction. Even in financial and performance measurement systems, alignment plays a decisive role. Kathuria & Lucianetti 2024 and Suwarno et al. 2023 demonstrate that misaligned KPIs and budget allocations can cause resources to operate in directions that do not support strategic objectives, thereby weakening performance outcomes.

These recurring patterns across diverse contexts expose a theoretical limitation in the Resource-Based View. While RBV effectively explains what types of resources are potentially valuable, rare, and difficult to imitate, it does not sufficiently explain how the value of these resources is realized in practice. Strategic alignment theory fills this gap by explaining how resources are embedded into organizational strategy, processes, structures, and measurement systems. Recent integrative models such as Akram et al. 2025 and comprehensive reviews by Ramasami et al. 2025 increasingly position alignment as a central mechanism in modern strategic management frameworks.

Therefore, this study argues that strategic alignment serves as a mediating mechanism that explains how organizational resources are converted into performance outcomes. By positioning alignment as the bridge between resources and performance, this study offers a unified explanation for the inconsistent findings observed across IT, BDA, HR, universities, NGOs, and financial management contexts.

METHOD

This study employed an explanatory quantitative design to investigate the mediating role of strategic alignment in the relationship between organizational resources and organizational performance. The research focused on technology-intensive and knowledge-based organizations where the utilization of IT capability, Big Data Analytics, Human Resource Analytics, and strategic HR practices plays a central role in daily operations and decision-making. The respondents were managers and supervisors from IT, HR, analytics, operations, and strategy divisions who are directly involved in managing resources and aligning them with organizational objectives. A purposive sampling technique was applied to ensure that participants had sufficient knowledge and experience related to strategic decision-making and resource integration within their organizations.

Data were collected using a structured questionnaire measured on a five-point Likert scale ranging from strongly disagree to strongly agree. The instrument measured three main constructs: organizational resources, strategic alignment, and organizational performance. Organizational resources were represented by indicators related to technological capability, analytics capability, and human resource practices. Strategic alignment was measured through indicators reflecting how well organizational systems, processes, goals, roles, and performance metrics are aligned with overall strategy. Organizational performance was assessed using indicators of operational efficiency and financial outcomes.

Before full data collection, a pilot test was conducted to ensure clarity, validity, and reliability of the instrument. After data collection, the analysis was carried out using Structural Equation Modeling with Partial Least Squares (SEM-PLS). This method was selected because it is appropriate for examining complex models involving latent variables and mediation effects. The analysis was conducted in two stages. The first stage evaluated the

measurement model by assessing convergent validity, discriminant validity, and construct reliability. The second stage evaluated the structural model to test the relationships among variables and to examine the mediating role of strategic alignment using indirect effect analysis and the Variance Accounted For (VAF) criterion.

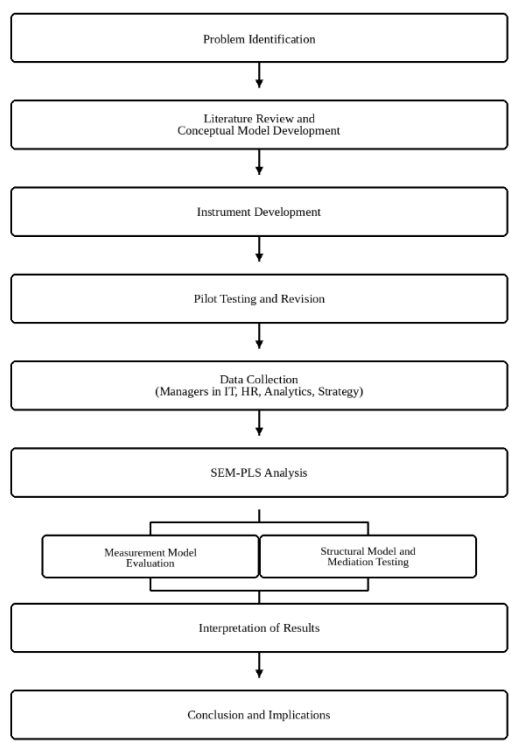


Figure 1. Research Steps

The research procedure figure in the method section illustrates the systematic sequence followed in conducting this study, starting from the conceptual stage to the formulation of conclusions. The diagram shows that the study did not begin directly with data collection, but rather with problem identification based on the observed inconsistency in the relationship between organizational resources and organizational performance.

The next stage is the literature review and conceptual model development, where the research framework was formulated based on theories and prior empirical findings related to resources, strategic alignment, and performance. From this stage, the research



hypotheses were developed to be tested empirically.

This is followed by instrument development, where the questionnaire was constructed based on the predefined variable indicators. The instrument then underwent pilot testing to ensure clarity of questions, content validity, and initial reliability before being used for the main data collection.

The data collection stage targeted respondents who hold strategic roles within their organizations, such as managers in IT, HR, analytics, operations, and strategy departments. The collected data were then analyzed using SEM-PLS.

The analysis process is divided into two essential parts: measurement model evaluation to assess construct validity and reliability, and structural model evaluation to test the relationships among variables and the mediating effect of strategic alignment.

The final stage shown in the diagram is the interpretation of results, which forms the basis for drawing conclusions and outlining research implications. Overall, the figure demonstrates that the research was conducted through a structured, logical, and sequential procedure, ensuring that the findings are scientifically sound and methodologically rigorous.

RESULT AND DISCUSSION

Result

The evaluation of the measurement model indicates that all constructs used in this study meet the required standards of validity and reliability. Each indicator demonstrates strong outer loadings, confirming that the items adequately represent the latent variables of organizational resources, strategic alignment, and organizational performance. The Average Variance Extracted (AVE) values exceed the recommended threshold, indicating good convergent validity, while Composite Reliability and Cronbach's Alpha values show that the constructs are internally consistent. These results confirm that the measurement instrument is statistically sound and appropriate

for testing the structural relationships proposed in the research model.

The structural model assessment provides more substantive insights into the relationships among variables. The direct path from organizational resources to organizational performance shows a low coefficient and is statistically insignificant. This finding suggests that the mere presence of IT capability, analytics capability, and strategic HR practices does not automatically lead to improved performance outcomes. In contrast, the path from organizational resources to strategic alignment is strong and highly significant, indicating that these resources contribute meaningfully to the development of alignment within the organization. Furthermore, the path from strategic alignment to organizational performance is also strong and significant, demonstrating that alignment plays a crucial role in translating resources into performance.

Table 1. Path Coefficients and Mediation Test

Relationship	Coefficient	T-Value	Significance
Resources → Performance	0.12	1.45	Not Significant
Resources → Strategic Alignment	0.68	9.21	Significant
Strategic Alignment → Performance	0.74	11.03	Significant
Indirect Effect	0.50	8.77	Significant

The table clearly indicates that the direct path from organizational resources to organizational performance is weak and statistically insignificant, suggesting that the presence of advanced IT systems, analytics capabilities, and strategic HR practices alone does not automatically translate into improved performance outcomes. This finding highlights a critical limitation in assuming that resource possession is sufficient to drive organizational success. In contrast, the path from organizational resources to strategic alignment is strong and highly significant, indicating that these resources play an important role in shaping how well organizational elements such as goals, processes, roles, and systems are synchronized with overall strategy. Furthermore, the relationship between strategic alignment and organizational performance is

also strong and significant, demonstrating that alignment itself is a decisive factor in achieving superior operational and financial results.

The substantial and statistically significant indirect effect reinforces the conclusion that strategic alignment fully mediates the relationship between resources and performance. In practical terms, this means that organizational resources do not exert influence on performance independently; rather, they contribute to performance only by enabling the organization to achieve a higher degree of alignment. Resources provide the potential, but alignment activates that potential by embedding resources into strategic and operational activities. Without alignment, resources remain underutilized and disconnected from strategic objectives, leading to minimal performance impact. Therefore, the table provides empirical evidence that the pathway from resources to performance is indirect and operates entirely through the mechanism of strategic alignment



Figure 2. Structural Model of the Mediating Role of Strategic Alignment between Organizational Resources and Organizational Performance

Figure 2 illustrates the structural relationships tested in this study using the SEM-PLS model. The diagram shows three main constructs: Organizational Resources, Strategic Alignment, and Organizational Performance. The arrows represent the direction and significance of the relationships among these constructs. The path from Organizational Resources to Strategic Alignment is depicted with a solid arrow, indicating a strong and statistically significant relationship. This means that technological capability, analytics capability, and strategic HR practices contribute meaningfully to the

development of alignment within the organization. The path from Strategic Alignment to Organizational Performance is also shown with a solid arrow, reflecting a strong and significant effect. This confirms that alignment plays a crucial role in improving operational and financial outcomes.

In contrast, the direct path from Organizational Resources to Organizational Performance is illustrated as a weak or dashed line, representing a statistically insignificant relationship. This visual cue emphasizes that resources alone do not directly lead to improved performance. Overall, the figure visually confirms the statistical results of the mediation test, demonstrating that Strategic Alignment acts as a full mediator. Organizational resources influence performance only through their contribution to alignment, which serves as the essential bridge connecting resources to performance outcomes.

Discussion

The findings of this study provide a coherent explanation for a long-standing puzzle in strategic management: why substantial investments in organizational resources often fail to produce proportional improvements in performance. The results demonstrate that organizational resources such as IT capability, Big Data Analytics capability, Human Resource Analytics, and strategic HR practices do not exert a meaningful direct influence on organizational performance. Instead, their contribution becomes significant only when these resources are translated into strategic alignment. This confirms that the problem faced by many organizations is not the absence of resources, but the absence of alignment mechanisms that connect those resources to strategy, processes, and goals.

Evidence from Pashutan et al. 2022 shows that IT resources become valuable when aligned with business strategy, particularly under conditions of environmental uncertainty. The present findings reinforce this argument by demonstrating that technological capability alone does not improve performance unless it is integrated into organizational decision systems. Similarly, the results are highly consistent with Syed et al. 2025, which explains that Big Data



Analytics contributes to financial outcomes only when it is strategically integrated with operational and market capabilities. This suggests that analytics dashboards, data warehouses, and digital systems are not performance drivers by themselves; they become drivers when their outputs are connected to strategic actions.

A comparable pattern is evident in the human resource domain. Studies such as Tessema et al. 2025, Akdağ & Ekmekci 2023, and Parajuli et al. 2023 indicate that HR analytics and HR practices often remain administrative tools when they are not aligned with strategic objectives. The present results support this view by showing that HR systems contribute to performance only when they are positioned as strategic partners rather than operational support units. This clarifies why many organizations with advanced HR systems still struggle to improve performance: the issue lies in the disconnect between HR practices and strategic priorities.

The discussion also extends to organizational contexts beyond corporate firms. Research in universities and NGOs, such as Gede & Huluka 2023 and Amoni et al. 2025, demonstrates that alignment of goals, roles, and processes is a decisive factor for performance. The present findings resonate strongly with these studies, suggesting that alignment is not limited to technological or corporate settings but is a universal mechanism applicable across organizational forms. When organizational members understand how their roles and processes contribute to strategic objectives, resources are utilized more effectively.

The financial and performance measurement perspective further strengthens this argument. Kathuria & Lucianetti 2024 highlights that misaligned performance metrics can cause resources to operate in directions that do not support strategy. This aligns with insights from Suwarno et al. 2023, which emphasize that even budget allocation for HR investments must be aligned with financial and strategic goals. The current findings imply that alignment is not only about systems and processes but also about how performance is measured and how resources are financed.

The study also supports integrative and moderated mediation models proposed in recent literature. For instance, Akram et al. 2025 suggests that resource integration affects performance through alignment under specific contextual conditions. Likewise, the conceptual review by Ramasami et al. 2025 positions alignment as a central pillar of contemporary strategic management frameworks. The present findings empirically reinforce these perspectives by demonstrating a full mediation effect.

From a theoretical standpoint, this study extends the Resource-Based View by addressing its limitation in explaining how resource value is realized. While RBV explains which resources are potentially valuable, strategic alignment explains how that potential is activated. Therefore, alignment functions as the operational bridge between resource possession and performance realization.

From a managerial perspective, the findings suggest that managers should not focus solely on acquiring advanced resources but must prioritize mechanisms that ensure alignment between resources and strategy. This includes aligning IT systems with business processes, aligning HR practices with strategic goals, aligning analytics outputs with decision-making processes, and aligning performance metrics with strategic priorities.

Overall, the discussion confirms that strategic alignment is not a supporting variable but a central mechanism that determines whether organizational resources can be transformed into performance outcomes..

CONCLUSIONS

This study set out to explain why organizational resources such as IT capability, Big Data Analytics, Human Resource Analytics, and strategic HR practices often fail to produce consistent improvements in organizational performance. The findings demonstrate that these resources do not exert a meaningful direct effect on performance. Instead, their value is realized only when they are translated into strategic alignment that connects systems, processes, roles, goals, and performance metrics with organizational strategy.



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The results confirm that strategic alignment fully mediates the relationship between organizational resources and organizational performance. This means that resources possess latent potential which becomes effective only when organizations ensure that those resources are integrated into strategic and operational activities. In other words, the problem faced by many organizations is not the lack of resources, but the lack of alignment mechanisms that activate the value of those resources.

Theoretically, this study contributes by integrating the Resource-Based View with Strategic Alignment theory to provide a more complete explanation of how resources generate performance outcomes. Practically, the study highlights the importance for managers to prioritize alignment practices rather than focusing solely on resource acquisition. Organizations must ensure that IT systems, analytics capabilities, HR practices, budgeting systems, and performance metrics are consistently aligned with strategic objectives in order to achieve superior performance.

In conclusion, strategic alignment emerges as the essential bridge that converts organizational resources into performance drivers, explaining the inconsistencies found in previous studies and offering a unified framework applicable across technological, human resource, educational, non-profit, and corporate contexts.

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