

## **Public policy and organizational resilience: leadership, innovation, and sustainability in the post-pandemic era**

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### **Abstract**

*Amidst the global COVID-19 pandemic, the world faces unparalleled challenges and transformations across sectors. This research delves into organizational readiness for change, innovation capability, and sustainable performance in the post-pandemic era. Through a systematic literature review, we propose a conceptual model exploring the interconnections among organization size, asset intangibility, leadership styles (with emphasis on authentic and servant leadership), financial performance, individual openness to change, public policy implementation, innovation capability, and sustainable performance. Leadership emerges as pivotal in fostering adaptability, with authentic and servant styles being particularly significant. Intangible assets, like intellectual property and innovation, drive financial performance and sustainability. Effective public policies impact risk management, market liquidity, and overall organizational performance. Individual openness to change influences policy and innovation success. Cultivating adaptable, resilient cultures is vital for organizational success. Innovation capability, influenced by resources, leadership, and intangible assets, is critical for competitiveness. Sustainable performance extends beyond economics to encompass social and environmental responsibility. This research presents a theoretical framework enhancing our understanding of organizational resilience. Despite limitations in the literature review, it offers valuable insights and directions for future empirical research and practical implications in navigating the post-pandemic landscape.*

**Keywords:** *Organizational Resilience, Leadership Styles, Implementation of Public Policies, Innovation Capability, Sustainable Performance, Post-Pandemic Organizational Dynamics*

### **Introduction**

The global response to the COVID-19 pandemic has been a multifaceted and complex endeavor, shaped by the unique interplay of culture, politics, environmental factors, and the distinctive circumstances faced by each nation (Yan et al., 2020). These disparities in response strategies have given rise to diverse sets of public policies, each tailored to the specific needs and challenges confronted by each country (Chaudhry et al., 2020; Yan et al., 2020). In the wake of this global crisis, the importance of public policy has become more pronounced

than ever, as it plays a pivotal role in shaping the socio-economic landscape.

At the outset of the pandemic, nations worldwide found themselves grappling with unprecedented challenges (El-Chaarani, 2021). The virus, oblivious to borders and indifferent to political affiliations, forced governments to take swift and decisive action (Indrawan & Nathanael, 2022). The strategies employed varied widely, reflecting the diverse cultural, political, and environmental contexts in which they were implemented (Yan et al., 2020). While some countries imposed strict lockdowns to curb the spread of the virus, others adopted more flexible measures. The intricacies of each nation's response were influenced not only by the immediate threat posed by the virus but also by deeper societal structures, historical precedents, and political ideologies (Yan et al., 2020).

As the pandemic unfolded, it became abundantly clear that the ramifications of public policy decisions extended far beyond the realm of public health. These policies transcended mere regulatory measures; they reached into the very heart of market dynamics, affecting the liquidity of markets in manifold ways (Almeida et al., 2020; El-Chaarani, 2021). The liquidity of markets, a fundamental determinant of economic stability, is profoundly affected by the policies enacted during the pandemic (Zaremba et al., 2021). The closure of workplaces and educational institutions, while essential for public health, had a substantial impact on the liquidity of emerging markets. On the contrary, information campaigns addressing the novel coronavirus facilitated trading activities, emphasizing the intricate relationship between policy decisions and market behavior (Zaremba et al., 2021).

Furthermore, public policy serves as the linchpin for establishing a legal and regulatory framework aimed at eliminating disparities in various sectors, including healthcare, business, and education (International Labour Organization (ILO), 2020; Winton, 2018). This comprehensive approach encompasses not only clinical practice and healthcare access but also organizational behavior within various industries. Policies are instrumental in ensuring fairness, equity, and improved outcomes, be it in healthcare, business practices, or educational institutions (Dreachslin et al., 2004). They also play a pivotal role in molding the leadership, staff, and overall culture of organizations, ensuring that these entities truly represent and value the diverse communities they serve (Aguinis et al., 2022; Çop et al., 2021).

Amidst the turbulence of the pandemic, the importance of these facets of public policy became unmistakable. Policies that once seemed abstract and distant acquired newfound relevance, directly impacting the lives and well-being of individuals and organizations across the globe. The pandemic underscored the significance of thoughtful policy design, implementation, and adaptability in the face of rapidly evolving challenges.

Leadership, a fundamental aspect of any organization, wields a substantial influence on the readiness to embrace change (Dhiman, 2020; Rajaprasad & Chalapathi, 2015). Effective leadership provides the vision, guidance, and motivation needed to navigate turbulent times such as the COVID-19 pandemic. Leaders who communicate clearly, inspire confidence, and foster a culture of adaptability can significantly enhance an organization's preparedness for change (Wang & Huang, 2022). Their ability to instil a sense of purpose and urgency can

rally individuals and teams behind transformative initiatives, making them more open and responsive to the evolving landscape. As this study explore the intricate web of relationships within our analysis, the role of leadership in shaping an organization's readiness to change emerges as a central theme, highlighting its profound impact on the dynamic interplay between policy implementation, innovation capability, and sustainable performance.

Moreover, individual openness to change emerged as a critical factor in the successful implementation of public policy measures. The willingness of individuals to adapt to new policies, whether related to health and safety or business operations, played a pivotal role in the effectiveness of these measures. Policies designed to protect public health and ensure business continuity relied on the cooperation and openness of individuals to embrace change. This interplay between policy implementation and individual receptiveness to change is a vital aspect of our analysis.

Beyond its immediate socio-economic and healthcare impacts, public policy holds the potential to drive innovation within public and private organizations. Innovation, in turn, is a cornerstone of sustainable performance, a concept gaining increasing prominence in today's world. The ability to innovate and adapt to evolving circumstances is a key determinant of an organization's long-term viability and success (Hijal-Moghrabi et al., 2020).

Innovation is a dynamic force that drives progress, fosters resilience, and ensures the continued relevance of organizations and societies across various domains, from healthcare and business to education and governance (Aldianto et al., 2021; Do et al., 2022; Xie et al., 2022). Public policies that encourage innovation and provide the necessary support mechanisms can lead to transformative outcomes (Hijal-Moghrabi et al., 2020). The pandemic, with its unprecedented challenges, presented a crucible in which innovation became not only a strategic advantage but often a survival imperative. Innovations in healthcare, technology, remote work, and supply chain management were not just conveniences; they were lifelines, enabling societies and businesses to adapt to the new normal (Khan et al., 2021).

In this context, it becomes evident that the importance of innovation capability, driven by well-crafted public policies, is closely intertwined with sustainable performance (Raposo et al., 2020). Sustainable performance, as a concept, encompasses not only economic resilience but also social and environmental responsibility (Pham & Kim, 2019; Prasanna et al., 2019). It is the ability to maintain and improve societal well-being while simultaneously safeguarding the natural environment upon which our collective future depends.

The ability to foster innovation within public and private organizations has far-reaching consequences, not only for the organizations themselves but also for the broader societies they serve. Public and private organizations, often entrusted with significant resources and responsibilities, play a pivotal role in shaping the contours of public policy and influencing the direction of innovation (Hijal-Moghrabi et al., 2020; Patanakul & Pinto, 2014). By facilitating an environment conducive to innovation, these organizations can accelerate progress across a spectrum of domains, from healthcare and business to education and governance.

The intricate web of relationships among organization size, intangibility in

assets, leadership, financial performance, individual openness to change, implementation of public policy, innovation capability, and sustainable performance forms the foundation of this journal's exploration. As this study delve into these relationships, this study also embarks on a journey to unravel the complex tapestry of post-pandemic recovery and resilience. The world has been irrevocably transformed by the events of recent years, and our understanding of the dynamics that govern our societies and economies must evolve in tandem.

The consequences of this transformation are significant, impacting all aspects of our lives. This includes how people study, work, learn, access healthcare, and interact with both public and private organizations. As researchers and professionals, there is a special opportunity and obligation to study, interpret, and contribute to this evolving scenario. By exploring the complex relationships among these factors, the aim is to provide valuable insights that can influence and direct the policies and actions that will shape our shared future.

In conclusion, this journal embarks on a comprehensive exploration of the multifaceted relationships that underpin our post-pandemic world. It seeks to illuminate the critical role played by public policy, innovation capability, and sustainable performance in the journey toward recovery and resilience, not only in healthcare but also in business, education, governance, and other crucial domains. By studying these interconnected elements, this study aims to contribute to a deeper understanding of the complex forces at play, ultimately striving for a more sustainable and resilient future.

## **Methods**

Since the method of this research is Literature Review, that there is a necessity to understand the definition of the mentioned variables. These variables encompass a spectrum of factors, from organizational characteristics such as size and intangibility in assets to leadership styles, financial performance, individual openness to change, implementation of public policy, innovation capability, and sustainable performance. Each variable plays a unique and significant role in elucidating the complex web of interactions within organizations. By examining the descriptions and importance of these variables, this study aim to gain insights into their relationships and their collective impact on organizational readiness to change, innovation, and the pursuit of sustainable performance in an ever-evolving global landscape. Below is the explanation of each variable mentioned in this study.

First, organization size refers to the scale of an entity, typically measured in terms of its employee count, revenue, or market share (Agyabeng-Mensah et al., 2020; Hu et al., 2022). The importance of considering organization size in this study lies in its potential influence on an organization's resources, decision-making processes, and adaptability. It has been revealed that Organizational or firm size has been found to impact financial performance, employees' openness to change, and implementation of public policy (Mukyala & Namono, 2023). Larger organizations often have more extensive resources at their disposal, but they might also face challenges related to bureaucracy and complexity (Agyabeng-Mensah et al., 2020; Rosati & Faria, 2019). Conversely, smaller organizations tend to be more agile but may have limitations in terms of resources. Investigating the impact of organization size can shed light on how it

relates to other variables within the study.

Second, Intangibility in assets pertains to the proportion of a company's assets that are intangible, such as intellectual property, patents, brand value, and customer relationships. This variable's significance lies in its relevance to the modern economy, where intangible assets are increasingly valuable. Intangible assets can have a significant impact on financial performance, innovation, and sustainable performance (Rosati & Faria, 2019). The study by Martins & Alves (2010) stated that Intangible assets, characterized by high risk, uncertainty, firm specificity, human capital intensity, low observability, and a long-term nature, have a distinct impact on financial performance. Their unique features contribute to agency costs in both debt and equity, information asymmetry between investors and managers, transaction costs, and non-debt tax shields. The severity of these effects is likely to influence the utility functions of managers, shareholders, and debt holders, with variations across categories of intangible assets, thereby impacting both financial performance and the implementation of public policy (Martins & Alves, 2010).

Next variable is leadership, particularly authentic and servant leadership, plays a pivotal role in shaping organizational outcomes (Eide et al., 2020). Authentic leadership emphasizes genuine, transparent, and self-aware leadership behavior, while servant leadership focuses on serving others' needs and well-being (Kovach, 2018). Understanding the importance of leadership styles in this study is vital as they are associated with positive organizational outcomes, including employee satisfaction, trust, and performance. Investigating their impact can provide valuable insights into how leadership influences variables such as readiness to change and innovation capability.

When it comes to the implementation of public policy, authentic and servant leadership contribute by promoting ethical behavior, stakeholder engagement, and organizational citizenship (Liden et al., 2008; Walumbwa et al., 2008). The transparent and self-aware characteristics of authentic leadership align with the principles of good governance, crucial for effective policy implementation. Servant leadership's focus on serving others extends to a commitment to societal well-being, aligning with the broader goals of public policies. Empirical evidence from studies such as Wong et al. (2020) and Muhammad Siddique Malik et al. (2022) supports the positive impact of authentic and servant leadership on the implementation of public policy by deterring employees from breaching the law or rules.

In summary, authentic and servant leadership emerge as potent drivers of organizational success, impacting financial performance, fostering openness to change among employees, and facilitating the effective implementation of public policies. The interplay of these leadership styles underscores their pivotal role in shaping organizational dynamics and outcomes.

Next is Financial performance is a critical measure of an organization's economic health, typically assessed through metrics like revenue, profit, and return on investment (Chu et al., 2019). Its importance is evident as it serves as a key indicator of an organization's overall success. Financial performance can be influenced by various factors, including organization size, leadership styles, and intangibility in assets (Eide et al., 2020; Li & Zhu, 2015; Pal, 2013). Examining this variable helps us assess an organization's financial well-being and its

relationship with other variables within the study.

Next variable is Individual openness to change refers to an employee's willingness and ability to adapt to new situations, processes, or strategies (Thakhathi et al., 2019). In the context of public policy implementation and innovation, this variable holds great significance. It reflects the human element in organizational dynamics and is crucial for gauging how organizational practices, leadership, and policies impact employees' readiness to embrace change (Rajaprasad & Chalapathi, 2015). Understanding individual openness to change is fundamental to comprehending the success of policy implementation and innovation initiatives within an organization.

The next variable is the implementation of public policy involves translating government policies into practical actions and decisions within an organization. Its importance extends beyond regulatory compliance, as it can influence an organization's risk management, operational efficiency, and even financial performance. Examining this variable allows us to understand how an organization responds to external policies and how policy implementation affects various aspects of the organization, including innovation and sustainable performance.

Other important variable in this study is Innovation capability which refers to an organization's capacity to create and apply innovative ideas, products, or processes (Wang & Huang, 2022). In an era of rapid change and competition, innovation is a critical driver of competitiveness and sustainable performance (de Jong & den Hartog, 2010; Wang & Huang, 2022). This variable is central to the study as it can be influenced by factors such as leadership styles, intangible assets, and individual readiness to change (Dhiman, 2020; Rosati & Faria, 2019). Investigating innovation capability provides insights into how organizations foster creativity and adaptability, ultimately impacting their ability to thrive in dynamic environments.

Last is Sustainable performance which refers to a holistic assessment of an organization's ability to achieve long-term success while considering economic, social, and environmental impacts (Pham & Kim, 2019; Younis & Sundarakani, 2020). Its importance lies in its reflection of an organization's commitment to responsible and ethical practices. Sustainable performance can be influenced by a multitude of factors, including innovation, financial performance, and the implementation of public policy. Examining this variable helps us evaluate how organizations balance economic goals with societal and environmental responsibilities, aiming for a more sustainable and resilient future.

The foundation of this research is built upon a thorough and systematic literature review methodology. The utilization of a literature review as the primary method is particularly apt for this study, as it allows for the comprehensive exploration and synthesis of existing knowledge, theories, and empirical findings (Pare & Kitsiou, 2016). The objective is to construct a well-informed and coherent conceptual model that elucidates the interplay of various variables, thereby contributing to a deeper understanding of organizational dynamics in the post-pandemic era (Snyder, 2019).

The literature review process commenced with a meticulous search for peer-reviewed articles, academic papers, books, and relevant reports across various academic databases and repositories. The search strategy encompassed

keywords related to the variables under investigation, including organization size, intangibility in assets, leadership (with an emphasis on authentic and servant leadership), financial performance, individual openness to change, implementation of public policy, innovation capability, and sustainable performance. Articles were selected based on their relevance to the proposed model and their capacity to provide valuable insights into the relationships among these variables.

Upon the identification of pertinent literature, a rigorous data extraction process was executed. This entailed the extraction of key findings, methodologies, and theoretical frameworks from the selected sources. The extracted data was subsequently synthesized and organized, allowing for the identification of patterns, trends, and relationships among the variables of interest. Emphasis was placed on discerning how various studies contributed to the understanding of these variables individually and in their interrelated contexts.

The core outcome of the literature review process was the development of a comprehensive conceptual model. This model, grounded in the synthesis of existing knowledge and empirical evidence, serves as the theoretical foundation for this research. It delineates the proposed relationships among organization size, intangibility in assets, leadership styles, financial performance, individual openness to change, implementation of public policy, innovation capability, and sustainable performance. The construction of this model aligns with the objective of elucidating the intricate dynamics that shape organizational readiness to change, innovation, and sustainable performance in the aftermath of the COVID-19 pandemic.

It is important to acknowledge the limitations inherent to the literature review method. This research relies on existing studies and findings, which may have their own limitations and biases. Additionally, the proposed model is conceptual in nature, and while it is informed by empirical evidence, it should be subjected to empirical testing in future research to validate its applicability and generalizability. The scope of this study is delimited to the variables and relationships within the proposed model, and it does not encompass primary data collection or experimentation.

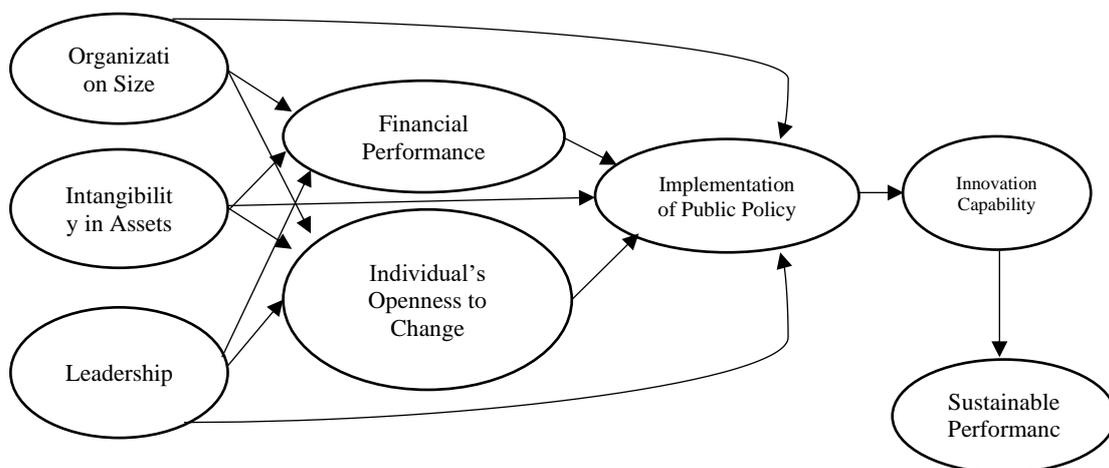


Figure 1. The Proposed Model

## **Result and Discussions**

In this section, this study delve into the results and discussions stemming from a systematic examination of the proposed model. This model, built upon the foundations of organization size, intangibility in assets, leadership, financial performance, individual openness to change, implementation of public policy, innovation capability, and sustainable performance, offers a holistic lens through which this study dissect the multifaceted dynamics shaping the post-pandemic organizational landscape. By scrutinizing the empirical evidence and insights garnered from existing literature, this study illuminate the intricate relationships, implications, and potential avenues for organizational excellence, resilience, and transformation in an ever-evolving world.

The variable of organization or firm size has yielded significant insights into its impact on various aspects of organizational performance. Firm size is notably linked to financial performance, as evidenced by studies conducted by Nybakk et al. (2011) and Yasser et al. (2017). These studies collectively underline that larger organizations tend to exhibit significantly better financial performance. This finding aligns with the premise that economies of scale and increased resources often translate into improved financial outcomes.

However, the relationship between firm size and individual openness to change presents a more nuanced perspective. Akbar et al. (2019) found that organization size was mentioned in selected primary studies, but there was no significant difference in the success factors identified across small, medium, and large-scale organizations. This nuanced perspective suggests that while firm size may not directly impact individual openness to change, other factors within organizations play influential roles in shaping this aspect.

Furthermore, firm size's connection to the implementation of public policy has been explored by Rosati & Faria (2019), revealing that early adoption of Sustainable Development Goals (SDG) reporting is associated with larger organizations. These findings underline the notion that larger organizations possess the capacity and resources to engage with and implement public policies effectively, particularly those aligned with sustainability frameworks. Thus, this study proposed that the variable of Organizational and Firm Size may impact the other three variables which are Financial Performance, Employees' Openness to Change, and Implementation of Public Policy. For clearer depiction of the proposed model, it will be shown before the part of Limitations and Suggestions in this study (Figure 1. The Proposed Model).

Intangibility in assets has surfaced as a pivotal determinant of organizational performance. Buonomo et al. (2020) affirm that effective management of intangible assets enhances an organization's sustainable competitive advantage. While not directly stated, this effective management has the potential to positively influence financial performance, as financial performance is considered one of the dimensions of sustainable performance. Bhatia & Aggarwal (2018) reinforce this perspective by asserting that intangible assets exert a positive impact on a company's overall performance. However, the impact of intangible assets on financial performance is highlighted with more clarity by Haji & Ghazali (2018). Their study demonstrates that firms with intangible assets tend to outperform their counterparts significantly, shedding light on the importance of intangible assets in driving financial success.

Additionally, Rosati and Faria (2019) suggested that intangible assets, when combined with a larger organization size, correlate positively with early adoption of SDG reporting, further emphasizing the role of intangible assets in facilitating sustainability-oriented policies and practices. Another study by Martins & Alves (2010) stated that Intangible assets, characterized by high risk, uncertainty, firm specificity, human capital intensity, low observability, and a long-term nature, have a distinct impact on financial performance. Their unique features contribute to agency costs in both debt and equity, information asymmetry between investors and managers, transaction costs, and non-debt tax shields. The severity of these effects is likely to influence the utility functions of managers, shareholders, and debt holders, with variations across categories of intangible assets, thereby impacting both financial performance and the implementation of public policy.

Based on the description above, this study proposed that the variable of Intangibility in Assets may impact the other three variables which are Financial Performance, Employees' Openness to Change, and Implementation of Public Policy. The interconnectedness of these variables underscores the need for a comprehensive understanding of how intangible assets shape organizational resilience in the post-pandemic era. For clearer depiction of the proposed model, it will be shown before the part of Limitations and Suggestions in this study (Figure 1. The Proposed Model).

The variable of leadership, specifically authentic and servant leadership, has yielded significant findings in its relationship with organizational dynamics. Leadership plays a pivotal role in influencing change readiness within organizations, as evidenced by studies conducted by Dhiman (2020), Rajaprasad and Chalapathi (2015), and Thakhathi et al. (2019). Sustainability leaders, as indicated by Thakhathi et al. (2019), implement strategies to enhance organizational readiness for change. Transformational leadership, as highlighted by (Yue et al., 2019), fosters employee trust during organizational change, leading to greater openness to change.

Moreover, leadership, including authentic and servant leadership styles, significantly impacts the implementation of public policy. Rajaprasad & Chalapathi (2015) emphasize that management commitment is a driving force behind policy implementation. Ansell et al. (2021) underscore the role of leadership in governance strategy, especially in the context of the COVID-19 pandemic. Leadership's influence on the effective implementation of public policy during the pandemic is further corroborated by Lee et al. (2020).

Based on the description above, this study proposed that the variable of leadership, especially authentic and servant leadership, may impact the other three variables which are Financial Performance, Employees' Openness to Change, and Implementation of Public Policy. For clearer depiction of the proposed model, it will be shown before the part of Limitations and Suggestions in this study (Figure 1. The Proposed Model).

The impact of financial performance on the implementation of public policy reveals a reciprocal relationship. As elucidated by Rosati & Faria (2019), firms with more substantial assets and larger sizes are more likely to engage in early adoption of SDG reporting. This finding aligns with the premise that organizations with stronger financial performances have the resources and capacity to engage

with public policies more effectively.

However, it is important to note that the relationship between financial performance and the implementation of public policy is complex. Contrasting studies, such as those by Al-ahdal et al. (2020) and Xie et al. (2019) suggest that public policy can also significantly impact financial performance, especially in the context of crises such as the COVID-19 pandemic. Study by Al-ahdal et al. (2020) mentioned that government policy may provide a common basis for good governance practices and are considered essential for the development of good governance in companies. Thus, this can attract foreign direct investment and sources of capital, contributing to financial performance of the companies.

For direct relationship, Pond and Zafeiridou (2020) stated that The performance measurement system, which includes financial performance monitoring, is critical for good governance and successful policy execution by local governments. Furthermore, political concerns about financial performance can limit the amount to which immobile assets, particularly those of publicly traded enterprises, can be taxed. These studies emphasize that the effectiveness of public policy measures can contribute to economic stability and, consequently, financial performance. Based on the description above, this study proposed that the relationship between Financial Performance and the Implementation of Public or Government Policy. For clearer depiction of the proposed model, it will be shown before the part of Limitations and Suggestions in this study (Figure 1. The Proposed Model).

While the specific references to individual openness to change in the provided literature are limited, the underlying significance of this factor in shaping the implementation of public policy cannot be underestimated. Individual openness to change plays a pivotal role within organizations as a driving force for embracing and effectively executing public policies. There are some studies below that indirectly explained the importance of employees' openness to change in implementing public policy.

The literature suggests that the success of policy implementation often hinges on the willingness of individuals within organizations to embrace and adapt to new policies and practices (Yue et al., 2019). In contexts where individuals exhibit a higher degree of openness to change, there is a greater likelihood of policy adherence, as these individuals are more inclined to accept and champion novel initiatives.

Furthermore, individual openness to change fosters a culture of receptivity and flexibility within organizations (Yue et al., 2019). When employees and stakeholders are open to change, they are more likely to collaborate, communicate, and engage actively in the policy implementation process (Egeberg & Stigen, 2021). This collaborative environment can significantly enhance the smooth execution of public policies.

Although limited studies explicitly delve into the relationship between individual openness to change and policy implementation, the broader organizational change literature underscores its critical role. Organizations that invest in initiatives to promote openness to change tend to have more adaptable and resilient workforces (Frima & Ardiyanti, 2022). These adaptable workforces, in turn, are better equipped to navigate the complexities of policy implementation, especially in dynamic and challenging environments. Frima & Ardiyanti (2022)

mentioned one variable that is not stated in this study which is anxiety. The study suggests that leaders can support change by establishing a solid framework, reducing employee anxiety through clear procedures and performance reviews for new tasks. This approach aims to foster employee openness to change and ensure effective policy implementation.

In sum, while the direct empirical evidence linking individual openness to change and policy implementation may be limited, the theoretical underpinnings and insights from the broader literature on organizational change strongly suggest that fostering individual openness to change can have a profound and positive impact on the successful implementation of public policies within organizations. Thus, this study proposed a model that emits the direct impact of employees' openness to change to Implementation of Public Policy. The clear picture is shown in Figure 1 before section 'Limitations and Suggestions'.

The implementation of public policy significantly and positively impacts innovation capability, as observed in the study by Patanakul and Pinto (2014). Government policies and regulations can either promote or hinder innovation within organizations. This insight underscores the role of external factors, such as policy frameworks, in shaping an organization's innovation landscape. Additionally, Lenihan et al. (2019) emphasize that public policy is a driving force for innovation, highlighting its critical role in fostering innovation within organizations. This study research suggests that public policy interventions play a crucial role in supporting motivationally relevant elements of human capital and driving firms' innovation capability.

Another study by Zhao et al. (2019) also stated that policy is a crucial instrument for emerging countries to defend their own businesses and increase innovation capacities. But it must be remembered that the policies implemented must also be policies that support the creation of innovation. Study by Zhao et al. (2019) stated that the government has issued "The Outline of the National Midterm Plan for the Development of Science and Technology (2006-2020)" as a comprehensive policy system to promote independent innovation and turn China into an innovative country in the new era. This is one of the many examples on how implementation of public policy may resulted to Innovation Capability.

Based on the description above, this study proposed a model that emit the direct relationship between Implementation of Public Policy and Innovation Capability. This study argue that good financial performance and employees' openness to change will increase the implementation of Public Policy. Later, if the Public Policy encourages innovation, thus it will lead to the increase of Innovation Capability. The clearer picture of the model is shown in Figure 1.

Innovation capability, a cornerstone of organizational competitiveness, significantly and positively impacts sustainable performance. Rajapathirana and Hui (2018) and Sidique and Pereira (2023) both affirm this relationship. Rajapathirana & Hui (2018) provide evidence of the strong and significant relationship between innovation capabilities, innovation efforts, and firm performance. The effective management of innovation capability is demonstrated to lead to better performance outcomes. Similarly, Ferreira et al. (2020) underline that creativity and innovation capability significantly affect performance. Thus it leads to hypothesis that Innovation Capability directly impact Sustainable Performance.

From a sustainability perspective, innovation capability's positive impact on sustainable performance is evident. Ahmad et al. (2021) illustrate that in family business firms, innovation capability significantly and positively impacts corporate sustainable longevity, with mediation by family involvement. Fernando et al. (2019) emphasize the significance of eco-innovation in driving sustainable performance, indicating that innovation efforts focusing on the environment can contribute positively to sustainability goals. Chatterjee and Chaudhuri (2022) further assert that technological and innovation capability can help organizations develop appropriate supply chain strategies to address turbulent environments effectively.

Based on the explanations above, this study proposed a model that serves as a compass, guiding through the empirical evidence and theoretical insights. It condenses the collective wisdom drawn from extensive research, culminating in a comprehensive framework that underscores the critical roles of organization size, intangibility in assets, leadership styles, financial performance, individual openness to change, implementation of public policy, innovation capability, and sustainable performance. This model not only encapsulates the interdependencies of these variables but also beckons readers to explore their practical implications and strategic applications. Below, the proposed model is presented, offering a visual roadmap to enhance understanding of the dynamic organizational landscape, poised for change and innovation while steadfast in the commitment to sustainable performance.

## **Conclusion**

In conclusion, this study offers insights into organizational changes following the pandemic. A model has been developed based on existing research, illustrating factors influencing organizational adaptability, innovation, and long-term success. However, it's important to note some limitations. The study relies on existing research, which may not cover all aspects adequately, meaning that some important areas of the topic may not have been fully explored or understood in previous studies. Therefore, while the model provides valuable insights, there may still be gaps in our understanding that future research could address. The model requires empirical testing for validation. Future research should explore different industries and methodologies to enhance understanding.

Despite these limitations, the study highlights the importance of leadership, innovation, and government policies for organizational success. Balancing financial goals with social and environmental responsibilities is crucial. By further investigating these factors and experimenting with new approaches, organizations can better navigate post-pandemic challenges and sustain their success.

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