

ORGANIZATIONAL PERFORMANCE EFFECTING TO HOW POLICY, LEADERSHIP, AND INNOVATION DRIVE AGILITY AND RESILIENCE

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ABSTRACT

This paper examines how organizational policies, leadership, and internal management innovations drive agility and resilience, ultimately boosting organizational performance. The research was conducted both quantitative and qualitative research methods. The quantitative component involved surveying a sample of organizations, while the qualitative component consisted of interviews with industry experts.

The findings indicate that organizational policies encompassing good governance, risk management, green management, and social responsibility positively impact organizational agility and resilience. Additionally, leadership dimensions such as charismatic, servant, and parental leadership styles were found to enhance agility and resilience. Internal management innovations in green processes, technology, and marketing also contributed to boosting agility and resilience. The enhanced agility and resilience driven by organizational policies, leadership, and internal innovations led to improved organizational performance in terms of increased market share and profitability provides valuable insights for managers and policymakers on how to enhance organizational adaptability and robustness to navigate dynamic and uncertain business environments. The research framework and findings offer a comprehensive model for boosting overall organizational performance.

Keywords: Organizational Performance, Leadership, Agility, Resilience, Innovation

INTRODUCTION

1.1 Introduction to research background

Nowadays, the world is changing at a breakneck pace. Our economy is growing rapidly, our markets are becoming more sophisticated, and technology is advancing by leaps and bounds. China's economy is becoming ever more integrated with the global economy. For businesses, this means navigating an increasingly dynamic and uncertain environment. The rules of the game seem to be in constant flux. Competition is fiercer than ever before. To survive and thrive, companies need to be nimble - able to quickly adapt to new realities, make agile decisions, and continually assess their actions based on the latest information and outcomes. This complex, unsettled landscape poses major challenges for enterprises. They must contend with a barrage of uncertainties, both internal and external. Navigating this treacherous terrain requires comprehensive, innovative strategies. The very survival of businesses hangs in the balance. With the rapid development of the economy, the gradual improvement of the market economy system, the rapid development of information technology, the integration of the Chinese economy and the world economy, enterprises are facing a rapidly changing dynamic

environment under global integration. The uncertainty of enterprise operation increases, and competition between enterprises intensifies. The survival of enterprises will depend on their ability to quickly adapt to changes, make quick decisions, and evaluate decisions based on the latest information and results. This complex and uncertain internal and external environment poses comprehensive challenges to the survival and development of enterprises.

LITERATURE REVIEW

2.1 Theoretical Basis

2.1.1 Theory of Firm innovation investment

2.1.2 Innovation theory

At the beginning of the last century, in the works created by Schumpeter, innovation theory was first brought to the forefront. He pointed out that innovation is a completely new production function. The inputs required for innovation are various material and information resources, whose output is a certain product. Therefore, Schumpeter pointed out that the essence of business innovation is actually the effective restructuring of various production factors within the entrepreneurial company. The changes in each factor of production will bring about changes in the production function, thereby promoting economic development to a certain extent.

2.1.3 Management Theory

Putting people first is the fundamental core of humanistic management theory, and the emergence of this concept has caused a huge transformation in modern enterprise management concepts. It originated in the 1930s and began to be widely applied in various companies in the 1960s. This theory emphasizes and highlights the position and role of people in the process of company management and development, believing that people are the most important resource in company management.

2.1.4 Incentive Theory

The motivation theory essentially belongs to the category of psychology, and its purpose is to stimulate people's enthusiasm in work. In the study of psychology, human behavior is dominated by individual motivation, and human behavior promotes the achievement of individual goals. The achievement of goals will promote the generation of higher individual needs and form a loop. There is a famous Maslow's theory of needs in psychology, which is based on an individual's most basic needs. It believes that companies must design and improve their incentive system in talent management based on two levels: spiritual and material incentives. In the process of internal innovation management, enterprises must develop scientific and effective incentive mechanisms based on actual situations.

Western behaviorist scientists, after painstakingly exploring and researching in the 1930s, proposed various types of motivation theories, including content based, behavior modification based, process based, and comprehensive motivation theories. Essentially, motivation theory is a theory that studies how to drive human behavior and improve behavioral motivation. Among various incentive theories, Maslow's hierarchy of needs theory, Herzberg's two factor theory, Skinner's reinforcement theory, and Adams' equity theory are representative. Among the four theories, Maslow's hierarchy of needs theory and the two factor theory belong to the content based motivation theory, the reinforcement theory belongs to the behavior modification based motivation theory, and the equity theory belongs to the process based motivation theory.

2.1.5 Goal management theory

The theory of goal management originated from Drucker, who mentioned this concept in his book "The Practice of Management" and later gained recognition from a large number of scholars, gradually forming a theoretical system. The goal management theory emphasizes the formulation and implementation of goals, emphasizes the consistency between individual and organizational goals in the enterprise, and the participation of employees in goal management. The process of goal management mainly includes goal planning, goal implementation, and goal rewards and punishments.

Goal management is the foundation of performance management, which requires clear organization and individual goals. When executing performance plans, goal management should be integrated into the plan and formed into the performance plan. After the performance plan is formulated, performance management needs to be implemented according to the plan content. Individuals and organizations should complete work tasks according to the goal guidance, and achieve self-motivation and potential to achieve performance goals. Performance evaluation, on the other hand, is a part of target rewards and punishments. Based on the results of performance evaluation, it assesses the completion of individual and organizational goals, and uses the evaluation results as the basis for rewards and punishments. Therefore, goal management is intertwined in performance management, and the two complement each other.

(5) Performance Management Theory

In domestic literature, the construction and optimization of performance management systems have received widespread attention. Various industries and enterprises have explored different methods for constructing performance management systems in practice.

This literature review will explore the key concepts and theories related to the research topic, including organizational policy, leadership, internal management, organizational performance, agility, and resilience. It will also examine the existing research on the relationships between these variables.

Organizational Policy

Organizational policy refers to the set of rules, guidelines, and procedures that govern an organization's operations. These policies can cover a wide range of areas, including governance, risk management, environmental sustainability, and social responsibility. Effective organizational policies can provide a framework for decision-making, promote ethical behavior, and ensure that the organization operates in a sustainable and responsible manner.

Leadership

Leadership is the process of influencing and motivating others to achieve a common goal. Effective leaders possess a range of skills and qualities, including vision, communication, decision-making, and interpersonal skills. Leadership can have a significant impact on organizational performance, as it can inspire employees, foster innovation, and create a positive work environment.

Internal Management

Internal management encompasses the practices and processes used by an organization to manage its internal resources and operations. This includes areas such as human resource management, financial management, operations management, and marketing

management. Effective internal management can ensure that the organization is operating efficiently and effectively, and that it is able to adapt to changing circumstances.

Organizational Performance

Organizational performance refers to the overall effectiveness and success of an organization in achieving its goals. This can be measured using a variety of metrics, such as financial performance, customer satisfaction, employee engagement, and innovation.

Agility

Agility refers to an organization's ability to adapt quickly and effectively to changing circumstances. This includes the ability to identify and respond to new opportunities, as well as the ability to recover from setbacks. Agility is essential for organizations operating in today's rapidly changing business environment.

Resilience

Resilience refers to an organization's ability to withstand and recover from disruptions or challenges. This includes the ability to absorb shocks, adapt to changing circumstances, and maintain its core functions. Resilience is essential for organizations operating in an uncertain and unpredictable world.

Relationships between Variables

There is a growing body of research on the relationships between organizational policy, leadership, internal management, organizational performance, agility, and resilience. Some key findings include:

Organizational policy can have a positive impact on organizational performance by promoting ethical behavior, reducing risk, and fostering innovation.

Leadership is a key driver of organizational agility and resilience. Effective leaders can inspire employees, foster a culture of innovation, and create a supportive work environment.

Internal management practices can enhance organizational agility and resilience by ensuring that the organization is operating efficiently and effectively, and that it is able to adapt to changing circumstances.

Agility and resilience can mediate the relationship between leadership and organizational performance. This suggests that effective leadership can lead to improved performance by fostering agility and resilience.

2.2 Variables

Independent Variables

1. **Organizational Policy.** This variable encompasses the policies and practices implemented by an organization to govern its operations. It includes aspects like good governance, risk management, green management, and social responsibility.

2. **Leadership.** This variable refers to the behavior and actions of individuals in leadership positions within an organization. It can be further categorized into charming leadership, servant leadership, and parental leadership.

3. **Internal Management.** This variable encompasses the practices and processes used by an organization to manage its internal resources and operations. It includes aspects like green

process innovation, technological innovation, and marketing innovation.

Dependent Variables

1. Organizational Performance. This variable measures the overall effectiveness and success of an organization in achieving its goals. It can be assessed through market share and profit.

2. Agility. This variable refers to an organization's ability to adapt quickly and effectively to changing circumstances.

3. Resilience. This variable refers to an organization's ability to withstand and recover from disruptions or challenges.

Mediating Variables

1. Agility. This variable is hypothesized to mediate the relationship between leadership and organizational performance.

2. Resilience. This variable is also hypothesized to mediate the relationship between leadership and organizational performance.

Moderating Variables

1. Internal Management. This variable is hypothesized to moderate the relationship between organizational policy and organizational performance.

RESEARCH HYPOTHESES AND THEORETICAL MODELS

3.1 Relationship between variables and research hypotheses

The research proposes specific hypotheses based on the relationships between the identified variables. These hypotheses guide the investigation and provide a framework for interpreting the findings.

summarizing the relationships between variables and their corresponding hypotheses:

H1 Organizational policy affects organizational performance through agility and resilience.

H2 Organizational policy affects organizational performance through resilience.

H3 Organizational policy directly affects organizational performance.

H4 Leadership affects organizational performance through agility and resilience.

H5 Leadership affects organizational performance through resilience.

H6 Internal management affects organizational performance through agility and resilience.

H7 Internal management directly affects organizational performance.

H1 and H2: These hypotheses suggest that organizational policy can indirectly influence organizational performance through its impact on agility and resilience. This implies that policies promoting agility and resilience can ultimately lead to improved performance.

H3: This hypothesis proposes a direct relationship between organizational policy and organizational performance. This suggests that policies themselves, regardless of their impact on agility and resilience, can directly influence performance.

H4 and H5: These hypotheses suggest that leadership can indirectly influence organizational performance through its impact on agility and resilience. This implies that effective leadership fosters agility and resilience, ultimately leading to improved performance.

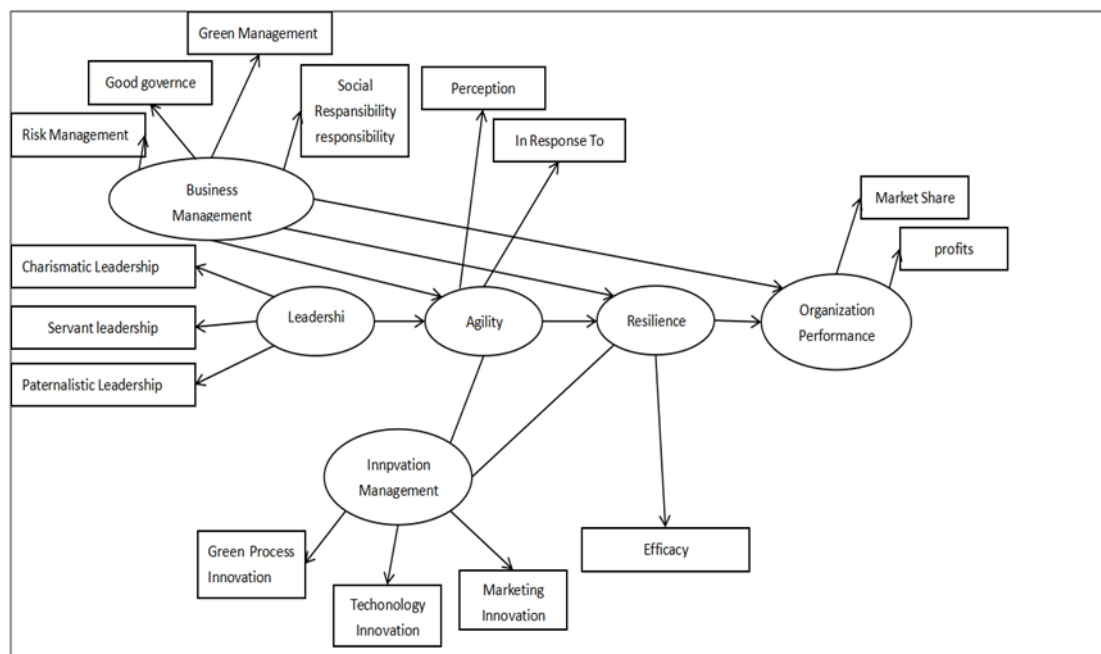
H6 and H7: These hypotheses suggest that internal management can indirectly and

directly influence organizational performance through its impact on agility and resilience. This implies that effective internal management practices can foster agility and resilience, ultimately leading to improved performance.

Testing the hypotheses:

The research will employ quantitative and qualitative methods to test these hypotheses. Quantitative analysis will involve statistical techniques to assess the relationships between variables. Qualitative analysis will involve interviews and focus groups to gain deeper insights into the dynamics between variables. The findings of the research will provide valuable insights into the interplay between organizational policy, leadership, internal management, organizational performance, agility, and resilience. These insights can help organizations develop and implement strategies to improve their performance and adapt to changing circumstances.

Figure 3.1 Theoretical Model



RESEARCH METHODOLOGY

The research will employ a mixed-method approach, combining quantitative and qualitative data collection and analysis. This approach allows for a comprehensive understanding of the complex relationships between the identified variables.

Quantitative Data Collection

Surveys Questionnaires will be administered to a sample of employees within prefecture-level cities in Guangdong Province, China. These surveys will measure organizational policy, leadership, internal management, organizational performance, agility, and resilience.

Secondary Data Analysis Existing data on organizational performance, industry, and firm size will be collected from publicly available sources.

Qualitative Data Collection

Interviews Semi-structured interviews will be conducted with key informants within the organizations, including leaders, managers, and employees. These interviews will explore the nuances of the relationships between the variables and provide insights into the lived experiences of individuals within the organizations. Focus groups will be conducted with employees from different departments and levels within the organizations. These groups will facilitate discussions about the organizational policies, leadership styles, internal management practices, and their perceived impact on performance, agility, and resilience.

Data Analysis

Quantitative Data Analysis Statistical techniques such as regression analysis, correlation analysis, and structural equation modeling will be used to analyze the quantitative data. These analyses will test the research hypotheses and identify significant relationships between the variables.

Qualitative Data Analysis Thematic analysis will be used to identify recurring themes and patterns in the qualitative data. These themes will be used to interpret the quantitative findings and provide deeper insights into the lived experiences of individuals within the organizations.

4.1 Research Design

The research will employ a cross-sectional survey design with a mixed-method approach. This design allows for the collection of both quantitative and qualitative data from a representative sample of organizations in Guangdong Province, China. The target population for the research is employees within prefecture-level cities in Guangdong Province, China. This population was chosen because it represents a diverse range of industries and organizational sizes, providing a comprehensive understanding of the relationships between the variables across different contexts. A sample size of 300 employees will be randomly selected from the target population using a stratified random sampling method. This method ensures that the sample is representative of the population in terms of industry and organizational size.

DATA COLLECTION INSTRUMENTS

Quantitative Data

A structured questionnaire will be used to collect quantitative data on organizational policy, leadership, internal management, organizational performance, agility, and resilience. The questionnaire will be developed based on existing validated scales and adapted to the specific context of the research.

Qualitative Data

Semi-structured interviews and focus groups will be conducted to collect qualitative data on the lived experiences of individuals within the organizations. The interview and focus group guides will be developed based on the research questions and will explore the nuances of the relationships between the variables.

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