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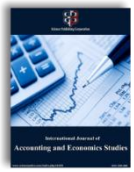

The Role of Employee Resilience in Driving Organizational Excellence: A PLS-SEM Approach

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Abstract

In an era marked by disruption, uncertainty, and rapid transformation, organizations can no longer rely solely on traditional strategies to sustain performance. Instead, employee resilience—the capacity to adapt, recover, and thrive amid adversity—has emerged as a pivotal driver of organizational excellence. This study investigates how organizational support, transformational leadership, workplace culture, psycho-logical capital, and leadership development orientation shape employee resilience and, in turn, elevate organizational outcomes. Utilizing data from 130 professionals and analyzed through Partial Least Squares Structural Equation Modeling (PLS-SEM), the findings reveal that leadership development, psychological capital, and a positive work environment significantly bolster resilience, while excessive organizational stress erodes it. Strikingly, transformational leadership fails to exert a direct influence, challenging conventional wisdom and emphasizing the importance of structural and developmental supports over leadership charisma alone. Despite limitations in model fit, the study offers a powerful, data-backed framework for building resilient, agile, and future-ready organizations. It advances theoretical understanding while providing actionable insights for leaders seeking to thrive in the face of complexity

Keywords: *Employee Resilience; Organizational Excellence; Leadership Development; Psychological Capital; Workplace Culture; Strategic Agility.*

1. Introduction

In today's volatile, uncertain, complex, and ambiguous (VUCA) world, organizations face immense pressure to maintain competitiveness and sustain excellence amid rapid changes, global competition, digital disruption, and workforce instability. Achieving organizational excellence now requires more than conventional strategies—it demands cultivating internal capacities that enable agility and adaptability. A growing body of literature highlights employee resilience—the capacity to recover from setbacks and thrive in the face of change—as a critical factor in achieving positive organizational outcomes (Luthans, 2002; Fletcher & Sarkar, 2013). Resilient employees are more capable of managing stress, remaining productive during adversity, and contributing to innovation and long-term performance, thereby catalyzing organizational excellence. While organizational resilience has been explored from a strategic perspective, relatively little research has focused on the employee level, particularly on how resilience functions as a mediating mechanism between organizational inputs and excellence outcomes. Factors such as organizational support, leadership styles, workplace culture, leadership development orientation, and psychological capital are well-documented antecedents of resilience (Kuntz et al., 2016; Hartmann et al., 2020), yet their direct and indirect influence on organizational excellence through employee resilience remains empirically underexplored. The need to empirically model these relationships using advanced predictive techniques like Partial Least Squares Structural Equation Modeling (PLS-SEM) is pressing. This study addresses these gaps by investigating the structural relationships among key organizational enablers, employee resilience, and organizational excellence, while also assessing the mediating role of resilience. Theoretically, the study contributes to the literature by developing an integrated, resilience-based framework for organizational excellence. Practically, it offers actionable insights for decision-makers on how to foster resilient employees as a means to drive organizational agility, responsiveness, and sustainable competitive advantage (Lengnick-Hall et al., 2011). Accordingly, this research proposes several hypotheses: (1) organizational factors such as support, leadership, learning orientation, and workplace culture significantly influence employee resilience; (2) employee resilience positively affects organizational excellence; (3) employee resilience mediates the relationship between organizational support and organizational excellence; and (4) resilience enhances strategic agility and responsiveness within organizations.

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1.1. Research objectives

- To analyze the overall structural relationships among organizational support, employee resilience, and organizational excellence using PLS-SEM.
- To provide practical recommendations for organizations to enhance employee resilience for achieving sustainable organizational excellence.
- To evaluate the mediating role of employee resilience between organizational support and organizational excellence.
- To examine how employee resilience contributes to organizational agility and strategic responsiveness.

2. Review of literature

The pursuit of organizational excellence in today's complex and fast-evolving business environment has intensified the focus on internal capabilities that foster adaptability, innovation, and resilience. Among these, the psychological strength and adaptability of employees—commonly referred to as employee resilience—has gained substantial attention as a strategic asset (Luthans et al., 2006; Hartmann et al., 2020). Unlike static competencies, resilience is dynamic and influenced by a variety of organizational and individual factors (Bardoel et al., 2014). Understanding the mechanisms that develop and sustain employee resilience is therefore essential to building a workforce capable of driving sustained organizational performance (Lengnick-Hall et al., 2011). To address this, researchers have begun exploring how contextual elements such as leadership style, workplace culture, organizational support, psychological capital, and leadership development initiatives contribute to resilience (Kuntz et al., 2016; Day et al., 2014). Simultaneously, there is increasing interest in the role resilience plays in translating these organizational inputs into measurable outcomes such as innovation, agility, and overall excellence (Fletcher & Sarkar, 2013; Cameron & Quinn, 2011). However, much of the current literature remains fragmented, with few studies offering a unified empirical framework that explains how these variables interact. This literature review aims to synthesize existing theoretical and empirical insights on the constructs central to this study—employee resilience, organizational support, transformational leadership, psychological capital, workplace culture, leadership development orientation, and organizational excellence—while identifying gaps that justify the development of an integrated, predictive model.

2.1. Organizational support (OS)

Organizational Support refers to employees' perceptions of how much the organization values their contributions and well-being. Based on Perceived Organizational Support (POS) Theory and Social Exchange Theory (Eisenberger et al., 1986), high levels of support lead to reciprocal behaviors such as increased loyalty, commitment, and resilience. Organizational support acts as a buffer against stressors, offering both emotional and instrumental resources. However, few studies have explicitly modeled OS as a precursor to resilience within structural equation frameworks, signaling the need for more integrative research (Rhoades & Eisenberger, 2002).
H1: Organizational support positively influences employee resilience.

2.2. Transformational leadership (TL)

Transformational Leadership (TL) is characterized by four key dimensions: individualized consideration, intellectual stimulation, inspirational motivation, and idealized influence (Bass & Riggio, 2006). This leadership style enhances employee morale and engagement by promoting vision, trust, and innovation. In the context of resilience, transformational leaders create psychologically safe environments, empower employees, and encourage adaptive thinking (Avolio & Yammarino, 2013). Recent studies highlight TL's influence in digitally distributed teams and during crisis contexts such as the COVID-19 pandemic, where transparent communication and adaptive leadership played a critical role in sustaining employee well-being and motivation (Dirani et al., 2020; Kalshoven & Boon, 2022). Despite its theoretical relevance, empirical evidence on TL's direct impact on employee resilience remains limited and occasionally inconsistent, as shown in this study's non-significant results.
H2: Transformational leadership positively influences employee resilience.

2.3. Workplace culture (WC)

Workplace Culture (WC) encompasses shared organizational values, norms, and behaviors that shape employees' experiences and conduct (Schein, 2010). Cultures that promote openness, collaboration, and learning tend to enhance psychological safety and adaptive behavior, which are essential to fostering resilience. According to Cameron and Quinn's (2011) Competing Values Framework, clan (collaborative) and adhocracy (innovative) cultures are especially conducive to building resilient workforces.During the pandemic and in hybrid work settings, organizations with cultures that emphasized autonomy and support reported better adaptability and lower burnout (Spurk & Straub, 2020; Rudolph et al., 2021). Despite this relevance, empirical models integrating WC as a predictor of resilience remain underdeveloped in structural frameworks.
H3: Workplace culture positively influences employee resilience.

2.4. Psychological capital (PC)

Psychological Capital (PsyCap) is a multidimensional construct comprising self-efficacy, optimism, hope, and resilience (Luthans et al., 2007). PsyCap draws from Positive Organizational Behavior (POB) theory and reflects a state-like resource that can be developed to enhance performance and coping under stress. Importantly, resilience in this framework is both a component of PsyCap and a dynamic outcome of these psychological capacities. Clarifying its distinction: while PsyCap is a personal internal resource, Workplace Culture is an external contextual enabler, and Transformational Leadership is a behavioral catalyst. Each has a distinct theoretical role in influencing employee resilience. Recent studies underscore PsyCap's moderating effects on stress during crises, particularly in digitally enabled environments (Li et al., 2022; Dawkins et al., 2021). However, limited structural equation modeling has been applied to test PsyCap's mediating or moderating effects on resilience within organizational excellence frameworks.
H4: Psychological capital positively influences employee resilience.

2.5. Leadership development orientation (LDO)

An organization's dedication to developing leadership skills at all levels is shown in its Leadership Development Orientation (LDO). Strong LDO organizations encourage leadership pipeline development and ongoing learning through their structures, opportunities, and cultures (Day et al., 2014). LDO is crucial for developing talent that can lead and adapt in complex situations, according to transformational leadership theory and human capital theory (Becker, 1964). There is a substantial study gap because, although previous studies have concentrated on leadership results, little empirical work has examined how LDO develops psychological resources like resilience in employees (Riggio, 2008).
H5: Leadership development orientation positively influences employee resilience.

2.6. Employee resilience (ER)

The dynamic ability of people to preserve or restore their mental health, adjust to stress, and flourish in the face of working hardship is known as employee resilience. It is becoming more widely acknowledged as a vital tool for maintaining excellent performance, particularly in the face of stress or change (Luthans et al., 2006). Based on the Broaden-and-Build Theory (Fredrickson, 2001) and the Conservation of Resources Theory (Hobfoll, 1989), resilience empowers workers to effectively manage stress, sustain engagement, and support organizational objectives even in times of crisis. In structural models that assess resilience's mediating function between organizational inputs and performance outcomes, it is still understudied despite its increasing importance (Bardoel et al., 2014).
H6: Employee resilience positively influences organizational excellence.

2.7. Organizational excellence (OE)

Agility, creativity, quality, and responsiveness are frequently used to gauge organizational excellence (OE), which is the accomplishment of exceptional organizational management techniques and results. The EFQM Excellence Model, which connects enablers (such as people, processes, and leadership) to performance outcomes, is frequently used to conceive it (EFQM, 2013). Furthermore, according to Barney's (1991) Resource-Based View, internal skills, such as staff resilience, function as strategic resources that propel excellence. The mechanisms by which individual psychological resources support macro-level brilliance, however, are still poorly understood and need more empirical research
H7: Organizational support positively influences organizational excellence, mediated by employee resilience.

3. Methodology

In order to investigate the structural links between organizational characteristics and employee resilience (ER), as well as the mediating impact of ER on organizational excellence (OE), this study used a quantitative research methodology utilizing Partial Least Squares Structural Equation Modeling (PLS-SEM). The majority of the 130 respondents in the sample were young professionals with a modest level of education from a variety of functional fields (A, M., & K, D.V., 2025). According to the demographic profile, participants were mostly in their early professional stages, and there was a slight female majority. The validity and reliability of the measurement model were examined. Strong internal consistency was indicated by Cronbach's alpha values for all constructs exceeding the cutoff point of 0.70 (Nunnally & Bernstein, 1994). Measurement reliability was further confirmed by Composite Reliability (CR) values, which ranged from 0.857 to 0.992 (Hair et al., 2017). The Average Variance Extracted (AVE) values exceeded the convergent validity minimal criteria of 0.50 (Fornell & Larcker, 1981). However, the Fornell-Larcker criterion and HTMT ratios revealed overlapping constructs such as Leadership Development Orientation (LDO) and Employee Resilience (ER), as well as Psychological Capital (PC) and Workplace Culture (WC), suggesting conceptual ambiguity and item redundancy. This partially undermined discriminant validity and indicates a need for construct refinement. With R2 values of 0.896 for ER and 0.512 for OE, the structural model showed good explanatory power, suggesting that the independent factors moderately predict organizational excellence. Nonetheless, model fit indices—specifically SRMR values ranging from 0.131 to 0.225 and NFI values between 0.422 and 0.448—did not meet recommended cutoffs (SRMR < 0.08, NFI > 0.90), indicating suboptimal fit and potential model misspecification (Hu & Bentler, 1999). These findings suggest the need for re-specification of the model and refinement of constructs to improve fit and validity in future iterations. This framework proposes that leadership, cultural, and psychological factors (LDO, TL, WC, PC) influence employee resilience (ER), which in turn drives organizational excellence (OE).

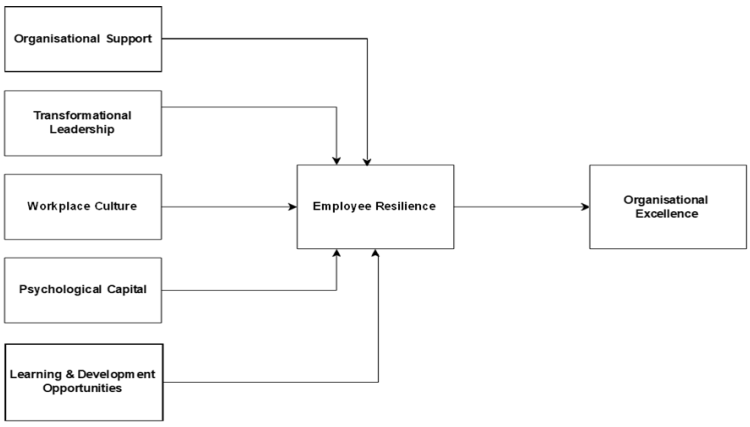

Fig. 1: Conceptual Framework.

4. Data analysis

4.1. Descriptive statistics

The sample is primarily youthful (mean age category 1.79 out of 4), according to the descriptive data, with a slightly higher percentage of females (mean gender 1.46, where 1=male and 2=female). The average yearly income is slightly over the midpoint (mean 3.31 on a 1–5 scale), and the majority of participants had a moderate level of education (mean 2.53 on a 1–4 scale), suggesting a spread across income levels. With an average of 2.34 years of work experience (on a scale of 1 to 5), the majority of respondents are young in their professions. The functional area distribution (mean 4.22 out of 6) indicates that there is representation from a variety of departments, with a small concentration in the higher-numbered categories. All things considered, the data shows a workforce that is early in their careers, reasonably youthful, moderately educated, and diversified in terms of their functional backgrounds, with a slight female majority.

Table 1: Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Age	130	1	4	1.79	.690
Gender	130	1	2	1.46	.500
Highest level of education	130	1	4	2.53	.637
Annual Income	130	1	5	3.31	1.325
Years of work experience	130	1	5	2.34	.898
Functional area	130	1	6	4.22	1.199
Valid N (listwise)	130				

4.2. Measurement model assessment

4.2.1. Reliability and validity test

The measurement model results demonstrate that all constructs in the study exhibit acceptable to excellent levels of reliability and convergent validity, indicating that the indicators used to measure each construct are both consistent and valid. Cronbach's Alpha values for all constructs exceed the minimum acceptable threshold of 0.70 (Nunnally & Bernstein, 1994), confirming adequate internal consistency, with values ranging from 0.792 for Employee Resilience (ER) to as high as 0.990 for Organizational Excellence (OE). Similarly, Composite Reliability (CR) values above 0.70 and AVE values above 0.50 indicate strong reliability and convergent validity (Fornell & Larcker, 1981; Hair et al., 2017). The highest CR value of 0.992 for both OE and Organizational Support (OS) suggests excellent overall reliability. Although ER and Workplace Culture (WC) show acceptable AVE values of 0.546, the very high AVEs for OE and OS (0.962 and 0.960, respectively) may suggest potential item redundancy, warranting further inspection (Hair et al., 2019). Constructs such as Psychological Capital (PC), Transformational Leadership (TL), and Leadership Development Orientation (LDO) also exhibit sound psychometric properties. Overall, these results provide a robust foundation for proceeding to structural model assessment using PLS-SEM.

Table 2: Reliability and Validity Test

	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
ER	0.792	0.796	0.857	0.546
LDO	0.813	0.815	0.869	0.571
OE	0.99	0.991	0.992	0.962
OS	0.989	0.99	0.992	0.96
PC	0.853	0.86	0.893	0.627
TL	0.856	0.859	0.897	0.636
WC	0.793	0.8	0.857	0.546

4.2.2. Fornell-Larcker criterion and HTMT criterion

The Fornell–Larcker criterion is a widely used method to assess discriminant validity in PLS-SEM. According to this criterion, the square root of the Average Variance Extracted (AVE) for each construct (shown on the diagonal) should exceed the correlations with all other constructs in the model (off-diagonal values). This ensures that each construct is empirically distinct from the others (Fornell & Larcker, 1981; Hair et al., 2017).In the present study, diagonal values such as ER (0.739), LDO (0.756), OE (0.981), OS (0.980), PC (0.792), TL (0.797), and WC (0.739) indicate acceptable internal consistency and convergent validity. However, several off-diagonal correlations exceed these diagonal values. For instance, the correlation between LDO and ER is 0.897, and the correlations between WC and both PC (0.803) and TL (0.806) also surpass WC's AVE square root. These results indicate issues with discriminant validity and suggest potential conceptual or empirical overlap between these constructs. Such overlap could arise due to item redundancy or insufficient clarity in construct definitions (Henseler, Ringle, & Sarstedt, 2015).

Table 3: Discriminant Validity –Fornell-Larcker and HTMT

A) Fornell-Larcker Criterion

	ER	LDO	OE	OS	PC	TL	WC
ER	0.739						
LDO	0.897	0.756					
OE	0.716	0.525	0.981				
OS	0.529	0.767	0.389	0.98			
PC	0.64	0.559	0.607	0.42	0.792		
TL	0.646	0.701	0.628	0.724	0.785	0.797	
WC	0.69	0.655	0.591	0.557	0.803	0.806	0.739

B) HTMT Criterion

	ER	LDO	OE	OS	PC	TL	WC
ER							
LDO	1.1						

OE	0.781	0.58				
OS	0.597	0.894	0.393			
PC	0.751	0.643	0.636	0.429		
TL	0.769	0.835	0.681	0.755	0.881	
WC	0.864	0.822	0.654	0.627	0.931	0.955

The Heterotrait-Monotrait (HTMT) ratio is a more robust modern approach to assess discriminant validity in PLS-SEM. As a rule of thumb, HTMT values should be below 0.85 (strict threshold) or 0.90 (liberal threshold) to confirm that constructs are empirically distinct (Henseler et al., 2015). In this study, while most HTMT values fall below 0.90, there are notable exceptions.The HTMT value between LDO and ER is 1.1, and those between WC and PC (0.931), and WC and TL (0.955) all exceed the acceptable limit, indicating significant overlap. These findings reinforce the Fornell–Larcker results and imply that some constructs may not be truly distinct. This overlap can compromise the structural model's validity. Future research should consider refining measurement items, re-evaluating theoretical boundaries between constructs, or applying exploratory factor analysis to distinguish or merge related variables.

4.2.3. Factor loading

It illustrates a robust structural equation model demonstrating the positive influence of various organizational factors on employee readiness (ER) and, ultimately, organizational effectiveness (OE). The model shows that Organizational Support (OS), Workplace culture (WC), Personal Competence (PC), and Leadership Development Opportunities (LDO) all contribute significantly to ER, as indicated by their strong and positive path coefficients.The structural equation model (SEM) visually illustrates the relationships between the study's latent variables and their respective indicators. Each latent construct (OS, TL, WC, PC, LDO, ER, OE) is measured by reflective indicators, and the relationships among them are modelled to test the proposed hypotheses. The observed items strongly load onto their respective latent constructs. All factor loadings exceed the acceptable threshold of 0.60, indicating good indicator reliability (Hair et al., 2017).The inner model results are shown below, highlighting the strength of relationships among constructs and explaining the variance in ER and OE. Transformational Leadership (TL) also plays a vital role, with most indicators showing a substantial positive impact on ER. In turn, ER is a powerful predictor of OE, with all its indicators displaying high positive coefficients, signifying that improvements in employee readiness directly enhance organizational effectiveness. The consistently high factor loadings between latent variables and their observed indicators further confirm the reliability and validity of the measurement model. Overall, this model highlights the synergistic and positive relationships among supportive organizational practices, leadership, employee readiness, and overall effectiveness, suggesting that fostering these elements can lead to a thriving and highly effective organization. This model depicts the outer measurement model, showing standardized factor loadings between observed indicators and their respective latent constructs.

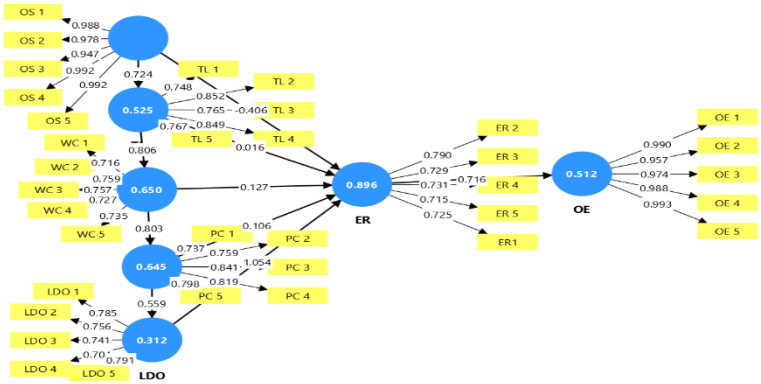

Fig. 2: PLS Path Model.

4.2.4. Model fit

Model fit indices from both the saturated and estimated models in PLS-SEM are commonly used to evaluate the overall fit of a structural model. The Standardized Root Mean Square Residual (SRMR) values for the saturated (0.131) and estimated (0.225) models both exceed the recommended cutoff of 0.08, indicating poor model fit (Hu & Bentler, 1999; Henseler et al., 2016). Similarly, the d_ULS and d_G values, which assess the discrepancy between observed and predicted correlations, are relatively high—particularly for the estimated model (d_ULS = 31.993)—suggesting a notable lack of fit. Large chi-square values (5990.157 for the saturated and 6273.535 for the estimated model) typically indicate model misspecification or complexity, although it is recognized that chi-square is highly sensitive to sample size (Hair et al., 2017). Furthermore, the Normed Fit Index (NFI) values of 0.448 and 0.422 are well below the conventional threshold of 0.90, further confirming that the model fit is inadequate (Bentler & Bonett, 1980). These indicators collectively point to structural weaknesses in the model, possibly driven by overlapping constructs and insufficient discriminant validity. To improve model fit, future work should consider refining or rephrasing measurement items, reducing construct redundancy, and re-evaluating structural paths.

Table 4: Model Fit

	Saturated model	Estimated model
SRMR	0.131	0.225
d_ULS	10.75	31.993
d_G	20.538	n/a
Chi-square	5990.157	6273.535
NFI	0.448	0.422

4.2.5. R square

The table presents the R-square (R^2) and adjusted R-square values for the endogenous (dependent) constructs in the structural model, indicating the proportion of variance in each construct explained by its respective predictors. The R^2 value for Employee Resilience (ER)

is notably high at 0.896, suggesting that approximately 89.6% of the variance in ER is explained by the model's independent variables—indicating very strong predictive accuracy (Hair et al., 2017). Organizational Excellence (OE) also demonstrates a moderate level of explained variance ($R^2 = 0.512$), suggesting that more than half of its variance is accounted for by ER and other factors in the model. Similarly, Psychological Capital (PC) and Workplace Culture (WC) show strong R^2 values of 0.645 and 0.650, respectively, indicating that their corresponding predictors contribute substantially to their variance. In contrast, Transformational Leadership (TL) and Leadership Development Orientation (LDO) yield more moderate R^2 values of 0.525 and 0.312, respectively, implying a weaker predictive influence from their antecedents. The adjusted R-square values, which account for model complexity, are very close to the original R^2 values, confirming model stability and minimal overfitting (Sarstedt et al., 2014). Overall, these R^2 values suggest that the model has a strong explanatory capability, particularly for critical constructs like ER, PC, and WC.

Table 5: R Square

	R-square	R-square adjusted
ER	0.896	0.892
LDO	0.312	0.307
OE	0.512	0.508
PC	0.645	0.642
TL	0.525	0.521
WC	0.65	0.648

4.3. Structural model assessment

The Structural Equation Model (SEM) visually maps the relationships among several latent variables—represented as large blue circles—and their respective observed indicators, shown as rectangles. Each latent construct (e.g., Organizational Support [OS], Transformational Leadership [TL], Workplace Culture [WC], Psychological Capital [PC], Leadership Development Orientation [LDO], Employee Resilience [ER], and Organizational Excellence [OE]) is measured by multiple observed variables (typically 4–5 items). The directional arrows from indicators to constructs indicate reflective measurement models, where observed variables are manifestations of their latent constructs. The standardized factor loadings or path coefficients (e.g., 0.951, 0.021) quantify the strength of these relationships (Hair et al., 2017). The structural paths between latent variables illustrate how lower-level antecedents (LDO, WC, TL, PC) contribute to ER, which in turn predicts OE—suggesting a hierarchical, causal relationship (Sarstedt et al., 2017). The values inside the latent constructs (e.g., 0.890 for ER, 0.512 for OE) represent the R-square (R^2), indicating the amount of variance in each endogenous variable explained by its predictors. Such modeling offers a comprehensive quantitative framework for understanding how various organizational factors interact and jointly influence key outcomes like organizational excellence. This integrated approach enhances predictive accuracy and theoretical clarity in behavioral research (Hair et al., 2019; Henseler et al., 2016). The paths from LDO, TL, PC, and WC to ER are generally positive, supporting the theoretical assumption that these constructs contribute to employee resilience. In turn, ER positively predicts organizational excellence. These findings align with resource-based and positive organizational behavior frameworks (Hair et al., 2019; Sarstedt et al., 2017). This model shows the directional relationships among latent constructs and their explanatory power. R^2 values of 0.896 for ER and 0.512 for OE indicate high and moderate predictive power, respectively.

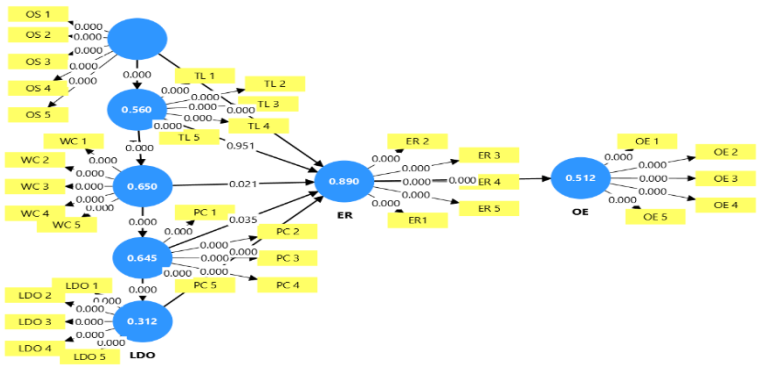

Fig. 3: Structural Model (Inner Model).

4.3.1. Specific indirect effect

The structural model reveals that leadership development opportunities (LDO), psychological capital (PC), workplace culture (WC), and lower organizational stress (OS) significantly influence employee resilience (ER), which in turn strongly enhances organizational effectiveness (OE). Specifically, LDO shows the strongest positive impact on ER ($\beta = 1.001$, $p < 0.001$), while OS negatively affects it ($\beta = -0.351$, $p < 0.001$), highlighting the importance of supportive leadership and low-stress environments (Hair et al., 2017; Luthans et al., 2007). Although psychological capital and workplace culture also contribute positively, transformational leadership (TL) does not show a significant direct effect on ER ($\beta = 0.013$, $p = 0.888$), suggesting that leadership style alone may be insufficient without structural support mechanisms (Avolio & Gardner, 2005). Overall, the findings emphasize that enhancing employee resilience through strategic development and workplace support mechanisms can substantially improve organizational outcomes.

Table 6: Total Indirect Effects

Path	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (|O/STDEV|)	P values	Results
ER -> OE	0.715	0.717	0.051	14.019	0	supported
LDO -> ER	1.001	1	0.06	16.599	0	supported
OS -> ER	-0.351	-0.353	0.065	5.421	0	supported
PC -> ER	0.127	0.124	0.064	1.967	0.049	supported
TL -> ER	0.013	0.024	0.089	0.141	0.888	Not supported
WC -> ER	0.135	0.132	0.055	2.446	0.014	supported

5. Discussion

The findings support the growing body of research emphasizing that employee resilience (ER) plays a pivotal role in enabling organizations to thrive amid uncertainty. Among the predictors examined, Leadership Development Orientation (LDO) had the strongest positive effect on ER ($\beta = 1.001$, $p < 0.001$), reinforcing the importance of cultivating structured leadership development programs to foster adaptability and psychological readiness. Workplace Culture (WC) and Psychological Capital (PC) also significantly contributed to ER, aligning with Fredrickson's (2001) broaden-and-build theory, which suggests that positive emotions enhance coping resources. Unexpectedly, Transformational Leadership (TL) did not show a statistically significant effect on ER ($\beta = 0.013$, $p = 0.888$), challenging existing assumptions about the universal impact of leadership styles. This implies that leadership behaviors, in isolation, may be insufficient unless accompanied by systemic support structures such as mentoring, feedback systems, and cultural reinforcements. Additionally, Organizational Stress (OS) negatively influenced ER ($\beta = -0.351$, $p < 0.001$), consistent with the Conservation of Resources theory (Hobfoll, 1989), which posits that prolonged stress depletes individual capacity to remain resilient. Importantly, ER significantly influenced Organizational Excellence (OE) ($\beta = 0.715$, $p < 0.001$), reinforcing its strategic value in promoting agility, innovation, and sustainable performance. This result provides empirical support for theoretical models that position resilience as a key mediator between organizational practices and performance outcomes. However, the findings should be interpreted with caution due to several limitations. First, model fit indices (e.g., SRMR and NFI) did not meet conventional thresholds, indicating potential misspecification and construct overlap. Second, the sample size ($N = 130$), while adequate for PLS-SEM, limits generalizability across industries and cultural contexts. Lastly, certain constructs showed discriminant validity issues, suggesting the need for clearer theoretical boundaries or refined measurement items.

6. Limitations

1) Poor Model Fit: The structural model demonstrated strong explanatory power (R^2 values) but suffered from poor fit as indicated by SRMR (0.131–0.225) and NFI (0.422–0.448), which fall outside recommended thresholds (SRMR < 0.08; NFI > 0.90). These results point to potential model misspecification, item redundancy, or the need for refined construct development. Improving discriminant validity and simplifying path relationships may help address these issues in future research.
2) Problems with discriminant validity: Problems with Discriminant Validity: High inter-construct correlations (e.g., LDO–ER = 0.897, WC–PC = 0.803) and HTMT values exceeding the acceptable thresholds (e.g., LDO–ER = 1.1, PC–WC = 0.931, TL–WC = 0.955) indicate significant conceptual overlap among some constructs. These results undermine the empirical distinctiveness of these variables and suggest the need for theoretical refinement, improved item clarity, or construct merging in future studies.
3) Cross-sectional Design: Since data were collected at a single point in time, causality cannot be inferred. This limits the interpretation of the mediating role of employee resilience, especially in dynamic organizational settings.
4) Limited Generalizability: The relatively small and homogeneous sample ($N = 130$), composed mainly of young professionals from a single region, restricts the generalizability of findings to broader populations or across industries.

7. Implications

7.1. Practical implications

Organizations should embed resilience-building strategies into leadership development, psychological training, and cultural practices. Encouraging leadership growth across all levels (LDO) and fostering a supportive workplace culture can significantly enhance resilience, which in turn drives better organizational performance (Avolio & Gardner, 2005). Managing and reducing organizational stress is equally critical, as high stress undermines resilience and productivity. Stress-reduction strategies, such as flexible work arrangements, mental health support, and workload management, should be embedded within organizational policies to reduce burnout and improve employee well-being. Industry-specific applications include:

- Technology sector: Equipping agile teams with resilience skills helps them adapt to rapidly changing product cycles and digital disruption.
- Healthcare: Training frontline staff to manage emotional labour and crisis response enhances both resilience and service quality.
- Education: Leadership development for school administrators and support for faculty well-being fosters institutional adaptability in evolving pedagogical landscapes.

Cultivating a resilient workplace culture—with open communication, recognition systems, and inclusive values—can complement formal interventions and reinforce psychological safety.

7.2. Theoretical implications

This study contributes to the organizational behaviour and human resource literature by advancing an integrated framework that positions employee resilience as a mediating construct between multiple organizational factors and excellence outcomes. It shifts the lens from viewing leadership as a personality-driven function to emphasizing systemic enablers such as LDO, psychological capital, and workplace culture. By applying PLS-SEM, the study also reinforces the methodological rigor of modelling complex behavioural constructs in organizational research.

7.3. Future research directions

1) Model Re-specification: Future studies should refine the structural model to improve fit indices and eliminate construct overlaps. This may include removing redundant items, testing second-order constructs, or applying confirmatory factor analysis (CFA).
2) Longitudinal Research: Implementing longitudinal designs would help capture how employee resilience evolves and how it influences long-term organizational outcomes like innovation, agility, or excellence.
3) Cross-cultural Validation: Replicating this model across different countries, industries, or cultural contexts could increase generalizability and reveal potential moderators such as societal norms or leadership expectations.

4) Moderating and Mediating Variables: Future work could examine how individual traits (e.g., personality, emotional intelligence) or contextual factors (e.g., remote work environments, organizational crisis history) moderate or mediate the link between organizational factors and employee resilience.
5) Mixed-Methods Approaches: Incorporating interviews, case studies, or focus groups would provide deeper insights into how employees interpret and build resilience. This can complement quantitative models and provide richer explanations of observed trends.

8. Conclusion

This study concludes that employee resilience serves as a critical link between organizational enablers and performance excellence. Leadership development focus, workplace culture, psychological capital, and stress reduction were found to significantly influence resilience, which in turn drives organizational excellence. Notably, the non-significance of transformational leadership suggests that developmental infrastructure may outweigh the influence of leadership style alone in fostering resilience. Despite the study's strong explanatory power, limitations such as poor model fit, moderate sample size, and construct overlap point to areas for refinement. Future research should consider: Longitudinal designs to capture how resilience develops over time, Cross-cultural validation to examine how cultural variables shape the resilience-performance link, Qualitative or mixed-methods approaches to explore contextual nuances and underlying mechanisms not captured by quantitative models. Overall, the study contributes both theoretically and practically by emphasizing the strategic role of employee resilience in sustaining competitive advantage in today's dynamic and uncertain organizational landscapes.

Authors' contributions

This article is the outcome of collaborative academic work between the research scholar and the supervisor. Sumyuktha B conceptualized the study, conducted the literature review, collected and analyzed the data using SmartPLS 4, and drafted the manuscript. Dr. K.Vijayaraj, as the research supervisor, provided critical guidance in refining the research framework, improving methodological clarity, reviewing the manuscript drafts, and offering valuable suggestions throughout the writing and revision process. Both authors read and approved the final version of the manuscript.

Disclosure statement

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Data availability statement

The dataset generated and analyzed during the current study is available from the corresponding author upon reasonable request.

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