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Balancing Social Mission and Market Performance: Determinants of Financial Resilience among Subsidiaries in Public Sector Agency

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ABSTRACT

This study investigates the factors influencing financial resilience among subsidiaries in a public sector agency tasked with uplifting the socio-economic status of the indigenous community. Straddling the dual mandate of social service and financial viability, the subsidiaries present a compelling case for examining the complexities of managing government-linked enterprises (GLEs). Drawing on the Triple Bottom Line (TBL), Resource-Based View (RBV), and Stakeholder Theory, this research identifies five key variables that potentially contribute to organizational resilience: financial sustainability, revenue diversification, leadership quality, organizational capacity, and market demand. A cross-sectional survey of 381 employees across multiple subsidiaries, combined with multiple regression analysis, shows that revenue diversification and organizational capacity significantly predict resilience, while financial sustainability, leadership quality, and market demand show positive but statistically insignificant relationships. The paper concludes with policy and practice implications, offering recommendations for public-sector enterprises seeking to balance mission-driven objectives with sustainable financial outcomes.

Keywords: *financial resilience, social enterprise, government-linked company, revenue diversification*

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1. INTRODUCTION

In recent years, the need for organisational resilience among government-linked agencies has become increasingly urgent, particularly in emerging economies where social equity and economic development are deeply intertwined. One such example is subsidiaries in n public sector agency, a statutory agency tasked with uplifting the socioeconomic status of the Indigenous community through education, entrepreneurship, and infrastructure. The subsidiaries operate a network of subsidiaries that deliver public value services while also being expected to achieve commercial viability, a delicate balance that typifies the dual mandate of social enterprises.

Globally, the discourse on resilience has gained momentum, especially in the wake of economic disruptions, global pandemics, and increasing fiscal constraints. While private-sector organisations often adapt quickly through innovation and strategic agility, government-linked social enterprises (GLSEs) like the subsidiaries face distinct challenges. They are obligated to uphold public welfare objectives while navigating bureaucratic constraints, limited autonomy, and public scrutiny. In, such tensions are further exacerbated by shifting political landscapes, policy realignments, and rising expectations from the public sector to deliver results with limited resources.

The subsidiaries' structure combining public oversight with semi-autonomous subsidiaries offers a unique lens through which to examine financial resilience in hybrid organizations. These subsidiaries include educational institutions. Each of these subsidiaries is charged with translating overarching mission into practice, often under financial and operational pressures. Some have succeeded in carving out sustainable models, while others have struggled with mission drift, underperformance, or reputational setbacks.

This study investigates the internal factors that influence the resilience of n public sector agency. Specifically, it focuses on five key predictors derived from established theoretical frameworks: (1) financial sustainability, (2) revenue stream diversification, (3) leadership quality, (4) organizational capacity, and (5) market demand. The outcome variable is the perceived financial and strategic resilience of each subsidiary.

Although resilience is often viewed as a response to external market conditions, this research argues that internal organizational characteristics may play a more pivotal role in ensuring long-term survival and adaptability. Drawing from the Triple Bottom Line (TBL), Resource-Based View (RBV), and Stakeholder Theory, the study proposes a holistic framework to assess how the subsidiaries navigate the competing demands of mission fulfillment and financial viability.

Drawing on empirical data from 381 respondents across multiple the subsidiaries n public sector agency, this research seeks to make a dual contribution: (1) to academic literature by refining our understanding of organizational resilience in GLSEs, and (2) to policy and practice by offering the subsidiaries and similar institutions evidence-based strategies to enhance their operational sustainability.

In an era where government funding is increasingly tied to performance outcomes, and public scrutiny is intensified by digital transparency, understanding what drives resilience is not merely academic, it is a matter of institutional survival and public trust.

2. LITERATURE REVIEW

2.1. Introduction

Resilience has emerged as a central concept in discussions on organizational sustainability, particularly in sectors where social, political, and economic mandates converge. While its origins lie in ecology and psychology, the concept of resilience has been adopted by management and governance scholars to describe an organization's ability to survive, adapt, and grow in the face of disruptions, uncertainty, or systemic change (Fiksel et al., 2019; Hamel, 2009). In the context of government-linked social enterprises (GLSEs), resilience refers to the strategic and operational capacity of organizations to deliver on their public mission while remaining financially viable over the long term.

The demand for resilient organizations is especially critical in developing countries like, where public agencies are often responsible for both social equity and economic performance. Agencies such as Subsidiaries in n public sector agency operate through subsidiaries that are expected to perform commercially while staying true to their public missions. This duality introduces unique tensions between cost-efficiency and accessibility, profitability and equity, autonomy and accountability that are not as prevalent in purely private or purely public organizations.

In this review, we examine the multidimensional nature of organizational resilience and its determinants. We begin with the theoretical foundations guiding the study, followed by a review of key empirical findings, identification of research gaps, and the formulation of a conceptual framework to guide the present research.

2.2. Theorectical Framework

2.2.1. The Triple Bottom Line (TBL)

The TBL model, introduced by Elkington (1994), posits that organizational success should be measured across three dimensions: economic (profit), social (people), and environmental (planet). In the context of the subsidiaries, this translates to balancing fiscal sustainability with the delivery of equitable services to the Indigenous community. The subsidiaries must navigate complex expectations, they are expected to be financially autonomous, yet provide public goods such as education and entrepreneurship training.

2.2.2. Resource-Based View (RBV)

The RBV (Barney, 1991) argues that sustainable competitive advantage stems from internal resources that are valuable, rare, inimitable, and non-substitutable (VRIN). Organizational capacity including infrastructure, skilled personnel, governance systems, and tacit knowledge, becomes central to resilience. This theory underscores the importance of looking inward when evaluating organizational effectiveness.

2.2.3. Stakeholder Theory

Stakeholder theory (Freeman, 1984) contends that organizations must account for the interests of all stakeholders, not just shareholders. For public-sector social enterprises like the subsidiaries, stakeholders include the government, beneficiaries, regulators, staff, funders, and the general public. Resilience, in this framework, entails maintaining legitimacy and operational alignment with the expectations of multiple, and often conflicting, stakeholder groups.

Together, these frameworks provide a comprehensive lens through which to explore resilience. From this synthesis, five key factors were identified as predictors of resilience in the subsidiaries: financial sustainability, revenue diversification, leadership quality, organizational capacity, and market demand for products and services.

2.3. Key Studies and Research Findings

2.3.1. Financial Sustainability

Financial sustainability is the ability of an organization to consistently generate income sufficient to meet its operational costs and strategic investments without compromising its mission. Ormiston et al. (2015) highlight that financial sustainability in social enterprises involves balancing commercial discipline with social value creation. In GLSEs, sustainability is often jeopardized by over-reliance on government grants or underpriced services offered for the sake of accessibility (Méndez-Picazo et al., 2021).

In the n context, government-linked companies (GLCs) like the n public sector agency subsidiaries are often subsidized but expected to evolve toward financial independence. However, studies by Ceptureanu et al. (2017) show that many social enterprises fail to achieve sustainability due to misalignment between financial strategy and operational capacity.

2.3.2. Revenue Diversification

Revenue diversification reduces dependency on a single income stream and enhances stability in the face of funding cuts or economic shocks. Carroll and Stater (2009) found a strong link between revenue diversity and financial health in nonprofit organizations. In, where government allocations can fluctuate with political changes, having multiple income sources is especially important for the subsidiaries.

Hung and Hager (2019) suggest that strategic partnerships, private-sector collaborations, and fee-based services can strengthen resilience. Yunus et al. (2010) also advocate for innovation in financial models, including social business hybrids that generate self-sustaining revenue while serving public needs.

2.3.3. Leadership Quality

Transformational leadership, characterized by vision, integrity, and adaptability, has been linked to enhanced organizational resilience (Southwick et al., 2017; Kim & Mor Barak, 2015). Effective leaders in social enterprises must navigate complexity, mobilize stakeholder support, and balance often conflicting goals. In the context of public-sector organizations, however, leadership effectiveness can be constrained by bureaucratic procedures and political interference, making leadership resilience more difficult to realize.

2.3.4. Organizational Capacity

Organizational capacity refers to the infrastructure, human resources, systems, and processes that enable an organization to perform efficiently. Wright and Reames (2020) argue that capacity is one of the most underappreciated drivers of resilience, especially in the nonprofit and public sectors. Jung (2017) found that organizations with stronger internal systems are more adaptable to change and better equipped to handle crises. Maletič et al. (2014) emphasized the importance of continuous investment in staff development and technology to future-proof institutions.

2.3.5. Market Demand

Alignment with market demand enhances an organization's relevance and income potential. Yunus et al. (2010) highlight how social enterprises like Grameen Bank succeeded by designing products that met real needs. In , market responsiveness is increasingly crucial, especially as public sentiments shift toward value-for-money services. However, the subsidiaries often face challenges in pivoting due to rigid operational models and regulatory oversight.

Despite recognition of these five key factors, the interplay between them, particularly in the context of a n GLSE which remains underexplored. This study seeks to bridge this gap.

2.4 Research Gaps / Problem Statement

While the literature provides a solid foundation for understanding resilience in social enterprises and nonprofit organizations, few empirical studies have examined these dynamics within the n context. Specifically, there is limited research on the internal organizational factors that drive resilience among government-linked subsidiaries that function as social enterprises.

Much of the existing literature is Western-centric, focusing on NGOs or social businesses that operate in liberalized economies. These models do not fully account for the hybrid governance structures, political influences, and unique stakeholder configurations found in n institutions like the n public sector agency subsidiaries.

Additionally, studies often examine these factors in isolation. For example, revenue diversification is studied as a financial strategy, while leadership is treated as a cultural or psychological variable. There is a lack of integrated models that assess how these factors collectively influence resilience. This fragmented view is insufficient for understanding the complex operational realities of the subsidiaries.

Therefore, this research proposes a unified model that tests the relationship between five organizational variables and resilience. It seeks to provide both theoretical advancement and practical guidance for policymakers, managers, and scholars interested in strengthening GLSEs.

2.5 Conclusion of the Literature Review

In summary, organizational resilience is a multi-faceted construct that includes financial, structural, strategic, and relational dimensions. For government-linked social enterprises like the n public sector agency subsidiaries, resilience is not merely about survival; it is about fulfilling public missions in an efficient, accountable, and sustainable manner.

The literature underscores the importance of financial sustainability, revenue diversification, leadership, capacity building, and market alignment. However, empirical research integrating these variables within a single analytical framework is sparse especially in the n public sector.

This study responds to that gap by proposing a conceptual model grounded in the TBL, RBV, and Stakeholder Theory to examine the determinants of resilience among the subsidiaries. The next section outlines the research methodology used to operationalize this model.

3. METHODOLOGY

This section presents the methodological approach used to investigate the key internal organizational factors that influence financial resilience among subsidiaries of Subsidiaries in n public sector agency. The study adopts a positivist paradigm using quantitative techniques to ensure objectivity, generalizability, and replicability. It follows a deductive reasoning process, beginning with theoretical models and testing them using empirical data.

The research design incorporates both descriptive and explanatory objectives. Descriptive elements help profile the subsidiaries and respondents involved, while the explanatory dimension focuses on the causal relationship between selected independent variables and the dependent variable: organizational resilience. The methodology includes clearly defined sampling procedures, data collection tools, analytical techniques, and reliability assessments, all of which contribute to the robustness of the study.

3.1 Research Design

The study employs a cross-sectional survey design using structured questionnaires to collect quantitative data from a sample of the n public sector agency subsidiaries' employees. A cross-sectional design was chosen for its ability to capture data at a single point in time, providing a snapshot of the perceived factors that contribute to resilience across different subsidiaries.

This design is particularly suited for exploratory studies involving multiple constructs and large samples. It allows for the statistical testing of hypotheses derived from theory and provides opportunities to identify patterns, correlations, and predictive relationships between variables.

The five independent variables examined are:

i. Financial sustainability
ii. Revenue diversification
iii. Leadership quality
iv. Organizational capacity
v. Market demand

The dependent variable is the perceived resilience of the organization. All variables were measured using indicators adapted from prior studies, adjusted to suit the local context of the subsidiaries.

3.2 Population and Sample

The population for this study consists of all full-time employees working under the n public sector agency subsidiaries. The total population stood at approximately 7,108 individuals, covering 45 subsidiaries engaged in education, technical training, property development, investment, and logistics.

A stratified random sampling technique was employed to ensure representation across organizational levels (executive, non-executive, managerial) and subsidiary types. Stratification is appropriate given the variation in roles, functions, and exposure to financial and operational information among different employee groups.

Using Krejcie and Morgan's (1970) sample size table, the required minimum sample for a population of 7,000++ is 364 respondents. The study successfully obtained 381 usable responses, ensuring sufficient statistical power for the analyses. Participants were selected based on their tenure, involvement in strategic or financial operations, and consent to participate voluntarily.

3.3 Data Collection Methods

The primary method of data collection was a self-administered online questionnaire, developed using Google Forms and distributed through official subsidiaries communication channels. This approach was chosen for its efficiency, accessibility, and ease of use, particularly amid restrictions related to post-pandemic workplace norms.

The questionnaire comprised two major sections:

i. Section A: Captured demographic data, including position, years of service, and subsidiary type.
ii. Section B: Contained Likert-scale items (1 = Strongly Disagree to 5 = Strongly Agree) measuring each of the five independent variables and the dependent variable.

To ensure cultural and contextual appropriateness, items were adapted from validated international instruments, including those used by Jung (2017), Wright & Reames (2020), and Southwick et al. (2017), but reworded for relevance to n GLSEs.

A pilot study was conducted with 22 respondents to refine question clarity and wording. Feedback led to the removal of ambiguous items and improvements to phrasing. The final questionnaire took approximately 8–12 minutes to complete.

Ethical approval was obtained from the relevant the subsidiaries office. Participation was anonymous, and all responses were kept confidential and used solely for research purposes.

3.4 Data Analysis

Data from the questionnaires were analyzed using IBM SPSS Statistics Version 26. The analysis proceeded in several stages:

Descriptive Statistics: Used to analyze demographic characteristics and summarize responses for each variable. Mean scores and standard deviations were calculated to understand overall perceptions.

Reliability Testing: Cronbach's alpha coefficients were calculated to assess internal consistency of the constructs. All constructs achieved alpha values above 0.70, indicating acceptable reliability.

Correlation Analysis: Pearson's correlation coefficient was used to examine the strength and direction of the relationships between independent variables and organizational resilience.

Multiple Regression Analysis: This inferential technique was employed to determine which variables significantly predicted resilience. The model used resilience as the dependent variable and the five internal factors as predictors.

The regression equation was as follows:

$$Y = \beta 0 + \beta 1X1 + \beta 2X2 + \beta 3X3 + \beta 4X4 + \beta 5X5 + \varepsilon$$

Where:

Y = Organizational Resilience
X1 = Financial Sustainability
X2 = Revenue Diversification
X3 = Leadership Quality
X4 = Organizational Capacity
X5 = Market Demand
β = Regression coefficients
ε = Error term

Statistical significance was set at $p < 0.05$, and multicollinearity was checked through Variance Inflation Factor (VIF) values, all of which were within acceptable thresholds.

3.5 Validity and Reliability

Reliability refers to the consistency of measurement, while validity concerns whether the instrument measures what it purports to measure. Both were rigorously evaluated in this study.

3.5.1. Reliability

The overall reliability for the constructs was confirmed through Cronbach's alpha:

Cronbach's Alpha

Variable	Cronbach's Alpha

1.	Leadership Quality	898
2.	Revenue Diversification	.715
3.	Financial Sustainability	.871
4.	Organizational Capacity	.671
5.	Market Demand	.818
	Organizational Resilience	.888

Table 1
Cronbach's Alpha

These scores indicate a high level of internal consistency across the constructs.

3.6 Limitations of the Methodology

This study has several methodological limitations. As a cross-sectional design, it captures perceptions at a single point in time and does not reflect how resilience evolves over different contexts or crises. The use of self-reported data may also introduce bias, as respondents could have varying levels of knowledge or may respond subjectively based on their roles. While the sample was stratified and drawn from diverse the subsidiaries, the study did not examine sector-specific differences, which may influence resilience factors. Additionally, external influences such as political, regulatory, or economic conditions were beyond the scope of this study, even though they may significantly affect organizational resilience.

Despite these limitations, the study provides a solid foundation for understanding internal drivers of resilience in government-linked social enterprises. The next section will present and analyze the findings of the study.

4. FINDINGS AND DISCUSSION

This section presents a detailed analysis of the data collected from 381 respondents across the subsidiaries. The analysis follows a three-tier approach: (1) descriptive analysis to explore trends in respondent characteristics and perceptions; (2) correlation analysis to assess relationships between key variables; and (3) multiple regression analysis to test the predictive power of the proposed model.

These findings are discussed in light of the literature reviewed in Section 2.0, and the implications are drawn for both scholarly inquiry and organisational practice.

4.1. Reporting of Findings

4.1.1. Descriptive Analysis

Demographically, the sample was diverse and representative of the subsidiary landscape. A majority of respondents (42%) were executives, followed by 28% non-executives, 19% senior management, and 11% middle management. Approximately 68% of respondents had served their organizations for more than six years, which lends credibility and depth to the insights captured.

In terms of subsidiary type, participation was well-distributed across educational n public sector agency. This diversity allowed for a comprehensive view of resilience drivers across functionally distinct entities.

Descriptive statistics for the study's core variables were generally positive, with most constructs receiving mean scores above the neutral midpoint (3.0):

Construct	Mean (M)	Standard Deviation (SD)

1.	Financial Sustainability	3.81	.94
2.	Revenue Diversification	3.41	.95
3.	Leadership Quality	3.62	.98
4.	Organizational Capacity	3.57	.91
5.	Market Demand	3.91	.86
6.	Organizational Resilience	3.55	.88

Table 2
Descriptive Statistic

The highest mean score was reported for market demand, suggesting that most respondents perceived their services to be well-aligned with public needs. However, the lowest mean was for revenue diversification, hinting at a common challenge among subsidiaries in establishing multiple income streams — a potential vulnerability in times of funding instability.

4.1.2. Correlation Model

Pearson correlation analysis was conducted to explore the relationships between the independent variables and organizational resilience. All five variables demonstrated strong, positive, and statistically significant correlations with resilience:

Variable		Correlation (r)
1.	Financial Sustainability	0.791
2.	Revenue Diversification	0.833
3.	Leadership Quality	0.776
4.	Organizational Capacity	0.762
5.	Market Demand	0.796

Table 3
Correlation Analysis

The strongest correlation was observed between revenue diversification and resilience, confirming earlier assertions in the literature (Carroll & Stater, 2009; Hung & Hager, 2019) that diverse funding streams enhance organizational robustness.

While all variables were positively associated with resilience, correlation does not imply causation. To test for predictive strength, multiple regression was employed.

4.1.3. Multiple Regression Analysis

A multiple linear regression analysis was conducted to determine the predictive value of the five independent variables on organizational resilience. The model produced the following results:

$R^2 = 0.492$: About 49.2% of the variance in resilience can be explained by the model.

$F = 13.187$, $p < 0.001$: The model is statistically significant.

Variable	Beta Coefficient (β)	t-value	Significance (p)

1.	Financial Sustainability	0.149	1.324	0.190
2.	Revenue Diversification	0.212	2.225	0.029
3.	Leadership Quality	0.167	1.488	0.141
4.	Organizational Capacity	0.237	2.120	0.038
5.	Market Demand	0.098	0.846	0.400

Table 4
The Coefficient Summary

Only two variables which is revenue diversification and organizational capacity were statistically significant predictors of organizational resilience ($p < 0.05$). Financial sustainability, leadership quality, and market demand, although correlated with resilience, did not show significance in the multivariate model.

4.2. Interpretation and Discussion

4.2.1. Revenue Diversification as a Core Resilience Driver

The strongest predictor of resilience was revenue diversification. This confirms Carroll and Stater's (2009) and Ormiston et al.'s (2015) assertions that organizations with multiple revenue sources are better positioned to withstand funding shocks and policy shifts. In the subsidiaries' case, subsidiaries that relied solely on government grants or tuition fees were seen as more vulnerable compared to those with mixed portfolios (e.g., industry-linked programs).

This finding highlights the urgent need for the subsidiaries to innovate its financial models. Introducing paid services, strategic partnerships, and licensing of intellectual property can supplement government allocations while preserving the mission.

4.2.2. Organizational Capacity as Resilience Enabler

Organizational capacity emerged as the second significant predictor. Consistent with Jung (2017) and Maletič et al. (2014), this suggests that internal systems, competent personnel, and infrastructure play a pivotal role in how well subsidiaries can respond to disruption.

Subsidiaries with advanced IT systems, skilled administrators, and structured internal governance were perceived as more resilient. This underscores the importance of sustained investment in human capital, technology, and internal controls.

4.2.3. The Puzzle of Financial Sustainability

Surprisingly, financial sustainability was not a statistically significant predictor in the regression model despite a strong bivariate correlation. This suggests that while it is conceptually important, its effects may be mediated through other variables like revenue diversification or capacity. Alternatively, perceptions of financial sustainability may vary across respondents depending on their roles (finance vs. operations), diluting its statistical impact.

Leadership and market demand did not significantly predict resilience in the multivariate model. One possible explanation is the institutional context: The subsidiaries often operate within rigid bureaucratic frameworks where leaders have limited autonomy, and market responsiveness is constrained by policy directives.

This finding contrasts with Southwick et al. (2017), who found leadership to be critical in nonprofit resilience. In the subsidiaries' case, leadership may matter more in vision-setting than in tactical resilience, where structural constraints limit managerial agency.

4.2.4. Implication of Interplay Between Variables

These findings suggest that resilience is not the product of any single factor, but rather the dynamic interplay of financial, structural, and strategic capabilities. While strong leadership and market demand may help, they are insufficient without institutional robustness and diverse income streams.

This supports the literature's move away from "heroic" views of leadership (Hamel, 2009) toward systems-oriented resilience built on capacity, culture, and continuity planning.

4.3. Reporting of Findings

The results of this study provide a nuanced understanding of the internal organizational factors that contribute to financial and strategic resilience among the subsidiaries.

The analysis revealed that revenue diversification and organizational capacity were the only two variables that significantly predicted resilience in the multiple regression model, suggesting their primary importance in determining how well a government-linked social enterprise (GLSE) can adapt, survive, and perform under pressure.

While financial sustainability, leadership quality, and market demand all exhibited strong positive correlations with resilience in the bivariate analysis, they failed to reach statistical significance when tested in the presence of other variables, indicating possible mediating or contextual influences.

These findings align with the core assumptions of the Triple Bottom Line, Resource-Based View, and Stakeholder Theory, emphasizing the centrality of internal resources and adaptive capacity over purely external or symbolic factors.

Rather than relying solely on charismatic leadership or reactive alignment with demand, the evidence suggests that long-term resilience in the subsidiaries depends on strengthening operational systems, investing in human capital, and innovating revenue models.

The implications are clear: to remain viable, public-sector organizations with social mandates must move beyond compliance and subsidy dependence and toward proactive capacity-building and strategic diversification.

5. CONCLUSION

This final section synthesizes the findings, explores the broader implications of the research, outlines its limitations, and provides recommendations for future studies. The investigation into the n public sector agency subsidiaries reveals compelling insights into how government-linked social enterprises (GLSEs) in can build resilience amidst financial uncertainty, evolving public expectations, and structural limitations.

The research confirms that internal organizational dynamics particularly revenue diversification and organizational capacity are more critical predictors of resilience than leadership charisma or market alignment. This finding has significant ramifications for both theoretical advancement and practical governance reform in the public-social enterprise space.

5.1. Implications of the Study

The results carry important theoretical implications, particularly for the intersection of organizational theory, public management, and social enterprise research. The integration of the Triple Bottom Line, Resource-Based View, and Stakeholder Theory provided a comprehensive conceptual framework that proved effective in explaining resilience in hybrid organizations like the subsidiaries.

The findings support the notion that resilience is not a spontaneous outcome of leadership or environment alone, but rather the product of carefully nurtured internal resources, systems, and income strategies. These theories remain relevant, but the study invites refinements: RBV, for instance, should include resilience as a strategic asset in itself particularly in contexts where organizations must deliver both public value and financial return.

From a practical standpoint, the research provides a roadmap for policymakers and leaders of public-sector organizations. First and foremost, revenue diversification must become a policy and operational priority. Subsidiaries overly reliant on government funding or tuition fees are at risk of collapse when budgets shrink or when political priorities shift. The subsidiaries should actively encourage and incentivize subsidiaries to explore alternative revenue models such as strategic partnerships, licensing agreements, enterprise spin-offs, and social innovation platforms that align with their core missions.

Secondly, organizational capacity building must be institutionalized. This goes beyond hiring talented staff; it includes developing governance frameworks, investing in digital infrastructure, embedding monitoring and evaluation systems, and fostering a culture of continuous learning. Many subsidiaries underperform not because of a lack of mission alignment, but due to outdated systems or resource inefficiencies that weaken institutional resilience.

The study also has policy implications. Government ministries overseeing GLSEs, must rethink evaluation criteria for public enterprises. Rather than focusing narrowly on profit margins or compliance checklists, assessments should consider resilience indicators such as flexibility, innovation potential, and adaptive learning capacity. This would encourage a more forward-thinking, sustainability-oriented performance culture.

Moreover, the governance model under which the subsidiaries operate must be revisited. Many organizations are caught in bureaucratic bottlenecks, facing rigid procurement processes, limited decision-making authority, and low risk tolerance. A differentiated autonomy model where high-performing subsidiaries are granted more strategic and financial freedom could accelerate innovation and resilience across the network.

Finally, the study opens the door to regional benchmarking. Institutions like the subsidiaries share structural similarities with Indonesia's BUMN or India's public sector undertakings (PSUs). Policymakers should foster dialogue and exchange among these entities to share resilience strategies and reform models that have succeeded in comparable socio-political environments.

5.2. Limitations of the Study

While the findings are valuable, several limitations constrain the generalizability and depth of this research.

First, the cross-sectional nature of the study means it captures organizational dynamics at only one point in time. Resilience, by nature, is a temporal phenomenon shaped by changes, shocks, and strategic adaptation over time. A longitudinal study would provide a richer understanding of how these variables evolve and interact in response to events.

Second, the study relies on self-reported data, which may be subject to bias, especially in hierarchical or politically sensitive organizations. Employees may provide favorable assessments of their institution's performance due to loyalty, fear of reprisal, or limited access to financial data.

Third, while the sample size was statistically adequate and stratified for representativeness, the model did not distinguish between different types of subsidiaries (e.g., educational, investment, logistics). It is likely that resilience drivers vary by sector. For instance, revenue diversification may matter more in logistics than in higher education, where pricing is often fixed by public policy.

Fourth, the model excluded external variables such as political influence, regulatory constraints, macroeconomic conditions, and media scrutiny. These forces undoubtedly impact organizational behavior and resilience but were beyond the scope of this internal-facing study.

Lastly, although the conceptual framework integrated three prominent theories, it did not include frameworks from crisis management or systems theory, which might offer additional explanatory value in the context of resilience.

5.3. Recommendations for Future Research

Given the limitations above, several avenues for future research emerge.

First, scholars should conduct longitudinal studies tracking the resilience of the subsidiaries (or comparable institutions) across several years, including periods of economic downturn or major policy shifts. This would clarify whether resilience is a stable organizational trait or an adaptive process.

Second, researchers could pursue comparative case studies between successful and struggling subsidiaries. In-depth qualitative analysis would reveal contextual nuances and provide rich insights into how leadership decisions, organizational culture, and strategic innovation influence resilience outcomes.

Third, future research should explore external drivers of resilience by integrating political economy, governance, and crisis-response variables. Studies could investigate how changing political administrations, government audits, or media scandals affect organizational resilience in GLSEs.

Lastly, researchers might explore the impact of digital transformation and innovation on resilience. As public-sector organizations increasingly embrace digital platforms, new opportunities for data-driven resilience emerge—from predictive analytics to resource optimization.

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7. CONFLICT OF INTEREST

The authors declare no known competing financial interests or personal relationships that could have appeared to influence the work reported in the paper.

8. AUTHOR CONTRIBUTION STATEMENT

Author 1 contributed to the conceptualization, research design, and writing of the original draft.
Author 2 was responsible for data collection, analysis, and result validation.
Author 3 provided supervision, critical review, and editing of the final manuscript.

All authors have read and approved the final version of the manuscript.

9. ETHICS STATEMENT

This research was conducted in accordance with UPTM ethical standards and adhered to the principles outlined in the Declaration of Helsinki. The Review Board granted ethical approval under reference number UPTM2026111. All participants were informed about the purpose of the study and provided written informed consent prior to participation. Participants' privacy and confidentiality were strictly maintained, and data collected were used solely for academic purposes.

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