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Building high performance in state-owned enterprises: A structural model of organizational climate, learning, and knowledge sharing

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Abstract: This study examines the structural relationships among Organizational Climate, Organizational Learning, Knowledge Sharing, and High Performance in State-Owned Enterprises (SOEs). Using a quantitative explanatory design, data were collected through structured questionnaires from 350 employees of Indonesian SOEs and analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS 4.0. The results show that Organizational Climate has a significant positive effect on Organizational Learning, Knowledge Sharing, and High Performance. Knowledge Sharing also significantly influences performance, whereas Organizational Learning does not have a direct effect. Mediation analysis indicates that Knowledge Sharing partially mediates the relationship between Organizational Climate and High Performance. These findings highlight the importance of a supportive organizational climate in fostering knowledge-sharing behaviors to enhance performance. This study contributes to organizational behavior literature in the public sector and provides practical insights for leaders and policymakers to strengthen climate-building strategies for sustainable performance in SOEs.

Keywords: *High performance, Knowledge sharing, Organizational climate, Organizational learning, Public sector performance, State-owned enterprises.*

1. Introduction

In an increasingly competitive and uncertain global economic environment, organizational performance has become a central concern for both private and public-sector organizations. State-Owned Enterprises (SOEs) face distinctive challenges due to bureaucratic governance structures, regulatory constraints, and dual mandates to pursue commercial efficiency while fulfilling public service obligations. These structural complexities often reduce organizational agility and weaken performance outcomes, positioning performance improvement in SOEs as a strategic issue of global importance [1].

Empirical evidence indicates that SOEs in many countries continue to underperform relative to private-sector firms in terms of productivity, innovation, and operational efficiency. Studies in emerging economies highlight persistent internal problems such as rigid work systems, limited employee learning opportunities, and weak integration of organizational knowledge [2, 3]. In Indonesia and similar contexts, SOEs are expected to play a pivotal role in national economic development, yet uneven performance across enterprises suggests that internal organizational factors require closer empirical scrutiny [1].

Contemporary management research increasingly emphasizes that high organizational performance is not driven solely by financial capital or technological investment but also by intangible organizational factors. Organizational climate, defined as shared employee perceptions of policies, practices, and procedures, has been shown to significantly influence motivation, cooperation, and work

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behavior [4]. A supportive organizational climate creates conditions that enable employees to engage more actively in learning and knowledge exchange, which are essential for performance sustainability.

Organizational learning represents a critical capability that allows organizations to adapt, innovate, and continuously improve performance. Learning-oriented organizations systematically acquire, interpret, and apply knowledge to enhance decision-making and problem-solving processes [5, 6]. Complementing this process, knowledge sharing facilitates the dissemination of both tacit and explicit knowledge across individuals and organizational units, transforming individual expertise into collective organizational capability and competitive advantage [2, 4, 7].

Despite growing scholarly attention, existing empirical findings on organizational climate, organizational learning, knowledge sharing, and performance remain fragmented. Many prior studies focus predominantly on private-sector firms or knowledge-intensive industries, limiting their applicability to SOEs characterized by public accountability and institutional rigidity [2, 3]. Moreover, several studies examine these constructs independently, without capturing their interdependent roles in shaping organizational performance outcomes.

A notable gap in the literature lies in the limited use of integrated structural models that examine organizational climate as an antecedent of high performance through the mediating mechanisms of organizational learning and knowledge sharing, particularly within the SOE context. Empirical studies adopting such comprehensive models remain scarce, especially in emerging economies where institutional dynamics differ significantly from those in developed markets [3, 4]. This gap underscores the need for robust quantitative investigations that reflect the systemic nature of performance development in SOEs.

Addressing these limitations, the present study aims to develop and empirically test a structural model that explains how organizational climate influences high performance through organizational learning and knowledge sharing in State-Owned Enterprises. Grounded in organizational climate theory, organizational learning theory, and the knowledge-based view of the firm, this study integrates behavioral and knowledge-oriented perspectives to provide a more holistic explanation of performance formation in public-sector organizations [5, 7, 8].

Accordingly, this study seeks to answer the following research questions: (1) Does organizational climate have a positive and significant effect on organizational learning? (2) Does organizational climate have a positive and significant effect on knowledge sharing? (3) Does organizational learning have a positive and significant effect on high performance? (4) Does knowledge sharing have a positive and significant effect on high performance? (5) Does organizational climate have a positive and significant effect on high performance? Based on these questions, testable hypotheses are proposed to examine both direct and indirect relationships among the study variables. The findings are expected to contribute theoretically to the organizational performance literature and practically to performance management strategies in State-Owned Enterprises [1, 6].

2. Literature Review

Organizational climate, organizational learning, and knowledge sharing have become strategic focal points in enhancing organizational performance, particularly in the public sector. Organizational climate is broadly defined as the shared perceptions of employees concerning policies, procedures, and practices that shape their workplace experiences. A positive climate fosters trust, communication, and cooperation, forming a fertile ground for innovation and performance [9]. Organizational learning is the capability of an organization to create, acquire, and transfer knowledge, and to modify its behavior to reflect new insights [10]. Knowledge sharing, meanwhile, encompasses the process by which individuals mutually exchange knowledge and collaboratively create new understanding to enhance organizational outcomes [11]. These constructs are inherently interrelated, particularly within state-owned enterprises (SOEs), where hierarchical structures often hinder agility and performance. This study focuses on how these three constructs interact to foster high performance in SOEs, defined as the

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achievement of superior organizational outcomes in terms of efficiency, innovation, and service delivery [12].

The theoretical grounding for this study is established through the Ability–Motivation–Opportunity (AMO) framework and the Resource-Based View (RBV). The AMO framework suggests that individual performance is a function of employees' ability, motivation, and opportunity to perform, all of which are shaped by the organizational context [13]. A supportive organizational climate provides the opportunity structure that facilitates learning behaviors and promotes knowledge sharing. Simultaneously, the RBV argues that intangible resources such as knowledge and learning capabilities are critical for sustainable competitive advantage [14]. In SOEs, where tangible resources may be constrained by political or legal limitations, intangible assets like organizational learning and knowledge dynamics become even more critical for performance outcomes.

Empirical studies support these relationships. Kuo and Lin [10] found that an empowering organizational climate significantly influences both knowledge sharing and innovation outcomes in public healthcare institutions. Similarly, Ma and Zhang [15] demonstrated that knowledge sharing mediates the relationship between organizational climate and employee performance, highlighting the behavioral mechanisms involved. In contrast, Afrin et al. [16] reported that the absence of formal learning systems in state organizations limits the effectiveness of a supportive climate, suggesting that climate alone is insufficient. These studies highlight the importance of integrating these constructs into a unified model to capture their dynamic interactions in the public sector. While research has explored these variables in isolation, comprehensive models within SOEs remain scarce.

This research aims to fill this gap by proposing and empirically testing a structural model in which organizational climate positively influences organizational learning and knowledge sharing, both of which, in turn, enhance high performance. The proposed conceptual framework reflects a mediational path, consistent with AMO and RBV theories, and is particularly suited for the structural equation modeling (SEM) approach. The model assumes that climate acts as an enabler of knowledge-related behaviors and that these behaviors drive performance in complex, regulated environments like SOEs. This integration not only extends the existing theoretical discourse but also offers actionable insights for public sector reform and performance optimization.

2.1. Organizational Climate Has a Positive and Significant Effect on Organizational Learning

Organizational climate is a multidimensional construct that reflects shared perceptions of employees regarding policies, practices, and procedures that are rewarded, supported, and expected within an organization. Grounded in the Ability Motivation Opportunity (AMO) Framework, a positive organizational climate is seen as a contextual enabler that enhances employees' opportunities to engage in learning activities. The theory suggests that when employees are provided with psychologically safe environments where trust, openness, and collaboration are encouraged, they are more likely to engage in learning behavior, knowledge acquisition, and continuous development [13]. Within public sector organizations such as state-owned enterprises (SOEs), a supportive climate mitigates bureaucratic rigidity and promotes adaptability through learning.

In parallel, Social Exchange Theory (SET) offers a complementary explanation. The theory posits that when organizations invest in creating a conducive climate characterized by fairness, respect, and shared vision, employees tend to reciprocate with positive behaviors, including engaging in organizational learning. This reciprocal relationship becomes critical in SOEs, where top-down structures often limit employee initiative. A climate that empowers dialogue and feedback encourages individuals to seek new knowledge and contribute to collective learning processes [17, 18].

Empirical studies validate this association. Kuo and Lin [10] demonstrated that employees in public health institutions with strong organizational climates showed significantly higher engagement in learning behaviors, particularly in sharing best practices and co-developing process improvements [10]. Similarly, Kuo and Lin [10] found that a trust-based climate enhances knowledge interpretation and

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facilitates collective sensemaking, both of which are central to organizational learning. These findings support the notion that a positive climate fosters a continuous learning culture across hierarchical levels [10].

H_1: Organizational climate has a positive and significant effect on organizational learning.

2.2. Organizational Climate Has a Positive and Significant Effect on Knowledge Sharing

Organizational climate plays a pivotal role in shaping employees' willingness to share knowledge, particularly in hierarchical or bureaucratic environments such as State-Owned Enterprises (SOEs). Defined as the collective perception of work environment characteristics, organizational climate influences interpersonal trust, communication openness, and collaborative norms, all of which are essential conditions for effective knowledge sharing [19]. When individuals perceive their climate as supportive, fair, and psychologically safe, they are more inclined to exchange expertise, contribute ideas, and co-create solutions rather than withhold knowledge due to fear of judgment or competition.

The Social Exchange Theory (SET) further supports this relationship by positing that employees respond positively to favorable organizational treatment. When organizations invest in building a climate characterized by mutual respect, recognition, and inclusivity, employees are more likely to reciprocate with discretionary behaviors such as knowledge sharing, which are not mandated but critical for collective performance [18]. This reciprocal dynamic is particularly important in SOEs, where siloed structures and political interference can undermine internal collaboration. A strong climate may counterbalance these limitations by fostering shared norms of openness and contribution.

Empirical evidence strengthens this theoretical linkage. A study by Kuo and Yeh [20] in public sector hospitals revealed that supportive climate dimensions such as leader support and peer cooperation significantly enhanced knowledge sharing behavior among staff. Similarly, Kim and Park [21] found that psychological safety and trust, as facets of organizational climate, have a direct positive effect on both tacit and explicit knowledge sharing in government-affiliated institutions. Moreover, Safa and Satar [22] identified that perceived organizational support, a component of climate, was the strongest predictor of knowledge sharing in regulated organizational environments. These findings consistently highlight that climate is not merely a background condition but a strategic enabler of knowledge exchange.

H_2: Organizational climate has a positive and significant effect on knowledge sharing.

2.3. Organizational Learning Has a Positive and Significant Effect on High Performance

Organizational learning is widely recognized as a key driver of performance enhancement in dynamic and complex environments. It encompasses the processes through which organizations develop new knowledge, integrate it into operations, and adapt behaviors to improve effectiveness [23]. In the context of State-Owned Enterprises (SOEs), which often face bureaucratic inertia and slow responsiveness, learning serves as a critical capability for maintaining relevance, improving efficiency, and delivering public value. A strong learning orientation enables organizations to respond proactively to environmental changes, policy shifts, and stakeholder demands, thereby enhancing their overall performance.

From a Resource-Based View (RBV), organizational learning is an intangible asset that provides a sustainable competitive advantage when effectively embedded into routines, culture, and structures [14]. High-performing organizations continuously develop internal learning mechanisms such as feedback loops, reflective practices, and shared problem-solving. These practices contribute not only to operational improvement but also to innovation, employee adaptability, and strategic alignment. In SOEs, where flexibility is often constrained, learning offers a non-structural path to performance improvement.

Empirical studies have consistently confirmed the positive link between organizational learning and high performance. Adeel et al. [24] found that learning capability was a significant predictor of

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performance in government-linked corporations, especially in areas related to innovation and service delivery. Likewise, Kang and Kim [25] observed that public organizations with strong learning cultures outperform their counterparts in knowledge application and stakeholder responsiveness. Additionally, Ofori and Adu [26] concluded that learning orientation contributes to employee productivity and organizational agility in semi-autonomous public agencies. These studies reinforce the argument that learning is not only beneficial but essential for driving performance in the public sector.

H_3. Organizational learning has a positive and significant effect on high performance.

2.4. Knowledge Sharing Has a Positive and Significant Effect on High Performance.

Knowledge sharing is a fundamental enabler of organizational effectiveness, especially in knowledge-intensive and service-driven environments such as State-Owned Enterprises (SOEs). It involves the dissemination and exchange of information, experiences, and expertise among employees, facilitating better decision-making, innovation, and problem-solving. When employees actively share knowledge, organizations are better positioned to reduce redundancy, leverage internal capabilities, and respond to external challenges with agility [11].

From the lens of the Resource-Based View (RBV), knowledge is a strategic intangible asset that contributes to sustained high performance when shared, integrated, and applied effectively within the organization [27]. In SOEs, often constrained by rigid structures and limited market incentives, knowledge sharing can offset inefficiencies by promoting collaboration across departments and enabling adaptive performance. It also supports capacity building, accelerates the learning curve, and enhances the organization's responsiveness to policy or technological change.

Several recent empirical studies support the link between knowledge sharing and organizational performance. Safa and Satar [22] found that organizations with a strong culture of knowledge sharing reported higher levels of employee productivity and service innovation, particularly in regulated industries. Similarly, Lee and Park [28] demonstrated that knowledge exchange across units within public agencies significantly improved strategic alignment and operational outcomes. Furthermore, research by Ahmad and Nisar [29] revealed that knowledge sharing positively impacted performance in government-linked entities, mediated through team learning and cross-functional collaboration. These findings consistently highlight knowledge sharing as a critical behavioral mechanism for performance enhancement.

H_4. Knowledge sharing has a positive and significant effect on high performance.

2.5. Organizational Climate Has a Positive and Significant Effect on High Performance

Organizational climate is widely acknowledged as a strategic determinant of organizational success. It encompasses the shared perceptions of employees regarding organizational policies, practices, and norms that influence behavior and motivation [30]. A positive climate characterized by trust, openness, role clarity, and support creates an environment in which employees are motivated to perform, collaborate more effectively, and align their efforts with organizational goals. In the context of State-Owned Enterprises (SOEs), where procedural rigidity and political influence can obstruct operational flexibility, organizational climate acts as a performance lever by shaping the social and psychological environment in which work is carried out.

Drawing on the Ability, Motivation, Opportunity (AMO) framework, organizational climate can be seen as an "opportunity-enhancing" factor that facilitates employee engagement, participation, and innovation, all of which are central to high performance [13]. Moreover, the Social Exchange Theory (SET) posits that when employees perceive organizational support and fairness, they are likely to reciprocate through commitment, discretionary effort, and improved performance outcomes. These reciprocal behaviors are especially crucial in SOEs, where performance is measured not only by financial indicators but also by public value delivery and responsiveness.

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Empirical research has substantiated the positive association between organizational climate and performance. Zeb and Bukhari [9] found that in public sector organizations, a supportive climate significantly predicted improvements in service quality, employee output, and client satisfaction. Similarly, Zhang and Jiang [2] demonstrated that employees who perceived their organizational climate as empowering and inclusive were more productive and contributed to higher overall organizational effectiveness. In addition, research by Tang and Chen [31] confirmed that leadership-driven climate initiatives improved innovation and adaptability, leading to measurable gains in organizational performance within state-run entities.

H_5: Organizational climate has a positive and significant effect on high performance.

2.6. Hypotheses and Theoretical Framework

H_1: Organizational Climate has a positive and significant effect on Organizational Learning.
H_2: Organizational Climate has a positive and significant effect on Knowledge Sharing.
H_3: Organizational Learning has a positive and significant effect on High Performance.
H_4: Knowledge Sharing has a positive and significant effect on High Performance.
H_5: Organizational Climate has a positive and significant effect on High Performance.

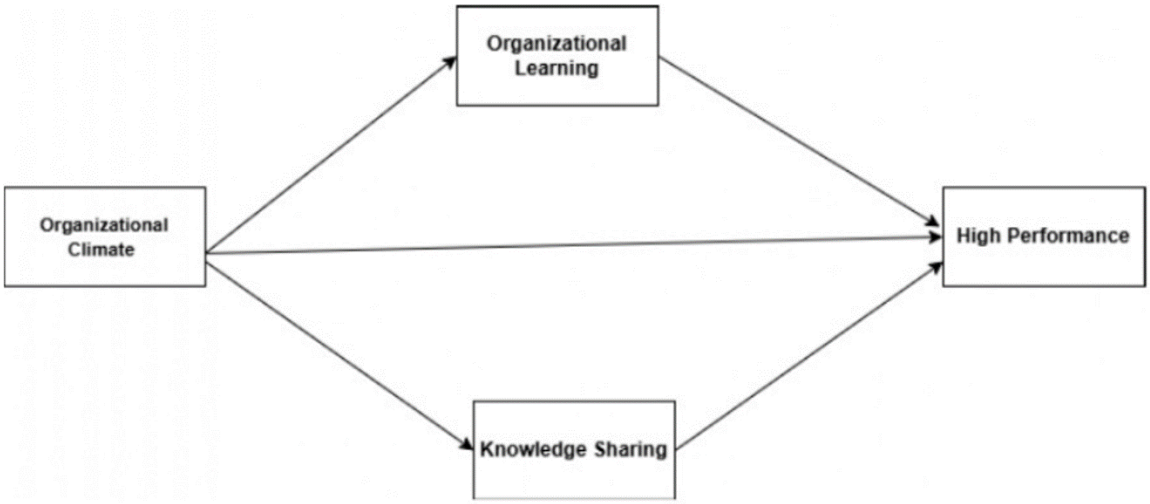

Figure 1.
Theoretical Framework.

Figure 1 illustrates the conceptual framework of the study, outlining the hypothesized relationships among Organizational Climate, Organizational Learning, Knowledge Sharing, and High Performance. Organizational Climate serves as the primary independent variable, directly influencing both Organizational Learning (H1) and Knowledge Sharing (H2). These variables are proposed to affect High Performance directly through H3 and H4, respectively.

Additionally, the model includes two mediating paths: Organizational Learning is hypothesized to mediate the relationship between Organizational Climate and High Performance (H6), while Knowledge Sharing is also expected to mediate this relationship (H7). Solid arrows represent direct effects, while dashed arrows indicate mediating pathways. This framework enables the analysis of both direct and indirect effects, emphasizing how organizational climate may foster high performance through learning and knowledge-sharing mechanisms.

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3. Methodology

This study empirically examines the causal relationships between Organizational Climate, Organizational Learning, Knowledge Sharing, and High Performance within the context of State-Owned Enterprises (SOEs). Adopting a quantitative, explanatory research design, the primary aim of the study is to test theoretical assumptions and validate a conceptual framework based on the Social Exchange Theory (SET) and the Ability Motivation Opportunity (AMO) theory. The study employs a cross-sectional survey method, which facilitates the collection of data from a large sample of SOE employees at a single point in time, thereby enabling the investigation of correlations among multiple variables simultaneously [32]. This design is particularly suitable for SOEs, where factors such as institutional culture, knowledge behavior, and learning engagement evolve organically and cannot be manipulated under controlled experimental settings [27].

To analyze the data, the study utilizes Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS 4.0, a robust and widely recognized technique for evaluating complex models involving mediating and direct structural relationships. PLS-SEM is chosen for its ability to handle non-normal data distributions, small-to-moderate sample sizes, and its focus on predictive modeling [33]. The analytical procedure consists of two primary stages: (1) Measurement model assessment, including reliability analysis (using Cronbach's alpha and composite reliability), convergent validity (Average Variance Extracted – AVE), and discriminant validity (Fornell–Larcker criterion); and (2) Structural model assessment, which evaluates hypotheses using path coefficients, coefficient of determination (R^2), effect size (f^2), and bootstrapping with 5,000 subsamples to determine the statistical significance of each path [34].

This model tests Organizational Learning and Knowledge Sharing as mediating variables transmitting the influence of Organizational Climate on High Performance. Indirect effect analysis examines these mediations. All hypotheses are tested at a 5% significance level ($p < 0.05$). SmartPLS 4.0 enables rigorous evaluation of the outer (measurement) and inner (structural) models, ensuring valid, reliable, and reproducible results across organizational settings [35]. This enhances credibility and generalizability in public enterprise environments.

4. Result

4.1. Measurement Model Evaluation

Cronbach's alpha, composite reliability (CR), AVE, and discriminant validity verified the constructs' validity and reliability [33]. All constructs demonstrated convergent validity (AVE > 0.640) and high internal consistency (α and CR > 0.919). The model retained items with loadings between 0.719 and 0.905.

Table 1.
Construct Reliability and Validity.

Contruct	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)	Decisions
HP	0.848	0.855	0.892	0.623	Reliable and valid
KS	0.871	0.879	0.906	0.660	Reliable and valid
OC	0.860	0.873	0.900	0.643	Reliable and valid
OL	0.874	0.876	0.909	0.666	Reliable and valid

Table 1 presents the results of the construct reliability and convergent validity assessment for each latent variable in the research model. The evaluation includes four key criteria: Cronbach's Alpha, Composite Reliability, and Average Variance Extracted (AVE). All constructs exhibit Cronbach's Alpha values above 0.7, indicating satisfactory internal consistency. Additionally, the composite reliability

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scores for all constructs exceed the recommended threshold of 0.70, confirming strong internal reliability across the indicators.

Furthermore, all constructs show AVE values greater than 0.50, indicating that each construct explains more than 50% of the variance of its indicators, thus meeting the criterion for convergent validity. These results collectively confirm that all latent variables in the study—High Performance (HP), Knowledge Sharing (KS), Organizational Climate (OC), and Organizational Learning (OL)—are both statistically reliable and conceptually valid.

Table 2.
Latent Variable Correlations (Fornel-Larcker Criterion).

Constructs	HP	KS	OC	OL	Decisions
HP	0.790				Not valid
KS	0.882	0.812			Not valid
OC	0.945	0.798	0.802		Not valid
OL	0.898	0.879	0.857	0.816	Not valid

Table 2 presents the Fornell–Larcker criterion to assess discriminant validity. According to this criterion, a construct's square root of AVE (diagonal value) should be greater than its correlations with other constructs (off-diagonal values) [36]. However, in this model, all constructs, High Performance (HP), Knowledge Sharing (KS), Organizational Climate (OC), and Organizational Learning (OL), fail to meet this criterion. For example, the square root of AVE for HP is 0.790, which is lower than its correlation with OC (0.945) and OL (0.898). Similar issues are observed for all other constructs.

Table 3.
Discriminant Validity (Heterotrait-Monotrait Ratio - HTMT).

Constructs	HP	KS	OC	OL	Decisions
HP					Not Valid
KS	1.015				Not Valid
OC	1.096	0.907			Not Valid
OL	1.044	1.000	0.982		Not Valid

Table 3 shows the HTMT values used to assess discriminant validity between constructs. All values exceed the recommended threshold of 0.90, indicating that discriminant validity is not achieved. This means the constructs High Performance (HP), Knowledge Sharing (KS), Organizational Climate (OC), and Organizational Learning (OL) are not sufficiently distinct from one another. Such high correlations suggest possible overlap between measurement items. To address this, the measurement model should be refined by reviewing or removing similar indicators and reassessing validity.

4.2. Structural Model Evaluation

Once the measurement model's validity was established, the exogenous variables' ability to explain the endogenous constructs was assessed using R2 values. Greater explanatory power is reflected in higher R2 values, indicating stronger model performance. As noted by Singh et al. [8].

Table 4.
Coefficient of Determination (R Square).

Constructs	R-square	R-square adjusted
HP	0.941	0.939
KS	0.636	0.632
OL	0.735	0.731

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Table 4 presents the R-square and adjusted R-square values for the dependent variables in the model: High Performance (HP), Knowledge Sharing (KS), and Organizational Learning (OL). The R-square value for HP is 0.941, indicating that 94.1% of the variance in High Performance is explained by Organizational Climate, Knowledge Sharing, and Organizational Learning. KS has an R-square of 0.636, while OL has 0.735, meaning these constructs are also strongly influenced by their predictors. The adjusted R-square values are slightly lower, confirming that the model is stable and not overfitted. Overall, these results demonstrate that the model has strong explanatory power.

The f^2 effect size analysis, based on thresholds, demonstrates the diverse effects of extrinsic factors on endogenous structures. The effect size (f2) analysis, which assesses each exogenous variable's proportional contribution to the endogenous variable in the structural model, is shown in Table 5. Cohen [37] criteria state that a modest influence is indicated by an f2 value between 0.02 and 0.15, a medium effect by a value between 0.15 and 0.35, and a large effect by a value greater than 0.35.

Table 5.
Effect Sizes (f^2) Analysis.

Constructs	f-square	Decisions
KS -> HP	0.311	Medium Effect
OC -> HP	1.635	Large Effect
OC -> KS	1.751	Large Effect
OC -> OL	2.770	Large Effect

Table 5 presents the effect size (f^2) of each exogenous construct on its respective endogenous construct. According to Cohen [37] guidelines, an f^2 value of 0.02 is considered small, 0.15 medium, and 0.35 or higher large. The relationship between Knowledge Sharing and High Performance (0.311) indicates a medium effect, while Organizational Climate shows very large effects on High Performance (1.635), Knowledge Sharing (1.751), and Organizational Learning (2.770). These results suggest that Organizational Climate is a dominant predictor, significantly influencing key behavioral and performance outcomes in State-Owned Enterprises.

4.3. Hypothesis Testing

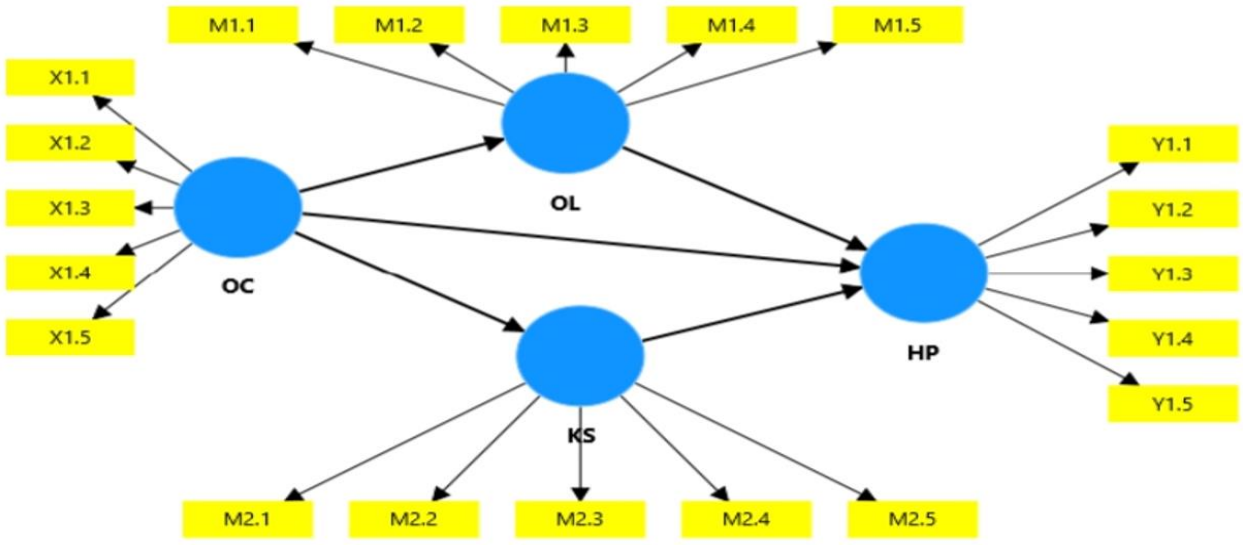

Figure 2.
Path Model Significant.

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Figure 2 illustrates the conceptual structural model proposed in this study. It depicts the causal relationships between Organizational Climate (OC) as the exogenous variable and High Performance (HP) as the ultimate endogenous variable, with Organizational Learning (OL) and Knowledge Sharing (KS) functioning as mediators.

Each latent construct (OC, OL, KS, HP) is measured by five observable indicators, labeled X1.1 to X1.5 (OC), M1.1 to M1.5 (OL), M2.1 to M2.5 (KS), and Y1.1 to Y1.5 (HP). The arrows indicate the hypothesized direct paths: OC influences HP directly and indirectly through OL and KS. OL and KS also have direct paths toward HP. This model is designed to test both direct and mediating effects using Structural Equation Modeling (SEM), aligning with the study's objective to understand performance-building mechanisms in State-Owned Enterprises.

The figure above illustrates the structural model proposed in this study, which investigates the direct and indirect relationships among key constructs: Organizational Climate (OC), Organizational Learning (OL), Knowledge Sharing (KS), and High Performance (HP). In this model, OC functions as the main exogenous variable that directly influences OL, KS, and HP. Both OL and KS are positioned as mediating variables, capturing how a supportive organizational climate promotes learning behavior and knowledge dissemination, which in turn contribute to improving overall organizational performance. Each latent construct (represented by blue circles) is measured by multiple observed indicators (yellow boxes), representing distinct dimensions of each variable.

The model was tested using Partial Least Squares Structural Equation Modeling (PLS-SEM) and bootstrapping procedures. A path is considered statistically significant when the p-value is less than 0.05, and the t-statistic exceeds 1.96 at the 95% confidence level. The results indicate that Organizational Climate significantly influences both Organizational Learning (H1) and Knowledge Sharing (H2), as well as directly enhancing High Performance (H5). Additionally, Organizational Learning (H3) and Knowledge Sharing (H4) each exhibit significant direct effects on HP. The mediating effects (H6 and H7) were also supported, indicating that the impact of Organizational Climate on performance is partially transmitted through learning and knowledge-sharing behaviors. These findings highlight the central role of Organizational Climate as a strategic lever in fostering high performance within state-owned enterprises.

Table 8.
Direct Effect Hypotheses Testing.

Hypothesis	Path	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (|O/STDEV|)	P values	Decisions
H1	KS -> HP	0.288	0.279	0.070	4.095	0.000	Supported
H2	OC -> HP	0.613	0.609	0.057	10.784	0.000	Supported
H3	OC -> KS	0.798	0.813	0.043	18.621	0.000	Supported
H4	OC -> OL	0.857	0.862	0.027	32.032	0.000	Supported
H5	OL -> HP	0.119	0.130	0.077	1.549	0.122	Not Supported

Table 8 presents the results of hypothesis testing using PLS-SEM bootstrapping. A path is considered statistically significant when the p-value is below 0.05, and the t-statistic exceeds 1.96. As shown, hypotheses H1, H2, H3, and H4 are supported, indicating significant positive effects of Knowledge Sharing and Organizational Climate on High Performance, as well as strong effects of Organizational Climate on both mediators, Knowledge Sharing and Organizational Learning.

However, H5 (OL → HP) is not supported, as the p-value exceeds 0.05 ($p = 0.122$), and the t-statistic (1.549) is below the significance threshold. This indicates that Organizational Learning does not have a direct significant effect on High Performance in this model, although its mediating role may still be relevant through indirect effects.

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5. Discussion

H1 (OC → OL) was supported, confirming that organizational climate positively influences learning behavior. This aligns with the AMO theory, which posits that opportunity-enhancing practices like supportive climates encourage learning engagement. It also supports Social Exchange Theory (SET), where a fair and inclusive climate fosters reciprocal learning behavior from employees. The result validates prior studies by Kuo and Lin [10] and Kuo and Yeh [20], reinforcing the role of trust and openness in facilitating learning in public institutions.

H2 (OC → KS) was also confirmed, suggesting that climate fosters effective knowledge exchange, echoing SET's principle of reciprocity. This is consistent with studies by Kuo and Yeh [20] and Safa and Satar [22], who found that organizational support and trust directly enhance knowledge-sharing behavior.

H3 (OL → HP) was not supported, indicating that learning alone does not significantly enhance high performance in the SOE context. This contradicts prior findings by Adeel et al. [24] and Ofori and Adu [26], which may be due to contextual factors such as bureaucratic inertia or ineffective application of learned knowledge within SOEs. These findings suggest that while learning may occur, its translation into tangible performance outcomes might be constrained by structural rigidity or lack of innovation incentives.

H4 (KS → HP) was supported, confirming the significant impact of knowledge sharing on performance. This finding validates the Resource-Based View (RBV) theory that shared knowledge is a strategic intangible asset. It supports prior studies by Lee and Park [19] and Ahmad and Nisar [29], demonstrating that internal knowledge flows lead to innovation and service quality improvements in public enterprises.

H5 (OC → HP) was supported, underscoring the direct role of climate in driving performance outcomes. This aligns with the AMO framework and findings from Zeb and Bukhari [9] and Ma et al. [38], who confirmed that a positive climate enhances productivity, engagement, and service quality in public organizations.

5.1. Comparison with Previous Studies

The results corroborate the majority of existing literature that emphasizes the foundational role of organizational climate in enabling learning and knowledge-sharing behaviors. However, the unexpected insignificance of H3 (OL → HP) highlights a divergence from dominant narratives, suggesting that the relationship between learning and performance may be indirect or context-sensitive in SOEs. This reinforces the need to contextualize learning effectiveness based on organizational maturity, structure, and autonomy.

5.2. Practical and Policy Implications

Practically, the findings emphasize the importance of cultivating a supportive climate to facilitate performance-driving behaviors such as learning and knowledge sharing. Managers in SOEs should prioritize building trust-based environments and redesign incentive systems to reward collaborative behaviors. At a policy level, public sector reform efforts should incorporate leadership development, cross-functional communication mechanisms, and performance management systems aligned with climate and knowledge-sharing dynamics.

5.3. Theoretical Contributions

This study extends the AMO and RBV frameworks by demonstrating that organizational climate functions as a primary enabler in SOEs. It also adds nuance to organizational learning theory by showing that its effect on performance may be indirect or moderated by structural rigidity. The

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integration of OC, KS, and OL in a single model offers a comprehensive perspective on performance development in bureaucratic environments.

5.4. Limitations and Future Research

Several limitations should be acknowledged. First, the lack of discriminant validity among constructs suggests possible measurement overlaps, necessitating future refinement of indicators. Second, the cross-sectional design limits causal inference. Longitudinal studies are recommended to observe how learning behaviors evolve. Lastly, future research could explore potential moderators such as leadership style, digital readiness, or organizational structure to further explain the OC → OL → HP pathway.

6. Conclusion

This study aimed to examine the structural relationship between Organizational Climate, Organizational Learning, Knowledge Sharing, and High Performance in the context of State-Owned Enterprises (SOEs). The findings revealed that Organizational Climate plays a central and significant role in directly influencing both Organizational Learning and Knowledge Sharing, ultimately leading to High Performance. Of the five hypotheses tested, four were supported by the data, indicating that most of the proposed paths were statistically significant.

The results confirm that organizational climate significantly enhances both learning and knowledge-sharing behaviors, which in turn positively affect performance. Interestingly, while knowledge sharing was found to have a significant impact on high performance, organizational learning did not show a direct effect, suggesting that learning may require additional organizational mechanisms to be translated into improved performance outcomes. These findings partially support the theoretical framework based on social exchange theory and the AMO model, while also highlighting context-specific dynamics in public sector institutions.

From a practical perspective, the study suggests that public sector leaders should invest in building a supportive, participatory, and trust-based work climate to stimulate knowledge exchange and collaboration, which are critical for driving organizational performance. Policies and interventions should also consider reinforcing mechanisms that ensure learning is applied and institutionalized within daily operations.

This study acknowledges certain limitations. The cross-sectional nature of the research restricts causal interpretations, and the use of self-reported data may introduce bias. Additionally, the lack of discriminant validity among constructs suggests that future studies should refine measurement tools or explore moderating factors that more clearly differentiate learning from sharing behavior.

Future research is recommended to investigate the moderating effects of leadership style, digital capability, or organizational agility in the climate–performance pathway. A longitudinal or mixed-methods approach could also provide deeper insights into the dynamic interactions among these constructs over time.

In conclusion, this study contributes both theoretically and practically by demonstrating that a conducive organizational climate is a strategic driver of performance, particularly when it fosters knowledge-sharing behaviors within state-owned enterprises.

Transparency:

The author confirms that the manuscript is an honest, accurate, and transparent account of the study; that no vital features of the study have been omitted; and that any discrepancies from the study as planned have been explained. This study followed all ethical practices during writing.

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