

Article

Impact of Empowering Leadership, Innovative Work, and Organizational Learning Readiness on Sustainable Economic Performance: An Empirical Study of Companies in Russia during the COVID-19 Pandemic

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Abstract: The COVID-19 pandemic shocked the global economy, with numerous companies suffering losses and shutting down. However, some companies proved to be resilient, being able to sustain their economic performance despite the pandemic. The study aims to explain the sustainable economic performance of companies during the COVID-19 pandemic. The relationships between empowering leadership, innovative work behavior, organizational readiness to change, and sustainable economic performance were assessed. The data were collected via an online questionnaire from January 2021 to March 2021, during the height of the COVID-19 pandemic in Russia. The respondents were Russian companies' employees holding management positions, competent to objectively assess organizational circumstances during the COVID-19 pandemic. A sample of 337 was used in the analysis. Confirmatory factor analysis (CFA) with maximum likelihood estimation was conducted using SPSS AMOS. The structural model was tested with standardized parameter estimates, standard errors, and *p*-values calculated. The findings of the study suggest that innovative work behavior and organizational readiness to learn have a direct influence on sustainable economic performance. The findings also suggest that empowering leadership impacts innovative work behavior but not sustainable economic performance. The mediation analysis indicates that innovative work behavior is a mediator between empowering leadership and sustainable economic performance, whereas organizational readiness to learn is not a moderator. The study adds to the leadership and sustainability body of knowledge and contributes to the research on the COVID-19 pandemic in the organizational context.

Keywords: empowering leadership; sustainable economic performance; COVID-19 pandemic; company performance during COVID-19; innovative work behavior; organizational readiness to learn

1. Introduction

The COVID-19 pandemic posed a shock to the global economy, striking national economies and industries, and deeply challenging settled operational styles. The majority of national governments invested significant resources in constraining the spread and buffering the financial blow by introducing monetary aid and tax relief. National sustainability stems from sustainable entrepreneurship. Large economies relying on service provision are anticipated to recover more sluggishly in comparison to other EMDEs, at a pace of 3.2% in 2021–2022, and industrial-commodity exporters' growth will lag at approx. 2.8% over the same period, respectively. Such distressing numbers are to be attributed

to a disruption in productivity and manufacture, lack of capital investment and revenue-generating output, preconditioned by such factors as a loss of control over supply chains, trade prohibitions, loss of labor force, and uncertainty-affected human capital [1,2]. Strong and weak spots have to be determined as they can impede or accelerate sustainability and overall recovery. Furthermore, after the significant financial crisis, the priority is to increase the trade intensity of global activity by encouraging the trade in services, which, in the current scenario, has proven to be a point of weakness. Due to a few partnership and collaboration agreements, trade policy uncertainty decreases. Global trade contracted by 9.5 percent in 2020—corresponding to the decline experienced during the 2009 Global Recession, except in this case, it impacts a larger economic share.

According to a World Bank report (World Bank, 2020), almost 50% of all public and private debt in the last half-century was associated with financial crises [2]. At a global rate, policy actions implemented by countries may portray insurance mechanisms and social safety supporting systems, but they differ nationally, not only according to the current state of each country but also due to the already inflicted repercussions causing variation in responses [3].

Compared to its counterparts, Russia suffered less of a blow to the economy, but this can be attributed to it not engaging in full lockdown mode following the second wave of the pandemics. Still, a six-week closure has weakened the economy, lowered incomes, and increased poverty. Although the business concern was primarily to survive and subsist, some companies managed to build resilience and are likely to thrive post-crisis. This was made possible due to digital transformation and internal and open innovation. The aim was to get creative to evade the virus consequences, as the governmental support was limited to tax deferrals, loans, and small subsidies. Russia did experience a lesser decline in GDP than many other countries. However, incomes in 2020 did fall by 3.5 percent, and more than half of Russian enterprises pointed to a decreased demand. Even though desperation leads to creation, more substantial reformations and transformations arise as a direct result of open innovation—process and assortment renewal stemming from the digital transformation.

While compiling information on the possible risks, attention has been directed towards accomplishing permanent containment. On the more positive side, there are, at any rate, cases of growth superseding expectations, with outcomes transcending the damages. These bear the hallmark of resilience and are built on the firm foundation of improved and advanced crisis management, supported by the promise of a vaccine that would alleviate the side effects and stimulate an increase in consumer demand. Sustainable and prosperous businesses have made pandemic control their priority, following proscribed steps and increased testing, and devoted themselves to overcoming challenges associated with physical environment limitations without suspending regular business processes. Successful cases of improving entrepreneurial and organizational outcomes following the prolonged period of general uncertainty and anxiety resulted in a redefinition of organizations' missions and visions and a core process in such a manner that they became pioneers in digital innovation.

As the world faces a massive socio-economic challenge, researchers and academicians around the globe are increasingly investigating entrepreneurially sustainable success practice examples to support the efforts to curb the crisis' repercussions on the global economy. A recent literature review on this topic points to entrepreneurship as the driver of sustainability and a vital factor driving prosperity [4,5]. The growing number of organizational closures, job losses, and resource impoverishment has spurred the need for economic sustainability performance studies. An asset in the 2030 Agenda for Sustainable Development (UN, 2015), sustainability is an umbrella term covering a broad set of objectives for safeguarding national resilience and sustaining growth under the main pillars of global social, economic, and environmental welfare. It is commonly believed that economic sustainability results from strategic corporate governance, leading to cost reduction and increase in value, innovation, productivity, market share, profit, and sales [6–8]. From

a capital standpoint, sustainable performance refers to non-declining per capita wealth over time (UN, 2003). Accounting for the technological aspect, organizational economic sustainability is geared toward building resilience, promoting inclusive and sustainable industrialization and fostering innovation [9,10]. Furthermore, the dynamic concept of sustainable development concerns not only current but also future generations [11].

The current research has a goal to stimulate discussion about the effect of the COVID-19 pandemic on the economic sustainability of companies. The prior research lacks empirical and quantitative research on the key factors contributing to sustainable economic performance during COVID-19. The study fills the existing theoretical gaps in the field of enterprise management. We address the gap by studying how organizations achieve economic sustainability in crisis times and how they apply leadership to respond to the COVID-19 crisis. The significance of the study lies in providing a deeper insight into leadership and worker behavior during the COVID-19 pandemic, consequently explaining the sustainable economic performance of companies during COVID-19. We investigate the impact of empowering leadership on sustainable economic performance via innovative work behavior of employees in the sample of Russian firms. Empowerment as a motivational strategy is suggested, and associations between empowerment, innovation, and organizational learning readiness for sustainable practices are explored.

By identifying factors contributing to the sustainable economic performance of firms during COVID-19, the study contributes to the leadership and sustainability research and adds to the body of knowledge of COVID-19 pandemic-related organizational implications.

2. Literature and Theory Development

2.1. Empowering Leadership

First and foremost, empowerment is key. The role of the leader as opposed to the manager entails proactive engagement with regard to team members' best interests to facilitate the development of their full potential. Whilst traditional management may be more preoccupied with the financial and market potential of an organization as a whole unit aimed at fulfilling KPIs, leadership is a more localized and employee-oriented approach, having quite different connotations. Organizational structure may be such that management overlaps with leadership, yet more and more firms nowadays practice authority delegation wherein organizational management is preserved in its original intention, as preoccupation with enterprises' monetary and competitive potential. On the lower level, diverse business units are appointed with different team leaders specializing in each particular business segment and differing in their respective leadership styles [12]. In recent years, occupational and organizational literature is increasingly concerned with uncovering the most effective and conducive leadership styles, and it seems to lean towards participatory and inclusive forms of administration. We considered in our study empowering leadership to be the fittest leadership style in the face of adversity when all known business conduct is thoroughly shaken, and fear precedes employees' attitudes and actions. The potentials of empowerment were extensively addressed in the existing literature, and all the features pertaining thereto apply to empowering leadership culture [13,14].

First, clear communication is the key. It refers not solely to conveying rules, policies and procedures, but also to addressing employees' concerns, the very strand in which the interaction between leaders and followers occurs and all the changes that emerge as a consequence of such interaction.

The delegation of authority should be carried out with a specific intention and goal in mind, not solely for the sake of unburdening the leader [15]. The purpose should be to instill trust, strengthen the bond and organizational commitment, and increase followers' authority and autonomy and their perceived locus of control and accountability for organizational sustainability. It is also intended to raise the stakes by tying them more strongly to the organization by increasing their sense of responsibility, influence, and shared commitment [14]. Such a strategic move can be interpreted as a developmental and learning opportunity inciting personal growth, and the more frequently it is implemented,

the more followers' self-confidence and self-efficacy grow. When employees feel they are provided with a chance for autonomous decision-making, they will likely find it is in their best interest to engage in entrepreneurial endeavors, reformation and revolutionizing the existing inadequate processes and become more invested in trend-setting and the devising of cutting-edge solutions to ensure not just sustainability, but also a competitive edge [16,17]. They will have intrinsic motivation to increase the company's market share and prove themselves worthy, aligning their personal with organizational interest [18]. Such a profile of a business leader goes far beyond what was previously associated with ethical or responsible leadership. This leads to a change of perspective towards the future rather than introspection on past practices based on the designation of those responsible for amoral practices set up as scapegoats. Thus, business leaders must work proactively to anticipate and prevent such accidents and scandals, involving long-term thinking, at the level of society and the world.

2.2. Innovative Work Behavior

The modern business environment is characterized by increased competition and rivalry for limited resources, and business organizations are forced to constantly adapt to changes, show flexibility to maintain their positions, and even more so, to practice further development [19]. In this regard, the question of innovation as a response to external challenges is becoming the cornerstone. Working creatively and innovatively on the shared processes of an organization to respond to an uncertain business environment is known as the innovation process, and the aim of creating strategies to achieve novel results is known as innovation performance [20,21]. No matter how many brainstorming sessions are provided for employees, they will not be of any use if they do not have access to the seed money to prototype and test their ideas. Even the most impeccable online resource for collecting ideas will not bear fruit if employees do not have an innovative mindset and work behavior. No tool or method of stimulating innovation in isolation is capable of bringing constant cost-effective innovative breakthroughs, just as a jumble of uncoordinated procedures cannot do this. It is essential that all components work in harmony: skills, tools, performance measurement, platforms, special positions, reward system, and values. Few companies systematically invest in enhancing the innovative skills of their employees [22].

The modern stage of development of society is characterized by an accelerated pace of the renewal of equipment and technologies and other aspects of life. New ideas are required to meet these challenges. New ideas are needed when solving various problems in marketing and especially when developing a new product [20]. Innovation is a process that consists of several stages. Depending on the stage, different activities and individual behavior will change.

This study focuses on innovative work behavior—that is, the behaviors directed towards the intentional introduction of new and useful ideas within a work role, group, or organization [23,24].

However, according to Janssen (2000), encouraging people to come up with a novel idea can be a challenging task [25]. In this regard, the emotional support that employees receive from their peers and colleagues is critical for them in their pursuit of innovation [26]. Support offered by colleagues is essential in dealing with work-related problems [27]. The research by Jokissari (2013) found out that co-workers play a critical role in providing the necessary support that is needed for innovation [28]. Moreover, employees are also likely to search for support from the people with whom they spend most of their time [29] and often achieve better performance at work [30]. Furthermore, several studies found leadership to be intricately relevant for stimulating innovation [31–34].

Today, creativity is of interest to politicians for its macroeconomic impact but also to managers of large and small companies as well as craftsmen for the more microeconomic implications. The research has proposed that employee perception of job insecurity is more likely to impact negatively their innovative behavior.

2.3. Organizational Readiness to Learn and Change

It is common knowledge that people do not like change and are extremely wary of it. The multiplicity of writings on organizational change accounts for the difficulty in analyzing this phenomenon [35]. While there are many approaches to change, there are no dedicated theories [36]. Rather, it is a plurality. According to March (1981), “what we call organizational change is a set of concordant responses, by various parts of the organization, to various interconnected parts of the environment” [37].

Organizational readiness to change was previously found to be associated with leadership [38], sustainable development [39], digital capabilities, and innovation [40]. When it comes to the study and analysis of organizational change, Cunningham (2006) mentions two main directions used by researchers in this area. The first line of research involves dealing with organizational systems and variables, such as institutional pressures that drive organizations to change, then different environmental factors, the strategic orientation of the firm, its age, size, and various other factors [41]. The second approach involves dealing with the phenomena of individual level, i.e., phenomena and psychological factors relevant to the members of the organization as individuals, in the context of their cognition and the evaluation of their change attitudes towards change and the way they will behave during the implementation of the concrete changes. One of the factors that led to the increased interest in phenomena on the individual level is associated with a relatively high percentage of failed organizational changes. Member beliefs and attitude towards the possibility of changes in an organization refers to the concept of readiness for change [42].

Readiness for change is impacted by leadership and the participative decision-making process. Empowering leadership style is a culmination of a merger between few basic management concepts such as structure, training, mentoring, and actualization. The notion emerges at the theoretical intersection between the social exchange theory (SET) and the person–environment fit model [43,44] under the assumption that individual differences can be balanced with organizational characteristics, and the leader assuming the right strategy can multiply cognitive resources invested in training. For innovation to emerge, all team members should have a unanimous vision towards organizational change and function as a unit, i.e., have a well-defined shared set of values, objectives, and impetus. While the delegation of authority is an essential part of this leadership style, the concept differs in that empowerment precedes or coincides with the delegation, while the latter may occur even under a more autocratic style. A leader can issue commands to team members after already deciding upon a course of action, whereby followers simply carry out duties having little or nothing to say in the matter or may even be unaware of the appropriate solution [45]. Empowerment takes place before the bigger picture is clear, during the problem-solving process, wherein leaders proactively motivate and engage followers to jointly work towards the best solution [46,47].

Delegation of authority and autonomy to employees are two main ways through which leaders manage their employees [48]. Furthermore, workers also become involved in the decision-making process. In this type of leadership style, leaders also feel open to sharing new ideas and insights with their colleagues. Therefore, participative leadership is regarded as one of the main characteristics and elements of empowering leadership [49].

Thus, the open system model focuses on elements of the organizational climate that influence this orientation. These elements include flexibility. Flexibility is defined as an orientation toward change [40,50]. The next element is innovation. Innovation is defined as to what extent employees are encouraged and supported for their new ideas and innovative approaches [51]. As to outward focus, it relates to how well the company can be responsive to the needs and wants of the customer in the marketplace [52].

The change itself arises from the daily activities and decisions of the members of the organization [53]. The continuous change consists of constant improvements and adjustments that tend to increase organizational skills and performance [54]. It is necessary to develop a “strategic flexibility” that identifies changes in markets and consciously adapts structure and processes to keep the organization competitive.

In other words, the basic idea is to create an organization that can be quickly and easily rebuilt, as well as which improves, reducing the risk of failure, which increases when an organization does not change [55]. A significant development in this regard is the shift in the adoption of a “bottom-up” instead of a “top-down” approach. Given that such changes take place continuously at all organizational levels and through all functions, organizations would soon be paralyzed if it were the sole responsibility of top managers to identify and solve problems. Therefore, if they want to be resolved quickly, local problems or opportunities must be addressed locally [53].

Change has been present in the business world for centuries and will certainly continue to be so, but the very idea of change changes [56,57]. Change management has become one of the key managerial skills since organizations are continuously involved in some form of change—from shifting organizational boundaries to improvements to the existing organizational structure, process, or just a review of business decisions [58]. However, a successful organization pays great attention not only to necessary changes on how to achieve them [59]. The process itself change management is, therefore, a key part of implementing organizational change and changing the organization. However, recognizing the need for change and the possibilities of effective change management are two opposites [60].

The process of organizational change also considers the influence of important factors including employee attitudes and behavior. Employee behavior and attitude directly influence the sustainability of organizational growth [61]. Furthermore, organizations are also in need of workers who look forward to organizational change and openly welcome it. Participating in the process of change implies that employees play a critical role in the organization, and if a change is successful, employees should be rewarded. Additionally, the organizational environment and leaders should focus on motivating employees so that they have a positive attitude towards the workplace [38]. When employees have a positive attitude towards the organization, they show less resistance towards organizational change. Commitment to organizational change is also critical for organizational success. According to Meyer (2002), there are three types of commitment to organizational change including affective commitment, normative commitment, and continuance commitment [62].

2.4. Sustainable Economic Performance

Economic sustainable performance is concerned with organizational practices aimed at generating economic value through the pursuit of the company’s financial [7] and non-financial objectives [63]. Considering the relevance of achieving prosperity, nations worldwide have developed diverse scales for measuring organizational economic performance following a set of key performance indicators, encompassing strategic decision-making and the pursuit of environmentally, economically, and socially beneficial practices [20]. However, the nature of the term sustainability may be misleading—as some authors have noted, certain operations and practices can be sustained but objectively speaking, whether they are worth sustaining begs the question [64]. It is, therefore, better to think of sustainability in terms of development, as it entails growth, progress, transformation, adaptation, and providence. Following this line of thought, sustainable economic performance refers to organizational efforts at facilitating trade, gaining competitive advantage, and maintaining profit based on utility, knowledge, strategic orientation, technology, and innovation [65–69]. At the same time, prosperous organizations entering new ventures generate wealth, lead to new jobs and employment opportunities, stimulate the national R&D, and facilitate the economy by ensuring continued access to the supply of resources [70]. Sustainable organizations that bring about positive changes in the natural environment and society result in long-term economic advantages [20]. Some of the main features concerning sustainable economic performance include increasing well-being, consumption, resilient infrastructure, resource availability, manufacturing potential, institutional support, employment, research, and development of innovation potential [71,72]. Furthermore, capital developments in private and public enterprises hinge on enterprise growth and progress adding to the

knowledge-based economy. Organizations change in response to the external environment. Business regulations facilitate growth by providing guidelines to navigate market changes and evade failures, thus improving overall economic efficacy [73].

It may also include opportunity-seeking and entrepreneurial behavior such as developing novel ways for reusing of company's resources. As per Ford and Fottler (1995), strengthening expects directors to share data and information that empowers workers to contribute ideally to hierarchical execution. Long associated with human resources, responsibility is combined in the 21st century with finance, logistics, and marketing; with every aspect of a business [74].

Thus, business leaders are expected to not only assume their responsibilities towards their shareholders but also society and the environment. The transversal nature of this responsibility, which must thus permeate each of the company's activities, can make the concept nebulous and less concrete than in "traditional" business.

3. Research Model and Hypotheses

Organizational sustainability in a turbulent economic environment hinges upon entrepreneurial innovation, as it is critical for survival, resilience, and gaining a competitive edge. The innovative work is characterized through idea creation, selection, development, and diffusion across all organizational units. New concepts are articulated, tested in different scenarios, and finally sponsored by the organization [75]. As opposed to the older practices of paternalistic leadership exercising rigid control where all innovation challenging the status quo was deemed disobedience and subject to sanctions, as a result of volatile and unpredictable market circumstances requiring extreme flexibility and agility, more empowering leadership styles emerged [76]. These focused on nourishing innovative work behavior and leveraging from unconventional thinking and unexpected venturing. The generation of novel ideas at the workplace, aka innovative work behavior, is impacted by intrinsic motivation stemming from the fulfillment of few fundamental employee needs, such as meaning, competence, autonomy, and self-determination. Such behavior can be facilitated and maintained solely in the supportive and encouraging environment under determined, open-minded, and empowering leadership [77–80]. Empowering leaders act as role models and are engaged in aiding followers to interpret their identities within the organization regarding an agency responsible for prospect success. More precisely, they provide feedback, share valuable knowledge and information, reward autonomy, reassure, inspire, and advocate novelty. Employees that are provided guidance, support, and opportunities, as well as means to implement and execute novel ideas, are more likely to show significant performance improvements, motivation to engage in organizational behavior, and welcome organizational change. When properly motivated, employees emerge in a generation, production, and introduction of new conceptions, thus crafting and forging cutting-edge commodities that will benefit the organization. Such behavior incites creativity, initiative, team collaboration, open communication, visionary world view, and fosters enterprising spirit and smart risk-taking. In that, empowering leadership is for the most part concerned with sustainable human resource management.

Therefore, we conclude the following hypothesis:

Hypothesis 1. *Empowering leadership has a positive effect on innovative work behavior during the COVID-19 pandemic.*

Prosperous organizations are the ones technologically equipped or in the process of digital transformation [81]. Implementation of intracorporate and open innovation for optimizing internal methods through new technology, digital platforms, entering new ecosystems, and revolutionizing the existing operational model and assortment with the help of AI is due. The totality of each strategic move is aimed at empowering employees to regain confidence and enter an open dialogue that will bore new ideas and push the company on the verge of groundbreaking discovery [82,83]. Open innovation leads to sustainability as organizations utilize the available and pending technology to solve

system inconsistency and spawn new fashion for responding to shifting market needs. This also means they have to cooperate among themselves, as well as with their large competitors, as combining resources and knowledge-sharing across the network will be the foundation leading to sustainability and the first line of defense against adversity in a challenging situation [84,85]. A common practice for innovating with scarce resources involves engaging in collaboration with other ecosystem agents that would benefit from invention and are prepared to lend necessary investments. Following the SET, empowering leaders can stimulate and inspire followers' participation by engaging them in a series of social exchanges, which will ultimately result in positive organizational outcomes and contribute to sustainable performance [86]. The SET functions in a work setting based on the norm of reciprocity, e.g., followers feel morally obliged to positively contribute to an organization that provides them with much-needed knowledge and support [87]. With empowering leadership, this commitment is not outright imposed but rather encouraged, and team members are eagerly and willingly responding positively to instruction and praise; however, the underlying principle applies [88]. Innovative work behavior is both a process and the product of intensive cognitive and intellectual exchange that emerges as the outcome of team members' positive outlook and cooperation on devising a breakthrough [89]. If such a product is groundbreaking, it will stimulate further social interaction and knowledge-sharing, as it will open up possibly numerous unexplored venues. Empowering leaders act as intermediaries between organization and employees and among team members [90]. They facilitate all interaction that typically occurs when brainstorming and innovating, as such conditions can by reciprocity bind followers to each other, as each gains skills and knowledge they would not obtain in isolation [91,92]. Innovative work behavior was previously found to be impacted by organizational and individual factors.

Therefore, we propose the following:

Hypothesis 2. *Innovative work behavior (IWB) has a direct effect on sustainable economic performance during the COVID-19 pandemic.*

Hypothesis 3. *Innovative work behavior is the mediator between empowering leadership and sustainable economic performance.*

The purpose of empowerment is to create a learning organizational atmosphere aimed at innovating, revolutionizing and leading the industry. Employees are therefore undoubtedly essential drivers of sustainability, and management should always strive to develop talents and know-how so that it employs multiple teams of savvy and knowledgeable professionals driven by challenge, desire to take initiative, and develop ingenious solutions to position and affirm themselves as industry leaders. Empowered followers are not only inclined to innovate, devise, solve riddles, generate solutions, and reform and depart from outdated practices, they embrace vicissitude, novelty, and progress and work unanimously towards achieving a common goal. Employees should be encouraged to take the initiative in advancing organizational efforts to devise profitable, workable, and innovative solutions that will allow the enterprise to preserve its market position and efficiently overcome the threats posed by the coronavirus crisis. To maintain sustainability, the organization should create additional value, increase productivity, use the ongoing situation to improve brand image by contributing to societal efforts to combat the crisis, thrive in successfully handling the change, and preserve liquidity. Innovating work behavior encourages followers to design, develop, alter, and modify ideas resulting in the product, process, or service innovation that would otherwise not exist. Therefore, we propose:

Hypothesis 4. *Empowering leadership has a positive impact on sustainable economic performance during the COVID-19 pandemic.*

Enterprises must recognize, evaluate, and validate the necessity to undergo change and draw detailed plans of action. These will necessarily include the assessment of organizational strongholds and weaknesses, thorough financial evaluation, and a feasibility study. Furthermore, all resources should be included and steps listed in sequence so there are no misunderstandings, ambiguities, or unexpected challenges. This is a prerequisite for organizational transformation. As transformations are exhaustive and revolutionary, they inevitably entail acquiring new knowledge and employing unprecedented methods, operative procedures, and schemes. Organizational learning readiness is the most fundamental indicator of transformational success.

Therefore, we posit that the organizational climate must be supportive of learning, management needs to provide a learning environment with clearly outlined short-term and long-term goals in line with organizational mission and vision. Expected outcomes must be distinctly stated, as well as evaluation criteria, rewards, and sanctions. However, the sanctions should not be pushed into the foreground as the emphasis here is on empowerment. We suspect support, inspiration, and positive reinforcement generate more positive performance outcomes and foster more favorable attitudes than negative reinforcement, and as such, it should be management's primary mission. Finally, positive reinforcement includes showing appreciation for outstanding performance and involvement and providing fitting rewards, acknowledgment, or promotion, as this will multiply the chance an employee will engage in hard work in the future.

Given the centrality of innovation in gaining a competitive edge in an unpredictable environment characterized by versatile technological conditions and demand, novelty was considered to significantly contribute the organizational sustainability [51,93]. Whether focusing on assortment diversity or specialization in the manufacture or sales of a high-demand product, seeking innovative concepts and transforming them into practical solutions for mass replication is a key to sustainable growth [24,94,95]. The conventional mindset concerning supply and product assortment proved flawed during chaotic situations. Such a scenario leads to the re-examining of key parameters for maintaining sustainability during a crisis [96,97] and thus, leads to changes in inventory, supplies, distribution channels, and relevant product features. When dealing with contingency, resilient enterprises should be prepared for serious disruptions in regular business activity and demand shocks and learn how to retain and manage their efforts using available communication, technological, and informational tools. They are to re-establish their presence in the market using diverse online or e-commerce channels, harnessing all of the ICT benefits. Such maneuvers can potentially lead to innovation in business activity and innovation in product assortment, customer approach and channels for commerce or can lead to the exploitation of cutting-edge technology for fast delivery. Therefore, we suggest:

Hypothesis 5. *Organizational learning readiness has a positive impact on sustainable economic performance during the COVID-19 pandemic.*

As all employees must be on board with reformations that are to be implemented under the process of organizational change, they should be educated on new operations and proceedings and ready to fully engage in learning an entirely new way of doing business [98]. Much will be expected from employees, and for some new activities and roles, they will assume imply undergoing additional schooling, qualification, vocational training, acquiring technological literacy, learning to operate new equipment, machinery, and software. Furthermore, the organizational change also depends on having enough resources, human and infrastructural, to ensure quality training, equipment, and new technology. Learning organizations are defined as those versed in devising, accumulating, interpreting and transferring knowledge, and adjusting operative procedures to reflect new insights [99]. Organizations that are preparing to change and are learning to embrace new opportunities and new solutions are about to embark on an unfamiliar voyage that will require adjustment, often by innovating. When traditional practices are outmoded and obsolete, operational novelty stimulates the learning process that will allow adapta-

tion to change the environment by generating workable solutions [100]. As a result, the general level of collective organizational knowledge increases, thus inciting new organizational changes. Strategic renewal increases the exploratory behavior whereby employees exploit what they have already learned to uncover new market opportunities. Intraorganizational knowledge exchange and the transfer of tacit knowledge, such as skills and expertise, increase innovative capacity and enable the accumulation, learning, processing, and stocking of key information [101]. Treasuring cognitive capital is fundamental for achieving sustainable economic performance, as valuable expertise and know-how build up enterprise resilience and acts as a buffer in case of adversity [102]. Collecting diverse knowledge from all business units, identifying and solving problems, and responding to new technological trends aids in turning intellectual capital into operational intellectual capital [103]. Organizational learning advances ingenious and enterprising efforts and leads to exceptional service improvements, transforming cognitive resources into an asset for sustaining existing practices [104].

If any of these linkages are broken, the entire chain gets loose and the chance of successful organizational change is decreased significantly. Employees should be educated and informed of the consequences of this ordeal, as enterprise sustainability hinges on it, as well as their ongoing employment. The very threat of losing employment may hinder the process, but if managed carefully and presented with a solution that seems attainable, it may serve as an incentive not to disengage.

Moreover, the skillful leader may empower followers by framing the danger as a challenge and opportunity for learning and self-development, thus ensuring that the stress is more productive than paralyzing. Employees should seemingly be instructed to engage in organizational learning and not to refrain from participation due to fear over the future uncertainty, as the imminent threat brings about a more uncertain future if the change does not take place [105]. The favorable attitude towards the change is stimulated for the main part by empowering leadership. Their support, their enacting of the desired behavior, encouragement, boldness, and belief in followers' abilities and delegation of authority as a demonstration in such confidence, are conductors that will initiate the willingness to learn new rules of the game. Therefore, we propose:

Hypothesis 6. *Organizational learning readiness moderates the relationship between innovative work behavior and sustainable economic performance during the COVID-19 pandemic.*

The research model of the study is depicted in Figure 1.

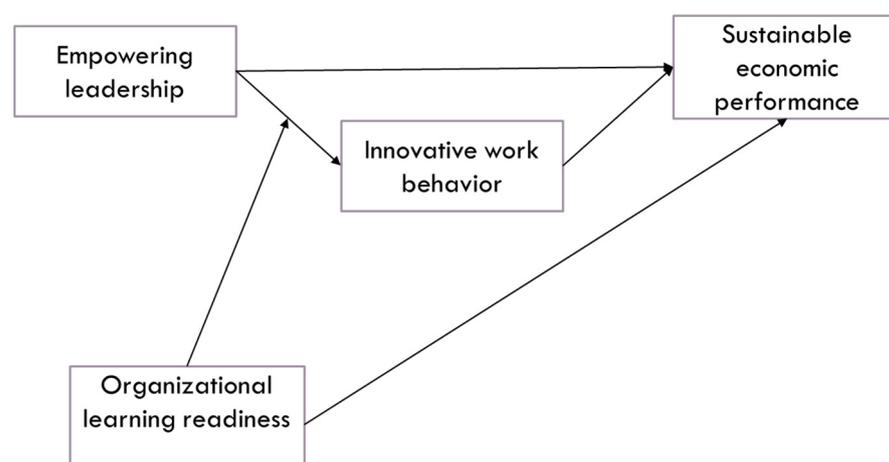


Figure 1. Research model of the study.

4. Research Methodology

The study uses a survey strategy and purposive sampling technique. The research strategy implemented to collect relevant data in our study is based on several stages. First,

a preliminary analysis of existing studies in this field was conducted, the results of which were then applied to the detection of suitable variables and the construction of appropriate measurement scales. The data were collected via an online questionnaire from January 2021 to March 2021, during the height of the COVID-19 pandemic in Russia. The study is cross-sectional.

All the scales were adopted from prior studies, thus ensuring that they are reliable and valid. The items of the questionnaire were evaluated using a five-variation Likert scale (which included answers ranging from: strongly agree (5) to strongly disagree (1). The scales are displayed in Table 1. The Cronbach alpha value in previous studies exceeded 0.7 for all items. The questionnaire was created in English and translated to Russian. A back-to-back translation was performed, and the questionnaire was evaluated for face validity to ensure that meaning had not been lost in translation.

Table 1. Variable items and reliability.

Variable	Items	Cronbach's Alpha
Empowering leadership	Sets high standards for performance by his/her own behavior	0.83
	Works as hard as he/she can	
	Works as hard as anyone in my workgroup	
	Sets a good example by the way he/she behaves	
	Leads by example	
	Encourages workgroup members to express ideas/suggestions	
	Listens to my work group's ideas and suggestions	
	Uses my work group's suggestions to make decisions that affect us	
	Gives all workgroup members a chance to voice their opinions	
	Considers my work group's ideas when he/she disagrees with them	
	Makes decisions that are based only on his/her own ideas	
	Helps my workgroup see areas in which we need more training	
	Suggests ways to improve my work group's performance	
	Encourages workgroup members to solve problems together	
	Encourages workgroup members to exchange information with one another	
	Provides help to workgroup members	
	Teaches workgroup members how to solve problems on their own	
	Pays attention to my work group's efforts	
	Tells my workgroup when we perform well	
	Supports my work group's efforts	
	Helps my workgroup focus on our goals	
	Helps develop good relations among work relations among work	
	Explains company decisions	
	Explains company goals	
	Explains how my workgroup fits into the company	
	Explains purpose of Explains the purpose of my workgroup	
Explains rules and expectations to my workgroup		
Explains his/her decisions and actions to my workgroup		
Cares about workgroup members' personal problems		
Shows concern for workgroup members' well-being		
Treats workgroup members as equals		
Takes the time to discuss workgroup members' concerns patiently		
Shows concern for workgroup members' success		
Stays in touch with my workgroup		
Gets along with my workgroup members		
Gives workgroup members honest and fair answers		
Knows what work is being done in my workgroup		
Finds time to chat with workgroup members		

Table 1. Cont.

Variable	Items	Cronbach's Alpha
Innovative work behavior	Creating new ideas for a difficult issue	0.812
	Searching out new work methods, techniques, or instruments	
	Generating original solutions for problems	
	Mobilizing support for innovative ideas	
	Acquiring an approval for innovative ideas	
	Making important company members enthusiastic for innovative ideas	
	Transforming innovative ideas into useful applications	
Organizational learning readiness	Introducing innovative ideas into the work environment in a systematic way	0.74
	Some employees fear for their jobs	
	Management includes employees in organizational decisions	
	Management encourages employees to give their best effort	
	Most employees feel secure working here and therefore do not leave	
	Even though employees have good benefits, they tend to give minimal job performance	
	Most employees seem content in their positions and are not interested in job promotion	
	Management is respected by employees	
	Employees feel a part of the organization	
	Managers regularly recognize employees for their job performance	
	There is a feeling of teamwork in this organization among managers and employees	
	Employees are enthusiastic about improving job performance	
	Employees are valued by this organization	
	This organization encourages employees to learn and develop new skills	
	Employees and managers in this organization have the capacity to apply new knowledge to future clinical situations	
The climate of our organization recognizes the importance of learning		
Upper management supports the vision of a "learning environment" that supports learning and development across all levels of staff and managers		
Our managers have the capacity to be mentors and coaches to facilitate learning among staff		
Our organization believes staff should feel empowered and participate in learning and development experiences		
Following trends in our organization's practice, management, and staff through benchmarking would be valuable and utilized for evaluation purposes		
Our organization supports creativity to improve care practices for our residents		
Sustainable economic performance	Our company has improved its market share	0.72
	Our company has improved its image	
	Our company has improved its position in the marketplace	
	Our company has increased its profits	

During this investigation, we examined a sample of 391 Russian firms. After the missing values were eliminated, a sample of 337 respondents was used in the analysis. The respondents were employees of Russian companies holding management positions, competent to objectively assess the firm circumstances during the COVID-19 pandemic. All participants were informed of the investigation's purpose and anonymity and were free to terminate participation at any time when needed. Of the 337 participants who completed the online questionnaire, 38 percent were female, and 62 were male. 62 percent of respondents were aged 29 to 39, and 32 percent were between 40 and 60 years of age, with the remaining being younger than 29. The majority of the sample had received university education (bachelor and master's degree), whereas 20 percent held only a high school degree. Respondents worked in various industries, such as in education, construction,

information technology, electronics, medicine, tourism, or the biochemistry field. All variables were measured with multi-item scales using the Likert scale.

4.1. Empowering Leadership (ELQ)

As empowering employees in this research is considered essential for securing sustainable economic performance, we used a scale measuring items identified in Arnold et al. (2000) as key indicators of empowering leadership [49]. The validity of the instrument was later empirically confirmed by multiple studies, including Srivastava and Bartol (2006) and Liang (2011) [106,107]. The main assumption is that empowered followers are provided autonomy in decision-making and given control over their work environment, and the leader is perceived as supportive and inspiring. The instrument is used to measure five fundamental dimensions, namely (1) leading by example, (2) coaching, (3) participative decision-making, (4) showing concern, and (5) informing. Items were measured using a 5-point Likert scale with responses ranging from 'never' to 'always'. The categories captured in ELQ correspond with Bandura's (1986) interpretation of drivers of empowerment. Furthermore, ELQ encompasses socio-structural characteristics that were previously established by Spreitzer (1996) as conducive to empowerment (participative climate, informing, training, and support) [108].

4.2. Innovative Work Behavior

To test the variable of innovative work behavior, we employed the innovative work behavior scale consisting of nine items taken from Janssen (2000), referring to key dimensions of idea generation, promotion, and implementation [25]. IWB is generally considered a comprehensive concept encompassing a broad behavioral set related to willingness to engage in creative thinking to improve organizational performance and market position [109]. Statements are rated using a 5-point Likert scale ranging from 'never' to 'always'. Subjects were asked to evaluate employees' frequency and enthusiastic engagement in entrepreneurial behaviors such as 'creating new ideas', 'searching for new work methods, techniques and instruments', and 'transforming concepts into useful solutions'.

4.3. Sustainable Performance

We have taken the scale presented in Nor-Aishah, Ahmad, and Thurasamy (2020) for evaluating sustainable economic performance [20]. Authors constructed a sustainable economic performance assessment by adopting economic measures from Eltayeb, Zailani, and Ramayah (2011) and Rao and Holt (2005) [110,111]. A 5-point Likert scale ranging from (5) strongly agree to (1) strongly disagree was applied to answer each item. Assessment includes statements measuring the organizational improvement of the market share, image, position, and profits.

4.4. Organizational Learning Readiness

To capture the exact organizational readiness to learn, we had to examine organizations' structural and cognitive capacity to face challenges and learn from failures. To face the possible shocks and market turbulence, as well as undergo extensive transformations, leaders, managers, and team members have to readily and willingly engage in new learning patterns, take on different roles, and actively seek to exploit opportunities to transition to a novel venture. To measure organizational learning readiness, we applied the LEAP survey. The tool was designed based on Peter Senge's [112,113] observation on how shared positive emotions can influence motivational system and contribute to organizational learning by taking into account shared values, feelings, and vision, thus expanding employees' capability to produce results [102,114]. The survey consists of 20 items measuring the management style and environmental factors influencing the organizational capacity to grow. The tool was designed based on the learning model. Statements are assessed on a 5-point Likert scale with answers ranging from 'strongly disagree' to 'strongly agree'. The questionnaire is intended to assess management styles (autocratic, custodial, supportive,

and collegial), and four dimensions of learning readiness (mobility, visioning, empowering, and evaluating) are assessed.

5. Results

Quantitative statistical analysis was performed based on information extracted from the data collection program using recommended research methodology [115]. Analysis of the study was conducted by using structural equation modeling (SEM) in the SPSS AMOS software. Reliability and validity analyses of the measurement tool have been conducted. Confirmatory factor analysis (CFA) with maximum likelihood estimation was calculated for the observed model. The goodness of fit indices χ^2/df (normed chi-square statistic), GFI (goodness-of-fit Index), RMR (root-mean-square residual), RMSEA (root mean square error of approximation), NFI (normed fit index), TLI (Tucker–Lewis index), and CFI (comparative fit index) were used to calculate the goodness of fit of the model. The common latent factor (CLF) method was used to capture the common variance among all observed variables in the model. The relationships between empowering leadership, innovative work behavior, sustainable economic performance, and organizational learning readiness were tested. Path analysis was conducted, and standardized parameter estimates, standard errors, and *p*-values for the structural model were also calculated and are presented in Table 2.

Table 2. Standardized parameter estimates, standard errors, and *p*-values for the structural model.

Hypotheses	Supported/Rejected	Path	Estimate	S.E.	C.R.	<i>p</i>	Label	
H1	Supported	INO.WORK	<—	EMPO.LEAD	1.104	0.081	13.68	***
		LEAD.EXAM	<—	EMPO.LEAD	1			
		PARTDEC	<—	EMPO.LEAD	1.034	0.08	12.994	***
		COACH	<—	EMPO.LEAD	1.297	0.09	14.436	***
		INFO	<—	EMPO.LEAD	1.261	0.09	14.005	***
		SHOW.CON	<—	EMPO.LEAD	1.18	0.088	13.477	***
H2	Supported	SUS.PERF	<—	INO.WORK	0.207	0.085	2.434	0.015
H4	Rejected	SUS.PERF	<—	EMPO.LEAD	0.045	0.143	0.313	0.754
H5	Supported	SUS.PERF	<—	ORG.LEARN	0.33	0.09	3.652	***
		COACH2	<—	COACH	0.811	0.048	16.996	***
		COACH6	<—	COACH	0.64	0.052	12.32	***
		COACH9	<—	COACH	1.019	0.047	21.603	***
		COACH1	<—	COACH	0.805	0.05	15.975	***
		COACH7	<—	COACH	0.932	0.049	18.998	***
		COACH10	<—	COACH	0.954	0.048	19.926	***
		COACH8	<—	COACH	0.989	0.051	19.346	***
		COACH11	<—	COACH	1			
		ORG.LEAR13	<—	ORG.LEARN	1			
		ORG.LEAR7	<—	ORG.LEARN	0.988	0.06	16.445	***
		ORG.LEAR15	<—	ORG.LEARN	0.943	0.058	16.264	***
		ORG.LEAR8	<—	ORG.LEARN	0.934	0.057	16.411	***
		ORG.LEAR12	<—	ORG.LEARN	1.093	0.062	17.61	***
		ORG.LEAR10	<—	ORG.LEARN	0.948	0.059	16.162	***
		ORG.LEAR9	<—	ORG.LEARN	0.999	0.059	16.906	***
		SHOW.CON3	<—	SHOW.CON	1			
		SHOW.CON2	<—	SHOW.CON	1.032	0.052	19.839	***
		SHOW.CON1	<—	SHOW.CON	1.024	0.054	19.06	***
		SHOW.CON7	<—	SHOW.CON	0.969	0.054	18.006	***
		SHOW.CON4	<—	SHOW.CON	0.861	0.054	16.003	***
		SHOW.CON5	<—	SHOW.CON	0.985	0.051	19.408	***
		SHOW.CON10	<—	SHOW.CON	0.842	0.056	14.92	***
		INO.WORK4	<—	INO.WORK	1			
		INO.WORK5	<—	INO.WORK	0.993	0.046	21.661	***
		INO.WORK8	<—	INO.WORK	0.964	0.051	19.016	***
		INO.WORK3	<—	INO.WORK	0.942	0.044	21.22	***
INO.WORK9	<—	INO.WORK	0.954	0.049	19.357	***		

Table 2. Cont.

Hypotheses	Supported/Rejected		Path	Estimate	S.E.	C.R.	<i>p</i>	Label
		<—	LEAD.EXAM	1				
		<—	LEAD.EXAM	1.016	0.04	25.246	***	
		<—	LEAD.EXAM	0.756	0.045	16.734	***	
		<—	SUS.PERF	1				
		<—	SUS.PERF	1.001	0.06	16.705	***	
		<—	SUS.PERF	0.988	0.062	15.862	***	
		<—	INFO	1				
		<—	INFO	1.068	0.052	20.551	***	
		<—	INFO	1.03	0.053	19.378	***	
		<—	INFO	0.912	0.049	18.777	***	
		<—	INFO	0.957	0.053	18.004	***	
		<—	PARTDEC	1				
		<—	PARTDEC	0.985	0.059	16.687	***	
		<—	PARTDEC	1.002	0.061	16.46	***	
		<—	PARTDEC	1.101	0.064	17.135	***	
		<—	PARTDEC	0.959	0.067	14.264	***	
H3	Rejected	Mediation	INO.WORK					
H6	Rejected	Moderating effect	ORG. LEARN.					

Significance level: *** $p < 0.001$.

Data cleaning was done, and further analysis has been conducted. Analysis was performed on the sample of 337 respondents. The structural model analysis includes an examination of the relationship between empowering leadership, innovative work behavior, sustainable economic performance, and organizational learning readiness. Standard errors, parameter estimates, and p -values for the structural model were computed using path analysis. The first confirmatory factor analysis (CFA) test showed that the model needs further improvements ($\chi^2/df = 3.754$; CFI = 0.864; SRMR = 0.08; RMSEA = 0.058). χ^2/df ratio is higher than the recommended value of 3 [116]. Factor loadings of below 0.55 were deleted [117], consequently improving the model fit. Based on the standardized residual covariances, we recommend removing INFO4. Furthermore, due to the correlation found between some components, covariance was added. Also, the pair of items within organizational learning readiness errors (3–5, 6–9) was correlated. Such manipulation was justified by Byrne (2010), due to synonymous formulation [118].

Covariance within item errors resulted in an excellent model fit. To prove this, we can refer to the standardized root mean square, SRMR = 0.053, which is below 0.08, as suggested by Byrne (2010) [118]. Simultaneously, the value root means the square error of approximation was also below 0.08. According to the requirement toward χ^2/df , the ratio fits within the required range of 1–3 [116]. As for the CFI, the index is above the threshold of 0.9 (CFI = 0.931), concluding the achievement of the excellent model fit ($\chi^2/df = 2.069$; CFI = 0.931; SRMR = 0.04; RMSEA = 0.053) as per Hu and Bentler (1999) [119]. Table 3 indicates the model fit parameters.

Table 3. Goodness of fit indicators and values (Measurement model).

Model Fit			
Measure	Estimate	Threshold	Interpretation
CMIN	1754.815	—	—
DF	848	—	—
CMIN/DF	2.069	Between 1 and 3	Excellent
CFI	0.931	>0.95	Acceptable
SRMR	0.04	<0.08	Excellent
RMSEA	0.053	<0.06	Excellent
PClose	0.068	>0.05	Excellent

Convergent and discriminant validity tests were also conducted. Composite reliability (CR), average variance extracted, and correlation matrix were determined, confirming convergent and discriminant validity, with results presented in Table 3. The results of the average variance extracted (AVE) coefficients are higher than 0.5, which is the minimum requirement. Additionally, the AVE of all variables, excluding empowering leadership, is higher than 0.6. The composite reliability of each construct is above 0.8. The obtained C.R. coefficients values surpass the threshold of 0.6, indicating consistency. That confirms the convergent validity of all the variables. Discriminant validity was also established by comparison between the AVE and maximum shared variance (MSV). AVE for each of the constructs is higher than MSV, confirming discriminant validity. Validity results together with the factor correlation matrix with the square root of AVE are displayed in Table 4.

Table 4. Validity analysis.

	CR	AVE	MSV	MaxR(H)	Sus.Perf	Org.Learn	Ino.Work	Empo.Lead
Sus.perf	0.855	0.663	0.298	0.858	0.814			
Org.learn	0.915	0.607	0.605	0.916	0.546	0.779		
Ino.work	0.915	0.682	0.674	0.919	0.524	0.734	0.826	
Empo.lead	0.945	0.776	0.674	0.960	0.507	0.778	0.821	0.881

CFA analysis (Figure 2) was followed by structural equation model testing (SEM). The hypothesized relationships between empowering leadership, organizational learning readiness, sustainable economic performance, and innovative work behavior were examined for the model fit and are displayed in Table 5 ($\chi^2/df = 2.084$; CFI = 0.93; SRMR = 0.041; RMSEA = 0.054), indicating satisfactory fit. The structural model of the study is depicted in Figure 3.

According to the path analysis results, there is a positive and highly significant impact of empowering leadership on innovative work behavior ($\beta = 1.104$; $p = 0.001$), and innovative work behavior on sustainable economic performance ($\beta = 0.207$; $p = 0.001$). Thus Hypotheses 1 and 2 can be accepted.

There is also a direct relationship between organizational learning readiness and sustainable economic performance with the p -value reaching the desired level of significance ($\beta = 0.330$; $p = 0.001$), thus accepting Hypothesis 5. However, a significant impact of empowering leadership on sustainable economic performance has not been found, thus rejecting Hypothesis 4 ($\beta = 0.045$; $p = 0.754$). A bootstrap test was performed to test the mediating impact of innovative work behavior on the relationship between empowering leadership and sustainable economic performance. Firstly, the direct effects between variables were observed and then the changes in the interaction if innovative work behavior was implemented in the model. Hence, the direct effect of empowering leadership on sustainable economic performance had a positive impact with $\beta = 0.113$ and p less than 0.01, indicating the significance of the direct relationship. Furthermore, once innovative work behavior was announced in the relationship model, the power of the relationship improved, with the appropriate level of significance. Thus Hypothesis 2 was accepted. Hypothesis 6, stating that the impact of empowering leadership on innovative work behavior will increase with the increase of organizational learning readiness was tested. Interaction affect testing was used to confirm this. The unstandardized and standardized values were positive ($\beta = 0.00$), with a p -value of 0.572. This indicates the insignificance of the relationship. The theoretical assumption of the moderation effect of organizational learning readiness on the relationship between empowering leadership and innovative work behavior has been accordingly rejected, thus rejecting Hypothesis 6.

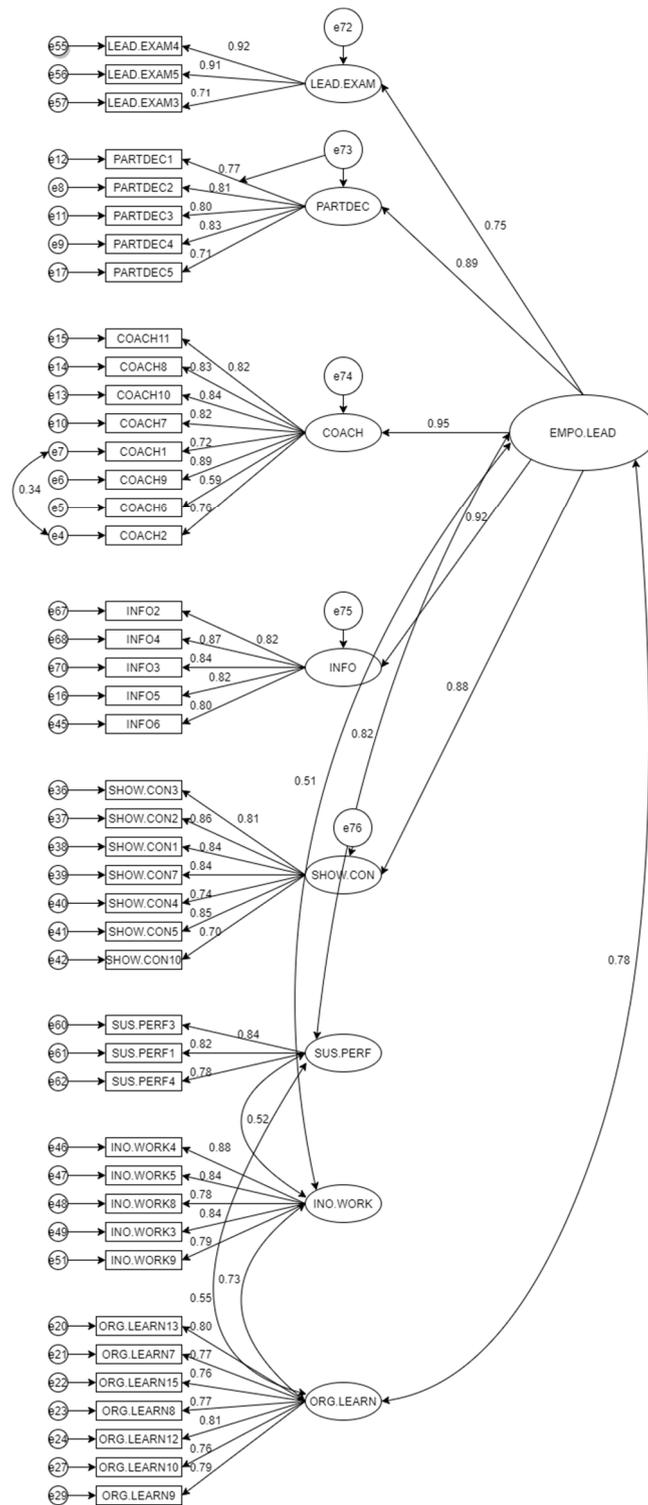


Figure 2. Measurement model Confirmatory factor analysis (CFA).

Table 5. Goodness of fit indicators and values (structural model).

Model Fit Measures			
Measure	Estimate	Threshold	Interpretation
CMIN	1769.442	–	–
DF	849	–	–
CMIN/DF	2.084	Between 1 and 3	Excellent
CFI	0.93	>0.95	Acceptable
SRMR	0.041	<0.08	Excellent
RMSEA	0.054	<0.06	Excellent
PClose	0.048	>0.05	Acceptable

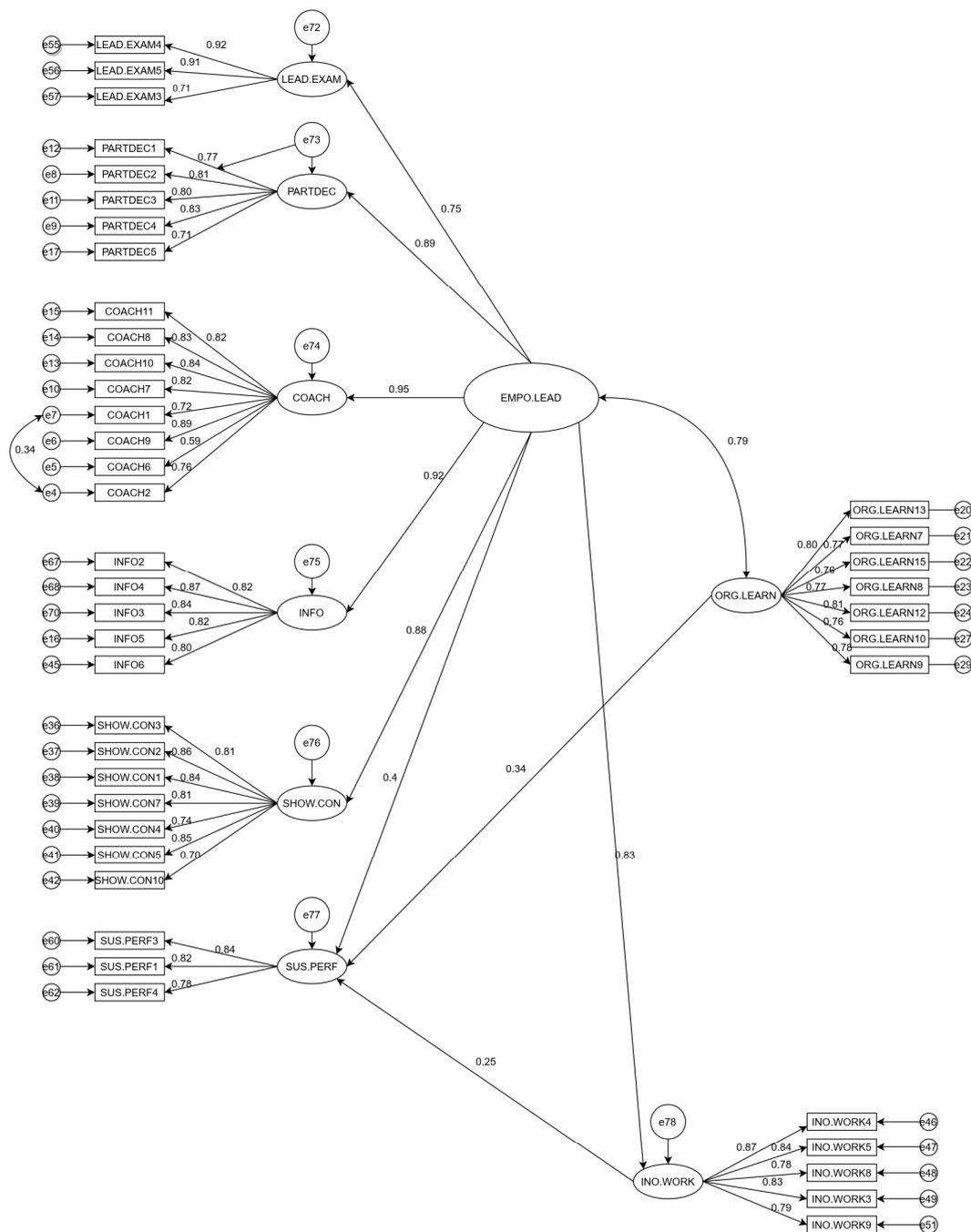


Figure 3. Structural model.

6. Discussion

The current study aimed to examine how COVID-19 pandemics relate to different factors concerning enterprise economic sustainability, and which of these should be fostered and reinforced to thrive post-crisis. As economic circumstances are rapidly changing, thus prompting unprecedented overall business situations, managers and policymakers are drawing from past experiences with financial and health crises, quickly adjusting to different case scenarios and devising novel operational and entrepreneurial strategies. Evidently, generic approaches articulated in a time of stability are far from functional in adversity, calling for crisis management. The outbreak disrupted conducting “business as usual”, and some organizations are better at adjusting than others. We can only suppose these corporations have already initiated crisis management contingency planning and are continuously readjusting their techniques to fit the cognizance stemming from novel research on how to maintain sustainability and apply damage prevention and damage control during adversity.

Risk-averting procedures and action plans are implemented by combining the insights from the theoretical framework of distributed cognition theory, allowing for the formation of multiple semi-autonomous teams under the guidance of empowering leaders, supervision and interventions. Multiple business units are to be coordinated and maintain real-time business intel flowing, with the agile approach in responding to daily changes. For this to be made possible, supervisors and team managers are to be granted the authority to act autonomously at deciding on the best approach and implementing such operations at the scene. Decision-making in traditional leadership is time-consuming and may prove to be detrimental when an instant response is required. Some have speculated the crisis confirmed in favor of the supremacy of the existing authoritarian arrangement concerning the international cooperation, i.e., the disaster reaffirmed the vantage of a centralized economy with little dependence on globalization and external supply; yet the opposite took place within the Federation—regions were given the autonomy and local governance to deal with challenges and mitigate the crisis consequences. Anecdotal evidence on the delegation authority in Russian politics can be applied to the business sphere—granting leaders and business unit managers with autonomy and authority to lead in a participatory manner, in open conversation, collaboration, and coalitions facilitate the synergistic approach to the gathering, analysis, and utilization of the data from different sectors within an organization. This information is later used to generate ideas, stimulate creativity, and test the plausibility of devised solutions. However, contrary to the national macrosystem, in the organizational ecosystem, all employees are deemed relevant agents and contributors to company sustainability. Furthermore, the solutions they design at times necessitate other organizations’ resources, in view of complementary services, cognitive and infrastructural capital, technology, and institutional R&D potential. Engaging in intraorganizational and interorganizational cooperation results in internal process and structural innovation, which is considered a precedent of open innovation for organizational sustainability. For this to occur, all agencies should have strong organizational commitment and reliance on leadership. Unlike the autocratic style subverting confidence, empowering leadership is primarily participatory, and secondly, it is based on principles of trust and transparency. Due to the existing social arrangement, Russian citizens tend to distrust state authority and the level of transparency regarding key information, such as that concerning the pandemic. Lack of clarity, repression, censorship, filtering, and the manipulating of key intelligence leads to reluctance to act upon demand and skepticism when presented with an accurate prospect of a possible future. When people perceive their leaders as being dishonest, deceitful, cunning, or disingenuous, they lack the motivation to follow. In contrast, when leadership is seen as risk-taking yet experienced, knowledgeable, empowering, exemplary, and honest, they are inspired and driven to follow. To eliminate a disarming and debilitating stance among employees, a more flexible, modern, and open leadership based on empowerment aims to increase the organizational bonds and followers’ confidence, as only a joint effort will lead to revolutionary business developments.

Our Hypothesis 1 stating that empowering leadership has an effect on innovative work behavior is accepted. This result is in line with empirical evidence of Rae (2017); Tiwana and Mclean (2005); and McTernan, Dollard, Tuckey, and Vandenberg (2016) [30,120,121]. The results of the present study back and further articulate the findings of prior research. Moreover, apart from lending support to such an assertion, we further deepened the argument by proposing that, due to its beneficial organizational effect, innovative work behavior leads to a sustainable business operation style. Our comprehension of IWB encompasses multiple aspects and stages, such as idea generation and the formulation of new work methods, techniques, and instrumentation, as well as figuring out how to bring about the process and operative innovation.

Sustainable development and effective growth hinge upon the unimpaired competitive balance of entrepreneurship in the changing market. Innovation is key to ensuring the immediate edge, especially considering SMEs' industrial activity in Russia generates 16 times more patents in comparison to huge corporations [122,123]. As social distancing policy calls for the termination of activities involving close physical proximity, most service providers had significant difficulties in maintaining their operation. However, the prosperous ones heavily relied on digitalization and leveraged the automation process whenever possible, including customer care, researching new differentiation strategies, and researching the practice of implementing new service technologies [124]. Technological innovations proved to be not solely necessary, but rather desirable, as they provided an affordable and safe way of operating. As anti-crisis measures consisted of mandatory staff reduction, layoffs, and a partial shutdown of all non-critical activities, alternation in existing business strategy, concept, and mission was invoked. Most innovation primarily referred to internal structural reorganization and assortment diversification, including a customer-centric focus and discovering new services to be provided to the existing customer base or untapped markets, specifically the online segment. The innovation translates to radical change and entering new ventures. Prior studies, as well as new and upcoming research in the pandemic contexts, points to the emergence of two trends, namely, the transitioning of traditional organizations relying on physical point of sales to digital channels to mitigate the disruptive effects and secondly, embracing hybrid learning by combining AI and human creativity so that innovative concepts are easily transformed to workable and tangible patents [125]. The current crisis brought to the fore the Russian weak point that is the vulnerability of SMEs, even though they make up a significant part of the country's economy [123]. The most challenging issue is insufficient innovation potential, emphasizing the necessity of innovative growth. We accepted Hypothesis 2 that innovative work behavior has a positive effect on sustainable economic performance during the COVID-19 outbreak. We thus corroborate the results of Suprapati et al. (2020) and Jong and Hartog (2008) [126,127]. The analysis also confirmed Hypothesis 3 arguing that innovative work behavior is the mediator between empowering leadership and sustainable economic performance.

However, our Hypothesis 4 stating empowering leadership has a positive impact on sustainable economic performance during COVID-19 is rejected, thus not corroborating the previous results of Nor-Aishah, Ahmad, and Thurasamy (2020); Arnold et al. (2000); and Suprapti et al. (2020) [20,49,128]. Not only does innovation entail the inauguration of ground-breaking ideas, but it inevitably includes the mobilization of support, acquiring approval, enthusing all relevant stakeholders about the new solution, figuring out the pragmatic potential and all possible applications, transforming the concept into a workable solution, and assessing the extent to which it will effectuate the profitable change. Although a direct positive association between empowering leadership and attaining economic sustainability was not observed, it can logically be inferred from what we posited and empirically confirmed regarding empowering leadership's contributions to overall organizational sustainability through boosting innovativeness during adversity. This comes to be via the deployment of a few auxiliary, albeit significant, mechanisms strengthening the organizational commitment and trust in supervisors and leading to the desirable

organizational citizenship and performance outcomes. To name a few, psychological empowerment is often used by leaders to instill psychological and emotional confidence and strengthen the bond followers form with supervisors and the organization. Furthermore, the role of autonomy should not be neglected, as it instills both self-efficacy and a sense of responsibility and accountability for one's actions and the overall organizational health and resilience, therefore ensuring all actions agents implement are well-thought-out and thoroughly evaluated as constructive and valuable.

As our study was carried out in the context of what can be referred to as crisis, change, or adversity or more locally, as an investigation into drivers of sustainability during major economic shocks, the notion of change was provided special attention. Therefore our motivation to include in the inquiry the factor of organizational learning readiness as an essential sustainability indicator. Surely, even beyond the COVID-19 context, the concept of learning readiness or openness to change has its rightful place as the market dictates the necessity to adapt to a changing environment so that what is interpreted as 'stability' is not considered to be rigid or fixed, but rather a fluid market situation calling for adaptation, albeit on a much smaller scale. In such conditions, even minuscule interventions would be deemed effective and beneficial assuming the resources for implementing transformation are readily available. However, following from our argument, we implicitly assumed that in turbulent and versatile circumstances more comprehensive transformation is due, and the realization is attainable only by the way of embracing the imminence and inevitability and full-on emerging into firm's transformational potential by accurately assessing the learning readiness and engaging all disposable resources, human and infrastructural. Therefore, our Hypothesis 5 stating the readiness to organizational learning impacts sustainability during COVID-19 is accepted. Our findings are in line with evidence generated by Shea et al. (2014); Jung, Kang, and Choi (2020); and Lee et al. (2017) [19,42,129].

To remedy the shock, the Russian government focused their efforts on supporting the Russian economy by providing relief measures for SMEs and introducing social measures, including the renewal of social benefits and suspension of loan repayments. Governments have introduced measures to counter the imminent adversity in the form of relief packages and incentives for preserving existing and forming new jobs, preserving enterprise liquidity, stimulation from further investments, and recommendations for strengthening the management at all organizational levels, yet not all SMEs reaped the benefits. Successful organizations have utilized the available resources to diversify and take the initiative to fully develop their potential. However, pioneering efforts may all be wasted and excellent ideas never come to life if an organization overestimates its capacity or lacks essential capital—be it cognitive, human, technological, or monetary. For transformation to take place, a unanimous effort has to be made on the part of all employees under the firm's leadership influence. The company has to be prepared to undergo change; it has to have resources, literacy, sufficient infrastructure, willing and devoted workers and strong leaders, e.g., it has to display full learning readiness. An external pressure of changing demand and one-sided management expectation is not enough; all steps need to be strategically planned, analyzed, feasible, systematically checked for risks, and gradually implemented. All elements should fall into place—under the guidance of empowering leadership, employees are consistently encouraged to think creatively and communicate their ideas openly to increase their innovative potential. When an ideal solution is devised, they should be ready to undertake additional responsibility, assume new roles and manage new tools, prepare themselves for a metamorphic experience of organizational change. Finally, a business may fail to take advantage of particular opportunities that would lead to innovation. However, our Hypothesis 6 stating that organizational learning readiness moderates the relationship between innovative work behavior and sustainable economic performance during COVID-19 is rejected. We found no moderating effect and thus were not able to corroborate the results of Pettit et al. (2019) and Christopher and Holweg (2011) [96,97].

Limitations and Future Directions

The study has several limitations. First, the data was collected using self-reported measures, and there is a risk that the subjects were not able to assess the situation accurately. Future studies could perform a survey collecting data from regular staff members, managers, and CEOs in order to get a more complete insight into the organizational circumstances and company performance. Additionally, the study was cross-sectional, collecting the data only during several months of the COVID-19 pandemic. Given that the pandemic situation and the national economic and business strategy to minimize the adverse impacts of the pandemic were frequently changing, our findings attest to the circumstances in the 2nd year of the pandemic. A longitudinal study is advised to evaluate the changes in the impact of factors on sustainable economic performance. Our sample was limited to Russia and studied in the pandemic context. Future studies should test and verify our results across nations and diverse disaster scenarios. Finally, other types of leadership and other organizational factors should be studied in relation to sustainable economic performance, such as entrepreneurial leadership, mental health, and fear of COVID-19 among staff members.

7. Conclusions

As the ongoing situation is unprecedented, there is no applicable “suit all” strategy. Yet, some corporations’ successful venturing may point to particular features to be considered by all SMEs, and those proven most relevant should be augmented, supported, intensified, or redefined. Turbulent and versatile circumstances call for a more dynamic, agile, and flexible leadership approach; therefore, hierarchical and rigid leadership styles are rendered inadequate. Furthermore, closures, temporary lockdowns, and the termination of operation of entire industries posed a threat to business survival. Thriving in such a transformative and disruptive environment were technologically equipped and progressive organizations already conducting online business. Others are yet to make such a transition successfully, and to best learn from the past, one must not overestimate their organizational change potential and readiness. Rather, managers should employ encouraging and empowering leadership styles explicitly designed to strengthen the organizational commitment, so the transition goes smoothly so that employees are more willing and accepting of an unusual setting. Furthermore, leadership elements that are most conducive to innovative work behavior should be singled out, reinforced, and combined with techniques supporting entrepreneurial potential, according to the tenets of distributed cognition theory.

Due to the emerging technologies crucial for achieving success and building resilience in a time of adversity, organizations are required to evolve, progress, and innovate in response to contingency. Several leadership styles were discussed in recent literature as conducive to innovation and organizational sustainable economic development [86,105,130]. However, not all leadership styles are flexible enough to allow for agility when resources are scarce and responsiveness crucial. Transformational leadership was recognized by many authors as a great fit for achieving organizational readiness to change [131,132], while entrepreneurial leadership was acknowledged to be best suited in situations that require quick response and risk-taking [133,134]. While both of the managerial strategies gained advocates in academic circles, they are not equally suitable in companies of diverse size or industrial orientation. Therefore, previous work has been contextually limited in application. This paper focuses on empowerment as a motivational strategy and preferred leadership style that can be considered an asset to all organizations. We explore associations between empowerment, innovation and organizational learning readiness for sustainable practices. In that, we combine the theoretical assumptions of social exchange theory and person–environment fit to account for the binding and reciprocal balancing effect empowering leaders to exert on followers to stimulate innovation. We contribute to the existing body of knowledge in management studies by providing a viable framework for the context of the pandemic. Our investigation into sustainability drivers allowed us to isolate processes that are deemed beneficial during COVID-19. Results are practical in

that they extend beyond pandemics context to regularly changing and unstable markets. Fundamental advantages include great explanatory power and broad applicability, and this framework may serve as the ground for the formation of a comprehensive organizational strategy.

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