

# The Impact of Organizational Learning Facilitators on Organization Performance in The Public Sector: Testing the Role of Innovation and Optimization Activities

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## ABSTRACT

Public sector organizations encounter difficulties due to limited resources and mounting demands to fulfill the needs and expectations of citizens. The challenges are especially evident in developing nations, where the conventional centralized and bureaucratic approach to government operations can result in inefficiencies and subpar provision of services. Therefore, more investigation is required to improve the performance of the public sector. This research investigates the influence of organizational learning facilitators on the performance of public sector organizations, with a specific emphasis on the mediating effects of innovation and operational optimization. The present study examines the impact of organizational learning facilitators on public sector performance in Vietnam based on data obtained from a sample of 272 representatives from public organizations. The findings reveal a significant relationship between organizational learning facilitators and public sector performance, mediated by their influence on innovation and optimization. This study provides insights into how public sector organizations can improve their performance by implementing knowledge-sharing strategies, training policies and cultivating a culture of ongoing learning within the public sector.

Keywords: organizational learning facilitators, innovation, optimization, public performance.

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## 1. INTRODUCTION

Public sector organizations are confronted with escalating pressures to enhance operational efficiency and effectively address the evolving needs of citizens, all while grappling with constrained resources (Caillier, 2020; Hoai, Hung and Nguyen, 2022; Modell, 2022). This predicament is particularly prevalent in emerging countries where conventional bureaucratic and centralized government operations often give rise to inefficiencies and inadequate service delivery. In addition, these institutions must adapt to changing

circumstances to uphold legitimacy, improve efficiency, and deliver public value (Gieske, Van Meerkerk and Van Buuren, 2019; Liang et al., 2019). Optimization entails refining existing practices and leveraging existing knowledge and skills, while innovation necessitates disrupting established practices and mindsets to propel progress.

The rigidity and inefficiency of public sector performance management systems necessitate exploring alternative approaches as well as improving the current operation that can enhance responsiveness to the needs of citizens and businesses (Anh Vu *et al.*, 2022; Plimmer *et al.*, 2022). Traditional private-sector management techniques, such as organizational performance measurement, performance-based pay, and cost-benefit-oriented budgeting, often must be more suited when applied to public institutions (Franken, Plimmer and Malinen, 2020). The distinctive context of public administration is characterized by obligatory bureaucratic processes, limited resource access, disciplinary, and a lack of flexible mechanisms (Plimmer, Bryson and Teo, 2017), underscoring the need for tailored strategies in this domain. Embracing innovative and optimizing practices and cultivating a culture of continuous learning via knowledge sharing and training policies are indispensable for public sector organizations to surmount these challenges. However, there is a significant need for more knowledge and scientific research concerning the impact of innovation and optimization strategies on public sector efficiency, particularly in developing countries.

The outcomes of innovation or optimization strategies, specifically its relationship with public sector performance, have received limited attention (De Vries, Bekkers and Tummers, 2016; Gieske, Van Meerkerk and Van Buuren, 2019). Moreover, the enabling factors for innovation and optimization have been neglected in this public sector (Moore, 2005; Piening, 2013). Relying on the theoretical framework of Gieske, van Buuren, and Bekkers (2016) and Barette et al (2012) as the conceptual underpinning (Barette *et al.*, 2012; Gieske, Van Buuren and Bekkers, 2016), this study will scrutinize the interrelationships between knowledge sharing, internal training policies, public sector performance, and examining the mediating role of innovation and optimization. This study seeks to contribute to the ongoing discourse on enhancing public sector performance.

## **2. LITERATURE REVIEW**

### **2.1. Performance in public sectors:**

Organizational performance in the public sector encompasses various dimensions and interpretations, including both financial and non-financial aspects. While many studies have primarily focused on financial performance due to the availability of less biased data, such measures predominantly capture formal effectiveness and efficiency. This bias stems from the historical emphasis on profit as the sole purpose of business (Gieske, Van Buuren and Bekkers, 2016). Existing research concentrates exclusively on financial performance when exploring outputs, outcomes, efficiency, service quality, and accountability. For instance, previous studies conducted by (Gieske, Van Meerkerk and Van Buuren, 2019) solely focus on financial performance.

In contrast to their private sector counterparts regarding objectives, operation, governance, and stakeholders, public sector organizations prioritize generating public value for a citizenry with diverse interests (Moore, 2005; Setyaningrum, 2021), thereby enhancing public welfare. As in the public sector, financial considerations are seen as

constraints rather than goals or limited resources. Public sector organizations operate in an environment influenced by complex political factors, subject to stakeholder oversight and control, and ensure full accountability at a high level of responsibility (Hartley, 2013). These variations imply that findings obtained from research conducted within a private sector setting do not inherently possess direct applicability to the public sector. Arnaboldi and Azzone (2010) point out the challenge of setting performance in the public sector compared to profit-driven private firms. In practical terms, public performance can be understood as the successful attainment of public goals in a legitimate, effective, and efficient manner while ensuring the current and future quality of public services (Verbeeten, 2008). Thus, we conceptualize performance in the public sector in terms of organizational effectiveness, taking into account various dimensions related to public objectives rather than financial considerations.

Public institutions engage in a continuous process of adaptation to ensure legitimacy, enhance operational efficiency, and generate public value (Damanpour, Walker and Avellaneda, 2009; Hartley, 2013). This adaptation can involve continuous improvements, leveraging existing practices and knowledge, as well as discontinuous approaches that challenge established mindsets to enhance public performance (Moore, 2005; Gieske, Van Buuren and Bekkers, 2016). The fields of public policy and organizational learning have traditionally evolved separately, as evident in the study of Rashman, Withers and Hartley (2009), which highlighted the scarcity of references to organizational learning in the public sector. However, some scholars have recognized the significance of policy learning in influencing organizational factors within this context. While much of the research on organizational learning originates from the private sector, there is a growing recognition of the need to explore these dynamics within public sectors.

## **2.2. The relationship between innovating, optimizing, and public performance**

Strictly bound by rules and regulations, and subject to political pressure and accountability, public sector organizations are often inflexible and bureaucratic. Therefore, the definition of optimization or innovation in the public sector will be different from that of studies in the private sector. In this work, we shall use the terms optimization and innovation generically for continuous and discontinuous improvement (Osborne and Brown, 2011; Gieske, Van Buuren and Bekkers, 2016). Because innovation is often confused with improvement, optimization is utilized instead of improvement. The deployment of new policies, technologies, processes, and services that break with the past is referred to as innovation, while optimization focuses on continuously enhancing current policies, technologies, procedures, and services (Damanpour, Walker and Avellaneda, 2009). Organizations need both processes and establishing a balance between both is critical for boosting performance (March, 1991).

Innovation is defined as any practice, process, product, or service that is novel to the environment of an organization (Ismanu and Kusmintarti, 2019). In accordance with this definition, the practice must be distinct from the organization's current or past practices. In this study, innovation is defined as implementing a new concept that improves the functioning and outcomes of the organization. This idea is regarded as a novel by another person or organization (Gieske, Van Meerkerk and Van Buuren, 2019) and represents a break from the past (Osborne and Brown, 2011). Gopalakrishnan and Bierly (2001) discover that high-performing banks employ product and process innovation more frequently than underperforming banks. Further investigation is required to determine whether this applies to other fields.

Operational optimization is deliberate, incremental, continuous development activities. Using the framework of Gieske, Van Buuren and Bekkers (2016), we can identify the competencies that contribute to the continuous development and innovation of public organizations. This suggests that enhancing the performance of the public sector can be accomplished primarily through the continuous development of policies, procedures, processes, and services, which require little or no capital (Damanpour, Walker and Avellaneda, 2009).

Public sector organizations face the challenge of pursuing innovative strategies with the need for operational transformation to improve efficiency (Gieske, Van Meerkerk and Van Buuren, 2019). Local managers often struggle to align these competing priorities, and some employees may be hesitant to engage in collaborative innovation due to time constraints and concerns about being perceived as inefficient (Gieske, Van Buuren and Bekkers, 2016). Public sector organizations must develop capabilities that allow them to excel in both optimization and innovation and effectively manage the tensions between them (Junni and Sarala, 2013; Junni *et al.*, 2013). We come to the following hypothesizes:

*H1: Optimization is positively related to organization performance.*

*H2: Innovation is positively related to organization performance.*

### **2.3. Organizational learning facilitators impact on innovation, optimization, and performance**

Organizational learning is the fundamental driving force to improve capacity for policy planning and implementation in organizations, not just the public sector (Yang, 2001; Ayuri and Nasution, 2022). Learning is a cognitive process in people's brains where information and experiences are assimilated, and ideas emerge. It is also a social and collaborative process of individual interpretation and concept-making. Knowledge sharing and training policies, which play critical roles in determining the innovation, optimization, and overall performance of public organizations, are two prominent organizational learning facilitators that are widely suggested (Díaz-Chao, Sainz-González and Torrent-Sellens, 2015; Henttonen, Kianto and Ritala, 2016).

Knowledge sharing is transferring explicit and tacit knowledge among individuals or groups within an organization (Henttonen, Kianto and Ritala, 2016; Verma and Bashir, 2017; Cassia *et al.*, 2020). It involves exchanging information, experiences, and insights that can be utilized to enhance organizational practices and decision-making. Knowledge sharing is crucial for innovation as it is the foundation for combining existing knowledge with new ideas, ultimately leading to innovative solutions (Lin, 2014; Verma and Bashir, 2017; Cassia *et al.*, 2020). Knowledge sharing is essential in managing knowledge as it facilitates organizational learning and the development of capabilities and best practices (Barette *et al.*, 2012). It enables employees to access relevant knowledge, integrate it into the existing knowledge base, and apply it to their work. Organizations can perform better by successfully transferring knowledge among individuals and departments and generating their competitive advantage (Atan *et al.*, 2018).

Knowledge sharing is pivotal in fostering innovation and optimization within public organizations. It enables the dissemination and integration of diverse perspectives, experiences, and expertise, stimulating creativity and ideation. Through knowledge sharing, employees can access valuable insights, best practices, and lessons learned, which inspire innovative thinking and problem-solving (Brynjolfsson and Hitt, 2000; Catino and

Patriotta, 2013). The sharing of knowledge across organizational units and teams promotes collaboration and reduces duplication of efforts and time-slack in internal processes, which increases efficiency and effectiveness. By breaking down silos and facilitating cross-functional collaboration, knowledge sharing creates an environment that encourages the generation and sharing of new ideas, leading to the improvement and creation of novel products, services, and processes (Lee and Choi, 2003; Panda and Rath, 2018; Seo and Lee, 2019).

*H3: Knowledge sharing is positively related to innovation.*

*H4: Knowledge sharing is positively related to organizational performance.*

*H5: Knowledge sharing is positively related to optimization.*

Training policies encompass the strategies, guidelines, and programs implemented by organizations to enhance the knowledge, skills, and competencies of their employees. These policies aim to provide systematic and structured learning opportunities that align with the organization's objectives and promote employee growth and development. Training policies are crucial for optimizing performance as they equip employees with the necessary knowledge and capabilities to perform their roles effectively and efficiently (Gieske, Van Buuren and Bekkers, 2016). Training policies address the specific training needs of employees and focus on developing their skills and competencies in areas relevant to their roles and responsibilities. They may include formal training programs, workshops, on-the-job training, mentoring, and coaching initiatives. These policies enable employees to acquire new knowledge, learn best practices, and enhance their capabilities, optimizing their performance and contributing to organizational success (Ayuri and Nasution, 2022).

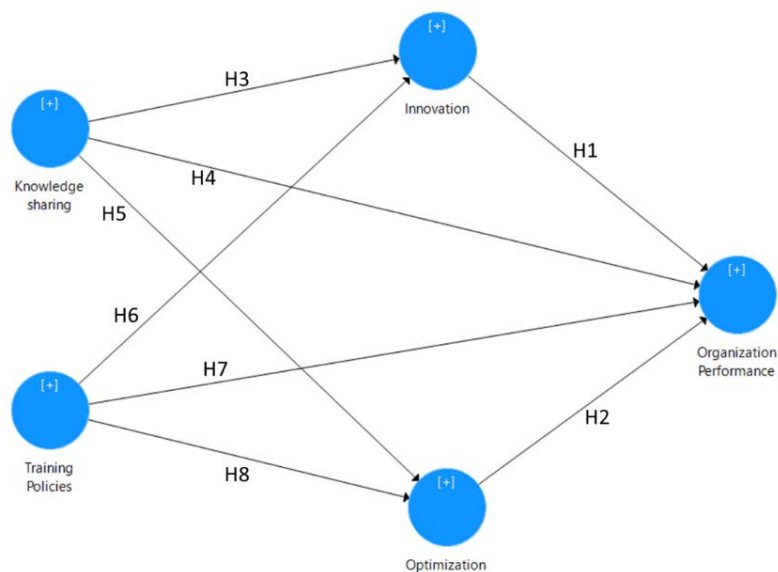
Effective training policies significantly impact innovation and performance within public organizations. By investing in training programs, organizations empower employees with up-to-date knowledge and skills aligned with emerging trends and technologies. This enables employees to enhance their performance by leveraging new techniques and approaches. Well-trained employees are better equipped to handle complex tasks, make informed decisions, and adapt to changing circumstances, improving performance outcomes (Ayuri and Nasution, 2022). Training policies also foster a culture of continuous learning, encouraging employees to develop their specific competencies and stay motivated. Employees who feel valued and supported through training initiatives are more likely to be engaged and committed to their work, resulting in higher productivity and performance levels. Additionally, training policies provide opportunities for career development, allowing employees to master new skills and advance within the organization, further enhancing overall performance.

*H5: Training policies are positively related to innovation.*

*H6: Training policies are positively related to organizational performance.*

*H8: Training policies are positively related to optimization.*

Based on the proposed hypotheses, we develop the conceptual framework as follows:



**Figure 1:** Research model

### 3. METHODOLOGY

#### 3.1. Sample and data collection

The study participants included public servants working in Vietnam's public organizations who responded to the designed questionnaires. The public organizations comprised organizations that are operated by government and do not drive by profit. The data collection process was divided into a pilot test and a mass survey. For the pilot test, the first phase involved collecting data online through a Google Form in February 2023, with 38 samples gathered within that month. The pilot data was used to check and revise the questions to improve the comprehensiveness and compliance with the Vietnam situation. Once the questionnaire met the required standards, the remaining data for the conceptual framework was collected. The managers, leaders, and supervisors working in public organizations supported distributing the survey to the targeted participants from March to May of 2023. In addition to the questionnaire responses, the authors requested respondents to provide personal information (i.e. demographic information). Any questions or issues raised by participants regarding the questionnaires were addressed by the survey distributors through email communication. This ensured the validity of the responses, and the collected data demonstrated high reliability for analysis. Furthermore, the authors eliminated any invalid responses that were incomplete, exhibited similar scores for all items, or were left blank before proceeding with the data analysis. With the assistance of various departments, the data collection process yielded 272 completed forms out of the 350 distributed forms. Based on the collected data, 44% of the respondents work in judicial and administrative agencies, 29% work in public non-business units, and 11% work in organizations related to the Communist Party and the Fatherland Front. Subsequently, the data were analyzed using SmartPLS and statistical analysis to examine the research model.

To gain appropriate information, we asked the agency representatives to provide the

institutional field, job position, and number of employees in the first part of the questionnaire. In the second part, participants provide their evaluation of the research constructs. It is worth noting that respondents who work on the board of managers account for 3.6% of the population; the remaining include 33.1% of senior managers and the rest of the officers.

### 3.2. Measurement scale development:

The authors utilized a 5-point Likert scale, ranging from 1 (strongly disagree) to 5 (strongly agree), to assess all multi-item constructs in the study. Reflective measurements were employed to operationalize all five constructs. The measurement items were adapted from previous studies, with minor adjustments to align with the research context in Vietnam. The following section provides comprehensive information on the constructs that were measured in the study.

**Table 1:** Measurement scales

Construct / Sources	Items
<p><b>Organizational performance</b> Adapted with minor adjustments from (Gibson and Birkinshaw, 2004)</p>	<p>The agency is operating very efficiently.</p> <p>Public servants are satisfied with the agency's performance.</p> <p>Good service agency that gets people's satisfaction.</p> <p>The agency completes its tasks and annual goals.</p> <p>The agency that completes the work stops progressing according to the annual plan.</p>
<p><b>Innovation</b> Adapted with minor adjustments from (Sharma, Gautam and Chaudhary, 2020)</p>	<p>The agency has many successful projects/projects based on its ability to apply new technologies.</p> <p>The agency has created innovative products/services for the entity.</p> <p>The agency is always looking for new ways/solutions to meet people's needs.</p> <p>The agency is constantly trying to address the new needs of the people.</p> <p>The agency that decides to apply new solutions in the working process.</p>
<p><b>Optimization</b> Adapted with minor adjustments from (Mafabi, Munene and Ntayi, 2012; Sharma, Gautam and Chaudhary, 2020)</p>	<p>The agency regularly reforms procedures to improve service quality.</p> <p>All tasks are subject to regulatory standards.</p> <p>Assets are managed and used well.</p> <p>The agency always controls the budget well.</p>
<p><b>Knowledge sharing</b> Adapted with minor adjustments</p>	<p>The organizational structure of the agency encourages information sharing between units or</p>

Construct / Sources	Items
from (Barette <i>et al.</i> , 2012)	<p>entire departments/agencies.</p> <p>New ideas are quickly disseminated throughout the department/organization.</p> <p>Systematic exchange and provision of easy-to-understand and accessible agency information.</p> <p>Practical working methods are shared among employees.</p> <p>Management ensures that information is disseminated throughout the unit/organization.</p>
<p><b>Training policies</b></p> <p>Adapted with minor adjustments from (Barette <i>et al.</i>, 2012)</p>	<p>Specific support agencies (time, resources, budget, and tools) for officers to study or develop their careers.</p> <p>The training methods available are abundant (e-learning, distance education, etc.).</p> <p>The training at the agency emphasizes long-term career development.</p> <p>Officers have access to internal and external training materials.</p> <p>Officers can apply them to work based on the knowledge learned in the training course.</p>

#### 4. DATA ANALYSIS

The data analysis includes two assessments. The first assessment evaluates the measurement model, including testing its reliability and validity. The second assessment is to examine the hypotheses in the structural model.

##### 4.1. Measurement model

In order to check the scale's reliability, Hair *et al.* (2014) suggested that Cronbach's alpha of each index must be greater than 0.6. Furthermore, the Composite Reliability (CR) of all constructs should be greater than 0.7 to ensure internal consistency, and the Average Variance extracted (AVE) of all variables must be greater than 0.5. CR measures the reliability between retained items, while AVE represents the degree of variance carried out by each latent variable (Bagozzi and Yi, 2012). These indicators to check the reliability of the construction can be found in Table 2.



**Table 2:** Reliability and Convergent Validity

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Innovation	0.916	0.927	0.937	0.749
Knowledge sharing	0.932	0.932	0.949	0.787
Optimization	0.831	0.832	0.888	0.665
Organization Performance	0.917	0.919	0.938	0.752
Training Policies	0.919	0.921	0.939	0.756

As indicated in the table above, all criteria are met. Cronbach's alpha coefficient of all latent variables is higher than the threshold of 0.6, demonstrating that the model has a good degree of validity and internal consistency, and the uni-dimensionality of the scales is reasonable.

In this study, the validity of the structure was evaluated according to 3 criteria: content value, convergent value, and discriminant validity. Firstly, having content validity means that the questions written in the survey should be relevant to real-life situations, and meaningful answers can be obtained. A pilot test was performed with 38 test samples to determine the critical content value.

Secondly, based on the responses collected, the questionnaire was revised several times until the most positive responses were received. AVE greater than 0.5 for all latent variables indicates that the convergent validity requirement is ideally met.

Thirdly, the indicator for discriminant validity requires that the square root of the AVE of a latent variable must be greater than the correlation coefficient of that variable and other variable (Fornell and Larcker, 1981). Another indicator for discriminant validity is the HTMT criterion (heterotrait-monotrait correlation ratio) should be less than 1 and preferably not more than 0.9 (Henseler, Ringle and Sarstedt, 2012). All requirements for discriminant validity are satisfied.

**Table 3:** Fornell-Larcker Criterion

	Innovation	Knowledge sharing	Optimization	Organization Performance	Training Policies
Innovation	<b>0.865</b>				
Knowledge sharing	0.744	<b>0.887</b>			
Optimization	0.790	0.754	<b>0.815</b>		
Organization Performance	0.705	0.640	0.743	<b>0.867</b>	
Training Policies	0.685	0.812	0.722	0.634	<b>0.869</b>

**Table 4:** Heterotrait-Monotrait correlation ratio (HTMT)

	Innovation	Knowledge sharing	Optimization	Organization Performance	Training Policies
Innovation					
Knowledge sharing	0.794				
Optimization	0.894	0.855			
Organization Performance	0.757	0.690	0.849		
Training Policies	0.731	0.875	0.824	0.687	

Many scholars believe that common method bias (CMB) is a substantial source of bias in behavioral research, especially when utilizing single-informant surveys. To assess whether the collected data was affected by CMB, the authors calculated the values of the full collinearity variance inflation factor (FCVIF) for all variables in the research model. The FCVIF values were analyzed to determine if there were any indications of CMB in the collected data.

**Table 5.** Full collinearity variance inflation factor (FCVIF)

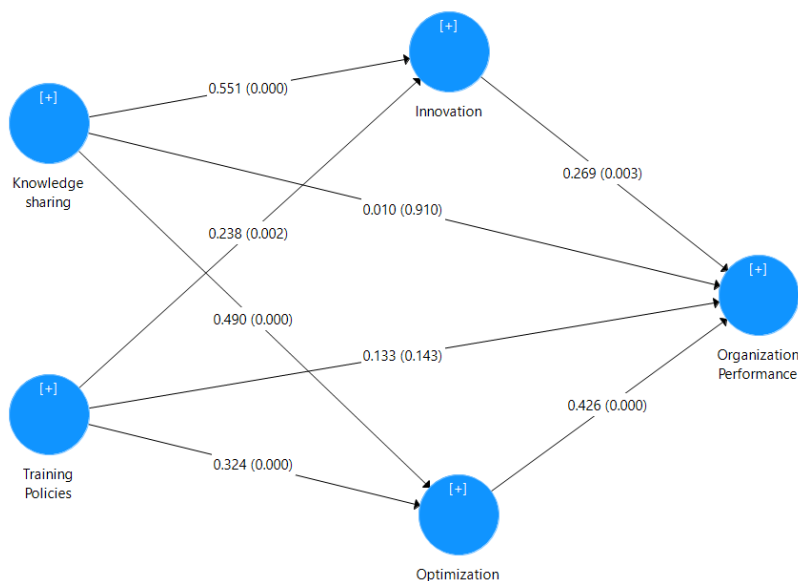
Effectiveness	Innovation	Knowledge sharing	Organization Performance	Training policies
3.016	2.771	3.015	2.244	1.857

The highest FCVIF was below 3.3, indicating that our measurement model was not subject to CMB (Kock, 2015).

**4.3. Structural model**

Following the validation of the measurement model, the structural model was employed to examine the relationships between latent constructs, namely organizational learning facilitators, innovation, optimization, and organization performance. A bootstrapping technique with 5,000 samples was used. Analysis of the path coefficients, as depicted in Figure 2 and Table 6, indicated the evaluation results of the research hypotheses.

Structural model test results for validating variables Innovation and Optimization to Organization performance, Knowledge sharing, and Training policies affecting Innovation and Optimization. These relationships are statistically significant, specifically: Innovation positively affects Organization performance ( $\beta = 0.269$ ;  $p < 0.01$ ). Optimization fosters Organization performance ( $\beta = 0.426$ ;  $p < 0.01$ ). Knowledge sharing is also confirmed to encourage Innovation ( $\beta = 0.551$ ;  $p < 0.01$ ) as well as Optimization ( $\beta = 0.490$ ;  $p < 0.01$ ). Training policies have strongly impacted Innovation and Optimization with coefficients as follows ( $\beta = 0.238$  &  $\beta = 0.324$ ;  $p < 0.01$ ), respectively. The direct impact of Knowledge sharing and Training policies on Organization performance is not convincing enough evidence,  $p$ -value  $> 0.1$ ). Thus, hypotheses H5 and H7 are rejected.



**Figure 2:** Path analysis result

**Table 6.** Path coefficients

		Original Sample	T Statistics	P Values
Innovation -> Organization Performance	H1	0.269	3.001	0.003
Optimization -> Organization Performance	H2	0.426	3.786	0.000
Knowledge sharing -> Innovation	H3	0.551	7.697	0.000
Knowledge sharing -> Optimization	H4	0.490	6.270	0.000
Knowledge sharing -> Organization Performance	H5	0.010	0.113	0.910
Training Policies -> Innovation	H6	0.238	3.043	0.002
Training Policies -> Organization Performance	H7	0.133	1.466	0.143
Training Policies -> Optimization	H8	0.324	4.149	0.000

**Table 7:** Indirect effects

	Original Sample	P Values
Knowledge sharing -> Innovation -> Organization Performance	0.148	0.003
Training Policies -> Innovation -> Organization Performance	0.064	0.046
Knowledge sharing -> Optimization -> Organization Performance	0.209	0.000
Training Policies -> Optimization -> Organization Performance	0.138	0.013

Indirect or mediating effects form a structural relationship that often occurs in Social Science Research. Methods of testing intermediate relationships have become more complete. Examining mediating effects is how a researcher can explain the process or

mechanism by which one variable affects another” (MacKinnon, 2011).

The relationship between organizational learning facilitators, knowledge sharing and training policies, and organization performance in the public sector are fully mediated by innovation and optimization with  $p$ -value  $< 0.05$ .

#### **4.4. Discussion and theoretical contributions**

In the public sector context, the goal is to improve public welfare and ensure accountability, innovation, and optimization are crucial for organizational success. With the introduction of practical evidence proving the existence of a relationship between innovation and optimization, in line with previous studies, this study has reaffirmed the role of a dual implementation strategy (Gieske, Van Buuren and Bekkers, 2016). Innovation allows public organizations to develop new and effective policies, programs, and services that address societal challenges and meet citizens' needs. Optimization, conversely, ensures that public organizations operate efficiently, delivers services effectively, and makes the most of limited resources. Innovation enables organizations to adapt to changes in their external environment, and improve performance. Optimization focuses on improving existing processes, systems, and practices to enhance efficiency and effectiveness. It involves continuous improvement efforts, streamlining operations, and maximizing resource utilization (Gieske, Van Buuren and Bekkers, 2016). Optimization aims to eliminate inefficiencies, reduce costs, and improve overall performance.

Research results show that knowledge sharing is critical in managing knowledge within organizations. It is considered a prerequisite for innovation, organizational learning, and developing capabilities and best practices (Barette *et al.*, 2012; Cassia *et al.*, 2020). Training policies, on the other hand, play a crucial role in equipping employees with the necessary skills and knowledge to enhance their performance and contribute to organizational success. Innovation is implementing new ideas, products, or services that create value for organizations (Kim and Yoon, 2015; de Vasconcellos, Garrido and Parente, 2019). Knowledge sharing and internal training involves the combination of existing and new knowledge, as well as the integration of external and internal resources (Yang, Marlow and Lu, 2009).

The relationship between organizational learning facilitators, namely knowledge sharing and training policies, and organization performance has been fully mediated by innovation and optimization. When knowledge is effectively shared and transferred within an organization through knowledge-sharing processes, employees gain access to valuable information, expertise, and best practices. This, in turn, enhances their ability to innovate and develop new solutions to address complex public problems (Catino and Patriotta, 2013; Verma and Bashir, 2017). Similarly, training policies that focus on developing employees' skills and knowledge enable them to contribute to innovation and optimization efforts within the organization. Well-trained employees are more likely to generate new ideas, implement process improvements, and optimize operations, leading to improved performance (Shahzad *et al.*, 2016).

In practically, it is imperative for public organizations to allocate resources towards knowledge-sharing initiatives, and internal training programs. Public organizations should provide their employees with a centralized knowledge management system to expedite access to and dissemination of information, documents, and best practices. The objective is to enhance the usability and contemporaneity of this system. Slack, Microsoft Teams, and other intranet applications accelerate instantaneous communication, document exchange, and collaborative efforts within an organization's workforce. Regular department meetings facilitate opportunities for employees to engage in collaborative

discussions pertaining to ongoing projects, exchange innovative ideas, and provide updates to one another. Promote interdepartmental collaboration by means of project initiatives or collaborative working groups dismantle organizational barriers and foster inclusivity among employees.

## 5. CONCLUSION

The study examines the impact of organizational learning facilitators on public sector performance, focusing on the mediating role of innovation and operational optimization. By employing the data of 272 samples collected from officers working in public agencies in Vietnam, the study provides empirical evidence supporting the positive impact of innovation and optimization on public sector performance. Innovation, characterized by generating and implementing novel ideas, was found to have a direct positive effect on organizational performance. Similarly, optimization, which focuses on streamlining processes and maximizing efficiency, was shown to contribute to improved organizational performance. This research provides valuable insights for public sector practitioners and policymakers by uncovering the full mediating effects of innovation and optimization. It underscores the need for public organizations to prioritize knowledge sharing and training initiatives as means to drive innovation and optimize operations. Implementing strategies to encourage knowledge sharing, such as creating platforms for collaboration and incentivizing information exchange, can facilitate innovation and optimization efforts within public organizations. This research highlights the crucial role of organizational learning facilitators, innovation, and optimization in improving public sector performance. It provides actionable insights for public sector managers and policymakers seeking to enhance organizational effectiveness and meet the evolving demands of citizens. Public organizations can navigate the modern landscape's complexities and achieve sustainable performance outcomes by fostering a culture of knowledge sharing, implementing effective training policies, and prioritizing innovation and optimization activities.

While the study contributes significantly to understanding the relationship between organizational learning facilitators, innovation, optimization, and public sector performance, it is essential to acknowledge some limitations. The research was conducted in the specific context of public organizations in Vietnam, and the findings may not be directly generalizable to other emerging countries. Further studies with diverse samples and contexts are warranted to validate and extend these findings.

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