

CREATIVITY WITHIN RESILIENCE: SME'S GREEN ORGANIZATIONAL IDENTITY TOWARDS GREEN INNOVATION CAPABILITY

Ignasius Heri Satrya Wangsa^{1*}, Agustinus Purna Irawan², Cokki³

¹ Management Doctor Program, Universitas Tarumanagara, Jakarta, Indonesia*
Email: ign.118251008@stu.untar.ac.id

² Management Doctor Program, Universitas Tarumanagara, Jakarta, Indonesia
Email: agustinus@untar.ac.id

³ Management Doctor Program, Universitas Tarumanagara, Jakarta, Indonesia
Email: cokki@fe.untar.ac.id

*Corresponding Author

Submitted: 18-12-2025, Revised: 05-01-2026, Accepted: 18-01-2026

ABSTRACT

Current notions of business resilience often reduce it to “business as usual,” with little regard for long-term implications. This study reinterprets resilience by surveying 400 SME owners in Palembang, Indonesia, using a PLS-SEM model to trace how Green Organizational Identity (GOI) drives Green Innovation Capability (GIC) via Green Creativity (GC). Results confirm that GC mediates the effect of GOI on GIC. Although green creativity is central to building SMEs’ green innovation capability, we also acknowledge possible external influences. Practically, firms should cultivate an internal culture of green values that stimulates creativity. Creative adoption of green practices can heighten social awareness and accelerate the shift to a sustainable economy. We therefore define resilience as “creativity within resilience”: a steadfast commitment to strengthening organizational identity so that innovation capability grows through the conduit of creativity.

Keywords: *Resilience, Green Organizational Identity, Green Innovation Capability, Green Creativity*

1. INTRODUCTION

Green global norm requires business adaptation to market dynamics as green awareness demands business to maintain green reputation. It is not just the demand of green product but to see how business is able to sustain its existence while improving its reputation. As this norm has produced new values, and created such a pressure that business needs to move beyond “normal way” ie. to redefine the meaning of managing business resilience. Napier et al. (2024) mentions resilience as the importance of companies not just surviving but being able to thrive when facing adversity.

It is very important for companies to pay more balanced attention to more than just profit orientation, but also attention to society and the environment. According to Xing et al. (2023) implementing environmentally friendly policies requires values that can be practiced consistently, becoming an integral part of the organization's identity. Therefore, this organizational identity is expected to be a driving force for creative and innovative business efforts to respond to dynamic environmental changes.

SMEs play a pivotal role in global economic stability. World Bank data indicates that in most economies—especially developing countries—SMEs account for around 90% of all businesses and generate over 50% of total employment worldwide. In emerging markets, formal SMEs contribute as much as 40% of national income.

The significant contribution of SMEs meet challenges in dealing with green global norm responsiveness. According to OECD most SMEs encounter difficulty in response with green global norm in which it is imperative for them to implement green policy. Most of the challenges are when they need to adapt their business models and investing in the transition in respond to new values of green global norm.

Research on business resilience in the context of SME is also relevant as much of the research tend to focus on large organization. SMEs face unique challenges and may require different resilience strategies due to limited resources.

Therefore, redefining business resilience is necessary. Redefining business resilience refers to business' efforts to find its new way dealing with increasing volatile and unpredictable landscape (Napier et al., 2024).

The perspective of RBV emphasizes strategic resources that could be allocated to improve performance. The resources could be the existing ones which then be employed to increase the capacity. Some would go for knowledge investment through the implementation of technology. One of the strategic resources is marketing capability. It is the capability to manage marketing resources ie. value transformation. With the view of dynamic marketing capability (DMC) business has its capacity to respond the present unpredictable environment.

Drawing on the Resource-Based View (RBV) and Dynamic Marketing Capabilities (DMC), firms can leverage organizational identity to enhance innovation capability. We posit that creativity functions as a mediator linking organizational identity to innovation outcomes. In this framing, business resilience reflects a sustained commitment to strengthening organizational identity so that innovation capability grows through the conduit of creativity. Accordingly, our research question asks: how can business resilience be redefined by developing the mediating role of Green Creativity in the effect of Green Organizational Identity on Green Innovation Capability?

Resource-based view

Resource-based view (RBV) provides a view of strategic resource allocation that has the following values: (1) Unique; (2) Cannot be imitated; and (3) Irreplaceable. (Monson, 2024 ; Nie et al., 2024)

Brands are linked to concepts like equity, trust, effectiveness, and partnership—signaling emphasis on brand equity, brand trust, and collaborative effectiveness in creating value. The “resource-based view” (RBV) connects these themes to brand management and marketing capabilities, highlighting their effects on competitive advantage and stakeholder trust. Related domains include new product development and strategic marketing. Together, these suggest that a firm’s ability to marshal and deploy marketing resources for brand management can build market trust and, in turn, strengthen competitive advantage.

Dynamic marketing capability

Dynamic Marketing Capabilities (DMC) describe a firm’s capacity to realign its marketing strategies and operations as market conditions shift. DMC comprises three facets: (1) Sensing — detecting and anticipating changes in customer needs and market trends; (2) Seizing — translating those insights into adaptive strategies and initiatives; and (3) Reconfiguring — continuously reshaping marketing resources (technology, processes, structures) to stay aligned with market dynamics and enhance competitiveness.

Previous studies that use a dynamic marketing capability perspective mention the role of innovation and adaptability as strategic resources in increasing competitive advantage, especially in an era full of uncertain challenges. Innovation and adaptability are realized through the ability to build networks as a way of developing marketing capabilities (Gluga & Evers, 2023). Through networks, companies can share access to resources, knowledge and market knowledge.

Knowledge functions as a strategic asset that firms must manage adaptively and deploy across new contexts (Cooper et al., 2023). Complementary research underscores technology's role in expanding a firm's capacity to explore and develop new markets (Wang et al., 2013; Nayal et al., 2023). Moreover, Guo et al. (2018) highlight that customer relationship management, attentiveness to market dynamics, and branding strategies constitute specific marketing capabilities that can be leveraged to enhance marketing performance.

Green Organizational Identity and Green Innovation Capability

Knowledge is a strategic asset that firms should manage flexibly and repurpose across contexts (Cooper et al., 2023). Related studies show that technology boosts a company's ability to discover and develop new markets (Wang et al., 2013; Nayal et al., 2023). In addition, Guo et al. (2018) emphasize that customer relationship management, sensitivity to market shifts, and branding strategies are concrete marketing capabilities that can be harnessed to improve marketing performance.

Green Innovation Capability refers to intangible managerial innovations manifested in organizational routines that reflect voluntary commitment to environmental improvement rather than compliance with formal regulations (Anik & Sulistyono, 2021; Kumar Kar & Harichandan, 2022; Nath & Siepong, 2022; Song & Yu, 2018). Such practices include implementing environmental policies, employing internal assessment tools like benchmarking and environmental accounting, setting measurable environmental performance targets, disclosing performance information, conducting internal and external environmental audits, providing employee training to enhance environmental quality, and linking compensation to environmental achievements.

Green Innovation Capability refers to intangible, managerial-level innovations—embedded routines that rely on organizational commitment to environmental improvement rather than compliance with statutory mandates (Anik & Sulistyono, 2021; Kumar Kar & Harichandan, 2022; Nath & Siepong, 2022; Song & Yu, 2018). Illustrative practices include:

Chang & Chen (2013) in their study of Green Organizational Identity and Green Innovation Capability explained the mediating role of organizational commitment and legitimacy. The impact of Green Organizational Identity on Green Innovation Capability is also influenced by company size. The findings in this study emphasize the urgency for companies to invest existing resources to improve organizational identity, concern for the environment, and organizational legitimacy so as to increase innovation capabilities.

Green Organizational Identity and Green Creativity

The development of several new concepts regarding environmentally friendly goods, services, procedures, and practices that are regarded as possessing the qualities of originality, usefulness, and authenticity can be characterized as "Green Creativity" when viewed through the lens of organizational creativity theory. Environmental pressures from outside sources can

inspire innovative and practical ideas in organizations with a strong Green Organizational Identity. As Song & Yu (2018) point out, this circumstance may foster green creative abilities.

Green Organizational Identity, which is realized in efforts to implement shared values, becomes a driving force for management to create various development programs that have long-term strategic value such as green training initiatives. These initiatives both directly and indirectly affect Green Creativity in organizations (Joshi & Dhar, 2020). Because of the moderating variable resource commitment that plays in producing superior creative products, green dynamic capabilities also have an indirect impact on Green Creativity. Arici & Uysal (2022) and Begum et al. (2022) assert that the secret to gaining a competitive market advantage in the production of novel, eco-friendly products is creativity ; particularly with regard to raising environmental market awareness (Abadzhiev et al. 2022; Wang et al. 2024).

Green Creativity and Green Innovation Capability

Green Creativity is a concept, procedure, or any innovative and environmentally oriented effort that aims to minimize the impact of environmental damage. Meanwhile, Green Innovation Capability refers to an organization's ability to combine sustainable concepts and innovations that are able to improve business and environmental performance. Green Creativity and Green Innovation Capability have a relationship that complements and supports each other.

Green Creativity serves as the foundation for fostering a culture of sustainability within organizations, and it has become a key component in enhancing their innovation capabilities. Organizations can encourage the creation of knowledge resources about the environment. The central role of organizations includes empowering the ability to solve environmental problems. Learning facilitates empowerment and can enhance green innovation capabilities.

The Mediating Role of Green Creativity

Green Creativity mediates the effect of Green Organizational Identity (GOI) on Green Innovation Capability (GIC) by converting identity-driven values into novel, useful eco-ideas that can be routinized as capabilities: a salient GOI focuses attention on environmental problems and legitimizes risk-taking and cross-functional collaboration, which heighten intrinsic motivation and domain-relevant skills for green idea generation. Those creative outputs—eco-designs, cleaner process recombinations, resource-saving solutions—provide the variation and learning that firms then sense, seize, and reconfigure into repeatable green innovation routines, explaining why GOI's impact on GIC is substantially realized through Green Creativity (Befort, 2025 ; Alfadel et al., 2025 ; Dinibutun, 2025)

Green Dynamic Marketing Capability

Green Dynamic Marketing Capability (GDMC) integrates the principles of the resource-based view (RBV) and dynamic marketing capability (DMC) to enhance a firm's ability to respond to environmental challenges through green marketing initiatives. From the RBV perspective, GDMC hinges on leveraging unique, inimitable, and irreplaceable resources that align with environmental sustainability.

Some of the resources that can be allocated include green technology, environmentally oriented branding, and knowledge. GDMC can create a competitive advantage through its ability to develop such strategic resources, and also reaffirm the organization's commitment to the achievement of environmentally oriented goals. Various marketing activities that are

relevant in this context focus on green innovation, building customer trust, and managing brand equity in the long term (Chang & Chen, 2013 ; Song & Yu, 2018).

Using the Dynamic Marketing Capabilities (DMC) framework, GDMC emphasizes three capabilities, respectively: environmentally oriented market observation and evaluation, seizing opportunities for the development of green marketing strategies, and reconfiguring various organizational resources to increase competitiveness (Hoque et al. al., 2022) ; Wang et al., 2013). Companies that have GDMC strength are able to adapt to applicable regulations and market demands for sustainable values, and continuously develop market-oriented approaches that reflect responsibility towards the environment.

Research model

The following conceptual model (Figure-1) illustrates the role of Green Organizational Identity (id) in shaping Green Innovation Capability (kap), both directly and indirectly through Green Creativity (kr). First, id exerts a direct positive influence on kap (H1), suggesting that when organizations strongly internalize green values, they are more capable of innovating sustainably. At the same time, id stimulates kr (H2), where the organizational commitment to environmental identity fosters creative ideas and practices aligned with green values. kr, in turn, positively affects kap (H3), highlighting creativity as a crucial driver for building innovation capacity. Finally, kr mediates the relationship between id and kap (H4), indicating that organizational identity translates into innovation capability more effectively when channeled through creative green practices. This model emphasizes the intertwined pathways of identity, creativity, and innovation in enhancing sustainable competitive advantage.

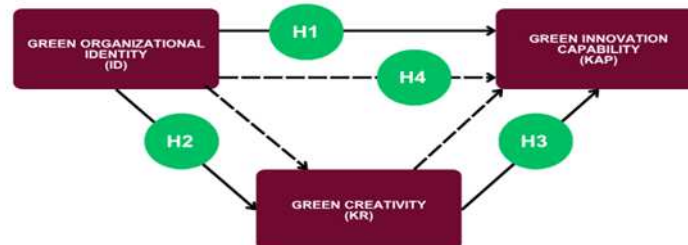


Figure 1. Research model

Source: Chang & Chen (2013) ; Chen & Chang (2013) ; Mendoza-Silva (2022) ; Song & Yu (2018) ; Xing et al. (2019)

Hypotheses

H1: Green Organizational Identity (id) influences Green Innovation Capability (kap)

H2: Green Organizational Identity (id) influences Green Creativity (kr)

H3: Green Creativity (kr) influences Green Innovation Capability (kap)

H4: Green Organizational Identity (id) influences Green Innovation Capability through the mediating role of Green Creativity (kr)

2. RESEARCH METHOD

This research uses a quantitative approach with PLS-SEM model. The population are SMEs owners in Palembang - Indonesia who are requested to fill up the questionnaires. By using a purposive random sampling method, 400 respondents were obtained. The data collection instrument contains statement items in a questionnaire developed by Chen & Chang (2013). The three constructs used in the model are taken from previous research as in Mendoza-Silva

(2022), Song & Yu (2018), and Xing et al. (2019). SmartPLS is used to facilitate the PLS-SEM procedure to identify: (1) Outer model, where existing indicators can explain each construct; (2) Inner model, where the relationship path between constructs can identify whether there is a role of the mediating variable Green Creativity in the influence of Green Organizational Identity on Green Innovation Capability. Next, exploration was carried out by comparing previous research findings to identify the emergence of new concepts that were relevant to be followed up by future research.

Green Organizational Identity

Green Organizational Identity reflects a shared understanding that environmental stewardship informs how the organization behaves. Its indicators include: (1) the firm’s demonstrated concern for environmental management (id-1); (2) clearly articulated objectives guiding that environmental commitment (id-2); and (3) the consistent practice of eco-friendly behaviors by employees and leaders alike (id-3).

Green Creativity

Green Creativity refers to generating novel, authentic, and useful ideas for eco-friendly products, services, processes, and practices. Its indicators include: (1) human resources proactively crafting new environmentally friendly opportunities (kr-1); (2) the realization of green ideas spurred by leadership motivation (kr-2); and (3) creative initiatives aimed at preventing environmental harm (kr-3).

Green Innovation Capability

Green Innovation Capability is a firm’s capacity to combine internal/external resources and technologies to develop new products and processes that lower environmental risks and translate sustainability into competitive advantage. Its indicators are: (1) the company’s effectiveness in innovating to improve environmental performance (kap-1); (2) access to information on eco-friendly activities (kap-2); (3) marketable, value-adding innovations (kap-3); and (4) alignment of innovations with applicable regulations (kap-4).

3. RESULTS AND DISCUSSIONS

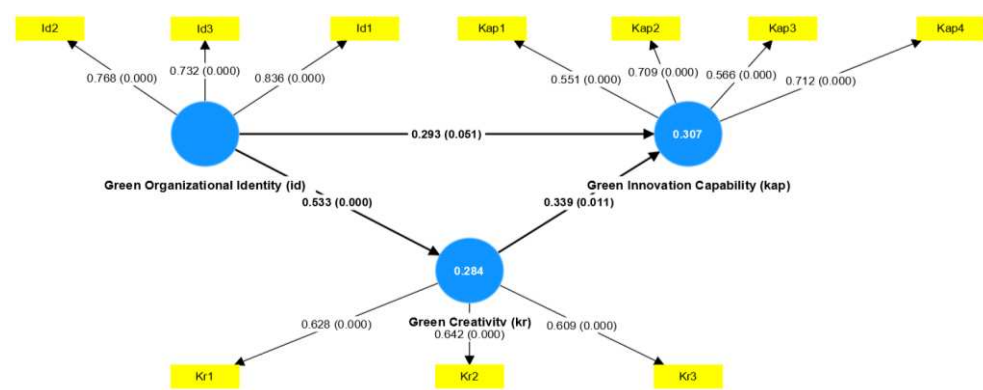


Figure 2. SEM Diagram
 Source: SmartPLS 4.0

Convergent validity

The following Table-1 shows the outer loadings value of each indicator for each existing construct, as well as to confirm convergent validity.

Table 1. Convergent validity

	O	M	STDEV	T-stats	P-values
id1	0.836	0.834	0.044	19.191	0.000
id2	0.768	0.764	0.068	11.274	0.000
id3	0.732	0.726	0.076	9.643	0.000
kap1	0.551	0.527	0.141	3.896	0.000
kap2	0.709	0.700	0.085	8.298	0.000
kap3	0.566	0.554	0.127	4.454	0.000
kap4	0.712	0.710	0.074	9.658	0.000
kr1	0.628	0.615	0.135	4.661	0.000
kr2	0.642	0.632	0.115	5.578	0.000
kr3	0.609	0.602	0.124	4.923	0.000

*) *O* = original sample ; *M* = sample mean ; *kr* = Green Creativity ; *kap* = Green Innovation Capability ; *id* = Green Organizational Identity

Convergent validity assesses the degree to which the observed variables (indicators) of a latent construct correlate with each other. As shown in the outer loadings Table-1 above, convergent validity is confirmed through the loadings value of each indicator. Green Organizational Identity (*id*) has high factor loadings: *id1* (0.836), *id2* (0.768), *id3* (0.732), all exceeding the ideal threshold of 0.7, which suggests that the indicators strongly reflect the underlying latent construct. Green Creativity (*kr*) has factor loadings that are slightly below the ideal threshold, but are still acceptable, respectively: *kr1* (0.628), *kr2* (0.642), *kr3* (0.609). Meanwhile, Green Innovation Capability (*kap*) appears to have factor loadings, respectively: *kap1* (0.551), *kap2* (0.709), *kap3* (0.566) and *kap4* (0.712). Factor loadings on *kap1* and *kap3* are below the ideal threshold but are still acceptable.

Average Variance Extracted (AVE)

The following Table-2 presents the Average Variance Extracted (AVE) to determine the percentage of variance of indicators in explaining the construct.

Table 2. Average Variance Extracted (AVE)

	O	M	STDEV	T-stats	P-values
kr	0.392	0.395	0.049	7.981	0.000
kap	0.409	0.407	0.407	7.929	0.000
id	0.608	0.606	0.056	10.920	0.000

*) *O* = original sample ; *M* = sample mean ; *kr* = Green Creativity ; *kap* = Green Innovation Capability ; *id* = Green Organizational Identity

Average Variance Extracted (AVE) reflects how much of an indicator's variance is captured by its latent construct. A commonly accepted benchmark is 0.50, indicating that the construct explains over half of the indicators' variance. In the table, AVE values are 0.392 for Green Creativity (*kr*), 0.409 for Green Innovation Capability (*kap*), and 0.608 for Green Organizational Identity (*id*). Thus, *kr* and *kap* fall below the 0.50 threshold, suggesting limited variance explanation by these constructs. Even so, given the comparatively high factor loadings, the measurement model remains defensible.

Discriminant validity

Discriminant validity measures how much correlation the indicators in a particular construct have compared to other constructs. Discriminant validity is confirmed if each indicator correlates more strongly with the construct it is supposed to than other constructs. In the following cross loadings and Fornell-Larcker criterion tables (Table-3 and Table-4), the results

of examining the discriminant validity of the indicators in their respective constructs are presented.

Table 3. Cross loadings

	kap	kr	id
id1	0.438	0.489	0.836
id2	0.337	0.409	0.768
id3	0.318	0.327	0.732
kap1	0.551	0.229	0.282
kap2	0.709	0.384	0.282
kap3	0.566	0.260	0.301
kap4	0.712	0.369	0.349
kr1	0.197	0.628	0.294
kr2	0.394	0.642	0.331
kr3	0.304	0.609	0.366

*) *id* = Green Organizational Identity ; *kap* = Green Innovation Capability ; *kr* = Green Creativity

Table 4. Fornell-Larcker criterion

	kap	kr	id
kap	0.639	-	-
kr	0.495	0.626	-
id	0.474	0.533	0.780

*) *kap* = Green Innovation Capability ; *kr* = Green Creativity ; *id* = Green Organizational Identity

The cross loadings table (Table-3) shows that the indicators in Green Organizational Identity (*id*) have more loadings on their own construct compared to other constructs, respectively *id*1 (0.836), *id*2 (0.768), *id*3 (0.732). Likewise with the constructs of Green Innovation Capability (*kap*) and Green Creativity (*kr*), respectively *kap*1 (0.551), *kap*2 (0.709), *kap*3 (0.566), *kap*4 (0.712), *kr*1 (0.628), *kr*2 (0.642), *kr*3 (0.609). By using the Fornell-Larcker criteria (Table-4), it is known that the value of the existing constructs is higher for the construct itself compared to other constructs, respectively Green Innovation Capability (*kap*) (0.639), Green Creativity (*kr*) (0.626), and Green Organizational Identity (*id*) (0.780). These results indicate that discriminant validity has been confirmed.

Structural model evaluation

The model assesses links among three latent constructs—Green Organizational Identity (*id*), Green Innovation Capability (*kap*), and Green Creativity (*kr*). Path coefficients reflect the magnitude and direction of these links. Green Organizational Identity positively predicts Green Innovation Capability ($\beta = 0.293$) and Green Creativity ($\beta = 0.533$); both are significant except the *id* → *kap* path, whose p-value is 0.051 (slightly above 0.05). Green Innovation Capability also enhances Green Creativity ($p = 0.011$). Yellow outer nodes (e.g., *id*1, *kr*1) are indicators, and their high factor loadings show they represent their constructs well. Bracketed values report loadings and p-values, supporting model validity.

Table 5. Path coefficients

	O	M	STDEV	T-stats	P-values
id → kap	0.293	0.288	0.150	1.952	0.051
id → kr	0.533	0.545	0.075	7.004	0.000
kr → kap	0.339	0.366	0.133	2.548	0.011
id → kr → kap	0.181	0.199	0.079	2.281	0.023

*) *O* = original sample ; *M* = sample mean ; *kr* = Green Creativity ; *kap* = Green Innovation Capability ; *id* = Green Organizational Identity

Hypothesis testing

The results of hypothesis testing are presented in the following table:

Table 6. Hypothesis testing

Hypothesis	O	M	P-values	Accepted/Rejected
H1: id → kap	0.293	0.288	0.051	Accepted
H2: id → kr	0.533	0.545	0.000	Accepted
H3: kr → kap	0.339	0.366	0.011	Accepted
H4: id → kr → kap	0.181	0.199	0.023	Accepted

*) *O* = original sample ; *M* = sample mean ; *kr* = Green Creativity ; *kap* = Green Innovation Capability ; *id* = Green Organizational Identity

The table reports hypothesis test results. For H1, Green Organizational Identity (*id*) has a marginal effect on Green Innovation Capability (*kap*) with $p = 0.051$ (≈ 0.05). H2—testing *id* → Green Creativity (*kr*)—is supported ($p = 0.000 < 0.05$). H3 shows *kr* significantly predicts *kap* ($p = 0.011$). H4 confirms that *kr* mediates the effect of *id* on *kap* ($p = 0.023 < 0.05$), so the mediation hypothesis is accepted.

Green Organizational Identity (*id*) and Green Innovation Capability (*kap*)

Green Organizational Identity's effect on Green Innovation Capability is borderline and not robust: the *p*-value is 0.051 (just above 0.05) and the *t*-statistic is 1.952 (slightly under the 1.96 benchmark), indicating a weak relationship.

The model estimates three links: (1) Green Creativity (*kr*) → Green Innovation Capability (*kap*); (2) Green Organizational Identity (*id*) → Green Creativity (*kr*); and (3) Green Organizational Identity (*id*) → Green Innovation Capability (*kap*). Among these, the *id* → *kap* path is comparatively weaker than both *id* → *kr* and *kr* → *kap*.

Green Organizational Identity (*id*) and Green Creativity (*kr*)

The Green Organizational Identity substantially impacts Green Creativity, evidenced by a path coefficient of 0.533 and a significant *p*-value of 0.000 (< 0.05). The *t*-statistic of 7.004 exceeds the optimal threshold of 1.96. This signifies a profound impact. Green Organizational Identity can influence mindsets and behaviors, as well as foster creative actions aimed at environmental sustainability.

Green Creativity (*kr*) and Green Innovation Capability (*kap*)

The influence of Green Creativity on Green Innovation Capability has a path coefficient value of 0.339 with a significance level of 0.011 (< 0.05). The *t*-statistic value of 2.548 is also above the ideal threshold of 1.96. This indicates that Green Creativity can drive the enhancement of green innovation capabilities.

The Mediating Role of Green Creativity (kr)

Green Creativity significantly mediates the effect of Green Organizational Identity on Green Innovation Capability. Green Organizational Identity (id) strongly predicts Green Creativity (kr) ($\beta=0.533$, $t=7.004$, $p<0.001$), and Green Creativity (kr) in turn predicts Green Innovation Capability (kap) ($\beta=0.339$, $t=2.548$, $p=0.011$); the indirect effect $id \rightarrow kr \rightarrow kap$ is positive and significant ($\beta=0.181$, $t=2.281$, $p=0.023$), while the direct path from Green Organizational Identity (id) to Green Innovation Capability (kap) remains positive but only marginally significant ($\beta=0.293$, $p=0.051$). Together, these coefficients indicate a complementary partial mediation

Green Organizational Identity (id) and Green Innovation Capability (kap)

The findings of this study show a weak direct influence of Green Organizational Identity (id) on Green Innovation Capability (kap). Previous studies support this finding where the weak influence can be seen from the low commitment to environmentally friendly good practices. This is mainly due to the limited resource capacity available. Another consideration is the relatively low market demand for green products compared to conventional products. The weak relationship between Green Organizational Identity (id) and Green Innovation Capability (kap) is also due to the organization's ability to interpret and apply its green values. There is still a tendency for these values to be limited to a symbolic nature. According to Song & Yu (2018) Green Organizational Identity is a collective value and organizational commitment that should be integrated and capable of being operationalized at a practical level. However, according to Chang & Chen (2013) Green Innovation Capability (kap), which should be a manifestation of Green Organizational Identity (id), is hampered by high investment costs, especially for research, technology and development (Wang et al., 2013). Organizations at this level prioritize branding and communication strategies, as part of the actualization of Green Organizational Identity (id), and have not yet taken substantive action to build green innovation capabilities (kap). Song & Yu (2013) argue that Green Organizational Identity (id) is not always directly related to Green Innovation Capability (kap), but there is a role of mediating variables.

Green Organizational Identity (id) and Green Creativity (kr)

The significant influence of Green Organizational Identity (id) on Green Creativity (kr) is demonstrated through the organization's ability to develop collective, environmentally friendly values (green values) in an integrated and systematic manner within the organizational scope. This has an impact on the ability to manage knowledge resources. There is a shared commitment at all organizational levels, as well as good learning practices that can open horizons, encourage creative thinking and become an inseparable part of organizational culture. Existing studies show that Green Creativity (kr) is the ability to translate values and identity. As a learning process, Green Creativity (kr) is the foundation for the emergence of new ideas and solutions.

The mediating role of Green Creativity (kr) in the relationship between Green Organizational Identity (id) and Green Innovation Capability (kap)

The mediating role of Green Creativity (kr) in the influence of Green Organizational Identity (id) on Green Innovation Capability (kap) emphasizes how creativity is able to transform organizational values into innovative practices. Green Organizational Identity (id) builds a foundation of commitment to environmentally friendly organizational practices, creating an organizational culture that supports sustainability. Green Organizational Identity (id) in this context is able to create creative values that are focused on problem-solving, and therefore this becomes the essence of Green Innovation Capability (kap).

Green Creativity (kr) creates new ideas and concepts regarding environmental friendliness, specifically responding to sustainability challenges (Song & Yu, 2018). Green Creativity (kr) has the function of translating the values that have been integrated in the Green Organizational Identity (id), into creative efforts focused on attention to the environment. The creative process in Green Creativity (kr) is realized in unique and specific solutions. If this creative process forms a permanent system, carried out consistently, it will be able to accumulate Green Innovation Capability (kap).

Redefinition of business resilience

The marginal association between Green Organizational Identity (id) and Green Innovation Capability (kap) ($p = 0.051$) invites a reframing of business resilience within the sustainability domain. While resilience is conventionally conceived as the capacity to absorb shocks, adapt to environmental turbulence, and re-establish performance post-disruption, the present evidence suggests a more internal, capability-oriented dimension: resilience as the systematic translation of identity commitments into innovation outcomes. A weak direct path from id to kap implies that symbolic or declarative green identity is insufficient to yield innovation advantages absent enabling routines and structures (cf. Jansson et al., 2017; Cai & Li, 2018). Accordingly, resilience should be understood to encompass the development of integrative, cross-functional processes; continuous learning mechanisms; and creativity-enabling contexts that bridge the identity–innovation gap and convert espoused environmental values into operationalized, scalable green practices.

This new meaning of resilience emphasizes the importance of internal flexibility and strategic foresight. Firms must recognize that environmental identity, while important for aligning with market expectations, does not automatically foster innovation unless the organization is resilient enough to integrate identity with Green Creativity and dynamic capabilities (Li et al., 2020). This reframing of resilience highlights the need for businesses to proactively cultivate internal mechanisms that enhance their capacity for sustainable innovation even when direct linkages to identity are weak. Therefore, resilience now includes a company's ability to adapt and evolve by fostering the organizational capabilities that turn green identity into meaningful, innovative outcomes, which is essential for long-term competitiveness in environmentally conscious markets (Cai & Li, 2018).

4. CONCLUSIONS AND SUGGESTIONS

The Green Dynamic Marketing Capability (GDMC) framework demonstrates how Green Organizational Identity (id) is crucial in guiding businesses toward sustainability, even though the direct impact on Green Innovation Capability (kap) is slightly insignificant. This shortcoming stems from the resource limitations that many companies, especially SMEs, face when trying to meet their green reputation. The foundation for sustainability is laid by promoting environmental responsibility through Green Organizational Identity (id), but it usually lacks the financial and technological resources to improve Green Innovation Capability (kap). Consequently, businesses might struggle to turn their green ideas into practical innovations without enough support and commitment.

A key limitation of this study concerns potential resource constraints—particularly among SMEs—that may impede the full enactment of environmental commitments and, consequently, circumscribe green innovation capability. While the analysis identifies a weak direct effect of Green Organizational Identity on Green Innovation Capability, it also

acknowledges exogenous contingencies—such as regulatory frameworks, market pressures, and technological availability—that may condition or attenuate this relationship.

REFERENCE

- Abadzhiev, A., Sukhov, A., Sihvonen, A., & Johnson, M. (2022). Managing the complexity of green innovation. *European Journal of Innovation Management*, 25(6), 850-866.
- Arici, H. E., & Uysal, M. (2022). Leadership, green innovation, and Green Creativity: A systematic review. *The Service Industries Journal*, 42(5-6), 280-320.
- Alfadel, A., Al-Sartawi, A. M. M., & Hamdan, A. (2025). Green creativity as a mediator between green human resource management practices and environmental performance. *Operations Management Research*. Advance online publication. <https://doi.org/10.1007/s43621-025-01297-4>
- Anik, S., & Sulistyono, H. (2021). The role of green intellectual capital and green innovation on competitive advantage of SMEs. *International Journal of Learning and Intellectual Capital*, 18(1), 28-44. <https://doi.org/10.1504/IJLIC.2021.113662>
- Begum, S., Ashfaq, M., Xia, E., & Awan, U. (2022). Does green transformational leadership lead to green innovation? The role of green thinking and creative process engagement. *Business Strategy and the Environment*, 31(1), 580-597.
- Befort, N. (2025). The role of dynamic capabilities in the development of eco-innovations. *Journal of Innovation & Knowledge*. Advance online publication. <https://www.sciencedirect.com/science/article/pii/S2452223625000355>
- Buccieri, D., Javalgi, R. G., & Cavusgil, E. (2020). International new venture performance: Role of international entrepreneurial culture, ambidextrous innovation, and dynamic marketing capabilities. *International Business Review*, 29(2), 101639. <https://doi.org/https://doi.org/10.1016/j.ibusrev.2019.101639>
- Bullini Orlandi, L. (2016). Organizational capabilities in the digital era: Reframing strategic orientation. *Journal of Innovation & Knowledge*, 1(3), 156–161. <https://doi.org/https://doi.org/10.1016/j.jik.2016.01.002>
- Cai, W., & Li, G. (2018). The drivers of green innovation: The role of green organizational identity, green dynamic capabilities, and environmental performance. *Business Strategy and the Environment*, 27(1), 416-429.
- Chang, C. H., & Chen, Y. S. (2013). Green Organizational Identity and green innovation capability: The mediating role of organizational commitment and legitimacy. *Journal of Business Ethics*, 114(4), 547-563.
- Chen, Y. S., & Chang, C. H. (2013). The determinants of green product development performance: Green dynamic capabilities, green transformational leadership, and green creativity. *Journal of business ethics*, 116, 107-119.
- Chen, Y.-S., & Chang, C.-H. (2013). Green Organizational Identity and green innovation. *Journal of Business Ethics*, 118(1), 151-164.
- Cooper, P., Evers, N., & Gliga, G. (2023). Knowledge, networks, and adaptability: Leveraging dynamic marketing capabilities in response to market turbulence. *Journal of Business Research*, 155, 106-116.
- Cooper, C., Pereira, V., Vrontis, D., & Liu, Y. (2023). Extending the resource and knowledge based view: Insights from new contexts of analysis. *Journal of Business Research*, 156, 113523.
- Dinibutun, S. R., Hadi, N. U., & Bayighomog, S. W. (2024). The mediating role of green passion and green absorptive capacity between green inclusive leadership and green

- innovation. *Journal of Innovation & Knowledge*, 9(3), 100511.
<https://www.sciencedirect.com/science/article/pii/S2199853124000660>
- Gluga, G., & Evers, N. (2023). Marketing capability development through networking – An entrepreneurial marketing perspective. *Journal of Business Research*, 156, 113472.
<https://doi.org/https://doi.org/10.1016/j.jbusres.2022.113472>
- Guo, H., Xu, H., Tang, C., Liu-Thompkins, Y., Guo, Z., & Dong, B. (2018). Comparing the impact of different marketing capabilities: Empirical evidence from B2B firms in China. *Journal of Business Research*, 93, 79–89.
<https://doi.org/https://doi.org/10.1016/j.jbusres.2018.04.010>
- Hoque, M. T., Nath, P., Ahammad, M. F., Tzokas, N., & Yip, N. (2022). Constituents of dynamic marketing capability: Strategic fit and heterogeneity in export performance. *Journal of Business Research*, 144, 1007–1023.
<https://doi.org/https://doi.org/10.1016/j.jbusres.2022.02.011>
- Hoque, A., Hossain, M. T., & Hossain, M. T. (2022). Reconfiguring dynamic capabilities in SMEs for market sustainability. *Journal of Business Research*, 139, 512-521.
- Jansson, J., Nilsson, J., Modig, F., & Hed Vall, G. (2017). Commitment to sustainability in small and medium-sized enterprises: The influence of strategic orientations and management values. *Business strategy and the environment*, 26(1), 69-83.
- Joshi, G., & Dhar, R. L. (2020). Green training in enhancing Green Creativity via green dynamic capabilities in the Indian handicraft sector: The moderating effect of resource commitment. *Journal of Cleaner Production*, 267, 121948.
- Kumar Kar, S., & Harichandan, S. (2022). Green marketing innovation and sustainable consumption: A bibliometric analysis. *Journal of Cleaner Production*, 361, 132290.
<https://doi.org/https://doi.org/10.1016/j.jclepro.2022.132290>
- Ledesma-Chaves, P., & Jorge Arenas-Gaitán. (2023). Dynamic capabilities in times of economic crisis. A vision of success in international markets. *Heliyon*, 9(12), e22703.
<https://doi.org/https://doi.org/10.1016/j.heliyon.2023.e22703>
- Ledesma-Chaves, L., & Arenas-Gaitán, J. (2023). Resource reconfiguration for sustainable competitive advantage: The role of dynamic capabilities. *Strategic Management Journal*, 44(1), 129-153.
- Li, Z., et al. (2020). The effect of Green Organizational Identity on firm performance: The mediating role of green innovation. *Sustainability*, 12(12), 5094.
- Mendoza-Silva, A. (2021). Innovation capability: a systematic literature review TT - Innovation capability. *European Journal of Innovation Management*, 24(3), 707–734.
<https://doi.org/https://doi.org/10.1108/EJIM-09-2019-0263>
- Monson, F. K. S. (2024). Unveiling the strategic resource dimension: A bibliometric and systematic review of the Resource-Based View and its application to corporate governance. *The Journal of High Technology Management Research*, 35(2), 100516.
- Nayal, K., Raut, R. D., Mangla, S. K., Kumar, M., Tuček, D., & Gavurova, B. (2023). Achieving market performance via industry 4.0 enabled dynamic marketing capability, sustainable human resource management, and circular product design. *Industrial Marketing Management*, 115, 86–98.
<https://doi.org/https://doi.org/10.1016/j.indmarman.2023.09.010>
- Nie, J., Jian, X., Xu, J., Xu, N., Jiang, T., & Yu, Y. (2024). The effect of corporate social responsibility practices on digital transformation in China: A resource-based view. *Economic Analysis and Policy*, 82, 1-15.
- Napier, E., Liu, S. Y. H., & Liu, J. (2024). Adaptive strength: Unveiling a multilevel dynamic process model for organizational resilience. *Journal of Business Research*, 171, 114334.
<https://doi.org/https://doi.org/10.1016/j.jbusres.2023.114334>

- Nath, P., & Siepong, A. (2022). Green marketing capability: A configuration approach towards sustainable development. *Journal of Cleaner Production*.
<https://www.sciencedirect.com/science/article/pii/S0959652622013403>
- Nwangwu, N. I., Etodike, C. E., Okeke, H. C., & Nnaebue, C. I. (2021). Organizational Climate Factors in Job Creativity among Public University Librarians in Anambra State. *South Asian Journal of Social Studies and Economics*, 10(1), 34-44.
- Song, W., & Yu, H. (2018). Green Innovation Strategy and Green Innovation: The Roles of Green Creativity and Green Organizational Identity. *Corporate Social Responsibility and Environmental Management*, 25(2), 135–150.
<https://doi.org/https://doi.org/10.1002/csr.1445>
- Wang, E. T. G., Hu, H., & Hu, P. J.-H. (2013). Examining the role of information technology in cultivating firms' dynamic marketing capabilities. *Information & Management*, 50(6), 336–343. <https://doi.org/https://doi.org/10.1016/j.im.2013.04.007>
- Wang, C. L., Senaratne, C., & Rafiq, M. (2013). Dynamic marketing capabilities in small and medium enterprises: A conceptual framework. *International Journal of Business Management*, 11(7), 23-35.
- Wang, H., Huang, X., & Wang, B. (2024). The Impact of Environmental Public Opinion Pressure on Green Innovation in Construction Enterprises: The Mediating Role of Green Corporate Image and the Regulatory Effect of Market Competition. *Sustainability*, 16(17), 7286.
- Xing, X., Wang, J., & Tou, L. (2019). The relationship between green organization identity and corporate environmental performance: The mediating role of sustainability exploration and exploitation innovation. *International journal of environmental research and public health*, 16(6), 921.
- Yang, H., & Umair, M. (2024). Polluting industries: Does green industrial policy encourage green innovation? Chinese perspective evidence. *Heliyon*, 10(17).