THE INFLUENCE OF LEARDERSHIP ETHICS, ORGANIZATIONAL CULTURE, AND INTELLECTUAL CAPITAL ON EMPLOYEES ABILITY TO INNOVATE: LITERATURE REVIEW

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Abstrak

Artikel ini memiliki tujuan untuk memahami sebuah literatur review pengaruh etika kepemimpinan, budaya organisasi, dan intellectual capital terhadap kemampuan berinovasi karyawan. Penelitian yang dilakukan ini menggunakan metode tinjauan literature sistematis (SLR) dengan 30 jurnal dan artikel yang diperoleh dari Google Scholer, dan Perpustakaan Nasional dalam penggunaan kata kunci "etika kepemimpinan, budaya organisasi, intellectual capital dan kemampuan berinovasi" yang kemudian direview hasil dari penelitian sebelumnya yang menunjukkan bahwa etika kepemimpinan, budaya organisasi, intellectual capital dan kemampuan berinovasi memiliki peran penting bagi perusahaan. Dari beberapa hasil tinjauan literature dapat memberikan pemahaman yang mendalam tentang kemampuan berinovasi terhadap karyawan, dan temuan ini bisa digunakan sebagai acuan untuk peneliti berikutnya.

***Kata Kunci** : Etika Kepemimpinan, Budaya Organisasi, Intellectual Capital Dan Kemampuan Berinovasi*

Abstract

This article aims to understand a literature review of the influence of leadership ethics, organizational culture, and intellectual capital on employees ability to innovate. This research used a systematic literature review (SLR) method with 30 journals and articles obtained form google scholar, and the national library using the keywords "leadership ethics, organizational culture, intellectual capital and innovation ability" which were then reviewed by the result of previous research. Which shows that leadership ethics, organizational culture, intellectual capital and the ability to innovate role for the company. Several results of the literature review can provide an in-depth understanding of employees ability to innovate, and these findings can be used as a reference for future researches.

***Keywords**: Leadership Ethics, Organizational Culture, Intellectual Capital, And Ability To Innovate*

1. Introduction

Organizational culture has an important for companies, especially ini government agencies. Having an organizational culture in government agencies will grow and improve good human resources. Organizational culture is one of the elements that needs to be built in government agencies. Starting from the central, city of regional government. Through socialization carried out by the government, it is hoped that it will be able to meet the expectations and needs of the community. The related mechanisms between organizational culture and quality management can be defined and identified in understanding several factors underlying organizational excellence (Lapiņa et al., 2015). Companies need to develop a good system in implementing human resource management where the company has an important role in recognizing support for commitment to the organization, organizational culture and whitin the organization (Sumardjo & Supriadi, 2023). Organizational culture can increase human resource development as well as provide added value for employees in providing a positive influence on the company

According to (Pratiwi Junaidi et al., 2023) states that leardership ethics are the moral standards and main characteristics possessed by a leadership duties can run effectively and efficiently to achieve a desired goal in accordance with value and norms. Leadership ethics can encourage employees to have an orientation that provides change through commitment. This leadership ethic plays a very important role in instilling a sense of dedication and involvement among employees in the workplace. This can add to existing knowledge related to leadership ethics and trust in employees (Ali et al., 2021).

Responding to demands in an era of increasingly sophisticated technology like today, intellectual capital must focus more on investment in innovation (Rachmawati & et all, 2022). The application and use of intellectual capital in a company can provide a competitive advantage for orther companies. When intellectual capital is managed optimally, the profits achieved by the company and the value created will also be maximized (Fathlia Yasmin et al., 2021).

In particular, intellectual capital in Indonesia is still very limited. This is the impact of the use of intellectuals on performance in Indonesia. in the theoretical development of management science, especially intellectual capital, to improve employee performance directly or indirectly in emproving employee performance results. Whit this, you can indirectly consider material resources and company resource (Sidharta & Affandi, 2016).

In the current ditial era, there have been many extraordinary developments in new technology. Many of these new technologies are readily available and easily accessible to many people, creating new opportunities for innovation. According to (Kuswantoro, 2021). The ability to innovate is a key factor in increasing employee job satisfaction. Therefore, innovayion must be improved for employee performance processes in creating desired working conditions. In other words innovation is mediating an overall relationship between work teams..

2. Literature Review

A leader has a responsibility within the company to set a good example and encourage employees to act, behave or do things according to norms. A leader must also ensure that his employees also follow the ethical standards that have benn set properly. Ethical leadership creates positive relationsgips with employees, including perceptions of fairness and interaction between leadership and employees. Employees will respect their leaders and use them as a source of guidance in providing good role models (Ishak, 2022). Ethical leadership can proactively communicate of caring, support and cooperation for the welfare of employees in the organization (Dr SaminaGul, 2021).

Understanding organizational culture is very important to overcome the challenges faced by organizations in the process of organizations in change. The concept of organizational culture (OC) became popular in the late 1980s and early 1990s. this is because it is difficult for companies to suvive in a very rapidly changing business environment. Corporate culture is an organization`s core values and reflects the way the organization operates and treats employees and shareholders (Zainal, 2022).

The application and utilization of intellectual capital owned by a company can provide a competitive advantages for other companies. With optimal management of intellectual capital, profits will be achieved and the value created by the company will also be maximized (Fathlia Yasmin et al., 2021). Intellectual capital is a set of knowledge that is the basis for creating competitive advantage. Proper management of intangible assets can give a company a greater competitive advantage and better ensure company sustainability. Competitive advantage in a company is formed by intangible asstes such as intellectual capital which has the most important driving force to achieve goals (Edition et al., 2022).

In this modern era, there have been many extraordinary developments in technology. There are many new technologies that are available and easy for many people to access, so they can create new opportunities for innovation. The ability to innovate is a key factor in increasing employee job satisfaction. Therefore, innovation must be improved for employee performance processes in creating desired working conditions. In other words, innovation is mediating an overall relationship between work teams (Kuswantoro, 2021).

3. Methodology

3.1 Operationalization and development of instrument

This research uses quantitative research methods. Distributing questionnaires and then yourself is the basic research instrument used in measuring the proposed construct. The first step in the method used in this research is to identify the phenomenon that occurs. This initial treatment is carried out through direct observation.

Currently, this problem is described as the main cause of the problem in this research. The second step is preparing a literature study to strengthen the theorical basis and framework. Theories in the same problems and method. The third step is looking for indicators on each variable to be used as question items which will later be distributed using a questionnaire. If the questionnaire has been distributed, the data will be processed later. This data processing is in the form of numerical data, and can produce a conclusion.

3.2 Population, sample, and data collection

a. Population and sample

The population in this study was taken from employees of the Bantul Regency Personnel and Human Resources Development Agency, totaling 53 employees.

b. Data collection

The data source used in this research uses primary data. In this study, primary data is the collection of data obtained from the result of respondents answer using the questionnaire method.

4. Discussion Results

4.1 Leadership Ethics

Ethics are normative standards in the form of moral values, norms and what is considered good. Ethics has a function as a guideline/direction for actions and deeds that lead to a better life. Ethics is the science and standards of whether actions are good or not. Ethics is an important factor in leadership success. In an organization it can be said to be good if the leadership function is carried out based on ethical principles that are in line with the company`s value. Creates a more pleasant work environment in a organization, increases productivity and resolves conflicts in an organization (Muktamar B, 2023).

The context of an organization can influence the understanding of ethical leadership and explain a concept of ethical leadership with clear and stable ethical values that can be applied to all corporate contexts (Norgaard, 2022). Leafership ethics is part of efforts to build a good organizational culture. Ethical leadership is leadership that shows normatively appropriate behavior through personal behavior and interpersonal relationships in encouraging action towards its employees through communication decision making (Muktamar B, 2023).

4.2 Organizational Culture

Organizational culture is difficult to chane because it is the heart of an organization and has patterns and habits that make it successful. To create change or replace existing work patterns. Success depend on intense focus and commitment to maintaining new patterns and behavior. Although

this is not an easy process and has a long period of time, the results of improvements in processes and behavior will contribute to the overall strategic vision (Farrell, 2018).

Organizational culture has an influence within the company to improve the performance of employees or organizational members in a company, because organizational culture is a human resource for deadling with external and internal problems and integrating into organizational or gevornment institutions. The stronger the organizational culture in the company, the greater the motivation of employees to develop. This is very necessary for companies to build a company that is in accordance with the vision and mission they want to achieve (Wahyudin, 2022).

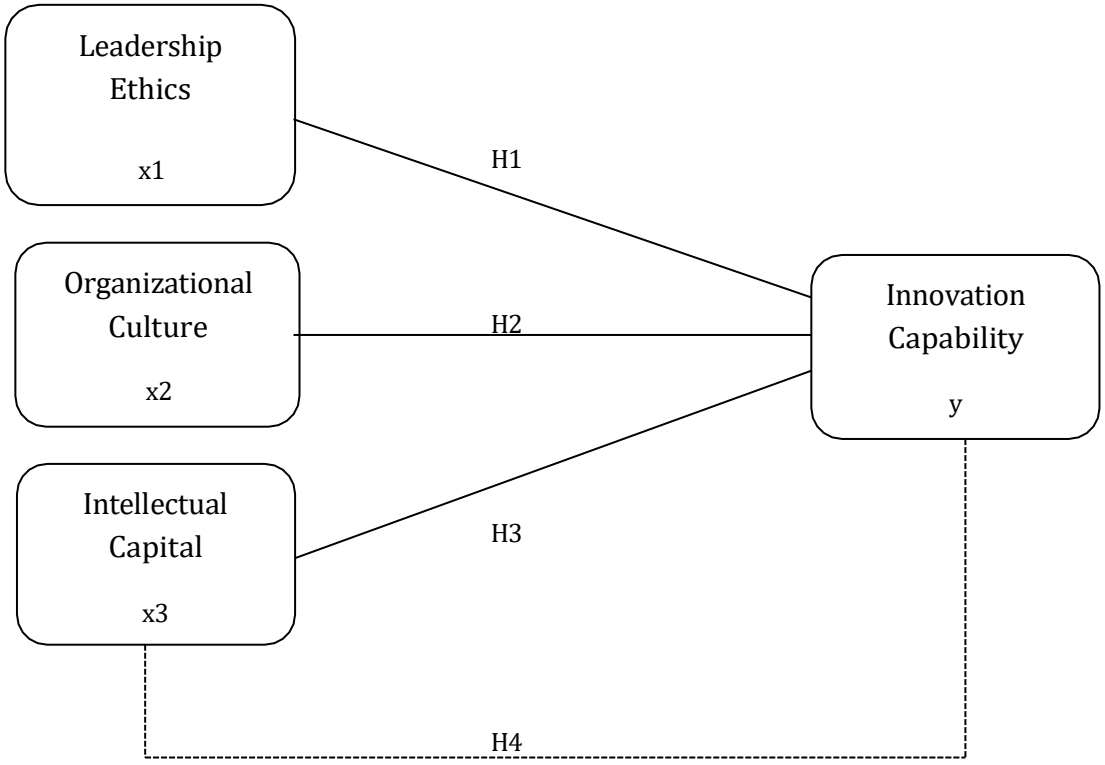
4.3 Intellectual Capital

In this case, it shows that companies in Indonesia in the financial sector are still lacking in utilizing human resources properly. Human resources will increase if the sompany can use the knowledge possessed by its employees. This contributes to the fact that the company`s human resources are still unable to improve financial performance. This is because training on employee skills is minimal and employee selection does not match the company`s expectations. In this case you can see differences in the generation of intellectual capital between subsectors in the company. There are companies with moderate intellectual capital, ad companies with low intellectual capital. It all depends on company management which continues to use the physical, financial of intellectual capital it has (Fathlia Yasmin et al., 2021).

4.4 Ability to Innovate

In today`s competitive business world, innovation is an important factor and has a positive impact on company development. High innovation avility in a company can create fundamental values and commitment that involve employees in turning knowledge into new assets, such as: improvements to employees, products, services, technology and exiting management system that will guarantee the continuity of life within the company for a long period of time long and can achieve the company`s future development (Lam et al., 2021).

The design of the innovation process must continue to be developed so that it can provide condition for achieving the desired work results in orther words, innovation is a mediation of the relationship between teamwork and job satisfaction. The results of previous research also show that training can provid an equally important addition in increasing the ability to innovate (Kuswantoro, 2021).



5. Conclusion

From the research result it can be concluded that leadership ethics, organizational culture and intellectual capital have a significant influence on the ability to innovate. Therefore, it can be concluded that these factors can contribute to the ability to innovate among employees in an organization.

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