Influence Model Comparison of Leadership Style, Intellectual Capital, and Corporate Social Responsibility towards 4 Industrial Sectors Performances

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ABSTRACT

Currently, the level of business competition is high that companies need to continuously innovate by utilizing knowledge base. High level of competition is driven by the economic policies of some countries. Singapore (since 2001) and Malaysia (since 2004), countries of southeast Asian region closest to Indonesia, talked about economic reform from labor-based to knowledge-based economy. To create competitive advantages, companies reduce the use of human resources by utilizing technology and information technology in the production to conduct their business activities. This encourages companies in Indonesia to transform so as not to lose out in competition. The company’s sustainability will also depend on the loyalty of its consumers or customers. The company will do its utmost to strengthen consumer loyalty including efforts to get their positive value. Consumers who are satisfied with the product quality and CSR disclosure will increase the value of the company and they will be loyal to the company. Furthermore, the next issue is about management in achieving its goal of carrying out management functions at various levels. Leaders at different levels will empower their employees by implementing certain leadership styles. A leader is someone responsible for the work of others in achieving goals. The way leaders impress their subordinates to be cooperative and productive is called leadership style. Through leadership style a leader seeks to mobilize his subordinates to act according to the plan of achieving the company's goals. Leaders should be able to motivate employees to continuously innovate, and to improve employee competency in order to achieve the company's goals. Some researchers have conducted studies on the Influence of Leadership Style, Intellectual Capital, and Corporate Social Responsibility on Performance, and the results are mixed. The objective of this research is analyzing the comparative model of the influence of Leadership Style, Intellectual Capital, and Corporate Social Responsibility on Performance in companies in the sub-sectors of Mining, Pharmacy and Consumption and Household, Basic Industry, Chemical and Infrastructure, Utility and Telecommunication listed in Indonesia Stock Exchange (IDX) 2012-2018.

Keywords: Comparability, Leadership Style, Intellectual Capital, CSR, Performance