

ABSTRACT

Rapid changes in the business environment have caused companies to realign their structures to keep pace with these changes. Increased innovation is essential for company development, and employees play an important role in realising innovation. For this reason, some companies encourage innovative behaviour in their employees to achieve company goals. A company's leadership style and intellectual capital can determine the innovative work behaviour of its employees. This study aims to determine and analyse the effect of ethical leadership and intellectual capital on work behaviour among permanent employees at PT Grahacipta Hadiprana.

The approach used in this research is quantitative. The population used in this research were all permanent employees at PT Grahacipta Hadiprana. The number of respondents used in this research was 123 respondents with the characteristics permanent employee who had worked for at least one year. Measurement of the questionnaire samples uses a five (5) point Likert scale and the hypotheses in the research were tested using the SEM (Structural Equation Modeling) method with the help of software in the form of the SmartPLS.

The results of the statistical test analysis showed that the variable of ethical leadership has a significant positive role on innovative work behaviour. Ethical leadership has a significant positive effect on intellectual capital, and intellectual capital has a significant positive role on innovative work behaviour. These results indicate that leader in PT Grahacipta Hadiprana has a leadership style that is appropriate for managing the company and has good intellectual capital to create competitive advantages for the company.

Keyword: Ethical Leadership, Intellectual Capital, Innovative Work Behaviour

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