

The Influence Of Ethical Leadership On Corporate Performance Mediated By Corporate Entrepreneur Competency On Finance Companies In Indonesia

Didi Hartono¹⁾, Bahtiar Usman²⁾, Deasy Aseanty³⁾

^{1,2,3)} Economics, Faculty of Economics and Business, Trisakti University, Indonesia

*Corresponding Author

Email: hartono.project1608@gmail.com

Abstract

The purpose of the study is to examine the influence of ethical leadership on corporate performance mediated by corporate entrepreneur competency in finance companies in Indonesia. The research uses a quantitative approach with cross-sectional primary data collection, namely one-time data collection taken in August 2024. Respondents were 270 people at the managerial level from the head of the branch office to one level below the board of directors. The collected data was analyzed using Structural Equation Modelling (SEM) with AMOS software version 23. The results of the study show that managers in finance companies have and practice ethical leadership with high ethical standards. Managers have high corporate entrepreneur competency and good corporate performance conditions in the industry. The results of the hypothesis test are all supported which shows the positive influence of ethical leadership on corporate performance directly or indirectly through corporate entrepreneur competency as mediation. This research contributes to the development of the theory of corporate entrepreneur competency as mediation. Managerial implications can be used in implementing and developing corporate entrepreneur competency and ethical leadership of managers so that they are better able to find potential, business opportunities, industry competitiveness and ethics in running a business. This research contributes to the development of the theory of corporate entrepreneur competency as mediation. Managerial implications can be used in implementing and developing corporate entrepreneur competency and ethical leadership of managers so that they are better able to find potential, business opportunities, industry competitiveness and ethics in running a business.

Keywords: *Ethical Leadership, Corporate Entrepreneur Competency, Corporate Performance*

INTRODUCTION

Corporate performance is very important and has broad and significant implications for business continuity, competitiveness, stakeholder trust and return on investment. Corporate performance as a description of the results achieved by the company in carrying out previously planned activities must be achieved well (Asmawiyah *et al.*, 2020). For this reason, the company must focus on efforts to improve its performance. Company performance can be achieved well if it is supported by the competence and ethical behavior of managers in a company. Competencies that managers should possess include entrepreneur competency (Tehseen, 2019). By paying attention to competent and ethical human resources, companies can build a solid foundation for achieving optimal performance and long-term success of the company, while ensuring the company operates efficiently, effectively, ethically and responsibly.

In a company, the support of managers who have ethical leadership can increase the level of morality, so that subordinates will make maximum efforts to achieve company goals with a high sense of responsibility (Asif *et al.*, 2019). Harrison *et al.* (2018) said that the success of managers is greatly influenced by the value of ethical values that are believed. The modern business world today agrees that effective ethics are needed in an organization (Tamer, 2020). Ethical organizational management can increase public trust in the organization, maintain organizational sustainability and perform better (Hijal-Moghrabi *et al.*, 2017). It can be said that ethical leadership not only creates a morally healthy work environment, but also affects performance through increasing the trust, motivation, and commitment of team members.

Leaders who have ethical leadership always adhere to ethical standards, so that they become role models and are considered a reference for their followers (Alblooshi *et al.*, 2020). Ethical leadership makes leaders role models and makes followers identify, internalize, and imitate the behaviors they exemplify (Xia & Yang, 2020).

Changes in the business environment, economic pressures and difficulties in building competitiveness are challenges that encourage companies to develop entrepreneurial strategies (Van-Westhuizen & Van-Rensburg, 2022). Entrepreneur competency as a form of human capital allows companies to acquire and manage different resources, resulting in greater competitive capacity within the company (Molina-Garcia *et al.*, 2022). Employee entrepreneur competency, especially at the manager level in the company, is absolutely necessary to improve company performance. Corporate entrepreneur competency is an integrated ability that is reflected in the attitudes, skills, and relevant knowledge needed to carry out entrepreneurial actions (Eniola *et al.*, 2016), Entrepreneurship in companies is needed to increase company productivity and encourage better economic growth (Van-Westhuizen & Rensburg, 2022). Corporate entrepreneur competency is considered an important resource for organizations that helps in improving organizational performance more optimally (Tehseen *et al.*, 2019). Corporate entrepreneur competency is the most vital aspect of the survival, sustainable growth, and success of a business organization (Klyver, 2020, Sakib, 2020).

A finance company is a business entity that carries out financing activities for the procurement of goods and/or services. Based on data reported by the OJK (2023) for the position as of December 2022, the financing disbursed was dominated by multipurpose financing business activities of IDR 215.34 trillion (51.79%) and investment financing of IDR 141.63 trillion (34.05%). Furthermore, working capital financing business activities amounted to IDR 39.57 trillion (9.51%), other financing amounted to IDR 0.51 trillion (0.12%), and financing based on sharia principles amounted to IDR 18.74 trillion (4.5%). Based on the type of financing object, 83% of the total financing receivables came from the sale of motor vehicles and heavy equipment. The financing distribution pattern is concentrated on vehicle and heavy equipment financing where competition is very fierce, so there is a need for efforts to find new financing breakthroughs to maintain and improve company performance (OJK, 2023).

Various phenomena that are suspected to affect the performance of finance companies in terms of human resources are ethical issues in business, and the competitiveness of finance companies' human resources which of course requires ethical behavior and high competence from managers. The Financial Services Authority recorded a high number of complaints or problems that occurred in finance companies which reached 4,988 cases, both administrative and fraudulent (OJK, 2023). Then throughout 2017-2022 the Financial Services Authority has revoked the licenses of 44 finance companies due to the results of audits and the non-operation of companies, including cases of double pledging or double guarantee and double financing in 2017/2018 which had an impact on the slowdown in the financing business due to a decline in bank confidence in providing funding to finance companies (OJK, 2023). Based on this, ethical leadership is a demand that needs to be applied, especially in finance companies to maintain the trust of consumers, the public, banks, regulators and other stakeholders. When leaders behave as moral managers, employees will show a strong commitment to the organization (Kim and Vandenberghe, 2021). In finance companies, ethical issues and ethical leadership are needed and must be implemented, which is reflected in the Financial Services Authority's regulations on good corporate governance.

Interestingly, based on the results of research conducted by the Financial Services Authority, it is stated that in 2022, there will be 1,519 trillion rupiah (55.43%) of the total needs of MSMEs that can be financed by the non-bank financial industry (OJK, 2023). This shows a business opportunity for financing companies. At the same time, it requires the readiness of

human resources who have competence in the field of financing and entrepreneur competency to be able to see further the existence of financing business opportunities. The Corporate entrepreneur competency approach offers an environment that supports businesses to improve performance by creating a dynamic business approach based on innovation that can bring new competitive areas (Hanci-Donmez & Karacay, 2019).

Various studies have been conducted by previous researchers, but there is no known research that specifically examines the influence of ethical leadership on corporate performance mediated by corporate entrepreneur competency, especially in the financing industry. The mediation variable of corporate entrepreneur competency is more widely used in research to test its role in producing entrepreneurial performance in SMEs, such as research conducted by Al-Mamun & Fazal (2018), Khan *et al.* (2021) and Seraj *et al.* (2022). Then there has been no research that tests the relationship between ethical leadership and corporate entrepreneur competency as mediation. Previous research only has similarities, for example researching the influence of leadership behavior on entrepreneurship by Thuy *et al.*, (2022), ethical leadership towards innovation (Ozsungur, 2019), leadership competence towards entrepreneurial orientation (Alvarez-Garcia *et al.*, 2021).

Based on the exposure to phenomena, research gaps and the rarity of research conducted in the context of the finance company industry, the author is interested in conducting a research entitled "The Influence of Ethical Leadership on Corporate Performance Mediated by Corporate Entrepreneur Competency in Finance Companies in Indonesia". The question of the problem in this study is whether ethical leadership has an effect on corporate performance in finance companies and whether corporate entrepreneur competency plays a role as a mediator for the influence of ethical leadership on corporate performance?

RESEARCH METHODS

The study uses a quantitative approach to examine the influence of ethical leadership, on corporate performance mediated by corporate entrepreneur competency in finance companies in Indonesia. The primary data collection in this study is cross-sectional or one-shot, namely one-time data collection carried out in August 2024. The unit of analysis in this study is 270 managers from the level of managers/heads of branch offices to one level below the board of directors who work in finance companies in Indonesia. The study measured using an interval scale with a Likert scale from 1 (strongly disagree) to 5 (strongly agree). To measure ethical leadership, 10 items of statements adapted from Brown *et al.* (2005) were used. Corporate entrepreneur competency was measured using 12 statement items adapted from the research of Sakib *et al.* (2022) and corporate performance using 5 statement items adapted from Zhang *et al.* (2023). The research instrument test was carried out with a validity test (Factor Loading > 0.40) and a reliability test (Cronbach's Alfa > 0.60 (Hair *et al.*, 2019). The results of the instrument test showed that all indicators in the variables of ethical leadership (EL), corporate entrepreneur competency (CEC) and corporate performance (CP) were valid and reliable.

RESULT AND DISCUSSION

Respondent Characteristics and Descriptive Statistics

The respondents to the study were determined to be 270 finance company managers who had met the qualifications to be analyzed. The characteristics of respondent data based on gender were dominated by male managers (74.8%), age over 40-50 years (46.7%), undergraduate

education (75.9%), working period over 15 years (40.4%), respondents' field of work was managerial business (65%) and all respondents (100%) had participated in financing certification.

The descriptive statistical result of the ethical leadership variable was 4.106. This shows that the ethical leadership practices of managers in finance companies have been implemented by applying high ethical standards. From the moral person dimension, the indicator with the highest average is "the leader conducts his personal life in an ethical way and defines success not only by the results but also by the way he obtains them". In the moral manager dimension, the indicator with the highest average is when making decisions, leaders consider "what is the right thing to do". Of all the indicators, respondents gave the lowest average rating on the "leaders listen to what employees say" indicator, with an average rating of 4,030.

The corporate entrepreneur competency variable, the overall average assessment is 4.163, which shows that the corporate entrepreneur competency that managers have is high and has been applied in the company. Of the six dimensions, it can be seen that the highest average dimension is learning competency of 4,259. Both indicators in this dimension have the same high value, namely "willingness to learn proactively and learning to have clear goals". While the lowest dimension is opportunity competency 4,032 with the lowest indicator being "enthusiastic about seeking/creating products and services that provide real benefits to clients", with an average rating of 4,011.

The overall corporate performance variable has an average assessment of 3,867. This result shows that corporate performance in finance companies has been well achieved. From the financial performance dimension, the indicator with the highest average, namely the company's total revenue, is high compared to its main competitors. In the non-financial dimension (human resource performance), the indicator with the highest average is "the productivity of this company is high compared to its main competitors". The lowest corporate performance indicator, namely "employees have a high level of satisfaction compared to the main competitors" has an average score of 3,767.

Table 1. Hypothesis Test Results

Hypothesis	Hypothesis Statement	Estimate	P value	Decision
H1	EL ---> CP	0,437	0,004	Supported
H2	EL ---> CEC	0,379	0,002	Supported
H3	CEC ---> CP	0,332	0,002	Supported
H4	EL ---> CEC ---> CP	0,126	0,031	Supported

Source: Data Processing Results (2024)

Discussion

The Influence of Ethical Leadership (EL) on Corporate Performance (CP)

The results of the study show that ethical leadership has a positive effect on corporate performance. This influence can be interpreted that every improvement in ethical leadership will improve corporate performance in financing companies. The results of this study are consistent and support previous research conducted by Widyani *et al.* (2020), Tamer (2020), Khademfar & Amiri (2013), Butt *et al.* (2016), Susmiato & Nurmayanti (2018). Where the researchers have proven that ethical leadership has a positive effect on corporate performance.

Ethical leadership has a significant impact on corporate performance through various mechanisms, ranging from increasing employee motivation and engagement to improving the company's reputation and relationships with stakeholders. When leaders act with integrity and good ethics, employees will feel more appreciated so that they are motivated to provide their best abilities and performance which will ultimately be able to maintain organizational performance

in a sustainable manner (Kerse, 2021). In addition, ethical leadership is important because it can contribute to the formation of trust between leaders and followers in the company. This trust is essential for healthy relationships within teams and organizations. When leaders show honesty and consistency and provide a sense of fairness in action, it strengthens relationships and collaboration among employees, which has a positive effect on the performance of the team and the organization as a whole (Brown *et al.*, 2005). To maximize leadership effectiveness and make employees more engaged, creative, and committed, it is important for leaders to offer organizational rewards to their employees, ensure their participation in the decision-making process, make fair decisions, and promote supervisory support (Asif *et al.*, 2019).

High ethical leadership is important to have and apply to finance companies in Indonesia. Finance companies have several characteristics in common with the banking industry which relies on trust business and is based on risk business. This is important for finance companies to maintain and build trust not only from within but also from outside the company by implementing high ethical leadership standards from managers. Ethical leadership will be effective if leaders are able to make employees more engaged, creative, and committed, as well as participate in the decision-making process, and leaders make fair decisions (Asif *et al.*, 2019). Leaders in their leadership practices not only ensure compliance with regulations and laws, but also the importance of building trust, protecting reputation, boosting employee morale, and protecting consumer rights. Ethical behavior in a company is the responsibility of all employees including managers, directors and commissioners, but the ethics of the leader must be higher than that of his followers or subordinates to be more effective.

Ethical leadership practices similar to integrity have been applied to finance companies and even reported to the Financial Services Authority on good corporate governance reports. Ethical leadership in finance companies is able to prevent serious violations such as fraud that occurred in 2017/2018 which had a significant impact on the slowdown of the financing business due to the lack of trust of banks in providing capital to finance companies (OJK, 2021). The consequences of this fraud are very detrimental to various parties such as banks that provide financing capital, consumers who have difficulty taking their rights (BPKB) and even billing demands from other parties as well as all employees who are forced to stop working because the company is closed. This reinforces the importance of leaders who have good ethical values in the organization, especially in scandals, fraud, and fraud scenarios which are symptoms of declining ethical values that can harm the organization (Dua *et al.*, 2023).

The majority of respondents are managers who are 40-50 years old with more than 15 years of service. At an advanced age and longer experience, managers have a deep understanding of how ethical issues can affect organizations and business decisions. From the employer's side, age and long work experience tend to have a better understanding of ethical principles and be able to implement them in their daily work at work. In addition, leaders have a clear track record in ethical matters. This experience can make subordinates see superiors as more credible and ethical leaders so that they are more confident that experienced superiors can maintain ethical standards consistently.

The results of the test on the ethical leadership variable show that managers in finance companies have met high ethical standards. From the moral person dimension, the indicator with the highest average is that the leader conducts his personal life in an ethical way and defines success not only by the results but also by the way he earns them. In the moral manager dimension, the indicator with the highest average is when making decisions that leaders consider what is the right thing to do. This happens because leaders have understood that business decisions taken in the right way and done correctly will produce the right results and can minimize the occurrence of problems in the future.

In real practice in finance companies, managers have defined success not only from the results, but how to get them, then the leaders have gained trust, and are able to discipline employees who violate and make decisions always with good and right considerations. This has led to a good process and work results and can be accounted for both morally and in accordance with applicable laws and regulations. It is different when ethical rules and regulations are violated, often what happens is a failure that ultimately harms the company. The ethical leadership of leaders/managers in this financing company has been able to influence the improvement of corporate performance. Ethical leadership is an important factor to continue to be improved and the need to maintain consistency in the behavior of leaders in finance companies.

The Influence of Ethical Leadership (EL) on Corporate Entrepreneur Competency (CEC)

The results of the study show that ethical leadership has a positive effect on corporate entrepreneur competency in finance companies. This means that every increase in ethical leadership will be followed by an increase in corporate entrepreneur competency. These results support previous research conducted by Asif *et al.* (2019) that ethical leadership has a positive and significant effect on employee creativity in the public sector in China. Then Thuy *et al.* (2022) leadership behavior has a positive impact on entrepreneurship in Vietnam state-owned enterprises and Ozsungur (2019) ethical leadership has a significant effect on innovation in companies in Turkey.

Ethical leadership influences the entrepreneur competency of managers by creating an environment that supports the ability and development of entrepreneurial skills in the company. Furthermore, to anticipate negative behavior from entrepreneurial behavior that tends to do various ways to gain profits even in unethical ways, ethical leadership is needed (Widyani *et al.*, 2020).

In finance companies, ethical leadership plays an important role in increasing entrepreneur competency. In an organization, managers who have an entrepreneurial spirit and good entrepreneurial ethics are needed (Widyani *et al.*, 2020). Ethical leadership acts in accordance with the moral principles and values of the company, but it also influences the culture, motivation, and development of entrepreneurial skills within the organization. Ethical leadership provides an environment where entrepreneurial competence can develop well, supports innovation, and ensures that all practices are conducted with integrity and responsibility.

The majority of respondents are managers in the age range of 40-50 years with a working period of more than 15 years, of course, able to show high ethical leadership and corporate entrepreneur competency. With their advanced age and longer experience, managers have a deep understanding of how good ethical practices from managers can shape and develop corporate entrepreneur competency. This leader behavior has been shown to improve entrepreneurial abilities by focusing on identifying and exploiting potential opportunities in the context of entrepreneurship in companies (Thuy *et al.*, 2022).

The variables of ethical leadership and corporate entrepreneur competency are included in the high assessment. These results show that ethical leadership from leaders in finance companies has been practiced with high ethical standards, which has an impact on strengthening the entrepreneurial practices of managers in finance companies. It is explained that ethical leadership from managers has a positive effect on corporate entrepreneur competency in finance companies in Indonesia. Good ethical leadership will be able to create and support high corporate entrepreneur competency while upholding morals and ethics and being responsible.

The Influence of Corporate Entrepreneur Competency (CEC) on Corporate Performance (CP)

The results of the study have shown that corporate entrepreneur competency has a positive effect on corporate performance in financing companies. Every increase in corporate entrepreneur competency is followed by an increase in corporate performance in financing companies. The results of this study support the research conducted by Seraj *et al.*, (2022), Al-Mamun & Fazal (2018), Van-Westhuizen & Van-Rensburg (2022), that entrepreneur competency has a positive effect on corporate performance. The results of this study are contrary to the results of the research of Esubalewa & Raqhurama (2020) which showed that entrepreneur competency did not have a significant effect on corporate performance.

Corporate entrepreneur competency is an important factor in determining business development and success (Sakib *et al.*, 2022); Al-Mamun & Fazal, 2018). Entrepreneur competency is able to improve the company's ability to innovate, manage risk, adapt to change, and pursue new opportunities. By improving employee motivation, operational efficiency, and strategic capabilities, entrepreneur competency contribute to better company performance, sustainable growth, and long-term success.

From the respondents' data, it is known that both in terms of age, education and work experience of the managers are very high so that it is enough for managers to have the entrepreneur competency that they apply to the company. In addition, the requirements of managerial characteristics in the business field such as entrepreneurial abilities are very necessary for managers. This entrepreneurial competency will help managers in achieving company goals. This result is corroborated by the opinion of Klyver (2020) and Sakib (2020) that sustainable growth, and the success of business organizations in the long term are greatly influenced by entrepreneur competency. Companies need to formulate business and investment strategies from the entrepreneur side to gain the strength of the organization's sustainable development so that it can better adapt to the highly dynamic external environment (Malhotra & Kiran, 2023) and (Honig & Samuelson, 2020).

The practice of entrepreneur competency carried out by managers at finance companies is considered high. These results show that corporate entrepreneur competency in the company has been practiced and run well so that respondents give high assessments. Of the six dimensions, it can be seen that the highest average dimensions are learning competency and commitment competency. This shows that managers in finance companies have a high enthusiasm and are proactive in learning to improve their knowledge and ability to do their jobs and have a strong commitment to creating company success. This is the basic capital to increase corporate entrepreneur competency in finance companies which have been formed based on experience and learning during work.

The high level of corporate entrepreneur competency applied to finance companies with their capacity as managers is able to influence well on performance. The competence possessed by managers, namely learning competency, is related to the willingness of managers to learn proactively and have clear goals that are related to the field of work that can increase their contribution to company performance. Relationship Competency, shows how managers build business relationships, communicate and negotiate with partners such as with vehicle/heavy equipment dealers, vehicle insurance companies, banks, external withdrawal services, law enforcement officials and so on. Opportunity competency is related to how managers see and respond to every business opportunity. Unfortunately, finance company managers consider this competency to be lower, especially on indicators of the ability to create products and services desired by clients. This is understandable because managers are not used to product/service innovation which is the demand of the market today, forcing them to provide existing products and services into a market where competition is very fierce. The contribution of corporate

entrepreneur competency is quite high in influencing the improvement of corporate performance. Then all dimensions have a relatively similar contribution, so it can be said that all dimensions and indicators that form corporate entrepreneur competency are considered important for their influence. The importance of corporate entrepreneur competency as a factor that can improve corporate performance so that it needs to be developed and improved in finance companies in Indonesia.

The Influence of Ethical Leadership (EL) on Corporate Performance (CP) mediated by Corporate Entrepreneur Competency (CEC)

Corporate entrepreneur competency plays a positive role as a mediating variable of the indirect influence of ethical leadership on corporate performance. The results of the statistical test show that corporate entrepreneur competency successfully mediates the influence of ethical leadership on the corporate performance of finance companies. Corporate entrepreneur competency plays a role as a mediation variable (partial mediation) of the indirect influence of ethical leadership on corporate performance with an estimated or mediation path coefficient of 0.126 and a p value of the sobel test of $0.031 < 0.05$. The role of corporate entrepreneur competency mediation includes partial mediation because the results of the direct effect test on the first hypothesis (H1) are positive (supported). This result is in line with the research of Venia & Slamet (2020) that network entrepreneur competency mediates the influence of ethical competence on business growth. Sarwoko & Nurfarida (2021) entrepreneur competency mediates the influence of cultural values on corporate performance.

Corporate entrepreneur competency functions as a mediator of the relationship between ethical leadership and corporate performance. Ethical leadership establishes an environment that supports motivation, ethical innovation, while entrepreneur competency allows employees to apply these ideas effectively in an effort to build business networks, utilize and seek business opportunities, long-term commitment and implementation of strategies as well as more efficient and effective management of company resources. As explained by Thuy *et al.* (2022) To effectively maintain a business, it is necessary to increase entrepreneurship in the company which can be achieved by the behavior of ethical managers in the company.

The majority of respondents are of high age and supported by longer field experience, managers have a deep understanding of how ethical leadership practices from managers can shape and develop corporate entrepreneur competency. Then in terms of work experience that is also supported by high education, it is enough for managers to have entrepreneur competency that they apply to finance companies. In addition, with respondents dominated by managers in the managerial field of business who have the same competency characteristics as entrepreneurs, of course, it is very necessary for managers. Managers at experienced finance companies already have a strong network with business partners such as vehicle dealers (cars, motorcycles and heavy equipment), insurance companies, external withdrawal services, and law enforcement, in addition to managers generally have a strong commitment to business sustainability and prevent the company from failing to achieve its goals. This is an important and mandatory thing for managers to have in carrying out their role as managers and at the same time playing a role like an entrepreneur in a financing company. This entrepreneur competency will help managers in achieving company goals in the long term.

The practice of ethical leadership and corporate entrepreneur competency as described above has been demonstrated by managers in finance companies. The picture of ethical leadership and entrepreneur competency is highly evaluated. Ethical leadership and corporate entrepreneur competency have a strong influence on improving corporate performance in financing companies. The implementation of high ethical leadership from company managers will increase the motivation and involvement of managers and employees in strengthening the development and application of entrepreneur competency in the company, which in turn will

improve corporate performance.

CONCLUSION

The results of the study show that managers in finance companies have had and practiced ethical leadership with high ethical standards. Managers have high corporate entrepreneur competency and good corporate performance conditions in the industry. The results of hypothesis testing show that the four research hypotheses proposed are all supported and have a positive influence on the variables tested. The ethical leadership variable has a positive influence on corporate performance, as well as ethical leadership has a positive effect on corporate entrepreneur competency. Then corporate entrepreneur competency has a positive effect on corporate performance. Furthermore, ethical leadership has a positive effect on corporate performance mediated by corporate entrepreneur competency. This proves that there is a positive influence of ethical leadership on corporate performance both directly and indirectly through corporate entrepreneur competency as mediation. Ethical leadership and corporate entrepreneur competency have a high positive influence on corporate performance and are the most important factor in improving corporate performance in finance companies in Indonesia

REFERENCES

- Al Mamun, A., & Fazal, S. A. (2018). Effect of entrepreneurial orientation on competency and micro-enterprise performance. *Asia Pacific Journal of Innovation and Entrepreneurship*, *12*(3), 379-398. <https://doi.org/10.1108/APJIE-05-2018-0033>.
- Alblooshi, M., Shamsuzzaman, M., & Haridy, S. (2020). The relationship between leadership styles and organisational innovation : A systematic literature review and narrative synthesis. In *European Journal of Innovation Management* (Vol. 24, Issue 2, pp. 338–370). Emerald Group Holdings Ltd. <https://doi.org/10.1108/EJIM-11-2019-0339>.
- Alcazar, Fernando Martin, Gonzalo Sacchez & Natalia Garcia (2021). *Beyond human Resources: Research parth towards a New Understanding of workforce management Within Organization*. <https://www.bing.com/ck/a>. London: IntechOpen.
- Alvarez-García, J., Hormiga-Pérez, E., Sarango-Lalangui, P. O., & del Río-Rama, M. d. I. C. (2022). Leaders' sustainability competences and small and medium-sized enterprises outcomes: The role of social entrepreneurial orientation. *Sustainable Development*, *30*(5), 927–943. <https://doi.org/10.1002/sd.2291>.
- Asif, M., Qing, M., Hwang, J., & Shi, H. (2019). Ethical leadership, affective commitment, work engagement, and creativity: Testing a multiple mediation approach. *Sustainability (Switzerland)*, *11*(16). <https://doi.org/10.3390/su11164489>.
- Asmawiyah, M. M., Taba, M. I., & Hamid, N. (2020). The role entrepreneur competence as mediation human capital on business performance. *International Journal of Innovative Science and Research Technology*, *5*(6), 812-819. [IJISRT20JUN596.pdf](https://www.ijisrt.com/papers/2020/JUN/JUN596.pdf)
- Brown, M. E., Treviño, L. K., & Harrison, D. A. (2005). Ethical leadership: A social learning perspective for construct development and testing. *Organizational behavior and human decision processes*, *97*(2), 117–134. <https://doi.org/10.1016/j.obhdp.2005.03.002>.
- Butt, A. A., Butt, A. N., & Ayaz, M. (2016). Impact of ethical leadership on organizational performance and mediating role of corporate social responsibility: Evidence from banking sector of Pakistan. *International Journal of Management Sciences and Business Research*, *5*(6), 25–37. <https://ssrn.com/abstract=2849335>

- Dua, A. K., Farook, A., & Rai, S. (2023). Ethical leadership and its influence on employee voice behavior: role of demographic variable. *International Journal Ethic and System*, 39(2), 213-235. <https://doi.org/10.1108/IJOES-10-2021-0200>.
- Eniola, A. A., Entebang, H. (2016). Financial literacy and SME firm performance. *Int. J. Manag*, 5, 31–43. <https://doi.org/10.5861/ijrsm.2015.1304>.
- Hair, J. F., Black, W. C., Babin, B. J., & Anderson, R. E. (2019). *Multivariate data analysis eighth edition* (Eighth Edition). Annabel Ainscow. www.cengage.com/highered.
- Hanci-Donmez, T. & Karacay, G. (2019). High-performance human resources practices and firm performance: Mediating effect of corporate entrepreneurship. *International Journal of Organizational Leadership*, 8: 63-77. Available at SSRN:<https://ssrn.com/abstract=3337660>.
- Harrison, C., Burnard, K., & Paul, S. (2018). Entrepreneurial leadership in a developing economy: A skill-based analysis. *Journal of Small Business and Enterprise Development*, 25(3), 521–548. <https://doi.org/10.1108/JSBED-05-2017-0160>
- Hijal-Moghrabi, I., Sabharwal, M., & Berman, E. M. (2017). The importance of ethical environment to organizational performance in employment at will states. *Administration and Society*, 49(9), 1346–1374. <https://doi.org/10.1177/0095399715581043>.
- Honig, B. & Samuelsson, M. (2020). Business planning by Intrapreneurs and entrepreneurs under environmental uncertainty and institutional pressure. *Technovation*, 99, 102124. <https://doi.org/10.1016/j.technovation.2020.102124>
- Hooper (2008), Structural Equation Modelling: Guidelines for Determining Model Fit, *Electronic Journal of Business Research Methods Volume 6 Issue 1 2008 (53-60)*.
- Kerse, G. (2021). A leader indeed is a leader in deed: The relationship of ethical leadership, person-organization fit, organizational trust, and extra-role service behavior. *Journal of Management and Organization*, 27, 601–620. <https://doi.org/10.1017/jmo.2019.4>.
- Khademfar, M., & Amiri, S. A. (2013). The relationship between ethical leadership and organizational performance (small review on Malaysian studies). *International Journal of Business and Social Science*, 4 (1), 114–120. <http://www.ijbssnet.com/journals>.
- Khan, M.A., Zubair, S.S., Rathore, K., Ijaz, M., Khalil, S. & Khalil, M. (2021). Impact of entrepreneurial orientation dimensions on performance of small enterprises: Do entrepreneurial competencies matter?, *Cogent business and management*, 8:1, <https://doi.org/10.1080/23311975.2021.1943241>.
- Kim, D., & Vandenberghe, C. (2021). Ethical leadership and organizational commitment: the dual perspective of social exchange and empowerment. *Leadership and Organization Development Journal*, 42(6), 976–987. <https://doi.org/10.1108/LODJ-11-2020-0479>.
- Klyver, K., Arenius, P. (2020). Networking, social skills and launching a new business: A 3-Year study of nascent entrepreneurs. *Entrep. Theory Pract.*, 46, 1042258720967063. <https://doi.org/10.1177/1042258720967063>.
- Malhotra, S. & Kiran, R. (2023). Examining the relationship between entrepreneurial perceived behaviour, Intentions, and competencies as catalysts for sustainable growth: An Indian perspective. *Sustainability*, 15, 6617. <https://doi.org/10.3390/su15086617>.
- Molina-García, A., Diéguez-Soto, J., Galache-Laza, M.T. , Compos-Velenzuela, M. (2023). Financial literacy in SMEs: a bibliometric analysis and a systematic literature review of an emerging research field. *Rev Manag Sci* 17, 787–826. <https://doi.org/10.1007/s11846-022-00556-2>.
- Otoritas Jasa Keuangan. (2021). Cetak Biru; Pengembangan Sumber Daya Manusia Sektor Jasa Keuangan 2021- 2025.
- Otoritas Jasa Keuangan. (2023). Roadmap Perusahaan Pembiayaan Tahun 2023-2027.

Otoritas Jasa Keuangan. (2023). Statistik Lembaga Pembiayaan Tahun 2022.

Özsungur, F. (2019). The impact of ethical leadership on service innovation behavior. *Asia Pacific Journal of Innovation and Entrepreneurship*, 13(1), 73–88. <https://doi.org/10.1108/apjie-12-2018-0073>

Sakib, M.N. Shohoz: (2020). A vibrant model of contemporary service innovation in bangladesh. *Bus. Stud. J*, 12, 1–3.

Sakib, M.N., Rabbani, M.R., Hawaldar, I.T., Jabber, M.A., Hossain, J., Sahabuddin, M. (2022). Entrepreneurial competencies and SMEs' performance in a developing economy. *Sustainability*. <https://doi.org/10.3390/su142013643>.

Sarwoko, E., & Nurfarida, I.N. (2021). Budaya kewirausahaan dan kinerja usaha kecil: Peran mediasi entrepreneurial competence. *Jurnal Manajemen and Kewirausahaan*. Vol.9, NO. 2, 2021.

Seraj, A.H.A., Fazal, S.A., Alshebami, A.S. (2022). Entrepreneurial competency, financial literacy, and sustainable performance-examining the mediating role of entrepreneurial resilience among Saudi entrepreneurs. *Sustainability*, 14, 10689. <https://doi.org/10.3390/su141710689>

Susmiato, H. & Nurmayanti, S. (2018). The effect of ethical leadership and organizational culture on work ethos and its impact on organizational performance: A case study in regency department of lands of Lombok Island, Indonesia. *Russian Journal of Agricultural and Socio-Economic Sciences*, 3(75), 48–55. <https://doi.org/10.18551/rjoas.2018-03.05>

Tamer, G. (2020). The role of ethical leadership in increasing employees' organizational commitment and performance: The case of healthcare professionals. *Journal of Life Economics*. 8(1), 123-146. <https://doi.org/10.15637/jlecon.8.1.13>.

Tehseen, S., Ahmed, F.U., Qureshi, Z.H., Uddin, M.J. and Ramayah, T. (2019), "Entrepreneurial competencies and SMEs' growth: the mediating role of network competence", *Asia-Pacific Journal of Business Administration*, Vol. 11 No. 1, pp. 2-29. <https://doi.org/10.1108/APJBA-05-2018-0084>.

Thuy, Dao T. T., Truong Quoc Viet, Vu Van Phuc, Thi-Hong-Diep Pham, Nguyen Thi Ngoc Lan, & Huong Ho. (2022). Impact of leadership behavior on entrepreneurship in state-owned enterprises: Evidence from civil servant management aimed at improving accountability. *Economies* 10: 245. <https://doi.org/10.3390/economies10100245>.

Van der Westhuizen, J. & Van Rensburg, C. (2022) "Human resource management practices and business performance: The mediating effect of corporate entrepreneurship", *African Journal of Inter/Multidisciplinary Studies*, 4(1), pp. 394–405. <https://doi.org/10.51415/ajims.v4i1.957>.

Venia & Slamet, F. (2020). Pengaruh kompetensi strategi dan kompetensi etika terhadap pertumbuhan usaha yang dimediasi oleh kompetensi jaringan. *Jurnal Manajerial dan Kewirausahaan*. Vol 2, No 2.

Widyani, A.A.D., Landra, N., Sudja, N., Ximenes, M., and Sarmawa, I.W.G. (2020) The role of ethical behavior and entrepreneurial leadership to improve organizational performance, *Cogent Business and Management*, 7:1, 1747827, <https://doi.org/10.1080/23311975.2020.1747827>.

Xia, Z., & Yang, F. (2020). Ethical leadership and knowledge sharing: The impacts of prosocial motivation and two facets of conscientiousness. *Frontiers in Psychology*, 11:581236. <https://doi.org/10.3389/fpsyg.2020.581236>.

Zhang, X., Qing, L., Wang, S., Chun, D. (2023). The effect of human resource director (HRD) competency on the performance of exponential organizations-analysis of the continuous mediating effect based on organizational identity, self efficacy, and the moderating effect of organizational politics. *Sustainability*, 15, 936. <https://doi.org/10.3390/su15020936>.