
Editorial: Intellectual capital, talent and leadership: building competitiveness for the digital economy

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1 Introductions

Governments and companies are working hard to speed the sustainable and inclusive recovery from the unprecedented global disruption caused by COVID-19 in 2020. Reforms and investments are implemented to foster this recovery and mitigate the negative impact of the pandemic on societies and economies. Lessons from this pandemic will accelerate the digital transformation of economies, and build more resilient, sustainable and greener societies and economies. In the roadmap for recovery, resilience and sustainability, human capital and leadership will play a key role supporting the transition to digital economies (European Commission, 2022; Ordóñez de Pablos, 2004a, 2004b; Massaro et al., 2018; Zhang et al., 2016).

The world has many challenges and opportunities ahead to recover from the pandemic disruption. Strategic human capital, new and emerging digital technologies and smart policies and strategies will accelerate this recovery and the transition towards a digital and greener economy, creating jobs, economic growth and a more inclusive society (Almunawar et al., 2022; Dal Mas, 2022; Dal Mas et al., 2020; Santoso et al., 2021).

It is important to understand how human capital and leadership impact competitiveness and provide recommendations about how to build and manage these strategic resources.

2 Contents of the issue

This sixth issue of 2022 presents a collection of five papers that discusses intellectual capital, leadership, talent and competitiveness. The papers discuss evidence on the impact of intellectual capital in India, Indonesia and Malaysia.

The first paper of the issue is titled ‘Validating the effect of talent management on organisational outcomes with mediating role of job empowerment in business’ (by Pawar, Cahyono, Indrati, Siswati and Loupias). It states that:

“Over the past decade, talent has become a more important resource than investments, capital, research or strategy in business. It is also a great basis for competitive advantage in the market. Hence, most companies are now concentrating on designing and developing talent management strategies in their businesses. The four essential elements of the talent management process are identifying significant positions, competency-based training, critical talent development, reward and recognition. The whole process of talent management affects organisational outcomes. The major objective of this research study is to understand the linkages and influence of talent management with organisational outcomes. The study was conducted with a survey of 324 respondents from service, manufacturing and positive relationships of the talent management process and organisational outcomes with employee participation and organisational engagement through the mediating role of job empowerment.”

The second paper of this issue is titled ‘CSR, intellectual capital and corporate value for Indonesian SOEs’ (by Mutamimah and Sueztianingrum). Authors discuss that:

“The pandemic of COVID’19 has shifted the focus of businesses from traditional corporate social responsibility (CSR) activities in the current time and has prepared them for the unpredictable future to show resilience and flexibility to cope with the crisis. This study conceptualises the relationship between the hotel industry’s response to the COVID’19 as engagement in CSR and the positive consequences through stakeholder satisfaction. The theoretical framework is based on stakeholder’s theory and offers an understanding of the strategic responses of the hotels to the pandemic crisis. Particularly, this study proposes that the hotel industry’s responsible activities to cope with COVID’19 through CSR (current and future actions) may influence its post-COVID’19 consequences (performance and reputation) through the mediating effect of stakeholder’s (community and employee) satisfaction. This conceptual study also suggests a research direction for empirical findings and their implications.”

Next paper of the issue is ‘Intellectual capital, leadership and competitive advantage: a study of the Malaysian electrical and electronics industry’ (by Mubarik and Bontis). The goal of the paper is:

“To examine the mediating role of intellectual capital in the association between strategic leadership capabilities and competitive advantage. The secondary objective was to examine the role of knowledge management in the association between strategic leadership capabilities and intellectual capital. Data was collected from 184 Malaysian electrical and electronics sector firms using previously published scales. PLS-SEM (partial least square-structural equation modeling) was employed to analyze seven hypothesized relationships. Results revealed that strategic leadership capabilities play an apex role in attaining competitive advantage, whereas intellectual capital mediates the association between SLC and competitive advantage. Knowledge management further amplifies the role of human capital but does not play a significant role with relational or structural capital.”

The fourth paper of the issue is titled ‘Measuring role of IC in SME’s profitability: evidence from India’ (by Soriya, Mittal and Lochab). Its goal is to analyse:

“The association between intellectual capital components and their interactions with profitability of Indian small and medium enterprises (SMEs). The profitability is measured by return on assets (ROA), return on equity (ROE) and business profitability (BP). The sample consists of the 345 SMEs listed on National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) of India. During the initial screening of data a series of diagnostic test were carried out to identify the problems of heteroscedasticity, autocorrelation and endogeneity.

The two-step generalized method of moments (GMM) estimation is applied to study the association of intellectual capital components and their interactions with SME's profitability. The results show that human capital and physical capital are the most influencing components of intellectual capital in the profitability of the SMEs in India. The interactions between human capital with structural capital has significant impact on ROA and BP. Through this study a novel attempt is made to examine the importance of intellectual capital and its components in small business of India. This will be useful for the policy makers, entrepreneurs and owners of small business to determine the important physical, human and structural capital for improving the profitability of their firms".

Finally, the last paper of this issue, 'Intellectual capital and performance of Indian companies: an empirical investigation' (Kapoor and Saihjal) explores:

"The relationship between IC and firm performance. Value added intellectual coefficient (VAIC) model developed by Pulic is used to measure the IC. In order to assess the performance of companies, return on assets, assets turnover ratio and market capitalization to book value ratio are used as indicator of profitability, productivity and market valuation. Secondary data was extracted for a sample of 463 Indian companies. Descriptive statistics, correlation analysis and multiple regression model were applied for conducting necessary analysis. Findings revealed that VAIC is having significant relationship with measures of profitability only. During component investigation, it is found that capital employed efficiency has relationship with all measures of performance and human capital efficiency has relationship with profitability only."

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