

## Analyzing How Leadership Competencies Impact on Business Performance: A Case of Pet&Co Company

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### Abstract

Effective leadership is crucial for aligning human capital with business objectives, thereby enhancing employee performance and organizational productivity. In the competitive pet health industry, companies like Pet&Co rely heavily on strong leadership competencies to achieve success. This study examines the impact of leadership competencies on Pet&Co's performance, focusing on issues such as unclear guidance, lack of direction, and inadequate task monitoring by the CEO. It identifies three core competencies: intrapersonal, interpersonal, and cognitive. Intrapersonal competencies, including self-awareness and self-management, are essential for personal development and effective leadership. Interpersonal skills, such as communication and empathy, are key to fostering collaboration and motivation within the team. Cognitive competencies, such as strategic thinking and decision-making, are vital for navigating complex business scenarios and driving organizational success. Utilizing qualitative methods, including interviews and observations, the study reveals that intrapersonal competencies are critical for aligning actions with organizational goals, although the CEO's low self-motivation presents a challenge. Interpersonal competencies are shown to enhance team morale and productivity, while cognitive competencies are necessary for effective strategic planning despite existing gaps in vision and innovation. The study underscores the importance of recognizing and aligning leadership competencies with strategic goals to improve business performance. Overall, the article provides valuable insights into the role of leadership competencies in enhancing organizational performance and is considered suitable for acceptance.

**Keywords:** Leadership Competencies, Business Performance, Pet Health Industry, Interpersonal Competencies, Intrapersonal Competencies, Cognitive Competencies

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### A. INTRODUCTION

The pet care industry in Indonesia is experiencing significant growth, fueled by an increasing number of pet-owning households and rising disposable incomes. This sector, which includes pet food, grooming, and veterinary care, is poised for rapid expansion, with the pet food segment expected to grow at an annual rate of 20% and achieve a compound annual growth rate (CAGR) of 5.1% from 2021 to 2026 (Statista, 2022). Pet&Co, a startup founded in 2023 by four entrepreneurship students from the School of Business and Management at ITB, aims to capitalize on this market growth by focusing on pet health supplements. Their flagship product, Pet&Co Colla Blend, is a powdered supplement designed to enhance pet well-being by addressing common health issues such as appetite enhancement, joint and bone support, and skin and coat health. This supplement can be easily mixed into both wet and dry pet food, providing a convenient solution for pet owners.

In addition to product development, Pet&Co is committed to offering educational resources to help pet owners understand and address their pets' health needs. Recognizing the critical role of human capital and effective leadership in achieving business success, Pet&Co understands that leadership competencies are vital for organizational performance and employee productivity (Atmaja, 2018; Raveendran & Gamage, 2018; Northouse, 2019). However, recent challenges, including growth stagnation and issues related to the CEO's leadership—such as a lack of clear guidance, insufficient task monitoring, and an unclear company direction—are impacting the company's strategic goals and overall performance.

This study aims to explore the impact of leadership competencies on Pet&Co's business performance. By identifying specific leadership skills that influence business outcomes, the research seeks to address existing deficiencies and develop strategies to overcome current challenges and promote sustained growth. Previous studies highlight the importance of effective leadership in driving team performance and organizational success (DeChurch & Mesmer-Magnus, 2010; Northouse, 2018; Yukl, 2013). Therefore, understanding how leadership competencies affect business performance at Pet&Co is essential. Although this case study focuses specifically

on Pet&Co, which may limit its applicability to other organizations or industries, it provides valuable insights into the critical role of leadership in startup growth. Addressing these leadership deficiencies can enhance business outcomes, guide Pet&Co through its growth phase, and strengthen its competitive position in the dynamic pet care industry.

## B. RESEARCH METHOD

This study uses a qualitative methodology to examine how leadership competencies affect Pet&Co's business performance. According to Creswell (2014), qualitative research seeks to understand social or human issues by developing a complex, holistic view through non-numerical data collection and analysis, such as interviews, observations, and textual analysis. This approach is particularly effective for investigating leadership and business performance in real-life settings (Baxter & Jack, 2008). In order to gain a deeper understanding of Pet&Co's leadership dynamics, the study employs in-depth interviews. These interviews provide flexibility in exploring participants' perspectives and experiences. Meyer (2001) highlights that qualitative research is crucial for grasping participants' experiences and the factors that influence them. Using a case study approach, this research offers a detailed analysis of Pet&Co, aiming to uncover insights and develop tailored solutions for the company's challenges (Perry, 1998).

The research design includes a systematic plan to assess the impact of leadership competencies on Pet&Co's business performance. It starts with identifying the issue of stagnant growth through initial observations and interviews with company staff. An extensive literature review sets up the theoretical framework. Data collection is carried out through qualitative methods, mainly observations and in-depth interviews with the CEO and team members, to build a comprehensive understanding of leadership dynamics. The data is analyzed using a coding process—open, axial, and selective coding—to identify significant themes and relationships. To ensure the reliability of the data, the study uses triangulation and member checking. The final step involves drawing conclusions and making recommendations to offer practical solutions for enhancing leadership and improving business performance at Pet&Co.

## C. RESULTS AND DISCUSSION

Data were gathered through detailed interviews with Pet&Co's leadership and team members, including the CEO and two other team members. Conducted via Zoom, these interviews were transcribed and categorized into various themes and sub-themes. The findings from these interviews are summarized as follows:

### Intrapersonal Competencies

The study reveals several critical aspects of intrapersonal competencies within Pet&Co's leadership. The CEO demonstrates notable self-awareness, recognizing weaknesses such as ineffective communication of the company's vision and a lack of initiative in driving innovative ideas. This self-awareness is essential for personal development and potential growth. The leader excels in emotional regulation, effectively managing emotions even in conflicts, which positively impacts team dynamics.

However, significant gaps are observed in self-management, particularly in task monitoring and follow-up. These deficiencies led to uncompleted objectives and missed deadlines. Additionally, the CEO's low self-motivation and lack of passion for the business are identified as detrimental factors, contributing to stagnation and a lack of forward momentum in the company's growth and performance.

**Table 1. List of Intrapersonal Competencies Results Findings**

Category	Findings		
	Sub-Category	Present	Lacking
Intrapersonal	Self-Awareness	Emotional awareness Maintaining Transparency	Lack of Initiative
	Self-Management	Emotional Regulation Time Management Task Management	Lack of follow-up Poor task monitoring
	Self-Motivation	-	Low self-motivation Lack of passion Lack of commitment

Source: Research data, 2024

### Interpersonal Competencies

Regarding interpersonal competencies, the leader at Pet&Co demonstrates strength in task-oriented communication, offering clear and precise directions that facilitate effective task execution by team members. Active listening is another notable strength, as the leader engages team members in discussions and values their input, creating a supportive and inclusive work environment. The leader's empathy is evident through his understanding of team members' commitments and emotional states, allowing him to adjust task assignments accordingly.

Teamwork is fostered through inclusive decision-making processes and the promotion of collaborative discussions, which enhances team cohesion and unity. Despite these strengths, a significant weakness is the leader's inability to communicate the long-term vision and goals of the company effectively. This shortcoming undermines his influence and diminishes his ability to motivate the team toward sustained growth and development.

**Table 2. List of Interpersonal Competencies Results Findings**

Category	Findings		
	Sub-Category	Present	Lacking
Intrapersonal	Communication	Clear Task Direction	Ineffective Long-Term Vision
		Active Listening	
	Empathy	Understanding Team Member	-
		Supportive Environment	
Teamwork	Encouraging Discussion	-	
	Improving team cohesion		
Influence	-	Lack of clear vision Weak influence	

Source: Research data, 2024

### Cognitive Competencies

The cognitive competencies of Pet&Co's leadership display both strengths and areas needing improvement. Strategic thinking is a crucial area for development; the leader's emphasis on short-term achievements rather than long-term goals restricts the company's potential for sustainable growth. Decision-making abilities are notably strong, marked by thorough data analysis, inclusive team input, and strategic decisions that have positively impacted the company, such as engaging in high-visibility events. However, innovative thinking is lacking, with the leader struggling to generate the creative ideas necessary for driving business innovation and adapting to a competitive market. Problem-solving skills, on the other hand, are a clear strength. The leader remains composed under pressure and effectively involves the team in collaborative decision-making processes to tackle challenges.

**Table 3. List of Cognitive Competencies Findings**

Category	Findings		
	Sub-Category	Present	Lacking
Cognitive	Strategic Thinking	-	Lack of long-term planning Short-term vision
		Analyse data	
	Decision Making	Involving team input - Making strategic decisions	-
	Innovative Thinking	-	Lack of Creative Ideas Hesitancy in decision-making regarding innovation
Problem-Solving	Collaborative approach	-	
	Maintaining calm under pressure		

Source: Research data, 2024

### Discussions

The interviews with the Pet&Co team reveal how various leadership competencies influence the company's business performance. These competencies, categorized into intrapersonal, interpersonal, and cognitive skills, each play a distinct role in shaping the organization's effectiveness and growth.

### **Intrapersonal Competencies**

The leader's self-awareness is crucial for aligning actions with organizational goals by recognizing limitations in vision communication and innovation (Goleman, 1995). This self-awareness is fundamental for facilitating adjustment and improvement. However, without subsequent action, it can lead to stagnation and underperformance. Effective self-management demonstrated through the leader's ability to regulate emotions, is essential for maintaining a positive team environment (Covey, 1989; Locke & Latham, 2002). Despite this, there is a significant need for improved task monitoring and follow-up. Inconsistent task management results in uncompleted objectives and negatively impacts overall business performance.

Additionally, the leader's low self-motivation and lack of passion adversely affect business performance. High self-motivation is vital for driving productivity, fostering a high-performance culture, and ensuring accountability (Pink, 2009). The leader's diminished motivation hampers his ability to set a clear vision and inspire the team, leading to stagnant growth. Addressing these motivational deficits is essential for revitalizing leadership effectiveness and advancing the company toward its goals.

### **Interpersonal Competencies**

Effective communication is a cornerstone of leadership, encompassing both clear message conveyance and active listening (Clampitt, 2016). The leader at Pet&Co excels in providing clear task directions, which ensures effective task execution. However, there is a notable gap in communicating the company's long-term vision, which impedes sustained growth. Effective communication fosters collaboration, aligns team goals, and motivates members by making them feel valued (Swanson et al., 2020). The leader's empathy creates a supportive and inclusive work environment, which is linked to higher employee satisfaction and productivity (Gentry et al., 2007). This competency helps build a loyal and committed team, positively impacting business performance. Encouraging discussions and collective problem-solving enhances team cohesion and ownership, integrating diverse perspectives and improving problem-solving capabilities, which drive organizational success (Katzenbach & Smith, 1993; Riggio & Lee, 2007). However, the lack of a clear vision undermines the leader's influence, reducing team motivation and performance. Effective influence requires a compelling vision and consistent communication to inspire and guide the team (Zaccaro et al., 2004; Yukl, 2006). The absence of these capabilities results in a lack of direction and stagnant performance. Addressing these deficits is crucial for enhancing leadership effectiveness and fostering a more dynamic and motivated team.

### **Cognitive Competencies**

Strategic thinking is critical for long-term planning and aligning actions with organizational goals, which is essential for sustainable growth (Mintzberg, 1994). The leader's focus on short-term achievements rather than strategic planning limits Pet&Co's potential for long-term success. Effective strategic thinking helps anticipate future challenges and align resources to achieve long-term goals (Mai et al., 2022). In decision-making, the leader demonstrates strong skills, including thorough data analysis and team input involvement, which result in well-rounded decisions that positively impact the company. Inclusive decision-making processes enhance organizational effectiveness (Simon, 1997; Clampitt, 2016). However, the leader's lack of creative ideas and reliance on group discussions for innovation reveals a gap in innovative thinking. Enhancing this competency is crucial for maintaining competitiveness and driving business growth (Amabile, 1996; Hanaysha, 2020). Finally, problem-solving is a strength of the leader who remains calm and methodical under pressure and employs a collaborative approach to find effective solutions to business challenges (Mumford et al., 2000; Gentry et al., 2007). This competency is vital for maintaining productivity and preventing issues from escalating. Addressing gaps in strategic and innovative thinking can significantly improve Pet&Co's ability to sustain growth and adapt to market changes.

## **D. CONCLUSION**

The analysis of leadership competencies at Pet&Co sheds light on the factors influencing the company's business performance, addressing the research questions: 1) What leadership competencies affect Pet&Co's business performance? Furthermore, 2) How do these competencies influence the business's performance? Key competencies identified include intrapersonal, interpersonal, and cognitive skills. The leader demonstrates notable strengths in self-awareness, emotional regulation, task-oriented communication, empathy, and collaborative problem-solving. These skills contribute to a positive team environment, clear task execution, and a supportive

atmosphere. Self-awareness aids in recognizing areas for improvement, while emotional regulation helps in managing conflicts and maintaining a positive team dynamic. Effective task-oriented communication ensures that tasks are executed efficiently, and empathy fosters trust and collaboration within the team. However, significant gaps are evident in several areas. The leader struggles with articulating a long-term vision, which affects the company's ability to maintain strategic alignment and achieve sustainable growth. The lack of consistent follow-up on tasks and low self-motivation further contribute to stagnant performance and diminished team enthusiasm. Additionally, a focus on short-term achievements limits the company's potential for long-term success, while a deficiency in innovative thinking hinders competitiveness and adaptability.

In summary, while the leader possesses essential competencies, gaps in strategic thinking, vision articulation, motivation, and innovation significantly impact Pet&Co's performance. Addressing these deficiencies through targeted development and a strategic focus is crucial for enhancing overall performance and achieving long-term success.

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