Can Spiritual Leadership Increase the Performance of MSMEs in Indonesia?

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ABSTRACT

Currently, the number of MSMEs in Indonesia has increased and is in very tight competition. Therefore, every organization must create a good work system to perform well. Therefore, an appropriate leadership style is needed to create a good work system. This study empirically tests the influence of spiritual leadership style on organizational performance. In addition, this research also wants to empirically test the mediation role of workplace spirituality on the influence of spiritual leadership style on organizational performance. The research data was collected by distributing questionnaires to 400 respondents from MSMEs in Indonesia. Determining the number of samples and the sampling process was done using the Slovin formula and accidental sampling. The data analysis process was carried out using path analysis. The study results show that a spiritual leadership model is needed to create workplace spirituality, which will ultimately create better organizational performance. Therefore, it is highly recommended for every organization to apply a spiritual leadership style model in the work environment.

Key Words: organizational performance; spiritual leadership; Workplace Spirituality

INTRODUCTION

Indonesia is a country that at some time has often experienced a leadership crisis marked by several problems such as politics, corruption, poor bureaucratic performance, and others. This condition generally tends to damage the country's image due to the poor leadership quality in the central government in the eyes of the public. This condition ultimately has an unfavourable impact on business practices and is detrimental to society. Therefore, the current organization is seen as an entity full of spiritual values because everyone allocates much time at work, which becomes a spiritual identity attached to the organization (Benefiel, 2005).

The condition of an immoral or unethical leadership model in Indonesia can occur because the community and its leaders tend to place more importance on materialistic values than spiritualism in an organization. Suryono (2002) argues that Indonesia is more concerned with position than role. Drucker (2012) also added that this phenomenon could be illustrated by conveying that the world is in danger, where uneducated bar communities are people who do not believe in fundamental economic values, so it is necessary to regenerate spirituality in leadership (Kanungo & Mendonca, 1996).

Spiritual leadership began to be developed by Fry in 2003; where spiritual leadership is considered a form of leadership theory that emphasizes values and passion (Fry, 2003). Spiritual leadership seeks to motivate a person to increase spiritual well-being by finding value and meaning in work and satisfying the natural need for spiritual life (Fry & Matherly, 2006). Spiritual leadership has three dimensions based on the perspective of intrinsic motivation, namely the dimensions of vision, hope/faith, and altruistic love (Fry, 2003). First, vision refers to the future direction of the organization that has meaning and clarity; second, hope/belief refers to the source of the belief that the vision/mission/objectives of the organization will be achieved; and third, altruistic love focuses on a sense of wholeness, harmony, and well-being

that results from caring, caring, and respect for both oneself and others (Fry, 2003). These spiritual dimensions of leadership allow employees to gain true meaning in work and create a sense of belonging in the organization, which can bring about intrinsic goals for spiritual well-being (Afsar et al., 2016).

The spiritual leadership approach model is an effective leadership model to increase employee motivation intrinsically and make managing human and material resources more efficient. Fry (2003) explains that the concept of spiritual leadership becomes a vital leadership model in responding to the challenges of the organizational environment in the 21st century with rapid changes through intrinsic motivation towards others so as to bring about a sense of spiritual defence that brings awareness of duty and membership (Afsar et al., 2016; Fry & Slocum, 2008; Tkaczynski & Arli, 2018). Thompson (2004) and Yang et al. (2019) emphasized that spiritual leadership is a type of leadership that focuses on organizational meaning.

Applying a spiritual leadership model to develop workplace spirituality provides three benefits: individual, organizational, and social community (Moore & Casper, 2006). Spiritual leadership can encourage the emergence of spirituality in the workplace to increase employee potential and performance and increase motivation, self-esteem and self-concept (Krahnke et al., 2003). Spiritual leadership can help create an understanding of spiritual life that nourishes and is nourished by work, which has meaning and occurs in an organizational context and has a vital role to play in creating spirituality in an organization (Duchon & Plowman, 2005). Therefore, the presence of spiritual leadership is needed to create a work environment that has spiritual values.

A work environment with spiritual values is needed to improve an organization's progress. This is because spiritual values in the work environment can determine job satisfaction, involvement, commitment, and employee welfare (Rego & Cunha, 2008). In addition, spirituality in the workplace is needed to generate higher productivity and profits compared to a work environment without spirituality.

Based on the reviews in the paragraphs above, this study is interested in researching the influence of spiritual leadership on organizational performance by creating workplace spirituality. The results of this study are expected to contribute, namely (1) can become a source of reference for research in the field of human resources and other relevant topics, (2) can become a source of information for many organizations to be able to start implementing a spiritual leadership style model to create good organizational performance. Better.

LITERATURE REVIEWS

spiritual leadership theory

Organizational survival has become a priority nowadays for many organizations (WR et al., 2017; Pinasti & Adawiyah, 2016). The current organization is also a place for its members to develop their spiritual identity because most of their time is spent in the organization (Benefiel, 2005). Therefore, the critical role of organizational leaders emerges for organizational members in enriching the spiritual values of organizational members. This condition eventually gave rise to a leadership model style with the term spiritual leadership in an organization. Spiritual leadership has a meaning, namely values, attitudes, and behaviours, that must be adapted by a person to motivate himself and others intrinsically to provide positive improvements in aspects of well-being (Fry, 2003).

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After the work, the spiritual leadership model after the work (Fry, 2003) then continued to be developed and empirically validated by researchers in various countries (CY Chen & Yang, 2012; Wang et al., 2018; M. et al., 2018). However, these studies have several limitations, such as spiritual leadership needing more construct validity because spirituality is interpreted in various ways (Benefiel, 2005; Dent et al., 2005). This can happen because spiritual leadership is still in its early stages. Thus Fry and other researchers continue to develop and modify models of spiritual leadership, such as adding dimensions to inner life (Fry & Cohen, 2009). However, research on spiritual leadership has become a concern for many researchers. Avolio et al. (2009) stated that spiritual leadership has emerged as an essential matter, and Dent et al. (2005) also argue that spiritual leadership has contributed to understanding the integrative mechanism of leadership traits along with other leadership theories such as charismatic, transactional, and transformational leadership. In addition, (CY Chen & Li, 2013) explained that spiritual leadership has differences from traditional leadership theories, which focus more on member and leader relationships or economic exchange relationships, because spiritual leadership focuses more on the foundation of calling values and the meaning of work, developing a transcendental self-concept and a friendly organizational culture emphasizing vision, hope/faith and altruistic love.

Spiritual Leadership and Organizational Performance

Employee performance is a result that is measured based on the quality and quantity of results according to what has been determined by the organization. The effectiveness of employee performance in achieving targeted results can support the function of an organization. Therefore, the performance of an organization can be interpreted as the effectiveness of employees in carrying out all responsibilities that can contribute to the organization's core goals either with the help of technology directly or through the provision of materials or services needed by the company. Thus, organizational performance and achievement of organizational goals are determined by the ability of employees to complete tasks.

Employees' Outstanding performance can occur when the organization has leadership behaviour that can increase employees' effectiveness in carrying out their responsibilities. Leadership is a process of interaction between leaders and subordinates, where leaders have a determination that can inspire subordinates to achieve common goals. Therefore, leadership style and approach are determining factors in coordinating activities and supporting organizational processes that can influence performance and optimally manage employees and the organization.

The spiritual leadership approach model is an effective leadership model to increase employee motivation intrinsically to make the management of human and material resources more efficient. Fry (2003) explains that the concept of spiritual leadership becomes a vital leadership model in responding to the challenges of the organizational environment in the 21st

century with rapid changes through intrinsic motivation towards others to be able to bring up a sense of spiritual defence that brings awareness of duty and membership (Afsar et al., 2016; Fry & Slocum, 2008; Tkaczynski & Arli, 2018). Spiritual leadership is a type of leadership that focuses on organizational meaning (Thompson, 2004; F. Yang et al., 2019).

The research results (Fry & Nisiewicz, 2013) explain that spiritual leadership has a significant and positive influence on the spiritual well-being and performance of an organization through mapping shared visions and beliefs on cultural progress that lead to the health and physical well-being of employees. Spiritual leadership is also believed to be the leading supporter of organizational productivity to maximize organizational performance (S. Chen et al., 2019; Fry & Matherly, 2006; Kaplan et al., 2004; Srouji et al., 2019). Other studies also found a positive and significant influence of spiritual leadership on organizational performance (Baykal & Zehir, 2018; Jena & Pradhan, 2018; F. Yang et al., 2019; M. Yang & Fry, 2018).

Based on the explanation regarding the influence of spiritual leadership on organizational performance based on theoretical explanations and the results of previous research. Therefore, the first hypothesis to be tested in this study is as follows.

H 1: Spiritual leadership has a positive effect on organizational performance

Spiritual Leadership and workplace spirituality

Characteristics of spirituality in the workplace by instilling values such as friendship, compassion, openness, trust, kindness, honesty, moral and ethical considerations; a harmonious, aesthetic, and peaceful environment; a strong sense of solidarity; the presence of fun, love, serenity, religious activities, religiosity, corporate social responsibility, mutual respect, truth; the existence of common goals, attitudes, interdependence, guidance, patience, prayer habits, examples and positive thinking among employees, "faith in God", and management (Vasconcelos, 2013). Spirituality in the work environment can also be presented by creating a calm and healthy work atmosphere where employees and leaders have a perfect relationship as fellow human beings. Spirituality in the workplace also encourages community building, increases challenge, meaningful connection, feelings of joy, enjoyment and job satisfaction, conformity of personal values with organizational values, and increased sense of personal growth and self-esteem (Crumpton, 2012).

Spirituality in the work environment is born from servant leadership and is part of the workplace environment and culture (McCown, 2014). This is because leadership that has the nature to serve requires a moral obligation to care for subordinates. Thus the dimension of spirituality becomes part of leadership. This dimension is found in the spiritual leadership style. A spiritual leader is someone who can provide an atmosphere suitable for the spiritual needs of his followers in an organization in the form of decisions and practices and move them to voluntarily go towards goals by instilling a sense of happiness, vocation, and a sense of membership in the workplace. Leadership in spirituality is related to awareness of the bond between the inner and outside worlds (Kakabadse & Kakabadse, 2002).

Spiritual leadership can help create an understanding of spiritual life that nourishes and is nourished by work, which has meaning and occurs in an organizational context and has a vital role to play in creating spirituality in an organization (Duchon & Plowman, 2005). Spiritual leadership aims to capitalize on the fundamental need of a leader and subordinates for spiritual survival/well-being by creating a vision and alignment of values across individuals, teams and organizations. Thus, it will encourage better organizational commitment and productivity (Fry & Matherly, 2006). This indicates that spiritual leadership guides the process

so that someone in the organization finds the meaning of life and expresses or matches the people's inner voice with the community's common goals that are felt as part and purpose of themselves.

Based on the explanation regarding the influence of spiritual leadership on creating a workplace spirituality which is based on theoretical explanations and the results of previous research. Therefore, the second hypothesis to be tested in this study is as follows.

H 2: Spiritual leadership has a positive effect on the workplace spirituality

workplace spirituality and Organizational Performance

Characteristics of spirituality in the workplace by instilling values such as friendship, compassion, openness, trust, kindness, honesty, moral and ethical considerations; a harmonious, aesthetic, and peaceful environment; a strong sense of solidarity; the presence of fun, love, serenity, religious activities, religiosity, corporate social responsibility, mutual respect, truth; the existence of common goals, attitudes, interdependence, guidance, patience, prayer habits, examples and positive thinking among employees, "faith in God", and management (Vasconcelos, 2013). Spirituality in the work environment can also be presented by creating a calm and healthy work atmosphere where employees and leaders have a perfect relationship as fellow human beings. Spirituality in the work environment can also be supported by the organizational environment's physical structure or arrangement, such as a quiet room, interior decoration or aesthetics that are personal for each employee or group of employees in the workspace or office.

Spirituality in the workplace also encourages community building, increases challenge, meaningful connection, feelings of joy, enjoyment and job satisfaction, conformity of personal values with organizational values, and increased sense of personal growth and self-esteem (Crumpton, 2012). Spiritual values in the workplace can positively impact each employee's total quality management (TQM) strategy and management's commitment to their organization (W. Adawiyah et al., 2011). In addition, a work environment with spirituality can also increase total employee well-being, relatedness, life goals, quality of life, work performance, profitability and total organizational performance (Beheshtifar & Zare, 2013; Karakas, 2010). Therefore, spirituality in one's workplace enhances the perspective, outlook on work, performance, and commitment of employees and management.

Based on the explanation regarding the influence of spiritual leadership on organizational performance based on theoretical explanations and the results of previous research. Therefore, the third hypothesis to be tested in this study is as follows.

H 3: Workplace spirituality has a positive effect on organizational performance

Spiritual Leadership, Workplace Spirituality, and Organizational Performance

Spiritual leadership can help create an understanding of spiritual life that nourishes and is nourished by work, which has meaning and occurs in an organizational context and has a vital role to play in creating spirituality in an organization (Duchon & Plowman, 2005). Spiritual leadership aims to capitalize on the fundamental need of a leader and subordinates for spiritual survival/well-being by creating a vision and alignment of values across individuals, teams and organizations. Thus, it will encourage better organizational commitment and productivity (Fry & Matherly, 2006). This indicates that spiritual leadership guides the process so that someone in the organization finds the meaning of life and expresses or matches the

people's inner voice with the community's common goals that are felt as part and purpose of themselves.

Characteristics of spirituality in the workplace by instilling values such as friendship, compassion, openness, trust, kindness, honesty, moral and ethical considerations; a harmonious, aesthetic, and peaceful environment; a strong sense of solidarity; the presence of fun, love, serenity, religious activities, religiosity, corporate social responsibility, mutual respect, truth; the existence of common goals, attitudes, interdependence, guidance, patience, prayer habits, examples and positive thinking among employees, "faith in God", and management (Vasconcelos, 2013). Spirituality in the work environment can also be presented by creating a calm and healthy work atmosphere where employees and leaders have a perfect relationship as fellow human beings. Spirituality in the workplace also encourages community building, increases challenge, meaningful connection, feelings of joy, enjoyment and job satisfaction, conformity of personal values with organizational values, and increased sense of personal growth and self-esteem (Crumpton, 2012).

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Based on the explanation regarding the influence of spiritual leadership on organizational performance based on theoretical explanations and the results of previous research. Therefore, the fourth hypothesis to be tested in this study is as follows.

H 4: Spiritual leadership has a positive effect on organizational performance through the workplace spirituality

Figure 1. Research Model
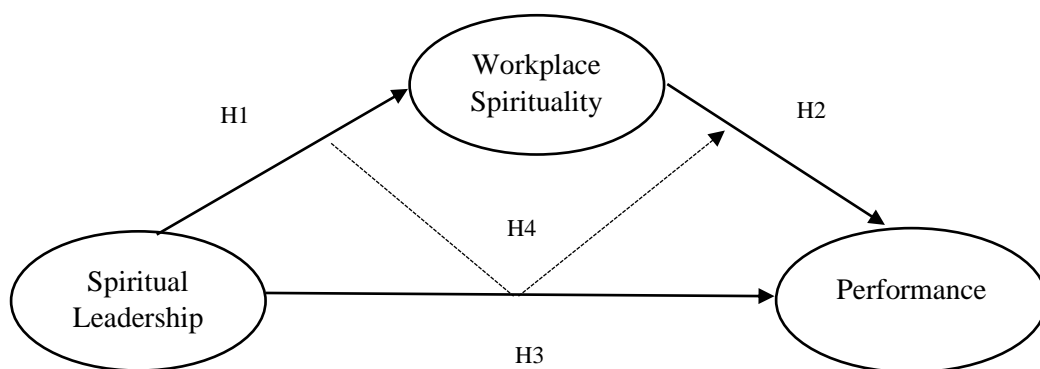
METHODS

This research is a quantitative study that aims to conduct tests to find empirical evidence regarding the influence of two or more variables (Sugiyono, 2017: 5). In this research, the variable to be tested for its influence is the strategic human management variable, intellectual capital, and digital marketing competency for the enterprise performance. The population in

this study are Micro, Small and Medium Enterprises (MSMEs) in Indonesia. Currently, the number of MSMEs in Indonesia in 2022 is 14.5 million. The sampling technique in this study uses the Slovin formula with the following calculations:

$$n = (14,500,000) / (1+(14,500,000 \times (0.05)^2) = 399.9 = 400 \text{ SMEs}$$

Based on these calculations, the number of samples in this study was 400 SMEs. Each MSME will be selected one person to represent as a respondent. Thus, this study will collect data from as many as 400 MSMEs using probability and accidental sampling techniques.

The data collection technique in this study was to use a questionnaire using a Likert scale of 1-5. The variables and variable indicators in this study are as follows:

Table 1. Variable Operational Definition

Variable	Indicator	Statement Items	Reference
spiritual leadership	Vision	Four statements	(Fry & Matherly, 2006)
	Hope/Faith Works	Four statements	
	Altruistic Love	Five statements	
	Meaning of calling	Four statements	
	Memberships	Four statements	
workplace spirituality	Condition for Community	Five statements	(Ashmos & Duchon, 2000)
	Meaning at Work	Seven statements	
	Inner Life	Nine statements	
performance	organizational Commitment	Four statements	(Fry & Matherly, 2006)
	Productivity	Five statements	

Source: Data processed by researchers

Research data collected in this study through questionnaires that have been distributed will then be processed using the successive interval (MSI) method and then proceed with analysis using path analysis with the help of the SPSS version 25.0 application. The equation model in this study is as follows:

$$WS = \alpha + \beta_1 SL + e .... (1)$$

$$P = \alpha + \beta_1 WS + \beta_2 SL + e .... (2)$$

Where :

α = Constant

β = Coefficient

SL = Spiritual Leadership

WS = Workplace spirituality

P = Performance

RESULTS & DISCUSSION

Description of the Research Sample

The data collection process in this study was through distributing questionnaires to 400 MSME owners in Indonesia. The description of the respondents in this study is shown in the following table.

Table 2. Description of Research Respondents

Criteria	Amount
Gender:	
Man	250 people
Woman	150 people
Age:	
< 20 years	15 people
20-25 years	17 people
25-30 years	157 people
30-35 years	146 people
35-40 years	178 people
>40 years	47 people
Length of Business Operation:	
< 1 year	36 attempts
1-5 years	98 attempts
6 -10 years	93 attempts
11-15 years	102 attempts
> 15 years	71 attempts
Number of Employees:	
< 5 people	67 attempts
5-10 people	87 attempts
11-15 people	77 attempts
16-20 people	68 attempts
21-25 people	54 attempts
> 25 people	47 attempts
Annual turnover:	
< 200 million	55 attempts
>200-300 million	170 attempts
>300-400 million	152 attempts
> 400 million	23 attempts

Source: Data processed by researchers

Based on the table above, the respondents in this study, most business owners, are men aged 25 to 40 years. The MSMEs in this study have been running for quite a long time, that is, over five years. Therefore, the number of employees they have is also quite a lot, namely more than five people and can generate an annual turnover of more than 200 million. This follows the business scale of MSMEs, which have several employees from 5 to more than 25 people.

Results of Data Analysis

The following section is an explanation of the results of the data analysis that was carried out in this study. The first test results are the validity and reliability tests of the instruments used in this study. The questionnaire in this study had 51 question items for ten indicators of 3 variables, filled in by 400 respondents from MSME owners in Indonesia. Each questionnaire question indicator is said to be valid if the comparison between the r count is more significant than the r table. The amount of r table for the number of respondents, 400 people with a significance of 5%, is 0.098. The following table presents the results of the validity test that was carried out in this study

Table 3. Validity Test Results

Variable	Indicator	Question Items	R count	R table	Information
Spiritual Leadership	Vision	Question 1	0.109	0.098	Valid
		Question 2	0.123	0.098	Valid

		Question 3	0.145	0.098	Valid
		Question 4	0.176	0.098	Valid
	Hope/Faith Works	Question 1	0.231	0.098	Valid
		Question 2	0.133	0.098	Valid
		Question 3	0.157	0.098	Valid
		Question 4	0.198	0.098	Valid
	Altruistic Love	Question 1	0.177	0.098	Valid
		Question 2	0.198	0.098	Valid
		Question 3	0.209	0.098	Valid
		Question 4	0.215	0.098	Valid
		Question 5	0.111	0.098	Valid
	Meaning of calling	Question 1	0.116	0.098	Valid
		Question 2	0.183	0.098	Valid
		Question 3	0.134	0.098	Valid
		Question 4	0.144	0.098	Valid
	Memberships	Question 1	0.153	0.098	Valid
		Question 2	0.179	0.098	Valid
		Question 3	0.201	0.098	Valid
		Question 4	0.139	0.098	Valid
workplace spirituality	Condition for Community	Question 1	0.166	0.098	Valid
		Question 2	0.198	0.098	Valid
		Question 3	0.221	0.098	Valid
		Question 4	0.231	0.098	Valid
		Question 5	0.105	0.098	Valid
	Meaning at Work	Question 1	0.111	0.098	Valid
		Question 2	0.164	0.098	Valid
		Question 3	0.211	0.098	Valid
		Question 4	0.278	0.098	Valid
		Question 5	0.177	0.098	Valid
		Question 6	0.189	0.098	Valid
		Question 7	0.104	0.098	Valid
	Inner Life	Question 1	0.122	0.098	Valid
		Question 2	0.178	0.098	Valid
		Question 3	0.214	0.098	Valid
		Question 4	0.210	0.098	Valid
		Question 5	0.221	0.098	Valid
		Question 6	0.111	0.098	Valid
		Question 7	0.101	0.098	Valid
		Question 8	0.134	0.098	Valid
		Question 9	0.241	0.098	Valid
Organizational Performance	organizational commitment	Question 1	0.278	0.098	Valid
		Question 2	0.265	0.098	Valid
		Question 3	0.245	0.098	Valid
		Question 4	0.213	0.098	Valid
	Productivity	Question 1	0.217	0.098	Valid
		Question 2	0.193	0.098	Valid
		Question 3	0.189	0.098	Valid
		Question 4	0.178	0.098	Valid
		Question 5	0.199	0.098	Valid

Source: Data processed by researchers

The next test is a reliability test based on the Cronbach value alpha, where each variable from the distribution of the questionnaire that has been carried out must have a Cronbach alpha of more than 0.6. The following table shows the results of the reliability test carried out in this study.

Table 4. Reliability Test Results

Variable	Cronbach Alpha	Information
Spiritual Leadership	0.786	Reliable
workplace spirituality	0.813	Reliable
Organizational Performance	0.690	Reliable

Source: Data processed by researchers

The third test carried out later in this study was the classic assumption test before the regression test. This classic assumption test aims to determine that the regression model to be tested is a good predictive model. This classic assumption test consists of a normality, multicollinearity, and heteroscedasticity test.

The normality test carried out in this study was the Kolmogorov-Smirnov test. The normality test results are marked if the resulting significance level value is more than 0.05. The following table presents the results of the normality test carried out in this study.

Table 5. Normality Test Results

		Unstandardized residual
N		536
Normal Parameters [a,b]	Means	0.0000000
	Std. Deviation	4.72281554
Most extreme Differences	absolute	0.043
	Positive	0.043
	Negative	-0.035
Kolmogorov-Smirnov Z		0.996
Asymp. Sig. (2-tailed)		0.274

Source: SPSS output results

Table 5 above shows that the significance value from the Kolmogorov test Smirnov is 0.2774, which is more than 0.05. Thus, the data in this study have a standard data distribution.

The following classic assumption test is the multicollinearity test. The results of this test are determined from the tolerance value and the Variance value Inflation Factor (VIF). The tolerance and VIF values must be more than 0.1 and less than 10. The following table shows the results of the multicollinearity test that was carried out in this study

Table 6. Multicollinearity Test Results

tolerance	VIF
0.666	1,501
0.666	1,501

Source: SPSS output

Table 6 above shows that from the results of the multicollinearity test, there were no symptoms of multicollinearity. Therefore, it can be concluded that this regression model is free from multicollinearity symptoms because the tolerance value is more than 0.1 and VIF is less than 10.

The last classic assumption test to be carried out is the heteroscedasticity test which is intended to test whether there is/is not an inequality of variance from one residual to another observation. The heteroscedasticity test in this study was carried out by carrying out the Glejser test and based on the scatterplot.

Table 7. Glejser Test Results

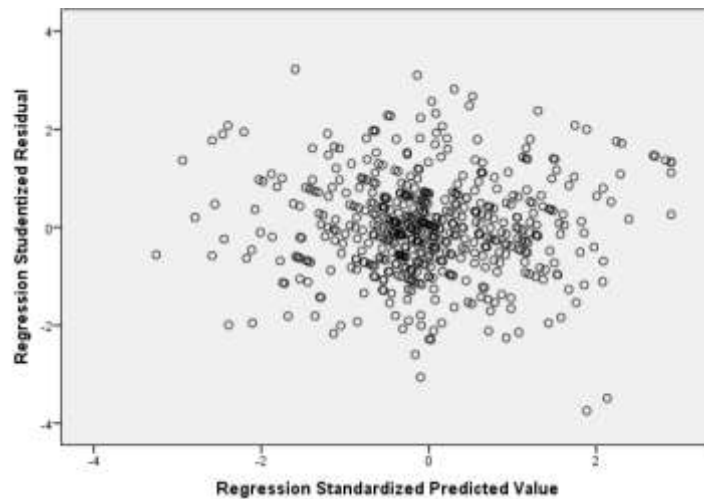| Model		Unstandardized Coefficients		standardized Coefficients	t	Sig.
		B	std. Error	Betas		
	(Constant)	3,072	0.816		3,766	0.000
1	SL	-0.004	0.019	-0.011	-0.202	0.840
	WS	0.014	0.019	0.039	0.733	0.464

Source: SPSS output results

Figure 2. Scatterplot (Source: SPSS output results)

Glejser test in Table 7 above shows that the significance value of the two independent variables with the dependent variable abs_res is more than 0.05. Thus, the results of the Glejser test conclude that this regression model is free from heteroscedasticity symptoms. Scatterplot images that are free from heteroscedasticity are images that have dots spread out and do not form a specific pattern. Figure 2 above shows that the dots are spread out and do not form a particular pattern. Therefore, this study is free from symptoms of heteroscedasticity.

The next test carried out in this study was a hypothesis test, where four hypotheses were tested. The following table presents the results of the hypothesis testing that was carried out in this study.

Table 8. Research Hypothesis Test Results (Direct Effect)

Model	Betas	t count	Significance	R Square (R^2)	Information
SL →P	0.197	6.58	0.000	0.301	H1 is accepted
SL →WS	0.58	16,349	0.000	0.332	H2 is accepted
WS →P	0.221	7,421	0.000	0.301	H3 is accepted

Source: SPSS output results

Table 8 above shows the results of the direct effect hypothesis test, namely H_1 to H_3. The results of hypothesis testing H_1 to H_3 show that all of them are proven to have a direct positive and significant effect. This is shown by the beta value and the significance of the H1 to H3 models, which have positive values and are less than 0.05. Furthermore, to test the fourth hypothesis in this study, calculations must be carried out using the Sobel test. The results of the Sobel test will produce a t count, which will be compared with the t table. The calculation of the Sobel test in this study is as follows.

$$S_{ab} = \sqrt{b^2 Sa^2 + a^2 Sb^2 + Sa^2 Sb^2}$$

$$S_{ab} = \sqrt{0{,}197^2 0{,}026^2 + 0{,}325^2 0{,}03^2 + 0{,}026^2 0{,}03^2} = 0{,}011041$$

$$t = \frac{ab}{S_{ab}} = \frac{0{,}325 \ X \ 0{,}197}{0{,}011041} = 5{,}798791$$

Sobel test calculations that have been carried out found that the resulting t count is 5.798791, where the result of this t count is greater than the t table, which has a value of 1.645. Thus, the fourth hypothesis in this study is accepted. Table 9 summarizes all the results of the hypothesis testing that has been done.

Table 9. Summary of Research Hypothesis Testing Results

Model	t count	Information
SL →P	6.58	H1 is accepted
SL →WS	16,349	H2 is accepted
WS →P	7,421	H3 is accepted
SL →WS →P	5.798791	H4 is accepted

Source: Data processed by researchers

The Effect of Spiritual Leadership on Organizational Performance

The results of the data analysis carried out in this study indicate that the spiritual leadership variable has a positive effect on organizational performance. This is based on a beta value of 0.197 and a significance value 0.000. Thus, the results of this study indicate that the better the application of spiritual leadership, the more optimal organizational performance. Therefore, the first hypothesis in this study states that spiritual leadership positively affects organizational performance **is accepted**.

This study has proven that spiritual leadership is a model capable of effectively motivating employees internally, thereby making the management of human and material resources more efficient. The results of this study support the theory of spiritual leadership development (Fry, 2003), which explains that the concept of spiritual leadership becomes a vital leadership model to respond to the challenges of the organizational environment in the 21st century with rapid changes through intrinsic motivation towards others to be able to bring about a sense of spiritual defence that brings awareness of duty and membership (Afsar et al., 2016; Fry & Slocum, 2008; Tkaczynski & Arli, 2018). The results of this study also support several results from previous studies, which explain that spiritual leadership has a significant and positive effect on a person's performance in an organization and supports organizational productivity to maximize performance (Baykal & Zehir, 2018; S. Chen et al., 2019; Fry & Matherly, 2006; Fry & Nisiewicz, 2013; Jena & Pradhan, 2018; Kaplan et al., 2004; Srouji et al., 2019; F. Yang et al., 2019; M. Yang & Fry, 2018).

The Effect of Spiritual Leadership on the Workplace Spirituality

The results of the data analysis carried out in this study indicate that the spiritual leadership variable positively affects workplace spirituality. This is based on a beta value of 0.58 and a significance value 0.000. Thus, the results of this study indicate that the better the application of spiritual leadership, the more able it is to create a work environment full of spiritual values. Therefore, the second hypothesis in this study, which states that spiritual leadership has a positive effect on workplace spirituality **accepted**.

The results of this study support the explanation that the value of spirituality in the work environment is born from a leadership model that serves and is part of the workplace environment and culture (McCown, 2014). Spiritual model leadership can support the creation of an understanding of spiritual life that nourishes and is nourished by work. It has meaning and occurs in an organizational context, and it has a vital role to play in creating spirituality in a person in an organization (Duchon & Plowman, 2005).

Workplace Influence Spirituality on Organizational Performance

The results of the data analysis carried out in this study indicate that the workplace variable spirituality has a positive effect on organizational performance. This is based on a beta value of 0.221 and a significance value 0.000. Thus, the results of this study indicate that a work environment with strong spiritual values will further maximize organizational performance. Therefore, the third hypothesis in this study, which states that workplace Spiritual positive influence on organizational performance, **is accepted**.

The results of the research support the statement that a work environment that has spiritual values encourages the formation of community, increases challenges, has meaningful relationships, feelings of joy, enjoyment and job satisfaction, conformity of personal values with organizational values, and increased sense of personal growth and self-esteem (Crumpton, 2012). In addition, values in the work environment can increase the positive impact on each employee's total quality management (TQM) strategy and management's commitment to the organization (W. Adawiyah et al., 2011). The value of spirituality in the work environment can also increase employee welfare in terms of total relevance, life goals, quality of life, work performance, profitability and total organizational performance (Beheshtifar & Zare, 2013).

The Effect of Spiritual Leadership on Organizational Performance through the Workplace Spirituality

The Sobel test that was carried out in this study showed that the workplace variable spirituality has a mediating effect on the influence of spiritual leadership on organizational performance. This is based on the calculated t value that is equal to 5.798791. Thus, the results of this study indicate that the better the application of spiritual leadership, the more likely it is to create a work environment full of spiritual values that can maximize organizational performance. Therefore, the fourth hypothesis in this study states that spiritual leadership positively affects organizational performance through accepted workplace spirituality.

The results of this study support that spirituality in the work environment can also be presented by creating a calm and healthy work atmosphere where employees and leaders have a perfect relationship as fellow human beings. Spiritual leadership can help create an understanding of spiritual life that nourishes and is nourished by work, which has meaning and occurs in an organizational context and has a vital role to play in creating spirituality in an organization (Duchon & Plowman, 2005). Spiritual leadership aims to capitalize on the fundamental need of a leader and subordinates for spiritual survival/well-being by creating a

vision and alignment of values across individuals, teams and organizations. Thus, it will encourage better organizational commitment and productivity (Fry & Matherly, 2006). A work environment with spirituality can also increase employee well-being, relatedness, life goals, quality of life, work performance, profitability, and total organizational performance (Beheshtifar & Zare, 2013; Karakas, 2010). Therefore, spirituality in one's workplace enhances the perspective, outlook on work, performance, and commitment of employees and management.

CONCLUSION

This research aims to test the effect of spiritual leadership on organizational performance. In addition, this study also tested the existence of a mediating effect from workplace spirituality on the influence of spiritual leadership on organizational performance. This study concluded that spiritual leadership was found to have direct and indirect effects on organizational performance. Spiritual leadership is known to improve organizational performance by creating a work environment with spiritual values. Therefore, organizations are expected to apply a spiritual leadership model to create a work environment with spiritual values, which in turn can produce optimal organizational performance.

The results of this study can be considered while taking into account the limitations of this study. The first limitation is research on spiritual leadership in Indonesia, especially those related to organizational and workplace performance spirituality, still needs to be improved in terms of references. Hence, the measurement of research variables still needs to be further developed. The second limitation of this study is that the number of respondents still needed to be determined randomly, resulting in less specific results due to the general nature of the respondents. Therefore, further research is expected to make more specific research respondents by determining the characteristics of the respondents.

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