SPIRITUAL LEADERSHIP AND EMPLOYEE PERFORMANCE: AN EMPIRICAL INVESTIGATION

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ABSTRACT
In terms of effectiveness, organizations need to consider the concept of spiritual leadership in order to increase employee performance, which in turn, lead to organizational performance. This study aims to investigate the effect of spiritual leadership on employee performance. Data from162 employees of public universities in Southeast Sulawesi are analyzed using structural equation modeling. The result shows that spiritual leadership has a significant effect on employee performance. Overall, the finding of this study indicates that spiritual leadership improves employee performance to realize the organizational competitive advantage.
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Keyword: Spiritual leadership, employee performance.

1. INTRODUCTION

Organizations today are seen as spiritual entities due to the fact that people allocate a lot of time in their workplaces, where spiritual identities are enclosed in their organizations (Benefiel, 2005). In the recent period, Indonesia has been hit by a crisis of leadership that marked by emergence of various political problems, corruption, poor performance of bureaucracy, and so forth, which are generally more liable to undermine the image of leadership of state institutions in the opinions of its people. Government bureaucracy conditions that rife with corruption, collusion and nepotism also brings an impact on unethical business practices, that very detrimental to society at large.

One of the driving factors of happening various unethical leadership practices and business is due to the tendency of Indonesian people, including the leaders, who are more concerned to the value of materialism than spiritualism. This is as stated by Suryono (2002) that in Indonesia, there is a tendency to more concern to the position than role. High and low prestige of a person is measured by the external attributes, such as title, luxury residence, vehicle, clothes, and so forth. As Drucker (2012) illustrated these phenomenon by stating that the world is facing the danger of barbarians community birth who are not educated, that are the people who have lost faith in the basic of economy values, so it is necessary to regenerate spirituality in leadership (Kanungo & Mendonca, 1996).

The most balanced leadership theory can be a theory that causes individuals to really

think about the nature and work environment as part of self-integral. This integration can be well interpreted by spiritual leadership which generates a strong relationship between spirituality and organizational environment (Afsar, Badir, & Kiani, 2016; Low & Ayoko, 2018; Shrivastava, 2010). On the other hand, in terms of effectiveness, organizations also need to consider the concept of spiritual leadership in order to increase organizational performance. Baykal and Zehir (2018); Haensel and Garcia-Zamor (2019); Hassani (2018); L. W. Fry and Cohen (2009)found that the spiritual leadership will be able to foster positive human values, psychological and spiritual circumstances that lead to achieve productivity and overall organizational performance.

2. LITERATURE REVIEW
2.1 Spiritual Leadership and Employee Performance
L. W. Fry (2003) suggests that the concept of spiritual leadership is crucial in facing the challenges of the organizational environment in the 21st century which is full of the rapid changes.Spiritual leadership is a combination of necessary values, attitudes, and behaviors to self-motivate and others intrinsically so they have a sense of spiritual defense through the call of duty and membership (Afsar et al., 2016; L. W. Fry & Slocum Jr, 2008; Tkaczynski & Arli, 2018). Thompson (2004); F. Yang, Huang, and Wu (2019)assert that spiritual leadership as the type of leadership that focuses on the meaning of the organization.

L. W. Fry (2003) outlines that the spiritual leadership duties include: (1) creating a vision in which members of the organization experience the called feeling in their life, find meaning, and make something different; (2) building a social culture/ organization based on altruistic love in which leaders and followers truly mutual concern, care, and respect each other, so that result a sense of membership, feel understood and appreciated.

L. W. Fry and Nisiewicz (2013) state that spiritual leadership has a significantly positive effect on the welfare of spiritual and personal-organizational performance by mapping the shared vision and belief in the progress of culture, which in turn can improve well-being and physical health of workers. High spiritual leadership is believed as key driver of productivity of the organization in optimizing the organizational performance (S. Chen, Jiang, Zhang, & Chu, 2019; L. Fry & Matherly, 2007; Kaplan, Kaplan, Norton, & Davenport, 2004; Srouji, Abed, & Hamdallah, 2019).

Another study revealed a positive and significant relationship between spiritual leadership and several unit-level outcomes, including four measures of performance (Baykal & Zehir, 2018; L. W. Fry, Hannah, Noel, & Walumbwa, 2011; Jena & Pradhan, 2018; F. Yang, Liu, Wang, & Zhang, 2019; M. Yang & Fry, 2018). Spiritual leadership also positively affect workplace spirituality, which in turn, improve environmental passion and intrinsic motivation(Afsar et al., 2016; Wang, Guo, Ni, Shang, & Tang, 2018). Thus,

H1: Spiritual leadership has a significant effect on employee performance

3. RESEARCHMETHODS
3.1 Population and Sample

The population size of this study was 470 employees. After sorting by gender, the interest population was found to include 420 employees (89.36%) from Halu Oleo university and 50 employees (10.64%) from IAIN Sultan Qaimuddin, and of 297 male employees (63.19%) and 173 female employees (36.81%). From this group, 162 public university employees of Halu Oleo and IAIN Sultan Qaimuddin in Southeast Sulawesi – Indonesia were selected by simple random sampling.

3.2 Instrument

In order to collect the important data and to test the hypothesis of the present study, a well questionnaire was used. The questionnaire consists of three sections. The first section includes 36 questions developed by L. W. Fry (2003) to measure spiritual leadership (vision, hope/faith, and altruistic love). Second section contains the scale developed by Mathis and Jackson (2011) to measure employee performance (quality of work, quantity of work, and timeliness of work).

3.3 Structural Equation Modeling

Structural equation modeling (SEM) was used to examine construction of the questionnaire. The relationship between research variables and their dimensions were tested.

Table 1
Standardized Regression Weights

			Estimate
SL1	<---	Spiritual leadership	.917
SL2	<---	Spiritual leadership	.929
SL3	<---	Spiritual leadership	.921
SL4	<---	Spiritual leadership	.922
EP3	<---	Employee performance	.937
EP2	<---	Employee performance	.891
EP1	<---	Employee performance	.899

The results of data analysis in Table 1 show that the loading value of all indicators is above 0.5. It indicates that the indicators of spiritual leadership and employee performance measurement in this study are considered valid and have fulfilled convergent validity.

Table 2
Normality Test

Variable	Min	Max	Skew	C.R.	Kurtosis	C.R.
SL1	3.000	7.000	-.195	-1.184	-.260	-.790
SL2	3.000	7.000	.085	.514	-.652	-1.979
SL3	4.000	7.000	-.394	-2.390	-.718	-2.180
SL4	3.000	7.000	-.024	-.145	-.042	-.127
EP3	3.000	7.000	-.224	-1.358	-.721	-2.187
EP2	3.000	7.000	-.139	-.843	-.622	-1.889
EP1	3.000	7.000	-.334	-2.026	-.736	-2.232

Multivariate		20.849	2.559

Normality test results in Table 2 show that the value of C.R. = 2.559 which is under 10. It can be concluded that the data are normally multivariate distributed (Kline, 2015).

Table3
Fitness Indices of Structural Model

	Chi-square	Probability	CMIN/DF	GFI	TLI	AGFI	CFI	RMSEA
Model 1	53.357	0.042	2.809	0.948	0.975	0.899	0.984	0.093
Model 2	36.017	0.091	1.387	0.967	0.996	0.942	0.998	0.043
Full model	23.965	0.464	0.999	0.940	1.000	0.940	1.000	0.000

In Table3, the result of CFA showed the fit indices (CMIN/DF = 2.809, 1.387, 0.999; GFI = 0.948, 0.967, 0.940; TLI = 0.975, 0.996, 1.000; AGFI= 0.899, 0.942, 0.940; CFI = 0.984, 0.998, 1.000; RMSEA = 0.093, 0.043, 0.000) suggest that the model fits very well with the data.

4. RESULTS AND DISCUSSION

Based on the results of SEM analysis, hypothesis 1 was confirmed. Table 4 furthermore summarized the results of hypothesis testing in terms of path coefficient.

Table4
Hypothesis Testing

Hypotheses	Path Coefficient	T-Value	P	Result
Spiritual leadership $\rightarrow$ Employee performance	0,212	2,215	0,027*	Confirmed

Significant level (ρ< 0.05)

Table 2 showed that spiritual leadership has a significant positive effect on employee performance. It was evident that spiritual leadership affects employee performance to extent of 0.212. The higher expectations of spiritual leaders can boost the spirit of cooperation, trust, and effectiveness of organizational systems (Milliman, Gatling, & Kim, 2018; Mohammadi, Vanaki, & Mohammadi, 2013; Pawar, 2017).This finding confirmed the study of (Akbar, Udin, Wahyudi, & Djastuti, 2018; Baykal & Zehir, 2018; L. Fry & Matherly, 2007) that high spiritual leadership is believed as key driver of productivity of the organization in optimizing the organizational performance. Employees who have some sort of emotional bonding with organization perform better as compare to others.

Spiritual leadership further creates a harmonious work environment where employees love and become committed to their work, which results in higher organizational loyalty and productivity. In a spiritually led organization, every employee feels empowered and responsible for their work in order to maintain the organizational reputation and fulfill a high level of performance to achieve the preferred future (Baykal & Zehir, 2018; L. W. Fry & Slocum Jr,

2008).

Pandey and Gupta (2008) assert that spirituality influences the consideration of one's work environment, where emotional and spiritual development is indeed necessary to save the work environment and to display eco-centrism behavior (Shrivastava, 2010). (Crossman, 2010, 2011) state that spiritual leadership adheres to spiritual values and energizes the spirit of work environment. Thus, spiritual leadership is one of the greater impressive leadership approaches for influencing employees by showing pro-work environment behavior. Spiritual leader applies the concept of service that focuses on the sustainability of intergenerational reciprocity relationships and benefits community (Hernandez, 2008; Karakas, 2010).

Spiritual leader helps employees to become fully person and find meaningful work to achieve higher goals (Hudson, 2014; F. Yang, Huang, et al., 2019; F. Yang, Liu, et al., 2019). Spiritual leader also extends employees to think beyond themselves with more comprehensive considerations. Kayaa (2015) revealed a positive relationship between spiritual leadership and togetherness of employees and their colleagues in the organization to display a higher OCB. Spiritual leadership is able to integrate the core values, processes and systems of the organization with the core values and aspirations of employees, thus making it more in line with the organization (Benefiel, 2005; Reave, 2005). Spiritual leader tends to encourage employees to striving for greater life goals, meaningful work, altruism, transcendence, and sense of togetherness in the organizations (Afsar et al., 2016; C.-Y. Chen & Li, 2013).

5. CONCLUSION

This study found that spiritual leadership positively and significantly affects employee performance. The more high level of spiritual leadership, especially in terms of clear vision, hope/faith and altruistic love, the more advanced of employees performance. Spiritual leadership creates congruence across the empowered team to foster increased level ofproductivity and performance.

This study has limitation that should be noted. The data collection was restricted to only two public universities. It was suggested that in order to generalize the findings to the universities in Southeast Sulawesi – Indonesia, the study should be expanded to include other public and private universities.

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