

## THE EFFECT OF SPIRITUAL LEADERSHIP AND WORK ETHIC ON PERFORMANCE THROUGH JOB SATISFACTION

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### ABSTRACT

*The last few decades, strengthening spiritual values in human resource management (HR) has become a trend of discussion in business studies. This is due to various practices of companies or financial institutions that are not commendable and cause negative impacts, not apart from human resource management that is far from spiritual values. Even employee performance is only driven by the achievement of economic indicators without being based on spiritual values. This study aims to determine how spiritual leadership and work ethic affect performance through job satisfaction in the sharia lodging services sector in Malang City. In this study there were 14 objects of the Islamic lodging services sector with a total sample of 132 respondents. The analysis technique used in this study is path analysis. The results of this study found that 1) there is a significant influence of spiritual leadership on job satisfaction, 2) there is a significant influence of work ethic on job satisfaction, 3) there is no significant effect of job satisfaction on performance, 4) there is a significant influence of spiritual leadership on performance, 5) there is a significant influence of work ethic on performance, 6) there is no significant influence of spiritual leadership on performance through job satisfaction, and 7) there is no significant influence of work ethic on performance through job satisfaction.*

Key words: Spiritual Leadership, Work Ethic, Performance, Job Satisfaction.

### INTRODUCTION

Spiritual leadership is believed to be the solution to the current leadership crisis. Spiritual leadership is the peak of the evolution of leadership model or approach because it departs from the human paradigm as rational, emotional, and spiritual beings, or beings whose personality structure consists of body, lust, intellect, heart, and spirit. Spiritual leadership is true leadership and real leaders. Leaders lead with religious ethics that are able to form exceptional character, integrity and example. He is not a leader because of rank, position, position, descent, power and wealth.

The last few decades, strengthening spiritual values in human resource management (HR) has become a trend of discussion in business studies. This is due to various practices of companies or financial institutions that are not commendable and cause negative impacts, not apart from human resource management that is far from spiritual values. Even employee performance is only driven by the achievement of economic indicators without being based on spiritual values (Sulistyo, 2009).

In addition to spiritual leadership, there are several important factors that have a role in improving employee performance. Productive and optimal employee performance is one of the goals of the organization to achieve high work productivity. Employee performance can be assessed through the level of success in carrying out their duties and responsibilities. In general, employee performance in general is influenced by two factors, namely internal factors, such as organizational commitment and job satisfaction and external factors, such as leadership, organizational culture, work safety, etc. (Taurisa & Ratnawati, 2012).

Job satisfaction is an internal factor that affects employee performance. Job satisfaction can be defined as a pleasant or unpleasant emotional state, which is demonstrated by employees at work (Hatta & Rachbini, 2015). The level of job satisfaction of employees is influenced by several aspects, both aspects of the company as well as those of the employee. Aspects derived from the organization / company, including the organizational culture that is always inherent in every company, while aspects that come from employees, including the commitment given by employees to the company (Noor, 2012). Thus, theoretically, organizational culture, organizational commitment and job satisfaction have a close relationship in influencing employee performance.

In the tourism industry, sharia principles have been applied to attractions, accessibility and accommodation. Examples of attractions are Lombok as a sharia tourist destination that has been recognized by the world by getting the Halal Tourism Award as the World's Best Halal Tourism Destination and the World's Best Halal Honeymoon Destination 2015. An example of accessibility is the existence of the Sharia service of the national airline Thai Airways owned by Thailand which has Thai Catering Kitchen and claims to be the Largest Halal Kitchen in the World. They provide halal food and drinks on the plane. An example of accommodation is a sharia hotel, Although it sounds foreign, this Islamic hotel has been found in many countries with a majority of Muslims such as Malaysia, Turkey, Arabic and Indonesia, as well as countries with a majority of non-Muslims such as Australia, Thailand and Singapore (Riyanto, 2012).

### RESEARCH METHODS

#### Research Model and Hypothesis

Based on the title and object of the research, this research uses quantitative research methods with a descriptive approach and Explanatory Research. Quantitative research methods are research methods that are based on the philosophy of positivism, used

to examine populations or specific samples, data collection using research instruments, quantitative / statistical data analysis, with the aim to test hypotheses that have been determined (Sugiyono, 2014).

The analysis technique in this study uses path analysis. In this study, there are 3 types of variables, exogenous variables (Spiritual Leadership and Work Ethic), endogenous variables (Performance), and mediating variables (Job Satisfaction). The research model in this study can be seen in the image below:

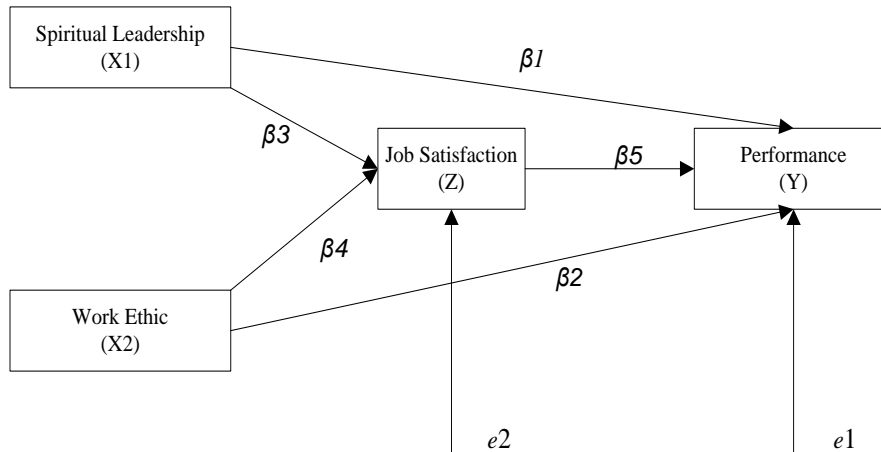


Figure 1: Research Design

- H1: Spiritual leadership has a positive and significant direct effect on job satisfaction.
- H2: Work ethic has a positive and significant direct effect on job satisfaction.
- H3: Job satisfaction has a direct and positive and significant effect on performance.
- H4: Spiritual leadership has a direct and positive and significant effect on performance.
- H5: Work ethic has a direct and positive and significant effect on performance.
- H6: Spiritual leadership has a positive and significant effect on performance through job satisfaction.
- H7: Work ethic has a positive and significant effect on performance through job satisfaction.

RESULTS

Descriptive Analysis

Table 1: Mean of Descriptive Analysis

Variable	Indicator	Average	Conclusion
Spiritual Leadership (X1) *Source: Fry (2005)	Vision	6,30	Very Good
	Hope/Faith	6,28	
	Altruistic Love	6,13	
	Meaning/Calling	6,33	
	Membership	6,40	
	Organizational Commitment	6,27	
	Productivity	6,41	
<b>Average Total</b>		<b>6,30</b>	
Work Ethic (X2) *Source: Miller, M. J. (2002)	Centrality of Work	6,15	Very Good
	Independence	6,30	
	Hard Work	6,25	
	Convenience	6,08	
	Morality	6,22	
	Avoid Gratification	6,13	
	Spend Time	6,42	
<b>Average Total</b>		<b>6,22</b>	
Job Satisfaction (Z) *Source: Resnick, S. G. (2001)	General Satisfaction	6,31	Very Good
	Salary	5,99	
	Promotion and Security	6,21	
	Supervision	6,32	
	Co-workers	6,34	
	Feeling towards Work	6,40	
<b>Average Total</b>		<b>6,26</b>	
Performance (Y) *Source: Chiang (2012)	Responsible	6,23	Very Good
	Work Effectiveness	6,04	

Variable	Indicator	Average	Conclusion
	Work Efficiency	6,24	
<b>Average Total</b>		<b>6,17</b>	

### Reliability Test

Reliability to measure the reliability of a measuring instrument or questionnaire. The instrument is said to be reliable if the instrument which if used several times to measure the same object will produce the same data (Cooper & Schindler, 2014). A research instrument is said to be reliable if,  $r \geq 0,1427$  and the instrument is declared unreliable, if  $r < 0,1427$ . So in this study the *Cronbach Alpha* value used is  $\geq 0,05$ .

**Table 2: Reliability Test**

Variable	<i>Cronbach's Alpha</i>	Conclusion
X1	0,556	Reliable
X2	0,734	Reliable
Z	0,572	Reliable
Y	0,726	Reliable

Based on the table above, it can be concluded that all variables are reliable.

### Path Analysis

From the results of testing of 132 employees of the sharia lodging services sector in Malang City, the following results were obtained:

### Classic Assumption Test

#### Assumption of Multicollinearity

**Table 3: Assumption of Multicollinearity**

Variable	VIF	
	Job Satisfaction	Performance
Spiritual Leadership	1,327	1,459
Work Ethic	1,327	1,433
Job Satisfaction		1,354

Based on the testing output of multicollinearity assumptions, it can be seen that the influence of spiritual leadership and work ethic on job satisfaction produces a VIF value of no more than 10, so the path model of the job satisfaction variable does not contain multicollinear symptoms. Then the influence of spiritual leadership, work ethic, and job satisfaction on performance produces a VIF value of no more than 10, so the path model of the performance variable does not contain multicollinear symptoms.

#### Assumption of Normality

**Table 4: Assumption of Normality**

	Job Satisfaction	Performance
<i>Kolmogorov-Smirnov Z</i>	0,069	0,066
Probability	0,200	0,200

Testing the normality assumption of the influence of spiritual leadership and work ethic on job satisfaction produces Kolmogorov Smirnov test statistics of 0.069 with a probability of 0.200, then the influence of spiritual leadership, work ethic, and job satisfaction on performance produces Kolmogorov Smirnov test statistics of 0.066 with a probability of 0.200. This result shows that the probability > level of significant ( $\alpha=5\%$ ). This means that the residuals generated by the two models are normally distributed. Testing the normality assumption of the influence of spiritual leadership and work ethic on job satisfaction produces Kolmogorov Smirnov test statistics of 0.069 with a probability of 0.200, then the influence of spiritual leadership, work ethic, and job satisfaction on performance produces Kolmogorov Smirnov test statistics of 0.066 with a probability of 0.200. This result shows that the probability > level of significant ( $\alpha=5\%$ ). This means that the residuals generated by the two models are normally distributed.

#### Assumption of Heteroscedasticity

**Table 5: Assumption of Heteroscedasticity**

Exogenous Variable	Endogenous Variable	
	Job Satisfaction	Performance
Spiritual Leadership	0,070	0,936
Work Ethic	0,460	0,157
Job Satisfaction		0,520

Testing the heteroscedasticity assumption shows that the probability for all equations (job satisfaction and performance) > level of significant ( $\alpha=5\%$ ). This means that the residuals are declared to have a homogeneous variety. Thus the assumption of heteroscedasticity is fulfilled for all equations.

**Coefficient of Determinating Testing ( $R^2$ )**

**Table 6: Coefficient of Determinating Testing ( $R^2$ )**

Variable	$R^2$
Job Satisfaction	0,262
Performance	0,260

$$R_m^2 = 1 - ((1 - R_Z^2) * (1 - R_Y^2))$$

$$R_m^2 = 1 - ((1 - 0,262) * (1 - 0,260)) = 0,454$$

Total of Coefficient Determinating ( $R_m^2$ ) is worth 0,454 or 45,4%. This can indicate that the diversity of performance can be explained by the overall model of 45,4%, or in other words the contribution of spiritual leadership, work ethic, and job satisfaction to overall performance of 45,4%, while the remaining 54.6% is contributed by other variables not discussed in this study.

**Hypothesis Testing**

**Direct Hypothesis Test**

**Table 7: Direct Hypothesis Test**

Exogenous	Endogenous	Coefficient	T Statistics	Prob.	Conclusion
Spiritual Leadership	Job Satisfaction	0,312	3,578	0,000	Supported
Work Ethic	Job Satisfaction	0,279	3,205	0,002	Supported
Spiritual Leadership	Performance	0,286	3,119	0,002	Supported
Work Ethic	Performance	0,240	2,633	0,010	Supported
Job Satisfacton	Performance	0,093	1,052	0,295	Not Supported

Based on the table above, almost all hypotheses are directly accepted, only one hypothesis is not accepted, namely the hypothesis of job satisfaction on performance.

**Indirect Hypothesis Test**

**Table 8: Indirect Hypothesis Test**

Exogenous	Mediation	Endogenous	Direct Coef.	Indirect Coef.	Total Coef.	Conclusion
Spiritual Leadership	Job Satisfaction	Performance	0,286	0,029	0,315	Not Supported
Work Ethic	Job Satisfaction	Performance	0,240	0,026	0,266	Not Supported

Based on the table above, it can be concluded that all indirect hypotheses are rejected.

**DISCUSSION**

**Effect of Spiritual Leadership on Job Satisfaction**

There is a significant influence of spiritual leadership on job satisfaction. The path coefficient of the influence of spiritual leadership on job satisfaction is 0.312, indicating spiritual leadership has a positive effect on job satisfaction. This means that the better spiritual leadership tends to increase job satisfaction. This is same with the results of research from Kawiana, et al (2016), shows there is a positive and significant effect on job satisfaction. This study also found that calling as an intermediary in the relationship between spiritual leadership and job satisfaction. Also in line with research conducted by Haris, et al (2016), according to the findings of this study, it is recommended to provide the desired organizational atmosphere accompanied by spiritual leadership. Because spiritual leadership is proven to improve employee performance in a faculty at a university.

**Effect of Work Ethic on Job Satisfaction**

There is a significant influence of work ethic on job satisfaction. The path coefficient of work ethic influence on job satisfaction is 0.279, indicating that work ethic has a positive effect on job satisfaction. This means that the better the work ethic, it tends to increase job satisfaction. Hal ini sejalan dengan penelitian yang dilakukan oleh Zaman, et al (2013), the proposed hypothesis finds the result of significance through statistical analysis. In this study all proposed hypotheses are supported and have found significant results.

**Effect of Job Satisfaction on Performance**

There is no significant effect of job satisfaction on performance. The path coefficient effect of job satisfaction on performance is 0.093 indicating job satisfaction has a positive effect on performance. This means that the better job satisfaction, it tends to increase performance, but the increase is not significant. According to research from Al-Ali, et al (2019), his research on oil and

gas companies in the United Arab Emirates shows that job satisfaction has no significant effect on employee performance and no significant effect on turnover intentions. While research from Husein, et al (2018), job satisfaction will be very meaningful if it improves performance if it uses a coaching role.

#### **Effect of Spiritual Leadership on Performance**

There is a significant influence of spiritual leadership on performance. The path coefficient of the influence of spiritual leadership on performance is 0.286 indicating the influence of spiritual leadership has a positive effect on performance. This means that the better the influence of spiritual leadership will tend to improve performance. According to research results from Fry, et al (2011), This research shows that the principles of hope / faith, altruistic love, and vision in spiritual leadership consist of the values, attitudes, and behaviors needed to intrinsically motivate yourself and employee performance to have a sense of calling and membership of a company. This shows that there is a significant relationship between spiritual leadership and employee performance. While research from Yang, et al (2017), this research will expand knowledge about the relationship between spiritual leadership and employee performance by investigating the mediating role of relational energy and the moderate effects of leader integrity and relational energy differentiation which shows that spiritual leadership has a significant effect on employee performance in a company.

#### **Effect of Work Ethic on Performance**

There is a significant influence of work ethic on performance. The path coefficient of work ethic influence on performance is 0.240 indicating the effect of work ethic has a positive effect on performance. This means that the better the influence of the work ethic, it tends to improve performance. According to Javed, et al (2016), in his research shows that the effect of work ethic and adaptive performance is lost in the literature and the findings of this study confirm the effect of work ethic and significant performance.

#### **Effect of Spiritual Leadership on Performance through Job Satisfaction**

There is no significant influence of spiritual leadership on performance through job satisfaction. The path coefficient of the influence of spiritual leadership on performance through job satisfaction is 0.029 indicating the influence of spiritual leadership has a positive effect on job satisfaction through job satisfaction. This means that the higher job satisfaction caused by the better spiritual leadership can improve performance, but the increase is not significant. Research by Yusof, et al (2014), states that spiritual leadership influences job performance and satisfaction. While research by Fachrunnisa, et al (2014), states that spiritual leadership and the involvement of the creative process are requirements to create job satisfaction which then leads to employee performance to implement government programs.

#### **Effect of Work Ethic on Performance through Job Satisfaction**

There is no significant influence of work ethic on performance through job satisfaction. The path coefficient of the influence of work ethic on performance through job satisfaction is 0.026 indicating the effect of work ethic has a positive effect on job satisfaction through job satisfaction. This means that the higher job satisfaction caused by the better work ethic, it can improve performance, but the increase is not significant. According to research from Shafique, et al (2015), this study examines the relationship between work ethic and employee performance and job satisfaction. We obtain evidence that the work ethic directly affects employee performance and job satisfaction, and that it moderates the relationship between employee performance and job satisfaction. Furthermore, it was found that work ethic support increased with age, education level, and work experience.

### **CONCLUSION**

Based on the results and analysis of research. So, here are some conclusions from the research that has been done: 1) there is a significant influence of spiritual leadership on job satisfaction, 2) there is a significant influence of work ethic on job satisfaction, 3) there is no significant effect of job satisfaction on performance, 4) there is a significant influence of spiritual leadership on performance, 5) there is a significant influence of work ethic on performance, 6) there is no significant influence of spiritual leadership on performance through job satisfaction, and 7) there is no significant influence of work ethic on performance through job satisfaction.

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