

# THE IMPACT OF SPIRITUAL LEADERSHIP AND ORGANIZATIONAL CULTURE ON EMPLOYEE PERFORMANCE AT BMT IBAADURRAHMAN SUKABUMI

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#### Abstract

**Objective** – This study aims to examine the influence of spiritual leadership and organizational culture on employee performance at Baitul Maal wat Tamwil (BMT) Ibaadurrahman Sukabumi. The research focuses on understanding how these two factors, deeply rooted in Islamic values, impact the overall effectiveness and productivity of employees.

**Design/Methodology/Approach** – The research employs a quantitative approach, using descriptive analysis, instrument tests, classical assumption tests, and hypothesis testing. Data were gathered through a Likert-scale questionnaire distributed to 41 respondents. The collected data were then analyzed using IBM SPSS and Microsoft Excel.

**Findings** – That both spiritual leadership and organizational culture have a significant impact on employee performance, both individually and collectively. Specifically, it was found that spiritual leadership and organizational culture contribute positively to employee performance, with a simultaneous effect showing a combined contribution of 16.4%.

**Conclusion and Implications** – The study concludes that spiritual leadership and organizational culture play critical roles in enhancing employee performance. These findings suggest that organizations, particularly Islamic financial institutions like BMT, should focus on fostering a strong organizational culture and spiritual leadership to boost productivity and employee well-being. The results provide practical implications for organizational development strategies in similar Islamic institutions.

Keywords: Spiritual Leadership; Organizational Culture; Employee Performance; Islamic Financial Institutions; BMT Ibaadurrahman Sukabumi

#### **INTRODUCTION**

Baitul Maal Wat Tamwil (BMT) is a Sharia-compliant microfinance institution that plays a significant role in improving the welfare of small and medium-sized communities that lack access to conventional banking. Based on Islamic Sharia principles, BMT provides financial services such as savings, deposits, and financing, as well as distributing zakat,

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infaq, and sadaqah. As a microfinance institution, BMT supports the growth of micro-economies by offering capital access to micro, small, and medium enterprises (MSMEs), contributing to income generation and job creation.

Previous research has demonstrated that employee performance directly affects the success of institutions like BMT. Employee performance, which reflects the quality and quantity of work and behavior in line with responsibilities, greatly influences the productivity and reputation of the institution (Mangkunegara, 2017). Additionally, factors such as leadership and organizational culture significantly impact employee performance. Spiritual leadership, which emphasizes spiritual aspects and meaningful work, has been recognized to enhance employee commitment and productivity. Developing spiritual leadership in the workplace is associated with improving organizational performance through increased employee commitment and the achievement of more meaningful goals (International, 2018).

Organizational culture also plays a crucial role in shaping employee behavior and influencing their performance. A culture that encourages competition or collaboration can direct employee behavior according to organizational values, ultimately affecting performance (Ogbonna & Harris, 2018). However, there is uncertainty in the research regarding the influence of spiritual leadership and organizational culture on employee performance. Some studies indicate a significant effect, while others present conflicting results (Amri et al., 2022; Prabaswara & Widodo, 2022).

This article focuses on the impact of spiritual leadership and organizational culture on employee performance at BMT Ibaadurrahman Sukabumi, one of the largest BMTs in West Java. Despite this BMT having a good health rating and stable growth, it is essential to explore how spiritual leadership and organizational culture contribute to employee performance, particularly in the context of Islamic microfinance institutions (Winanto et al., 2022).

The research identifies gaps in the literature regarding the influence of spiritual leadership and organizational culture on employee performance. Inconsistencies in previous studies concerning these factors' impact on performance exist, and this research aims to address those uncertainties within the context of BMT Ibaadurrahman Sukabumi. The article's objective is to analyze and test the influence of spiritual leadership and organizational culture on employee performance at BMT Ibaadurrahman Sukabumi, providing a deeper understanding of how these factors affect employee performance in Islamic microfinance institutions and offering strategic recommendations for BMT managers to enhance employee performance.

### **METHODS**

This research uses a descriptive quantitative approach to analyze the influence of spiritual leadership and organizational culture on employee performance at Baitul Maal Wat Tamwil (BMT) Ibaadurrahman Sukabumi. The study was conducted over a three-month period from September to December 2023. The population consists of all employees (managers) of BMT, totaling 41 individuals, and the entire population was used as the sample through a saturated sampling method (Sugiyono, 2017). The study examines several variables, including Spiritual Leadership (X<sub>1</sub>), Organizational Culture (X<sub>2</sub>), and Employee Performance (Y). Data collection was carried out using two methods: primary data, gathered directly from the field without intermediaries, which included the individual or group opinions of subjects via closed questionnaires distributed through Google Forms and measured using a Likert scale to capture respondent feedback. Secondary data were obtained through literature research, involving sources such as books, journals, articles, documents, and the internet.

The collected data were analyzed using IBM SPSS 20 and Microsoft Excel, applying descriptive statistical analysis, item validity testing via Pearson correlation, and reliability testing using Cronbach's Alpha coefficient. Classic assumption tests included normality testing using graphs and the Kolmogorov-Smirnov test, multicollinearity testing with the Variance Inflation Factor (VIF), and heteroscedasticity testing through a scatter plot method. To test the hypothesis, multiple linear regression analysis was used to assess the impact of independent variables on the dependent variable, and F-tests and t-tests were performed to evaluate the collective and individual influence of the independent variables on employee performance.

#### **RESULTS AND DISCUSSION**

#### **Respondent Profile**

The respondents in this study consisted of 41 employees working at BMT Ibaadurrahman Sukabumi. The characteristics identified among the respondents include aspects such as name, gender, age, income, and length of employment, which have been collected by the researcher for analysis in this study.

Age Range		Incom	e Range	Length of Employment			
Range	Number	Range	Number	Range	Number		
< 20	4	< 3 Juta	24	< 1	16		
20 - 30	16	3 – 6	13	1 - 5	15		
31 - 40	14	6 - 10	4	6 - 10	4		
41 - 50	6			> 10	6		
> 51	1						

Table 1 Respondent Profile

Source: Processed by the researcher (2024)

### **Descriptive Analysis**

Based on the descriptive analysis results, the variable of spiritual leadership (X<sub>1</sub>) shows the highest mean of 4.39 for statement 17 and the lowest mean of 3.76 for statement 9, indicating challenges in emotion management by leaders during difficult situations. A low standard deviation indicates consistent evaluations by the respondents. For the organizational culture dimension (X<sub>2</sub>), the highest mean is 4.3 for statement 3, while the lowest mean is 3.85 for statements 2 and 13, indicating low employee perceptions regarding proactivity in creating positive change and authority in decision-making, suggesting a lack of authority or trust in the workplace. For the employee performance test (Y), the highest mean reaches 4.5 for statements 1 and 2, whereas the lowest mean is 3.76 for statement 8, indicating a low level of motivation among respondents to engage in institutional initiatives beyond their routine tasks.

### **Reliability Test**

To measure reliability, it is stated that if the intercept (constant) value is greater than 0.6, the variable is statistically reliable.

Table 2 Reliability Test Results						
Variable	Cronbach	Number of	Status			
valiable	Alpha	Statements	Status			
Spiritual Leadership (X <sub>1</sub> )	0.966	26	Reliabel			
Organizational Culture (X <sub>2</sub> )	0.969	16	Reliabel			
Employee Performance (Y)	0.920	16	Reliabel			

Source: Processed by the researcher (2024)

Based on the table above, it can be seen that the Cronbach Alpha values are all greater than 0.60, indicating that all statements in this study can be considered reliable or have a good level of reliability, making them suitable for further research analysis.

# **Normality Test**

	Table 3 Normality Test Result	S
		Unstandardized Residual
Ν		41
Normal Parameters <sup>a,b</sup>	Mean	0,000000
	Std. Deviation	6,74167327
Most Extreme	Absolute	0,109
Differences	Positive	0,087
	Negative	-0,109
Kolmogorov-Smirnov Z	-	0,696
Asymp. Sig. (2-tailed)		0,718
Source: Processed by	the researcher (2024)	· · ·

Source: Processed by the researcher (2024)

Based on the table above, the results from the one-sample Kolmogorov-Smirnov test indicate that the data is normally distributed, as it has a value above 0.05 (0.718 > 0.05). Thus, the data in this study can be considered normally distributed.

### **Multicollinearity Test**

Table 4 Multicollinearity Test Results				
Collinearity Statistics				
Tolerance	VIF			
0.820	1,219			
0.820	1,219			
	Tolerance 0.820			

Source: Processed by the researcher (2024)

From the tolerance value calculations, it can be concluded that there are no independent variables with tolerance values below 0.10. This is similarly indicated by the Variance Inflation Factor (VIF) calculations, where none of the independent variables exceed a VIF of 10. Therefore, it can be concluded that this regression model does not have multicollinearity issues among the independent variables.

# Heteroskedasticity Test

The method used to test heteroskedasticity involves utilizing a Scatter Plot, which visualizes the relationship between the predicted values of the dependent variable, zprediction (ZPRED), and its residuals, SRESID.

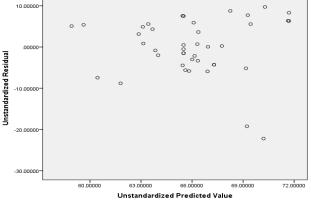


Figure 1 Scatterplot Graph

The scatterplot graph indicates that the data points are randomly dispersed both above and below the Y-axis, suggesting that there are no signs of heteroskedasticity in this study.

Table 5 Multiple Linear Regression Test Results						
Model		ndardized ficients	Standardized Coefficients	t	Sig.	
	В	Std. Error	Beta			
(Constant)	34.858	6.529		5.339	0.000	
Spiritual Leadership	0.133	0.062	0.298	2.158	0.037	
Organizational Culture	0.257	0.078	0.452	3.273	0.002	

# **Multiple Linear Regression Test**

Based on the table above, the multiple linear regression equation obtained is:

Y = 34.858 + 0.133X1 + 0.257X2 + e

In the regression equation above, the constant value is 34.858, indicating that if the variables of Spiritual Leadership and Organizational Culture are held constant, the Employee Performance will remain at 32.561 units. The b coefficient, known as the regression direction coefficient, indicates the average change in variable Y for each unit change in Variable X. This change is an increase if b is positive, and a decrease if b is negative.

Table 6 Individual Parameter Test (t) Results						
Model		tandardized pefficients	Standardized Coefficients	т	Sig.	
	В	Std. Error	Beta			
(Constant)	34,858	6,529		5,339	0.000	
Spiritual Leadership	0.133	0.062	0.298	2,158	0.037	
Organizational Culture	0.257	0.078	0.452	3,273	0.002	

# Individual Parameter Test (t)

Source: Processed by the researcher (2024)

According to the statistical analysis results, both spiritual leadership and organizational culture have a significant effect on employee performance at BMT Ibaadurrahman Sukabumi. The significance values for spiritual leadership (p = 0.037) and organizational culture (p = 0.002) are both below the significance level of 0.05, and the t-values for both variables exceed the critical t-value (1.686). These findings suggest that both spiritual leadership and organizational culture aspects significantly influence employee performance, providing a basis for improvement and the development of managerial strategies within the institution.

# Simultaneous Significance Test (F)

	_		Mean		
Model	Sum of Squares	df	Square	F	Sig.
Regression	377,690	2	188,845	3.728	.033 <sup>1</sup>
Residual	1925,090	38	50,660		
Total	2302,780	40			

Source: Processed by the researcher (2024)

Based on the regression analysis conducted, the calculated F-value is 3.728, while the critical F-value at a significance level of 0.05 is 3.252. Additionally, the significance value of this analysis is 0.033, which is less than the probability of 0.050. Therefore, these results indicate that the calculated F-value exceeds the critical F-value, and the significance level is below 0.050. Consequently, the alternative hypothesis Ha3 is accepted. In conclusion, the variables of Spiritual Leadership (X<sub>1</sub>) and Organizational Culture (X<sub>2</sub>) significantly influence Employee Performance (Y) simultaneously. This finding suggests that both variables collectively contribute significantly to improving employee performance at BMT Ibaadurrahman Sukabumi.

# Coefficient of Determination Test (R<sup>2</sup>)

Table 8 Coefficient of Determination Test Results

R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
0.405 <sup>a</sup>	0,164	0,120	7,118	2,347

Source: Processed by the researcher (2024)

From the table above, it can be seen that the Coefficient of Determination (R<sup>2</sup>) value is 0.164, indicating a very low value of 16.4%. This means that the dependent variable (Employee Performance) is influenced by the independent variables (Spiritual Leadership, Organizational Culture) by 16.4%, while the remaining 84.6% is explained by other variables outside this study.

### Spiritual Leadership Affects Employee Performance at Baiul Maal Wat Tamwil

According to the table, the calculated t-value for spiritual leadership is 2.158, with a significance level of 0.037, which is less than  $\alpha = 0.05$ . This indicates that the first hypothesis in this study is accepted, meaning that the variable of spiritual leadership has a positive and significant effect on the employee performance at BMT Ibaadurrahman Sukabumi. This finding aligns with the research conducted by Nafidzi (year), which highlights the impact of spiritual leadership on employee performance. Among the indicators of spiritual leadership, the highest average was found in the dimension of piety. The leaders of this institution demonstrate spiritual awareness and acknowledge the greatness of God in their decision-making. This suggests that within the context of this organization, attention to the spiritual leadership variable is observed in the indicators of hope and conviction. This lowest average result indicates a level of difficulty for leaders in managing emotions, especially in challenging situations. The relatively low standard deviation reflects consistent responses from participants regarding various statements.

# Organizational Culture Affects Employee Performance at Baiul Maal Wat Tamwil

Based on the table, the calculated t-value for ease is 3.273, with a significance level of 0.002, which is less than  $\alpha = 0.05$ . This implies that the second hypothesis in this study is accepted, indicating that the organizational culture variable has a positive and significant impact on employee performance. These results are consistent with research conducted by Sarifuddin, Dapid Rikardo, Imam Safii (2019), and Ulil Amri (2022). Within the organizational culture variable, the highest average was found in the indicator of involvement, where respondents felt that teamwork is a crucial element in achieving the organization's goals. This indicates that an organizational culture that promotes collaboration and involvement in reaching institutional objectives can enhance employee performance. Conversely, for the average ease variable, the lowest value was associated with the statement, "I feel I have the authority and trust to make important decisions in my job." This suggests that there are aspects of organizational culture that require attention concerning authority and trust in making significant decisions.

### CONCLUSION

Based on the research findings regarding the influence of spiritual leadership and organizational culture on the employee performance at BMT Ibaadurrahman Sukabumi, it can be concluded that: (1) Spiritual leadership, when considered individually (partially), has a significant effect on usage decisions, leading to the rejection of the null hypothesis (H<sub>o</sub>) and acceptance of the alternative hypothesis (H<sub>a</sub>); (2) Organizational culture, also assessed individually (partially), significantly influences usage decisions, resulting in the rejection of H<sub>o</sub> and acceptance of H<sub>a</sub>; and (3) The regression analysis indicates that both independent variables, namely spiritual leadership (X<sub>1</sub>) and organizational culture (X<sub>2</sub>), significantly impact the performance of employees at BMT Ibaadurrahman Sukabumi simultaneously.

Spiritual leadership and organizational culture significantly influence the performance of employees at Baitul Maal Wat Tamwil (BMT) Ibaadurrahman, both individually and collectively. This study demonstrates a significant relationship between the variables of spiritual leadership and organizational culture with employee performance. In other words, both variables contribute meaningfully to enhancing employee performance. Statistically, this relationship is evidenced by the fact that approximately 16.4% of the variation in employee performance can be explained by the factors of spiritual leadership and organizational culture. Therefore, it is crucial for the leadership of BMT Ibaadurrahman to give serious attention to these factors. The results of the questionnaire indicate that leaders need to focus more on specific aspects of spiritual leadership, such as emotional management, especially in challenging situations, and to understand the positive impact of spiritual leadership on employee performance, integrating this understanding into leadership policies. Additionally, regarding organizational culture, there should be more consideration of employees' perceptions of BMT Ibaadurrahman's proactivity in fostering positive changes, which tends to be rated low. Leaders also need to address employees' low perceptions related to having the authority and trust to make important decisions in their work, potentially by evaluating leadership policies and fostering trust while granting more authority for decision-making in the workplace.

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