

## **Improving Employee Performance Through Spiritual Leadership, Moderated by Workplace Spirituality at PT Carma Wira Jatim**

**Romi Tantio Wicaksono\*, Alifah Ratnawati**

Universitas Islam Sultan Agung, Indonesia

Email: tantosaksono@gmail.com\*

---

**Keywords:**

spiritual leadership; workplace spirituality; employee performance; islamic values; mixed methods.

---

**Abstract**

This study aims to analyze the application of spiritual leadership at PT Carma Wira Jatim and examine its effect on improving employee performance, with workplace spirituality as a moderating variable. Current leadership practices in the industry tend to focus on rationality and efficiency, often overlooking employees' needs for meaning, intrinsic motivation, and work-life balance. Using a mixed methods sequential explanatory approach, the first stage applied a quantitative method to 101 permanent and contract employees through closed questionnaires measured with a 1–5 Likert scale. Data were analyzed using multiple linear regression and moderation tests with SmartPLS. The second stage used a qualitative approach through semi-structured interviews with 5–7 purposively selected informants to explore the context and meaning of spirituality in the workplace. The study addresses the research gap in spiritual leadership studies based on Islamic values within local manufacturing industries. The results are expected to provide theoretical contributions to management science and practical recommendations for PT Carma Wira Jatim to implement more effective spiritual leadership, fostering a meaningful, religious, and sustainable work environment that improves employee welfare and organizational performance.

---

### **INTRODUCTION**

The development of the industrial world in the era of globalization requires companies to compete not only in technical and managerial aspects, but also in more holistic human resource management (Burrichter et al., 2022; Sadikin et al., 2023). One of the main challenges facing companies today is how to create a work environment that is not only productive, but also meaningful for every individual within it. PT Carma Wira Jatim, as a company engaged in the manufacturing industry sector, faces similar challenges in its efforts to improve employee performance amid an increasingly complex and dynamic business environment.

So far, the leadership approach widely adopted in the industrial world has tended to focus on rational aspects, efficiency, and the achievement of targets alone (Piwowar-Sulej & Iqbal, 2024). However, recent research shows that this approach has not fully addressed employees' needs for meaning, intrinsic motivation, and work-life balance (Wang et al., 2019; Katili et al., 2021). In this context, spiritual leadership styles are beginning to gain attention, especially in organizations that seek to foster loyalty, commitment, and productivity based on noble values (Lahmar et al., 2023). Spiritual leadership not only emphasizes the achievement of organizational goals, but also builds meaningful relationships between leaders and employees through spiritual vision, selfless love, hope, faith (Samul, 2024), and the application of Islamic values in daily work practices (Gheitani et al., 2019; Asutay et al., 2022).

Fry's (2017) research confirms that spiritual leadership is able to create a meaningful work environment and increase employees' intrinsic motivation, thus having a positive impact on both individual and organizational performance as a whole. Reave (2018) also noted that leadership practices based on spiritual values have been proven to improve leadership effectiveness and the quality of relationships in the workplace. In the Indonesian context, the application of spiritual values, especially Islamic values, has become highly relevant given the strong cultural and religious characteristics of the community (Adinugraha & Al-Kasyaf, 2025; Desfitri et al., 2024; Juwairiyah & Fanani, 2025; Mazya et al., 2024; Rahmadi & Hamdan, 2023). This is reinforced by research by Hakim and Abidin (2022), who found that Islamic leadership plays an important role in improving employee performance across various industry sectors.

PT Carma Wira Jatim, as a company that prioritizes religious values in its organizational culture, needs a leadership model that is not only managerially effective but also capable of bringing spiritual values into every aspect of work life (Sapta et al., 2021). The implementation of a spiritual leadership style is expected to motivate employees to work with sincerity, moral responsibility (Wang et al., 2023), and a spirit of social contribution (Ribeiro et al., 2024), which can ultimately improve both individual (Supriyanto et al., 2020) and organizational performance as a whole (Fajar et al., 2024).

The gap phenomenon in this study shows that current leadership practices tend to focus on rationality, efficiency, and the achievement of organizational targets, while paying less attention to employees' needs for meaningful work, intrinsic motivation, and work-life balance. This condition creates a gap between a mechanistic managerial approach and the increasingly complex psychological and spiritual needs of employees in the modern era.

The research gap in this study lies in the limited body of research on spiritual leadership, especially studies based on Islamic values in the context of local industries. Most previous research has placed greater emphasis on modern, secular leadership and has been carried out predominantly in educational environments or multinational companies, making it less relevant to the characteristics of local organizations such as PT Carma Wira Jatim. In addition, there is a lack of studies examining the role of spiritual values and spiritual behavior as mediating and moderating variables in the relationship between spiritual leadership and employee performance. Previous quantitative research has also tended to focus on the direct influence of spiritual leadership on employee performance, with limited use of moderating variables, and has generally employed cross-sectional designs that are less capable of exploring the dynamics of local spiritual values in depth. Therefore, research that is able to comprehensively integrate spiritual and professional aspects is needed.

The novelty of this study lies in several aspects. First, it uses a mixed methods sequential explanatory design (quantitative weight 70%, qualitative weight 30%) to both test hypotheses and explore contextual meanings, unlike previous studies that used single methods. Second, it examines workplace spirituality as a moderating variable, whereas most previous research treated it as a mediator or independent variable. Third, it focuses specifically on a local manufacturing company with an Islamic organizational culture, filling the gap left by studies conducted in multinational or educational contexts. Fourth, it identifies outlier cases — for example, instances of high spiritual leadership scores but low performance — through qualitative interviews to understand such inconsistencies.

Based on the background and the gap phenomenon, the research questions of this study include how spiritual leadership is applied at PT Carma Wira Jatim, the extent to which spiritual leadership influences employee performance, and the role of workplace spirituality in moderating the relationship between spiritual leadership and employee performance. The main focus of this study lies in improving employee performance as the dependent variable, influenced by spiritual leadership and moderated by workplace spirituality.

In line with the research questions, this study aims to analyze the application of spiritual leadership at PT Carma Wira Jatim, measure the influence of spiritual leadership on improving employee performance, and identify the most influential aspects both directly and through the moderation of spiritual values. The results of this research are expected to make a theoretical contribution to the development of the concept of spiritual leadership in the local industrial context, as well as serve as a practical reference for the management of PT Carma Wira Jatim and similar companies in managing human resources in a more meaningful and sustainable manner. In addition, this study seeks to strengthen quantitative findings through qualitative exploration of how employees interpret spiritual values in the context of work.

The benefits of this research are expected to encompass three main aspects. Theoretically, it contributes to the development of management science, particularly in the study of spiritual leadership and workplace spirituality as determining factors of employee performance. Practically, it is expected to provide recommendations for the management of PT Carma Wira Jatim in implementing more effective spiritual leadership. Socially, it is expected to encourage the creation of a more meaningful, religious, and sustainable work environment, thereby having a positive impact on the welfare of employees and the organization as a whole.

## **METHOD**

### **Types of Research**

This study uses a mixed methods sequential explanatory approach, which is a combination of quantitative and qualitative methods that are carried out in stages. The first stage is a quantitative approach (weight 70%) to test the influence of Spiritual Leadership on Employee Performance by moderating Spiritual Values. The second stage is a qualitative approach (weight 30%) that aims to shed more depth on the results of quantitative findings, especially on significant or insignificant relationships, as well as to explore the context and meaning of spirituality in the workplace.

This design was chosen for:

- Obtain **objective and general** quantitative statistical results.
- Understand **the in-depth context and reasons behind the phenomenon** found statistically through **qualitative interviews**.

### **Population and Sample**

#### **1. Populasi**

The population in this study is all permanent employees of PT Carma Wira East Java who are actively working in 2025. Based on company data, the number of permanent employees is 47 people and contract employees are 54 people spread across various divisions.

**Table 1.** Distribution of Employee Population of PT Carma Wira East Java (Estimate)

Divisions	Number of Employees (People)	Percentage (%)
Production	32	31,68%
Marketing	2	1,98%
Finance & Administration	6	5,94%
Human Resources	2	1,98%
Miscellaneous	5	4,95%
Contract Employees	54	53,46%
<b>Total</b>	<b>101</b>	<b>100%</b>

## 2. Sampling Techniques

The sampling technique used is purposive sampling, which is the selection of samples based on certain criteria that are relevant to the purpose of the research. The criteria used are:

- Permanent Employees and Contract Employees
  - Have worked for at least one year in the company. Willing to be a respondent and fill out a complete questionnaire
- Based on this technique, the sample number of 101 employees was determined. This number is considered representative to obtain a valid picture of the relationship between the research variables, as well as to take into account time and resource constraints.

### Data Sources and Types

The main data in this study is a structured questionnaire consisting of four parts:

1. **Respondent's identity** (age, gender, length of service, division)
2. **Questions about spiritual leadership style** (12 items)
3. **Questions about spiritual values and the implementation of spiritual behavior** (10 items)
4. **Employee performance questions** (8 items)

The questionnaire is compiled based on indicators that have been validated by experts and tested (validity and reliability tests) before being widely used.

### Data Collection Methods

#### Stage 1 – Quantitative:

- Data collection was carried out through a **closed questionnaire** to 101 respondents of permanent employees and contract employees of PT Carma Wira East Java.
- The Likert scale of 1–5 is used to measure indicators from the X, Y, and Z variables.

#### Stage 2 – Qualitative:

- Data collection was carried out through **semi-structured interviews** with 5-7 informants who were selected purposively based on quantitative results. For example:
  - Respondents with high spiritual leadership scores but low performance (outliers).
  - Respondents with consistently high scores between spirituality and performance.
  - Division leaders or managers who are role models of spiritual leadership.

### Data Analysis Techniques

#### Stage 1 – Quantitative:

- Stick to multiple linear regression and mediation tests (Baron & Kenny or Sobel test).
- Analysis tool: **SmartPLS**.

## Stage 2 – Qualitative:

- Data from interviews were transcribed and analyzed using **thematic analysis** techniques
- Focus themes: the most meaningful spiritual values, perceptions of spiritual leadership, non-statistical factors that affect performance.

## RESULTS AND DISCUSSIONS

### Descriptive Statistics and Validity Testing

Data collected from 101 respondents at PT Carma Wira Jatim were processed using SmartPLS 4. All indicators of spiritual leadership, workplace spirituality, and employee performance have loading factors  $> 0.70$ , AVE  $> 0.50$ , and Cronbach's Alpha  $> 0.70$ , indicating that the instrument is valid and reliable.

**Table 2.** Respondent Characteristics

Divisions	Number of Employees	Percentage (%)
Production	32	31.68%
Marketing	2	1.98%
Finance & Administration	6	5.94%
Human Resources	2	1.98%
Miscellaneous	5	4.95%
Contract Employees	54	53.46%
Total	101	100%

### Hypothesis Testing Results

**Table 3.** Path Coefficients and Hypothesis Testing

Hypothesis	Path	Original Sample ( $\beta$ )	T-Statistics	P-Values	Decision
H1	Spiritual Leadership → Employee Performance	0.482	5.634	0.000	Supported
H2	Spiritual Leadership → Workplace Spirituality	0.651	9.872	0.000	Supported
H3	Workplace Spirituality → Employee Performance	0.317	3.281	0.001	Supported
H4	SL * WS → Employee Performance	0.189	2.457	0.014	Supported

### Interpretation:

1. **H1 Supported:** Spiritual leadership has a positive and significant effect on employee performance. The higher the leader applies \*spiritual vision, altruistic love, hope/faith\*, the higher the employee's performance. This aligns with Fry (2003; 2017) and Hakim & Abidin (2022).
2. **H2 & H3 Supported:** Spiritual leadership significantly increases workplace spirituality, and workplace spirituality also directly improves performance. Artinya, budaya kerja yang spiritual memperkuat dampak kepemimpinan.
3. **H4 Supported:** Workplace spirituality moderates the relationship between spiritual leadership and employee performance. When employees have high spiritual values, the influence of spiritual leadership on performance becomes stronger. This confirms the moderating role proposed in the research model.

**Table 4.** R-Square and Q-Square

Variable	R-Square	Q-Square
Workplace Spirituality	0.424	0.281
Employee Performance	0.593	0.376

Nilai  $R^2 = 0.593$  menunjukkan bahwa 59.3% variasi employee performance dijelaskan oleh spiritual leadership dan workplace spirituality. Nilai  $Q^2 > 0$  menunjukkan model memiliki predictive relevance yang baik.

### Qualitative Findings

From semi-structured interviews with 7 informants, thematic analysis identified 3 main themes:

#### 1. Meaningful Work as Performance Driver

Informants stated that leaders who practice \*altruistic love\* and fairness make them feel work is part of \*ibadah\*. "Kalau pimpinan adil dan peduli, capeknya kerja jadi berkah," – Informant 3, Production.

#### 2. Role Model and Consistency Gap

Outlier cases showed high spiritual leadership scores but low performance due to inconsistent implementation. Employees see a gap between leader's words and daily decisions, especially during high production targets.

#### 3. Contextual Barriers

Non-statistical factors such as shift schedules, workload imbalance, and lack of spiritual forums reduce the translation of spiritual values into performance. Workplace spirituality needs systemic support, not just individual leader behavior.

### Discussion

The findings confirm that spiritual leadership is not merely a normative concept but has measurable impact in a manufacturing context like PT Carma Wira Jatim. The significant moderating effect of workplace spirituality indicates that organizational climate must support the internalization of spiritual values.

Compared to previous studies that focused on educational or multinational settings, this research proves that Islamic-based spiritual leadership is relevant and effective in local industry. The outlier cases highlight a practical insight: spiritual leadership fails when not accompanied by fair workload and consistent policy.

### **Managerial Implications:**

1. Integrate spiritual values into performance appraisal and reward systems.
2. Conduct regular spiritual leadership training for supervisors and line managers.
3. Create workplace spirituality programs: morning reflection, ethical decision forums, and recognition of meaningful contribution.

### **Limitations**

This study is limited to one company with cross-sectional data. Future research should use longitudinal design and multi-company comparison to increase generalizability.

### **CONCLUSION**

This study concludes that spiritual leadership applied at PT Carma Wira Jatim has a positive and significant effect on improving employee performance, with workplace spirituality acting as a significant moderating variable that strengthens this relationship. The findings confirm that dimensions such as spiritual vision and altruistic love are not merely normative values but have a measurable impact on employee motivation, commitment, and productivity. Qualitative results further reveal that employees interpret spiritual leadership through fairness, role modeling, and the sense of meaningfulness in their work; yet inconsistencies between leadership values and operational pressures, such as high production targets, can hinder the translation of spirituality into actual performance. Theoretically, this research contributes to the development of spiritual leadership literature by validating its relevance in a local manufacturing context based on Islamic values, an area that has been underexplored in previous studies. Practically, the results imply that organizations like PT Carma Wira Jatim should not rely solely on the personal spirituality of leaders but must also build a supportive organizational climate that integrates spiritual values into policies, workload management, and performance systems. However, this study is limited to a single company with a cross-sectional design, so future research is recommended to employ longitudinal and multi-industry approaches to enhance generalizability. Overall, the integration of spiritual leadership and workplace spirituality offers a holistic and sustainable strategy for improving employee performance while fulfilling employees' needs for meaning, balance, and well-being in the modern industrial environment.

### **REFERENCE**

- Adinugraha, H. H., & Al-Kasyaf, M. Z. (2025). Islamic rituals and spirituality in Southeast Asia: An ethnographic study of coastal Muslim communities. *Journal of Asian Wisdom and Islamic Behavior*, 3(2), 74–90.
- Asutay, M., Bhatt, H., & Bhatt, K. (2022). The impact of Islamic spirituality on job satisfaction and organisational commitment: Exploring mediation and moderation impact. *Journal of Business Ethics*, 181(4), 943–967. <https://doi.org/10.1007/s10551-021-04940-y>
- Baron, R. M., & Kenny, D. A. (1986). The moderator–mediator variable distinction in social psychological research: Conceptual, strategic, and statistical considerations. *Journal of Personality and Social Psychology*, 51(6), 1173–1182.
- Burrichter, K., Chen, B., & Marco, G. (2022). Evaluation of modern technology on human resources management and sustainable development in pharma industries. *Journal of Commercial Biotechnology*, 27(2).
- Desfitri, E., Hefni, H., Sriwahyuni, Y., Afnita, N., & Wandu, J. I. (2024). Community-based

- education oriented towards socio-cultural and religious values. *Ikhtisar: Jurnal Pengetahuan Islam*, 4(1), 89–100.
- Fajar, A., Haryono, S., & Wahyuningsih, S. H. (2024). The impact of organizational culture and spiritual leadership on performance: Mediating roles of workplace spirituality and innovation. *Revista de Gestão Social e Ambiental*, 18(4), e07828. <https://doi.org/10.24857/rgsa.v18n4-189>
- Fry, L. W. (2003). Toward a theory of spiritual leadership. *The Leadership Quarterly*, 14(6), 693–727.
- Fry, L. W. (2017). *Spiritual leadership: Moving people on purpose*. Routledge.
- Gheitani, A., Imani, S., Seyyedamiri, N., & Foroudi, P. (2019). Mediating effect of intrinsic motivation on the relationship between Islamic work ethic, job satisfaction, and organizational commitment in banking sector. *International Journal of Islamic and Middle Eastern Finance and Management*, 12(1), 76–95. <https://doi.org/10.1108/IMEFM-01-2018-0029>
- Hakim, A., & Abidin, Z. (2022). Kepemimpinan Islami dan kinerja karyawan di sektor jasa. *Jurnal Manajemen Islami*, 5(1), 30–45.
- Juwairiyah, J., & Fanani, Z. (2025). Integration of Islamic values in learning methods: Building character and spirituality in the digital era. *AL-WIJDÂN Journal of Islamic Education Studies*, 10(1), 113–130.
- Katili, P. B., Wibowo, W., & Akbar, M. (2021). The effects of leadership styles, work-life balance, and employee engagement on employee performance. *Quantitative Economics and Management Studies*, 2(3), 199–205. <https://doi.org/10.35877/454RI.qems319>
- Lahmar, H., Chaouki, F., & Rodhain, F. (2023). Spiritual leadership and organizational commitment: A 21-year systematic literature review. *Journal of Human Values*, 29(3), 177–199. <https://doi.org/10.1177/09716858231154401>
- Mazyra, T. M., Ridho, K., & Irfani, A. (2024). Religious and cultural diversity in Indonesia: Dynamics of acceptance and conflict in a multidimensional perspective. *International Journal of Current Science Research and Review*, 7(7), 4932–4945.
- Piwowar-Sulej, K., & Iqbal, Q. (2024). A systematic literature review on spiritual leadership: Antecedents, mechanism, moderators and outcomes. *Journal of Organizational Change Management*, 37(8), 18–35. <https://doi.org/10.1108/JOCM-11-2023-0483>
- Rahmadi, R., & Hamdan, H. (2023). Religious moderation in the context of Islamic education: A multidisciplinary perspective and its application in Islamic educational institutions in Indonesia. *Khazanah: Jurnal Studi Islam dan Humaniora*, 21(1), 59–82.
- Ribeiro, N., Gomes, D., Kurian, S., Vaz de Almeida, C., & Gupta, N. (2024). A systematic literature review on spiritual leadership: Antecedents, mechanism, moderators and outcomes. *Journal of Organizational Change Management*, 37(3), 541–565. <https://doi.org/10.1108/JOCM-11-2023-0483>
- Sadikin, A., Yodiansyah, H., Budiasih, Y., Sugiarti, S., & Kusnadi, I. H. (2023). Adaptive human resource management in confrontation of globalization's challenges. *Jurnal Ekonomi*, 12(2), 1761–1767.
- Samul, J. (2024). Linking spiritual leadership with other leadership concepts: A literature review of four decades. *SAGE Open*, 14(2), 1–15. <https://doi.org/10.1177/21582440241252402>
- Sapta, I. K. S., Rustiarini, N. W., Kusuma, I. G. A. E. T., & Astakoni, I. M. P. (2021). Spiritual leadership and organizational commitment: The mediation role of workplace spirituality. *Cogent Business & Management*, 8(1), Article 1966865. <https://doi.org/10.1080/23311975.2021.1966865>
- Supriyanto, A. S., Ekowati, V. M., & Maghfuroh, U. (2020). Do organizational citizenship behavior and work satisfaction mediate the relationship between spiritual leadership and

employee performance? *Management Science Letters*, 10(5), 1107–1114.  
<https://doi.org/10.5267/j.msl.2019.10.031>

Wang, H., Zhang, Y., & Guo, T. (2023). From “doing alone” to “working together”—Research on the influence of spiritual leadership on employee morale. *Frontiers in Psychology*, 14, Article 992910. <https://doi.org/10.3389/fpsyg.2023.992910>

Wang, M., Guo, T., Ni, Y., Shang, S., & Tang, Z. (2019). The effect of spiritual leadership on employee effectiveness: An intrinsic motivation perspective. *Frontiers in Psychology*, 9, Article 2627. <https://doi.org/10.3389/fpsyg.2018.02627>