The Role of Workplace Spirituality as Moderator the Effect of Soft Total Quality Management on Organization Effectiveness

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Abstract: Soft TQM generally concern with human resource management and concentrate on behavior as employee training, leadership, and teamwork to achieve customer satisfaction. Leadership plays an important role to introduce and facilitating the implementation of TQM by creating a cooperative learning environment and leads to customer satisfaction and continuous improvement. Spirituality is considered as an important foundation for effective business leadership. Therefore, discourse of spiritual leadership becomes important to be integrated with application of workplace spirituality.

This study aim is to examine the direct and indirect effect of spiritual leadership on organizational performance, testing the role of workplace spirituality as a moderation variable, and examining the role of job satisfaction as a mediation variable. The study was conducted in BRI Syariah Sidoarjo. The study population was all 141 employees. Data was collected by questionnaires and tested by path analysis and Moderate Regression Analysis (MRA).

The research proves that Spiritual leadership directly and indirectly affect on organizational performance, workplace spirituality has moderation effect of spiritual leadership on employee job satisfaction, job satisfaction mediates the affect of spiritual leadership on organizational performance. These mean that every member of organization should be able to create and maintain a conducive working environment to make employees feel safe and comfortable to perform activities related to organization objectives. They do not hesitate to do the activities to improve job satisfaction which will ultimately affect on organizational performance.

Keywords: Soft TQM, spiritual leadership, workplace spirituality, organizational effectiveness, job satisfaction, organizational performance.
1. INTRODUCTION

The concept of Total Quality Management (TQM) as a form of management operation practice has received attention in past two decades (Blackiston, 1996). Organization’s main concern is TQM to face MEA that synonymous with global competition, especially to improve the organization quality. Ivancevich et al. (2006) define TQM as concepts and methods that require commitment and involvement of management to meet customer satisfaction consistently. TQM is a management pattern involving quality improvement techniques, aimed for continuous improvement to search and reduce the bad performance (Rivai and Sagala, 2011). The success of a company depends on quality improvement that never-ending.

TQM has desired impact on job satisfaction, communication and perception of work environment (Morrow, 1997). The success of TQM implementation program relies heavily on motivation, skills, commitment, and extra role behavior of organizational members. Most studies on TQM aspects revealed that only soft TQM contribute on organizational performance (Guimaraes, 1997). Some studies show that TQM is positively related to performance results, profitability and organizational effectiveness (Jung and Hong, 2008; Abdallah, 2013) associated with human behavior, such as employee commitment (Adawiyah et al., 2011); OCB (Jung and Hong, 2008). Many researches have been done on TQM, but TQM program as the key to success is not yet fully understood. Preliminary evidence suggests that companies with TQM get competitive advantage rather than companies that do not adopt TQM (Brah et al., 2002; Powell, 1995).

One keys of business success in twenty-first century more emphasis on spirituality employees in workplace (Shellenbarger, 2000). For now, work spirituality is considered as a medium to build a more competitive work environment (Ashmos & Duchon, 2000; Heaton, et al., 2004). The relevance of spirituality to workplace has attracted some attention in various fields of business. Spirituality is also considered as an important foundation for effective business leadership (Houston and Cartwright, 2007). The development of workplace spirituality cannot alone without the leadership support. Therefore, discourse of spiritual leadership becomes important to be integrated with application of workplace spirituality. The model of spiritual leadership is a leadership based on actions and behavior of conscience leadership as a center of self-control. This model shows a leader not only should become sighted visionary, but also must have a value that includes the heart sensitiveness, strong character and strong hope in order to achieve organizational goals (Sani et al., 2016).

Above explanations show that TQM importance for a company is to get competitive advantage. This study will assess the effect of Soft TQM on organizational effectiveness in terms of satisfaction and performance, while the study of soft TQM refers to spiritual leadership.

2. LITERATURE REVIEW

2.1. Total Quality Management (TQM)

TQM is the only approach for companies to achieve competitive advantage and sustainable operational performance (Spitzer, 1993). TQM is an of organization program to combines all the functions and processes of business in design, plan, production, distribution, and service to maximize customer satisfaction (Dessler, 2005).
2.2. Soft TQM

Soft TQM generally concern with human resource management and concentrate on behavior as employee training, leadership, teamwork and customer satisfaction (Lewis et al., 2006; Gadenne & Sharma, 2009). Elements of TQM are Leadership and employee engagement. Leadership has been recognized by researchers as the most influential elements of soft TQM to affect other elements of organization (Kaynak, 2003). Fry (2003) defines Spiritual Leadership as values, attitudes, and needed behaviors to motivate yourself and others to realize the spiritual value of soul call and membership.

2.3. Workplace Spirituality

Workplace spirituality is recognition of people who have the inner life that nurtures and nourished by meaningful work within a community context (Ashmos and Duchon, 2000). Organizations that promote spiritual culture recognizes that people with mind and a soul try to find meaning and purpose in life from their work, want to relate with other people and become part of community.

2.4. Organizational effectiveness

Gibson et al. (1996) defines effectiveness as the judgments made in relation with satisfaction, achievements of individuals, groups, and organizations. The closer achievements to expected accomplishments means more effective. Steers (1985) defines effectiveness as the level of organization success in order to achieve objectives. Effectiveness is manifested in form of quality, productivity, satisfaction and organizational performance (Gibson et al., 1996).

2.4.1. Job satisfaction

Saks (2002) explains that job satisfaction is employee attitudes to the job and this can be judged as a whole or individual satisfaction. Robbins (2006) argues that job satisfaction refers to individual general attitude toward his work. Someone with a high degree of satisfaction indicates a positive attitude towards work. Adversely, unsatisfied people to the job will indicate negative attitude towards his job.

2.4.2. Performance

Performance is defined as the result of individual efforts with the existing capabilities in certain circumstances (Timpe, 2002). Mangkunagara (2001) stated that performance is the result of work quality and quantity of one employee achievement to perform their duties in accordance with responsibilities given to him.

2.5. Hypothesis Model

![Figure 1: Model Hypothesis](image)

Workplace Spirituality (Z) → Spiritual Leadership (X) → Job Satisfaction (Y1) → Organizational Performance (Y2)
2.6. Research hypothesis

1. Spiritual leadership directly affect on organizational performance.
2. Spiritual leadership indirectly affect on organizational performance mediated by job satisfaction.
3. Workplace spirituality moderates the effect of spiritual leadership on job satisfaction of employees.
4. Job satisfaction mediates the effect of Spiritual leadership on organizational performance.

3. RESEARCH METHODOLOGY

3.1. Population and Sample
This study population is all 141 employees of BRI Syariah Sidoarjo.

3.2. Method of data collection
Data were collected through questionnaires measured by five point Likert scale, starting from strongly agrees to strongly disagree. Spiritual leadership is measured by five indicators refer to Fry et al. (2011); workplace spirituality is measured by three indicators refer to Ashmos and Duchon (2000); job satisfaction is measured by five indicators refer to Gibson et al. (1996) and organization’s performance is measured by three indicators refer to Kaplan and Norton (1996).

3.3. Data analysis techniques
Descriptive statistics analysis explains the frequency distribution of respondents and describes in depth the studied variables. Moderate Regression Analysis (MRA) is used to determine the effect of soft TQM on organizational effectiveness with workplace spirituality as a moderation variable; the data were analyzed by regression analysis moderation (Ferdinand, 2013). Path Analysis is used to look at direct and indirect effects of soft TQM on organizational effectiveness. Sobel test is used examine the mediation role (Ghozali, 2013).

4. RESULTS

4.1. Results of Path Analysis
Test results show that spiritual leadership (X) has t value of 19.671, at a significance level of 0.000 <0.05. This indicates difference significant between the spiritual leadership (X) on organizational performance (Y2). The effect job satisfaction (Y1) on organizational performance (Y2) has t value of 16.720, at a significance level of 0.000 > 0.05. This shows that there is a significant relationship between job satisfaction (Y1) and organizational performance (Y2).

Path analysis results the direct effect of Spiritual leadership on organizational performance has values of 2.036, p value of 0.000. The indirect effect of spiritual leadership on organizational performance values is 1.559 (0.901 x 1.730). Magnitude of paths coefficient, either directly or indirectly, show significant result. Because all paths are significant, it need to compare the path test results involved in mediation variables with a direct path between the spiritual leadership on organizational performance. Direct path
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Test of spiritual leadership on organization’s performance has beta value of 0.477 with p value of 0.000. Therefore, value of (c) and (d) are significant, and value of (a) is significant at 2.036; value (b) is significant at 0.477; which means a value greater than b value, it can be concluded that job satisfaction variable mediates the effect of spiritual leadership on organizational performance.

4.2. MRA Analysis

Analysis of model 2, the affect of spiritual leadership, workplace spirituality on job satisfaction, has coefficient of determination (R^2) of 0.891. It shows the addition of moderator variables in form of workplace spirituality has increased the variance of job satisfaction in coefficient of determination, which increased by 8% from 0.811 into 0.891.

The table above shows that workplace spirituality on job satisfaction is not significant with sig 0.885 > 0.05; and moderation and interactions variables of spiritual leadership and workplace spirituality is not significant at sig 0.854. Because coefficients b2 is insignificant and b3 is insignificant statistically, these can be incorporated into Homologiser moderation. Homologiser moderation is potential moderation.
Table 2
Summary of regression analysis moderation of Model 1 and Model 2

<table>
<thead>
<tr>
<th>Dependent variable</th>
<th>Independent variable</th>
<th>B</th>
<th>t</th>
<th>sig</th>
<th>Description</th>
</tr>
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<tbody>
<tr>
<td>Model 1</td>
<td>Constant</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Y1 X</td>
<td>0.268</td>
<td>21.025</td>
<td>0.000</td>
<td>significant</td>
</tr>
<tr>
<td></td>
<td>α : 0.05</td>
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<td></td>
<td>R : 0.901</td>
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<td></td>
<td>R Square : 0.811</td>
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<td></td>
<td>t count : 21.025</td>
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<td></td>
<td>Sig. t : 0.000</td>
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<tr>
<td></td>
<td>XZ</td>
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<tr>
<td></td>
<td>α : 0.05</td>
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<tr>
<td></td>
<td>R : 0.944</td>
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<td></td>
<td>R Square : 0.891</td>
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<td></td>
<td>F count : 275.040</td>
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<td></td>
<td>Sig. F : 0.000</td>
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</table>

Source: Primary Data Processed

variable that to affect the strength of relationship between the predictor variables and dependent variable. This variable does not interact with predictor variables and does not have a significant relationship with dependent variable.

5. DISCUSSION

5.1. Direct Effect of Spiritual Leadership on Organization Performance

Spiritual leadership is translated into indicators of questions covering the vision, hope/belief, altruistic love, meaning and membership. The performance is translated into indicators of organizational performance with questions include: the perspective of user perspective, operational processes, learning and growth.

Path analysis shows that Spiritual leadership directly affects on Organization Performance at beta value of 2.036. Positive path coefficient (2.036) indicates the effect is unidirectional. It means better spiritual leadership will increase Organization Performance.

These findings reinforce the results of previous studies of Abdallah (2013); Jung and Hong (2008); Gadenne and Sharma (2009) which states that practice of soft TQM including leadership contributes to performance. Likewise, Lagrosen and Lagrosen (2005) found a positive relationship between hard and soft TQM and organizational performance. Research findings also consistent with Locke (1997) who said that successful leaders set examples engage in symbolic behavior to tell followers what is expected
from them, also what behavior it is worth. Research findings support the notion of Timpe (2002) that leadership is one of six factors that affect performance. The six factors are environmental, leadership, office design, performance appraisal, and feedback and administration performance.

5.2. Indirect Effect of Spiritual Leadership on organizational performance

Path analysis result shows that Spiritual leadership has indirect effect on Organization Performance, with a beta value of 1.559 (0.901 x 1.730). Value 0.901 is the path between the spiritual leadership on job satisfaction; value 1.730 is the path of job satisfaction on organizational performance. Magnitude of coefficient paths shows that either direct or indirect path is significant. The direct path coefficient between Spiritual leadership on organizational performance is 2.036. While the magnitude of indirect affect path coefficient of Spiritual leadership on organizational performance through job satisfaction is 1.559.

The findings also reinforce the research of Abdallah (2013); Guimaraes (1997) that leadership contributes to job satisfaction and organizational performance, while hard TQM does not affect the performance. The findings also support the research of Griffith (2004) that leadership directly related to employee satisfaction and even with performance. Results in field is also consistent with opinion of Locke (1997) that successful leaders set examples engage in symbolic behavior to tells followers what is expected of them, also tells behaviors such as what it is worth. Locke also states that to achieve useful and appropriate feedback, there should be a measure of performance careful to assess the level needed to achieve the goal of optimal performance.

5.3. Workplace spirituality moderates the effect of Spiritual leadership on Job satisfaction.

Regression moderation analysis the affect of spiritual leadership, workplace spirituality to job satisfaction shows coefficient of determination (R²) of 0.891. It shows that addition of moderator variables in form of workplace spirituality has increased the diversity of job satisfaction that can be explained in coefficient of determination, increased by 80% from 0.811 into 0.891. The affect of workplace spirituality to job satisfaction is not significant at sig 0.885 > 0.05; as well as moderation variables and interactions (spiritual leadership) and workplace spirituality is not significant with sig 0.854. It can be incorporated into Homologiser moderation.

The study findings also inconsistent with Yusof (2011) that workplace spirituality can improve job satisfaction. Likewise, results of research from Pawar (2009), which aims to determine the affect of spiritual individuals, and three aspects of workplace spirituality that is meaning in work, community work and meaning in work, and positive goals of organization in relation to three working attitude, namely job satisfaction, job involvement and organizational commitment. The results showed there was a positive relationship between the three aspects of spirituality is work attitude. Marques et al. (2007) states that workplace spirituality is an experience of interconnectedness among those involved in work process, which begins with authenticity, reciprocity and goodwill, personal caused by a sense of meaningfulness that in inherent in work of organization, and generate greater motivation and organizational excellence.

Employees who experience workplace spirituality will show the deepest values of individuals who support the work, but it also provides hope for their self-fulfillment in depth and balanced so as to
experience the joy and meaning in her work. Employees who live spiritual values in their work when dealing with others, it will see itself as part of a community that can be trusted, experienced personal development as part of a community where they feel valued and supported. An understanding of workplace spirituality makes people feel equal and allow them to live in an environment free from fear, and thus more sharply in intuition and creativity, and sense of belonging to organization he heads.

5.4. Job satisfaction mediates the effect of Spiritual leadership on organizational performance.

The path analysis results show that spiritual leadership directly affect on organizational performance at 2.036 with P value of 0.000. Because p-value < 5%, then the spiritual leadership directly affects the Organization Performance. It can be interpreted that spiritual leadership affect on organizational performance. The path analysis results show that performance satisfaction directly affect on organizational performance at 1.730 with sig 0.000 < 5%, then the job satisfaction directly affects on Organization Performance.

The analysis results of indirect effect show that spiritual leadership indirectly affect on organizational performance at 1.559 (0.901 x 1.730). Value of 0.901 is path value of spiritual leadership on job satisfaction, value of 1.730 is path value of job satisfaction on organizational performance. The path analysis results the directly affect of spiritual leadership on organizational performance is 2.036; p value of 0.000. Because p value < 5%, then the spiritual leadership has indirect effect on organizational performance. All the paths are significant. Therefore, it needs to compare the path analysis results with a direct path of spiritual leadership on organizational performance. The beta value is 0.477 with p value of 0.000. It can be concluded that job satisfaction becomes partial mediation the effect of spiritual of leadership on organizational performance.

The research findings support the theory of Robbins (1996) that job satisfaction in workplace will affect on performance. Robbins said that increasing job satisfaction needs a driving factor, namely: (1) work that mentally challenging, (2) the worth rewards, (3) supporting working conditions, (4) support coworker and (5) the suitability of work personality. The job satisfaction in Islamic teachings is related to sincerity, patience and gratitude. These three things in our daily life are closely linked with problems that arise in work, primarily job satisfaction. Work with sincerity, patience and gratitude does not guarantee to raise output. But as the process, work with these three aspects provides its own value. Willingly accompanied with patience and gratitude will create certain satisfaction values, which are not just output. When the work is finished, then there is a satisfaction that is not necessarily directly related to output. Therefore, we are to be thankful when looking at lower classes and does not compare with upper class. This is in accordance with hadith of Prophet Muhammad narrated by Abu Hurairah RA, he said “the Prophet once said, look at people below you, and do not see the person above you. So, from now you do not belittle the favor of Allah that you receive” (Bukhari, Muslim).

6. CONCLUSION

The conclusion of this study is follows. First, Spiritual leadership affect on performance, this is because the spiritual leadership inspiration led to work together in achieving organizational goals. Second, Spiritual leadership has a significant effect on job satisfaction, leadership can change the spiritual aspirations,
identity, needs, preferences and values of followers with moderation effect on self-evaluation to assess the impact of employees in leadership. Third, Workplace spirituality has increased the diversity of job satisfaction, it can be said that workplace spirituality has moderation effect of spiritual leadership on job satisfaction. Forth, Job satisfaction becomes partial mediation the affect of spiritual leadership on organizational performance. Job satisfaction is the general attitude of individuals towards work. Improving job satisfaction will needs the driving factor, namely: (1) work that mentally challenging, (2) the worth rewards, (3) supporting working conditions, (4) support coworker and (5) the suitability of work personality.

**REFERENCES**


