RESPECTIVE CONTRIBUTION OF ENTREPRENEURIAL LEADERSHIP THROUGH ORGANIZATIONAL CITIZENSHIP BEHAVIOUR IN CREATING EMPLOYEE’S PERFORMANCE

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ABSTRACT

Organizational Citizenship Behavior (OCB) is a behaviour that has an effect on organizational effectiveness. It has important consequences in workplace. OCB can contribute to organizational effectiveness through improved performance, enabling organizations to adapt to environmental change, and strengthening coordination within working groups. Therefore, it is important to investigate the variables that can improve the OCB. This study aims to determine the direct effect of entrepreneurial leadership on employee’s performance, identifying the role of OCB to mediate the effect of entrepreneurial leadership on employee’s performance, identifying the role of spiritual quotient to moderate the effect of OCB on employee’s performance. The population is all 436 employees of Sharia banking with state-owned status in Malang Raya, consist of Bank Sharia Mandiri, BRI Sharia, BTN Sharia and BNI Sharia. Total 140 samples selected are all permanent employees calculated by using Slovin formula. Data is collected directly from respondents by questionnaires and analyzed by PLS.

The research results show that Entrepreneur leadership has an effect on performance. OCB mediates the effect of Entrepreneur leadership on performance. Spiritual quotient does not become a moderator the effect of OCB on performance.

Keywords: Entrepreneur Leadership, OCB, Spiritual Quotient, Performance, Sharia Banking.

INTRODUCTION

Leadership has been become research object for long time ago related to many organization advances. It becomes one most complex social processes (Fry and Kriger, 2009). Leadership consists of three things; leaders, followers and situations. Leaders provide direction to their followers, setting goals for subordinates, then motivate subordinates to do the work, leverage their efforts together in same direction. Therefore, leaders can achieve organizational goals and minimize the gap between the actual and desired goals.

Companies in a global economy with competition in all industries need right skills within an organization. This is evidenced by majority of companies investing in leadership programs due to challenges at their leadership level (Olutade et al., 2015). Gentry et al. (2014) identifies six possible leadership challenges: developing managerial effectiveness; inspire others; develop
employees; lead the team; guide change and manage internal and political stakeholders. Leadership practice has continued to evolve from past to today and will continue to develop in future.

New dimensions for leaders today is entrepreneurial leadership. Entrepreneurial leadership helps employees to welcome the future by generating confidence in organization's vision. Entrepreneurial leadership empowers various resources, solves the challenges, critical thinking and brings organizations to achieve goals (Kuratko, 2007). In addition, this leadership style enables leaders to manage organizations successfully and solve problems in a unique and dynamic manner with innovative policies (Chen, 2007). The leader will decide the best action for organization. The leaders must have a certain level of competence and ability to direct the organization to achieve the desired goals. Therefore, recently emerged leadership called Entrepreneurial leadership (McGee et al., 2009; Lajin and Zainol, 2015). This term is used to accommodate the leaders needs in a business world equipped with entrepreneurial behavior and competence.

Leadership studies in banking tend to examine transformative and transactional leadership styles (Bass et al., 2003). Entrepreneurial leadership has not been widely studied in Indonesia. Entrepreneurship education development in Indonesia is targeted to achieve economic independence and create community welfare (Wibowo and Saptono, 2018). For all I know, very little studies to examine the Entrepreneurial leadership style in banking sector. However, rapid changes in banking technology and Entrepreneurial leadership is also required in banking sector (Chahal, 2013). The positive impact of Entrepreneurial leadership on performance encourages experts and stakeholders to adopt it in banking sector. This model can be used to enhance creativity, innovation, and performance (Collins & Smith, 2004; Chahal, 2013).

A leader's success is very affected by multiple quotients, as Intellectual Quotient (IQ), Emotional Quotient (EQ) and Spiritual Quotient (SQ). The balance of these three intellectual in work place makes a leader success and also happy (Ginanjar, 2007). Recent topics that capable to contribute to performance are spiritual quotient. Spirituality is a major part that is often overlooked in human organizational systems. Spirituality is defined as a high level of consciousness to communicate with supernatural concepts (Pourkiani et al., 2010). Bodla et al. (2013) said that SQ has a relationship with performance. Spiritual quotient can help leaders to motivate subordinates to improve performance by creating a conducive working environment, forgiving others, acknowledging the wrong doing and emphasize to honesty (Hyson, 2013). People with high spiritual quotient use resources to solve problems and reflect the nature of humility, forgiveness, gratitude and sympathy (Nadaf et al., 2010).

Employees become vital resource for an organization. They are essential component to progress and overcome organizational challenges. One of challenges for organizations is improving employee performance. Performance is an effective and effective resources usage to achieve the goal set (Evan, 2006). OCB factor play an important role to improve employee and organizational performance. It makes practitioners and academics seek new construction that very important to effect OCB. Researchers concern is to OCB for the ability able to improve individual and organizational performance (Boerner et al., 2007; Podsakoff et al., 2009; Maharani et al., 2013; Chiang and Tsung 2012; Mallick et al., 2015). OCB has the potential to improve organizational efficiency by improving job performance and employee productivity (Organ, 1997; Podsakoff et al., 2000). Therefore, this article wants to conceptualize the effect of Entrepreneurial leadership and spiritual quotient on organizational performance mediated by OCB.
Entrepreneurial Leadership

Entrepreneurial leadership has many similarity with transformational leadership where leaders promote the higher performance with appeal to higher followers' needs. However, entrepreneurial leader ability to promote such performance is established in context of company's need to adapt to emerging environmental possibilities. Therefore, fundamental challenge for Entrepreneurial leadership is to create followers willingness to make entrepreneurial creative activities (Lajin and Zainol, 2015). Entrepreneurial leadership mobilize the capacity to meet entrepreneurial challenges. Entrepreneurial leadership indicators include: convincing subordinates that they can achieve goals, articulating an organization's vision attractively, promising that their efforts will produce remarkable outcome, and be able to withstand environmental changes that ultimately improve organizational performance (Lajin and Zainol, 2015).

Experts use three main approaches to define entrepreneurial leadership, (Pihie and Bagheri, 2013). First, they focus on nature and character inherent in and differentiate entrepreneurial leaders with other leaders. Secondly, they examine environmental factors and context where organizations leaders adept to apply entrepreneurial principles and strategies in carrying out their roles and tasks. Third, they observe a social process in which entrepreneurial leaders effect others to carry out their vision (Fernald et al., 2005; Wibowo and Saptono, 2018).

Spiritual Quotient

Zohar and Marshall (2007) defined spiritual quotients as quotient based on self in association with wisdom beyond the ego or soul of consciousness. Spiritual quotient deals more with soul enlightenment. People with high SQ can interpret the suffering of life by giving a positive meaning to every event, problem and even suffer experience. The positive meaning can raise his soul and positive actions.

Ramachandran (Zohar and Marshall, 2007) defined spiritual quotient as the quotient to deal and solve the problem of meaning and value from human behavior and life in wider context and rich meaning of life, judging that one's actions or way of life are more meaningful when compared to others. Therefore Spiritual Quotient (SQ) is based ourselves in relation to wisdom of ego or the soul conscious.

Relationship Spiritual quotient and employee performance refers to research from Rani et al. (2013); that spiritual quotient can organize and guide individual actions to improve individual performance and organizational performance. Malik et al. (2011), Khawaja (2017) propose spiritual quotient as OCB predictor.

OCB

OCB is conceptualized as contextual performance. It is defined as behaviour manifested in psychological and social environment support to facilitate task performance. This behavior serves to support the tasks performance to provide benefits to organization (Organ, 1997). This behavior is expressed in willingness to consciously and voluntarily to work and to contribute to organization (Organ et al., 2006).

OCB involves some behaviours of helping others, becoming volunteers for extra tasks and adhering to rules and procedures at work. This behavior reflects the added value of employees and one form of prosocial behavior, i.e. positive social, constructive and meaningful
help behavior. OCB is regarded as a workplace behavior in accordance with personal judgment to exceed one's work requirements. Organizational theory explains the OCB arises because of system of cooperation and people willingness to contribute and strive into system cooperation and become an absolute requirement in organization (Podsakoff et al., 2000).

Zehir et al. (2012) found that entrepreneur leadership affect on OCB. Rutherford and Holt (2007) claim that Entrepreneurial leadership focuses on desire to introduce and enhance innovative activities. Extra role behaviors (OCB) are associated with innovative and proactive behavior (Podsakoff et al., 2000). The OCB relationship with performance refers to Maharani et al. (2013). The results indicate that increasingly helpful behavior, positive behavior, volunteering and participating in supporting organizational functions make employees more responsible, patient, responsive and proactive that will improve performance.

Relationship OCB. Spiritual quotient and employee performance refers to research from Rani et al. (2013); that spiritual quotient can organize and guide individual actions to improve individual performance and organizational performance. According to Khawaja (2017) when individuals exhibit Spiritual quotient and behave OCB, they are more likely to improve performance. Hashim’s (2013) recommended that OCB must be studied with spirituality to find out its role in performance.

Performance

Performance is achieved output from a person efforts based the ability in certain conditions. The performance is combination between effort, ability, and perception of the tasks (Timpe, 2002). Griffith (2004) stated that performance is one from total aggregates of labor available to worker (Haseeb et al., 2017).

Mathis and Jackson (2006) suggested five elements of employee performance measurement, namely: output quantity; output quality; output timeliness; attendance and work togetherability.

Based on previous empirical and theoretical studies, the hypotheses are formulated below.

\[ H1: \] Entrepreneurial leadership directly effects on employee performance.

\[ H2: \] OCB mediates the effect of Entrepreneurial leadership on employee performance.

\[ H3: \] Spiritual quotient moderates the effect of OCB on employee performance.
Hypothesis Model

The hypothesis model is shown in Figure 1 below.

![Hypothesis Model Diagram]

FIGURE 1
RESEARCH ANALYSIS MODEL THE EFFECT OF ENTREPRENEURIAL LEADERSHIP, SPIRITUAL QUOTIENT AND OCB ON EMPLOYEE PERFORMANCE

RESEARCH METHODOLOGY

The population is all 436 employees of Sharia banking with state-owned status in Malang Raya, consist of Bank Sharia Mandiri, BRI Sharia, BTN Sharia and BNI Sharia. Total 140 samples selected are all permanent employees calculated by using Slovin formula with 7% precision, including leadership element with tenure least 1 year in PT Bank Sharia with status state owned in Malang Raya.

Variable Measurement

Data were collected by questionnaires with Likert scale ranging from 1 (strongly disagree) up to 5 (strongly agree). This study uses 4 variables, namely Entrepreneurial leadership; OCB, spiritual quotient and employee performance.

Entrepreneurial Leadership is measured by 4 indicators adopted from Lajin and Zainol (2015), consisting of convincing goal achievement, articulating the organization's vision in an interesting way, trying to get maximum output and able to survive in face of environmental change. Indicators are measured by a Likert scale from 1 (strongly disagree) to 5 (strongly agree). Spiritual Quotient is measured by 7 indicators referring to Zohar and Marshall (2007); flexible ability, high level of awareness, able to deal with suffering, pain-facing, vision-inspired quality of life, reluctant to cause harm, and a holistic view. Indicators are measured on a Likert scale of 1 (strongly disagree) to 5 (strongly agree).

OCB is measured by 5 indicators referring to Ekowati et al. (2017), consisting of helping others, awareness as organization member, discipline, goodness, and positive attitude. Employee performance is measured by 6 indicators from B Yars and Leslie (1995); (Sani and Troena,
2012), consisting of transaction management, administration management, customer focus, quality orientation, cooperation and internalization of sharia values.

Data Analysis Techniques

Descriptive statistical analysis explains the frequency distribution of respondents' answers from questionnaire. Data were analyzed with Partial Least Square (PLS). PLS can be developed as an alternative for situations with weak basic theories in model design and/or available indicators do not meet reflective measurement models (Solimun, 2010). The mediation test is done by Sobel test with Free Statistic Calculation software for Sobel Test version 4.0.

RESULTS AND DISCUSSION

Structural Model Testing (Inner Model)

The Goodness of Fit test of structural model for inner model uses predictive-relevance ($Q^2$) values to measure the fitness of observation values generated by the model. $Q^2$ is based on coefficient of determination of all dependent variables. $Q^2$ has a range of values $0<Q^2<1$, closer to 1 means better model. The coefficients of endogenous variables can be presented in Table 1 below.

<table>
<thead>
<tr>
<th>Structural Model</th>
<th>Endogenous Variables</th>
<th>R Square</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Employee Performance (Y3)</td>
<td>0.679</td>
</tr>
<tr>
<td>2</td>
<td>OCB (Y1)</td>
<td>0.412</td>
</tr>
</tbody>
</table>

R² value of each endogenous variable are follows: 1) Y1 variable has $R^2$ of 0.412; and 2) Y3 variable has $R^2$ of 0.679.

The predictive-relevance value is obtained by formula:

\[
Q^2 = 1 - (1 - R_1^2)(1 - R_2^2)\ldots(1 - R_p^2)
\]

\[
Q^2 = 1 - (1 - 0.412)(1 - 0.679)
\]

\[
Q^2 = 0.811
\]

The calculation show a predictive-relevance value of 0.811 or 81.1%, the model has a relevant predictive value. The 81.1% indicates that the model can explains the variance at 81.1%, in other words, the information contained in 81.1% data can be explained by model. The remaining 18.9% is explained by other variables outside the model and error. It means the PLS model is formed is good, because it can explain 81.1% of overall information.

Hypothesis Testing Results (Inner Model)

Hypothesis testing and direct path coefficient show the effect of Entrepreneurial leadership and OCB on employee performance. It is shown Table 2 below.
Table 2 shows hypothesis testing results. The first hypothesis is accepted. Path coefficients the t statistic value of 3.278>1.96; with a probability p-value of 0.000<0.05. Because p-value<5%; thus it can be interpreted that Entrepreneurial leadership affect on Employee Performance.

The results of hypothesis testing for the direct effect is shown in figure 2 below.

FIGURE 2
PATH DIAGRAM FOR STRUCTURAL MODEL IN PLS

The mediation hypothesis testing is needed to detect the effect and position of intervening variable in the model. This method is used to determine the relationships type between variables, either as a complete, partial or non-mediation variable. Approach difference coefficient uses inspection method. The test results for OCB mediation variable is shown in Table 3.

Table 3 shows hypothesis testing results. The first hypothesis is accepted. Path coefficients the t statistic value of 3.278>1.96; with a probability p-value of 0.000<0.05. Because p-value<5%; thus it can be interpreted that Entrepreneurial leadership affect on Employee Performance.
Table 3 shows that all paths are significant. Therefore, it needs to compare the direct path between Entrepreneurial leadership and employee performance, as shown in Table 4.

<table>
<thead>
<tr>
<th>Independent Variable</th>
<th>Dependent Variable</th>
<th>t statistic</th>
<th>p-value</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entrepreneurial leadership</td>
<td>Employee Performance</td>
<td>8.107</td>
<td>0.000</td>
<td>Significant</td>
</tr>
</tbody>
</table>

Table 4 show (b) has t value of 8.107. From table above, it is known (c) and (d) significant, and (a) significant, where the coefficient of (a) is smaller than (b), then it is a partial mediation variable. The second hypothesis is accepted. OCB mediates the effect of Entrepreneurial leadership on employee performance.

Moderation hypothesis testing is needed to explain the differential effects of predictor variables. The moderation variable does not have correlation with predictor variable but it interacts with predictor variable. The moderation variable selection in model relationship is based on theoretical or rational thought and theoretical considerations. The moderating variables can specify for whom and under what conditions the relationship model can be applied. The PLS test show that t value of arithmetic effect for interaction variables OCB spiritual quotient to employee performance is 1.355. Because the t value of arithmetic<1.96, OCB does not have moderation effect on employee performance. So the third hypothesis is rejected.

The inner model for path model analysis shows that Entrepreneurial leadership has a significant effect on employee performance. It is consistent with Lajin and Zainol (2015) that Entrepreneurial leadership consisting of convincing subordinates that they can achieve goals, articulating the organization's vision attractively, promises that their efforts will produce remarkable output, and can survive in face of environmental changes can improve performance. Leadership entrepreneurs help employees to welcome the future by generating confidence to organization vision. Entrepreneurship leadership empowers resources, solves challenges, thinks critically and brings organizations to achieve goals (Kuratko, 2007). In addition, this leadership style allows leaders to enhance creativity, innovation, and performance (Chahal, 2013).

OCB becomes intervening variable. OCB has important role to improve employee performance. Chiang and Hsieh (2012) show that OCB positively and significantly has correlation with performance. This study finding also supports Maharani et al. (2013) that OCB affect on employee performance. These results indicate that larger helpful behavior, positive behavior, showing performance above minimum standards, voluntarily participates in supporting organizational functions, making employees more responsible, patient and responsive and proactive ultimately will improve performance.

Zehir et al. (2012) found that entrepreneur leadership had an effect on OCB. Rutherford and Holt (2007) claim that Entrepreneurial leadership focuses on desire to introduce and enhance innovative activities. OCB relates to innovative behavior and proactive behavior (Podsakoff et al., 2000). This study finding support Robbins's (2006) opinion that satisfied employees to leadership will speak positively about the organization, help co-workers, and make their performance beyond the normal estimation. Moreover, satisfied employees are more obedient to duty call, as they want to repeat their positive experiences.

The PLS test shows that t count value for the interaction variables of OCB spiritual quotient on employee performance is 1.355. The t count value<1.96 means that spiritual quotient cannot become moderator the effect of OCB on employee performance. Field conditions show that employees are required to have spiritual quotient to improve task performance. This is
consistent with Malik et al. (2011) and Khawaja (2017) that spiritual quotient becomes a predictor for OCB.

The study findings support Zohar and Marshall (2007) that spiritual quotient is defined as a quotient based on inside self in associated with wisdom beyond the ego or soul of consciousness. This quotient is always used not only to know the existing values, but also creatively discover new values in life. Similarly, Sani and Troena (2012) said that leaders should have a spirituality that includes spiritual transformation and seek noble values in workplace.

The findings reinforce previous research of Rani et al. (2013) that spiritual quotient can organize and guide individual actions to improve individual performance and organizational performance. Spiritual quotient is absolutely required by sharia banking employees because behavior will automatically be controlled and protected from disgraceful acts. This is a reflection of one of performance of sharia banking employees as the internalization of Islamic values. Higher spiritual quotient can affect work behavior, and ultimately will can improve performance.

**CONCLUSIONS**

Entrepreneur leadership has an effect on performance. It helps employees to welcome the future by generating confidence in organization vision. Entrepreneurship leadership empowers resources, solves critical thinking challenges and brings organizations to achieve goals.

OCB mediates the effect of Entrepreneur leadership on performance. It is manifested helpful behavior, positive behavior, showing performance above minimum standards, voluntarily participates in supporting organizational functions, making employees more responsible, patient and responsive and proactive that ultimately will improve performance.

Spiritual quotient does not become a moderator the effect of OCB on performance. It can regulate one's behavior and performance. Spiritual quotient is absolutely required by employees of sharia banking, because with good spiritual quotient makes their behavior automatically be controlled and protected from disgraceful acts. This is one performance reflection of sharia banking employees in internalization of Islamic values.

**Research Limitations**

The this study design cannot completely eliminate the possibility of common method bias because all data is collected through self-report and sometimes have the possibility to be effected by social desirability bias. It means that answer given is considered appropriate but not necessarily reflect the true. Next researcher should examine the model development by positioning spiritual quotient variable as mediation variable to expand the research.

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