UDC 331

ANALYSIS OF THE RELATIONSHIP BETWEEN WORKPLACE SPIRITUALITY AND EMPLOYEE PERFORMANCE

Susilo Heru
Faculty of Administrative Science, University of Brawijaya, Indonesia
E-mail: heru_fia@ub.ac.id

ABSTRACT

This research was aimed to determine the presence of the relationship between workplace spirituality and employee performance. This research used a qualitative method involving ninety-four (94) respondents spread evenly throughout SMEs (Small and Medium Enterprises) and sharia cooperatives in Malang City. Moreover, this research also used a quantitative method by giving questionnaires to the respondents. There were two measuring instruments used namely a measuring instrument of workplace spirituality that obtained a reliability value of 0.937, and a measuring instrument of employee performance that achieved a reliability value of 0.817. The analysis result using a *Pearson* analysis test obtained the correlation coefficient value of 0.513. This value indicates that there is a significant relationship between workplace spirituality and employee performance of SMEs and sharia cooperatives in Malang City.

KEY WORDS

Spirituality at work, employee performance, Islamic SME.

Today's contemporary business world faces an increasingly high degree of uncertainty. The situation described by the condition of VUCA (Volatility, Uncertainty, Complexity, and Ambiguity) by Kinsinger and Walch (2012) increasingly encourages companies to be more agile and innovative to improve their performance and remain competitive in the competition. It ultimately makes companies more incessantly find new ways that are relevant to the competition.

In the midst of increased demands to keep performing optimally in the increasingly high competition, companies are also confronted with new challenges in which the millennial generation – defined by Pew Research Center (2010) as a generation born in the early 1980s to the end of the 20th century – has started entering the working world. That is, the millennial generation has become a part of the national labor force posture. The Central Bureau of Statistics (2014) recorded that Indonesia's population with the age range of 16 – 30 years old amounted to 61.8 million people with the labor force participation rate of 60.01%. In other words, the labor force participation of the millennial population was more than 40% of the total Indonesia's workforce.

Research conducted by Pew Research Center (2010) revealed that this generation has some distinctive characters, namely: independent, confident, expressive, passionate and open to changes. In the context of Indonesia, this millennial generation also has a high religious character. Nielsen Consumer Media View Q3 (2015) released its survey showing that there were 84% of Indonesia's millennial generation who agreed with the statement "faith is an important thing for them." Moreover, in the survey, it was mentioned that the top five most popular Android applications with the category of *Books* and *Reference* sequentially were *MYQuran Al Qur'an Indonesia, Ensiklopedi Hadits 9 Imam, Alquran Bahasa Indonesia, iQURAN* and *MyQuran Indonesia.*

On the other hand, the survey result of Jobstreet.com (2015) discovered that 1 of 5 employees of millennial generation quit their jobs because of feeling unhappy while 1 of 3 employees left their jobs because the jobs did not match their interests or passions. It indicates that millennial employees are very concerned about the values existing in their jobs and workplaces. Therefore, if the values living in the company are not in line with their values, it will make the millennial generation easy to get out of their jobs. On the other side,

a high turnover will be very detrimental to the company. Thus, the company had better maintain the employees as much as possible, especially those who have above average performance. The explanation above shows that companies can no longer expect the best performance with the same approach with the one on the previous generation.

It is undeniable that in order to produce an optimal company performance in terms of financial performance (profit, return on assets, return on investment, etc); product market performance (sales, market share, etc.); and shareholder return (total shareholder return, economic value added, etc.), a company must also employ people (employees) who perform optimally as the primary ingredient of aggregated company performance (Richard & Devinney, 2009). Many factors can influence employee performance. A research conducted by Khoir (2012) found that there are eleven factors that can affect employee performance, covering: (1) motivation; (2) leadership; (3) organizational culture; (4) capability; (5) compensation; (6) competence; (7) organizational climate; (8) work discipline; (9) career development; (10) resources; and (11) spirituality. Furthermore, it was mentioned that work discipline, career development, resources, and spirituality are the factors that are very rarely observed although the importance of the role of spirituality for employee performance, particularly millennial employees who are incredibly concerned about the values of their jobs has been stated in previous,

Viewed from the perspective of human resource management, Karakas (2010) revealed that the absence of workplace spirituality will lead to job stress, low attendance and even *burn out* that, by Pines & Maslach (1993), is defined as fatigue syndrome both physically and mentally including adverse self-concept development, the lack of concentration, and negative working behaviors. This situation makes the atmosphere in the workplace being cold and unpleasant as well as causes decreased dedication and commitment of employees, which eventually will result in non-optimal employee performance and achievement. Besides, this makes employees keep far from and unwilling to get involved with the environment. In contrast, the presence of workplace spirituality makes employees feel empowered and commit to the organization so that their work productivity increases. Furthermore, Karakas (2010) stated that workplace spirituality is very profitable for companies because it can create employee engagement in the midst of a very tight talent competition in the 21st century (Beechler & Woodward, 2009).

In a philosophical perspective, employees who do not feel workplace spirituality tend to be too materialistic so that everything is always money or material-oriented. It can ultimately lead to vague or meaningless feelings in the work. On the contrary, workplace spirituality that can be fulfilled by a company will increase the employee's job creativity and satisfaction to the point where employees feel very meaningful to work in the company, which is the key driving factor of employee performance.

The last one is the perspective of personal relationship. The absence of workplace spirituality can result in overly individualistic employees, the lack of social cohesion among employees and low connectivity among them. This condition ultimately will have an impact on the company because the low social capital among employees can lead to a low flow of information among them so that the act of *sharing knowledge* does not occur among them. This may cause *silos* in the company that causes *best practices* in a division not able to be appropriately transferred to the other divisions. If this continues to happen, the organization will experience knowledge stagnation although the employees own the knowledge in the form of *tacit knowledge.* On the contrary, workplace spirituality will increase the cohesiveness among employees so that the social capacity grows among them. The growth of social capital is not only crucial for employee's job satisfaction but also for the company that fully understands the employee's role in improving the company values as explained by Vinet Nayar (2010) in his book entitled "*Employee First, Customer Second.*"

On the other hand, Sisodia *et al.* (2007) in his book entitled "*Firms of Endearment: How world-class companies profit from passion and purpose*" explained the results of his research in which 30 companies focusing on *total stakeholders* (shareholders, employees, customers, suppliers, etc.) could show more optimal performance in a short or long-term compared to other companies incorporated in the standard and Poor 500 categories. In the

context of human resource management, the companies identified as *Firms of Endearment* (FoEs) profoundly understand that today's employee motivation to work is no longer just to get a salary but more than that. They work to find the right meaning of their lives (*meaningful work*).

Thus, this research would like to examine more deeply about the influence of workplace spirituality and work passion on employee performance. This research was conducted in all sharia banks in Malang City as it was considered to fully reflect the workplace spirituality that became the variable of this research.

In the literature on spirituality, there is confusion in society about the two almost identical terms: *spirituality* and *religiosity.* Gupta *et al.* (2013) explained that there are significant differences between religiosity and spirituality. According to his research, Gupta *et al.* (2013) revealed that *"Religion presents absolute realities in life. Religion forms the basis of the present society in which we live, whereas spirituality (the truth of our soul within) upholds the values in the society. Without spirituality, the physically visible world would not be sustained for long, whereas in the absence of religion, society could survive on its own."* The further explanation about the differences between both terms can be seen in Table 1 below.

Table 1 - Differences between Spirituality and Religiosity

Spirituality	Religiosity	Sources
A broad concept that represents beliefs and values	A narrower concept that relates to behaviors	Fry (2003)
Looks within the individual. It is universally applicable and includes various expressions of interconnectedness	Often looks outward and depends on customs. Sometimes tends to be rigid, exclusive, and patriarchal	Klenke (2003)
Very good and appropriate subject to discuss at the workplace	Very inappropriate subject for discussion in the workplace	Mitroff and Denton (1999)
Very strong hypothetical and empirical evidence that connects spirituality and ethics	No clear evidence that connects religion and ethics	Giacalone and Jurkiewicz (2003)

Source: Gupta et al (2013).

Workplace spirituality is mentioned diversely in various literature. Rudnyckyj (2009) called it as *spiritual economic* while Marques (2008) called it as *spirituality at work*. The other theories named it as *spirituality in the workplace* (Gupta *et al.,* 2014; Mitroff & Denton, 1999), *workplace spirituality* (Garcia-Zamor, 2003; Jurkiewicz & Giacalone, 2004) and *spirituality at workplace* (Aravamudhan, N.R. and R. Krishnaveni, 2014)

Ashmos and Duchon (2000) systematically defined that workplace spirituality is an individual's self-understanding as a spiritual being whose spirit or soul requires maintenance in the workplace with all values within himself; experience the sense of having particular purpose and meaning in his work; as well as experience the feeling of having interconnected with others and communities in the workplace.

Research conducted by Milliman, Czaplewski and Ferguson (2003) on the apprentice employees of a company found that the components of individual's workplace spirituality (meaningful work, sense of being interconnected with communities, and value enforcement) contribute significantly to the components on the individual's working behavioral constructs. Based on the results of their research, the components of meaningful work and sense of being interconnected with communities create a commitment to the organization where individuals are sheltered, minimize the individuals' intention to quit their jobs, generate intrinsic job satisfaction, lead to more involvement in work, and improve self-esteem within their selves. In the same research, the components of value enforcement also lead to intrinsic job satisfaction and minimize individuals' intention to quit their jobs. Meanwhile, Dehaghi *et al.* (2012) suggested that by enhancing the climate of workplace spirituality, organizational commitment, as well as individual and organizational performances, can also be increased.

In this research, the variable of workplace spirituality (*spirituality in the workplace*) used the dimension of Gupta *et al.* (2013) stating that *spirituality in the workplace* has three

dimensions, namely: meaningful work, sense of community, organizational values and compassion.

Vallerand and Houlford (2003) interpreted *passion* as a strong tendency towards preferred activities in which people give their time and energy to those activities. A person will become passionate towards specific activities through two critical processes covering activity assessment and the internalization of activity representation in one's core aspect that is one's identity. Permarupan *et al.* (2013) defined *work passion* as follows, *"Employee work passion is an individual's persistent, emotionally positive, meaning-based state of well-being stemming from reoccurring cognitive and affective appraisals of various job and organizational situations, which results in consistent, constructive work intentions and behaviors."*

Meanwhile, employee performance can be defined as the extent to which a person carries out his responsibilities and job duties (Singh *et al.,* 1996). Furthermore, Gomes (1995) stated that performance is a record of results or outcomes generated from a particular work function or a specific activity within a given period. On the other hand, performance measurement, according to Gomes (1995), is a tool to measure the level of individual contribution to the organization. Employee performance is positioned as a dependent variable in empirical studies because it is viewed as a result or impact of organizational behaviors or human resource practices rather than as a cause or determinant.

This research was conducted by using a quantitative approach with the consideration that this research was aimed to test the theories, build facts, and show the relationship between variables studied. Sarwono (2006) revealed that a quantitative approach emphasizes the existence of variables as research objects that will be tested using a particular statistic formula and analysis technique of hypotheses established. The primary data of this research were sourced from the questionnaires answered by the respondents while the secondary data were obtained from literature books, research journals, and newspaper articles.

The hypothesis of this research is as follows:

H1: Workplace spirituality has a positive relationship to employee performance.

As mentioned previously, the population of this research was all employees of SMEs and sharia cooperatives in Malang City while the samples selected amounted to ninety-four (94) respondents spread evenly throughout SMEs and sharia cooperatives in Malang City. In determining the samples, the researcher used probability sampling technique – a technique that provides equal opportunities for each member of the population to be selected as a sample (Sugiyono, 2014). The type of probability sampling chosen was accidental sampling, which is coincidence-based sample determination. The coincidence meant here is anyone who happens to meet the researcher and is considered capable and appropriate to be used as a sample (Sugiyono, 2014).

In this research, validity and reliability tests were first conducted towards the research measuring instruments. As the results, the validity value of the measuring instruments of workplace spirituality and employee performance variables after being tested proved valid. Both measuring instruments were declared valid because all the items obtained a significant value (< 0.05), indicating that all the items were valid to use.

On the other side, the reliability test result of the measuring instrument of workplace spirituality using an analysis technique of *Alpha Cronbach* obtained a reliability coefficient of 0.937 while that of employee performance reached a reliability coefficient of 0.817. The parameter of item discrimination in the form of the total item correlation coefficient describes the conformity between item function and measuring instrument function in discovering individual differences (Azwar, 2005). The measuring instruments used in this research were reliable because it obtained a *Cronbach Alpha* value of > 0.60.

Respondents with valid data that can be tabulated were forty-five (45) people covering twenty-seven (27) male employees and eighteen (18) female employees.

Based on Table 1, it can be seen that *(in percentage)* the number of male respondents was 44% while the number of female respondents was 56%. In term of age, the respondents who aged between the ranges of 18-25 years old, 26-30 years old, 31-40 years old, 36-40

years old, and more than 40 years old obtained 66%, 24%, 5%, 4%, and 1% respectively. Meanwhile, in term of working period, the respondents with working periods of less than 2 years, 2-5 years, 5-8 years, and more than 8 years obtained 49%, 36%, 9%, and 6% respectively. The last descriptive data were about the respondent's monthly expenditure, in which it was found that 80% of the respondents spent less than 3,000,000 IDR per month, the other 9% spent 3,000,000 – 7,000,000 IDR per month, and the remaining 1% spent 7,000,000 – 11,000,000 IDR per month.

Table 2 – Participant General Overview Based on Sex, Working Period, Age, and Monthly Expenditure

Characteristic	Category	Number	Total	Percentage	Total
Sex	Female	53	94	56%	100%
	Male	41		44%	
Age	18-25 years old	62	94	66%	100%
	26-30 years old	22		24%	
	31-35 years old	5		5%	
	36-40 years old	4		4%	
	> 40 years old	1		1%	
Working Period	< 2 years	45	94	49%	100%
	2-5 years	34		36%	
	5-8 years	8		9%	
	> 8 years	5		6%	
Monthly Expenditure	< 3 Million IDR	80	94	90%	100%
	3 – 7 Million IDR	8		9%	
	7 – 11 Million IDR	1		1%	
	11-15 Million IDR	0		0%	
	> 15 Million IDR	0		0%	

According to the result of the correlation test using a *product-moment Pearson* test, it was obtained that the significance value was 0.000 (less than 0.05). Thus, it can be concluded that the correlation test result accepts *Ha* and rejects *Ho.* That is, there is a positive relationship between workplace spirituality and employee performance in SMEs and sharia cooperatives in Malang City.

The research result related to the independent variable (workplace spirituality) and the dependent variable (employee performance) using a correlation test obtained R = 0.638, indicating that there is a correlation between workplace spirituality and employee performance. In other words, there is a close relationship between both variables since the value is closer to 1. The correlation coefficient value obtained 0.513 in which the contribution percentage of the effect of workplace spirituality variable on employee performance variable was 51.3% while the remaining 48.7% was influenced by other variables that were not included in this model. The close relationship between workplace spirituality and employee performance exists because workplace spirituality can increase the job creativity and satisfaction of employees to the point where they feel very meaningful to work in the company. It is the key driving factor of employee performance.

Furthermore, the result of linear regression test showed that the significance value was 0.000. According to the result, it can be concluded that the *Pearson* correlation test result accepts Ha and rejects Ho. In other words, workplace spirituality has an effect on employee performance. Similarly, the positive value of the correlation coefficient indicates that there is a positive relationship between workplace spirituality and employee performance.

According to the *Pearson* correlation test, it can be learned that the significance value obtained was 0.000. Therefore, it can be concluded that the result of the *Pearson* correlation test accepts Ha and rejects Ho. That is, there is a significant relationship between workplace spirituality and employee performance. The significant relationship between both variables is heavily influenced by organizational values, *i.e.*, employees feel that the company or organization has treated them fairly or adequately. This is in line with the research results of Milliman, Czaplewski, and Ferguson (2003) stating that the value of workplace spirituality at

the organizational level is the enforcement and maintenance of personal values as well as the conformity with the organizational values (alignment of values).

Based on the significance value calculation, the results of this research are linear with the previous research conducted by Milliman, Czaplewski, and Ferguson (2003) on apprentice employees in a company revealing that the components of individual's workplace spirituality significantly contribute to the components of the individual's working behavioral constructs.

CONCLUSION

According to the analysis on the influence of workplace spirituality on employee performance that has been discussed earlier, it is concluded that workplace spirituality positively influences employee performance. In other words, the higher value of workplace spirituality will also increase the level of employee performance value. The high value of employee performance indicates that there will be work productivity if there is workplace spirituality value.

REFERENCES

1. Aravamudhan, N.R. & Krishnaveni, R. (2014). Spirituality at Work Place: An Emerging Template for Organization Capacity Building. Vol. VII, No. 1, March – August.
2. Azwar, Saifuddin. 2005. Penyusunan Skala Psikologi. Yogyakarta: Pustaka Belajar
3. BPS. 2014. Statistik Pemuda Indonesia.
4. Garcia-Zamor, J.–C. Workplace spirituality and organizational performance. Public Administration Review, 63(3), 355-363.
5. Gupta, M. (2014). Creating Satisfied Employees Through Workplace Spirituality: A Study of the Private Insurance Sector in Punjab (India). J Bus Ethics, 122:79–88
6. Karakas, F. (2010). Spirituality and Performance in Organizations: A Literature Review. Journal of Business Ethics, 94:89–106
7. Khoir, D. H. (2012). Faktor – faktor yang Mempengaruhi Kinerja Pegawai pada Direktorat Pembinaan Sekolah Dasar Ditjen Pendidikan Dasar Kemendikbud. Indonesia.
8. Kingsinger, P. & Walch, K. (2012). Living and leading in a VUCA world. Thunderbir University. Retrieved from: http://knowledgenetwork.thunderbird.edu
9. Marques, J. (2008). Spirituality at work: Internal growth with potential external challanges. The journal for quality and participation, 31(3): 24-28.
10. Milliman, J., Czaplewski, A. J., & Ferguson, J. (2003). Workplace spirituality and employee work attitudes. An exploratory empirical assessment. Journal of Organizational Change Management, 16(4): 426-447.
11. Mitroff, I. & Denton, E. (1999). A study of spirituality in the work place. Sloan Management Review, 40: 83-92.
12. Permarupan, P. Y., Roselina, A. S., Raja, S. R. K., Bamini, KPD B. (2013). The Impact of Organizational Climate on Employee's WorkPassion and Organizational Commitment. Procedia - Social and Behavioral Sciences, 107: 88–95.
13. Rudnyckyj, D. (2009). Spiritual economies: Islam and neoliberalism in contemporary Indonesia. Cultural Anthropology, 24(1): 104-141.
14. Singh, J., Verbeke, W., & Rhoads, G. K. (1996). Do organizational practices matter in role stress processes? A study of direct and moderating effects for marketing-oriented boundary spanners. Journal of Marketing, 60: 69-86
15. Sugiyono. (2014). Metode penelitian bisnis. Bandung: Alfabeta.
16. Vallerand,R.J. (2003). Passion at work:Toward a new conceptualization. In D. Skarlicki, S. Gilliland, & D.Steiner (Eds.). Research in social issues in management, 3: 175–204.
17. Zigarmi, D., Nimon, K., Houson, D., Witt, D., & Diehl, J. (2009). Beyond Engagement: Toward a Framework and Operational Definitionfor Employee work passion. Human Resource Development Review.