THE EFFECT OF SPIRITUAL INTELLIGENCE TO INCREASE ORGANIZATION PERFORMANCE THROUGH WORKERS JOB SATISFACTION

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ABSTRACT

Spiritual intelligence enables people to live with the greater meaning and depth and to look for a meaning beyond the physical needs and a low-level life in their business. Spiritual intelligence will also assist the workers in achieving their happiness and satisfaction with their current jobs. In the long run, spiritual intelligence will help the organizations to achieve business objectives and allow the employees to flourish within the organization. The main objective of this study is to analyze the effect of worker’s spiritual intelligence to achieve organization performance using workers job satisfaction as mediating variable. This study is choosing some management practices in Indonesian biggest developer companies. Respondents in this research consist of workers in all business units owned by those developer companies. All the data is statistically analyzed using the Structural Equation Method model. Findings of this research indicate that there’s a positive effect between spiritual intelligence workers and job satisfaction. The study also proved that as long as the workers satisfied with their jobs, their productivity will increase and finally the organization performance will also improve. The future research should consider the importance role of the leader for organization performance by setting-up core value within organization. This study is the first, to the researcher’s knowledge, to see the effect of all dimensions of spiritual intelligence into workers job satisfaction and finally to improve organization performance.

Keywords: organization performance, spiritual intelligence, structural equation method, worker’s job satisfaction,
INTRODUCTION

A paradigm shift in decision making, culture, and leadership which focuses on heightened employee spiritual intelligence and enhanced workplace spirituality presents a viable alternative for an organizational structure in today’s competitive global business environment. The nature of work appears to have changed substantially. Work has been transformed into the place in which individuals develop themselves and people are searching for meaning in work. Spirituality is defined as the particular way the human person in all its richness, the relationship of the human person to the transcendent, the relationship between human persons, and the way to achieve personal growth are envisioned. Therefore there’s an urgency to get better understanding a concept beyond technical skills which is called “General Intelligence”. (Javaheri, Safarnia, Mollahosseini, 2013).

Intelligence, including spiritual intelligence represents a set of different skills and abilities that appear in the different forms in the social and historical contexts (Emmons, 2002). Implementation of spiritual intelligence and spirituality in the workplace and social organizations will increase efficiency and productivity in them but unfortunately, this is often forgotten in today’s technological society. Amram (2008) believed spiritual intelligence is including meaning sense and having mission in life, a sense of the sacredness in the life, balanced understanding of the matter value and believes to the world is getting better.

From year to year, the property industry in Indonesia will grow supported by the economic growth across the country (Simanungkalit, 2012). The escalation of income and the purchasing power of the people in general, as well as household consumption for the necessities in particular, make the property industry in Indonesia flourish. Based on Jones Lang Lassalle survey (2014), the growing rate of property industry in 2013 is at average 12.5% compare with the previous year. The sales volume of properties in Indonesia was dominated by the key experienced players in those industries. Therefore they’re starting to diversify their line businesses into various projects, such as: education, healthcare system, multimedia, etc. Since their main businesses are more diversified, the owner chose the professional management team with various religious backgrounds to running their business by putting the spiritual core value as a guidance to do the business; emphasize the implementation of spiritual intelligence within organization; focus to make all employees happy in order to get higher company performances.

The huge potential market in the property industry is challenging the developer company in Indonesia to expand their business not limited in Jakarta but also in the surrounding areas include Tangerang region. They are focusing to build “township” in the region which is equipped with fully facilities such as: education, healthcare system, sports and leisure facilities, shopping malls and other entertainment facilities. There are six biggest property companies in Indonesia that have been building the housing and township projects in Tangerang, namely: Alam Sutera, Lippo Karawaci, Paramount Land, Ciputra, Sinar Mas Land, and Summarecon Agung.

Since the developer companies are now growing, getting bigger, having thousands of employees from various religious backgrounds and more diversified in the line of business, the property company will face some challenges to maintain their strong performances. Since all the religion taught about
the spiritual common value of kindness and good relationship with the God, AlMighty and the other people, the companies have to pay attention keeping these spiritual value established by the owners to increase the organization performance that depends on the worker’s job satisfaction.

Today, spiritual intelligence plays an important role in the organizations. Spiritual intelligence helps people assess their job. Happiness and positive morality has good effects for individuals; such that increase patience of people, raises the quality of communication, people will be altruist and help to others, have better job performance, work better and can better solve the problem.

For decades, there have been limited researches studies on the issues of spiritual intelligence or workplace spirituality in the fields of management, leadership and organizational behavior. Some researchers only focus on each concept either spiritual intelligence or organized culture or spiritualized leadership and considered each concept is a stand-alone without seeing the effect among those concepts. Hence, the present research is undertaken to get another perspectives which dimension gives the greatest effect by interconnecting the all dimension of employee spiritual intelligence and their effects into the job satisfaction and finally into the organization performance.

Based on the explanation of the background, the research questions area formulated as follows: Are there any effects between spiritualized intelligence into workers job satisfaction and which is the dimension that give the most significantly effect to workers job satisfaction? And are there any effects of those dimensions into organizational performance?

The proposed research of this quantitative research study was to answer the research questions mentioned previously: to analyze the effect between the spiritual intelligence into workers job satisfaction and into organization performance.

The aims of this current study were as follows: (1) For the development of management science in the field of using the concept of spiritual intelligence in increasing workers job satisfaction, (2) For further research to focus more on spirituality aspects in the organization to gain a strong workers job satisfaction

THEORETICAL FRAMEWORK AND HYPOTHESIS DEVELOPMENT

Spiritual Intelligence. Spiritual intelligence is introduced as complementary part of human intelligence set, different from IQ and EQ. It informs people of their needs, desires, interests and abilities; an intelligence which helps them not only recognizes their inner values, but to explore new values. (Khorsidi, Ebaadi, 2012). Zohar and Marshall (2000) defined spiritual intelligence as intelligence which people address and solve problems of meaning and value, place their actions and live their life meaningfully. Thus, spiritual intelligence involves the cognitive processes resulting in both social modifications and consciousness transformation. Spirituality is a kind of inner consciousness and insight consciousness and is considered as a valuable personal capital.

Meanwhile, according to David B King (2008), spiritual intelligence is a set of adaptive mental capacities which are based on non-material and transcendent aspects of reality, specifically those which are related to the nature of one’s existence, personal meaning, transcendence and heightened states of consciousness.
Worker’s Job Satisfaction. Sisk and Torrance (2001) believe that the spiritual intelligence can deepen an individual’s relationship with himself and others, or the larger world in everyday activities. They also can do their tasks with high accuracy, integrity and work ethics and it is expected that they deal with customers more effective. In addition, they can establish a better relationship with the customers, the colleagues, the supervisors and other people within organization. Dent, Higgins and Wharff (2005) finally arrived in conclusion that there’s a correlation between productivity and spirituality.

Employee’s work performance is important to the overall company or organization in order to achieve company’s goal, develop products, provide services and attain competitive goal. (Rani, Abidin, Hamid, 2013). Zohar and Marshall (2000) also stated that when spiritual intelligence is high, we appear to be intellectual and have proper behavior. Individuals with high spiritual intelligence demonstrated higher measures of satisfaction and performance.

Organization Performance. A spiritual business organization can be considered as the new competitive advantage since increased profits and performance has been representative of a spiritual business organization (Campuzano et. al., 2009). Employees who demonstrate spiritual traits have a greater understanding to adapt to a changing environment, the ability to trust others, and a high level of commitment to the organization (Mohamed et al., 2004).

According to Campuzano et al. (2009) spirituality promotes employee success and lead to self-actualization and employee satisfaction. A spiritual business organization increases employee satisfaction, the values of honesty, trust, respect, responsibility and integrity. A spiritual business organization represents these shared values and as the leadership effectively demonstrates these values with behavior, actions and as these values are upheld throughout the organizational culture, employee satisfaction in increased and in the long-run will increase organizational performance including higher profits and success (Mitroff and Denton, 1999).

Conceptual Framework. The research of Khorsidi and Ganeeh Ebaadi (2012) showed that there is a meaningful positive relationship between spiritual intelligence and job satisfaction. The increase of spiritual intelligence will increase job satisfaction. The values and culture of the organizations are of significant importance in establishing motivation and inspiration and among employees and reducing employees stress. Amram and Dryer (2008) stated that the workplace spirituality can improve employee health, well-being, job satisfaction, efficiency, and productivity at the individual level. Workplace has been transformed into the forum in which individuals develop themselves and people are searching for meaning in work and a way to connect their work lives with their spiritual lives. According to Bass and Avolio (1993), the spirituality at the workplace has been growing. Therefore the managers and employees should move to this new paradigm by putting more meaning on relationships in the workplace. With regard to importance of spirituality at work, organizational leaders have a major role in reinforcing and developing spirituality at work.

The study by Ayranci (2011) concluded that the forms of spiritual intelligence played an important role into organization performance, especially financially. Some study suggested that workplace spirituality can be used to increase organizational competitiveness (Overell, 2003). Furthermore, Amram (2009) said the spiritualized culture and leadership in the organization will improve workers
performance. A spiritual organization will increase employee awareness and as a result increases employee satisfaction and motivates employees to perform at a level of excellence. The leader influences the organization culture by values, connecting with others, practicing spirituality and living a transparent lifestyle and include self-realization and implements a balance between family, work and spirituality (Panahi & Abedinpoor, 2012). Relating with the previous discussion of the literature review, the conceptual framework proposed in this present study is as follow:

Figure 1 : Conceptual Framework

Research Hypotheses

Hypothesis 1 : There is a significant effect between spiritual intelligence and worker’s job satisfaction.

Hypothesis 2 : There are strong effects of overall worker’s job satisfaction into the organization performance.

Hypothesis 3 : There’s a significant effect between the workers spiritual intelligence and the organization performance.

Hypothesis 4 : There are significant effect between spiritual intelligence and workers job satisfaction into organization performance.

METHODS

Measurement and Operational Variable

Spiritual Intelligence. The spiritual intelligence will be measured using 5 Integrated Spiritual Intelligence Scale (ISIS dimensions) from Amram and Dryer (2008) that consists some aspects of spiritual intelligence: consciousness; transcendence; meaning; truth and grace.

Worker’s Job Satisfaction. The dimension of worker’s job satisfaction will be measured using Job Descriptive Index that was developed by Landy, Shankster and Kohler (1994), and having some indicators: the work nature; the attitude toward supervisors; the relations with co-workers; the opportunities for promotion; salary/benefit and the working condition.
Organization Performance. Chenhall and Langfield-Smith (2007) mentioned that organization performance have six dimensions namely: efficiency; effectiveness; development; satisfaction; innovation and quality.

The research questionnaires in this study consisted two parts. The first part was drawn for collecting demographic information profile of the respondents regarding their age, gender, education, work-tenure and job level in the organization. The second part of questionnaire represented the main research questions is taken from the previous study done by some researcher but some questions are adjusted with the current respondent and consists of 61 questions. Each question will be measured based on Likert 5th option spectrum coded from: Scale 1 = Very Disagree, Scale 2 = Disagree, Scale 3 = Doubtful, Scale 4 = Agree and Scale 5 = Very Agree.

Research Design. The research design in this study is hypotheses testing using cross-sectional time dimension; field study research, causality with individual as unit analysis. This research will discuss the sampling technique, instrumentation and the data screening before proceeding to the Structural Equation Models (SEM) technique in testing the hypothesized model and invariance analysis.

Samples and Data Collection. The developer companies that have been chosen as research object must meet the specification as follows: Listed as one of the 10 biggest developer companies in Indonesia based on the sales volume in 2013 and successful in developing the township project in Tangerang region, Banten. Statistical sample of this research has been selected from all the employees from the six big developer companies that have township projects in Tangerang region, Banten Province. Based on SEM rule of thumb, it’s enough using comparison 5:1. This research has 61 parameters, so the minimum number of sample need is = 305 respondents. As a backup for un-returned questionnaire, the researcher decided to distribute 350 questionnaires. In fact all questionnaires were returned by the respondents. Therefore, this study will analyze the data using 350 samples of respondent.

The way of collected the sample is called stratified random sampling. From the total of 4174 employees who are working at the developer’s township project in Tangerang, the sample of each developer company is as following: Paramount Serpong (117), Sinar Mas (44), Lippo Karawaci (43), Alam Sutra (41), Summarecon Serpong (37) and Ciputra Group (23).

Validity Testing. Validity construct is used to determine the validity by correlating among scores for each item in form of questions or total score using Pearson correlation. Based on validity testing in the questionnaire for each variable for 50 respondents (pre-test) with critical \( t > 0.799 \) showing that all items have greater correlation value and valid.

Reliability Testing. The elements the reliability of the questionnaire evaluated by Cronbach’s alpha coefficient and admissible is all values yielded alpha coefficient exceeded the values of 0.50 suggested by Nunnaly (1978). The pre-test showed that the alpha reliability value is greater than 0.789 and valid.

Data Analysis Method. Structural Equation Models (SEM) is taken to analyze the data using the Lisrel Program. Spiritual intelligence is measured by five dimensions \((X_1, X_2, X_3, X_4, \text{and } X_5)\); the worker’s job satisfaction is measured by six dimensions \((Y_1, Y_2, Y_3, Y_4, Y_5 \text{ and } Y_6)\) and the
organization performance is measured by six dimensions ($Y_7, Y_8, Y_9, Y_{10}, Y_{11}$ and $Y_{12}$).

Test of Model Fit Measurement. Hair et al. (2010) said that if the overall model has been fit, measurement of every construct can be done for un-dimensional and reliability. In this study, Confirmatory Factor Analysis (CFA) is used because the research model and latent variables have been determined before.

**Structural Model Fit Test.** Evaluation on analysis of structural model includes examination of correlation of latent variables in this research. If significance degree reaches $\alpha = 0.05$ and $t$-value $\geq 1.96$, then significance of every coefficient that represents causal relation that is hypothesized can be tested systematically.

**Value of Latent Variables.** Value of latent variable with measurement variable that consists of one component can be calculated. Value of the latent variable is used as measurement variable of its latent variables. While for latent variable that has two or more components for its measurement variables, Second Order Confirmatory Factor Analysis (CFA) is used.

**Test of Structural Model Fitness.** The Goodness-of-Fit (GOF) indicates how well the specified model reproduces the observed variance matrix among the indicator items. The following table shows that the model fit compares the theory to reality by assessing the similarity of the estimated covariance matrix (theory) to the reality (the observed covariance matrix). Only AGFI indicator model that shows Marginal Fit with the testing result value is $< 0.90$. Since the observed and estimated covariance matrices would be the same, it can be stated that this research theory were perfect. Meanwhile, the result for goodness for fit testing in this research is as follow:

<table>
<thead>
<tr>
<th>GOF Indicator</th>
<th>Estimated Value</th>
<th>Testing Result</th>
<th>Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Absolute Fit Value</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GFI</td>
<td>GFI $\geq 0.90$</td>
<td>0.90</td>
<td>Good Fit</td>
</tr>
<tr>
<td>RMSEA</td>
<td>RMSEA $&lt; 0.08$</td>
<td>0.048</td>
<td>Good Fit</td>
</tr>
<tr>
<td>Incremental Fit Value</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NNFI</td>
<td>NNFI $&gt; 0.90$</td>
<td>0.98</td>
<td>Good Fit</td>
</tr>
<tr>
<td>NFI</td>
<td>NFI $&gt; 0.90$</td>
<td>0.97</td>
<td>Good Fit</td>
</tr>
<tr>
<td>AGFI</td>
<td>AGFI $&gt; 0.90$</td>
<td>0.89</td>
<td>Marginal Fit</td>
</tr>
<tr>
<td>RFI</td>
<td>RFI $&gt; 0.90$</td>
<td>0.96</td>
<td>Good Fit</td>
</tr>
<tr>
<td>IFI</td>
<td>IFI $&gt; 0.90$</td>
<td>0.98</td>
<td>Good Fit</td>
</tr>
<tr>
<td>CFI</td>
<td>CFI $&gt; 0.90$</td>
<td>0.98</td>
<td>Good Fit</td>
</tr>
</tbody>
</table>

*Source: Data Analysis using LISREL 8.70*

**RESULTS AND DISCUSSION**

Result of Hypothetical Test. Following are the hypotheses testing the effect of spiritual intelligence, spiritualized organization culture, spiritualized leadership and worker’s job satisfaction
into organizational performance using path diagram. As it stated in literature review previously, the concept of spiritual intelligence is explained by the variable of consciousness (X1); transcendence (X2); meaning (X3); truth (X4) and grace (X5). Meanwhile the concept of workers job satisfaction are measured by the following variables: the work nature (Y1); the attitude toward supervisors (Y2); the relation with co-workers (Y3); the opportunity to get promotion (Y4); salary/benefit (Y5) and the working condition (Y6). Furthermore, the concept of organizational performance is measured by six variables, namely: efficiency (Y7); effectiveness (Y8); development (Y9); satisfaction (Y10); innovation (Y11) and quality (Y12).

Figure 2: Structural Diagram (Standardized)
The Effect of Spiritual Intelligence and Workers Job Satisfaction into Organization Performance

Figure 3: Structural Diagram (t-Value)
The Effect of Spiritual Intelligence and Workers Job Satisfaction into Organization Performance
Both picture above (Picture 2 and 3) showed that a spiritualized leader must encourage workers to develop their spiritual intelligence especially in the dimensions of truth (X4). This aspect is needed especially to avoid the disagreement and conflict in the organization. If the spiritual intelligence of each worker is growing, the aspect of openness and acceptance will grow. Therefore, the workers can control their emotions and maintain their relationship with other people in the organization. In addition, the willingness of the supervisor to help (Y2) is needed in giving some guidance for workers to do their job well. The conflict is avoided because the supervisor is able to coordinate and lead them well. A perfectly produced product has little value if it is not what the customer wants. Therefore, we can say that quality must be customer driven. The satisfied customer (Y10) will lead the customer retention, which in the long-term increase the organizational performance.

Table 2: Summary of Result of Hypothesis Testing

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Variables</th>
<th>Coefficient</th>
<th>Standard Error</th>
<th>t-Value</th>
<th>Statistical Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>Spiritual Intelligence (SI) → Worker Job Satisfaction (WJS)</td>
<td>0.30</td>
<td>0.055</td>
<td>5.37</td>
<td>Data Supported</td>
</tr>
<tr>
<td>H2</td>
<td>Spiritual Intelligence (SI) → Organization Performance (OP)</td>
<td>0.20</td>
<td>0.050</td>
<td>4.03</td>
<td>Data Supported</td>
</tr>
<tr>
<td>H3</td>
<td>Worker Job Satisfaction (WJS) → Organization Performance (OP)</td>
<td>0.48</td>
<td>0.043</td>
<td>8.95</td>
<td>Data Supported</td>
</tr>
<tr>
<td>H4</td>
<td>Spiritual Intelligence (SI) and Worker Job Satisfaction (WJS) → Organization Performance (OP)</td>
<td>0.27</td>
<td>0.050</td>
<td>9.34</td>
<td>Data Supported</td>
</tr>
</tbody>
</table>

From data analysis, the study able to create a Structural Equation Model for Worker’s Job Satisfaction and Organization Performance as follows:

\[
\begin{align*}
\text{WJS} &= 0.30\times \text{SI}, \quad \text{Errorvar}. = 0.59, \quad R^2 = 0.41 \\
(0.055) & \quad (0.063) \\
5.379.34
\end{align*}
\]

\[
\begin{align*}
\text{OP} &= 0.48\times \text{WJS} + 0.20\times \text{SI}, \quad \text{Errorvar}. = 0.43, \quad R^2 = 0.57 \\
(0.054) & \quad (0.050) & \quad (0.043) \\
8.95 & \quad 4.03 & \quad 10.06
\end{align*}
\]

*Source: LISREL OUTPUT 8.70*

The result of all hypothetical tests indicates that all hypotheses tested on all respondents are supported by data.

**Hypothesis 1:** There is a significant effect between spiritual intelligence and worker’s job satisfaction. Spiritual intelligence has a positive effect into the worker job satisfaction, because t-value > 2 (5.37 > 2), with the rate of effect 0.30. This data is supported the research of Khorsidi and GaneheEbaadi (2012) that said there was a meaningful positive relationship between spiritual intelligence and job satisfaction. The findings of this study also support the study by Zohar and Marshall (2000), stated that when spiritual intelligence is high, the employee will be intellectual and have proper behavior.
**Hypothesis 2:** There’s a significant effect between the workers’ spiritual intelligence and the organization performance. Spiritual intelligence has a positive effect into organization performance, because t-value $> 2$ (4.03 > 2), with the rate of effect 0.20. This conclusion supports the research done by Abedi and Rastgar (2007) that the forms of spiritual intelligence played an important role into organization performance.

**Hypothesis 3:** There are strong effects of overall worker’s job satisfaction into the organization performance. Worker’s job satisfaction has the highest effect into organization performance, because t-value $> 2$ (8.95 > 2), with the rate of effect 0.48. Heskett, et al. (1994) suggest that satisfied employees will deliver high service quality. Higher employee satisfaction levels lead to high customer satisfaction, and ultimately affect customer loyalty and profitability.

**Hypothesis 4:** There are significant effects between spiritual intelligence and the spiritualized leadership into the organization performance. All dimensions of spiritual intelligence and worker job satisfaction together have effect into organization performance, because t-value $> 2$ (10.06 > 2), with the contribution rate 57%. But, in partial, workers job satisfaction has a greater effect (0.48) than spiritual intelligence.

**CONCLUSION**

Theoretical Implication. The first hypothesis data that are collected to obtain answers if there is positive effect of variable spiritualized intelligence into worker job satisfaction. The results of the data analysis showed that there’s a meaningful positive relationship between spiritual intelligence and job satisfaction among workers, that is, increase of spiritual intelligence increases job satisfaction level. This finding is in accordance with findings of King (2001).

The second hypothesis also proven that spiritual intelligence has a moderate effect into organization performance. This conclusion supported many studies that have demonstrated the spiritual intelligence have large impact on the job satisfaction on the motivation of workers, while the level of motivation has an impact on productivity, and hence also on performance of business organizations. (Anderson et al., 1993).

This study proved the third hypothesis which stated workers job satisfaction has the highest effect into organization performance. The success of the workers in serving the customer needs is also highly dependent with the active involvement and participation of their supervisors. This data results supported the previous research said that employee job satisfaction exerts a significant positive effect on customer satisfaction.

All dimensions of spiritual intelligence and worker job satisfaction together have effect into organization performance which workers job satisfaction has a greater effect than others. This result study supported the fourth hypothesis. Therefore, the job satisfaction has the greatest effect into organization performance. This study showed that individuals with high spiritual intelligence demonstrated higher measure of satisfaction and performance and will give a greater contribution
into organization. Spiritual intelligence can provide unique means for the workers to solve any problems they are facing in their work’s environment. It also helps to articulate the connection between organization and worker personal values; inspire and motivate workers by connecting their personal purpose with meaning of work in the organization. Thus it is helping in socialization of the organization culture and creating compelling vision and mission statement for both workers and the organization.

Managerial Implication. The results of this study also have original implications for businesses that workers job satisfaction has the most significant effects into the organization performances in developer companies and the role of spiritual leadership is needed to make workers satisfied. Developer companies which are highly dependent on their marketing teams or property agents in selling their products must regularly give appropriate training and establish a corporate value that are put the customers as the top priority.

Suggested Further Research. First, it is very important for further studies to considered other variables that can affect the organization performance, such as: organization reputation or brand name; customer relationship management; information technology and any other factors that might have dominant effect to increase the organization performance. Second, the further research will give a different result analysis if the spiritualized leadership is positioning as an intervening variable and has a significant direct effect into organization performance. Third, the further researches can also enrich their studies by linking the demographic data of the respondents directly to workers performance and organization performance. Fourth, The futures studies are being required to further to develop, refine and validate future versions of the usage of SEM analyze methods with more diversified respondents from different organizations and from all the developer’s project across Indonesian to get more generalized data analysis. Fifth, including the concept CSR should be considered as an important variable for the further studies.

REFERENCES


