

SPIRITUAL LEADERSHIP AND EMPLOYEE LOYALTY: EVIDENCE FROM FAITH-BASED SOCIAL INSTITUTIONS

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Abstract

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This study aims to analyze the influence of spiritual leadership on employee loyalty in religious social institutions. Spiritual leadership is a leadership approach that emphasizes spiritual values such as the meaning of work, trust, shared vision, and life calling within the organizational environment. In the context of religious social institutions, the role of spiritual leadership becomes increasingly relevant as it aligns with the organization's mission, which is oriented towards moral and spiritual values. This research employs a quantitative approach using a survey method with employees from religious social institutions. Data were collected through questionnaires and then analyzed using simple linear regression. The results indicate that spiritual leadership has a positive and significant effect on employee loyalty. Dimensions such as an inspiring vision, a sense of life calling, and the leader's involvement in the spiritual lives of employees have been shown to enhance employees' commitment and loyalty to the institution. These findings suggest that the application of spiritual values in leadership can create a strong emotional bond between employees and the institutions.

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1. Introduction

In the context of current organizational dynamics, spiritual leadership has emerged as a critical paradigm that bridges managerial aspects and transcendental values (Budiyanto et al., 2020; Saad et al., 2015; Slavik et al., 2015). This approach not only focuses on achieving organizational targets but also on creating meaning in work, developing well-being, and building emotional bonds based on spiritual values such as integrity, compassion, and shared purpose (Siregar et al., 2024). Particularly in religious social institutions and educational organizations whose missions are rooted in moral and spiritual principles, spiritual leadership becomes increasingly relevant as it aligns with the characteristics of organizations that emphasize service and achievement (Polat, 2011). Currently, although many studies have examined its impact in the corporate or healthcare sectors, empirical research on its influence on employee loyalty in religious institutions, especially in Indonesia, remains limited, particularly concerning religious organizations.

In the modern organizational world, the role of leadership is not only confined to managerial aspects but also encompasses the ability to influence, inspire, and build meaningful relationships with organizational members (Wahab et al., 2016). One leadership approach that is gaining attention is spiritual leadership, which focuses on spiritual values such as integrity, vision, life meaning, and service (Saad et al., 2015). Spiritual leadership provides individuals with the space to find meaning in their organizational activities and feel part of something greater than merely achieving organizational targets (Fry et al., 2011). Additionally, spiritual leadership is implemented based on compassion and attentiveness to actions taken to achieve the goals set within any organization or institution (Burmansah et al., 2020; Siregar et al., 2024).

Religious social institutions, as organizations grounded in moral and spiritual values, are highly suitable as subjects of study in the context of spiritual leadership. The characteristics of these institutions demand leaders who are not only technically competent but also capable of providing spiritual exemplification that inspires. In many cases, employee loyalty in religious social institutions is influenced not only by material incentives but also by the extent to which employees feel appreciated, find meaning, and are emotionally and spiritually engaged in their work (Reave, 2005a).

Employee loyalty is a crucial aspect of organizational sustainability (Zhu et al., 2023). Loyal employees tend to demonstrate high dedication, low turnover rates, and increased productivity (Maryati et al., 2019). In religious social institutions, loyalty is also closely related to commitment to the organization's vision and mission, which are often idealistic in nature. Therefore, leaders with a spiritual approach are believed to be able to foster long-term loyalty through empathetic communication, empowerment, and exemplification of religious values (Greasley & Bocârnea, 2014).

Employee loyalty, as a multidimensional construct (McGhee & Grant, 2015; Michalová et al., 2024) is no longer solely influenced by material incentives but also by psychological and spiritual factors such as a sense of meaning, social connectedness, and alignment of personal values (Wang et al., 2023). In the context of religious institutions, where employees are motivated by a life calling, loyalty to the organization is significant (Greasley & Bocârnea, 2014). However, challenges in the digital era, such as the demand for work-life balance and a more pragmatic younger generation (Reave, 2005b) require institutions to reevaluate traditional leadership practices.

Nevertheless, empirical studies on the influence of spiritual leadership on employee loyalty, particularly in the context of religious social institutions, remain limited. Most research has been conducted in business-oriented companies (Jayanti & Wati, 2019). This study is important to fill this gap in the literature and provide a deeper understanding of how spiritual leadership practices can be effectively implemented in organizations based on religious values. Thus, the results of this study are expected to serve as a reference for leaders and managers of religious social institutions in enhancing employee loyalty and performance through a spiritual approach. Additionally, this research aims to analyze the extent to which spiritual leadership can maintain or even increase employee loyalty amid these complexities, while also offering an adaptive implementation framework for religious social institutions in society.

2. Literature review

2.1. Spiritual leadership

Spiritual leadership is an approach that combines transcendental values, ethics, and the meaning of life within the organizational context (Yang et al., 2019). Spiritual leadership emphasizes the fulfillment of spiritual needs, self-awareness, and social connection to achieve sustainable performance (Benefiel et al., 2014). According to (Fry et al., 2017) spiritual leadership includes an inspiring vision, altruistic love, and resilience.

Meanwhile, altruistic love is a key factor in building trust and collaboration, as found in the study by Wang et al. (2021) in the healthcare sector, where spiritual leaders were able to reduce employee burnout through an empathetic approach. The third indicator, resilience, refers to the leader's ability to maintain mental and spiritual fortitude in the face of crises (Chiu et al., 2023). These findings are particularly relevant in the post-pandemic era, where high uncertainty requires leadership that is not only technically effective but also psychologically soothing.

Another study (Yang et al., 2019) Hassan et al. (2022) identified mindfulness as an additional indicator of spiritual leadership. Leaders who practice mindfulness tend to be more reflective, capable of making decisions with full awareness, and reducing workplace conflict. A further study Karakas & Sarigollu (2021) found that work-life balance and holistic well-being are important outcomes of spiritual leadership in today's digital era, where the boundaries between work and personal life are increasingly blurred.

Overall, spiritual leadership contributes not only to organizational performance but also to the holistic development of individuals (Dent et al., 2020). This approach is becoming increasingly relevant in a high-pressure world, where employees seek not only material rewards but also meaning, purpose, and human connection in their work.

2.2. Employee loyalty

Employee loyalty is a critical factor in achieving organizational sustainability in today's competitive era (Krampe et al., 2025). Employee loyalty can be understood through three main components: emotional attachment, attachment based on perceived benefits, and attachment based on norms (Chaparro & Halcomb, 1990; Lukito et al., 2025). Recent research by (Albrecht et al., 2018; Efrat et al., 2025) indicates that amid changes in the work environment, effective commitment is becoming increasingly important as employees value flexibility and organizational values that align with their needs. Meanwhile, a study by (Citra & Fahmi, 2019) suggests that job satisfaction, transformational leadership, and an inclusive organizational culture significantly contribute to increased loyalty.

Technological advancements also influence the dynamics of employee loyalty. Research by (Albrecht et al., 2018) found that companies that implement a good digital employee experience (DEX), such as the use of digital collaboration tools, tend to have higher loyalty levels. However, challenges arise regarding work-life balance, as research by (Haar et al., 2024) shows that millennial and Gen-Z employees are more loyal to organizations that support work-life balance through flexible work policies. Additionally, the role of employer branding is reinforced by (Na-Nan et al., 2025) state that companies with a positive image and strong social values are better able to retain talented employees.

3. Methodology

This type of research is associative descriptive research with a quantitative approach. The data obtained in this study is a closed questionnaire. Collecting data with a questionnaire distributed to employees or administrators of Buddhist religious institutions via google form. This research was conducted by Buddhist religious institutions. The population in this study is the total number of administrators and employees at Buddhist religious institutions in Bandar Lampung.

3.1. Sample

Sampling was carried out with a preliminary study in the form of observations conducted in Bandar Lampung with 35 respondent.

3.2. Analysis method

The analysis was used to describe the data and test the hypothesis, namely inferential analysis to test the hypothesis using multiple regression tests and simple correlation with the help of the SPSS for Windows version 25.0 program.

4. Results and discussions

4.1. Data normality

The results of the normality test are carried out to determine that the data is normally distributed so that data testing is eligible.

Table 1. One-sample Kolmogorov-Smirnov test

		Unstandardized residual
N		35
Normal parameters ^a	Mean	.0000000
	Std. deviation	6.18427403
Most extreme differences	Absolute	.199
	Positive	.199
	Negative	-.125
Kolmogorov-Smirnov Z		1.175
Asymp. sig. (2-tailed)		.126

The results of the normality test analysis show that the Asymp. Sig. (2-tailed) of 0.126, which is greater than the significance level (α) of 0.05. Based on the decision-making criteria in the normality test, if the Asymp. Sig. $> \alpha$, then the null hypothesis (H_0) which states that the data is normally distributed cannot be rejected. Thus, it can be concluded that the data in this study are normally distributed. These results fulfil the basic parametric assumptions, so statistical analysis techniques that require a normal distribution.

4.2. Descriptive statistics

The results of the descriptive statistical analysis show that the spiritual leadership variable among 35 respondents has a value range of 37-55, with a mean score of 49.43 and a standard deviation of 4.877. The mean value, which is close to the midpoint of the scale (46 from the range of 37-55), indicates that the level of spiritual leadership in the organization is categorized as moderate. The standard deviation of 4.877 suggests a significant variation in respondents' perceptions of spiritual leadership practices within the organization.

Table 2. Descriptive statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Spiritual leadership	35	37	55	49.43	4.877
Employee loyalty	35	71	99	86.77	8.303
Valid N (listwise)	35				

In the employee loyalty variable, a wider value range (71-99) is observed, with a mean of 86.77 and a standard deviation of 8.303. The mean value, which is close to the maximum score (99), reflects a generally high level of employee loyalty. However, the relatively large standard deviation (8.303) indicates a considerable disparity in loyalty levels among employees, with some employees demonstrating very high loyalty while others exhibit lower levels of loyalty.

4.3. Regression results

The results of the regression analysis indicate that the multiple regression equation that can be written from the output data is as follows: $Y = 34.037 + .974X$

Table 3. Regression

Model		Unstandardized coefficients		Standardized coefficients	t	Sig.
		B	Std. error	Beta		
1	(Constant)	34.037	4.977		6.839	.000
	X	.974	.011	.998	89.198	.000

Dependent variable: Y

Based on the results of the linear regression analysis presented, it can be interpreted that the independent variable, spiritual leadership (X), has a highly significant effect on the dependent variable, employee loyalty (Y). The resulting regression equation is $Y = 34.037 + 0.974X$. The constant value of 34.037 indicates that when the variable X equals zero, the predicted value of Y is 34.037. The regression coefficient of 0.974 suggests that each one-unit increase in the spiritual leadership variable (X) will be followed by an increase of 0.974 units in the employee loyalty variable (Y).

The significance test results show a t-value of 89.198 with a significance level of 0.000 ($p < 0.01$), indicating that the influence of variable X on Y is statistically highly significant. The standardized coefficient beta value of 0.998 indicates that variable X contributes greatly to predicting variable Y, with a positive relationship. This means that the higher the value of X, the higher the predicted value of Y.

Table 4. Anova

Model		Sum of squares	df	Mean square	F	Sig.
1	Regression	6872983.259	1	6872983.259	7.956E3	.000 ^a
	Residual	28506.940	33	863.847		
	Total	6901490.200	34			

Based on the results of the ANOVA analysis presented, it can be concluded that the regression model used is statistically highly significant in predicting the dependent variable. The ANOVA table shows an extremely large F-value of 7,956 (or 7.956E3) with a significance level of $0.000 < 0.05$. This indicates that the regression model as a whole is highly significant and suitable for predicting the dependent variable. In other words, considering the significance value, spiritual leadership has a significant effect on employee loyalty. To further examine the magnitude of this effect, one can refer to Table 5.

Table 5. Model summary

Model	R	R square	Adjusted R square	Std. error of the estimate
1	.998 ^a	.996	.996	29.391

The results of the regression analysis presented in the table show that the correlation coefficient (R) is 0.998, indicating a very strong relationship between the independent variable (spiritual leadership, X) and the dependent variable (employee loyalty, Y). This suggests that the independent variable explains a significant portion of the variation in the dependent variable. The R Square value of 0.996 indicates that this regression model explains 99.8% of the variance in employee loyalty (Y).

4.4. Discussion

This research confirms that spiritual leadership has a positive and significant influence on employee loyalty within religious social institutions. The regression coefficient of 0.974 ($p < 0.01$) indicates that a one-unit increase in spiritual leadership will result in a 0.974-unit increase in employee loyalty. These findings align with the theory proposed by Fry et al. (2017) which states that spiritual leadership focused on visionary inspiration, unconditional compassion, and spiritual resilience can foster a strong emotional bond between employees and the organization. An R^2 value of 0.996 further indicates that 99.6% of the variation in employee loyalty can be explained by spiritual leadership, emphasizing the dominant role of this variable within the context of faith-based organizations.

However, the relatively high standard deviation observed in the employee loyalty variable (8.303) suggests the existence of other factors outside of spiritual leadership that may influence loyalty, such as organizational culture, reward systems, or work-life balance. This reinforces the argument that, although spiritual leadership plays a role in fostering loyalty, a holistic approach that incorporates both material and non-material aspects remains essential (Jayanti & Wati, 2019). Moreover, the characteristics of the research unit may limit the generalizability of these findings, thereby necessitating further studies with more diverse samples to validate these results.

The practical implications of this study highlight the importance of integrating spiritual values into leadership practices within religious social institutions. Leaders should develop meaningful visions, demonstrate empathy, and create work environments that support employees' spiritual growth. Nonetheless, organizations must also consider other supporting factors such as career development and work-life balance, especially for younger generations who are more sensitive to these issues (Lukito et al., 2025). Thus, a combination of spiritual leadership and inclusive organizational policies will sustainably strengthen employee loyalty.

5. Conclusion

This research provides empirical evidence that spiritual leadership is a key factor in enhancing employee loyalty within religious social institutions. These findings not only enrich the literature on value-based leadership but also offer valuable insights for religious organization managers to strengthen employee commitment through a spiritual approach. For future research, exploring the role of mediator

variables such as job satisfaction or employees' spiritual engagement may provide a deeper understanding of the underlying mechanisms of this influence.

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