

CAN SPIRITUAL LEADERSHIP AND EMPOWERMENT ENHANCE EMPLOYEE PERFORMANCE THROUGH SATISFACTION?

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ABSTRACT

Employee performance constitutes a critical determinant of organizational competitiveness; nonetheless, many firms continue to overlook the underlying psychological mechanisms that connect leadership and empowerment to performance outcomes. This study examines how spiritual leadership and the empowerment of employees influence employee performance, with job satisfaction functioning as a mediating component, framed within the theoretical perspective of the Job Demands–Resources (JD–R) Theory. Both spiritual leadership and empowerment are conceptualized as value-based job resources that activate motivational processes through enhanced job satisfaction. Employing a quantitative research design, data were collected via a structured, closed-ended questionnaire administered to 119 respondents drawn from a population of 703 employees at PT X, a manufacturing enterprise located in Bandung Regency. Sampling was executed using a proportionate stratified random approach, and data were analyzed through Partial Least Squares-Structural Equation Modeling (PLS-SEM) utilizing SmartPLS 4. The results demonstrate that spiritual leadership and employee empowerment exert significant positive influences on job satisfaction, though their direct effects on performance are not statistically significant. Job satisfaction, however, positively and significantly impacts performance and functions as a full mediator between leadership, empowerment, and performance. The findings advance the JD–R Theory by framing spiritual leadership and empowerment as value-infused resources that foster motivational pathways culminating in optimal performance. Practically, the study underscores the necessity of cultivating a values-driven leadership ethos and empowerment systems designed to enhance employees' psychological well-being and sustainable performance in the manufacturing context.

Keywords: Spiritual Leadership; Employee Empowerment; Job Satisfaction; Employee Performance; JD-R Theory.

INTRODUCTION

Human resources are a company's main asset because employee performance contributes directly to the achievement of organizational goals. In Indonesia, the manufacturing sector plays an important role in driving economic growth, but its performance showed fluctuations in early 2025 (Bank Indonesia, 2025; Kemenperin, 2025; S&P Global, 2025). Similarly, West Java and Bandung Regency experienced a decline in the manufacturing sector's GRDP since the end of 2024 (BPS, 2025). This means that the manufacturing sector's performance still faces stability challenges, making it important to take a closer look at the garment sub-sector as one of the main drivers of the regional economy.

The garment sub-sector contributes significantly to national employment and exports (Kemenperin, 2025; UGM, 2024). Bandung Regency is one of the garment industry bases with large companies, one of which is PT X, which has a major share (DISPEDAGRIN, 2025). As a cut & sew company, PT X relies on the consistency and skills of its employees to achieve optimal performance through production targets, attendance, and turnover indicators. However, at PT X, although attendance and turnover rates are relatively good, production targets have not been consistently met (Adekiya, 2023; Arif & Sarwoto, 2023; Kocakülâh et al., 2018). This condition confirms that even though attendance and turnover are maintained, the overall performance of employees at PT X is still not optimal, so it is necessary to review the individual, psychological, and organizational factors that can influence it (Gibson et al., 2012), such as leadership, empowerment, and job satisfaction.

Previous studies have shown mixed results. Some studies found that spiritual leadership and employee empowerment directly affect performance (Alfain et al., 2025; Hidayah et al., 2025), while other studies confirm that this effect is not significant without the presence of mediating variables (Dealisa & Widodo, 2024; Norianggono et al., 2023). The inconsistency of these findings indicates a research gap that needs to be clarified, especially in the context of labor-intensive industries such as garment manufacturing. Job satisfaction is seen as a potential mediating variable because it can increase employee loyalty, motivation, and productivity (Robbins & Judge, 2023; Wazdi et al., 2024). In line with the JD-R theory perspective, work flexibility and work-life balance are forms of job resources that support employees' psychological well-being and strengthen the motivational process in increasing job satisfaction (Sidik et al., 2024). However, research on the role of job satisfaction in mediating spiritual leadership and empowerment on employee performance in the garment industry is still limited.

Numerous studies efforts have explored how spiritual leadership and empowering employees affect performance, yet the findings remain inconsistent, particularly in relation to the psychological elements that connect these aspects. Most previous studies have focused on the service and education sectors, while studies on labor-intensive industries such as garment manufacturing are still very limited. This gap highlights the need for

research that integrates the Job Demands–Resources (JD-R) Theory perspective with a value-based approach in the context of manufacturing. Consequently, this study intends to evaluate how spiritual leadership and the empowerment of employees impact performance, with job satisfaction serving as a mediating factor at PT X located in Bandung Regency. Theoretically, this study contributes to expanding the application of JD-R Theory by positioning spiritual leadership and empowerment as value-based job resources that activate motivational processes through job satisfaction. In practical application, the findings from this study are anticipated to serve as a foundation for creating human resource management strategies that highlight the significance of a leadership culture grounded in values, as well as a framework for empowerment aimed at fostering the psychological health of employees to enhance sustainable performance within the manufacturing industry.

METHOD

This research employs a numerical methodology with a causal framework (Sugiyono, 2019) to investigate how spiritual leadership, employee empowerment, and employment satisfaction affect worker performance. The research subjects were employees of PT X, a manufacturing company in Bandung Regency. From a population of 703 employees, 119 respondents were obtained as samples using G*Power 3.1.9.7 software with probability sampling techniques, namely proportionate stratified random sampling so that each department was represented (Azwar, 2012).

Data was collected through a closed questionnaire (Google Forms) with instruments including: spiritual leadership adapted from Fry (2008) 7 items; employee empowerment from Robbins et al. (2021) 10 items; job satisfaction using the Minnesota Satisfaction Questionnaire (MSQ) from Weiss et al. (1967) 20 items; and employee performance from Koopmans (2014) 14 items, all using a five-point Likert scale. The collected data underwent analysis through descriptive methods and Partial Least Square-Structural Equation Modeling (PLS-SEM) statistical techniques using the SmartPLS 4 program, due to its capability to manage intricate models, accommodate data of varying scales, and not necessitate normal distribution (Hair et al., 2021).

RESULTS AND DISCUSSION

Research Results

Respondent Characteristics

There were 119 respondents in this study, all of whom were employees of PT X. A majority of the participants in the study were male and aged between 31 to 40 years. The majority of respondents had a high school education or equivalent, with 1 to 15 years of work experience. Most respondents held operator positions in the production department, reflecting the typical workforce conditions in the labor-intensive garment industry.

Descriptive Analysis

Table 1. Results of Descriptive Statistical Analysis for Each Variable

Variable	N	Min	Max	Mean	Std. Dev
Employee Performance	119	11	55	44	6
Spiritual leadership	119	6	30	26	4
Employee Empowerment	119	8	40	32	5
Job Satisfaction	119	15	75	57	10

Source: Results of the 2025 Research Questionnaire

Table 1 illustrates that the mean values for all examined variables fall within a moderate range, indicating that participants generally perceive spiritual leadership, employee empowerment, job satisfaction, and employee performance at PT X to be reasonably positive, although differing viewpoints are evident among respondents, which is reflected in the standard deviation figures for each variable.

PLS-SEM Analysis

Validity and Reliability Test

Table 2. Validity and Reliability Test Results

Variable	Loading Factor ($\geq 0,7$)	AVE ($\geq 0,5$)	CR ($\geq 0,7$)	Cronbach's Alpha ($\geq 0,7$)
Employee Empowerment	0,70–0,82	0,55	0,87	0,85
Employee Performance	0,73–0,85	0,62	0,91	0,89
Job Satisfaction	0,71–0,83	0,60	0,90	0,88
Spiritual leadership	0,72–0,84	0,58	0,88	0,86

Source: Researcher's data analysis using SmartPLS 4

Referring to Table 2, every indicator registers a loading factor exceeding 0.7, an AVE above 0.5, and values for the combined reliability and Cronbach's alpha exceed 0.7. This signifies that the tools used for research fulfill the standards for both convergent validity and reliability.

Table 3. Model Fit Test Results

	Estimated Model	Note
GoF	0,552	Fit
Q ² Predictive Relevance	Q ² Employee Performance 0,281 > 0 Q ² Job Satisfaction 0,617 > 0	Fit

Source: Researcher's data analysis using SmartPLS 4

The model fit evaluation results show that the Goodness of Fit (GoF) value is in the large category, indicating that this research model has strong suitability. In addition, the Q² value of 0.281 for the employee performance variable indicates moderate predictive ability, while the Q² value of 0.617 for the job satisfaction variable indicates strong predictive ability. Thus, this research model can be considered valid because it is able to explain the relationship between latent variables and has relevant predictive power.

Structural Model Evaluation

Multicollinearity and R-Square Tests (R²)

The multicollinearity test results show that all variables have a Variance Inflation Factor (VIF) value of < 5. Thus, this research model is free from multicollinearity issues and is feasible for use in further testing. On the other hand, the assessment of R-Square reveals that the variable representing job satisfaction scores at 0.636, categorizing it as moderate, whereas the employee performance variable scores at 0.481, placing it in the weak to moderate range. These findings suggest that while the research model can effectively account for variations in job satisfaction, other elements beyond the model still affect employee performance.

Effect Size Test (f²)

Table 4. Effect Size Test Results (f²)

Variable	Employee Empowerment	Employee Performance	Job Satisfaction	Spiritual leadership
Employee Empowerment		0,024	0,614	
Employee Performance				
Job Satisfaction		0,296		
Spiritual leadership		0,023	0,312	

Source: Results of researcher data processing with SmartPLS 4

The f²'s test indicates that the effects of spiritual leadership and employee empowerment on job satisfaction fall within a moderate to large range, whereas their direct impact on employee performance remains relatively minor. Meanwhile, job satisfaction has a large influence on employee performance, thus reinforcing its role as the most dominant variable in the research model.

Hypothesis Testing

Table 5. Path Coefficient Bootstrapping Direct & Indirect Effect Results

	Original Sample (O)	Sample Mean (M)	St. Deviation (STDEV)	T Statistics ((O/STDEV))	P Values	Note
EE -> EP	0,163	0,163	0,107	1,522	0,128	Not Proven
EE -> JS	0,539	0,541	0,066	8,170	0,000	Proven
JS -> EP	0,651	0,655	0,096	6,797	0,000	Proven
SL -> EP	-0,144	-0,146	0,117	1,226	0,220	Not Proven
SL -> JS	0,384	0,386	0,068	5,607	0,000	Proven
SL -> JS -> EP	0,250	0,252	0,055	4,577	0,000	Proven
EE -> JS -> EP	0,351	0,355	0,071	4,917	0,000	Proven

Source: Researcher's data processing results with SmartPLS 4

According to the hypothesis testing results shown in Table 5, it is determined that neither spiritual leadership nor employee empowerment significantly impacts employee performance directly. However, both factors positively affect job satisfaction, which subsequently has a considerable affirmative effect on employee performance. Furthermore, the analysis reveals that job satisfaction serves as a complete mediator in the connection between spiritual leadership and employee empowerment concerning employee performance.

Discussion

The findings of this study suggest that spiritual leadership and the empowerment of employees do not have a direct impact on performance.. This condition confirms that the presence of leaders with spiritual values and empowerment through delegation of authority is not sufficient to encourage performance improvement if it is not accompanied by job satisfaction. This is in line with the Job Demands-Resources Model (Bakker & Demerouti, 2017) which explains that job resources can only improve performance when they generate intrinsic motivation in

employees. Within the scope of this study, job satisfaction serves as a motivational factor that connects the effects of both leadership and empowerment on employee performance.

These findings align with the study act by Rahayu et al. (2020), Norianggono et al. (2023), Alawiyah et al. (2024), and Budiaman et al. (2025) which emphasize the role of spiritual value-based leadership and participatory empowerment in creating job satisfaction. Leadership that presents a meaningful vision, trust, and compassion, as well as empowerment through autonomy and employee involvement, has been proven to increase job satisfaction, which ultimately drives performance. However, the results of this study differ from the findings of Hidayah et al. (2025) and Rizki et al. (2024) regarding the direct influence of spiritual leadership on performance.

This difference is likely influenced by the labor-intensive nature of the garment industry, where job satisfaction is a key differentiating factor in driving employee performance. In addition, the effectiveness of leadership and empowerment can also be influenced by the prevailing organizational culture. In this context, Hanifah et al. (2021) highlight that the culture within an organization contributes to reinforcing the connection between leadership, empowerment, and performance by fostering a positive and beneficial work atmosphere.

Overall, this study supports the hypothesis that spiritual leadership and employee empowerment influence employee performance through job satisfaction. Thus, corporate strategies to improve performance should emphasize the creation of a work climate that enhances employee satisfaction, such as the development of spiritual value-based leadership and participatory empowerment practices.

CONCLUSION

In this study, it was found that spiritual leadership and employee empowerment do not directly influence performance, although both do have a notable impact on job satisfaction. Additionally, job satisfaction was identified as having a significant effect on performance and acting as a complete mediator in this relationship. Therefore, job satisfaction plays a crucial role in linking the effects of spiritual leadership and empowerment to employee performance. These findings confirm that PT X management needs to focus its efforts on improving performance by creating more satisfying working conditions. This can be achieved through leadership that emphasizes spiritual values such as meaningful vision, trust, and compassion, as well as through empowerment practices such as involving employees in decision-making, granting autonomy, and entrusting them with job responsibilities. With these steps, employee motivation and productivity can increase, enabling the company to consistently achieve its production targets.

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