Organizational Culture as an Intervening Variable of Spiritual Leadership With Organizational Commitment and Ethical Behavior

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Abstract—This study aims to determine the effect of spiritual leadership on organizational culture, organizational commitment and ethical behavior of teachers of Christian and Catholic Education Foundations in Manado, Tomohon, Minahasa Regency and South Minahasa Regency. It was done in a quantitative manner with SEM-PLS analysis. The population were 320 teachers with a sample of 100 teachers who were determined using the Slovin formula. This study is a development of the results of previous studies by adding one variable: organizational culture. The results show that the spiritual leadership directly influenced organizational culture, but did not directly influence the organizational commitment and ethical behavior. In addition, the organizational culture directly influenced the organizational commitment and ethical behavior. These indicated that organizational culture was a significant contributor to organizational commitment and ethical behavior from the aspect of spiritual leadership as an independent variable. Practically, the results can be used as a consideration for the decision makers in organizations to empower members, especially teachers to provide higher quality and professional learning services for students.

Keywords—spiritual leadership, organizational culture, organizational commitment and ethical behavior, SEM-PLS

I. INTRODUCTION

The success of an organization is determined by several factors including effective leadership, because it will direct and regulate the organization to function and achieve goals [1]. Further, it plays an important role in understanding and directing organizational goals [2]. It must be able to bring and show differences in organizational performance before and after the leadership [3]. Thus, the biggest challenge is to fill the vacant leadership position of quality, moral, disciplined and centered on principles [4].

Discussions on spiritual in the workplace is getting more intensive. Spirituality is a characteristic that cannot be separated from all humans, because it is associated with a belief in God [5]. In the latest development, spirituality in the workplace helps to understand the behavior of workers in the 21st century [2].

Spiritual leadership was the focus of the early 21st century because it was a special issue discussed in a journal of the Leadership Quarterly in 2005 [6] as there is a clear consistency between spiritual values and practices with effective leadership [7]. The spiritual ideal values referred are such as integrity, honesty, and humility. They have long been considered to influence the success of leadership [8]. Spiritual leadership is a model for organizational development and transformation that leads to the evolution of the organization in a more positive direction, and the goodness of human beings in the organization as a basis for achieving optimal performance [9]. Therefore, it is considered as a comprehensive leadership theory [7].

Organizational culture is a unique pattern of assumptions, values, and norms that make up organizational activities, language, symbols, behavior [10]. Confidence in growth and profit is important for the existence of the organization [11]. Beliefs possessed by all members of the organization have an influence on all aspects of work within the organization. Many researchers believe that Yahoo’s success was due to a strong organizational culture that was able to get out of difficulties and ultimately achieve business success [12].

The existence of organizational culture does not just simply appear, but it involves a process that is generally triggered by the founder of the organization, then passed on through socialization to employees to recognize the goals, strategies, and even standards of organizational behavior values related to work [13]. Effective socialization will produce employees who have a better level of adjustment and simultaneously will reduce the symptoms of psychological distress, reduce the desire to leave the organization, increase employee satisfaction and performance [14]. Culture can have a significant influence on attitudes and behavior of members of the organization [15]. It can provide a significant influence on the formation of attitudes and behavior of members of the organization [3].
Organizational commitment is an attitude that reflects employee loyalty to the organization and the ongoing process in which members of the organization express their concern for the organization and success and continuous progress [16]. It refers to the degree to which an employee sides with an organization and its goals and desires to maintain membership in the organization [2]. It involves three attitudes such as a sense of identification with organizational goals, feelings of involvement in organizational tasks, and feelings of loyalty to the organization [17].

Empirically, spirituality at work has an impact on leadership theory which states that there is a positive and significant relationship between spiritual leadership and the level of organizational success, which also provides a strong empirical foundation for the link between spiritual leadership and organizational commitment [6,18].

Ethical behavior is a behavior that is considered right or wrong, and therefore directs what people can and should not do [19]. It is not only determined by individuals and groups, but also a number of relevant factors from the cultural and organizational environment. The influence of culture on ethical behavior comes from family, friends, related knowledge, religions and media. The organizational influence comes from the code of ethics, role models, policies and practices, as well as reward and sanction systems [16]. The urgency of ethical behavior in organizations is increasingly evident, marked by more and more researches related to management, especially the ethical behavior of individuals within organizations [20].

This study is a development of previous researches [21] where organizational culture variable is considered new and assumed to be quite important because it is able to make comprehensive contribution to spiritual leadership. This study is a new perspective of spiritual leadership developed from related theories and previous researches [22,18]. Organizational culture is based on studies by Schein [15] and Hellriegel [10], while organizational commitment is based on Meyer [23] and Farid [24], and ethical behavior accommodates studies [20,25,26].

The originality of this study is reflected in the relationship between the spiritual leadership and organizational culture variables in addition to teachers at senior high school level as the research object. This study is expected to contribute to the development of theories related to organizational behavior and human resource management.

II. RELATED WORK

A. Research Questions

Based on the description of the background above, the research questions of this study are:

- How does spiritual leadership influence organizational culture?
- How does spiritual leadership influence organizational commitment through organizational culture?
- How does spiritual leadership influence ethical behavior through organizational culture?

B. Objectives

This study aims to:

- Analyze and explain the influence of spiritual leadership on organizational culture,
- Analyze and explain the influence of spiritual leadership on organizational commitment with organizational culture as an intervening variable, and
- Analyze and explain the influence of spiritual leadership on ethical behavior with organizational culture as an intervening variable.

C. Research Framework

Based on theoretical and empirical studies as a basis for this research, the following Figure 1. is the research framework of this study.

![Research Framework](image)

Fig. 1. Research framework.

D. Hypotheses

Based on the research framework and theoretical studies, hypotheses that can be proposed in this study are:

- There is a significant and positive influence between spiritual leadership and organizational culture.
- There is a significant and positive influence on spiritual leadership on organizational commitment with organizational culture as an intervening variable.
- There is a significant and positive influence on spiritual leadership on ethical behavior with organizational culture as an intervening variable.

III. METHODOLOGY

This study used a survey technique. It did not make changes to certain variables, examined what it was without changes in the environment and was descriptive in describing a real situation [27]. This research could be categorized as correlational research and a forecast of the effect of independent variables on the dependent variable. It was done in a quantitative manner using certain statistical analysis tools to test the proposed hypotheses. This research was conducted at several senior high schools supervised by Christian Foundation.
in two cities and two districts in North Sulawesi Province, such as Manado, Tomohon Minahasa Regency, and South Minahasa Regency.

The population of this study were teachers who taught at several high schools and vocational high schools supervised by Christian Education Foundation. The size of the sample should not be less than 5% of the population [28]. Based on the data from the North Sulawesi Provincial Education Office, 10 senior high schools that were the object of research had 320 teachers. To meet the intended criteria, the sample measurements were calculated using the Slovin formula [29] as follows:

\[ n = \frac{N}{1 + Ne^2} \]

Therefore, the sample used were as many as 100 respondents. They were obtained from 5 x 20 subjects. A minimum of 10 respondents of each school were involved where there were 4 schools in Manado, 3 schools in Tomohon, 2 schools in Minahasa Regency, and 1 school in South Minahasa Regency. Convenience sampling was used [29] by asking the willingness of the members of population to participate in the study.

The data was obtained from various sources: (1) primary data – obtained directly from the respondents; (2) secondary data – obtained from schools which were the object of research: several Christian and Catholic high schools in Manado, Tomohon, Minahasa Regency and South Minahasa Regency; (3) literature study – in the form of various references related to spiritual leadership, organizational culture, organizational commitment and ethical behavior as well as various relevant references.

This study used SEM-PLS equation model to determine the interaction between spiritual leadership with organizational culture as the intervening variable on organizational commitment and ethical behavior. The selection of SEM as a data analysis method was based on several reasons such as: (1) structural model – there was a tiered causal relationship of variables; (2) these variables were unobservable whose measurements based on several indicators; (3) SEM provided a direct method to examine multiple relationships simultaneously while providing statistical analysis efficiency.

IV. RESULTS AND DISCUSSION

The results of SEM-PLS analysis interprets the structural model which presents the relationship between research variables. The structural coefficient of the model explains the amount of relationship between variables. There is a significant influence between variables if P-value <0.05. There are two kinds of influences in SEM: direct and indirect effect. The following Table 1. and Table 2. present the results of analysis.

<table>
<thead>
<tr>
<th>No</th>
<th>Relationship</th>
<th>Coefficient</th>
<th>P-value</th>
<th>Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Spiritual Leadership on Organizational Culture</td>
<td>0.788</td>
<td>&lt; 0.000</td>
<td>Significant</td>
</tr>
<tr>
<td>2</td>
<td>Organizational Culture on Organizational Commitment</td>
<td>0.446</td>
<td>&lt; 0.000</td>
<td>Significant</td>
</tr>
<tr>
<td>3</td>
<td>Organizational Culture on Ethical Behavior</td>
<td>0.724</td>
<td>&lt; 0.000</td>
<td>Significant</td>
</tr>
</tbody>
</table>

Source: Processed Data (2019)

1) The influence of spiritual leadership on organizational culture has a structural coefficient of 0.788 and P-value of <0.001. P-value of<0.05 indicates that there is a significant positive influence between spiritual leadership on organizational culture. The higher the spiritual leadership, the higher the organizational culture.

2) The influence of organizational culture on organizational commitment has a structural coefficient of 0.446 and P-value of <0.000. P-value of<0.05 indicates that there is a significant influence between organizational culture on organizational commitment. The higher the organizational culture, the higher the organizational commitment.

3) The influence of organizational culture on ethical behavior has a structural coefficient of 0.724 and P-value of 0.000. P-value of <0.05 indicates that there is a significant positive influence between organizational culture on ethical behavior. The higher the organizational culture, the higher the ethical behavior.

<table>
<thead>
<tr>
<th>No</th>
<th>Indirect Effect</th>
<th>Indirect Effect Coefficient</th>
<th>P-value</th>
<th>Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Spiritual Leadership on Organizational Commitment with Organizational Culture as An Intervening Variable</td>
<td>0.367</td>
<td>&lt; 0.002</td>
<td>Significant</td>
</tr>
<tr>
<td>2</td>
<td>Spiritual Leadership on Ethical Behavior with Organizational Culture as An Intervening Variable</td>
<td>0.570</td>
<td>&lt; 0.000</td>
<td>Significant</td>
</tr>
</tbody>
</table>

Source: Processed Data (2019)

1) The indirect effect of spiritual leadership on organizational commitment with organizational culture as the intervening variable has a coefficient of 0.367 and P-value of <0.002. P-value of<0.05 indicates that there is a significant indirect effect. The positive direction indicates that the higher the spiritual leadership, the higher the organizational commitment with organizational culture as the intervening variable.

2) The indirect effect between spiritual leadership on ethical behavior with organizational culture as the intervening...
variable has a coefficient of 0.570 and P-value of <0.000. P-value of <0.05 indicates that there is a significant indirect effect. The higher the spiritual leadership, the higher the ethical behavior with organizational culture as the intervening variable.

A. The Influence of Spiritual Leadership on Organizational Culture

The first hypothesis stating that “there is a positive and significant influence of spiritual leadership on organizational culture” is supported. It is because it has a coefficient value of 0.788 and P-value <0.001. This means that the level of spiritual leadership will affect the level of organizational culture.

Leaders who started the process of creating culture also managed and, sometimes, changed the culture. The culture originally came from the founders of the organization as cultural leaders, which basically came from three sources: (1) beliefs, values, and assumptions of the founders of the organization; (2) learning experiences of group members as their organization developed; and (3) new beliefs, values and assumptions brought by new members and leaders [15]. Leadership and culture were interconnected [28].

In various leadership styles, the relationship between leadership and organizational culture could be studied. Charismatic leadership had a relationship with organizational culture, where there were findings that confirmed that the charismatic leadership was associated with the presence of collectivistic values in work groups and a high sense of community [29]. In addition, there were mutual causes between the charismatic leadership and organizational culture where the charismatic leaders were in a position to have an impact on organizational culture and adaptive culture tended to overtake or allow the emergence of charismatic leaders [30]. Furthermore, there was a link between transformational leadership and organizational culture. In fact, the transformational leadership and organizational culture had a joint influence on performance [31]. Recent researches had found that there was a direct and significant influence on the leadership styles with organizational culture [32].

Leadership had an impact on company performance through organizational culture [33]. There relationship between leadership and culture also influenced the organizational performance. Therefore, further researches are needed so that practitioners and leaders find the best way to prepare the market in the 21st century [34]. In addition, leadership had also contributed to changes in organizational culture [35]. The leadership style influenced the organizational culture [34]. The results of previous studies indicated that there was an increased understanding of spiritual leadership influencing organizational culture and involved spiritual well-being and the needs of employee satisfaction that could help alleviating symptoms of employee fatigue [36].

This research specifically discusses spiritual leadership. However, “leadership” was the fundamental of every leadership model such as transformational and charismatic leadership. Based on the literature review, it was concluded that spiritual leadership was a comprehensive leadership theory [22].

Therefore, the results of the first hypothesis which confirm that “there is a significant and positive influence of spiritual leadership on organizational culture” had strengthened the theory and enriched empirical relationships about leadership and organizational culture. Thus, the results of this study are new findings where there is an influence of spiritual leadership on organizational culture.

B. The Influence of Spiritual Leadership on Organizational Commitment with Organizational Culture as The Intervening Variable

The second hypothesis stating that “there is a positive and significant influence of spiritual leadership on organizational commitment with organizational culture as the intervening variable” is supported. It has an indirect effect coefficient of 0.367 and P-value of <0.002. P-value of <0.05 indicates that there is a significant indirect effect. Thus, H2 is empirically supported.

This finding is in line with the results of previous studies which found that there were direct and indirect effects of leadership style and organizational culture on employee organizational commitment [32]. The results revealed that there was a positive and significant relationship between spiritual leadership and several variables such as performance excellence, organizational commitment, unit productivity, and life satisfaction. However, the relationship between these variables was not directly but mediated by spiritual well-being [37]. Partially, the organizational culture significantly influenced the organizational commitment [38].

C. The Influence of Spiritual Leadership on Ethical Behavior with Organizational Culture as The Intervening Variable

The second hypothesis states that “there is a significant and positive relationship of spiritual leadership on ethical behavior with organizational culture as the intervening variable”. The result shows that it has an indirect effect coefficient of 0.570 and P-value of <0.000. P-value of <0.05 indicates that there is a significant indirect effect. Therefore, H3 is empirically supported.

The results of this study indirectly support previous studies [35] which confirmed that leadership influenced organizational culture, and organizational culture supported individual ethical behavior. The organizational culture contributed to a system of shared meaning because it reflected the core beliefs and expectations of employees. The elements of organizational culture contributed to the system of a shared meaning in the form of people's behavior and abilities [34]. Then, ethical organizational culture was an implementation of moral agency in ethical matters. A healthy ethical culture could contribute to motivation to overcome ethical problems, increasing the capacity for self-regulation and ultimately ethical behavior [39].
Organizations could facilitate ethical or unethical behavior. Organizational culture could change and enhance the ethical behavior. For this purpose, organizations needed to better understand strategies and what factors of the organization's environment could or could not influence the ethical behavior. There should be an idea of integrating ethics programs based on compliance and integrity with a focus on what factors inhibited or fostered ethical behavior [40]. The ethical climate was considered as a type of organizational work climate, as a shared perception of ethically correct behavior, and how ethical issues must be handled within the organization. [41]. Then, the ethical dimension of organizational culture could encourage an organization's capacity to innovate. This ethical organizational culture influenced the organizational innovation [42].

V. CONCLUSION AND FUTURE SCOPE

Spiritual leadership influenced organizational culture, and organizational culture was an intervening variable of the influence of spiritual leadership on organizational commitment and ethical behavior. Therefore, it was empirically supported that the organizational culture was such a central variable in forming organizational commitment and ethical behavior on the basis of spiritual leadership, especially for teachers who worked in high schools of Christian and Catholic Education Foundation in North Sulawesi Province.

Spiritual leadership was equivalent to the universal dimension of leadership. Therefore, the scope of the research object did not have to be limited only to religious-based organizations as the object of the study. Future researchers on spiritual leadership are suggested to explore and examine research objects related to organizations that provide public services and other social organizations.

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