EFFECT OF SPIRITUALITY ON LEADERSHIP EFFECTIVENESS

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Abstract: *This paper delineates the effect of spirituality on leadership effectiveness. In this study, spirituality is considered from the perspectives of leadership style and work practices; while the leadership effectiveness is portrayed using indicators, namely leaders' attitude to workers, employees' response and performance of the organization. The aim of this study is to measure the effect of spirituality, as the exogenous latent variable, on leadership effectiveness, as the endogenous variable. Sample of this research is taken from a population of the leaders of 30 companies in three big cities, Jakarta, Bandung and Surabaya. The procedure employed in the study is the partial least square structural equation modeling (PLS SEM), using a reflective model. Results of the study show that spirituality contributes significant effect on leadership effectiveness, as indicated by the value of R square of 0.79. Furthermore, spirituality also significantly affects leadership style, as shown in the p-value of 0.04 with the weight of 0.70, and work practices, indicated by the p-value of 0.03 with the weight of 0.72. The effect of leadership effectiveness on leaders' attitude on workers, employees' response and performance of the organization is reflected in the p-values of 0.02, 0.01 and 0, 00, with the weights of 0.78, 0.79 and 0.81, respectively. In conclusion, spirituality shows positive and significant effect on leadership effectiveness.*

Key words: *spirituality, leadership effectiveness, employee, performance*

INTRODUCTION

Is it necessary to associate spirituality with leadership effectiveness regardless of two opposing opinions that has existed for many years? Spirituality represents firstly, an area of esoteric ideas and emotions and secondly, an area of the practice of scientific research. These two views contradict each other. On one hand, there is "covert hostility" from the followers of the spirituality on those of capitalism and modern corporate practices. On the other hand, business leaders argue that the religious leaders lack the "business touch", so that their views are often considered unrealistic. However, more than 150 studies have shown evidence of congruency between spiritual teaching values and leadership values which can motivate workers, create a positive climate of ethics, inspire and promote a positive working relationship conducive to achieving the organizational objectives. Spiritual values

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and practices also allow leaders to improve productivity, increase sales, maintain the continuity of the organization, and improve mental and physical health of workers.

Religion is often associated with formal organizations or religious institutions; while spirituality is more frequently associated with the degree of closeness to God, accompanied by a feeling of connection with the world and living creatures" (Zinnbauer, Pargament, & Scott, 1999; Azhar, 2015; Antara, Musa & Hassan, 2015). Religiosity is often defined as "a system of beliefs and organized religious practices", while spirituality is often defined as "the principle of private life that animates the quality of the transcendental relationship between man and God" (Enblem, 1992). Accordingly, religion is more focused on a group or organization, whereas spirituality is an approach transcending religious boundaries. Nevertheless, most researchers are cautious in distinguishing the two terms, although some other researchers believe that these two concepts are overlapping. In fact, religious leaders have expressed their suspicions about the influence of spirituality in the organization of work. It is because spirituality might be employed as a way to manipulate and exploit the workers to meet the materialistic and egoistic objectives of some business owners (Cavanagh & Bandsuch, 2002; Nadesan, 1999). Their opinions are not without reason, considering the number of lawsuits that have been filed by workers against business organizations on the ground of violating the workers' religious free exercise rights, particularly when the organization requires them to attend certain 'religious' training and seminars it organizes (Rupert, 1992). In other words, leaders have used motivational techniques as the control system in order to achieve their selfish objectives, while they themselves have a weak moral character, and lack legitimacy and ethical values.

THEORETICAL FOUNDATION

Spirituality

In its relation to effective leadership, one will find that spirituality is not so much expressed in the form of words or sermon; rather, it is an embodiment of spiritual values which are reflected in the form of professional integrity as well as in the expression of care and concern. Giacalone and Jurkiewicz (2004) define workplace spirituality as "a framework of organizational values evidenced in the culture that promote employees' experience of transcendence through the work process, facilitating their sense of being connected to others in a way that provides feelings of completeness and joy". In spite of many leadership theories that emphasize the need for leaders to be able to articulate a vision that can inspire, it still needs to be realized. An inspiring vision should not be limited to words only; it also needs to be proven in action, by practicing ethics and showing respect and affection toward others. Leadership effectiveness has been measured in many ways, including

through qualitative approach using subjective evaluation of workers, their colleagues, and their superiors, and through the use of achievement indicators of organizational objectives, such as profitability and productivity. In other words, the effectiveness of leadership can be evaluated from two areas, 'the impact of leaders on the workers' and 'the indicators of objectives achievement'.

Basically, spiritual teachings teach people to treat others with love and affection, including showing respect, fairness, concern for others, willing to listen attentively, and appreciating the contributions of others. Almost all spiritual teachings also stress the importance of a person's involvement in reflective practices, such as prayer, contemplation, or meditation. The goal of these practices is to develop positive relationships with others, with one's self, and with God Almighty. In turn, reflective practices of leaders have been shown to affect the motivation and productivity of workers or team performance. Fry (2003) defines leadership as a spiritual "values, attitudes, and behaviors that are necessary to intrinsically motivate one's self and others so that they have a sense of spiritual survival through calling and membership". In this context, spiritual leadership is seen as an observed phenomenon and it occurs when a person who holds a leadership position incorporating spiritual values into integrity, honesty, and humility, as an example of a reliable, dependable, and admired leader. Moreover, spiritual leadership is also demonstrated through behavior, either in individual ethical behavior or in reflective practice, such as affection and respect for others. Fry (2003) proposes two important dimensions of spiritual leadership; the leadership behavior, driven by a "calling" of the heart, and a sense of "membership". The "calling" is defined as the intrinsic need of one's heart or sacred duty from God Almighty (which is in the vocabulary of Islam is often called *Hablumminalloh*) to derives meaning and purpose in life through work.

Whereas, "membership", the collective dimension of spiritual leadership, is the need to build a culture of social organization based on altruistic love (which in Islamic term is called *hablumminannas*), where leaders and followers have a sense of caring and mutual respect, in order to produce a sense of togetherness or the bonding membership for mutual understanding.

In this context, understanding the collective dimension of spiritual leadership has to do with the way leaders treat others, and at the same time manifest their own values and beliefs into behaviors. Therefore, "calling" is the voice of conscience and the value derived from religious teachings or spiritual sense in conjunction with God Almighty. It, then, should be recognized that ethical values can be applied without any spiritual intention or faith. However, a true spirituality cannot be shown without ethical values. Kuhnert and Lewis (1987) give an example of transformational leadership that requires adult development as well as moral developments. While philosophy can provide a source of guidance for some individuals, others believe that aspects of spirituality and maturity can develop

personal growth. Thus, a study is needed to uncover the foundation that shapes committed leaders.

As an empirical example, among organization leaders who embarked on a spiritual search is Kris Kalra, CEO of BioGenex, a medical-lab technology business. Several years ago Kalra realized that he had become a workaholic, robbing himself and his employees of family time and enjoyment. He began to realize that "we were living in a completely material world. The higher purpose was being lost". Then, he decided to focus instead on spiritual studies, studying the Bhagavad Gita for three months. When he returned to work, his changed attitude and new respect for others' ideas led to 12 new patents and a resulting increase in sales (Conlin, 1999). In studies on organizational transformation, researchers have found the unexpected impact of spiritual dimension. Neal, Lichtenstein, and Banner (1999), designed a research project to explore the causal factors of successful organizational transformation that promotes the process of change. They concluded that spiritual leader had succeeded in inspiring the workers which resulted in 'miracles' and 'wonders' in their organizations. According to the employees, their leaders had successfully set the stage for a change in which God Almighty was a source of real transformation. These leaders often claimed that what they did is a service to God (the vertical dimension) or to fellow human (horizontal dimension), as a proof of their commitment to a higher purpose that provided them with self-satisfaction and a sense of personal mission.

Furthermore, spirituality has also been a strong source of motivation for the followers or the workers. Leaders who emphasize spiritual values are often able to awaken the workers' latent motivation to improve their job satisfaction and productivity. Today, there are many books discussing the topic of workplace spirituality which imply that many workers express their spirituality through their work. For instance, a study by Mitroff and Denton (1999) found that many people were looking for ways to express spirituality in their work. Employees who were able to express their spirituality through jobs felt more satisfied with their work. Paloutzian, Emmons, & Keortge (2003) reported findings that workers who considered their work as a "calling" of heart decrease absenteeism, compared with workers who considered their work simply as a career. Likewise, leaders who see their work as a means of spiritual growth have shown to improve the performance of the organization (Himmelfarb, 1994). They also tend to be more effective in meeting the satisfaction of its workers. Another study found that many workers feel the benefits of reciprocity between spirituality and their work (Lewis, 2001). Emmons (1999) cited seven studies that had been conducted since 1995, showing a significant correlation between spirituality and index of mental health, life satisfaction, happiness, self-esteem, hope and optimism, as well as meaning in life. Some studies show that spiritual correlation is positively related to

performance, morale and commitment, and correlated negatively with absenteeism, turnover, and mental fatigue or labor (Paloutzian *et al.*, 2003).

Leadership

According to Collins (2001), leaders are really remarkable, because they are able to "conquer their own needs for the purpose of greater good and more enduring than their own needs". The commitment to the mission and goals of greater good or work for the fulfillment of the "call" has inspired the hearts and support of business leaders to make a breakthrough during difficult times. In his study of how CEOs handle the rapid environmental change, Delbecq (1999) looked at two common themes emerging; first, "the awareness of the leaders of the organization that they work as a "calling" of the heart and to provide services, not merely for a career," and the second, "integration of spirituality with their work; with no separation between their personal spiritual life and public life." Halper (1988) has interviewed more than 4,000 executives and managers from various organizations, and 58% of them feel that they have wasted their lives to the pursuit of "empty goal".

In fact, the success of leadership begins with personal integrity, which is then reflected in ethical behavior. Theories of behavior tend to concentrate on what a leader does, and not about "who he or she is". However, from the results of other studies found that the more followers see about "who he or she is". Admittedly, the theory and behavioral studies have provided a very useful practical guidance for specific situations, though the followers and other stakeholders will look from different angles. According to Pfeffer (2003), the management practices may not be sufficient to ensure for enhanced performance. The workers or followers do not just see what the leaders do, but also look at what motivations and beliefs that underlie the management approach. If the character and behavior are not integrated, then the leaders will lose credibility. Incorporate spiritual values in leadership can bring consistency between image and identity of the leaders, allowing them to function with a high degree of personal integrity. The followers or employees will see consistency between values and behavior of a leader to evaluate whether the leader is credible and trustworthy and followed. For example, the much-admired leaders such as Bill Clinton and Jesse Jackson who had experienced a remarkable decline in the credibility of the result of their own carelessness case that resulted in their character publicly questioned. The loss of credibility in turn can undermine their effectiveness as a leader. The same principle applies to all types of organizations, where numerous cases of business scandals often occur. Many different empirical studies have confirmed the importance of integrity for leadership success. Integrity or honesty is the most frequently mentioned values that need to be held by the leaders of the organization, as proved in the survey has been conducted by Fairholm (1997). Conversely, lack of integrity

is also often associated with failure of leadership. One study of the complaints of the workers recently showed that on average 50% of workers complain about unethical behavior committed by their superiors (Harden Fritz, 2002).

A study of loyalty in the workplace through a survey of 2,795 workers, found that the integrity of senior leaders has a strong impact on loyalty and 40% of them believe that their senior leaders have high personal integrity. Mayfield (2000) noted that the high level of loyalty of workers can be attributed to increased productivity. Researchers have stressed the importance of integrity to build trust and effective leadership. This belief has been proven to be important not only in terms of the perception of the workers or mere followers, but also as measurement indicators of organizational performance. Trust is found to have a significant and positive correlation with job satisfaction, work performance, organizational commitment, and turnover rate of employees; all of which have been known to affect profitability. Leaders' integrity can affect the workers, not only in terms of motivation and job satisfaction, but also in creating an ethical influence. Therefore, the integrity of the clean leaders influences the ethical climate of an organization, and can influence the workers' choice of ethics. Robertson and Anderson (1993) have found that leaders create a climate affecting the decision of ethics of their workers or followers.

Attitude of Leaders

Spiritual leadership can have a positive influence to apply ethics not only in the organization, but also outside the organization. Furthermore, integrity requires honest communication with one's self and others in order to promote internal and external consistency of the truth. Another indicator of the spiritual values of leadership is its humility. Most spiritual path emphasizes the need for humility; otherwise vanity can trap a person in an attitude "that he is more important and better than other people or even God." In an empirical research, humility has also been associated with leadership effectiveness. One way to test the humility is to compare self-evaluation with the evaluation done by other parties. Excessive placement of self-esteem (the connotation egocentric) will limit the ability of ethical, diplomatic and interpersonal skills of a leader, especially if the leader becomes more irritable, dictator, and egocentric, an attribute that is universally less favored and often inherent in the nature of the leader (Hartog et al., 1999). The humble leader is not trying to develop a personality cult to attract public attention and loyal followers. Instead, they will direct people's attention to the goals and values of the organization, creating a strong organizational culture and sustainable excellence. According to Collins and Porras (1994), in businesses that experienced sustained success for around 100 years, the leaders chose their values in accordance with the core ideology of the organization, and were able to align themselves with other parties and with the greater interests of the organization.

A review of the relationship between humility and leadership naturally leads to one of the most important spiritual practices, such as showing respect for others. Fry (2003) defines altruistic love as "a sense of wholeness, harmony and prosperity that emerged through the maintenance, care, and mutual respect between both parties." In addition, many theories of leadership emphasize the importance of leaders possessing the vision of the organization and then communicate the vision to their workers or subordinates. However, such a leader in some respects less consistent with the category of leadership humility. First, that most of visionary leaders feel themselves superior to others. Visionary leadership usually displayed with very high pressure on self-esteem and tends to ignore the opinions of others, which in this context both the less consistent nature with effective leadership. Secondly, the focus of attention of visionary leadership puts more emphasis on the success of the leader as an individual with all his ideas, rather than seen as the success of the organization. Many charismatic leaders become narcissistic, with admiration and collect energy only for "grandeur" themselves rather than for the organization as a whole. For this reason, Yukl (1999) conclude, "successful change is usually the result of the type of transformational leadership and not the type of charismatic leadership. A vision should be the product of a collective effort, not the creation of a single of a" great leader ". Fairholm (1998) also argues that "leaders can include workers or their followers as advisor informal and collaborative partners for policy development, make strategic decisions, and make the program guide as a whole". Shamir et al. (1993) have proposed a model in where leaders connect the organization's goals with the values of the worker or his followers, by creating compatibility between the followers, leaders, and organizations. Unfortunately, many organizations encourage workers to act contrary to their values, or to separate the spiritual values of their work. Leadership that respects the values of the workers or followers will be able to create empowerment rather than dependency, and at the same time sustainability rather than short-term success. Barrett (2003), who assesses 300 organizations for more than four years, has found that the alignment of values is an important condition for the organization to achieve long-term success. Fry (2003) has also summarized the effectiveness of value-based leadership, and has obtained evidence, by performing 50 researches, that the behavior of value-based leaders have a strong impact on the motivation of the employees or the followers and team performance.

Treating others well is another consequence of the natural characteristic of the rules of respecting others. Therefore, fairness is an important value for the spiritual path, because treating others unfairly shows a lack of respect, compassion, and integrity. Two recent survey of 2,800 workers found that the highest priority for workers is justice or fairness in the workplace. It is ranked number one based on classic studies of Herzberg (1967) about the causes of extreme dissatisfaction. Sense of justice or fairness earned by workers who build relationship with an empirically proven leader is able to foster mutual trust, which in turn will be able to create

positive working relationships and organizational performance (Elm, 2003). Dirks and Ferrin (2002) found that the perception of interactional and procedural fairness has a strong correlation with the confidence of the workers on the leaders. The workers hope that they can be treated with fairness, compassion and respect. In practice, this is reflected by keeping good manners. Anderson and Pearson (1999) explain that irreverence, as the immorality of the norms for mutual respect, may give rise to the perception of interactional injustice or unfairness (Bies & Moag, 1986). While the perceived injustice will harbor a desire to avenge the source, it may increase into what they described as "spiral incivility ". If a person is treated unfairly, he will often feel a lack of care and concern. Reactions to the lack of care and concern are often demonstrated by the rude behavior as a justification for retaliation against unfair treatment. Therefore, expressing the support and concern for others is a practice that is emphasized by almost all the spiritual path. Based on a lot of empirical research, this practice is also essential to leadership success. In this regard, it includes guidance to followers, willingness to listen, and pay attention to the needs and desires of the individual worker (Bass, 1998). Based on empirical studies, overall, consideration for others, through awareness, empathy and warmth, has been correlated with job satisfaction, group cohesion, the group's performance, project quality, and efficiency of the group (Bass, 1990). Attention to the needs of others has been identified by researchers as a distinguishing characteristic of great leaders.

Performance

Finally, leaders and workers not only need to practice doing good to others, but also need to set aside some time to perform introspective and contemplative effort to reach God, through prayer, meditation, spiritual humming, and so forth. Research has shown that running such practices is able to promote endurance and performance of leaders. Reflective practices have been proven to help people to overcome challenges by increasing physical and mental health. It has been studied by a researcher Richard Davidson of the University of Wisconsin, who was interested in observing certain meditation training program in a biotechnology organization with "high stress level" working environment. His findings were amazing because they revealed that the meditation practices had an impact on reducing stress levels and generating significant positive feelings in those who practice them.

The finding of Mc Collum (1999) also proves that reflective practice can also increase managerial effectiveness. McCollum found that meditation had led to increased effectiveness in the workplace and a significant improvement in leadership behavior. McCollum observed during the 8-month study by creating a controlled group followed by 24 people who learn and practice meditation techniques in an organization.

One of the more dramatic examples, is what is experienced by a group of environmental conservation facing the problem of bear hunting in Canada (the Great Bear Rain coast Conservation Movement), which is a lot of pressure. They were overwhelmed with anguish and fatigue caused by years of struggle, stress, and confrontation with the various stakeholders, so that they begin to learn to practice "compassion meditation" for themselves. In the end they changed the confrontational approach they used, by developing a cooperative communication and constructive negotiations, thus giving birth to creative solutions; no longer with the tense, hostile and confrontational attitude. In the end, leafy trees in the valleys can be protected from logging and hunting of bears can be overcome well (Weaver &Arajs, 2002).

Last but not least, reflective practice can improve the performance that allows the leaders to be able to develop a greater perspective to overcome crisis and cope with stress. They realize that there is a greater purpose in life, and they also have a more global view in their personal lives, so that they can reach spiritual consciousness in order to move out beyond themselves. Reflective practice is one of the means that are often used by leaders in order to gain an understanding and find a transcendent meaning of their lives in the workplace. Because most of the quality of spiritual practice, as it has been described above, is universally applicable and important, further exploration to discover the relationship between spirituality and leadership can be a "springboard" for the development of leadership theories that seek to integrate between the character and behavior, motivation and performance, in a model of cross-cultural thinking.

Partial Least Square Structural Equation Modeling (PLS SEM)

In this study, the researcher uses PLS SEM as an analysis procedure. PLS SEM is used when there are latent variables and indicators in the study. The PLS SEM is based on partial least square regression. The main requirements of PLS SEM are as
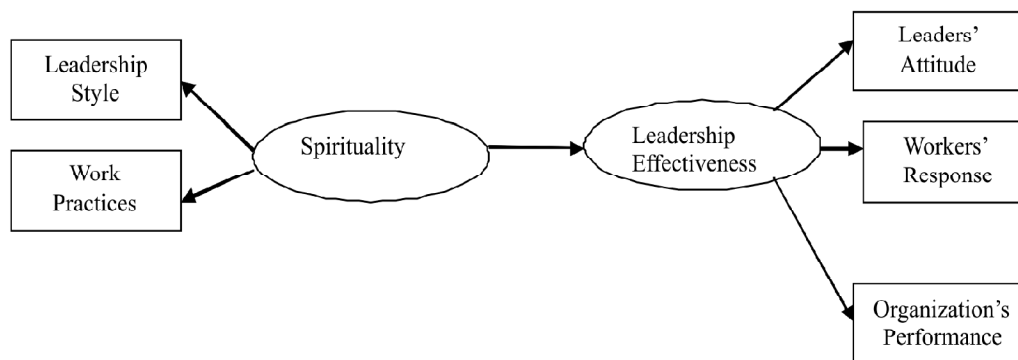

Figure 1: Model of Research

follows: a) the data does not follow the assumption of normality, b) the number of samples can be small, c) it can be a reflective and formative model, d) the reliability or validity of the model is measured using p-value as in a linear regression, e) PLS SEM allows the type of ordinal and interval data, f) the PLS SEM uses standardized regression coefficient (β) as the path coefficient. In this research the model of the study is displayed in the following Figure.

RESEARCH METHOD

Population and Sample

The population for this study is leaders of companies that produce goods, such as textile, shirts, and shoes in Jakarta, Bandung, and Surabaya. This study uses 30 respondents as a sample of the research. The purposive sampling technique is used to determine the sample.

Data Collecting Instrument

The instrument to collect data in this study is questionnaires containing 35 questions on each variables and indicators. The responses are measured in the form of Likert scale, consisting of 5 (five) choices.

Analysis Procedure

The analysis procedure employed in this study is PLS SEM. Since the PLS SEM allows the analysis of ordinal data; the researcher analyzed the data directly with the help of SmartPLS software version 2.

FINDINGS AND DISCUSSION

Findings

The findings of the study are as follows:

Validity and Reliability of the Model

The validity and reliability of PLS SEM model are measured with the following criteria:

- Reliability is analyzed using the Croncbach's Alpha method. An ideal model should have a score of ≥ 0.7. The model in this study has Croncbach's Alpha score of 0.8; which means that it is reliable.
- There are two types of validity in PLS SEM; the convergent validity and the discriminant validity. Convergent validity requires a score of AVE (Average Variance Extracted) > 0.5. In this study, the AVE score is 0.8

for the exogenous latent variable of spirituality and 0.81 for the endogenous latent variable of leadership effectiveness. Both scores are more than 0.5, which means that the convergent validity criteria have been met. Discriminant validity requires a score of AVE to exceed the highest R square (R^2) values in the model. In the study, the value of R square is 0.79, which is lower than the AVE scores of 0.8 and 0.81. Therefore the validity requirements have been fulfilled in this research.

Coefficient of Determination (R^2)

Coefficient of determination (R^2) in the study is 0.79. This score represents that the effect of the exogenous latent variable of spirituality with its 2 indicators towards the endogenous latent variable of the leadership effectiveness with its 3 indicators. The limitation of the R^2 value in PLS SEM is as follows:

- ≤ 0.19 is categorized as low effect
- 0.2 – 0.33 is categorized as moderate effect
- > 0.33 – 0.67 is categorized as substantial effect
- > 0.67 – 1 is categorized as high effect

The analysis of the data indicates that the value of R^2 is 0.79 which can be categorized as a high effect.

The f^2 value

The f^2 value measures the effect of the exogenous latent variable of spirituality towards the endogenous latent variable of the leadership effectiveness. The limitation of the f^2 value in PLS SEM is as follows:

- 0.01 – 0.02 is categorized as low effect
- 0.03 – 0.15 is categorized as moderate effect
- 0.16 – 0.35 is categorized as strong effect
- > 0.35 – 1 is categorized as very strong effect

Data analysis shows that the value of f^2 is 0.65, which can be categorized as a very strong effect.

The Path Coefficient (α)

The PLS SEM uses standardized regression coefficient (â) as the path coefficient. The findings indicate that the path coefficient of the exogenous latent variable of spirituality towards the endogenous latent variable of the leadership effectiveness is 0.89.

The Weight Value (W)

The weight value (W) measures the effect of the latent variables on their respective indicators. In this research the W values are as follows:

- From the exogenous latent variable of spirituality towards the indicator of leadership style is 0.67
- From the exogenous latent variable of spirituality towards the indicator of work practices is 0.69
- From the endogenous latent variable of leadership effectiveness towards the indicator of leaders' attitude is 0.70
- From the endogenous latent variable of leadership effectiveness towards the indicator of workers' response is 0.72
- From the endogenous latent variable of leadership effectiveness towards the indicator of organization's performance is 0.80

DISCUSSION

The value of R^2 is 0.79, which can be categorized as high effect, indicates that the effect of the exogenous latent variable of spirituality with its 2 indicators towards the endogenous latent variable of leadership effectiveness with its 3 indicators is high or strong. It means that variability of the exogenous latent variable of spirituality with its 2 indicators can be explained up to 0.79 using the endogenous latent variable of leadership effectiveness with its 3 indicators. The remaining 0.21 is influenced by other factors outside the scope of the research.

Furthermore, the value of f^2 is 0.65, which can be categorized as very strong effect. It reflects that the effect of the exogenous latent variable of spirituality towards the endogenous latent variable of leadership effectiveness is very strong. This means that the variability of the exogenous latent variable of spirituality can be explained up to 0.65 using the endogenous latent variable of leadership effectiveness. The remainder 0.35 is influenced by other factors beyond the scope of this study.

The path coefficient from the exogenous latent variable of spirituality towards the endogenous latent variable of leadership effectiveness is 0.89. This means that the effect of the exogenous latent variable of spirituality towards the endogenous latent variable of the leadership effectiveness is very strong.

The findings on the effect of the latent variables of spirituality and leadership effectiveness on their respective indicators are as follows:

- The path coefficient from the exogenous latent variable of spirituality towards the indicator of leadership style is 0.67. It means that the latent variable of spirituality affects the indicator of leadership style reflectively and strongly.

- The path coefficient from the exogenous latent variable of spirituality towards the indicator of work practices is 0.69. It means that the latent variable of spirituality affects the indicator of work practices reflectively and strongly.

- The path coefficient from the endogenous latent variable of leadership effectiveness towards the indicator of leaders' attitude is 0.70. It means that the latent variable of leadership effectiveness reflectively and strongly affects the indicator of leaders' attitude.

- The path coefficient from the endogenous latent variable of leadership effectiveness towards the indicator of workers' response is 0.72. It means that the latent variable of leadership effectiveness reflectively and strongly affects the indicator of workers' response.

- The path coefficient from the endogenous latent variable of leadership effectiveness towards the indicator of workers' response is 0.72. It means that the latent variable of leadership effectiveness reflectively and strongly affects the indicator of workers' response.

- The path coefficient from the endogenous latent variable of leadership effectiveness towards the indicator of organization's performance is 0.80. It means that the latent variable of leadership effectiveness reflectively and strongly affects the indicator of organization's performance

These findings are in line with the results of several studies, such as Conlin (1999) who studied the empirical experience of Kris Kalra, CEO of BioGenex who changed his life spiritually, which in turn resulted in the recording of 12 new patents and increase sales revenue. Other writers such as Neal, Lichtenstein, and Banner (1999) found that successful transformation of organizations will support the process of change; since their leaders had successfully set the stage for a change in which God Almighty was a source of real transformation. Furthermore, the study done by Mitroff and Denton (1999) found that many people were looking for ways to express spirituality in their work. Employees who were able to express their spirituality through jobs felt more satisfied with their work. Also, Paloutzian, Emmons, & Keortge (2003) reported findings that workers who considered their work as a "calling" of heart decrease absenteeism, compared with workers who considered their work simply as a career. Finally, Mayfield (2000) invented that the high level of employee's loyalty can be attributed to increased productivity. Barrett (2003), who assesses 300 organizations for more than four years, has found that the alignment of values is an important condition for the organization to achieve long-term success. Fry (2003) also found the effectiveness of value-based leadership, and have obtained evidence by performing 50 researches showing that the behavior of value-based leaders have a strong impact on the motivation of the employees or the followers and team performance.

CONCLUSION AND RECOMMENDATION

Conclusion

Based on the findings, the researcher draws the following conclusion:

- The effect of the exogenous latent variable of spirituality with its 2 indicators towards the endogenous latent variable of the leadership effectiveness with its 3 indicators is high or strong.
- The effect of the exogenous latent variable of spirituality towards the endogenous latent variable of the leadership effectiveness is very strong
- The variable of spirituality reflectively and strongly affects the indicator of leadership style.
- The variable of spirituality reflectively and strongly affects the indicator of work practices.
- The variable of leadership effectiveness reflectively and strongly affects the indicator of leaders' attitude.
- The variable of leadership effectiveness reflectively and strongly affects the indicator of workers' response.
- The variable of leadership effectiveness reflectively and strongly affects the indicator of workers' response.

RECOMMENDATION

Based on the conclusion, the researcher suggests the following recommendations:

- To conduct more intensive researches on spirituality, in its relation to the leadership.
- To conduct further researches on spirituality, in its relation to work practices, leadership style, and workers' productivity, as well as the organization's performance.

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