Accepted Manuscript

From spirituality to innovation: How spiritual leadership drives mosque management innovation

Ahmad Faiz Khudlari Thoha[1], Hidayat[2], Mauludi[3]

Sekolah Tinggi Ilmu Dakwah dan Komunikasi Islam Ar Rahmah, Indonesia[1,2,3]

Abstract

In recent years, there has been increased acknowledgment of spirituality in the workplace and its potential influence on organizational outcomes, including creative work behavior. This study examines the impact of spiritual leadership on driving innovative work behavior within mosque management teams in Surabaya, with a specific focus on the mediating role of spiritual well-being. Survey data from 106 team members were analyzed using Structural Equation Modeling (SEM), revealing that spiritual leadership positively influences creative work behavior, with spiritual well-being partially mediating this relationship. This research contributes to the existing literature on the intersection of spirituality and innovation by investigating how spiritual leadership fosters an innovative culture within mosque administration. Furthermore, it extends the application of spiritual leadership theory to religious non-profit organizations, an area that has remained unexplored. The findings have practical implications for mosque leaders and managers seeking to promote innovation within their organizations by emphasizing spiritual leadership and well-being to enhance their teams' innovation capabilities.

Keywords: innovative work behaviour; mosque management; spiritual leadership; spiritual well-being.

Introduction

Innovation is crucial to the survival and growth of organizations (Fagerberg, 2005). In today's dynamic business world, it is crucial that firms become more competitive (Yuan & Woodman, 2010). According to Birkinshaw et al. (2008), innovation in management refers to the invention and adoption of novel concepts, methods, processes, and tools that improve organizational productivity and competitiveness. Although managerial innovation is vital to competitive advantage (Khosravi et al., 2019), little is known about the elements that affect its success (Hassi, 2019; Volberda et al., 2013). Research demonstrates that innovative conduct is important for both personal development and corporate performance (Scozzi et al., 2005; Xerri & Brunetto, 2013). Thus, it is vital to identify means of fostering Innovative Work Behavior among personnel. Past study has demonstrated that leaders have a substantial effect on fostering Innovative Work Behavior among staff (Hassi, 2019; Neubert et al., 2008). Thus,

---

[1] *ahmadfaiz@stidkiarrahmah.ac.id*

it is essential for organizations to consider the role of leadership in fostering innovation (Karatepe et al., 2020).

Jung et al. (2003) assert that examining the link connecting leadership and employee invention is essential, but that understanding the processes that interact in the leadership procedure to encourage innovation and inventiveness is more significant. According to Anderson et al. (2017), conventional leadership styles may not be helpful in fostering creative behavior among contemporary workers who desire significance, connection, and acknowledgment in their job. Fry and Kriger (2009) further state that workers want a work atmosphere that enhances the human spirit and feeling of well-being. In response, firms are establishing corporate cultures that foster purpose, compassion, engagement, self-respect, and acknowledgment of employee efforts in order to enhance employee well-being. In this field, Choi et al. (2017) and Fry and Nisiewicz (2013) have undertaken study.

Spiritual leadership has been presented as a means of better comprehending the role of leadership in addressing organizational difficulties and employee well-being demands (Fry & Nisiewicz, 2013). Spiritual leadership improves the notion of transformational leadership by clearly incorporating cultural norms and follower requirements, making it less theoretically complicated and more concise (Fry, 2003). Research indicates that spiritual leadership improves innovative work behavior among workers for a variety of reasons. For instance, it gives workers with a feeling of meaning and meaning at work, builds a sense of community, increases employee engagement, promotes ethical and moral conduct, and promotes personal growth and development (Fry et al., 2011; Giacalone & Jurkiewicz, 2010; Hunsaker, 2022).

Mosques, as prominent religious non-profit organizations, play a vital and multifaceted role in the socio-economic fabric of society. In addition to their sacred significance, mosques fulfill various socio-economic functions within the local Muslim community. These functions encompass serving as centers for Islamic education and learning, facilitating the management of *waqf* (endowment) and *zakat* (charitable donations), and providing *funeral services* (Omar et al., 2017). Ensuring the efficacy and prosperity of mosque institutions necessitates the implementation of appropriate management and leadership practices that enhance their performance. Inadequate management of mosques can result in their failure as institutions (Jaafar et al., 2013).

The growing demand for effective leadership in mosque management parallels the expanding role of mosques. Thus, it is imperative to gain a comprehensive understanding of how leadership can positively influence mosque management. Recent research has shed light on the vast potential of mosques to assume diverse societal roles, ranging from serving as public spaces to functioning as vibrant community hubs (Thoha, Qisom, et al., 2021). Furthermore, a body of literature highlights the capacity of mosques to generate income through entrepreneurial activities, thereby fostering social values within their communities and providing substantial benefits to society at large (Aliyasak et al., 2019; Rohimat, 2020).

In the context of non-profit organizations, spiritual leadership is a captivating topic for examination due to two primary reasons (Cregård, 2017). Firstly, non-profit executives who adopt the spiritual leadership approach indirectly demonstrate care for the well-being and community service of their personnel. Secondly, it is often believed

that leadership in non-profit organizations cannot push their employees to increase performance. Spiritual leadership, in a unique manner, conveys leadership's efforts to motivate personnel (Sapta et al., 2021). These two reasons are highly relevant and provide a strong rationale for conducting research in the context of mosque management.

This study aims to examine the impact of spiritual leadership for mosque administrators in the city of Surabaya, especially in improving spiritual well-being and innovative work behavior of mosque administrators. These organizations must meet the ever-increasing demands of their (public and private) donors, who are increasingly concerned with transparent and effective management practices (Jaskyte, 2018; Laurett & Ferreira, 2018) and need to professionalize their leadership and engage in a continuous innovation process to ensure their sustainability (Laurett & Ferreira, 2018). In particular, in faith-based organizations, if the leader's goals and principles are acceptable to the employees, they are more likely to dedicate themselves to and associate with the leader. Compared to the for-profit sector, workers in these organizations may be motivated by a desire to serve the needs of others, altruism, personal development, and intrinsic rewards. Spiritual leadership is therefore a form of leadership closely associated with such organizations (Bassous, 2015).

Because Surabaya is the second-largest city in Indonesia and has a sizeable Muslim population, it was chosen as the study's focal point. By focusing on Surabaya, a city renowned for its religious diversity and abundance of mosques, the study can provide insights with broader applicability and relevance in the context of Islamic faith-based organizations. It provides a well-defined and manageable research scope, improves access and feasibility, and potentially paves the way for future comparative studies.

This study is intended to expand theoretically on the association of spiritual leadership concepts with distinct organizational outcomes and the application of spiritual leadership in different nations and kinds of organizations (Benefiel et al., 2014; Pawar, 2009), especially in faith-based non-profit organizations (FBO) context. On the other hand, because religious beliefs and rituals have strong roots in many eastern nations, it may be quite intriguing to investigate the notion of spiritual leadership more widely in the eastern setting (Egel & Fry, 2017). Oh and Wang's literature review (2020) invites academics to examine spiritual leadership through the perspective of other cultures and/or religious origins in order to further scholarship and practice.

Previous studies have examined the role of leadership in fostering innovation (Hassi, 2019; Neubert et al., 2008), but little is known about the specific elements that contribute to the success of innovative behavior (Hassi, 2019; Volberda et al., 2013). Moreover, while spiritual leadership has been recognized as a valuable approach in addressing organizational challenges and promoting employee well-being (Fry & Nisiewicz, 2013), its specific impact on innovative work behavior in the context of mosque management remains underexplored. By focusing on the relationship between spiritual leadership and innovative work behavior in the unique setting of mosque administration, this study fills a significant gap in the literature and contributes to a better understanding of the factors driving innovation in religious non-profit organizations.

Method

This study utilized an explanatory research design and conducted a survey among mosque administrators in Surabaya. The mosques were selected through purposive sampling based on specific criteria, including having a vision, an active structure, and varied programs. The study included a total of 120 administrators from 19 mosques in Surabaya, with a response rate of 88.3 percent (106 responses). The study tested four hypotheses: 1) whether spiritual leadership affects spiritual well-being; 2) whether spiritual leadership influences innovative work behavior; 3) whether spiritual well-being affects innovative work behavior; and 4) whether spiritual well-being mediates the influence of spiritual leadership on innovative work behavior. Figure 1 illustrates the research model.

The study adapted the scales of spiritual leadership and spiritual well-being developed by Fry et al. (2005), as well as the scale of innovative work behavior developed by de Jong and den Hartog (2010). Responses were rated from 1 (strongly disagree) to 7 (strongly agree) (strongly agree). PLS-SEM (Structural Equation Modelling) with Smart PLS examined the data.

Structural Equation Modeling (SEM) was chosen as the analytical method for this study due to its suitability for the research objectives and the complexity of the model. SEM combines factor analysis and path analysis to examine causal relationships, allowing for the measurement of latent variables and the evaluation of direct and indirect effects (Sanusi, 2014). Compared to other methods like linear regression, SEM provides a more comprehensive analysis and can handle larger sample sizes (Sanusi, 2014)). Therefore, SEM was deemed appropriate for this study to investigate the impact of spiritual leadership on innovative work behavior. It enables a thorough examination of the relationships and ensures a rigorous evaluation of the model's fit to the data.
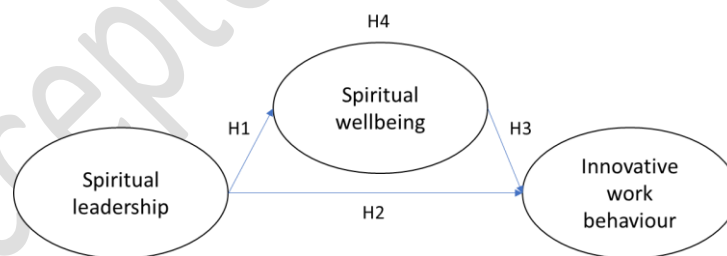

Figure 1. Research model

Empirical Result

Hypothesis testing in this study employed a measurement model approach to assess convergent validity using outer loading, composite reliability (CR), and Average Variance Extracted (AVE). Table 1 displays the Cronbach alpha value and composite reliability of the study variables, all of which were found to have reflective indicators with values greater than 0.60. According to the literature, a value greater than 0.60 is considered to be good composite reliability in exploratory research (Hair et al., 2014). Additionally, the AVE values of all variables in this study were greater than 0.50,

indicating that they possessed valid convergent validity.

Table 1. Validation and reliability test

Variable	Cronbach's Alpha	rho_A	Composite Reliability	AVE
Spiritual Leadership	0.919	0.920	0.937	0.712
Spiritual Well-being	0.762	0.761	0.849	0.586
Innovative Work Behavior	0.905	0.908	0.927	0.678

Meanwhile, table 2 and table 3 show a positive relationship between all variables in the hypothesis. Thus, hypotheses H1, H2, H3, and H4 can be proved.

Table 2 Hypothesis testing of direct influence

Variable	Path Coefficient	t Statistics	p Values
Spiritual Leadership -> Spiritual Wellbeing	0.719	14.189	0.000
Spiritual Leadership -> Innovative Work Behavior	0.486	4.305	0.000
Spiritual Well-Being -> Innovative Work Behavior	0.355	3.262	0.001

Table 3 Mediation effect test

Variable	Path Coefficient	Sample Average (M)	Standard Deviation	t Statistics	p Values
Spiritual Leadership -> Spiritual Wellbeing -> Innovative Work Behavior	0.256	0.266	0.083	3.061	0.002

The H1 test found a significant direct relationship between spiritual leadership and spiritual well-being (β=0.719, t=14.189, p<0.001). The positive coefficient suggests that this relationship is unidirectional, indicating that an increase in spiritual leadership could lead to a 71.9% increase in spiritual well-being. The H2 test showed that spiritual leadership has a significant positive impact on innovative behavior (β=0.486, t=4.305, p<0.001). Therefore, an increase in spiritual leadership could lead to a 48.6% increase in innovative behavior. The H3 test found a significant positive relationship between spiritual well-being and innovative behavior (β=0.355, t=3.262, p=0.001). Therefore, an increase in spiritual well-being could lead to a 35.5% increase in innovative behavior. Finally, the H4 test showed that spiritual well-being mediates the relationship between spiritual leadership and innovative behavior (β=0.256, t=3.061, p=0.002). This indicates that the impact of spiritual leadership on innovative behavior is partially mediated by spiritual well-being.

This research shows that spiritual leadership improves spiritual well-being and creative work behavior among religious non-profit administrators. Leaders impact their teams and workers by their manner, words, and actions, according to Burns (1978). Yet,

spiritual leadership is a mix of ideals, attitudes, and behaviors that push leaders and people toward a spiritual life based on their goal and group membership, including three dimensions: vision, hope/belief, and altruistic love (Fry, 2003). Spiritual leadership may improve followers' calling and membership and performance objectives (Wang et al., 2019). Spiritual leadership may organically inspire workers, according to intrinsic motivation and spiritual leadership theories (Deci & Ryan, 2000; Fry, 2003). Spiritual leadership enhances workers' feeling of purpose, confidence, and hope, and creates a joyful and peaceful workplace, which motivates creative behavior (Fry, 2003). Value-based leadership has been shown to boost subordinate motivation and performance (Fry, 2003).

Conclusions

In conclusion, this study aimed to examine the impact of spiritual leadership on the spiritual well-being and innovative work behavior of mosque administrators. The findings provide valuable insights into the role of spiritual leadership in enhancing the well-being and fostering innovative behavior among mosque administrators. By internalizing the organization's vision, strengthening management values and expectations, and creating a culture of compassion, spiritual leadership contributes to improved performance and mission fulfillment in non-profit faith-based organizations. The results of this study emphasize the significance of spiritual leadership in mosque management and highlight its potential to drive positive outcomes. Moving forward, further research can explore additional contextual factors and variables to deepen our understanding of the relationship between spiritual leadership and organizational success.

References

Aliyasak, M. Z. I., Hussin, M. Y. M., Muhammad, F., & Razak, A. A. (2019). Mosquepreneur in Perak: Reality or fantasy? *Research in World Economy*. https://doi.org/10.5430/rwe.v10n5p53

Allia Jaafar, Nurul Fadly Habidin, Mohd Yahya Mohd Hussin, Zainizam Zakaria, & Asnida Abdul Hamid. (2013). A Proposed Model for Strategic Management (SM) and Mosque Performance (MP) in Mosque Management. *BEST: International Journal of Management, Information Technology and Engineering (BEST: IJMITE)*, *1*(3), 29–36. http://www.bestjournals.in/view_archives.php?year=2013_14_2&id=14&jtype=2&page=2

Anderson, H. J., Baur, J. E., Griffith, J. A., & Buckley, M. R. (2017). What works for you may not work for (Gen)Me: Limitations of present leadership theories for the new generation. *Leadership Quarterly*, *28*(1), 245–260. https://doi.org/10.1016/j.leaqua.2016.08.001

Bassous, M. (2015). What are the Factors that Affect Worker Motivation in Faith-Based Nonprofit Organizations? *Voluntas*, *26*(1), 355–381. https://doi.org/10.1007/s11266-013-9420-3

Benefiel, M., Fry, L. W., & Geigle, D. (2014). Spirituality and religion in the workplace: History, theory, and research. *Psychology of Religion and Spirituality*, *6*(3), 175–187. https://doi.org/10.1037/a0036597

Birkinshaw, J., Hamel, G., & Mol, M. J. (2008). Management innovation. *Academy of Management Review*, *33*(4), 825–845. https://doi.org/10.5465/AMR.2008.34421969

Burns, J. M. (1978). Leadership. *Leadership*.

Choi, S. B., Tran, T. B. H., & Kang, S.-W. (2017). Inclusive Leadership and Employee Well-Being: The Mediating Role of Person-Job Fit. *Journal of Happiness Studies*, *18*(6), 1877–1901. https://doi.org/10.1007/s10902-016-9801-6

Cregård, A. (2017). Investigating the Risks of Spiritual Leadership. *Nonprofit Management and Leadership*, *27*(4), 533–547. https://doi.org/10.1002/nml.21262

De Jong, J., & Den Hartog, D. (2010). Measuring innovative work behaviour. *Creativity and Innovation Management*, *19*(1), 23–36. https://doi.org/10.1111/j.1467-8691.2010.00547.x

Deci, E. L., & Ryan, R. M. (2000). The "what" and "why" of goal pursuits: Human needs and the self-determination of behavior. *Psychological Inquiry*, *11*(4), 227–268. https://doi.org/10.1207/S15327965PLI1104_01

Egel, E., & Fry, L. W. (2017). Spiritual Leadership as a Model for Islamic Leadership. *Public Integrity*, *19*(1), 77–95. https://doi.org/10.1080/10999922.2016.1200411

Fagerberg, J. (2005). Innovation: A guide to the literature. *The Oxford Handbook of Innovation*, 1–26.

Fry, L., & Kriger, M. (2009). Towards a theory of being-centered leadership: Multiple levels of being as context for effective leadership. *Human Relations*, *62*(11), 1667–1696. https://doi.org/10.1177/0018726709346380

Fry, L. W. (2003). Toward a theory of spiritual leadership. *Leadership Quarterly*, *14*(6), 693–727. https://doi.org/10.1016/j.leaqua.2003.09.001

Fry, L. W., Hannah, S. T., Noel, M., & Walumbwa, F. O. (2011). Impact of spiritual leadership on unit performance. *Leadership Quarterly*, *22*(2), 259–270. https://doi.org/10.1016/j.leaqua.2011.02.002

Fry, L. W., & Nisiewicz, M. (2013). Maximizing the triple bottom line through spiritual leadership. *Maximizing the Triple Bottom Line through Spiritual Leadership*.

Fry, L. W., Vitucci, S., & Cedillo, M. (2005). Spiritual leadership and army transformation: Theory, measurement, and establishing a baseline. *Leadership Quarterly*, *16*(5), 835–862. https://doi.org/10.1016/j.leaqua.2005.07.012

Giacalone, R. A., & Jurkiewicz, C. L. (2010). The science of workplace spirituality. In *Handbook of Workplace Spirituality and Organizational Performance* (pp. 3–26). Taylor and Francis Inc. https://www.scopus.com/inward/record.uri?eid=2-s2.0-85076631243&partnerID=40&md5=f84006b59ec43da73e7af3ac8cdd1d00

Hair, J. F., Black, W. C., Babin, B. J., & Anderson, R. E. (2014). *Multivariate Data Analysis* (Seventh). Pearson Education Limited.

Hassi, A. (2019). Empowering leadership and management innovation in the hospitality industry context: The mediating role of climate for creativity. *International Journal of Contemporary Hospitality Management*, *31*(4), 1785–1800. https://doi.org/10.1108/IJCHM-01-2018-0003

Hunsaker, W. D. (2022). Spiritual leadership and employee innovation. *Current Psychology*, *41*(8), 5048–5057. https://doi.org/10.1007/s12144-020-01011-9

Jaskyte, K. (2018). Board Attributes and Processes, Board Effectiveness, and Organizational Innovation: Evidence from Nonprofit Organizations. *Voluntas*, *29*(5), 1098–1111. https://doi.org/10.1007/s11266-017-9945-y

Jung, D. I., Chow, C., & Wu, A. (2003). The role of transformational leadership in enhancing organizational innovation: Hypotheses and some preliminary findings. *Leadership Quarterly*, *14*(4–5), 525–544. https://doi.org/10.1016/S1048-9843(03)00050-X

Karatepe, O. M., Aboramadan, M., & Dahleez, K. A. (2020). Does climate for creativity mediate the impact of servant leadership on management innovation and innovative behavior in the hotel industry? *International Journal of Contemporary Hospitality Management*, *32*(8), 2497–2517. https://doi.org/10.1108/IJCHM-03-2020-0219

Khosravi, P., Newton, C., & Rezvani, A. (2019). Management innovation: A systematic review and meta-analysis of past decades of research. *European Management Journal*, *37*(6), 694–707. https://doi.org/10.1016/j.emj.2019.03.003

Laurett, R., & Ferreira, J. J. (2018). Strategy in Nonprofit Organisations: A Systematic Literature Review and Agenda for Future Research. *Voluntas*, *29*(5), 881–897. https://doi.org/10.1007/s11266-017-9933-2

Neubert, M. J., Kacmar, K. M., Carlson, D. S., Chonko, L. B., & Roberts, J. A. (2008). Regulatory Focus as a Mediator of the Influence of Initiating Structure and Servant Leadership on Employee Behavior. *Journal of Applied Psychology*, *93*(6), 1220–1233. https://doi.org/10.1037/a0012695

Oh, J., & Wang, J. (2020). Spiritual leadership: Current status and Agenda for future research and practice. *Journal of Management, Spirituality and Religion*, *17*(3), 223–248. https://doi.org/10.1080/14766086.2020.1728568

Omar, A. R. C., Hussin, M. Y. M., & Muhammad, F. (2017). Perniagaan Sosial Menerusi Aktiviti Ekonomi Masjid. *Journal of Global Business and Social Entrepreneurship (GBSE)*.

Pawar, B. S. (2009). Individual spirituality, workplace spirituality and work attitudes: An empirical test of direct and interaction effects. *Leadership and Organization Development Journal*, *30*(8), 759–777. https://doi.org/10.1108/01437730911003911

Rohimat, A. M. (2020). Socio-entrepreneurship Dewan Kemakmuran Masjid (DKM) dalam membentuk kesalehan sosial di tengah Covid-19. *Journal of Islamic Discourses*, *3*(1).

Sanusi, A. (2014). *Metodologi penelitian bisnis*. Salemba Empat.

Sapta, I. K. S. K. S., Rustiarini, N. W. N. W. W., Kusuma, I. G. A. E. T. G. A. E. T., & Astakoni, I. M. P. M. P. (2021). Spiritual leadership and organizational commitment: The mediation role of workplace spirituality. *Cogent Business and Management*, *8*(1). https://doi.org/10.1080/23311975.2021.1966865

Scozzi, B., Garavelli, C., & Crowston, K. (2005). Methods for modeling and supporting innovation processes in SMEs. *European Journal of Innovation Management*, *8*(1), 120–137. https://doi.org/10.1108/14601060510578619

Thoha, A. F. K., Qisom, S., & Al-Qarni, F. (2021). Optimalisasi masjid perumahan sebagai ruang publik dan poros kegiatan masyarakat. *Masjiduna : Jurnal Ilmiah Stidki Ar-Rahma*, *4*(1), 1–8.

Volberda, H. W., Van Den Bosch, F. A. J., & Heij, C. V. (2013). Management innovation: Management as fertile ground for innovation. *European Management Review*, *10*(1), 1–15. https://doi.org/10.1111/emre.12007

Wang, T., Yang, F., & Huang, X. (2019). I will do and I can do: how and when spiritual leadership behavior enhances employee career growth potential. *Paper Presented at the 79th Annual Meeting of the Academy of Management (AOM)*.

Xerri, M. J., & Brunetto, Y. (2013). Fostering innovative behaviour: The importance of employee commitment and organisational citizenship behaviour. *International Journal of Human Resource Management*, *24*(16), 3163–3177. https://doi.org/10.1080/09585192.2013.775033

Yuan, F., & Woodman, R. W. (2010). Innovative behavior in the workplace: The role of performance and image outcome expectations. *Academy of Management Journal*, *53*(2), 323–342. https://doi.org/10.5465/amj.2010.49388995

Appendix.

Final indicators used in analysis are as below:

Spiritual Leadership

I understand and am committed to the vision of the mosque

The vision of the mosque inspired my best performance

I have confidence and totality in realizing the vision and mission of the mosque

I have the determination and exert maximum effort to serve and prosper the mosque

I have a great concern for the prosperity of the mosque

I have strong relationships among fellow administrators

Spiritual well-being

I feel that managing a mosque means a lot to me personally

I feel that what I do will have a great impact on the prosperity of the mosque

I felt the importance of understanding each other in managing the mosque

I feel very appreciated by the chairman of Takmir

Innovative work behavior

I'm always looking for opportunities to grow

I always consider innovation opportunities

I'm always coming up with new ideas

I'm always looking for new ways to get my work done

I always encourage my fellow administrators to innovate

I try to introduce innovative ideas to work practice