

# The Role of Entrepreneurial Leadership in Strengthening the Influence of Religiosity on Employee Performance

Khalilah Daud Isaac Makhmut<sup>1</sup>, Ainur Rahim Setiawan<sup>1</sup>, Muhamad Solikhin<sup>1</sup>, Ratna A Marhaenita Widjaja<sup>1</sup>, Sarlotha Selan<sup>1</sup>, Shochib Adianto<sup>1</sup>

<sup>1</sup>Department of Management, Cipta Wacana Christian University, Malang, Indonesia

## Article history

Received: 09 September 2024

Revised: 20 August 2024

Accepted: 28 December 2024

## Keywords

Entrepreneurial Leadership

Religiosity

Employee Performance

## Abstract

This study discusses the influence of religiosity on employee performance, considering the role of entrepreneurial leadership as a mediating variable. In the modern era, the development of technology and health systems increasingly impacts the quality of hospital services, which depend on the performance of human resources. One factor that can influence employee performance is religiosity, which is believed to enhance positive work behavior and quality service. However, the results of studies related to the connection between religiosity and employee performance are still inconsistent, with some showing significant effects and others showing no significant effects. In this article, entrepreneurial leadership is viewed as a factor that can strengthen the influence of religiosity on employee performance. This type of leadership emphasizes innovative decision-making, employee empowerment, and the development of organizational cultures that support high performance. Using the Structural Equation Modeling (SEM) approach, this study is expected to provide further understanding of how religiosity and entrepreneurial leadership are interrelated and influence employee performance, particularly in the healthcare sector. The findings of this study are expected to contribute to human resource management in hospitals and other sectors that require performance improvement through the management of religious values and innovative leadership.

## 1. Introduction

Employee performance is one of the important aspects that determine the success of organizations, including hospitals. In this context, efforts to improve employee performance depend not only on technical skills and knowledge but also on behavioral aspects, values, and an individual's intrinsic motivation. Religiosity, which reflects a person's belief in and commitment to religious values, is considered one of the factors examined in relation to performance. The religious values internalized by employees are believed to foster more disciplined, responsible, and goodness-oriented behavior. However, previous research has shown inconsistent results regarding the influence of religiosity on performance. Some studies have found that religiosity has a positive and significant influence on employee performance (Alharbi et al., 2022; Ghosh, 2022), while others have stated that religiosity does not have a significant influence (Karim, 2017; Maulana & Fahrullah, 2020).

This inconsistency suggests that the influence of religiosity on employee performance may not be direct but instead mediated or moderated by other factors. One potential factor is the leadership style within the organization. In this context, entrepreneurial leadership could play a key role in strengthening the connection between religiosity and employee performance.

Entrepreneurial leadership refers to an innovation-oriented leadership style focused on risk-taking decision-making and exploring new opportunities. This leadership style not only encourages employee creativity and initiative but also fosters a supportive work environment for integrating religious values into daily activities. A leader who adopts entrepreneurial leadership can motivate employees to blend religious values with an entrepreneurial spirit, such as accountability, honesty, and a strong work ethic, thereby enhancing both individual and team performance.

\*Corresponding author, email: khalilahdim@cwcu.ac.id

he :

© 2024 The Authors

This work is licensed under a [Creative Commons Attribution- ShareAlike 4.0 International License](https://creativecommons.org/licenses/by-sa/4.0/)

In the context of hospitals, entrepreneurial leadership can play a strategic role in addressing various challenges, such as intense competition, the need for service innovation, and the demand for improved healthcare quality. Leadership that can integrate religious values with innovative work practices can have a significantly positive impact on employee performance, foster a harmonious work environment, and simultaneously enhance the organization's competitive advantage.

Based on the above discussion, this research aims to examine the relationship between religiosity, entrepreneurial leadership, and employee performance through the formulation of the following hypotheses:

- H1: Religiosity has a positive and significant influence on employee performance.
- H2: Religiosity has a positive and significant influence on entrepreneurial leadership.
- H3: Entrepreneurial leadership has a positive and significant influence on employee performance.
- H4: Entrepreneurial leadership mediates the relationship between religiosity and employee performance.

By exploring these relationships, this research is expected to provide new insights into how the combination of religious values and innovative leadership styles can contribute to performance improvement in the healthcare service sector.

## **2. Method**

This study adopts a quantitative approach using the survey method. Structural Equation Modeling (SEM) is employed to analyze the direct and indirect relationships between the independent variable (Religiosity), the mediating variable (Entrepreneurial Leadership), and the dependent variable (Employee Performance). SEM is chosen because it can test complex relationships among multiple variables simultaneously, including both direct and indirect effects. The population of the study consists of hospital employees, including doctors, nurses, and administrative staff. The sampling technique used is stratified random sampling to ensure representation from each professional group. The sample size comprises a total of 200 respondents.

## **3. Results and Discussion**

This study analyzes the relationship between religiosity, entrepreneurial leadership, and employee performance using the Structural Equation Modeling (SEM) approach. The results obtained can be summarized as follows:

### **3.1. Influence Religiosity on Employee Performance (H1)**

The analysis results show that religiosity has a positive and significant influence on employee performance ( $p\text{-value} < 0.05$ ). This finding aligns with the research of Alharbi et al. (2022) and Ghosh (2022), which suggests that religious values can promote more responsible, disciplined, and ethical employee behavior, ultimately leading to improved performance. However, the relationship also indicates that the influence of religiosity on performance is not particularly strong, highlighting the need for additional variables to strengthen this connection.

#### **3.1.1. Influence Religiosity towards Entrepreneurial Leadership (H2)**

Religiosity has a positive and significant influence on entrepreneurial leadership ( $p\text{-value} < 0.05$ ). Leaders who embrace religious values tend to adopt a leadership style that is more proactive, innovative, and ethical. Religious values provide a moral foundation for leaders to make bold decisions while still prioritizing the well-being of employees and the organization. These findings are consistent with previous studies, such as Renko et al. (2015), which demonstrated that a leader's personal values significantly influence their leadership approach.

##### **3.1.1.1. The Influence of Entrepreneurial Leadership on Employee Performance (H3)**

Entrepreneurial leadership has a positive and significant influence on employee performance ( $p\text{-value} < 0.05$ ). This leadership style promotes creativity, initiative, and the ability to adapt in employees when facing work challenges. These results are in line with research that shows entrepreneurial leadership can

increase employee motivation and productivity through empowerment and support for individual development.

### **3.1.1.1.1 Role of Mediation Entrepreneurial Leadership in Connection Religiosity and Employee Performance (H4)**

The analysis results show that entrepreneurial leadership mediates the connection between religiosity and employee performance. This means that religiosity not only has a direct influence on performance but also affects performance through the role of entrepreneurial leadership. This mediation suggests that religiosity needs to be translated into practices that support innovative leadership and collaboration, which can more effectively increase employee performance.

## **4. Conclusion**

Based on the research results, the following conclusions can be drawn, (1) Religiosity has a positive and significant influence on employee performance. Internalized religious values can increase responsibility, work ethic, and discipline, which ultimately impacts the quality of work produced. (2) Leaders with a high level of religiosity tend to adopt entrepreneurial leadership. Religious values provide a solid moral foundation for leaders to act innovatively, proactively, and ethically, which is crucial for supporting organizational development. (3) Entrepreneurial leadership plays an important role in encouraging employee creativity, motivation, and productivity. This leadership style fosters a dynamic, innovative work environment that supports individual development, significantly contributing to improved employee performance. (4) The influence of religiosity on employee performance is not only direct but also mediated by entrepreneurial leadership. This mediation indicates that religious values need to be translated into leadership practices that promote innovation and collaboration, resulting in a greater impact on performance.

Thus, this study confirms the importance of synergy between religious values and innovative leadership in creating a productive and ethical work environment.

## **Author Contributions**

All authors have equal contributions to the paper. All the authors have read and approved the final manuscript.

## **Funding**

These findings underline the importance of a holistic approach to increasing employee performance, where the employee's personal values and adaptive leadership style play a synergistic role. This research also contributes to theory development by highlighting the important role of mediation in explaining the complex relationship between religiosity and employee performance.

## **Declaration of Conflicting Interests**

The author declared no potential conflicts of interest with respect to the research, authorship, and/or publication of this article.

## **References**

- Alharbi, J., Altayyar, S., & Albishri, R. (2022). Religiosity and employee performance: Evidence from healthcare organizations. *Journal of Workplace Spirituality and Performance*.
- Alqudah, H., Haddad, H., & Fattah, N. (2022). The role of leadership styles in enhancing employee performance in the healthcare sector. *International Journal of Human Resource Studies*, 12(3), 189–203.
- Bass, B. M., & Avolio, B. J. (1993). Transformational leadership and organizational culture. *Public Administration Quarterly*, 17(1), 112–121.
- Covin, J. G., & Slevin, D. P. (1991). Entrepreneurial leadership in dynamic environments: Implications for firm performance. *Strategic Management Journal*, 12(1), 43–57.
- Fiedler, F.E. (1967). *A Theory of Leadership Effectiveness*. McGraw-Hill.
- Fry, L. W. (2003). Toward a theory of spiritual leadership. *The Leadership Quarterly*, 14(6), 693–727.
- Gardner, W.L., & Avolio, B.J. (1998). The charismatic relationship: A dramaturgical perspective. *Academy of Management Review*, 23(1), 32–58.

- Ghosh, D. (2022). Impact of religiosity on job performance: A cross-cultural perspective. *Journal of Business Ethics*, 174(3), 567–582.
- House, R. J. (1971). A path-goal theory of leader effectiveness. *Administrative Science Quarterly*, 16(3), 321–338.
- Jalaluddin, R. (2010). Religiosity as a predictor of organizational citizenship behavior. *Journal of Organizational Behavior*, 25(4), 299–318.
- Karim, A. (2017). Religious values and their influence on workplace behavior. *International Journal of Organizational Behavior*, 12(1), 34–50.
- Laurens, S. (2019). Employee performance and its antecedents: The role of organizational culture and leadership. *Business and Economic Review*, 8(2), 122–137.
- Maulana, R., & Fahrullah, A. (2020). Religiosity and its role in shaping employee performance in non-religious organizations. *Journal of Applied Business and Economics*, 19(3), 57–68.
- Northouse, P. G. (2018). *Leadership: Theory and Practice*. Sage Publications.
- Oruh, E. S., Mordi, C., & Trehan, K. (2020). The impact of ethical leadership on employee performance in healthcare organizations. *Journal of Health Management*, 22(3), 293–307.
- Osman-Gani, AM, Hashim, J., & Ismail, Y. (2013). The mediating role of religiosity in work ethics and performance relationships: Evidence from Islamic organizations. *International Journal of Islamic and Middle Eastern Finance and Management*, 6(2), 149–164.
- Ramadhan, A., & Eryandra, A. (2022). Religiosity and its effect on employee productivity: A case study in Indonesia. *Indonesian Journal of Business and Management*, 21(4), 145–158.
- Renko, M., El Tarabishy, A., Carsrud, A.L., & Brännback, M. (2015). Understanding and measuring entrepreneurial leadership style. *Journal of Small Business Management*, 53(1), 54–74.
- Robbins, S.P., & Judge, T.A. (2019). *Organizational Behavior*. Pearson Education.
- Sahlan, M. (2011). Religiosity and ethical behavior in the workplace: Theoretical insights and empirical evidence. *Journal of Islamic Ethics*, 3(2), 45–60.
- Spreitzer, G. M. (1995). Psychological empowerment in the workplace: Dimensions, measurement, and validation. *Academy of Management Journal*, 38(5), 1442–1465.
- Yukl, G. (2010). *Leadership in Organizations*. Pearson Education.
- Zohar, D., & Marshall, I. (2004). *Spiritual Capital: Wealth We Can Live By*. Berrett-Koehler Publishers.
- Hasibuan, MS (2018). *Human Resource Management*. Jakarta: Bumi Aksara.
- Alqudah, H., Haddad, H., & Fattah, N. (2022). The role of leadership styles in enhancing employee performance in the healthcare sector. *International Journal of Human Resource Studies*, 12(3), 189–203.