The Effect of Spiritual Leadership and Psychological Empowerment on Employee Performance

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**Abstract**

This article aimed to examine and analyse the effect of Spiritual Leadership and Psychological Empowerment on Employee Performance. Respondents were leaders or employees at YPPBU (Bahrul Ulum Islamic Boarding School Foundation) Jombang, totalling 64 respondents. Data were analysed using Partial Least Square (PLS) with SmartPLS software version 3.0 and the relationship between variables. The results showed that Spiritual Leadership had no significant effect on Employee Performance (T Statistics: 0.925, P Values: 0.355). Psychological Empowerment has a considerable impact on Employee Performance (T statistic: 7.790, P Values: 0.000). Spiritual Leadership has a significant effect on Psychological Empowerment (T Statistics: 6.531, P Values: 0.000). Furthermore, Spiritual Leadership and Psychological Empowerment have no specific considerable impact on Employee Performance (T Statistics: 3.966, P Values: 0.000). Psychological Empowerment has a mediating role on Spiritual Leadership to Employee performance. The Spiritual Leadership and Psychological Empowerment felt by YPPBU's Leaders or Employees are directly proportional to the resulting performance. Changes in Spiritual Leadership and Psychological Empowerment will also affect Employee Performance.

**Keywords:** Spiritual Leadership, Psychological Empowerment, Employee Performance, Islamic Boarding School.

**Kata kunci:** Kepemimpinan Spiritual, Pemberdayaan Psikologis, Kinerja Karyawan, Pondok Pesantren.

**Abstrak.**

Tujuan artikel ini adalah untuk menguji dan menganalisis pengaruh Kepemimpinan Spiritual dan Pemberdayaan Psikologis terhadap Kinerja Karyawan. Responden dalam penelitian ini adalah pimpinan atau pegawai di YPPBU (Yayasan Pondok Pesantren Bahrul Ulum) Jombang yang berjumlah 64 responden. Data dianalisis menggunakan Partial Least Square (PLS) dengan software SmartPLS versi 3.0 dan menggunakan hubungan antar variabel. Hasil penelitian menemukan bahwa Kepemimpinan Spiritual tidak berpengaruh signifikan terhadap Kinerja Karyawan. Namun, Pemberdayaan Psikologis memiliki peran memediasi Kepemimpinan Spiritual terhadap Kinerja karyawan. Semakin kuat Kepemimpinan Spiritual dan Pemberdayaan Psikologis yang diraqakan Pimpinan atau Pegawai maka kinerja yang dihasilkan juga akan semakin meningkat. Perubahan tingkat Kepemimpinan Spiritual dan Pemberdayaan Psikologis juga akan mempengaruhi tingkat Kinerja Pegawai. Kemudian penelitian ini dibatasi pada salah satu pondok pesantren di Jombang dengan sampel kecil. Oleh karena itu, peneliti selanjutnya dapat memperluas fokus penelitian karyawan di Pondok Pesantren Jawa Timur dengan sampel besar.
INTRODUCTION

Along with the dynamic world of work in this global era, every institution must pay attention to problems in managing Human Resources (HR). Some issues in the world of work that need to be considered are Spiritual Leadership and Psychological Empowerment (Kouzes & Posner, 2011; Kutsyuruba et al., 2021; Tao-Tao, 2022). According to (Muai et al., 2021; Wajdi et al., 2022), historically, the existence of Islamic Boarding Schools has become very important in community development efforts, mainly because it comes from the aspirations of the community, which also reflects the real needs of the community for other types of education and community service. Of course, in serving the community, every individual, both leader and employee, must have good Spiritual Leadership and Psychological Empowerment (Monje Amor et al., 2021; Richardson et al., 2021). Next, each of us is a leader and will be held accountable. So as a leader, both for yourself and many people, a good concept of Spiritual Leadership is also needed (Ferine et al., 2021; Yusefi et al., 2022).

According to (Mitroff et al., 2009), Spirituality in the workplace is an effort to find meaning and purpose in life, develop strong relationships between co-workers, and harmony between espoused beliefs and company values (Michaelson et al., 2020; Yogatama & Widyatini, 2015). There are several points of Spiritual Leadership that we need to know, namely vision, altruistic love and hope. Based on previous research by Ki Seok Jeon and Byoung Kwon Choi (2020), vision, hope/belief, and selfless love are positively related to employees. In comparison, the practical implications of these findings indicate that leaders need to understand the importance of vision, hope or belief and altruistic love for employees in formulating employee affective commitment and stimulating creativity (Jeon & Choi, 2020). Then Spiritual Leadership has a positive impact on employee behaviour innovation. Uncertainty avoidance and creative role identity not only play their respective mediating role but also play a mediating chain role in the Spiritual Leadership process that influences innovative employee behaviour (Islam et al., 2021; Usman et al., 2021). This statement is based on previous research conducted by Jie Yang, Mingchao Chang, Zhibong Chen, Lulu Zhou and Jiangjiang Zhang (2021) in research titled "Mediation Effects of Spiritual Leadership on Innovative Behavior Employees". The study used 309 valid questionnaires from 10 Internet companies and 21 manufacturing companies in China (Yang et al., 2021).

In addition, Spiritual Leadership also has a significant relationship with the Psychological Empowerment of employees. It is necessary to study the pattern of leadership in the university culture and the appointment of individuals, as the university chancellor must do more with the Spiritual Leadership style (Reneau, 2021; Shengnan & Hallinger, 2021). This is based on previous research (Yusefi et al., 2022), with 162 respondents consisting of professors and lecturers at Farhangian Isfahan University. In the research title "Predicting Psychological Empowerment of Faculty Members Based on the Spiritual Leadership Model." At the same time, Psychological Empowerment is a process that begins with the interaction between the personality of each individual and the work environment. According to Fitriah & Sudibya, in a previous study entitled "The Effect of Employee Empowerment and Intrinsic Motivation on Organizational Commitment and Employee Performance", Empowerment can make employees fully responsible for what they do; this requires leaders to learn to let go of control. Employees must learn to take responsibility for their work and make the right decisions (Andika & Darmanto, 2020).
There are several points of Psychological Empowerment that we need to know, namely Meaning, Impact, Self Determination, and Competence. An overview of previous research conducted by (Khalil & Yozgat, 2021), with the research title "Psychological Empowerment and Job Satisfaction: Insights from the Libyan Banking Sector". The research focused on banking employees in two Libyan cities, Tripoli and Misurata, with 327 respondents. The results showed that competence had no significant effect on job satisfaction. Still, the other three dimensions positively and significantly impacted job satisfaction, even in the bureaucratic organisational structure.

In addition, the judicial organisation has a positive and significant effect on Psychological Empowerment. It was found that organisational citizenship behaviour and Psychological Empowerment positively and significantly impacted job satisfaction (Ilyas et al., 2021; Jafari et al., 2021). Furthermore, organisational citizenship behaviour completely and substantially mediates the effect of organisational justice and Psychological Empowerment on job satisfaction (Gong et al., 2021; Tsang et al., 2022). This statement is based on previous research conducted by Sanjay Kumar Singh and Ajai Pratap Singh (2019) in a study entitled “The Interaction of Organizational Justice, Psychological Empowerment, Organizational Citizenship Behavior, and Job Satisfaction in a Circular Economy Context” (Singh & Singh, 2019).

Then based on another study conducted by Abi Sopyan Febrianto Postgraduate, Noermijati, Himmiyatul Amanah Jiwa Juwita and Sana Amer Alashkam (2019) in a study entitled "The Effect of Psychological Empowerment and Islamic Spiritual Leadership on Organizational Commitment and Intrinsic Motivation". The respondents in this study were the administrators of the Universitas Brawijaya Da’wah Association, which amounted to 166 respondents. The study found that Psychological Empowerment and Islamic Spiritual Leadership significantly affected intrinsic motivation. Psychological Empowerment, Islamic Spiritual Leadership, and inherent motivation inspirationally affect organisational commitment (Febrianto et al., 2019). The performance itself is the result of an employee's work for a certain period of time that has been determined in advance and mutually agreed (Armstrong, 2022). According to previous research conducted by Irum Shahzadi, Ayesha Javed, Syed Shahzaib Pirzada, Shagufta Nasreen, and Farida Khanam, in a study entitled "The Impact of Employee Motivation on Employee Performance", stated that performance is the result of work in terms of quantity and quality achieved by the employee in a timely manner based on the criteria and job responsibilities assigned to him (Shahzadi et al., 2014).

There are several things we need to know to help improve employee performance, including work quality, quantity, on time management, effectiveness and independence. To be able to educate and equip students, good Spiritual Leadership and Psychological Empowerment are needed for every employee and leader of Islamic Boarding School Educational Institutions (Maulana, 2022; Mawardi, 2022; Yakubu, 2021). In addition, Jombang is a district that is famous for its nickname as the city of students, this is none other than because Jombang has many Islamic Boarding Schools and gave birth to great figures. One of the famous Islamic boarding schools in Jombang district is the Bahrul Ulum Islamic Boarding School, this Islamic boarding school has more than 12,000 students from all regions in Indonesia. With a very large number of students, of course, a good leadership concept is needed to be able to create a great generation.

Then by carrying out the vision “To make Tambakberas the center of Islamic civilization that functions as a balancer for all aspects of human life, so as to be able to form a safe, peaceful, prosperous society”, to achieve this vision, a leader is needed who is able to realize the vision and figure of employees and a work environment that supports this vision. This study aims to determine the effect of Spiritual Leadership and Psychological Empowerment on employee performance.
performance at the Bahrul Ulum Islamic Boarding School (Tambakberas.com, n.d.). This research is different from previous research because the place of research is Islamic boarding school and the results are combined using variables. Through this study, the researcher wanted to know how much influence Spiritual Leadership and Psychological Empowerment had on employees at the Bahrul Ulum Islamic Boarding School Tambakberas Jombang in carrying out their duties.

**RESEARCH METHODS**

This study uses a quantitative approach, which is a process of seeking knowledge by using data in the form of numbers as a tool to analyze information about what you want to know. Then in this study, the population used was all employees or members of the Bahrul Ulum Islamic Boarding School, while the sample used in this study was the leadership and employees of the Bahrul Ulum Islamic Boarding School with a total sample of 64 people. The method used in sampling in this research is purposive sampling method. Furthermore, the authors use primary data obtained from the results of questionnaires distributed to leaders and employees to obtain a collection of information from various sources. The questionnaire was compiled based on a Likert Scale using 4 answer options, namely strongly agree (SS), agree (S), disagree (TS), and strongly disagree (STS).

Data analysis is an activity carried out to convert data from research into information that can later be used in drawing conclusions. From the data obtained, it will be identified and read for testing the data obtained using Smart Partial Least Square (PLS) 3. PLS was first introduced by Herman OA Wold in the field of econometrics in the 1960s. Although PLS is used to confirm theory, it can also be used to explain whether or not there is a relationship between latent variables. Partial Least Square can analyze simultaneously constructs formed with reflexive indicators and formative indicators and this is not possible in the Structural Equation Model (SEM) because there will be an unidentified model (Hidayat, 2018). The advantage of PLS is that it can handle many independent variables, even though there is multicollinearity between independent variables. This analysis is a good alternative to the multiple regression analysis method, because this method is more powerful or immune. Strong means that the model parameters do not change much when a new sample is taken from the total population (Geladi & Kowalski, 1986).

**RESULTS AND DISCUSSION**

Results

The following is a description of 2 Independent Variables (free) Spiritual Leadership (SL) with 6 question indicators and Psychological Empowerment (PE) with a total of 8 question indicators, and 1 Dependent Variable (dependent variable) namely Employee Performance (KK) which consists of 5 indicators question. This study uses a small data sample, which is less than 100 with a total of 64 respondents. The following is a structural model formed from the formulation of the problem:
The Effect of Spiritual Leadership and Psychological Empowerment on Employee Performance

Figure 1. Structural Model

By using SmartPLS analysis calculations, the first 3 steps are selecting the calculate menu and then running the PLS Algorithm. So from the numbers obtained, check the Loading Factor $\geq 0.7$. We can cancel or delete indicators that have a value less than 0.7 because the number is invalid. After rerunning the Loading Factor with the PLS Algorithm and re-checking the Loading Factor, we get a number as shown below.

Figure 2. Analysis Calculations
In Figure 2 above, the Loading Factor value on all variables > 0.7 means that all indicators are valid. Then the next step is to interpret Construct Validity and Reliability.

Table 1. Construct Validity and Reliability

|       | Cronbach's Alpha | rho_A | Composite Reliability | Average Extracted Variance (AVE) |
|-------|------------------|-------|------------------------|----------------------------------|
| KK    | 0.848            | 0.876 | 0.869                  | 0.684                            |
| PE    | 0.850            | 0.861 | 0.889                  | 0.571                            |
| SL    | 0.762            | 0.776 | 0.861                  | 0.673                            |

The Average of Extracted Variance (AVE) value in Table 1 above all variables > 0.5, so it can be concluded that all indicators in each variable are valid. Then the next step is to do a reliability test using the validity and reliability of the construct. The Cronbach's Alpha value must be greater than 0.7, the rho_A value must be greater than 0.7 and the Composite Reliability value must be greater than 0.6. Based on Figure 1 above, it can be seen that the values in all the variable constructs have met the requirements. Therefore, it can be concluded that the values of all construct variables (latent variables) are reliable.

Table 2. results of R Square

|       | R Square | Adjusted R Square |
|-------|----------|-------------------|
| KK    | 0.398    | 0.379             |
| PE    | 0.305    | 0.294             |

Based on the results of R Square in the table. 2 above, it is stated that:
- The R Square of the line model 1 is 0.305. it means that the ability of the Spiritual Leadership variable in influencing the Psychological Empowerment variable is 30.5%.
- The R Square of the line model 2 is 0.398. it means that the ability of Spiritual Leadership and Psychological Empowerment variables in influencing Employee Performance Variables is 39.8%.

The next step is to test the hypothesis (Bootstrapping), to determine the direct and indirect effect between variables. Then the first step in testing the Loading Factor Bootstrapping hypothesis is that the values are as below.

Figure 3. Bootstrapping
To determine the Direct Effect, it can be seen the value of "P Values", if the value of "P Values" is less than 0.05 then there is an influence between these variables (significant). Then based on the result data, in Table 3 above that the influence between:

- Psychological Empowerment with Employee Performance (P Values 0.000), meaning that there is a significant and significant effect between Psychological Empowerment and Employee Performance.
- Spiritual Leadership with Employee Performance (P Values 0.355), meaning that Spiritual Leadership has no significant effect on employee performance.
- Spiritual Leadership with Psychological Empowerment (P Values 0.000), meaning that there is a significant and significant influence between Spiritual Leadership and Psychological Empowerment.

Based on the results of the Total Indirect Effect or not significant in Table 4 above, it can be seen that P Values smaller than 0.05 means that there is an indirect effect between Spiritual Leadership and Employee Performance.

Then based on the results of the Specific Indirect Effects in Table 5 above, it can be seen that the P Values smaller than 0.05 means that there is a specific indirect or insignificant effect between the Spiritual Leadership variable and the Psychological Empowerment variable on the Employee Performance variable. Where the Psychological Empowerment variable has a role to mediate or mediate the relationship between the Spiritual Leadership variable and the Employee Performance variable.
DISCUSSION

This study examines the influence between two independent variables (independent) and one dependent variable (bound). The independent variable is the influencing factor, where the independent variable is Spiritual Leadership and Psychological Empowerment. While the dependent variable is the factor that is affected, where the dependent variable is employee performance. In the research conducted by the author, there are 4 influences to be studied, including:

Spiritual Leadership has an effect on employee performance. If leaders and employees have good spiritual leadership, it will have a good effect on employee performance. This variable is based on previous research conducted by Ki Seok Jeon and Byoung Kwon Choi with the research title "Multidimensional Analysis of Spiritual Leadership, Affective Commitment and Employee Creativity in South Korea" (Jeon & Choi, 2020). Then based on previous research conducted by Jie Yang, Mingchao Chang, Zhihong Chen, Lulu Zhou and Jiangjiang Zhang with the research title "The Mediation Effect of Spiritual Leadership on Employee Innovative Behavior" (Yang et al., 2021).

Figure 4. Spiritual Leadership has an effect on employee performance

The Effect of Psychological Empowerment on Employee Performance. If leaders and employees have good Psychological Empowerment, it will also have a good effect on employee performance. This variable is based on previous research conducted by Mohamed Alhadi Khalil, Uğur Yozgat with the research title “Psychological Empowerment and Job Satisfaction: Insights from the Libyan Banking Sector” (Khalil & Yozgat, 2021). Then based on previous research conducted by Sanjay Kumar Singh and Ajai Pratap Singh in a study entitled "The Interaction of Organizational Justice, Psychological Empowerment, Organizational Citizenship Behavior, and Job Satisfaction in the Context of a Circular Economy" (Singh & Singh, 2019).

Figure 5. The Effect of Psychological Empowerment on Employee Performance

Spiritual Leadership has an effect on Psychological Empowerment. Between Spiritual Leadership and Psychological Empowerment, each has an attachment to the other. If leaders and employees have good Spiritual Leadership, it will have an impact on their Psychological Empowerment which is also good. This variable is based on previous research conducted by Ismail Yosefi, Morteza Sarmiee Zafarghandi and Zahra Taleb with the research title "Predicting Psychological Empowerment of Faculty Members Based on Spiritual Leadership Models" (Yosefi et al., 2022).

Figure 6. Spiritual Leadership has an effect on Psychological Empowerment
Spiritual Leadership and Psychological Empowerment affect employee performance. If leaders and employees have good Spiritual Leadership and Psychological Empowerment, it will have a good effect on employee performance, and vice versa. This variable is based on previous research conducted by Abi Sopyan Febrianto, Noermijati, Himmiyatul Amanah Jiwa Juwita and Sana Amer Alashkam in a study entitled "The Effect of Psychological Empowerment and Islamic Spiritual Leadership on Organizational Commitment and Intrinsic Motivation" (Febrianto et al., 2019).

Figure 7. Spiritual Leadership and Psychological Empowerment affect employee performance

Research Hypothesis

From the data obtained, in this study identified and read for testing the data obtained using Smart Partial Least Square (PLS) 3. PLS was first introduced by Herman OA Wold in the field of econometrics in the 1960s. The advantage of PLS is that it can handle many independent variables, even though there is multicollinearity between independent variables. This analysis is a good alternative to the multiple regression analysis method, because this method is more powerful or immune. Strong means that the model parameters do not change much when a new sample is taken from the total population (Geladi and Kowalski, 1986). This study uses Logit Regression, which is a regression analysis conducted to determine whether there is a relationship between two variables. In addition, Logit Regression is also used to determine the comparison of two indicators in one variable. Logit regression was carried out using non-parametric statistics, this was done because this study used a small sample below 100, which amounted to 64 samples.

The path analysis model for all latent variables in PLS consists of three relationships: a) inner model, describing causality (cause and effect) relationships between latent variables that have been made based on the substance of the theory. Individual reflexive measures can be said to be high if they have a correlation of more than 0.70 with the construct to be measured. However, in the early stages of development of the measurement scale, a loading value of 0.50 to 0.60 is considered sufficient (Ngah et al., 2022; Toyoda et al., 2021). b) the outer model which determines the relationship between the latent variable and the indicator or the manifest variable (measurement model), the analysis phase of the outer model is measured using validity and reliability tests. c) weighted relationship, where the case value of the latent variable can be estimated. The specifications in the inner model and outer model are carried out at a conceptual level and it is not clear what values will be generated. So this weight relationship is carried out to find out whether it has a positive or negative correlation to strengthen the hypothesis in this study (Cheah et al., 2020).

The measurement of constructs or latent variables in SmartPLS3 has 2 constructs, namely reflective constructs and normative constructs. In this study, the measurement of the construct or latent variable used is the reflective construct variable. Reflective construction itself is another
name for manifest. Where a change in the construct causes a change in the indicator, this is because the indicator contained in the variable is an embodiment or reflection of the example. In other words, a change in the construct can cause a change in the indicator. Then the direction of the arrow is directed from the construct to each indicator. For example, testing the structural model on PLS is done with the help of SmartPLS3 software. The steps that must be taken in the estimation of Partial Least Square (PLS) include:

- Prepare data in Microsoft Excel file with CSV (Comma Separated Values) format.
- Open the SmartPLS3 program (software).
- Create a new project, import the prepared data (point 1).
- Describe a research model consisting of several latent variables by entering questionnaire data (indicators) into the latent variables.
- Testing the quality of measurement capital (PLS Algorithm):
  - Validity test
  - Construct Validity and Reliability Test
  - Square Model R
- Performing hypothesis testing (Bootstrapping):
  - Direct influence
  - Indirect influence
  - Indirect influence in particular

Hypothesis Testing Results

Spiritual Leadership on Employee Performance

Based on the results that have been obtained, the researcher shows that the Spiritual Leadership variable has no significant effect on the Employee Performance variable (T Statistics: 0.925, P Values: 0.355). Therefore, Variable 1 is rejected. The nature of the construct depends on internal factors within the leader or employee such as vision (hope or outlook), altruistic love (leader and employee have a sense of membership and responsibility and feel mutual understanding and respect) and expectations (hope or belief). Then when viewed from the Loading Factor value in Figure 7, the indicator that has the largest value on the Spiritual Leadership variable is SL 1 (Employee Vision or Views). When employees have a vision, they will understand and know the job description that must be done and complete it well. In addition, when an employee will make a decision, the vision he has will be the basis for making that decision.

However, this study uses a small data sample (less than 100) with a total of 64 respondents. The individual reflexive measure on the Loading Factor itself can be said to be high if it has a correlation of more than 0.70 with the construct to be measured, so that some indicators that have a value below 0.70 are canceled. In this study, there were 3 indicators that were aborted, namely SL 2 (Employee Altruistic Love), SL 3 (Employee Beliefs or Expectations) and SL 6 (Employee Assessment of Leaders' beliefs or expectations) resulting in research results where the Spiritual Leadership Variable had no significant effect on the variable. Employee performance. Because of that, Future studies should be conducted at a larger level and use a large data sample (more than 100) to provide more confidence in the generalizability of the results.
Psychological Empowerment on Employee Performance

Furthermore, the second variable which states that the Psychological Empowerment variable has a significant effect on the Employee Performance variable is accepted (statistical T: 7.790, P Values: 0.000). Psychological Empowerment Variables can make employees fully responsible for what they do, both in terms of self-awareness of the profession that has been undertaken, encouragement in themselves about how important and influential each individual is to the environment, methods used in completing work, as well as confidence in skills and abilities. If seen from the Loading Factor value in Figure 8, the indicator that has the largest value in the Psychological Empowerment variable is PE 6, namely Self Determination (Employee's assessment of the leader's expectations or beliefs), an encouragement within each of them to freely determine the technique doing work.

In addition, previous studies from various countries have shown mixed results regarding Psychological Empowerment in relation to Employee Performance. In addition, many interpretations of the word Empowerment and perception depend on context, industry, and social norms that may change over time (Mitchell, 2016). In the statement it can be understood that the Empowerment experienced by each employee can be different, this can be caused by several factors, namely the context of Empowerment itself, the industry and also social norms that can change from time to time (Khalil & Yozgat, 2021).

Spiritual Leadership Against Psychological Empowerment

Furthermore, the results showed that there was a significant influence between the Spiritual Leadership variable and the Psychological Empowerment variable (T Statistics: 6.531, P Values: 0.000). Thus this variable is supported. One of the main elements that are important for an educational institution such as Pondok Pesantren is Employee Performance. Where every leader or employee can facilitate or even slow down the growth and development of an institution. Psychological Empowerment Leadership or employees is an important factor in achieving the goals of each institution. In addition, several previous studies have shown that the psychological empowerment of leaders or employees is related to the pattern of Spiritual Leadership. High Spiritual Leadership values such as vision (views), altruistic love and hope (belief or hope) allow each individual to be able to have high Psychological Empowerment as well. Vision in work and other characteristics can motivate employees to perform well in the demands of the job, feel empowered, and satisfied with their jobs.

Spiritual Leadership and Psychological Empowerment on Employee Performance

Then on the fourth variable, the results of the study indicate that there is a Specific Indirect Effect between the Spiritual Leadership variable and the Psychological Empowerment variable on the Employee Performance variable (T Statistics: 3.966, P Values: 0.000). From the results of this study, it can be said that the Psychological Empowerment (PE) variable has a role to mediate or mediate the Spiritual Leadership (SL) variable on the Employee Performance variable. Thus, this variable is accepted. This shows that the influence of the Spiritual Leadership variable of the Leaders or Employees of the Bahrul Ulum Islamic Boarding School Jombang on the Employee Performance variable can be influenced by the Psychological Empowerment variable. If Psychological Empowerment increases and the value of Spiritual Leadership is high.

Besides that Aspects of the leader's personality also have an impact on employee performance. Therefore, the leader model will affect employee performance, which in turn will
affect employee commitment in an institution. Then an adequate work environment is also an important factor to improve employee performance. So to be able to improve employee performance, it is not only the obligation of employees to always uphold the important points of Spiritual Leadership and Psychological Empowerment, but a leader must also have these points and also create a good work environment for each employee.

CONCLUSION

The results of the study found that Spiritual Leadership had no significant effect on Employee Performance (T statistic: 0.925, P-value: 0.355). Psychological Empowerment has a significant effect on Employee Performance (T-Stats: 7.790, P-Score: 0.000). Spiritual Leadership has a significant effect on Psychological Empowerment (T-Statistic: 6.531, P-Score: 0.000). Spiritual Leadership and Psychological Empowerment have no specific significant effect on Employee Performance (Statistics: 3.966, P-value: 0.000). However, Psychological Empowerment plays a role in mediating spiritual leadership to employee performance.

This research is still limited to one place of research, due to limited time, respondents and research costs. Therefore, further researchers can expand the focus of research on employees in several Islamic boarding schools in Jombang or East Java with large samples (above 100 samples) and can develop the scope of the discussion.

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