The Role Of Nafsul Muthmainnah Achievement (Nma)-Based Leadership Training Orientation Model In Improving Employee Performance In Small And Medium Enterprises (Smes) In Central Java

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Abstract: This research aims to report the differing findings of previous studies on empowerment in correlation with employee performance, then to explore and analyze the effects of the NMA-based leadership training orientation on affective commitment, job satisfaction, and employee performance in small-medium enterprises in Central Java. Structural Equation Modeling (SEM AMOS 21) is used to analyze the data in the hypothesis testing model. The population is the line managers who are given credence by the owners of Small-Medium Enterprises to attend the NMA-Based Leadership Training Orientation, which focuses on self-development for leaders and is held by the Department of Cooperatives and Small-Medium Enterprises in the Central Java Province. In total, there are approximately 1,270 Small-Medium Enterprises. Out of 200 samples, only 178 samples could be used. The SEM test results show that out of 8 hypotheses, only 6 are accepted while the other two are rejected. The hypothesis testing is done by analyzing the values of CR (critical ratio) and P (probability) on the data processing result of Regression Weights, using the requirement of statistical limit points, i.e. the CR (critical ratio) is over 1.96 and the P (probability) is below 0.05. The effect analysis conducted on the existing five influence lines has indicated that the greatest influence in shaping employee performance is the NMA-based leadership orientation training.

Keyword: Empowerment, NMA-Based Leadership Training Orientation, affective commitment, job satisfaction, employee performance.

1 INTRODUCTION

INDIVIDUAL flexibility and freedom to act and be responsible for one’s own actions given to an employee will lead to employee work satisfaction (Debora, 2006). Empowerment is multifaceted, whose essentials could not be contained in a single concept (Fock, et al, 2002). Empowerment includes meaning, competence, determination, and impact (Asih, 2010). Employee empowerment will have a beneficial impact on both parties (employee and company). Individual creativity and skills of employees may be found useful in quick decision making for customer satisfaction purposes. Leaders of organizations need to design opportunities or facilities to promote their employees’ needs and competencies. As well, they ought to ensure that all employees are actively involved in the whole process. Psychological empowerment and job satisfaction in an organization can increase organizational performance through the behavior of their members (Kesempsap, 2013). This shows that empowerment is advantageous for an organization since it stimulates desirable behavior in its members to meet the organization’s goals. The study of Marjani and Alizadeh (2014) found that employee performance can be achieved through empowerment. The findings indicate that employees who have standards to undergo the empowerment process and high levels of psychological empowerment will improve organizational development. Senior managers or heads of departments are able to improve employee performance by implementing existing empowerment process. Drake, et al (2007) found differing results in their research in that feedback and reward influence empowerment dimensions differently for lower-level and higher-level staff. Performance feedback is correlated positively with one dimension and performance-based reward has a negative effect on two out of three dimensions. Overall, motivation has no correlation with two out of three dimensions. Employee empowerment will give a great contribution to one’s point of view through competitive excellences. Quick thinking, problem-solving skills and competencies are crucial to employees working in the services sector, which requires great physical and mental fitness. Competence and shortage of staff will facilitate and provide significant benefits in obtaining desirable results from this empowerment process (Pelit, 2011). Conflicting findings are shown in Jawad et al.’s (2012) study, which shows that empowerment is a psychological cognition to enhance intrinsic motivation and to influence overall team performance. There are positive correlations between autonomy, responsibility, information, creativity, and team performance. Below describes the feeling of dissatisfaction of the workers of SMEs in Central Java. The first complaint is about the lack of welfare security from business owners (46.67%). Workers feel that their employers never pay attention to their wellbeing. Secondly, the workers complain about the inconsistency of activities or policies (26.67%). Ambiguousness in position and authority or unclarity in responsibilities given among workers is the third complaint (20%). Injustice treatment by leaders indicated by unequal rights and responsibilities given among workers is the third complaint (20%). Ambiguousness in position and authority or unclarity in career achievement is also felt among workers (6.67%). Similar phenomena in a number of SMEs in Central Java have demonstrated a decrease in employee performance there. This research has produced a new concept, which is a leadership training orientation based on Nafsul Mutmainnah Achievement. This concept tries to offer an approach to leadership training orientation that has never existed.
previously by combining a leadership concept that is transformational, serving, and based on religious faith, without disregarding all three.

2 Literature Review
Sudarusman (2004) defines empowerment as a process of encouraging individuals in an organization to use their initiatives, authorities, and responsibilities in completing their jobs. In Mulyadi and Setyawan’s (2001) opinion, empowerment is authority given to employees to plan, control, and make decisions about their jobs within their area of responsibility without having to receive explicit authority from a manager. Empowerment has also been defined as a significant effort to strengthen authority assurance in decision making in operations without having to gain approval from other superiors (Luthan, 2006). Empowerment can improve employees’ self-esteem as they gain trust from their superiors to finish jobs that are not within their areas of responsibility. Empowerment can also increase intellectual abilities, attitudes, and skills of employees. The empowerment variable is formed by eight (8) indicators: information, resources, support, opportunity, meaning, confidence, self-determination, impact (Spreitzer 1995) and Kluska et al. (2004).

2.1 Training and Development
According to Cumings and Worley (2009), training can assist employees in obtaining more skills and knowledge. Training is a series of activities designed to enhance skills, knowledge, and experience or even to change one’s attitude. Its purpose is to boost diverse competencies and techniques required in certain jobs executed in detail and on a regular basis (Simamora, 2004). Main goals of training and development can be divided into six categories: to improve performance, to update skills, to save time from learning, to solve operational issues, to fulfill self-development needs, and to prepare employees for promotions (Meldona dan Siswanto, 2012).

2.2 Leadership
The terms leadership and management are commonly used interchangeably although it is not always the case. According to John Kotter (Robbins, 2007), leadership differs from management. Management is related to overcoming complicated matters. A good management is able to create regulations and consistency by organizing formal plans, designing a strict organizational structure, and monitoring results by comparing them with previous planning. Leadership, on the contrary, is associated with matters pertaining to change. Ordinary leaders are marked by certain qualities, the first of which is the ability to give inspirational motivations, i.e. relaying a clear vision to employees and giving them encouragement. Secondly, they possess idealized influence, which is shown through leading by example and planning small successes. The above is referred to as transformational leadership, which means that a leader can transform his/her subordinates through: idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration (Bass, 1997).

2.3 Nafsu Muthmainah Achievement (NMA)-based leadership training orientation
The final outcome of a training program is to enhance the achievement of training participants (Clelland and Winter, 1971; Santra, 2010). Achievement Motivation Training (AMT) in the professional context is designed to assist companies in empowering their employees in effective self-motivation. Employees’ ability to motivate themselves effectively will greatly influence daily work life and work satisfaction. They will develop more enthusiasm for achieving their goals and strive to give the best. AMT will enable entrepreneurs to build their courage in risk taking in aiming for higher targets (Ashari et.al, 2014; Santra, 2018). However, in reality, there are mind roadblocks to success. Neuro linguistic programming (NLP) is a training method using technology to study how human mind functions and how to optimize it. The approach NLP uses is unconscious mind communication and a set of other mind empowerment tools to ensure that communication process in the counseling process runs effectively for the purposes of: finding the roots of the problems, discovering alternative solutions, and making a commitment to achieving goals in concrete ways so that employees can give their best and productive performance. Through NLP training, positive mindsets can be built, which will lead to healthy and wise personnel (Hidayat, 2004). Maintaining a balance between the mind and body is a motivational training method developed by Ginanjjar (2001). ESQ is a balance between the Body (physical), Mind (psychological) and Soul (Spiritual). One’s success is not merely supported by intelligence (IQ). Employees with high emotional intelligence have personal and social skills such as empathy, self-discipline, and initiative; thus, they can perform better than those with lower emotional intelligence (Paisal and Anggraeni, 2010). Many training concepts are still universal and aimed at how to work effectively and to overcome mind roadblocks as well as to find a physical, psychological and spiritual balance. Leadership training characterized by Nafsu Muthmainah Achievement (NMA) is a leadership training activity aimed at increasing the quality of human resources management that combines intellectual, humility and religious stimulations. Nafsu Muthmainah Achievement (NMA) training is a leadership training program that not only refers to concepts of giving orders to employees, but also of tapping into their inner selves and faith in the Creator. The application of NMA-based leadership training orientation into organization is of great importance to create a motivational climate for employees and build an environment that is conducive for working effectively, which will lead to the achievement of high organizational performance.

2.4 Job Satisfaction
Stephen (2006) defines job satisfaction as an individual’s general attitude toward his/her job wherein he/she is required to interact with his/her co-workers and superiors, to follow the rules and policies of the organization, and to fulfill performance standards. Robbins (1996) stated that there are two need factors that influence an individual in doing his/her job, i.e. maintenance and motivation. Job satisfaction is a positive attitude of an employee toward his/her job in an organization. In the workplace, employees have different kinds of attitudes. These differences exist based on the value system each employee holds. The job satisfaction variable is indicated by: 1) Satisfaction with the work itself, 2) Satisfaction with the job’s challenges, 3) Satisfaction with work engagement, 4) Satisfaction with the calling, and 5) Satisfaction with empowerment.
2.5 Affective Commitment
Affective commitment can occur because an employee has an attachment to an organization and feels the need to keep being involved in his/her work in the organization, and is unwilling to leave due to certain losses. This kind of commitment is formed as a result of an organization’s ability to motivate its employees to follow the organizational values and to put organizational goal achievement as top priority. Then, employees will maintain their memberships (Kartika, 2011 in Han, et al, 2012). The affective commitment variable has several indicators: 1) being proud to be a part of one’s organization, 2) speaking highly of one’s organization, 3) showing concerns about one’s organization’s future, 4) being pleased to have chosen an organization as a workplace, 5) having similar values, and 6) working beyond set targets.

2.6 Employee Performance
Performance has been defined as contributions given to the final outcomes of an organization in connection with spent resources (Bain, 1982 in McNeese-Smith, 1996), and has to be measured by qualitative and quantitative indicators (Belcher, 1987; Cohen 1980 in McNeese-Smith, 1996). Therefore, instrument development is conducted to appraise employees’ perceptions of their own work performance in relation to output, goal achievement, deadline fulfillment, usage of work hours, and sick leave (Sukarno, 2002). Bass and Avolio (1990) explain that in formal organizations, group or individual performances of employees depend on their efforts, directions as well as competencies and motivations to demonstrate their performances as expected in order to achieve targets based on their positions in the system. Measuring work performance is a process of taking notes and measuring the completion of work tasks toward mission accomplishment through displayed results such as products, services or even a process. What this means is every activity of an organization must be able to be measured and its link to future direction achievements established, which is the achievement of the vision and mission of the organization. The products and services produced are of less significance if they give no contribution to the accomplishment of the organization’s vision and mission. Employee performance can be measured by several indicators: 1) Work quality level, 2) Tenacity and endurance level, 3) Discipline and attendance level, 4) Cooperation level, 5) Work safety concern level, 6) Work outcome responsibility level, 7) Initiative or creativity level and 8) Professionalism level.

3 HYPOTHESES

3.1 The Impact of Empowerment on Job Satisfaction, NMA-Based Leadership Training Orientation, and Employee Performance
Empowerment can grow satisfaction in taking responsibility in completing one’s task. Satisfaction occurs because one feels that one has done something meaningful and one has pleasure in communicating and working with others. Empowerment strengthens one’s self-confidence of completing a task that one never thought possible of doing previously (Chasanan, 2008). Empowerment given by leaders to their subordinates or by business owners to their managers shows the tendency that employee self-esteem is encouraged in the organization and it is felt by the employees. It also shows that employers give space and flexibility for employees to explore and take initiatives in their work, which will impact on their performance. Through empowerment, work obstacles can also be eliminated. (Kambey and Suharnomo, 2013). Consequently, job satisfaction will improve, collaboration is built, work is aimed at reaching sensible goals, achievement will be attained if target is met. When employees are recognized through their work, they feel awarded and see new hope and show more appreciation (Wibowo, 2007). Empowerment is management technique used by companies to increase organizational effectiveness (Conger and Kanungo, 1989; in Debora, 2006). Syarif et. al (2011) said that empowerment will have an effect on employee performance. According to Kanter, (1987; in Debora, 2006) being empowered at work has positive impacts on employees, which are better confidence and job satisfaction, higher motivation, lower physical and mental fatigue. Structural empowerment is more likely to raise employees’ trust in their organization and job satisfaction. Based on the above elaboration, the hypotheses proposed are as follows:

H1. The higher the empowerment, the more effective the NMA-based leadership training orientation.

H8. The higher the empowerment, the higher the employee performance.

![Fig. 1 The Synthesis of the concept of NMA-Based Leadership Training Orientation](image-url)
3.2 The Effect of NMA-based Leadership Training Orientation on Job Satisfaction, Affective Commitment, and Employee Performance

Training gives a new sensation to employees for it implies that their existence has gained more recognition by their organization, which will result in a feeling of satisfaction. Further, training will raise staff’s anticipations when facing problems in their organization (Negwagaya, 2014). Training plays a role in improving employee work performance. There are numerous examples where intellectual leaders – marked by their excellent academic records – show failure in leading their organizations. This indicates that leadership training is still needed by leaders. Leadership training enables leaders to explore their potential and strategies in leading their staff (Tavakoli, 2013). Furthermore, as Awang, et. al (2010) stated, training given to employees will heighten the level of readiness in employees to face real conditions in their jobs. Therefore, the employees are more ready mentally compared with those who have never joined any training (Hasan, 2009). Similarly, Syarif, et. al (2011) found that leadership training has the function to prepare leadership candidates. In leadership training, strategies to deal with situations or employees that are against organization’s objectives are introduced. Further, Ameeq and Hanif (2013) stated that training can provide refreshment for exhausted employees. Additionally, it is also suitable for organizations who have undergone significant structural changes or work fields. Subsequently, training will improve employees’ readiness, which will increase their performance. Based on the above theoretical and research support, the following hypotheses are offered:

H2. The more effective the NMA-based leadership training orientation, the higher the affective commitment.

H3. The more effective the NMA-based leadership training orientation, the higher the job satisfaction.

H4. The more effective the NMA-based leadership training orientation, the higher the employee performance.

3.3 Effects of Job Satisfaction on Affective Commitment and Employee Performance

Dessler (2000) explained that job satisfaction plays a role in achieving higher productivity and standard quality, as well as more efficient human resources management. Research by McNeese-Smith (1996) describes the relationship between job satisfaction and affective commitment. Further, Luthans (2006) found a much stronger relationship between job satisfaction and employee performance. Findings of Carmeli and Freund’s study (2004) show that job satisfaction directly influences employee performance. Moreover, Rose et al.’s (2009) study found that satisfied employees have the tendency to follow the rules in their organizations in doing their jobs; thus, job satisfaction could lead to higher commitment to organization, which in turn would affect the performance of the employees themselves (Farahani, 2011 and Springer, 2011). Based on the above statements, this paper proposes the following hypotheses:

H5. The higher the job satisfaction, the higher the affective commitment.

H6. The higher the job satisfaction, the higher the employee performance.

3.4 Effects of Affective Commitment on Employee Performance

Strong commitment made by employees to their organizations can increase their performance. This is supported by Ford, et. al’s research (2003) that found that one’s closeness to one’s organization could generate a strong commitment to the organization, which would affect one’s performance. This finding is corroborated by that of Rose, et al’s (2009), which suggests that high affective commitment is correlated positively with high employee performance. Research by Ali (2010) demonstrates the interaction effect between organizational commitment to employees and social activities such as identifying employees’ needs and how to fulfill them, what factors contributing to employees’ welfare, and ways to drive employees to produce quality products for customers which comply with the government rules and regulations. These activities have been proven to affect employee commitment to organization and improve organizational performance significantly and positively. The above elaboration has led this paper to propose the hypothesis below:

H7. The higher the affective commitment, the higher the employee performance.

4 RESEARCH METHODOLOGY

4.1 Population and Sample

The population of this research is line managers who are sent by owners of Small-Middle Enterprises to join self-development training into NMA-based leadership. Leadership training has been conducted by Small-Medium Enterprises
Department of Cooperatives in the Central Java Province for 1,270 line managers in total. To determine the sample, purposive Sampling is used. Initially, the sample size in this research was 200 responses, and then was reduced to 178 following various stages in the process. The analysis tool employed is the structural equation modelling supported by AMOS (Santra, 2017).

4.2 Concept Definition and Operational Variables
Empowerment is a process of developing employees’ skills and delegating power in a working environment for the purpose of allowing employees to be productive, and to behave and act independently towards making positive contributions to an organization’s mission. Empowerment is done through: 1) Information, 2) Resources, 3) Support, 4) Opportunity, 5) Meaning, 6) Self-efficacy, 7) Self-determination, and 8) Impact. NMA-based leadership training orientation, which is a leadership training program based on and developed from intellectual stimulation, humility, and spirituality, has 3 dimensions. First, intellectual stimulation is stimulation given to employees to promote creative thinking that refers to the extent to which a leader provides individual treatment and personal attention. The signs of intellectual stimulation are: 1) Employees produce new ideas, 2) Opportunities for staff to progress and be innovative are available, and 3) Employees are involved in management decision-making. Second, humility is how a leader can position and honor others’ achievements higher than his/her own. The indicators of humility are: 1) Leader’s support for his/her staff, 2) Familiarization of the strengths of members of an organization, 3) Staff’s participation in an organizational event and appreciation to individual differences by a leader. Third, spiritual personality question item is about the spiritual condition or faith of one’s belief and religion. Spiritual personality is indicated by the: 1) Justice act in decision making, 2) Demonstration of loyalty to employer, 3) mentoring nature, 4) obedience in reading and implementing SOP guidance, 5) guaranty of better future, and 6) System of staff performance evaluation. Job satisfaction is a positive attitude shown by employees toward their jobs. Job satisfaction is measured by feeling of satisfaction with: 1) the job itself, 2) job’s challenges, 3) work engagement, 4) work calling and 5) empowerment. Affective commitment is a will power to work for an organization generated by one’s own approval and desire to do the job. Characteristics of affective commitment are: 1) being proud to be a part of an organization, 2) speaking highly of one’s organization, 3) showing concerns about one’s organization’s future, 4) being pleased to have chosen an organization as a workplace, 5) having similar values with an organization, and 6) working beyond set targets. Employee Performance is the contribution made by employees to the final outcome of their organizations in connection with resources spent. Employee performance is characterized by the level of: 1) work quality, 2) perseverance and endurance, 3) discipline and attendance, 4) collaboration with others, 5) work safety concern, 6) responsibility of their work, 7) initiative or creativity and 8) Professionalism.

4.3 Data Analysis Technique
The analysis instrument employed is structural equation modelling, which is aimed at answering research questions in discovering social phenomena using these steps: 1) developing a theoretical model, 2) developing a path diagram, 3) converting path diagram to equation, 4) choosing input matrix and estimation model, 5) possibility of identification issues, 6) evaluating goodness of fit criteria and 7) interpreting and modifying the model.

5 Results And Discussion
Having been through various stages on confirmatory analysis, the research model fulfills the criteria of goodness of fit. The testing results show that: 1) empowerment has a positive effect on the NMA-based leadership training orientation or it can be confirmed that the higher empowerment it, the more effective the NMA-based leadership training orientation will be; 2) the NMA-based leadership training orientation is positively correlated with affective commitment, so the more effective the NMA-based leadership training orientation is, the higher the affective commitment will be; 3) the NMA-based leadership training orientation has a positive influence on employee job satisfaction or, in other words, the more effective the NMA-based leadership training orientation is, the higher job satisfaction of employees will be; 4) the interaction effect between the NMA-based leadership training orientation and employee performance is positive, meaning the more effective the NMA-based leadership training orientation is, the higher employee performance will be; 5) the interaction effect between job satisfaction and affective commitment is positive, meaning the higher job satisfaction is, the higher affective commitment will be; 6) job satisfaction has no positive effect on employee performance, so the the increase of job satisfaction has no impact on the improvement of employee performance; 7) affective commitment has a positive relationship with employee performance, which means the higher affective commitment is, the higher employee performance will be; 8) there is no positive interaction effect between empowerment and employee performance, meaning the increase of empowerment does not affect the improvement of employee performance. The results of the analysis give the following theoretical implications: 1) they develop the study of Hanssanpur, et. al (2013) that show that employees who are given high empowerment or are optimally empowered by their organization would be able to fulfill the responsibilities given. Further, the courage to accept work outcome and job satisfaction leads to the increase of employee performance. The findings of this study are also in congruence with and develop the results of Riqib’s (2010) study that found empowerment as a strategy to accelerate organizational performance, and this progress supports the companies’ visions. Similarly, the presented analysis also supports that of Kesempsap’s (2013) research, which confirms that empowerment and job satisfaction are psychological factors that promote effectiveness in organizational performance through the behavior of the members. Empowerment will bring positive changes to organization as it is preceeded by positive (goal-oriented) behavior of organizational members. This result strengthens the study of Pellit (2011) that points out the importance for leaders discuss the contents and objectives of an empowerment program to gain support. The study of Marjani and Alizadeh (2014) indicate that employees who have executed empowerment process according to standards and have high levels of psychological empowerment among their co-workers are able to bring progress to their organization. Senior managers or heads of departments could improve employee performance by implementing available empowerment process.

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6 Conclusion
The managerial implication of the empowerment aspect is the communicating of information to employees is effective; however, there is room for improvement in order that it can be received by all employees. Small-medium enterprises have provided opportunities for some employees, although not yet all. Their worth or meaning is felt by employees. Small-medium enterprises leaders ought to give assurance of permanent employmentship to their workers. On NMA-based leadership training orientation, there is a need for new ideas from workers. Opportunities to grow have not yet been given to all workers or heads of departments in larger SMEs. Decision making is hoped to involve workers or consider their feedback. Leaders should give full support to all employees to expand the Small-Medium Enterprises with their mind and strength. Organizational strengths are to be communicated to workers to inspire and motivate them. Therefore, efforts should be put to raise participations, supporting systems should be built to assist leaders in decision making, the principle of loving, honing and nurturing needs to be applied, guidance is necessary to resolve difficulties immediately, social security for workers is required, and proper evaluation is needed. On employee job satisfaction, work challenges and stimulations to employees such as meeting set goals and reaching certain targets are of importance. Additionally, employee engagement in all work areas is also necessary. Insights into the importance of working as human responsibility in life should also be given in order to awaken the workers and make them realize that working is not merely for financial income. Thus, the workers need to be trusted with more responsibilities and bigger roles. On affective commitment, spirit of corps should be encouraged by leaders of Small-Medium Enterprises. They should lead by example by caring for their employees and their families like for their own. They also need to show by example that working to achieve beyond set targets is an honorable achievement and a demonstration of seriousness not for the purpose of gaining over-time or extra money from the Small-Medium Enterprises. This presented analysis suggests that the focus of future research should be on the leadership variable or factors preceding the NMA-based leadership training orientation. Additionally, the instrument employed to examine the goodness of fit of the research model needs to meet at least eight criteria. Improving the research model can be done by adding other variables into this research. Last but not least, there is a need to increase the number of respondents and to target more specific samples.

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