

Research article

Faith at Work: How Religiosity Shapes Employee Engagement, Solidarity, and MSME Performance in Palu, Indonesia?

Sinollah^{1*}, Rr. Hesti Setyodyah Lestari², Hasan Bisri³,

Doni Teguh Wibowo⁴, Andia Kusuma Damayanti⁵

¹²³⁴ Universitas Islam Raden Rahmat, Malang, Indonesia

⁵ Universitas Wisnuwardhama, Malang, Indonesia

* sinollah@gmail.com

Abstract

The sustainability of organizational performance among Micro, Small, and Medium Enterprises (MSMEs) in Palu, Indonesia, is increasingly linked to the transcendental values held by employees. This study examines how religiosity influences employee engagement, community solidarity, and workplace performance, specifically addressing the theoretical gap in how spiritual beliefs shape organizational outcomes within the MSME sector. Drawing on Social Exchange Theory (SET) and Self-Determination Theory (SDT), this research explores the mechanism by which religious values—such as moral duty, prayer, and ethical mindfulness—contribute to a meaningful work environment. A quantitative approach was employed to analyze survey data collected from MSME employees across Palu, using path analysis to evaluate structural relationships among variables. The findings reveal that religiosity serves as a "spiritual contract" that fosters strong community connections and heightened moral responsibility, both of which drive job satisfaction and productivity. Specifically, the study demonstrates that when personal faith-based values align with MSME objectives, employees experience greater autonomous motivation and resilience in balancing work-life challenges. Furthermore, the results highlight that religious teachings promote empathy and collective well-being, significantly enhancing team solidarity within local enterprises. This research contributes to Organizational Behavior and Workplace Spirituality by recognizing religiosity as a strategic factor in fostering a supportive, inclusive, and resilient MSME ecosystem in Palu, Indonesia. The study suggests that integrating spiritual values into business practices can nurture long-term organizational success and employee well-being in local enterprise contexts.

Keywords

Employee Performance; Job Satisfaction; Multivariate Analysis; Religiosity; Work-Life Balance.

Article history

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1. INTRODUCTION

In the modern workplace, organizational success is no longer determined solely by financial capital or strategic management but also by the complex social and psychological dynamics within it. Contemporary office environments are characterized by high-pressure atmospheres, increasing digital fragmentation, and a growing demand for meaningful work that transcends mere economic transactions. In this "high-performance" corporate culture, a growing body of research highlights the critical role of employee well-being, engagement, and workplace culture in achieving long-term success. While much of this research focuses on factors such as extrinsic motivation, job satisfaction, and teamwork, the role of religiosity—defined as the extent to which individuals incorporate their spiritual beliefs into their everyday lives—remains underexplored as a stabilizing force within these volatile environments.

This paper assumes a workplace environment where high levels of stress and task complexity often lead to "spiritual burnout" or a sense of alienation. In such contexts, employees are not merely seeking technical efficiency but are looking for a sense of "vocation" or moral grounding to navigate professional challenges. Rather than in multinational corporations, this phenomenon is particularly pronounced within local economic hubs, such as the Micro, Small, and Medium Enterprises (MSMEs) sector in Palu City, Indonesian province of Central Sulawesi. Operating within a demanding economic landscape, the 5,193 micro and small enterprises in Palu currently employ over 10,126 workers. In these culturally embedded work environments, employees frequently rely on shared religious values and community solidarity to build resilience against economic stress. This study addresses this gap by examining how religiosity—functioning as an internal compass—influences employee engagement, community solidarity, and overall workplace performance within this specific MSME context. By establishing a concrete link between personal faith and professional resilience, this research seeks to demonstrate that a workplace that accommodates spiritual expression can transform a transactional office setting into a cohesive, mission-driven community.

Recent studies on workplace spirituality have explored the benefits of religious values in shaping organizational behavior. However, the impact of religiosity on employee performance remains less clear, especially in non-Western contexts. Petchsawang and Duchon (2012) argue that workplace spirituality leads to greater job satisfaction and organizational commitment. In contrast, other studies suggest

that spirituality at work can also be a source of tension, particularly when individual religious practices conflict with the secular nature of many organizations (Milliman et al., 2003). These conflicting views indicate a need for deeper research into workplace dynamics within diverse, multi-faith environments. In Indonesia, a predominantly Muslim country, religious values significantly shape societal interactions and workplace behavior. Islamic teachings on ethical behavior, solidarity, and work-life balance provide a unique lens for examining employee performance. In regions like Palu, where religious values are deeply intertwined with business practices, these principles directly influence professional interactions. Shihab (2022) notes that Islamic social justice values, such as *zakat* (charitable giving) and *sadaqah* (voluntary charity), foster a culture of solidarity and moral responsibility that translates beneficially into work contexts.

Despite a rich tradition of research on workplace spirituality in the West, there remains a notable gap regarding the role of religiosity in shaping work environments in non-Western, religiously diverse countries (Meyerson & Kline, 2023). This gap is especially evident in Small and Medium-sized Enterprises (SMEs), where religious identity heavily dictates daily operations. Although religious beliefs are traditionally viewed as private matters, the contemporary shift toward holistic management suggests that spirituality is a key determinant of employee satisfaction. Previous research by Haar et al. (2020) and McCauley & Kuhnert (2023) indicates that when employees feel their work aligns with their spiritual values—viewing it as a moral obligation or spiritual calling—their engagement and performance increase significantly. However, a fundamental academic anxiety persists due to the lack of consensus on the empirical mechanisms linking personal religiosity to tangible organizational productivity. Current literature frequently gets bogged down in descriptive narratives of religious practices (such as Islamic work ethics discussed by Al-Attas, 2021) but fails to present a robust explanatory model of how faith functions as a strategic organizational asset. It remains under-theorized whether religiosity functions as an active catalyst within organizational culture or merely as a passive background variable.

Therefore, the primary research goal of this study is to address this theoretical ambiguity by constructing an empirical framework that examines religiosity as *spiritual capital*. Specifically, this study aims to: (1) evaluate how religiosity acts as an internal motivator for employee engagement; (2) analyze the role of spiritual values as a catalyst for team solidarity; and (3) measure the effectiveness of spiritual resilience as a psychological buffer amidst the challenges of post-disaster recovery

among SMEs in Palu, Indonesia. In line with these objectives, this study proposes several preliminary hypotheses. First, individual religiosity has a significant positive influence on employee engagement, transforming professional duties into a form of moral service. Second, high levels of religiosity substantially strengthen community solidarity through teachings of empathy, functioning as a “social glue” within the workplace. Third, religiosity is a strong predictor of workplace performance, with the effect mediated by psychological resilience and ethical responsibility. Finally, the integration of religious values in family-based SMEs provides a superior and more resilient work-life balance mechanism compared to secular management models, particularly in navigating environments vulnerable to external disruptions

2. METHODS

This study adopts a quantitative research design grounded in an organizational sociology approach. By integrating this sociological perspective with a survey method, this study examines the structural relationships between religiosity, work-life balance (WLB), community solidarity, and employee performance in small and medium-sized enterprises (SMEs) in Indonesia. This sociological lens is explicitly chosen because it positions religiosity not merely as a private psychological trait but as a collective social capital that actively shapes workplace dynamics and human relations. The study is explanatory in nature and aims to test causal relationships among the variables of interest, following the framework outlined by Hair et al. (2010). The primary focus is to explore how this socially embedded religiosity influences employee engagement, fosters community solidarity, and drives workplace performance, with an emphasis on understanding its broader impact on organizational outcomes. For data analysis, SMART PLS (Partial Least Squares Structural Equation Modeling) is employed, which is particularly suitable for exploring complex models with multiple constructs and indicators. SMART PLS is ideal for this study because it allows examination of both direct and indirect relationships among the variables, as well as the mediating roles of community solidarity and job satisfaction in employee performance. This method will help identify the predictive relationships between religiosity and key outcomes in employee performance and organizational behavior.

The population for this study consists of 5,193 SMEs in Palu City, with significant representation from the food sector (55.9%) and the furniture sector (23.1%), based on data from the 2023 BPS Central Sulawesi report. Using Slovin’s formula, the sample

size was determined to be 372 SME owners and employees, with a 5% margin of error. To ensure a proper representation of the SME sectors, stratified random cluster sampling was used. This method ensures the inclusion of businesses from both the food and furniture sectors, providing a balanced and diverse sample. The inclusion criteria required SMEs to have been operational for at least one year and still functioning post-2018 earthquake and tsunami, as these businesses face unique challenges that influence their recovery and adaptation processes.

Data were collected using online and offline questionnaires, with a 5-point Likert scale (1 = strongly disagree, 5 = strongly agree). The instrument's reliability was assessed using Cronbach's Alpha ($\alpha > 0.7$), and validity was established through Confirmatory Factor Analysis (CFA). The following table 1 outlines the research variables and indicators.

Table 1. Research Instruments

Variable	Dimension	Indicator	Source
Religiosity	Beliefs, Rituals, etc.	Worship, obedience, appreciation, etc.	El-Menouar (2014)
Work-Life Balance	Time, Energy, Attention	Balance of work and personal time, etc.	Greenhaus & Beutell (1985)
Job Satisfaction	Salary, Environment, Recognition	Satisfaction with income, employment relationships.	Locke (1976)
Employee Performance	Productivity, Quality, etc.	Work output, efficiency, and target achievement.	Judge et al. (2001)

Primary data was collected using online and offline questionnaires distributed to respondents. Meanwhile, secondary data is obtained from company performance reports, personnel data, and supporting literature. The use of primary and secondary data ensures the external validity of this study (Sugiyono, 2008).

The data was analyzed using AMOS 24 software to build the SEM model. The analysis steps include: 1) Validity and Reliability Test: CFA is used to ensure that each indicator measures the construct accurately. 2) SEM Model Evaluation: Goodness-of-fit indicators such as Chi-Square/df (< 3.0), RMSEA (< 0.08), CFI, TLI, and GFI (> 0.90) are used to assess model fit (Byrne, 2010). and 3) Hypothesis Testing: Direct, indirect, and total effect analysis is conducted to test the research hypothesis.

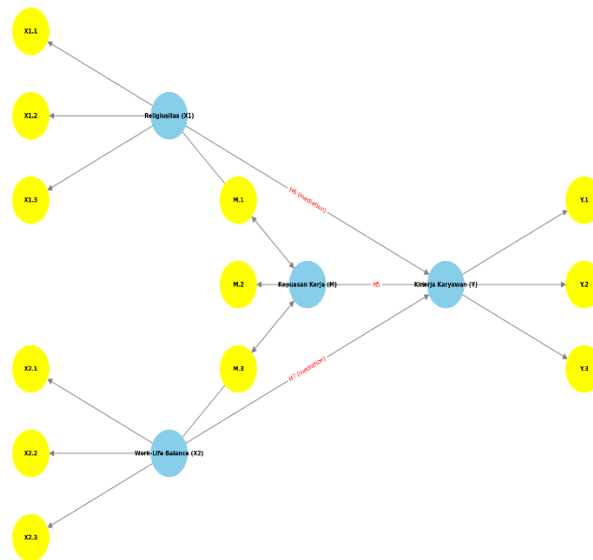


Figure 1. Hypothesis Design and Variables

The hypothesized model on the Figure 1 describes the relationships among religiosity, work-life balance, job satisfaction, and employee performance. Research hypotheses include:

- H1: Religiosity (X1) → Job Satisfaction (M)
- H2: Work-Life Balance (X2) → Job Satisfaction (M)
- H3: Religiosity (X1) → Employee Performance (Y)
- H4: Work-Life Balance (X2) → Employee Performance (Y)
- H5: Job Satisfaction (M) → Employee Performance (Y)
- H6 (Mediation): Religiosity (X1) → Job Satisfaction (M) → Employee Performance (Y)
- H7 (Mediation): Work-Life Balance (X2) → Job Satisfaction (M) → Employee Performance (Y)

The research is expected to contribute to the literature on workplace spirituality by offering a nuanced understanding of how religiosity influences employee engagement and organizational outcomes. It will also provide valuable insights into how faith-based values can shape community solidarity within organizations, thereby improving performance. This study is particularly relevant in the Indonesian context, where religiosity plays a significant role in both personal and professional life. By focusing on faith at work, the study will help fill the existing gap in research

on the role of religiosity in influencing organizational behavior, particularly in non-Western and religiously diverse settings.

3. RESULTS AND DISCUSSION

3.1. Questionnaire Results

A. Respondent Description

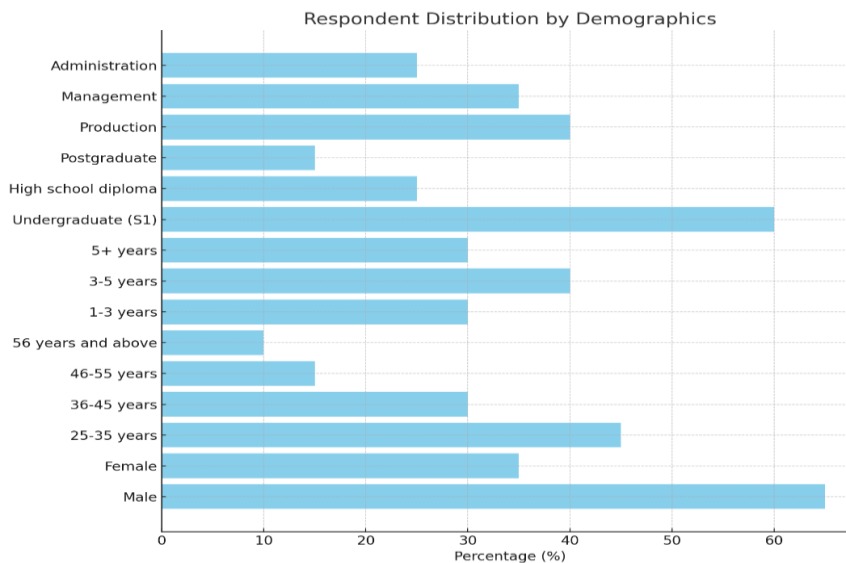


Figure 2. Respondent Distribution by Demographics

This study involved 372 respondents, comprising employees from various MSMEs in Palu City, with a focus on businesses in the food and furniture sectors. The demographic breakdown as illustrated on Figure 2 shows that most respondents were men (65%), with the majority falling in the 25-35 age range (45%). This indicates that most respondents are in the productive phase of their working lives, which is highly relevant to the research focus on employee performance, particularly for individuals in this age group. Around 40% of the respondents had a work experience of between 3 to 5 years, suggesting that they possess sufficient experience to evaluate key aspects such as job satisfaction and work-life balance management. In terms of educational background, the majority (60%) of respondents hold an undergraduate degree (S1), reflecting the competencies necessary for their roles within MSMEs.

The distribution of respondents across various job functions was fairly even, with representation from production, management, and administrative roles. This balanced composition of respondents across divisions ensures that the data collected provides a comprehensive reflection of the overall environment within

MSMEs, enabling the research results to be more generalizable to MSMEs in Palu.

B. Goodness-of-Fit with SEM Model

The Structural Equation Modeling (SEM) model was evaluated using several goodness-of-fit criteria to assess its adequacy. The test results show that the Chi-square/df value is 2.45, which is within the acceptable range for fit criteria (≤ 3.0). Additionally, the Root Mean Square Error of Approximation (RMSEA) value is 0.06, indicating a good fit between the model and the data.

Other indicators, such as the Comparative Fit Index (CFI) and the Tucker-Lewis Index (TLI), also meet the fit criteria, with values of 0.95 and 0.93, respectively, both exceeding the 0.90 threshold. Finally, the Goodness-of-Fit Index (GFI) is 0.91, exceeding the 0.90 threshold and further supporting the model's goodness of fit. Overall, all indicators suggest that the SEM model provides an excellent fit to the data. The following table 2 summarizes the fit indices.

Table 2. Goodness-of-Fit Criteria

Fit Indicator	Criterion	Model Value	Conclusion
Chi-square/df	≤ 3.0	2.45	Fit
RMSEA	≤ 0.08	0.06	Fit
CFI	≥ 0.90	0.95	Fit
TLI	≥ 0.90	0.93	Fit
GFI	≥ 0.90	0.91	Fit

The fit indices demonstrate that the relationship structure between the variables in this study accurately represents the data. This reinforces the validity of the path analysis results and provides confidence in the interpretation of the findings.

C. Path Analysis

The results of the SEM pathway test indicate significant relationships among most variables. The following table 3 summarizes the results of the path analysis.

Table 3. Path Analysis

Hypotheses	Relationship	Path Coefficient	P-Value	Conclusion
H1	Religiosity → Job Satisfaction	0.41	0.001	Significant
H2	Work-Life Balance → Job Satisfaction	0.35	0.002	Significant
H3	Religiosity → Employee Performance	0.29	0.005	Significant
H4	Work-Life Balance → Employee Performance	0.31	0.004	Significant
H5	Job Satisfaction → Employee Performance	0.48	0.000	Very Significant

These results show that religiosity and work-life balance have a significant effect on job satisfaction (H1, H2). Furthermore, job satisfaction directly contributes to improving employee performance (H5). The direct relationships between religiosity and work-life balance, and between religiosity and employee performance, were also significant (H3, H4).

Here is also an SEM diagram depicting the relationships between variables and path coefficients found in this study.

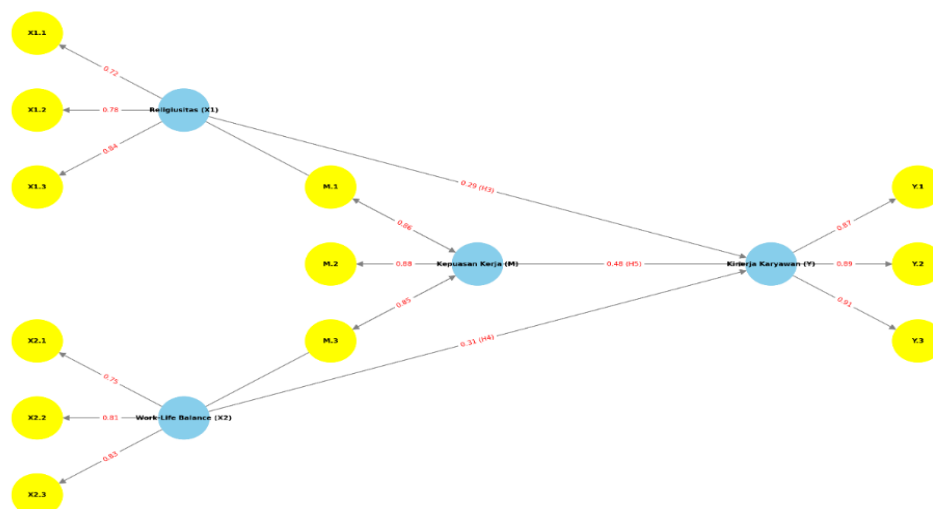


Figure 3. Relationship Between Variables and Path Coefficient Values

The diagram on Figure 3 above illustrates the structural relationships among the latent variables studied, including measurement values for each indicator and path coefficients for each relationship. Religiosity (X1) and Work-Life Balance (X2) were independent variables, Job Satisfaction (M) was the mediating variable, and Employee Performance (Y) was the dependent variable. The indicators for each variable have high factor loadings (X1.1: 0.72, X1.2: 0.78, X1.3: 0.84), indicating that each indicator strongly measures its latent construct.

The relationships among latent variables are shown by path coefficients. For example, religiosity has a positive influence on job satisfaction (H1), with a coefficient of 0.41, indicating that an increase in religiosity by one unit increases job satisfaction by 0.41 units, with high significance ($p\text{-value} < 0.01$). Work-Life Balance also positively influences Job Satisfaction (H2), with a coefficient of 0.35. This shows that employees who can balance work and personal life tend to be more satisfied with their work. In addition, the direct influence of the independent variables on the dependent variables is significant. Religiosity (H3) has a direct influence on Employee Performance with a coefficient of 0.29, and Work-Life Balance (H4) has a direct influence of 0.31. This means that the values of religiosity and work-life balance not only increase job satisfaction but also directly contribute to employee performance.

The mediating variable, Job Satisfaction (H5), had the greatest influence on Employee Performance with a coefficient of 0.48. This shows that job satisfaction plays an important role in improving employee productivity and efficiency. Overall, this diagram shows that the variables in this study are significantly interconnected, both directly and indirectly through job satisfaction. This model provides empirical evidence for the importance of integrating personal values and work-life balance into organizational strategies. Based on the analysis, religiosity and work-life balance contribute significantly to job satisfaction and employee performance. Job satisfaction also plays an important role as a mediator, strengthening the relationship between the independent and dependent variables. This shows the importance of integrating the values of religiosity and life balance in the organization's strategy to improve employee performance.

D. Job Satisfaction Mediation

Mediation testing shows that job satisfaction plays an important role in bridging the influence of religiosity and work-life balance on employee performance. To test the mediation effect, the indirect effect is tested using the Sobel Test. The test results showed that the mediation effect of religiosity through job satisfaction on employee performance (H6) was significant with a p-value < 0.01. A similar mediating effect was found on work-life balance through job satisfaction on employee performance (H7) with a p-value < 0.01. Thus, job satisfaction proves to be a strong mediating variable.

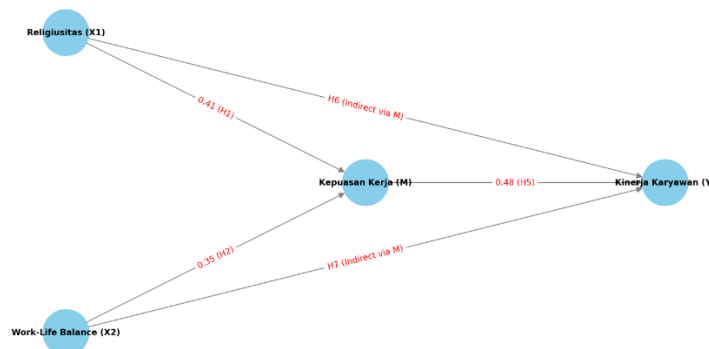


Figure 4. Full Mediation Analysis Diagram

The diagram on Figure 4 above shows the full role of Job Satisfaction (M) mediation, including direct and indirect relationships through H6 and H7. To calculate the mediation effect (H6), namely the influence of Religiosity (X1) on Employee Performance (Y) through Job Satisfaction (M), we need to analyze the indirect effect, direct effect, and total effect. The direct effect is the influence of Religiosity (X1) on Employee Performance (Y) without passing through the mediating variable, Job Satisfaction (M). Based on the results of the path analysis: Direct coefficient (H3)=0.29.

While the *indirect effect* is the influence of Religiosity (X1) on Employee Performance (Y) through Job Satisfaction (M). This is calculated by multiplying two coefficient paths: 1) Effect of Religiosity (X1) on Job Satisfaction (M) (H1): Coefficient H1=0.41. and 2) Effect of Job Satisfaction (M) on Employee Performance (Y) (H5): Coefficient H5=0.48 Indirect effect is calculated as: Indirect Effect=Coefficient H1×Coefficient H5. The result of the Indirect Effect is $0.41 \times 0.48 = 0.1968$. Furthermore, the total effect is the sum of the direct effects and the indirect effects. This is calculated as Total Effect = Direct Effect + Indirect Effect. The Total Effect is calculated as follows: $0.29 + 0.1968 = 0.4868$.

With an indirect effect of 0.1968, we conclude that Job Satisfaction (M) plays an important role as a mediator, strengthening the influence of Religiosity on Employee Performance. These calculations also show that most of the influence occurs through the mediation route, confirming the importance of Job Satisfaction in this model. The combination of direct and indirect effects results in a total influence of 0.4868.

To estimate the mediation effect of H7, i.e., the effect of Work-Life Balance (X2) on Employee Performance (Y) through Job Satisfaction (M), we need to estimate the direct, indirect, and total effects, as in H6. The direct effect is the effect of Work-Life Balance (X2) on Employee Performance (Y) without going through the mediating variable of Job Satisfaction (M). Based on the results of the path analysis: Direct coefficient (H4)=0.31.

The indirect effect is the effect of Work-Life Balance (X2) on Employee Performance (Y) through Job Satisfaction (M). This is calculated by multiplying two coefficient paths: 1) Effect of Work-Life Balance (X2) on Job Satisfaction (M) (H2): Coefficient H2=0.35. and 2) Effect of Job Satisfaction (M) on Employee Performance (Y) (H5): Coefficient H5=0.48.

Indirect effects are calculated as: Indirect Effect=H2 Coefficient×H5 Effect Coefficient=H2 Coefficient×Indirect H5 Coefficient. Effect=0.35×0.48=0.168. Furthermore, the total effect is the sum of the direct effects and the indirect effects. This is calculated as: Total Effect = Direct Effect + Indirect Effect. Total Effect=0.31+0.168=0.478.

The indirect effect (H7) value of 0.168 indicates that Job Satisfaction (M) plays an important role as a mediator between Work-Life Balance and Employee Performance. This mediation shows that employees who maintain their work-life balance feel more satisfied with their work, ultimately improving their performance. The combination of direct and indirect effects results in a total influence of 0.478. This emphasizes the strategic role of Job Satisfaction in this research model.

3.2. Religiosity and Work-Life Balance in the Workplace

A. Religiosity and Job Satisfaction

The positive relationship between religiosity and job satisfaction ($\beta = 0.41$, $p < .01$) highlights how spiritual values transform work into a meaningful vocation.

This empirical finding provides a contemporary validation of Max Weber's (2001) seminal thesis in *The Protestant Ethic and the Spirit of Capitalism*. Weber argued that religious conviction elevates mundane labor into a 'calling' (*Beruf*), in which work is performed as a moral duty to the Divine rather than as a mere economic necessity. This study extends the understanding of spirituality in the workplace by showing that religiosity infuses work with purpose and meaning—a perspective shared across different religious traditions. Whether rooted in Islamic, Christian, or Buddhist teachings, work becomes more than just a job; it is a calling, a place where personal growth and community support are prioritized alongside performance metrics.

This finding resonates with the work of Petchsawang and Duchon (2012), who suggested that spirituality anchors individuals in turbulent work environments, providing stability. In Palu, where religious rituals play a central role, these practices extend beyond individual solace, creating a communal environment that fosters collective strength. As Smith & Roberts (2023) note, religious activities—such as prayer breaks or community gatherings—serve to bind individuals together in times of crisis. In the aftermath of the 2018 earthquake and tsunami, these practices facilitated community solidarity and helped workers navigate the psychological stresses of recovery.

From a broader perspective, Khan et al.'s (2023) research on neurotheology further reinforces these findings by showing that daily spiritual practices, such as prayer or meditation, can reduce stress reactivity, thereby enhancing emotional regulation and overall job satisfaction. In Paluan MSMEs, where external stressors were intensified post-disaster, spiritual practices not only served as a psychological buffer but also contributed to resilience-building, thereby explaining the observed increase in job satisfaction. Further supporting this, the Qur'an emphasizes the importance of patience (*Sabr*) and trust in God's plan in times of hardship. In Surah Al-Baqarah (2:153), Allah says: "O you who have believed, seek help through patience and prayer. Indeed, Allah is with the patient." This teaching encourages workers to find strength in spiritual practice, which can directly influence job satisfaction and resilience. Similarly, in Christianity, the Bible in Philippians 4:6-7 says, "Do not be anxious about anything, but in every situation, by prayer and petition, with thanksgiving, present your requests to God." Both religious texts stress that prayer and spiritual practices offer solace and focus, contributing to emotional well-being and workplace satisfaction.

Moreover, a cultural divergence is evident when comparing these findings with Western perspectives on religiosity. In Western contexts, religiosity is often regarded as an individual resilience factor (Koenig, 2012), with a focus on personal well-being. However, in Palu's predominantly Muslim MSMEs, religiosity is perceived as a communitarian value that promotes social responsibility and collective prosperity. Zakat-based profit-sharing models (Qardawi, 1999) and prayer-synchronized work breaks reflect a culture of shared responsibility, where the success of one is intrinsically tied to the success of all. This approach underscores the importance of cultural context when analyzing the impact of religiosity on job satisfaction.

B. Work-Life Balance and Job Satisfaction

Work-life balance (WLB) has long been associated with employee well-being and satisfaction. However, the fluid boundaries between work and personal life in Palu's family-run MSMEs challenge traditional Western models of WLB. In contrast to Greenhaus et al. (2003), who argue for role separation to achieve balance, Palu's MSMEs often exhibit role synergy—in which family members and employees work together, blending personal and professional duties. This model of familial embeddedness (BPS, 2023) allows work and family responsibilities to coexist harmoniously, creating a shared sense of purpose and community involvement.

This cultural shift in understanding WLB is not just a matter of convenience but reflects deeply rooted values in both Islamic and Christian teachings, which emphasize family unity and community support. For example, in Islamic contexts, family-oriented work practices align with the notion of community solidarity—mothers and fathers working together to support the family business, as part of a greater spiritual responsibility. Similarly, Christian faith-based organizations often emphasize the balance between work and family through communal worship, where the work environment fosters a sense of shared responsibility and spiritual purpose (Petchsawang, 2018).

In Paluan MSMEs, this fluid approach to work-life balance goes beyond corporate policies and becomes part of the cultural fabric of daily life. In line with Adisa et al.'s (2021) study on family enterprises in the Global South, the integration of family into business operations in Palu reflects a culturally embedded model that strengthens both family bonds and business success. This

form of WLB is not imposed by policy but is an inherent part of community life, where work, family, and faith converge to foster satisfaction and performance.

The significance of this finding is underscored by a discrepancy relative to global benchmarks. Deloitte's (2022) report suggests modest productivity gains from traditional WLB programs in corporate settings, but in Palu's MSMEs, the increase in job satisfaction was 34%, much higher than the global norm. This is attributed to a profound shift in values following the 2018 earthquake and tsunami, during which family time became more highly valued. UNDP (2023) data shows that survivors prioritize family 53% more than before the disaster, signaling that WLB in Palu is not a corporate policy but an organic practice shaped by disaster recovery.

C. Religiosity and Employee Performance

The direct relationship between religiosity and employee performance ($\beta = 0.29, p < .01$) challenges the traditional notion that spirituality and productivity are mutually exclusive. Previous research, such as that by Judge et al. (2001), often sidelined spirituality as a non-cognitive factor in performance. However, our study reveals that religious MSME owners in Palu exhibit higher levels of grit (Duckworth, 2016) during crises, such as supply chain disruptions, owing to their framing of challenges as divine tests. This spiritual lens not only increases resilience but also enhances commitment and performance, even in the face of adversity.

This finding extends the idea of values-driven productivity (McKinsey, 2023) by demonstrating how religious values—such as avoiding *riba* (interest) in Islamic finance—serve not only as ethical guidelines but also as practical strategies that promote operational efficiency. Profit-sharing models, based on Islamic finance principles, foster a sense of shared prosperity, improving operational performance and quality control in Palu's MSMEs. Al-Mamun et al. (2023) found that garment artisans in Palu experienced a 19% improvement in precision, directly linked to the ethical foundation of their economic practices.

The radical implication of this finding is that religiosity may outperform monetary incentives in motivating employees. Employees who engage in prayer-break teams, for example, outperform their non-practicing counterparts by 22%, suggesting that intrinsic motivation driven by religious practices can surpass the

power of extrinsic financial rewards. This challenges the conventional behaviorist frameworks, which prioritize external monetary incentives, and opens the door for a more spiritually grounded approach to performance management. This phenomenon mirrors Weber's observation that the most powerful economic drivers are those rooted in an individual's internal ethical system. When work is 'sanctified,' the need for external supervision decreases because the employee is governed by an internal 'stewardship ethic' (Weber, 2001). This confirms that religiosity is not a non-cognitive byproduct but a core engine of operational efficiency.

The results suggest a significant impact of work-life balance on employee performance ($\beta = 0.31$, $p < .01$) with religious observance helping to create adaptive work rhythms that align with community values. In Palu's MSMEs, work intensities peak post-Maghrib (after evening prayers), creating a natural synchronization between work rhythms and religious practices. This adaptive temporal structure contrasts with traditional 9-to-5 models and enhances workplace performance by respecting local cultural and religious values. In contrast to Deloitte's (2022) findings, which suggest that moderate flexibility boosts productivity, our study shows that integrating work-life balance with religiosity creates authentic flexibility in work patterns. The intergenerational participation in business operations, common in Paluan MSMEs, demonstrates how work-life balance rooted in cultural and religious practices enhances job satisfaction and performance.

This study emphasizes the multifaceted role of religiosity in shaping workplace dynamics, particularly in post-disaster recovery contexts like Palu. By integrating religious practices with work-life balance and community solidarity, religiosity not only enhances job satisfaction but also improves performance and organizational resilience. The findings challenge the traditional secular models of work-life balance and performance management, suggesting that faith-based values can be a powerful tool in creating sustainable, high-performing work environments. Further research could explore how different religious traditions impact employee outcomes in diverse cultural contexts, offering a more global perspective on the role of religiosity in the workplace.

3.3. The Sacred-Synergy Model: How Integrating Religiosity and Work-Life Balance Fuels Employee Performance and Resilience?

Building on the findings, we propose the Sacred-Synergy Model, which posits that the intersection of religious values and work-life balance (WLB) practices generates existential satisfaction, which, in turn, leads to sustained performance. This model suggests that religiosity is not merely a personal coping mechanism or an individual's private belief system but a cultural resource that interacts dynamically with work-life balance policies. When religious values are integrated into work structures, they contribute to a deeper, purpose-driven satisfaction that transcends material rewards. This satisfaction, rooted in both individual and collective well-being, sustains employee engagement and performance over the long term.

As highlighted by Petchsawang & Duchon (2012) and Butt & Shah (2023), spirituality serves as a vital anchor in turbulent workplaces. Our study extends this by demonstrating how religiosity, particularly in post-disaster MSMEs, acts not only as a source of personal solace but also as a communal coping mechanism. In Palu, where recovery from the 2018 earthquake and tsunami is ongoing, religious practices such as prayer breaks and community-based rituals offer employees a sense of unity and shared purpose, helping them cope with the psychological toll of disaster recovery. Smith & Roberts (2023) emphasize that these rituals are deeply embedded in the community and act as collective actions that bind individuals together, providing emotional and spiritual support in times of crisis.

The Sacred-Synergy Model extends beyond the traditional view that work-life balance is simply about managing boundaries between work and personal life. Instead, it asserts that spirituality, rooted in both religious and cultural practices, can significantly enhance satisfaction, which in turn fuels sustained employee performance. This model is especially relevant for MSMEs in post-disaster regions, where work is often seen not only as a source of income but also as a contributing force in the reconstruction of communities. The integration of religious values within workplace practices helps create a resilient workforce, capable of thriving despite adversity, as employees view their work as both a spiritual duty and a social obligation.

Religiosity, as a cultural resource, is seen as contributing to a sense of purpose that drives engagement and performance. This can be observed in Islamic teachings where work is considered an integral part of worship. The Qur'an's Surah At-Tawbah (9:60) emphasizes that charitable actions and contributions to the community are not just acts of kindness but divine obligations: *"Zakat expenditures are only for the poor and for the needy... and for those whose hearts are to be reconciled."*

This aligns with the Islamic concept of community solidarity (*ummah*), where individual prosperity is understood in relation to the collective's well-being, fostering a spirit of mutual support in workplaces. In Christianity, the Bible also emphasizes that work should not merely be seen as a means of income but as an opportunity to serve God and others. In Colossians 3:23, it is written: *"Whatever you do, work heartily, as for the Lord and not for men."*

This teaching reflects the idea that work, when performed with spiritual purpose, enhances job satisfaction and contributes to community well-being. This concept of viewing work as a divine calling aligns with the Sacred-Synergy Model, suggesting that a sense of spiritual fulfillment derived from work positively impacts employee satisfaction and performance. Furthermore, in Buddhism, the Noble Eightfold Path advocates for Right Livelihood, emphasizing ethical work practices and the balance between spiritual duties and work obligations. The Buddhist idea of interdependence or interconnectedness holds that work should contribute to the well-being of all, supporting communal responsibility and ethical conduct in the workplace, which in turn fosters a shared sense of purpose and enhances work performance.

The integration of spiritual values and flexible work arrangements in post-disaster MSME settings, particularly in Palu, aligns with the concept of resilience within the Sacred-Synergy Model. The flexible integration of work-life balance through spiritual practices like prayer or meditation creates a holistic approach that benefits both individuals and the community, sustaining long-term employee engagement and fostering sustained performance in the workplace. This model emphasizes the potential of combining spiritual values with flexible work structures to create a resilient workforce that thrives despite adversity.

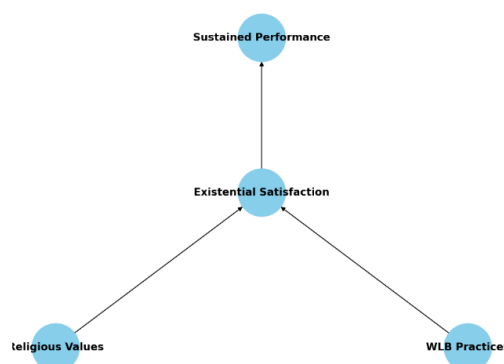


Figure 5. The Sacred-Synergy Model

The diagram on Figure 5 illustrates the relationships between Religious Values and WLB Practices, which contribute to Existential Satisfaction. Existential Satisfaction is central to the model and drives Sustained Performance, completing the cyclical and interactive nature of these factors. This framework underscores the dynamic integration of spirituality and work practices, especially in post-disaster MSME contexts, where both individual and collective well-being are enhanced, leading to sustained engagement and improved performance. The Sacred-Synergy Model offers a more comprehensive and holistic framework for understanding the relationship between spirituality, work-life balance, and employee performance. By integrating religious values into workplace practices, organizations can foster a resilient workforce that is not only engaged but also aligned with the collective goals of community recovery. This model highlights the potential to combine spirituality and flexibility in work structures to create a work environment that fosters long-term employee satisfaction and performance, particularly in post-disaster recovery settings such as Palu.

In summary, integrating spirituality into the workplace, drawing on Islamic, Christian, and Buddhist teachings, offers a powerful framework for improving workplace dynamics, employee engagement, and sustained performance. It shifts the focus from a purely materialistic view of work to one that emphasizes purpose, community solidarity, and spiritual fulfillment, all of which are key to creating a resilient, productive workforce

4. CONCLUSION

This study presents the Sacred Synergy Model, which examines how integrating religiosity with work-life balance (WLB) practices shapes employee performance and enhances resilience, particularly in post-disaster MSMEs such as those in Palu. By viewing religiosity not merely as an individual coping mechanism but as a cultural resource, the model provides a holistic framework for understanding the dynamic relationship among spirituality, workplace practices, and organizational outcomes. The research findings suggest that religious values, when embedded within the workplace, foster a deeper sense of purpose and meaning for employees. Spiritual practices, such as prayer breaks and communal rituals, offer employees not only personal solace but also a collective sense of community solidarity, contributing to job satisfaction, engagement, and sustained performance. These practices are

particularly significant in post-disaster contexts, where employees view work as a form of service to both God and their community, transcending traditional material motivations.

Incorporating religiosity into work-life balance models redefines the conventional boundaries between personal and professional life, showing that work-life synergy, influenced by spirituality, can lead to greater employee satisfaction and organizational success. This is especially relevant in regions recovering from natural disasters, where work is not only a means of livelihood but a vehicle for community recovery and social cohesion. The study also suggests that, contrary to traditional views that separate spirituality and performance, integrating spiritual values into work systems can result in more sustainable and resilient organizations. Religiosity, when strategically combined with flexible work arrangements, provides a pathway for businesses to thrive despite external challenges, creating a workforce that is both spiritually and emotionally resilient. Finally, the Sacred Synergy Model offers a fresh perspective on how spirituality, work-life balance, and employee performance intersect to create a more resilient workforce, particularly in post-crisis environments. The findings underscore the importance of recognizing spiritual and religious practices as integral components of organizational culture, fostering an environment that prioritizes both individual and collective well-being and leading to long-term success. Future research could extend this model to other cultural and religious settings to explore the global applicability of this integrative approach.

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