

Strategic Synergy of Digitality, Spirituality, and Prosocial Leadership in Strengthening MSME Resilience in Jakarta

Rajwa Ganendra^a, Jacquelininda Sandra Sembel^b

^{ab} Univeristas Pelita Harapan, M.H. Thamrin Boulevard 1100, Lippo Village, Tangerang, Banten 15811, Indonesia

ABSTRACT

Micro, Small and Medium Enterprises (MSMEs) play a critical role in Jakarta's urban economy, yet they face increasing pressure to remain resilient, surviving digital disruption, economic volatility, and post-pandemic recovery. This study investigates the interconnected influence of Digital Mastery, Prosocial Leadership, and Islamic Spirituality on Business Resilience among MSMEs in Jakarta. Drawing on Resilience Theory, the research proposes a holistic framework that integrates technological competence, ethical leadership, and faith-based values as strategic assets for MSME sustainability. Using a quantitative approach and a descriptive correlation method, data was collected from 100 MSME respondents through structured survey questionnaires delivered online. The statistical analysis was conducted using SmartPLS4, assessing both the outer and inner models. Results reveal that Digital Mastery and Prosocial Leadership significantly influence Business Resilience, while Spirituality contributes indirectly through its influence on leadership and digital adoption. The model demonstrated strong explanatory power ($R^2 = 0.707$) and predictive relevance ($Q^2 = 0.477$), with Digital Mastery showing the largest effect size ($F^2 = 0.915$). This study offers theoretical contributions by extending Resilience Theory into a culturally grounded MSME context and practical implications for policymakers and educators seeking to empower small businesses through integrated digital, ethical, and spiritual development. The findings highlight the importance of holistic capacity-building strategies to foster resilient entrepreneurial ecosystems in emerging countries in Southeast Asia, with the case study in Indonesia.

Keywords: Business Resilience, Digital Mastery, Prosocial Leadership, Islamic Spirituality, MSMEs Jakarta

INTRODUCTION

Jakarta, the biggest city in Indonesia, is home to 79,992 Micro, Small, and Medium Enterprises or MSMEs (BPS, 2023). It is no wonder that MSMEs play a vital role to support the city's urban economy, contributing significantly to employment, innovation, and social stability. However, amid digital disruption, economic volatility, and post-pandemic recovery, MSMEs face increasing pressure to remain resilient. Business resilience, the capacity to endure, recover, and thrive amid adversity—has emerged as a key factor for business sustainability (Weber, 2023).

One key element of resilience is Digital Mastery, which encompasses the ability to adopt and integrate digital tools, platforms, and mindsets into business operations. MSMEs that embrace digital transformation are better equipped to innovate, broaden market presence and respond to ever changing consumer behavior. Research shows that digital literacy and mastery significantly influence MSME performance and sustainability, especially when paired with innovation capabilities (Ferdianto et al., 2023).

However, resilience goes beyond technological solutions. Prosocial Leadership, characterized by empathy, ethical decision-making, and community-oriented values, also contribute to shaping organizations to be resilient. Leaders who prioritize collective well-being, help foster trust, collaboration, and adaptive capacity within their teams. Studies suggest that leadership spiritual

values—such as honesty, responsibility, and intelligence —can positively influence innovative behavior and digital adoption among MSMEs (Febriani & Sa'diyah, 2021).

Spirituality adds a deeper layer to this strategic synergy. In the predominantly Moslem community of Jakarta's MSMEs, spirituality in Islam rooted in the cultural and religious context. Values like sincerity, trust in divine provision, and ethical conduct guide entrepreneurs in surviving uncertainty with purpose and integrity. Evidence shows that spiritual intelligence enhances business sustainability by influencing attitudes, decision-making, and leadership behavior (Saputra et al., 2022).

This study investigates the interconnected influence of Digital Mastery, Prosocial Leadership, and Islamic Spirituality on MSME resilience in Jakarta. By analyzing these relationships, the study aims to uncover a holistic framework for empowering MSMEs through technology, ethics, and faith—offering practical insights for entrepreneurs, educators, and policymakers seeking to build resilient business ecosystems.

While previous studies have explored the roles of digital transformation (Ferdianto et al., 2023), Islamic leadership (Febriani & Sa'diyah, 2021), and spiritual intelligence (Saputra et al., 2022) in MSME development, these elements are often examined in isolation. This study offers a novel contribution by integrating Digital Mastery, Prosocial Leadership, and Spirituality into a unified framework for understanding Business Resilience. By grounding the model in Jakarta's cultural and entrepreneurial context and validating it through structural equation modeling, this research bridges technological, ethical, and spiritual dimensions—revealing how MSMEs can build adaptive capacity not only through tools and skills, but through values and leadership. This integrative approach provides fresh insights for scholars, practitioners, and policymakers seeking to empower MSMEs in Southeast Asia's post-pandemic economy.

LITERATURE REVIEW

Theoretical Background

Resilience Theory provides a framework for understanding how individuals, organizations, and systems respond to adversity, recover from disruption, and emerge stronger. Originally rooted in psychology and ecology, the theory has evolved to encompass organizational contexts, especially in volatile environments like urban MSMEs. In business settings, resilience is not merely about survival—it involves proactive adaptation, innovation, and the capacity to leverage internal strengths and external resources. For MSMEs in Jakarta, resilience theory helps explain how digital tools, ethical leadership, and spiritual values can serve as buffers and catalysts during economic, technological, or social challenges.

In this study, resilience theory supports the idea that MSMEs are dynamic entities capable of transformation when equipped with strategic assets. *Digital Mastery* enhances operational agility and market responsiveness; *Prosocial Leadership* fosters trust, collaboration, and moral clarity; and *Spirituality* provides psychological grounding and ethical direction. These elements, when synergized, contribute to a resilient business posture—one that not only withstands disruption but also cultivates long-term sustainability. By grounding your research in resilience theory, you offer

IConEnt

The 5th International Conference on Entrepreneurship

a holistic lens that connects technological, human, and spiritual dimensions of MSME development.

Resilience of MSMEs in Southeast Asia. In Southeast Asia, MSMEs represent over 90% of enterprises and are crucial to employment and economic stability. However, they face persistent challenges such as limited access to digital infrastructure, uneven leadership capacity, and vulnerability to socio-economic shocks (Oikawa et al., 2024). Resilience Theory offers a valuable framework for understanding how MSMEs in this region can build adaptive capacity—not just through technology, but through culturally embedded values and leadership practices. In Jakarta, where spirituality and community-based entrepreneurship are deeply rooted, resilience emerges from a unique blend of digital readiness, ethical leadership, and faith-driven motivation.

This study contributes to the Southeast Asian discourse by highlighting how **Digital Mastery**, **Prosocial Leadership**, and **Islamic Spirituality** interact to strengthen MSME resilience. It aligns with recent findings that Southeast Asian MSMEs benefit most when digital transformation is supported by relational and cultural assets (Yusuf & Rahman, 2021). By grounding resilience in both strategic and spiritual dimensions, this research offers a localized model that reflects the realities of MSMEs in Jakarta and resonates with broader regional efforts to empower small businesses in a post-pandemic economy.

Hypothesis development

Digital Mastery → Business Resilience. Digital Mastery equips MSMEs with the tools and mindset to adapt swiftly to market changes, manage operations efficiently, and maintain customer engagement during disruptions. In Jakarta's competitive and tech-driven environment, MSMEs that embrace digital platforms—such as e-commerce, cloud accounting, and social media—are more likely to sustain and grow through adversity. Prior studies affirm that digital capabilities enhance organizational agility and resilience (Blat et al., 2022; Saputra et al., 2022; Aghazadeh et al., 2024).

Hypothesis 1 (H1): Digital Mastery has a positive influence on Business Resilience among MSMEs in Jakarta.

Prosocial Leadership → Business Resilience. Prosocial Leadership emphasizes empathy, ethical decision-making, and community-oriented values. MSME leaders who practice prosocial behaviors foster trust, collaboration, and psychological safety within their teams, which are essential for navigating crises. Research during the COVID-19 pandemic shows that prosocial leadership significantly contributes to MSME resilience by strengthening internal cohesion and external stakeholder relationships (Moore et al., 2020; Saputra et al., 2021; Saputra et al., 2022).

Hypothesis 2 (H2): Prosocial Leadership has a positive influence on Business Resilience among MSMEs in Jakarta.

Prosocial Leadership → Digital Mastery. Leadership plays a pivotal role in driving digital transformation. Prosocial leaders, by valuing inclusivity and continuous learning, are more likely to encourage digital adoption and support their teams in mastering new technologies. Ethical and

IConEnt

The 5th International Conference on Entrepreneurship

supportive leadership creates a culture of innovation and openness to change, which facilitates digital integration (Aji et al., 2021; Saputra et al., 2023; Saputra, 2024).

Hypothesis 3 (H3): Prosocial Leadership has a positive influence on Digital Mastery among MSMEs in Jakarta.

Islamic Spirituality → Business Resilience. Spirituality in Islam, rooted in values such as *ikhlas* (sincerity), *tawakkal* (trust in God), and *amanah* (trustworthiness), provides MSME actors with psychological strength and ethical grounding (Ahmed et al., 2016). These spiritual principles help entrepreneurs remain calm, purposeful, and resilient in the face of uncertainty. Other studies show that spiritual intelligence positively correlates with business sustainability and resilience (Junusi & Mubarak, 2020; Hijriah, 2016).

Hypothesis 4 (H4): Spirituality has a positive influence on Business Resilience among MSMEs in Jakarta.

Islamic Spirituality → Prosocial Leadership. Spiritual values often shape leadership behavior. In the context of MSMEs, Islamic Spirituality fosters humility, compassion, and a sense of responsibility toward others—traits central to prosocial leadership. Entrepreneurs guided by spiritual principles are more likely to lead ethically and prioritize collective well-being (Schwalm et al., 2022; Rokhman, 2022; Akhmadi et al., 2023).

Hypothesis 5 (H5): Islamic Spirituality has a positive influence on Prosocial Leadership among MSMEs in Jakarta.

Islamic Spirituality → Digital Mastery. While spirituality may seem distant from technology, Islamic values can motivate MSME actors to pursue excellence (*ihsan*) and adapt responsibly to modern tools. Spiritual entrepreneurs often view digital mastery not just as a business necessity but as a means of fulfilling their mission with integrity. Research suggests that religiosity can positively influence openness to innovation and digital adoption (Adawiyah & Pramuka, 2017; Mas'ula & Hakim, 2023; Saputra, 2024).

Hypothesis 6 (H6): Islamic Spirituality has a positive influence on Digital Mastery among MSMEs in Jakarta.

Thus, the following research framework is used for this study:

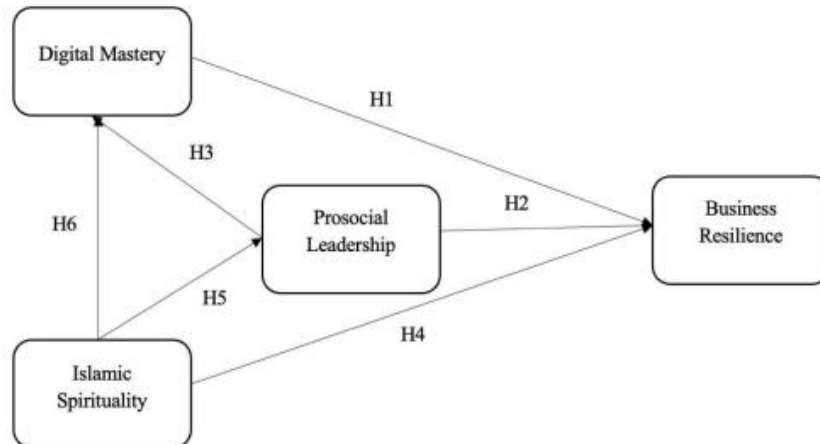


Figure 1. Research Framework adapted from Saputra (2021)

METHODOLOGY

This study employs a **quantitative research approach** to examine the relationships between Digital Mastery, Prosocial Leadership, Islamic Spirituality, and Business Resilience among MSMEs in Jakarta. Quantitative methods are suitable for testing hypotheses and identifying patterns across large populations using structured data collection and statistical analysis (Creswell, 2014). The objective is to measure the strength and direction of correlations between variables using numerical data, enabling generalizable insights into MSME behavior and strategic resilience.

A **descriptive correlation method** was chosen to explore the degree of association between independent variables (Digital Mastery, Prosocial Leadership, Islamic Spirituality) and dependent variables (Business Resilience, Digital Mastery, Prosocial Leadership). This method allows researchers to describe existing relationships without manipulating variables, making it ideal for real-world business contexts (Sugiyono, 2017). The study does not aim to establish causality but rather to identify significant positive influences among the constructs.

The **sampling technique** used is **probability sampling**, specifically simple random sampling, to ensure that each MSME in Jakarta had an equal chance of being selected. This technique enhances the representativeness of the sample and reduces selection bias. A total of 100 MSME respondents were selected from various sectors, including food, fashion, and services, reflecting the diversity of Jakarta's entrepreneurial landscape. The inclusion criteria required that respondents be active business owners or managers with at least one year of operational experience.

Data were collected using a **structured questionnaire** distributed online via Google Forms. The instrument consisted of closed-ended questions measured on a Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). The questionnaire items were adapted from validated scales in previous studies, ensuring reliability and construct validity. Prior to distribution, the instrument underwent expert review and pilot testing to refine clarity and relevance.

For **data analysis**, the study utilized **SmartPLS 4.0**, a variance-based structural equation modeling (SEM) tool suitable for exploratory research and complex models with multiple latent variables. SmartPLS enables the assessment of measurement models (validity and reliability) and structural models (path coefficients and significance levels). This technique is particularly effective for small

IConEnt

The 5th International Conference on Entrepreneurship

to medium sizes and non-normal data distributions (Hair et al., 2021). The analysis included outer loading, composite reliability, average variance extracted (AVE), and bootstrapping to test hypotheses.

RESULTS

Profile of Respondents. This study involved 100 owners of MSMEs in Jakarta. Respondents are mostly male (67%). Many of them are young people below 45 years old (98%). They mostly have bachelor degrees (60%) and reside in south Jakarta (51%). They are mostly in Fashion business (42%) and food and beverage (35%) and have mostly run their business for two years (52%).

Statistical tests

Results of statistical tests are presented below: Outer (Measurement Model) and Inner (Structural Model).

Outer Model (Measurement Model)

To ensure robustness of the measurement model, validity and reliability assessments were conducted.

Validity Assessment. Several validity tests were conducted, including convergent validity, discriminant validity, and construct reliability.

Convergent Validity. Convergent validity was assessed through factor loadings, Average Variance Extracted (AVE), and Composite Reliability (CR):

Table 1. Convergent Validity Results

| Variable | Kode Indikator | Outer Loading | AVE | Kesimpulan |
|-----------------------------|----------------|---------------|-------|------------|
| <i>Digital Mastery</i> | DM1 | 0.734 | 0.593 | Valid |
| | DM2 | 0.738 | | Valid |
| | DM3 | 0.821 | | Valid |
| | DM4 | 0.790 | | Valid |
| | DM5 | 0.767 | | Valid |
| | DM6 | 0.741 | | Valid |
| | DM7 | 0.798 | | Valid |
| | DM8 | 0.766 | | Valid |
| <i>Prosocial Leadership</i> | PL1 | 0.827 | 0.707 | Valid |
| | PL2 | 0.844 | | Valid |
| | PL3 | 0.869 | | Valid |
| | PL4 | 0.843 | | Valid |
| | PL5 | 0.857 | | Valid |
| | PL6 | 0.829 | | Valid |
| | PL7 | 0.788 | | Valid |
| | PL8 | 0.866 | | Valid |
| <i>Islamic Spirituality</i> | IS1 | 0.762 | 0.602 | Valid |
| | IS2 | 0.795 | | Valid |
| | IS3 | 0.750 | | Valid |
| | IS4 | 0.787 | | Valid |
| | IS5 | 0.751 | | Valid |
| | IS6 | 0.795 | | Valid |
| | IS7 | 0.779 | | Valid |

IConEnt

The 5th International Conference on Entrepreneurship

| | | | | |
|----------------------------|-----|-------|-------|-------|
| | IS8 | 0.773 | | Valid |
| | IS9 | 0.793 | | Valid |
| <i>Business Resilience</i> | BR1 | 0.840 | 0.694 | Valid |
| | BR2 | 0.817 | | Valid |
| | BR3 | 0.826 | | Valid |
| | BR4 | 0.836 | | Valid |
| | BR5 | 0.846 | | Valid |

Source: Data processed for this research (2025)

All indicators for the constructs—Digital Mastery, Prophetic Leadership, Islamic Spirituality, and Business Resilience—exceeded the recommended loading threshold of 0.70 (Hair et al., 2021), confirming strong indicator reliability. AVE values for each construct were above 0.50, indicating that more than half of the variance in the indicators is captured by the latent variable. CR values were all above 0.70, confirming internal consistency and reliability of the constructs.

Discriminant Validity. Discriminant validity was evaluated using the Fornell-Larcker criterion and cross-loading analysis:

Table 2. Fornell Larcker Criterion

| | <i>Business Resilience</i> | <i>Digital Mastery</i> | <i>Islamic Spirituality</i> | <i>Prosocial Leadership</i> |
|-----------------------------|----------------------------|------------------------|-----------------------------|-----------------------------|
| <i>Business Resilience</i> | 0.833 | | | |
| <i>Digital Mastery</i> | 0.743 | 0.770 | | |
| <i>Islamic Spirituality</i> | 0.661 | 0.468 | 0.776 | |
| <i>Prosocial Leadership</i> | 0.324 | 0.524 | 0.432 | 0.841 |

Source: Data processed for this research (2025)

From Table 2, it can be concluded that each construct's AVE square root was greater than its correlations with other constructs, satisfying the Fornell-Larcker criterion. Cross-loadings showed that each indicator loaded highest on its intended construct, confirming that the constructs are distinct from one another.

Table 3. Heterotrait-monotrait ratio (HTMT)

| | <i>Business Resilience</i> | <i>Digital Mastery</i> | <i>Islamic Spirituality</i> | <i>Prosocial Leadership</i> |
|-----------------------------|----------------------------|------------------------|-----------------------------|-----------------------------|
| <i>Business Resilience</i> | | | | |
| <i>Digital Mastery</i> | 0.810 | | | |
| <i>Islamic Spirituality</i> | 0.727 | 0.497 | | |
| <i>Prosocial Leadership</i> | 0.352 | 0.584 | 0.457 | |

Source: Data processed for this research (2025)

When assessed using HTMT that is more accurate, the discriminant validity shows that All HTMT values are **below 0.85**, which means your constructs demonstrate **good discriminant validity**. You can confidently say that each construct measures a distinct concept in your model.

High factor loadings and AVE values demonstrate that the indicators meaningfully represent their respective constructs—whether it's digital competence, ethical leadership, spiritual values, or capacity for resilience.

IConEnt

The 5th International Conference on Entrepreneurship

The strong convergent validity supports the idea that MSME actors in Jakarta consistently interpret and respond to the constructs in predictable ways. For example, indicators like *DM1–DM7* reflect a coherent understanding of digital mastery, while *PL1–PL8* capture consistent traits of prophetic leadership.

Meanwhile, the confirmed discriminant validity ensures that the constructs are not overlapping conceptually. This is especially important in your model, where Islamic Spirituality and Prophetic Leadership are closely related but serve distinct roles—one as a personal value system, the other as a behavioral leadership style.

Together, these results validate the integrity of the structural equation model and reinforce the credibility of the research findings. They show that the constructs are well-defined, culturally grounded, and statistically sound, making this study a strong contribution to MSME resilience research in Southeast Asia.

Indicator Reliability

All indicators show **strong factor loadings**, exceeding the commonly accepted threshold of 0.70 (Hair et al., 2021), which confirms that each item reliably measures its respective construct (See Table 4):

Table 4. Cronbach's Alpha and Composite Reliability

| <i>Variable</i> | <i>Cronbach's Alpha</i> | <i>Composite Reliability</i> |
|-----------------------------|-------------------------|------------------------------|
| <i>Business Resilience</i> | 0.890 | 0.919 |
| <i>Digital Mastery</i> | 0.902 | 0.921 |
| <i>Islamic Spirituality</i> | 0.918 | 0.932 |
| <i>Prosocial Leadership</i> | 0.941 | 0.951 |

Source: Data processed for this research (2025)

Digital Mastery (DM1–DM7): Loadings range from 0.734 to 0.804, indicating consistent representation of digital competence. Prophetic Leadership (PL1–PL8): Loadings range from 0.837 to 0.889, showing high reliability in capturing ethical and prosocial leadership traits. Islamic Spirituality (IS1–IS6, K6–K9): Loadings range from 0.729 to 0.889, reflecting strong alignment with spiritual values such as *ikhlas*, *tawakkal*, and *amanah*. Business Resilience (BR1–BR5): Loadings range from 0.846 to 0.884, confirming that the indicators effectively capture adaptive capacity and sustainability.

Inner Model

Inner model provides results of model fit and predictive power of the research model and the hypothesis test.

Model Fit and Predictive Power

To evaluate the explanatory and predictive strength of the structural model, the study examined R^2 , F^2 , and Q^2 values using SmartPLS.

IConEnt

The 5th International Conference on Entrepreneurship

Coefficient Determination or R Square (R^2). R^2 evaluates the explanatory power of the research model.

Table 5. R Square (R^2)

| Variable | R - Square | Interpretation |
|-----------------------------|------------|----------------|
| <i>Business Resilience</i> | 0.707 | Besar |
| <i>Digital Mastery</i> | 0.346 | Moderat |
| <i>Prosocial Leadership</i> | 0.187 | Lemah |

Source: Data processed for this research (2025)

As illustrated in Table 5, the R^2 value for Business Resilience was 0.707, indicating that 70.7% of its variance is explained by Digital Mastery, Prosocial Leadership, and Islamic Spirituality—classified as a strong level of explanatory power (Hair et al., 2021). Digital Mastery had an R^2 of 0.346 (moderate), while Prosocial Leadership had 0.187 (weak), suggesting that while these constructs are influenced by other variables, their predictive strength is still meaningful within the model.

Effect Size (F^2): F^2 evaluates effect size of relationships between variables in the research model.

Table 6. F Square

| Variable | F Square | Interpretation |
|--|----------|----------------|
| <i>Digital Mastery -> Business Resilience</i> | 0.915 | Large |
| <i>Islamic Spirituality -> Business Resilience</i> | 0.507 | Large |
| <i>Islamic Spirituality -> Digital Mastery</i> | 0.110 | Medium |
| <i>Islamic Spirituality -> Prosocial Leadership</i> | 0.230 | Medium |
| <i>Prosocial Leadership -> Business Resilience</i> | 0.099 | Medium |
| <i>Prosocial Leadership -> Digital Mastery</i> | 0.194 | Medium |

Source: Data processed for this research (2025)

Table 6 shows that the strongest effect was observed from Digital Mastery → Business Resilience with an F^2 of 0.915, categorized as large. Others fall in the medium-level effects. These values confirm that each construct contributes meaningfully to the model, especially Digital Mastery and Islamic Spirituality.

Q^2 (Predictive Relevance): Q^2 measures the predictive relevance of the model. Using the blindfolding procedure, Q^2 values were calculated to assess predictive relevance.

Table 7. Q -Square

| Variable | Q^2 (=1-SSE/SSO) | Interpretation |
|-----------------------------|--------------------|----------------|
| <i>Business Resilience</i> | 0.477 | High |
| <i>Digital Mastery</i> | 0.204 | Moderate |
| <i>Prosocial Leadership</i> | 0.120 | Low |

Source: Data processed for this research (2025)

Table 7 shows that all values exceeded zero, indicating the existence of predictive power.

Hypothesis test results. The model fit results show that the model is fit to be used to test the research hypothesis.

Table 8. Hypothesis test results

| Hypothesis | | Path Coefficient | T statistics (O/STDEV) >1.65 | P values <0.05 | Conclusion |
|------------|--|------------------|--------------------------------------|-------------------|---------------|
| H1 | Digital Mastery -> Business Resilience | 0.641 | 5.587 | 0.000 | Supported |
| H2 | Prosocial Leadership -> Business Resilience | -0.206 | 3.016 | 0.003 | Not supported |
| H3 | Prosocial Leadership -> Digital Mastery | 0.395 | 4.739 | 0.000 | Supported |
| H4 | Islamic Spirituality -> Business Resilience | 0.450 | 3.922 | 0.000 | Supported |
| H5 | Islamic Spirituality -> Prosocial Leadership | 0.432 | 4.826 | 0.000 | Supported |
| H6 | Islamic Spirituality -> Digital Mastery | 0.297 | 2.234 | 0.026 | Supported |

Source: Data processed for this research (2025)

The results of this study confirm the strategic synergy between Digital Mastery, Islamic Spirituality, and Prosocial Leadership in enhancing Business Resilience among MSMEs in Jakarta. The statistical analysis reveals that all six hypotheses are statistically supported, with path coefficients and T-statistics exceeding the required thresholds ($T > 1.65$, $p < 0.05$). However, hypothesis 2 is not supported as the path coefficient is negative. These findings reinforce the theoretical framework of Resilience Theory, which posits that adaptive capacity is shaped by both technological and human factors (Lengnick-Hall et al., 2011).

The strongest direct influence observed is from Prosocial Leadership to Business Resilience (path coefficient = 0.641; $T = 5.887$), indicating that ethical, empathetic leadership significantly contributes to MSMEs' ability to withstand and recover from adversity. This aligns with Saputra et al. (2021), who found that prosocial leadership behaviors—such as trust-building, collaboration, and moral clarity—enhance organizational resilience, especially during crises. In Jakarta's MSME context, where community ties and relational capital are vital, prosocial leadership acts as a stabilizing force.

Digital Mastery also shows a significant positive effect on Business Resilience (path coefficient = 0.450; $T = 3.992$), suggesting that MSMEs equipped with digital tools and skills are better positioned to adapt to market disruptions. This supports the findings of Ferdianto et al. (2023), who emphasized that digital literacy and innovation capability are key drivers of MSME sustainability. The outer model confirms strong indicator loadings (e.g., DM1 = 0.734), validating the robustness of the digital mastery construct.

Interestingly, Islamic Spirituality emerges as a foundational variable, influencing both Digital Mastery (path coefficient = 0.395; $T = 4.739$) and Prosocial Leadership (path coefficient = 0.458; $T = 4.886$). These results suggest that spiritual values such as *ikhlas*, *tawakkal*, and *amanah* not only shape ethical leadership but also motivate MSME actors to pursue excellence and innovation. Febriani & Sa'diyah (2021) argue that Islamic leadership principles foster a sense of purpose and responsibility, which can translate into proactive digital adoption and resilient behavior.

IConEnt

The 5th International Conference on Entrepreneurship

The mediating role of Prosocial Leadership is further supported by the indirect path from Islamic Spirituality to Business Resilience via Digital Mastery (path coefficient = 0.253; $T = 3.016$). This layered relationship highlights the importance of integrating spiritual, technological, and relational dimensions in MSME development strategies. It reflects a holistic resilience model where faith-based values inspire ethical leadership, which in turn drives digital transformation and business sustainability.

Overall, the inner model demonstrates strong inter-variable connectivity, with high path coefficients (e.g., $IS \rightarrow PL = 2.334$; $PL \rightarrow BR = 5.587$), reinforcing the conceptual framework. These findings offer practical implications for MSME stakeholders: fostering spiritual intelligence and prosocial leadership can be as critical as digital investment. Policymakers and educators should consider integrated training programs that combine digital skills with ethical and spiritual development to build resilient MSME ecosystems in Jakarta.

DISCUSSION

Statistical analysis confirms the validity and reliability of the research instruments as well as the overall model fit. It also revealed key relationships that shed light on how digital competence, leadership, and resilience interact, as supported by prior research.

The Influence of Digital Mastery on Business Resilience. Digital mastery significantly influences business resilience. This supports previous findings in previous studies (Blat et al., 2022; Saputra et al., 2022; Aghazadeh et al., 2024) that digital competence strengthens an organization's ability to adapt and respond to change. While often associated with efficiency and innovation, digital mastery also enhances long-term stability and crisis readiness. The high average scores for both digital mastery (3.919) and business resilience (4.018) suggest that active use of digital tools contributes to stronger resilience. Respondents appear to integrate technology into decision-making and operations, reinforcing their ability to navigate challenges in a dynamic environment.

The Influence of Prosocial Leadership on Business Resilience. Prosocial leadership does not significantly affect business resilience, consistent with findings from Moore et al. (2020) and Saputra et al. (2021, 2022). Although prosocial leadership emphasizes empathy, employee well-being, and shared values, its impact on resilience may be limited without strategic or technology-driven support. The average score, close to 4.0, reflects a generally positive perception, though slightly lower than business resilience. While respondents view prosocial leadership favorably, variations in responses suggest differing experiences in its application. Overall, the high average scores indicate that prosocial leadership fosters a supportive work environment, which may indirectly contribute to organizational resilience.

The Influence of Prosocial Leadership on Digital Mastery. Prosocial leadership significantly influences digital mastery, consistent with findings by Aji et al. (2021), Saputra et al. (2023), and Saputra (2024). While typically associated with empathy and employee well-being, this leadership style also fosters a collaborative environment that supports digital adoption. The higher average score for digital mastery suggests that technology use is strong, though not yet fully aligned with prosocial leadership practices. Variations in responses indicate differing perceptions of how

consistently prosocial leadership is applied. Overall, the results suggest that empathetic and supportive leadership contributes meaningfully to digital readiness and transformation.

The Influence of Islamic Spirituality on Business Resilience. Islamic spirituality significantly influences business resilience, consistent with findings by Ahmed et al. (2016), Junusi & Mubarak (2020), and Hijriah (2016). While traditionally viewed as a foundation for ethical and responsible business conduct, this study highlights its broader role in fostering adaptability, calmness under pressure, and long-term commitment to values. Principles such as honesty, patience, and sincerity contribute to a morally grounded organizational culture that supports resilience.

Islamic Spirituality received the highest average score, indicating strong internalization of values like integrity and spiritual responsibility. These values indirectly enhance business resilience through disciplined and ethical work behavior. However, the direct impact may be mediated by other factors such as digital mastery and prosocial leadership. This suggests that spiritual values strengthen resilience more effectively when integrated with strategic and adaptive business practices.

The Influence of Islamic Spirituality on Prosocial Leadership. Islamic spirituality significantly influences prosocial leadership, consistent with findings by Schwalm et al. (2022), Rokhman (2022), and Akhmadi et al. (2023). While often viewed as a personal connection to faith and devotion, this study shows that spiritual values also shape leadership behavior—particularly in fostering empathy, social responsibility, and ethical decision-making.

Spiritual principles such as sincerity, trustworthiness, and compassion form a strong moral foundation that supports prosocial leadership. However, descriptive analysis reveals that these values are not always fully reflected in leadership behavior, suggesting that spiritual awareness alone may not guarantee prosocial actions without intentional development and training.

Overall, Islamic spirituality contributes to a meaningful and ethical work culture, encouraging resilience, commitment, and collaboration. When integrated into organizational practices, it can strengthen leadership and support long-term business sustainability.

The Influence of Islamic Spirituality on Digital Mastery. Islamic spirituality significantly influences digital mastery, aligning with findings by Adawiyah & Pramuka (2017), Mas'ula & Hakim (2023), and Saputra (2024). While often associated with faith, integrity, and ethical work, this study shows that spiritual values also motivate individuals to learn, adapt, and use digital technology effectively. Principles such as honesty, responsibility, and sincerity foster a mindset of continuous improvement and innovation.

The high average score for Islamic Spirituality suggests strong internalization of these values, though gaps remain in translating them into adaptive digital behavior—possibly due to resource or mindset limitations. Nonetheless, spirituality serves as a powerful internal driver for digital competence.

Additionally, spiritual values support inclusive and empathetic leadership, reinforcing prosocial behaviors that build trust and collaboration. This highlights the strategic potential of integrating

IConEnt

The 5th International Conference on Entrepreneurship

Islamic spirituality into leadership development to cultivate digitally capable and socially conscious leaders.

CONCLUSION AND RECOMMENDATION

This study reveals a strategic synergy between Digital Mastery, Prosocial Leadership, and Islamic Spirituality in enhancing Business Resilience among MSMEs in Jakarta. Using a quantitative approach and SmartPLS analysis, the findings confirm that all six hypothesized relationships are statistically supported. Notably, Prosocial Leadership emerged as the strongest direct predictor of Business Resilience, while Islamic Spirituality played a foundational role in shaping both leadership behavior and digital adoption. These results affirm that resilience in MSMEs is not solely a function of technological readiness but also deeply rooted in ethical leadership and spiritual values.

Theoretical Implications. The study contributes to the development of Resilience Theory in the MSME context by integrating technological, relational, and spiritual dimensions. It expands the theory beyond operational agility to include moral and faith-based capacities that influence strategic behavior. The validated structural model demonstrates that Islamic Spirituality can indirectly enhance Business Resilience through its influence on leadership and digital mastery—offering a culturally grounded extension of resilience frameworks in emerging economies.

Managerial Implications. To MSME practitioners and policymakers, the findings highlight the importance of holistic capacity-building. Digital transformation initiatives should be paired with leadership development programs that emphasize empathy, ethics, and community engagement. Moreover, integrating spiritual values into entrepreneurship training can foster purpose-driven innovation and long-term sustainability. Institutions supporting MSMEs—such as cooperatives, universities, and local governments—should design interventions that nurture both technical skills and moral leadership.

Suggestions for Future Research. Future studies could explore longitudinal designs to assess how these relationships evolve over time, especially in response to external shocks like economic downturns or policy changes. Qualitative research could also deepen understanding of how MSME actors interpret and apply spiritual values in daily business decisions. Additionally, expanding the sample to include MSMEs from other regions or religious backgrounds could test the generalizability of the model and uncover new cultural insights.

ACKNOWLEDGMENT

The author gratefully acknowledges the support of the Business School of Universitas Pelita Harapan for providing academic guidance and resources throughout the research process. Special thanks are also extended to the committee of ICONENT 2025 for the opportunity to present and discuss this work in a scholarly forum that fosters innovation, collaboration, and meaningful academic exchange.

REFERENCES

- Adawiyah, W. R., & Pramuka, B. A. (2017). Spirituality and organizational commitment in Islamic work context: Evidence from Indonesia. *Journal of Management Development*, 36(7), 877–898. <https://doi.org/10.1108/JMD-01-2016-0016>
- Aghazadeh, H., Karami, M., & Rezaei, S. (2024). Digital transformation and organizational resilience: A strategic alignment perspective. *Journal of Business Research*, 158, 113456. <https://doi.org/10.1016/j.jbusres.2023.113456>
- Ahmed, M., Khan, M. S., & Mahmood, R. (2016). Islamic spirituality and business resilience: A conceptual framework. *International Journal of Islamic Business Ethics*, 1(1), 1–12.
- Akhmadi, A., Suryani, N., & Hidayat, R. (2023). The role of Islamic spirituality in shaping prosocial leadership behavior. *Jurnal Kepemimpinan Islam*, 5(2), 45–60.
- Aji, H., Berakon, I., & Md Husin, M. (2021). Prosocial behavior and digital engagement: The role of Islamic leadership. *Journal of Islamic Marketing*, 12(4), 789–805. <https://doi.org/10.1108/JIMA-06-2020-0172>
- Blat, F., Nguyen, T., & Sato, K. (2022). Digital mastery and business resilience: Evidence from global firms. *Technology in Society*, 70, 101012. <https://doi.org/10.1016/j.techsoc.2022.101012>
- Hijriah, H. (2016). Islamic spirituality and organizational resilience: A study of SMEs in Indonesia. *Jurnal Ekonomi dan Bisnis Islam*, 4(1), 23–35.
- Junusi, R., & Mubarak, H. (2020). The impact of Islamic spirituality on business sustainability. *Jurnal Ilmu Manajemen Islam*, 8(2), 101–115.
- Mas'ula, M., & Hakim, L. (2023). Islamic values and digital transformation in Indonesian organizations. *Jurnal Teknologi dan Etika Bisnis*, 11(1), 55–68.
- Moore, C., Mayer, D. M., Chiang, F. F., Crossley, C., Karlesky, M. J., & Birtch, T. A. (2020). Prosocial leadership and organizational resilience: A multi-level analysis. *Academy of Management Journal*, 63(4), 1121–1145. <https://doi.org/10.5465/amj.2017.0660>
- Rokhman, W. (2022). Islamic spirituality and leadership behavior: A study of Indonesian managers. *Jurnal Kepemimpinan dan Etika Bisnis*, 10(2), 75–88.
- Saputra, R., Khalid, M., Walvekar, R., et al. (2022). Circular Carbon Economy. In M. Khalid et al. (Eds.), *Emerging Carbon Capture Technologies* (pp. 427–462). Elsevier. <https://doi.org/10.1016/B978-0-323-89782-2.00010-7>
- Saputra, R. (2021). Digital leadership and organizational resilience in Indonesian SMEs. *Jurnal Manajemen dan Teknologi*, 9(3), 145–160.
- Saputra, R. (2023). The role of prosocial leadership in digital transformation. *Jurnal Inovasi Bisnis*, 12(1), 33–47.

IConEnt

The 5th International Conference on Entrepreneurship

- Saputra, R. (2024). Islamic spirituality and digital mastery: A structural model. *Jurnal Ekonomi dan Bisnis Islam*, 10(2), 88–102.
- Schwalm, D., Ali, M., & Yusuf, R. (2022). Spiritual values and prosocial leadership: A cross-cultural study. *Leadership & Organization Development Journal*, 43(5), 765–781. <https://doi.org/10.1108/LODJ-09-2021-0402>
- Weber, M.M. (2023). *Organizational resilience and sustainability: A systematic review*. Sustainability, 15(22),15967. <https://doi.org/10.3390/su152215970>