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## **An integrated framework for organizational performance enhancement through spirituality**

### **Abstract**

*This theoretical paper highlights the role of organizational spirituality in defining higher purpose for the organization which can sustainably uplift its capabilities and performance. In the light of organizational spirituality, leaders visualize the purpose of organization as a place to achieve higher business purpose as well as self-realization for employees and not merely a place for profit maximization. A place where positive aspects of organizational culture like cohesiveness, ethical consideration, trust and transcendence from self-interest are dominant. It also helps employees to bring wholeness in their work, regain a sense of community, interconnectedness and meaningfulness. A multilevel model of "Performance enhancement through spirituality" is proposed for achieving increased performance through defining higher purpose for the organization backed by supportive HR structure which helps in inculcating spiritual culture in the organization.*

**Keywords:** higher purpose; transcendence; spiritual climate; sense of community; interconnectedness

### **Introduction:**

Current organizations are based on utilitarian ethics of modernity. Societal interest is detached in most of the organizations due to pure economic driven structure of the organization which results in corporate scandals and similar trends have emerged within the society in at large (Yazdani & Murad, 2015). According to O'Grady (2011), "human work is means to an end, with the end being wealth". People lack purpose and meaning as consequence of experiencing a sense of

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emptiness (Rosenthal & Buchholz, 2014) and reported a feeling of wounded soul due to traditional working in corporate America (I. I. Mitroff & Denton, 1999). Research indicates that not only employees but also employers have a deep desire to go beyond financial rewards in the workplace (Giacalone & Jurkiewicz, 2003). The urge for meaningful work environment reached at peak in last few decades as people become disappointed and demotivated from meaningless working. As a result, business leaders have started seeking new ways of motivating their employee (Gotsis & Kortezi, 2008).

For the last few decades, social scientists are attracted towards an appealing theme of organizational spirituality (usually referred as workplace spirituality) which has a capability to incorporate new dynamic resource in members of the organization (Woźniak, 2012). Few people have shown their doubts in the role of spirituality in management. But according to Zsolnia, L. (2011), “Management has an undeniable existential-spiritual dimension”. Mitroff (1997) has termed this dimension of management as “metaphysics of management” by which he means that spirituality and existential concerns are critical for management. Spirituality in management focuses on organizational existential search for identity, meaning and tries to extend the traditional view on corporate purpose. In the light of spirituality, organizational purpose cannot be confined to merely to increase the market value of the company or increase in profit; rather self- realization should be the purpose that needs to be fulfilled (Zsolnai, 2011).

This article tries to build an argument in favor of developing an organization based on spiritual purpose and how this strategic change in purpose will bring a transformational effect within an organization that will ultimately resulted in increased performance of an organization.

There is sufficient literature available on spirituality and its relation with performance (Faro Albuquerque, Campos Cunha, Dias Martins, & Brito Sá, 2014; Karakas, 2010; Stead & Stead, 2014; Thaker, 2009) but a complete framework is missing which can guide the practitioners about the specific steps to be taken for developing spiritual values within an organization and how these values leads towards increased performance. In order to fill this gap, a complete model for “Performance enhancement through spirituality” has been developed on the basis of available literature.

This article has “Literature Review” section that gives a review of literature on organizational spirituality (both employee & organizational level) and its relation with defining purpose and increased performance. A model for “Performance Enhancement through Spirituality” has been provided which is well supported through literature in “Discussion” section. “Conclusion” highlights the main

inference that can be drawn from the article. Finally, “Future Directions” give a way forward to the future researchers.

### **Literature Review:**

Despite being speculated and written, concept of “Organizational Spirituality” is still elusive, confused and opaque. Therefore, discussion is started from understand organizational spirituality (at individual and organizational level). Then, this section moves forward towards its relation with different performance indicators.

### **Organizational Spirituality:**

Scholars examine organizational spirituality (most commonly called as workplace spirituality) at two levels: individual and organizational. Majorly/ the most widely explored level is the one that focus on the individual. The unit of analysis in such studies is the organizational employee. At organizational level, scholars have taken “Organization” as unit of analysis and discussed what organizations have to do in order to become a spiritual organization. According to Pawar, B. (2009), Workplace spirituality can be encouraged at both levels. Employees can be motivated to participate in spiritual development programs and facilitated to perform their activities keeping in view the spiritual perspective. On the other hand, organization can also use spiritual values to formulate organization wide strategies. This study discusses spirituality at both levels as they collectively help an organization in developing spiritual culture.

### ***Workplace Spirituality (Individual level), Purpose and Performance:***

Karakas, F. (2010) has encompassed the whole concept and narrated that workplace spirituality enhances employee well-being, provides sense of community and interconnectedness and sense of meaning and purpose at work. Literature evidence is available about the role of workplace spirituality in decreasing job stress, increasing job satisfaction, organizational commitment and inclination towards practicing citizenship behavior within the organization. Arnetz, B. et al., (2013) studied whether spirituality in the workplace attenuate work related exhaustion and stress, and on parallel basis promote mental well-being. Results indicated a positive role of spirituality in reducing stress, exhaustion and meanwhile increasing mental health of the employee. Similar relationship is available in the recent study of Daniel, L (2015) regarding work stress.

In an era of high materialism, people seem to be losing the spiritual side of self. Lack of higher purpose and meaning cause psychological isolation and alienation. Now people require more than financial benefits. Karakas, F. (2010) cited with reference to Kouzes & Posner (1993), some existential questions employees reflect

in search of meaning and purpose. These questions have touched the deep feelings of heart and implications for employee spirituality, aspiration, passions, needs and careers. Taking care of these deep feelings and requirements of employees can turn into critical success factor for the organizations. Researchers consistently consider workplace spirituality as highly significant and potential source for providing sense of meaning, connectedness and sense of purpose at work (Faro Albuquerque et al., 2014; Izak, 2012; Kazemipour & Mohd Amin, 2012).

Furthermore, many researchers have highlighted the association of workplace spirituality with feeling a part of community, interconnectedness with others and something higher as well as sharing a common purpose (Chawla & Guda, 2013; Daniel, 2015; Liu & Robertson, 2011; Luis Daniel, 2010; Pawar, 2009). Workplace spirituality encompasses connectedness with the coworkers as well as overall environment (I. I. Mitroff & Denton, 1999). According to Kolodinsky et al., (2008), spirituality positively related with organizational identification, job involvement, and work satisfaction. Hence, there is a sufficient support available that spirituality provides sense of connectedness and community which ultimately increase effectiveness, belongingness, involvement and employee commitment. Extensive literature is available on the role of workplace spirituality in increasing the performance (Faro Albuquerque et al., 2014; Karakas, 2010; Kolodinsky et al., 2008; Petchsawang & Duchon, 2012). Fry, Hannah, Noel & (2011) developed a model of spiritual leadership in unit level of a military academy. They got support for the model and analysis indicated a significant and positive relationship of spiritual leadership with productivity, organizational commitment and increase in unit performance. Similarly, workplace spirituality is found to have relationships with job satisfaction (Altaf & Awan, 2011), organizational commitment & OCB ((Kazemipour & Mohd Amin, 2012), involvement & job satisfaction (Kolodinsky et al., 2008).

### ***Workplace Spirituality (Organizational level), Purpose and Performance:***

According to Zsolnia, L (2011), “In the light of spirituality the *purpose of business* is not merely producing profit or increasing the market value of the company. Rather it should serve the Self-realization of persons involved including the managers, the employers, and the customers”. In such an environment, management desperately requires spirituality. According to Pruzan, P (2011), “all purposeful, *organized activities* are *spiritual* and not just utilitarian by the pursuit of material gain”. Giacalone and Jurkiewicz (2003) have defined workplace spirituality (organizational level) as, “a framework of organizational values evidenced in the culture that promotes employees experience of transcendence through work process facilitating their sense of being connected to others in a way that provides felling of completeness and joy”.

Although, finding the impact of implementing spiritual values within the organization on firm's performance is relatively less explored area but still few studies conceptually or empirically highlighted this important point. There are several capabilities responsible for building sustainability based core competencies ranging from scientific to spiritual (Laszlo & Zhexembayeva, 2017). According to Stead, J. G., & Stead, W. E. (2014), "spiritual capabilities underpinning sustainability-based core competencies meet the established criteria for creating sustained, difficult to imitate competitive advantages for organizations operating in today's sustainability- rich business environment." In order to develop the spiritual scorecard, Pawar (2009) indicated strong association between organizational level spirituality, job involvement and organizational commitment.

Starting from Spirituality till now, article explained what spirituality is, emergence of organizational spirituality (Individual level and organizational level) and how it helps in improving performance within an organization. Coming section will provide a framework for implementing spirituality within organization. Framework is supported with existing literature available in the field of workplace spirituality.

### **Framework for increased performance through Spirituality:**

Few studies addressed the issue of having "system/framework for implementing spiritual organization" in a scattered way (Yazdani & Murad, 2015; Collins, 2010, Thaker, 2009). This study proposes a framework of implementing spirituality for performance enhancement which tries to comprehend all steps involved in increasing performance starting from developing a higher purpose/vision for the organization which is well supported by HR policies. HR policies help in nurturing spiritual culture within organization (spirituality at individual & organizational level) that ultimately helps in increasing organizational performance at all levels. Figure # 1 provides a comprehensive view and complete system for spiritual organization, from its starting till final destination in the shape of increased performance.

### **Insert Figure 1 Here**

Figure 1 highlights a complete story of implementing spirituality within the organization. Organizational leaders create higher purpose of organization by transcending from self-interest to stakeholder's interest. Spiritual vision should be backed by HR system and both collectively help in developing spiritual climate and value structure which ultimately resulted in enhanced performance as well as legitimacy of the organization. Theoretical support of the framework is provided below.

### ***Organizational Vision***

Organizational vision is the depiction of leader mindset. Leader's purpose is an important element for developing vision and real vision cannot be understood in isolation with the purpose of leader (Jacobs & Longbotham, 2011). Having spiritually motivated leaders is a fundamental requirement for nurturing spiritual climate within the organization (Jeon, Passmore, Lee, & Hunsaker, 2013). According to Fry (2003), "The purpose of spiritual leadership is to create vision and value congruence across the strategic, empowered team, and individual levels and, ultimately, to foster higher levels of organizational commitment and productivity". Spiritual leader's vision must broadly appeal to stakeholders, produce a sense of calling and meaning, encourages excellence and hope/faith, and produce a culture of love & altruism (Fry & Slocum Jr, 2008). In nutshell, spiritual leadership is the backbone of forming spiritual organizations (Fry, 2003).

### ***HR System to develop/support Spiritual culture***

Human resource systems is amongst the prime systems that needs an adjustment in order to ensure the smooth implementation of values consistent with the leader's vision (Ferguson & Milliman, 2008). HR department plays a role of bridge between employees and leaders (Zhu, Chew, & Spangler, 2005). Thaker, K. B. (2009) developed a balanced scorecard for spirituality and mention four path ways towards becoming spiritual organization. One of the paths ways is human development. Organizational spirituality requires true liberty and empowerment of the employees. "Evolving from limited freedom to true liberty is a commitment of the organization and requires re-educating employees into a new culture" (Thaker, 2009). For re-educating existing employees and choose employees who are fit into a culture of spirituality, organizations need to structure their HR system accordingly. Therefore, HR department is responsible for developing, rewarding and supporting employees in accordance with spiritual values for fostering spiritual culture in organizations (Altman, 2010; Ferguson & Milliman, 2008). According to Collins, D (2010), by implementing HR system based on spirituality, organization will not only attract employees desiring to experience spiritual transformation through work on a daily basis, but also have in place structures, policies, and processes that will aid employees with their daily spiritual development and engage them in a transcendent vision.

### ***Spiritual climate/value***

Schein, E. (1990), defined culture as,

A pattern of shared basic assumptions that was learned by a group as it solved its problems of external adaptation and internal integration that has worked

well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems.

Known terms for spiritual culture within organization are workplace spirituality (Individual level) and organizational spirituality (WPS at organizational level). Giacalone and Jurkiewicz (2003) defined workplace spirituality as values nurtured within organizational culture which help employees to transcend, feel connected to others and have a sense of completeness and joy. Culture demonstrates organization's shared norms, values and assumption. Culture stems from fundamental values of leaders which have impact on employee behaviors (Fry & Cohen, 2009). In spiritual organizations, leaders define higher purpose, behave accordingly and inspire followers/employees to practice the same. Boon, C et al., (2011) indicate a direct relationship among HR practices and employee attitude and behavior. Therefore, HR system as mentioned above will help in developing and encouraging culture of collectiveness, compassion, altruism, trust, purposefulness, meaningfulness, interconnectedness, cooperation and humbleness.

### ***Performance Enhancement***

Spiritual culture (workplace spirituality) within organization helps in increasing the performance of the organization in different dimension. Care & concern for stakeholders' result in increasing legitimacy, trust and reputation of the organization. Moreover, employee performance also effects positively and significantly due to such culture. Furthermore, there are numerous studies on the role of workplace spirituality in increasing performance of the organization (Faro Albuquerque et al., 2014; Karakas, 2010; Kolodinsky et al., 2008; Petchsawang & Duchon, 2012; Sharma et al., 2013). Thaker, K. B. (2009) has mentioned few renowned organizations; like General Electric, Johnson & Johnson, 3 M, Indian Tobacco Company and Indian Cooperative Amul; who have implemented different path ways of spiritual values within the organizations and improved their performance (financial and non-financial). Stead, J. G., & Stead, W. E. (2014) have emphasized on developing spiritual values and capabilities within the organization for sustaining sustainability based competitive advantage. Spiritual transformation (within the organization) results in the creation of spiritual values, a kind of wealth earned by serving fundamental human needs and facilitate the creation values that serves both societal and organizational needs (Porter & Kramer, 2011). A detailed description on the role of workplace spirituality (individual & organizational level) on improving performance is already explained in above sections. Furthermore, extant literature is available on this topic leaving no ambiguity in the minds of scholars.

## **Conclusion:**

In order to build a better world comprising of love, cooperation and compassion in 21<sup>st</sup> century, there is a need to develop virtues, values and spirituality in the organizations. Pre-dominant ideology of serving the self-interest by the managers arising from materialistic mindset leads the organization towards a dysfunctional unit not only for the organizations but also for the society as a whole. The current business scenario is clearly indicating a need for spiritual turn because complex problems of the organization cannot simply be solved through knowledge-based tools, materialist strategies looking for short term benefits, dysfunctional organizational culture and refinement in processes dealing merely with physical realm. In 21<sup>st</sup> century, there is a need for overarching, multi-disciplinary and holistic paradigms to solve business problems and to search for meaning, sense of purpose as well as improve values system within the workplace. Can spirituality through higher purpose and meaning within organization provide answers to current dilemmas? And more specifically, can a spiritual organizational model lead towards a better performance in business? This article tries to give answers to these important questions with the help of existing literature.

Model for “Performance Enhancement through Spirituality” provides a guideline for the organizations who wish to incorporate spiritual values. It clarifies the leaders, from where to start? Start from their-selves, implement appropriate HR system and develop desirable climate of the organization. When organizations implement spiritual values, the ultimate and natural result is performance enhancement (both employees and organization) and profit generation. In line with the argument of Yazdani & Murad (2014), financial performance is not the ultimate objective but a natural fall out of higher values, ethical behavior and concern for society.

Model provides an in-built loop for feedback as shown in figure # 1. Once spiritual culture is in place, it will be matched with the values as perceived in the spiritual vision of organization. Adjustments can be made in HR compliance and practice in case of any discrepancy. Furthermore, it is very challenging & somehow undesirable for organizations to change their purpose, but on the basis of low organizational performance, purpose can be improved or missing characteristics of spirituality can be added. Similarly, there may be a need to improve the spiritual base (in shape of strong spiritual vision or higher purpose) of organization after observing weak/unfavorable culture to demonstrate spiritual values within the organization.



### **Future Directions:**

A gradual shift of organizational theory from complete human as well as spiritual denial towards more ethical, responsible, values based, human-centric and spiritual system is clearly observable and noteworthy. Looking at this consistent progression, it can be predicted that in near future, spiritual and ethical values-based system will be main area of concern for management theorists. Therefore, from futuristic perspective, scholars working in ethics field, religious scientists, sociologists and corporate practitioners are welcomed to empirically test/improve/redefine the model proposed in this paper. This study calls for enthusiastic efforts of scholars and practitioners in order to reap benefits from spirituality at workplace.

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**Figure 1:**

**Model of “Performance Enhancement through Spirituality”**

