

# The Conceptual Model of Spiritual Leadership and Spirit at Work as Organizational and Individual Capabilities in Supporting Organizational Commitment and Job Satisfaction

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**Keywords:** Spirit at Work, Spiritual Leadership, Organizational Commitment, Job Satisfaction, Competitive Advantage.

**Abstract:** This conceptual model of spiritual leadership and spirit at work is aimed to integrate workplace spirituality in a resource-based view strategic management approach, where organizational capabilities is in the form of Spiritual Leadership and individual capabilities is in the form of Spirit at work. Both are supporting Organizational Commitment and Job Satisfaction as a competitive advantage. It starts with a vast exploration on Strategic Management and the Resource Based View approach from the Management perspective, and Psychology aspect through the work in Managerial Psychology and through the spiritual and theological perspective which influences the individual resources and capabilities. The multiple origins are possible in the Strategic management field which is intertwined with many other fields, and through the heterogeneous Resource Based View approach toward competitive advantage. The significance of the study is to show that workplace spirituality matters in a resource-based view strategic management approach where the intangible resource and capabilities show the valuable, rare, inimitable and organized (VRIO) traits. Once managed properly it has the potential to be a sustainable competitive advantage policy.

## 1 INTRODUCTION

The broadness of issue under the field of strategic management can be seen by research with the origin of managerial psychology and other social sciences, as what we found in this research of Spirit at Work (SW). SW could be seen as intangible capabilities in RBV framework toward competitive advantages (Barney and Wright, 1998). In addition to that, SW is also originated from the workplace spirituality and managerial psychology study. In this conceptual research, the creation of sustainable competitive advantage will be seen through the heterogeneous view of RBV and its implication toward the organizational commitment and job satisfaction of the service industry. This literature review would also share the two other origins of Workplace Spirituality as the framework of Spirit at Work. First, the Theological background with the various Religious Work Ethic as the origin of workplace spirituality research (Benefiel and Fry, 2011; Geigle et al., 2013), and second, the Psychological background through Managerial Psychology.

Barney has developed a resource-based theory on how an organization can sustain competitive advantage using people as critical resources (Barney, 1991; Barney, 1997). Barney et al., (2007) posited that human capital is one of the intangible resources that can meet the above specification. It is inimitable, firm-specific and socially complex. Research evidence from companies have shown that the people-centered practices have a strong relation with higher profits and significantly lower employee turnover (Kreitner and Kinicki, 2007).

Resource-based model is used in a particular way within a firm to form the basis of competitive advantage (Hitt et al., 2012). Most scholars acknowledge that resources by themselves cannot be a source of competitive advantage. Therefore, the building blocks of corporate strategy are not products and markets, but the process of businesses are the source of competitive advantage. For example, computer hardware would be a competitive advantage only if it is bundled with an organization's commitment to customer service which enables the execution of excellent customer

service (Ray et al., 2004). Human resource with its human capital becomes an important issue in this resource based view approach, rather than focusing only on problem coping strategies, the people centered practices focused more on the human capital and require a more positive approach on the work force such as implementing a transcendence spirituality in the workplace (Robertson and Liu, 2011). The spiritual approach in the workplace, for example, serves as the valuable, rare, difficult to imitate resources which define the core competencies of the firms. Strategic value of these intangible spiritual capabilities comes from their rarity (Barney et al., 2007; Stead and Stead, 2014). Whereas most organizations understand that sustainability can improve their profits, organizations with a deep understanding and commitment to the sacredness of work, its people, the stakeholders, the environment and even the universe, are rare (Jurkiewicz and Giacalone, 2004).

This research will focus on a snap shot portrait of how spirit at work is implemented as intangible resource capabilities to produce competitive advantage in the RBV framework. The religious root is seen from two major religious ethics of Islam and Protestant business ethics. The two are selected since both represent the two highest numbers of religious adherents in the world (El Garah et al., 2012; Hunter, 2007). The psychological root is seen from the studies of Spiritual intelligences which have emerged into the managerial psychology area. All these three major subjects of origin, namely: Management, Theology and Psychology had supported the growth of research on workplace spirituality. Even though the notion of spirituality is relatively new, but there have been more than 300 titles in the 1990s (Garcia-Zamor, 2003) on the general subject of workplace spirituality. Researchers agree in one important issue that spirituality seems to be an important source of organizational competitiveness by its impact toward performance and organizational commitment (Arménio Rego and Pina e Cunha, 2008).

## 2 LITERATURE REVIEW

Researchers from the *MIT Sloan Management Review* and the Boston Consulting Group found that leading firms in the sustainability revolution, such as Unilever, Johnson & Johnson, New Belgium Brewing, and Procter and Gamble, place a very high value on spirituality. Even though spiritual slogans and jargon can be posted as corporate values on the

wall, the real spiritual value of nature and humankind cannot be touched or displayed, but it can certainly be experienced, and the impact can be felt when the spirit exists. Firms strongly believed that spirituality, even though intangible, will improve their long-term competitiveness (Neal, 2013).

There is sufficient evidence supporting the relationship between spirit at work, personality, personal and work outcomes. Kinjerski had successfully conducted empirical relationship between spirit at work toward organizational commitment and job satisfaction. The measurements had been tested and were proven significant (Kinjerski, 2013).

The spiritual leadership construct developed by Fry and Whittington (2005) extended the spiritual leadership theory by exploring the concept of well-being, human health, character ethics, positive psychology, spiritual leadership and other new development in spirituality in the workplace. Fry (2003) proposes a model of spiritual leadership which would have a certain qualities of implementing the spiritual leadership at work (Fry and Altman, 2013). Leaders create a vision wherein organization members experience a sense of calling in that their life has meaning and makes a difference. Establishing a social/organizational culture based on the altruistic loves of leaders will show leaders with genuine care, concern, and appreciation for both self and others, thereby producing a sense of membership and feeling of being understood and appreciated. Spiritual Leadership talks about motivation which includes the forces, either external or internal to a person, which arouses enthusiasm and persistence to pursue a certain course of action. Motivation in the workplace results when leaders create an environment that brings out the best in people as they achieve and receive individual, group, and system-wide rewards. It refers to those desires that, coupled with expectation of reward contingent on performance, cause the individual to exert effort above minimum levels, be spontaneous, and exhibit exploratory/cooperative behaviors (Stead & Stead, 2014).

Spiritual leadership theory can be viewed in part as a response to the call for a more holistic leadership that helps to integrate the four fundamental arenas that define the essence of human existence in the workplace—the body (physical), mind (logical/rational thought), heart (emotions; feelings), and spirit (Fry, 2003). Such a call that perhaps requires a new organizational paradigm that no longer views the study of the humanistic,

spiritual, and natural as separate and independent domains; a worldview that regards spirituality at work in general and spiritual leadership in particular as vital components for building theory and testing propositions concerning purposeful humanistic systems and their effectiveness (Fry & Altman, 2013).

Rojas (2002) conducted a study to extract from the literature review the theoretical foundations for a relational-ideopraxis framework of independent spirituality assessment scale. The measurement is intended to measure individual spirituality regardless of denominational, religious or ideological preference and it is based on thirteen relational modes extracted from the vast arrays of spiritual literatures. The independent variables used in this assessment scale are fulfillment of self, self-determination, self-control, discovery of self, enrichment of self, transactional, transformational, transfiguration, partnership, small group, organizational, movements and ideo-praxis. This study on individual spirituality came up with a reliable measurement tool based on a sound empirical quantitative study.

In order to measure the competitive advantage of the implementation spirit at work in the company working situation, this research would use Organizational Commitment as a construct which is well accepted and well known toward increasing performance, especially in the service industry (Barney, 2001). Organizational commitment is showing an individual's commitment to an organization is his or her bond or attachment to that organization (Klein et al., 2009). Although organizational commitment has different bases, affective commitment is our primary interest because it is based in desire, not felt obligations or constraints (Meyer et al., 1993; Meyer & Allen, 1997). Affective commitment is self-determined and, therefore, influenced by individual beliefs and motivations more than other forms of commitment. In turn, affective commitment is associated with higher levels of individual performance and satisfaction and lower levels of turnover and turnover intentions (Cooper-Hakim & Viswesvaran, 2005).

In addition to organizational commitment the popular construct which could be used as a proxy toward performance is the Job Satisfaction (JS) construct. Spector (1997) stated that job satisfaction as the extent in which a person like their job, a very simple definition but job satisfaction influences people's attitude towards their jobs and various aspects of their jobs. Job satisfaction is affected by

personal and organizational factors, which cause an emotional reaction affecting organizational commitment (RT Mowday et al., 1979). The consequences of job satisfaction include better performance and a reduction in withdrawal and counter-productive behaviors (Morrison, 2008). Since job satisfaction involves employees' affections or emotions, it influences an organization's well-being with regard to job productivity, employee turnover, absenteeism and life satisfaction (Roodt et al., 2002). Motivated employees are crucial to an organization's success, and therefore understanding people in their jobs and what motivates them could be a driving force in strengthening organizational commitment (Schein, 1990).

### 3 RESEARCH METHODS

This conceptual paper is developing a theoretical framework through the Resource Based View approach. Individual Capabilities and Organizational Capabilities are seen through the competitive advantage model toward performance which is seen through job satisfaction and organizational commitment as the proxy of performance. Literature review and descriptive and interpretive analysis of the Workplace Spirituality framework is thoroughly explored to propose a conceptual model of the importance of Spiritual Leadership, Individual Spirituality, and Spirit at Work as a competitive advantage in a model of Service Industry.

### 4 RESEARCH AND DISCUSSIONS

The literature review shows that the area of workplace spirituality as an emerging concept has a rich origin from the Management, Psychology and Theology roots. The organizational capabilities in the workplace spirituality research can be seen through the Spiritual Leadership as the climate of the organization to support individual capabilities. Individual resources in the form of Individual Spirituality then would be the intervening factor to influence individual capabilities through Spirit at Work. This whole model of organizational resources in the form of spiritual leadership moderated by individual resources in the form of individual spirituality then would influence the individual capability in the form of Spirit at Work. Together it creates a model of resource based view approach

toward competitive advantages. Organizational Commitment and Job Satisfaction are seen as the proxies for Competitive Advantage in a Model of ever changing high competitive industry (Figure 1).

The framework in figure 1 shows a promising concept of spirit at work, and how potentially it will influence a memorable service from the heart, a nature which is believed to be giving a high impact toward service excellence. Nevertheless, further empirical research is needed to test the relationship between the constructs. The explanatory approach through the quantitative analysis will provide clearer evidence to the concept. Additional exploratory approach would also be beneficial to capture the qualitative study of spirit at work.

The significance of the study lies in the effort to explore the potential of spirit at work as a tangible capabilities which has the valuable, rare, inimitable approach and once it is organized (VRIO) it becomes a sustainable competitive advantage approach in a resource based view framework.

## 5 CONCLUSION

Spirit at work is a promising concept especially in the service industry area where sincere service has to come from the bottom of the heart through the spiritual aspect. Future research should be delved deeper in this area, both quantitatively and qualitatively. The nature of Spirit at Work shows the potential of high value, rarity, in-imitability and if organized well will provide a strong competitive advantage in the ever-changing world of high rivalry in business.

The research shows that workplace spirituality matters in a strategic management resource-based view approach. The limitation of the research lies in the limited availability of current studies in this area and the limited conceptual approach. Further empirical study should be conducted both quantitative and qualitatively. More researchers should be involved to be able to develop this concept of workplace spirituality

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APPENDIX

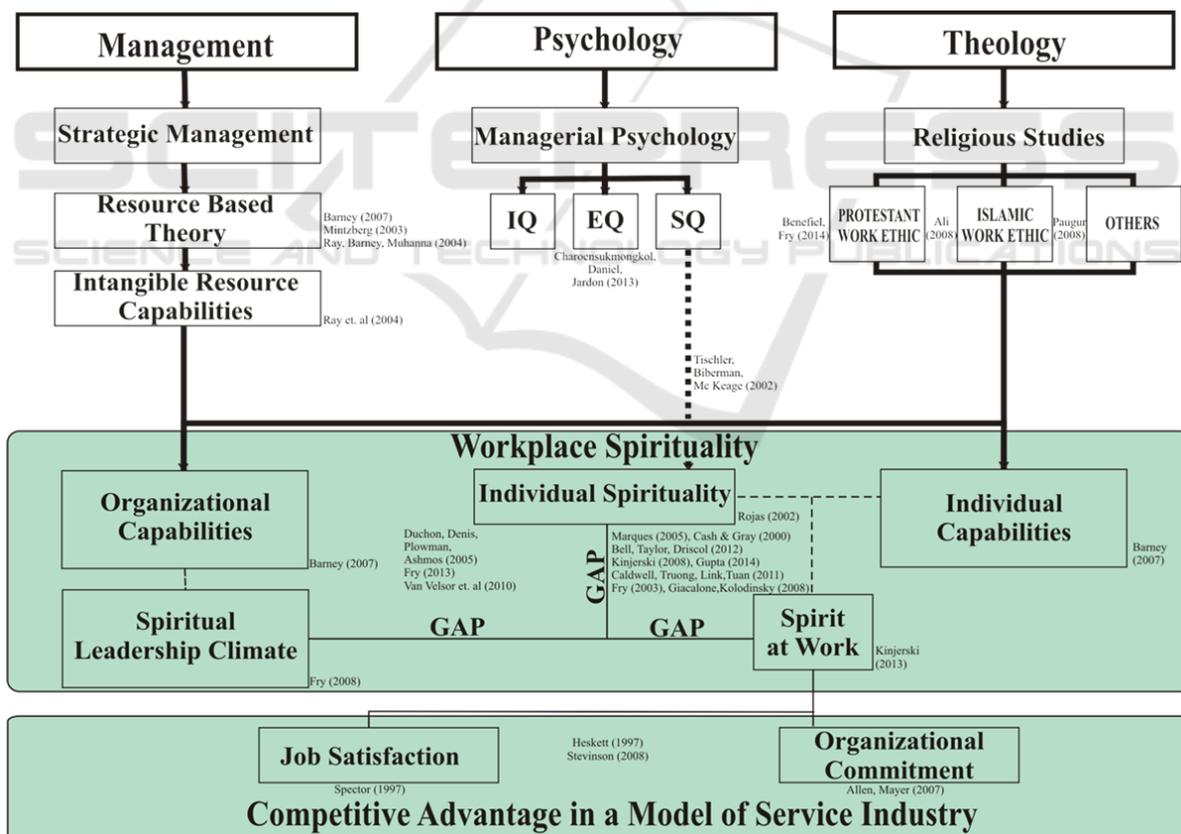


Figure 1: The Conceptual Model.