

Role of Spiritual Leaders in Enhancing Employee's Performance

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ABSTRACT

Increase in interest in workplace spirituality cannot be questioned. As the global changes are taking place, organizations are also affected by those changes. Due to different economic and social changes like downsizing, recessions, and scandals etc at workplace, human beings are focusing to take in spiritual characteristics of their lives at the workplace. Employees are trying to create importance and intention of their lives at the workplace. This results in increase in demand of spiritual leadership. Most of studies on leadership spirituality has been conducted in European countries like America, but still neglected in developing countries like Pakistan. So, present study is carried out on employees of banking sector of Pakistan to empirically investigate the effect of spiritual leadership on individual outcomes. This research will result in some practical implications for banking sector of Pakistan.

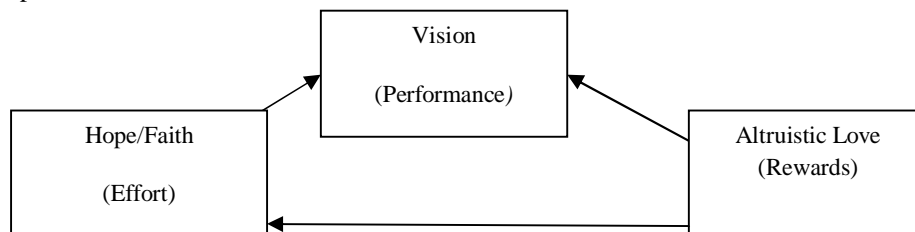
KEYWORDS: Leadership Spirituality, Spirituality, Workplace Spirituality, Pakistan, Job Satisfaction, Organizational Commitment, Productivity.

1. INTRODUCTION

It's a long time that leadership has been an area of investigation and even today, it has been an area of research by scholars due to different advancements taking place in organizations. Leadership is usually analyzed as one of the most complicated social process (Fry and Kriger, 2009). Leadership consists of three things; leaders, followers and situation. Leaders provide a direction to their followers, set goals for their subordinates, and then motivate them to harness their efforts jointly in the same direction. By doing so, leaders are able to get desired organizational goals by minimizing the gap between actual goals achieved and desired goal set for achievement. For a common ambition, leadership prepares others to work together. Organizational leaders deal with both human psychology as well as expert approach. Leadership practices kept on getting different shapes since past till today and will certainly keeps on shaping in the future. In today's era, one of the new dimension for leaders is spirituality.

Previous leadership theories had been focusing on features of physical, psychological or emotional characteristics of human dealings in different work places, but spiritual elements of humans are always ignored.

Spiritual leadership helps employees to look forward to future by generating faith in vision of organization. Spiritual leadership focuses on values of altruistic love to be incorporated in organization's culture. Leader's attitude and behaviors will express altruistic love towards their employees which in return provide a sense of membership.



Spiritual Leadership is based on path-goal theory. Path goal theory consists of two models: intrinsic motivation model and extrinsic motivation model. Intrinsic motivation model provide the basis for spiritual leadership part of the theory. Path-goal theory is based on expectancy theory. Expectancy theory states that work efforts are directed towards behavior that people believe will lead to expected outcomes. Through experience, leaders' develop expectations whether various levels of job performance can be achieved by employees or not? Leaders also develop expectations about whether performance will lead to desired outcomes. Then, leaders direct their efforts towards outcomes that help to fulfill the organizational needs. According to Path-goal theory of leadership, leader's can increase employee's motivation by providing clear paths towards achievement and available rewards. Thus, in path-goal theory, the leader's responsibility is to inspire the workers by guiding, training and instructing in order to achieve their targets.

In the postmodern workplace spirituality, Biberman & Whitty (1997) stated that leadership can be described as a spiritual relational process. Fry (2003) found that spiritual leadership is a field of investigation within the wide-ranging context of spirituality at workplace. Fry *et al.* (2005), stated that leaders who are spiritual practices standards, postures and behaviors (vision, altruistic love, hope/faith) to essentially induce subordinates, and it also enhances followers' sagacity of spiritual endurance, i.e. calling (life has meaning, make a difference) and membership (interconnection, be understood, be appreciated) and results in positive organizational outcomes.

The motive behind present research is to empirically investigate the relationship between Spiritual leadership and individual outcomes.

2. Effect of Spiritual Leadership on individual outcomes:

The hypothesis developed to test the effect of spiritual leadership on individual outcomes is:

H: Spiritual Leadership (vision and altruistic love) positively affects individual outcomes.

This hypothesis can be divided into the hypothesis given below.

H1a: Vision positively predicts job satisfaction.

H1b: Vision positively affects organizational commitment.

H1c: Vision positively predicts productivity.

H2a: Altruistic Love positively affects job satisfaction

H2b: Altruistic Love has positive effect on organizational commitment.

H2c: Altruistic Love positively affects productivity.

Table 2.1. Effect of Spiritual Leader's Characteristics on individual outcomes

Spiritual Characteristics	Leader's	Individual Outcomes		
		Organizational Commitment	Productivity	Job satisfaction
Vision		+	+	+
Altruistic Love		+	+	+

"+" indicates positive relationship

2. MATERIALS AND METHODS

This section explains about the methodology adopted by researcher in order to empirically test the hypothesis postulated in preceding section. Four sub-sections of the present section are developed. First sub-section consists of targeted population, and plan of the research, while in second sub-section, methods and procedures used for data collection purpose are discussed. Third sub-section discusses about the measures, definitions and reliability scores of the variables while in last sub-section, techniques used for coding and analysis of data are presented.

3.1 Population and Sample:

Up till now, none of the study on this area has been conducted in Pakistani context. This area only remained under research consideration by US researchers and has been empirically tested in armed forces and educational sector. Fry and his colleagues has been the major contributor to these studies. The purpose of this research is to investigate the effect of leadership spirituality in service industry of non-secular context especially in Pakistan. For this purpose, banking industry of Pakistan has been chosen. Banking industry was selected due to two main reasons. This sector of Pakistan has gone through profound and rapid changes in last few years, due to advancement in technology and global competition. These changes caused a change in overall HR practices. Second, banking industry is having branches in almost all the cities. Due to largest branch network, with utilization of least amount of resources, enough data can be collected. Multistage stratified random sampling was used to select the representative and to collect the data. At the first stage strata was constructed based on the public, private but national and foreign banks. 23 banks were selected from Bahawalpur and Multan cities, out of which 4 were national, 14 were privately owned but were operating at national level and 5 were foreign banks. Then at second stage, out of more than 100 branches, 55 branches were selected from Multan and Bahawalpur cities of Pakistan and from these branches (OG-1, OG II and OG III) officer grades were selected for data collection purpose.

3.2. Data Collection Method and Procedure:

Questionnaires were used to collect the data. Survey was personally administered. Employees of different banks were approached with the permission of bank managers. In order to define about the research purpose, face to face meeting was conducted with managers before the questionnaires were distributed. Managers were given surety that collected data will be utilized only for educational purpose and all the information provided will be kept confidential. The questionnaires were administered personally to each respondent.

After distribution, sometime was given to respondents due to different audits which were taking place and that was closing of year as well. After a few days, filled questionnaire were collected and those who had not filled the questionnaire were given reminder. Then after a few days, remaining filled questionnaires were collected.

Overall, out of 1000 questionnaire, 480 were returned yielding a ratio of 48%. In 26 questionnaires, some questions were left incomplete so those questionnaires were not included for analysis purpose. Out of 480, 456 questionnaires were used to analyze the data.

3.3. Operational Definition of the Variables:

In this section, definitions and reliability scores of variables of outcome of the study are given.

Vision: Vision basically describes the path which organizational leaders want to follow in order to get their destination. Moreover, a persuasive vision strengthens the workers, gives meaning to work, and bring together commitments, and a standard of excellence is established by it. So, leaders should develop such vision that mobilizes people, is able to identify the destination and journey of the organization, encourage and helps to promote hope and faith.

Altruistic Love: For spiritual leadership, altruistic love defined by Fry, 2003 as “a sense of wholeness, harmony, and well-being produced through care, concern, and appreciation for both self and others”. The spirit of giving and receiving without any personal interest is totally a different thing and therefore, separated from the elevated mental profits along with care and consideration for others. Behavioral scholars began to study the effect of love on employees and confirmed that the impact of destructive emotions like fear and anger can be decreased or eradicated by altruistic love, care and concern for others.

Hope/Faith: Hope is a desire that whatever expectations an employee have will be fulfilled at the workplace. Certainty is added to hope by faith. There is no empirical evidence found for hope/faith because it is a firm belief in something. Leaders having hope/faith clearly draw a line between their struggle and destination by fighting all the opponents and bearing all tests and trials, overcoming all woes and worries for the successful completion of their targets. Therefore, faith/hope generates passion and enthusiasm for the fulfillment of organization’s vision with zeal and zest and full dedication.

In summary, Spiritual leadership through vision, hope/faith, and altruistic love is, basically, an intrinsic motivation process. A common vision (performance) is generated by altruistic love (reward) through care and concern that emerges between self and among other group members in spiritual leadership. Certainty and reliance required for hope/faith is created by altruistic love and self-motivation that is required to do work and to stimulate active faith in a vision, is also created by altruistic love. Belief, trust, and action are fueled by hope/faith for the work effort to achieve the vision.

All items measuring Spiritual Leadership were adopted from Fry (2003). Total 17 items were there; 5 for vision, 5 for altruistic love and 7 for hope/faith. 7 point Likert scale was used to measure the elements of spiritual leadership. The reliability score found after running analysis is given in the table 3.4

Table 3.1. Cronbach Alpha’s Values for Spiritual Leadership

Spiritual Leader’s Characteristics	Cronbach Alpha
Vision	0.87
Altruistic love	0.87
Hope/Faith	0.88

3.4. Outcomes Criterion:

Organizational Commitment: It means employees are attached with, loyal to, and want to stay in those organization that have cultures based on altruistic love. Total four items were selected for measuring organizational commitment of employees. Reliability score found was 0.821 for this study.

Productivity: Employees productivity means how much productive an employee is for an organization. Five items were used to measure the productivity and reliability score was 0.85 for these 5 items.

Job Satisfaction: Minnesota Satisfaction Index was used to measure employee’s level of satisfaction with their. There were 5 items used to measure employee’s job satisfaction. The cronbach alpha obtained for this study was 0.87.

3.5. DATA CODING AND ANALYSIS TECHNIQUES

For sake of analysis purpose, data which was gathered through questionnaire was assigned different codes and then entered into SPSS in order to get the statistical results. Questions which were left blank were filled by averaging the items. For sake of analysis purpose, data which was gathered through questionnaire was assigned different codes and then entered into SPSS in order to get the statistical results. Questions which were left blank were filled by averaging the items. Correlation analysis was used to test the relationship between spiritual leadership variables and individual outcomes. Similarly, relationship between spiritual leadership variables and mediating

variables were examined through correlation analysis. To confirm whether calling and membership which are components of follower’s need for spiritual survival/well-being, mediates the relationship between spiritual leadership variables and individual outcomes, hierarchical regression analysis was being used.

4. Effect of Vision(component of Spiritual Leadership) on individual outcomes

In our first hypothesis, effect of vision and altruistic love which are components of spiritual leadership on job satisfaction is examined.

Table 4.1. Effect of Vision on Individual Outcomes:

$$Y = \alpha_0 + cX + \epsilon_0$$

	ΔR^2	F-statistics	Beta (β)	t-value
H 1 a) Vision- Job Satisfaction	0.26	158.94* (454,1)	0.51	12.61*
H 1 b) vision-organizational commitment	0.32	213.48* (454,1)	0.57	14.61*
H 1 c) vision-productivity	0.28	174.73* (454,1)	0.53	13.22*

*p < 0.001

ΔR^2 : Net variance explained by that particular variable

This shows the path from vision to job satisfaction and results are found significant at p-value of 0.001. It means visions developed by leaders have impact on job satisfaction of employees and if vision is persuasive, then employees’ job satisfaction is strengthened by 51%.

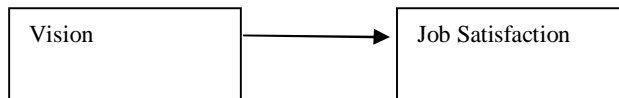


Fig. 4.1. Effect of vision on job satisfaction

Path from vision to organizational commitment is shown by the diagrammatical representation given below. Empirical evidences shows that if vision is able to identify the destination and journey of the employees’, then employee’s commitment is enhanced by 57%.

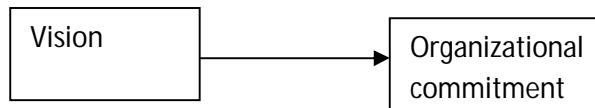


Fig. 4.2. Effect of vision on organizational commitment

When vision provides the employees with direction and simplify decision making processes etc, then employees’ productivity is increased by 53%.

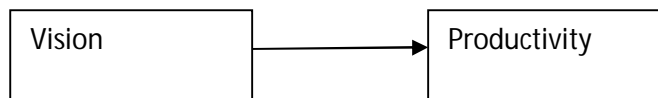


Fig. 4.3. Effect of vision on productivity

Table 4.2. Effect of Altruistic love on Individual Outcomes:

$$Y = \alpha_0 + cX + \epsilon_0$$

	ΔR^2	F-statistics	Beta (β)	t-value
H 2 a): Altruistic Love- job satisfaction	0.27	168.16* (454,1)	0.52	12.97*
H 2 b): Altruistic Love- organizational commitment	0.39	287.58* (454,1)	0.62	16.96*
H 2 c): Altruistic Love- productivity	0.25	146.63* (454,1)	0.46	12.11*

*p < 0.001,

ΔR^2 : Net variance explained by that particular variable

The diagram given below presents direct path from altruistic love to dependent variable; job satisfaction. All results were significant at 0.001 levels as shown by table given above. If employees feel that friendly environment prevails in the organization, then their job satisfaction is increased by 52%.

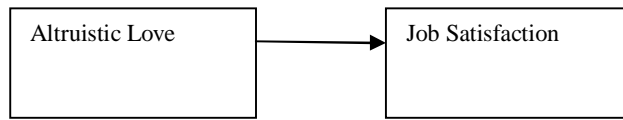


Fig.4.4. Effect of altruistic love on job satisfaction

It has been empirically proved by the results that love a, care and concern for employees have positive effect on employees’ behavior and organizational commitment is increased by 62%.

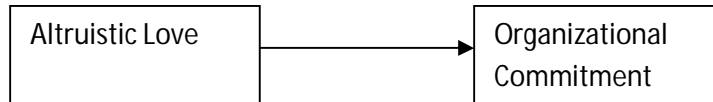


Fig 4.5. Effect of altruistic love on organizational commitment

It has been empirically proved that altruistic love increases employees’ productivity by 46%.

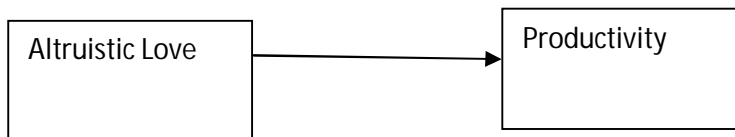


Fig 4.6. Effect of Altruistic Love on Productivity

Conclusion

Fry, Vitucci and Cedillo (2005) empirically tested the Spiritual leadership causal model that shows positive relationship between spiritual leadership, spiritual well-being, organizational commitment and productivity. These results were fully supported by researcher’s results. The model fit for overall spiritual leadership model provides support for the hypothesis developed to test the model. The variables of spiritual leadership (vision, hope/faith and altruistic love) positively affected the variables of individual outcomes. The statistical results showed that there is a positive link or relationship from spiritual leadership, to individual outcomes which are organizational commitment, productivity and job satisfaction. An additional evidence that was found from researcher’s findings is that the leaders who emphasized the need for spiritual survival/well-being produces more organizational and personal outcomes (Eilser and Mountouri; 2003).

It has been observed from standardized beta coefficients that spiritual leaders are able to generate more organizational commitment in their employees at individual level. Then employees who find their leaders spiritual are more productive for the organizations. It is depicted from the results, that spiritual leaders can make feel employees satisfied with their job. The researcher’s results are similar to the one found by Fry & Matherly, 2006; Kaplan & Norton, 1992, 1996, 2004, in their studies. These researchers found that a high degree of spirituality in leaders is necessary because spirituality drives productivity and organizational commitment which is very crucial for organizational performance.

Practical and Theoretical Implications

The said relationship further attested the significance of leadership spirituality and found that spiritual leadership plays an integral role for the development of a reasonable approach toward career/vocation in employees. Spiritual leadership and membership are directly connected with each other. The outcomes suggested that leaders who are spiritual can provide employees a sense of membership by focusing on values of altruistic love; which makes them feel self-worth and being connected to other members of the organization. (Fry, 2003). Fry, 2005a; Ryan & Deci, 2000) suggested that when employees practice the values, behaviors and attitudes of altruistic love results in employees feeling appreciated and understood, as well as a sense that their work makes a difference. This

basically focuses on intrinsic motivational model that result in higher well-being of employees and individual outcomes.

After observing the statistical results and literature reviewed, researcher came to the point that spirituality for leaders is very crucial to be exercised at the work place, i.e. in banks. For this purpose, leaders should try to develop such vision that can be achieved by the employees. If employees achieved the desired outcomes, then they should be rewarded for their performance. In this way, employees will be able to develop faith in organizational leaders and will be hopeful that their performance will be rewarded. Banking leaders should also to enhance sense of altruistic love in employees. Values of altruistic love include loyalty, courage etc. in this way employee will feel themselves as part of organization and it will enhance their sense of calling and membership.

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