

**Transforming City Government
Through Spiritual Leadership:
Measurement and Establishing a Baseline**

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ABSTRACT

Spiritual leadership theory (SLT) is a causal leadership theory for organizational transformation designed to create an intrinsically motivated, learning organization. Spiritual leadership comprises the values, attitudes, and behaviors required to intrinsically motivate one's self and others in order to have a sense of spiritual survival through calling and membership – i.e., they experience meaning in their lives, have a sense of making a difference, and feel understood and appreciated. The effect of spiritual leadership in establishing this sense of leader and follower spiritual well-being is to create value congruence across the strategic, empowered team, and individual levels to, ultimately, foster higher levels of organizational commitment, productivity, and employee well-being.

The need to "work better and cost less" has driven efforts toward change at all levels of government. While improvement of neighborhoods, streets, and citizen's concerns have been extensively studied the focus on what public employees in cities think and feel has not been explored. For this purpose, issues within city organizations may be researched through an organizational approach known as "Spiritual Leadership" or Organizational Transformation through Spiritual Leadership Transformation (SLT). Different theories incorporated in Spiritual Leadership are briefly discussed to explain how they apply to SLT, the importance of performance measurements and a detailed six-step action plan. A study done with a Central Texas city and its employees by the authors of this paper is provided as an example of how Organizational Transformation through Spiritual leadership may be done.

Keywords: Spiritual Leadership; City Leadership; Leadership Theory

1.0 Introduction

As governments are asked to do more with less, a leading challenge is implementing effective strategies to enhance government performance and accountability (Kim 2002; Daly, 2002). These challenges have presented city government with the necessity to reexamine and transform their existing operations. Becoming more operationally efficient as a public entity is no longer optional (Lassiter, 1997).

There are many issues that city employees face. Employees may feel that there is a lack of communication with management, public humiliation, and lack of technical knowledge (Building Department Surveys, 2001). Some employees believe management can fire them without reason or explanations, which results in distrust of management and poor morale among employees. On the other hand, city employees may think that supervisors show acts of favoritism with key employees. Management may use public humiliation as a tool and fail to see its effect on morale, and creativity. Employees at times may also feel that their superiors treat them with a lack of professional respect. This treatment of unprofessional and negative behavior from city employees may deter growth and lead to a negative environment. The direction that public leaders lead their employees may differ, even though both public and private sector leaders are motivated to accomplish the organizations goals (Atwater & Wright, 1996).

City governments are faced with many challenges to transformation. Employee absenteeism and retention are significant targets for management in both private and public sector organizations (Kim, 2002). Affective commitment, attitudes to change, intention to turnover, and extra-role performance are influenced by leadership (Albrecht, 2005). Results from a survey done by Atwater and Wright (1996) indicated that public sector leaders were often more inspirational than those in private industries. Inspiration can provide a strong base in which to transform the organization. Initiative, motivation, inspiration are the critical roles of leadership in making government organizations work (Fairholm, 2004). Affective commitment implies a strong bond between an individual and the employing organization (Nyhan, 1999). Ronald Nyhan, 2000, did substantial research into transforming city governments; he found that trust increased commitment which in turn was an effective strategy for motivating employees. Brewer, Selden, and Facer (2000) suggest public managers should include employees in decision-making processes as one of the strategies for advancing public-sector motivation.

Participation in decision making, empowerment, and feed-back are important strategies to positively affect commitment and interpersonal trust in public organizations (Nyhan, 1999).

This purpose of this research is to test and validate the hypothesized causal model hypothesizing positive relationships between the qualities of spiritual leadership, organizational productivity, and organizational commitment in relation with a city government. Performance measures are the discussed through the incorporation of spiritual leadership. In addition, a methodology is developed for establishing a baseline for future organizational development interventions as well as an action agenda for future research on spiritual leadership, in general, and a six step guide to development, in particular.

2.0 Organizational transformation through spiritual leadership

2.1 Organizational transformation and the Learning Organization

Organization Transformation (OT), a recent extension of organizational development, seeks to create massive changes in an organization's orientation to its environment, vision, goals and strategies, structures, processes, and organizational culture. Its purpose is to affect large-scale paradigm shifting change. "An organizational transformation usually results in new paradigms or models for organizing and performing work. The overall goal of OT is to simultaneously improve organizational effectiveness and individual well-being (French, Bell, and Zawacki, 2000, p. vii).

Leaders attempting to initiate and implement organizational transformations face daunting challenges, especially in gaining wide-spread acceptance of a new and challenging vision and the need for often drastic and abrupt change of the organization's culture (Harvey and Brown, 2001). Although leadership has been a topic of interest for thousands of years, scientific research in this area only began in the twentieth century. While space limitations in this article preclude a detailed review of the leadership literature, most definitions of leadership share the common view that it involves influence among people who desire significant changes. These changes reflect purposes shared by leaders and followers (Daft, 2001).

This study uses the definition and generic process of leadership developed by Kouzes and Posner (1987, 1983, 1999) - Leadership is the art of mobilizing others to want to struggle for shared aspirations. From their perspective leadership entails motivating followers by creating a

vision of a long-term challenging, desirable, compelling, and different future. This vision, when combined with a sense of mission of who we are and what we do, establishes the organization's culture with its fundamental ethical system and core values. The ethical system then establishes a moral imperative for right and wrong behavior which, when combined with organizational goals and strategies, acts as a substitute (Kerr & Jermier, 1977) for traditional bureaucratic structure (centralization, standardization and formalization). When coupled with a powerful vision, this substitute provides the roadmap for the cultural change to the learning organizational paradigm needed for organizational effectiveness in today's chaotic organizational environments. Thus, for the learning organization, leadership is about vision and values; it is the act of creating a context and culture that influences followers to ardently desire, mobilize, and struggle for a shared vision that defines the essence of motivating through leadership. Employees change through inspirational actions performed by their leaders (Albrecht, 2005).

A learning organization creates a vision of what might be possible, however it is not brought about simply by training individuals; it can only happen as a result of learning at all organization levels. Another factor of a learning organization is that it is an organization that facilitates the learning of all its members and continuously transforms itself (Senge, 1994). In learning organizations employees are empowered to achieve a clearly articulated organizational vision. Quality products and services that exceed expectations also characterize learning organizations. This new networked or learning organizational paradigm is radically different from what has gone before: it is customer/client-obsessed, team-based, flat (in structure), flexible (in capabilities), diverse (in personnel make-up) and networked (working with many other organizations in a symbiotic relationship) in alliances with suppliers, customers/clients and even competitors (Ancona, Kochan, Scully, Van Maanen, & Westney, 2004; McGill & Slocum 1992).

According to Peter Senge (1994, p3.), learning organizations: "...are where people continually expand their capacity to create the results they truly desire, where new and expansive patterns of thinking are nurtured, where collective aspiration is set free, and where people are continually learning to learn together."

The employees of learning organizations are characterized by being open, generous, capable of thinking in group teams, and risk-takers with an innate ability to motivate others. Furthermore, they must be able to abandon old alliances and establish new ones, view honest mistakes as necessary to learning and "celebrate the noble effort", and exhibit a "do what it

takes” attitude versus a “not my job” attitude. People are empowered with committed leaders at all levels that act as coaches in a “learning organization” who constantly strive to listen, experiment, improve, innovate, and create new leaders. The major challenge for the learning organization is developing, leading, motivating, organizing, and retaining people to be committed to the organization’s vision, goals, and culture (Ancona e.t. al., 2004). This is especially true for city government.

2.2 *Spiritual leadership*

Our purpose is to sharpen the focus on these issues through the lens of Fry’s (2003; 2005) recent work on Spiritual Leadership Theory to gain further insight into the nature, process, and development of city government transformation. Spiritual leadership is a causal leadership theory for organizational transformation designed to create an intrinsically motivated, learning organization. The theory of spiritual leadership is developed within an intrinsic motivation model that incorporates vision, hope/faith, and altruistic love, theories of workplace spirituality, and spiritual survival. The purpose of spiritual leadership is to tap into the fundamental needs of both leader and follower for spiritual survival through calling and membership, to create vision and value congruence across the individual, empowered team, and organization levels and, ultimately, to foster higher levels of organizational commitment and productivity. Operationally, spiritual leadership comprises the values, attitudes, and behaviors that are necessary to intrinsically motivate one’s self and others so they have a sense of spiritual survival through calling and membership (See Figure 1 and Table 1). This entails (Fry, 2003):

 Insert Figure 1 and Table 1 about here

1. Creating a vision wherein leaders and followers experience a sense of calling in that life has meaning and makes a difference.
2. Establishing a social/organizational culture based on the values of altruistic love whereby leaders and followers have a sense of membership, feel understood and appreciated, and have genuine care, concern, and appreciation for *both* self and others.

Fry (2005) extended spiritual leadership theory by exploring the concept of positive human health and well-being through recent developments in workplace spirituality, character ethics, positive psychology and spiritual leadership. He then argued that these areas provide a consensus on the values, attitudes, and behaviors necessary for positive human health and well-being (See Table 1). Ethical well-being is defined as authentically living one's values, attitudes, and behavior from the inside out in creating a principled-center congruent with the universal, consensus values inherent in spiritual leadership theory (Cashman, 1998; Covey, 1991; Fry, 2003). Ethical well-being is then seen as necessary but not sufficient for spiritual well-being which, in addition to ethical well-being, incorporates transcendence of self in pursuit of a vision/purpose/mission in service to key stakeholders to satisfy one's need for spiritual survival through calling and membership. Fry hypothesized that those practicing spiritual leadership at the personal level will score high on both life satisfaction in terms of joy, peace and serenity and the Ryff and Singer (2001) dimensions of well-being. In other words, they will:

1. Experience greater psychological well-being.
2. Have fewer problems related to physical health in terms of allostatic load (cardiovascular disease, cognitive impairment, declines in physical functioning, and mortality).

More specifically, those practicing spiritual leadership and their followers would have a high regard for one's self and one's past life, along with good-quality relationships with others. This in turn helps to create the sense that life is purposeful and meaningful, the capacity to effectively manage one's surrounding world, the ability to follow inner convictions, and a sense of continuing growth and self-realization.

To summarize the hypothesized relationships among the variables of the causal model of spiritual leadership (see Figure 1), "doing what it takes" through faith in a clear, compelling vision produces a sense of calling -- that part of spiritual survival that gives one a sense of making a difference and therefore that one's life has meaning. Vision, hope/faith adds belief, conviction, trust, and action for performance of the work to achieve the vision. Thus, spiritual leadership proposes that hope/faith in the organization's vision keeps followers looking forward to the future and provides the desire and positive expectation that fuels effort through intrinsic motivation.

According to the spiritual leadership theory, altruistic love is also given from the organization and is received in turn from followers in pursuit of a common vision that drives out and removes fears associated with worry, anger, jealousy, selfishness, failure and guilt and gives one a sense of membership – that part of spiritual survival that gives one an awareness of being understood and appreciated.

Thus, this intrinsic motivation cycle based on vision (performance), altruistic love (reward) and hope/faith (effort) results in an increase in ones sense of spiritual survival (e.g. calling and membership) and ultimately positive organizational outcomes such as increased:

1. Organizational commitment – People with a sense of calling and membership will become attached, loyal to, and want to stay in organizations that have cultures based on the values of altruistic love; and productivity and continuous improvement (Fairholm 1998)
2. People who have hope/faith in the organization’s vision and who experience calling and membership will “Do what it takes” in pursuit of the vision to continuously improve and be more productive.

Our fundamental proposition is that the Spiritual leadership theory OT interventions, derived from our base line measures, will significantly increase the strength of the relationships among the model’s variables, thereby increasing value congruence across the strategic, empowered team, and individual levels through stronger linkages among the theory variables (i.e. increase SLT variable relationships to significantly increase average SLT levels, while also acting to reduce the variance in organizational commitment and productivity). The starting point for testing this proposition, which is the purpose of this paper, is to test and validate the SLT causal model as well as establish a baseline of SLT measures to set the stage for further organizational development and transformation change efforts.

The initial base line survey data from the city government study that was conducted is used to serve as basis for conducting an action-planning organizational transformation change program. The starting point for setting an SLT OT change program is the establishment of a baseline on SLT variables that sets forth desired and needed change efforts.

3.0 Method

3.1 Sample and procedures.

To provide a setting for Spiritual Leadership Theory, our research team conducted a study with employees in a central Texas city. This study included extensive research on different departments such as police, fire department, administrative, parks and recreation, and utilities. Research through survey and interviews with members of all divisions and levels was done in order to prevent any bias in our study. The overall objective of this research effort is to develop and test the Spiritual Leadership Theory (SLT) causal model of organizational transformation (OT). This can also be done while acting to reduce the variance in organizational commitment and productivity.

Reported are the initial results of establishing a baseline for proposed research that will focus on director, police department, fire department, water department, solid waste, city hall, community service, and public works of a central Texas city.

A random sample of 166 employees (over 50 percent) responded to the initial baseline anonymous survey that was administered during scheduled group meetings and regular working hours. Even though there were just a few non-respondents who had schedule conflicts or were not present, there is no reason to suspect that the non-respondent sample differs significantly from participating respondents. The initial survey measured vision/mission, altruistic love, hope/faith, meaning/calling, and membership as vital components of Spiritual Leadership and how they positively influence organizational productivity and commitment. A detailed description of the demographic sample group is provided in Table 2.

 Table 2 about here

3.2 Measures.

The three dimensions of spiritual leadership, two dimensions of spiritual survival, and organizational commitment and productivity were measured using survey questions developed especially for SLT research (see Table 3). The items were discussed

Table 3 about here

with practitioners concerning their face validity, and have been pretested and validated in other studies and samples (Malone & Fry, 2003; Fry, Vittucci, & Cedillo, 2005). The items measuring affective organizational commitment and productivity were also developed and validated in earlier research (Nyhan, 2000). In addition, the survey contained space for open-end comments to the question “Please identify one or more issues you feel need more attention.” These were content analyzed to validate the survey findings and to identify issues for future intervention. The questionnaire utilized a 1-5 (from strongly disagree to strongly agree) response set. Scale scores were calculated by computing the average of the scale items. The seven scales exhibited adequate coefficient alpha reliabilities between .82 and .95. Table 4 displays the means, standard deviations, correlations of the variables, and coefficient alphas for the scales and the means and standard deviations for the questions in each scale.

Table 4 about here

4.0 Results

4.1 Test of spiritual leadership causal model.

The AMOS 4.0 SEM SPSS program was used with maximum likelihood estimation to test the Spiritual leadership theory causal model (Arbuckle & Wothke, 1999). One of the most rigorous methodological approaches in testing the validity of factor structures is the use of confirmatory (i.e. theory driven) factor analysis (CFA) within the framework of structural equation modeling (Byrne, 2001). Structural Equation Modeling (SEM) is particularly valuable in inferential data analysis and hypothesis testing. It differs from common and components (exploratory) factor analysis in that SEM takes a confirmatory approach to multivariate data analysis; that is the pattern of interrelationships among the spiritual leadership constructs is specified *a priori* and grounded in theory.

SEM is more versatile than most other multivariate techniques because it allows for simultaneous, multiple dependent relationships between dependent and independent variables. That is, initially dependent variables can be used as independent variables in subsequent analyses. For example, in the SLT model calling is a dependent variable for vision but is an independent variable in its defined relationship with organizational commitment and productivity. SEM uses two types of variables: latent and manifest. Latent variables are vision, Altruistic love, hope/faith, calling, membership, organizational commitment and productivity. The manifest variables are measured by the survey questions associated with each latent variable (see Table 3). The structural model depicts the linkages between the manifest and latent constructs. In AMOS 4.0 these relationships are depicted graphically as path diagrams and then converted into structural equations.

Figure 2 shows the hypothesized causal model for this study. This model is

 Figure 2 about here

a nonrecursive model in that intrinsic motivation theory has feedback loops (between vision and altruistic love and from vision to altruistic love to hope/faith and back to vision). For this model to be identified (Bolin, 1989) we must specify one of the loop parameters and a path common to both loops. A multiple regression analysis was performed on altruistic love with hope/faith and vision as predictors. The beta weight for the vision to altruistic love path was .72. This value was then used to gain model identification.

In addition, for our model to be identified the regression weight for one path leading away from each unobserved variable was fixed at unity as were all paths connecting the (unique) error components. Arbuckle and Wothke (1999, p.118) note that “every unobserved variable presents this identifiability problem, which must be resolved by imposing some constraint that will determine its unit of measurement.” Arbuckle and Wothke (1999) also state that the value of the regression weight when using this procedure is arbitrary and that changing the scale unit of the unobserved variable (say to $\frac{1}{2}$ or 2) does not change the overall model fit.

Figure 3 shows a simplified structural model (parameters have been omitted for clarity) with path coefficients and squared multiple correlations giving the proportion of each variables

variance that is accounted for by its predictors. Our results provide support for spiritual leadership theory's causal model and its measures. The goodness of fit test and indices were all highly significant giving empirical support that, overall, the model fitted the data well.

The overall chi-square for the hypothesized model using the maximum likelihood

 Figure 3 about here

estimation method is 287.105 with 12 degrees of freedom and a p value less than .001. The goodness of fit was measured using three commonly used fit indices: The Bentler-Bonnet (1980) normed fit index (NFI), the Bollen (1989b) incremental fit index (IFI), and the comparative fit index (CFI; Bentler, 1990) to compare the chi-square values of the null and hypothesized models using the degrees of freedom from both to take into account the impact of sample size. A value greater than .90 is considered acceptable (Bentler & Hu, 1995). For this model, the NFI is .924; the IFI is .927; and the CFI is .926 thereby providing support that the SLT causal model fit the data well.

As shown in Figure 3, all standardized path coefficients in the hypothesized causal model are, as hypothesized by SLT, positive and significant. The model's variable squared multiple correlations, which give the proportion of its variance that is accounted for by its predictors, range from .29 to .64. Interestingly, for this sample, nearly all of the variance for organization commitment is accounted for by membership. Membership also accounted for almost twice as much variance for unit productivity as did meaning calling.

4.2 Common method variance issues

Common method variance (CMV) may be an issue for studies where data for the independent and dependent variable are obtained from a single source. In order to determine if the statistical and practical significance of any predictor variables have been influenced by CMV, Lindell and Whitney (2001) advocate the introduction of a marker variable analysis that allows for adjustment of observed variable correlations for CMV contamination by a single unmeasured factor that has an equal effect on all variables. However, marker variable analysis is most appropriate for research on simple independent- dependent variable relationships. It also is

subject to a number of conceptual and empirical problems (Podssakoff, P., MacKenzie, Podsakoff, N., & Lee, 2003a).

SEM is more flexible than marker variable analysis because it is capable of testing unrestricted method variance (UMV) causal models since SEM allows the error terms to be intercorrelated without being fixed or constrained as in CMV. The AMOS 4.0 program has a modification indices (MI) option that allows one to examine all potential error term correlations and determine the changes in parameter and chi-square values. MI analysis for our data revealed the parameter changes due to latent variable error correlation to be less than .10. In addition a survey administration process was used that protected respondent anonymity (thereby reducing evaluation apprehension) and the order of the items were counterbalanced to control for priming effects, item-context-induced mood states, and other biases related to the question context or item embeddedness (Podssakoff, et al., 2003a). Finally, Crampton and Wagner (1994) demonstrate that CMV effects seem to have been overstated, especially for studies such as this one that use self assessment of group performance with role, leader, and organizational characteristics and qualities. We therefore believe the effects of common method variance to be minimal for these measures.

4.3 Survey results.

Table 6 gives the summary of the survey results in the presentation format used to

 Table 6 about here

provide feedback to the city government. The scale averages and standard deviations of the survey for the SLT variables are displayed below the titles. The bar graphs depict the dispersion for the seven spiritual leadership variables (SLT) for the study. Average scale responses in the bar graphs use the numbers between 1.00 and 2.99 to represent Disagree. Neither is the percentage of respondents with an average scale value between 3-3.99 and the Agree percentage scale values are between 4.00 and 5.00. Ideally, this city organization would want all their employees to have a high percentage of agreement and have average scale scores above 4, reporting high levels for all SLT variables. Moderate or low levels on the theory variables however, indicate that there are areas that have possible intervention.

Results for this study revealed high levels (over 80% Agree) of meaning/calling, moderate levels of hope/faith, and moderately low levels (20 % to 40%) levels of organizational commitment and organizational productivity, vision, altruistic love, and membership.

Referencing Table 6, The city studied as a whole reported average values above four for hope/faith and meaning/calling with a small percentage for both in the disagree category. The other model variables (vision, altruistic love, membership, organizational commitment and productivity had averages between three and four. Between each of the departments the means ranged in average from 3.1 to 3.6. Most problematic are the moderate to low-level dispersion results for organizational commitment and organizational productivity, vision, altruistic love, and membership. These findings are reinforced in the issues that surfaced from the open-ended comments summarized below.

4.4 Survey comments

Even though there were some differences among different departments/divisions in our study, there were some significant similarities that coincided with the seven variables on Spiritual Leadership. Comments from the director level, police/animal control, administrative and public works departments revealed that there was a need for improved city benefits/pay, along with leadership and employee training. There may be low levels of membership and altruistic love since some employees feeling that recognition, and being able to express their concerns must be improved.

Likewise, the police/animal control, fire, and public works departments felt that there was a lack of support and recognition. Police felt that seniority was not respected, and expectations were too high. Membership could be low due to the police department feeling that there needed to be more family gatherings outside of work. Several members of the police department revealed that a better vision and mission statement needed to be created. The fire department and administrative division commented on the need for increased moral and communication, yet a need for less hypocrisy. These could be reasons for why organizational commitment and productivity were low.

The water, sewer construction, compost, wastewater, administrative, and public works departments commented that communication, equal opportunities, and attitudes needed to be worked on along with a shared vision. These divisions felt that their leaders and employees were

not strong enough and needed to improve their work relationships and vision. The community service division also saw the need for a more productive staff and more support and appreciation from city administration. Membership could be low due to the lack of teamwork noted in the commented along with some supervisors not pulling their own weight.

5.0 Discussion

Governments at all levels are being asked to reexamine their operations (Daly, 2002). Organizational change in public sector organizations is often difficult to accomplish since it is not uncommon for employees to resist change, even when the change is desired to help the organization accomplish its mission. Most approaches to organizational change are similar in one respect - they attempt to reassure employees to think differently about processes that are habitual and comfortable. Frequently, organizational change approaches are premised on the belief that something is wrong and needs to be fixed. However, city government and its employees must realize that something doesn't necessarily need to be wrong. Transformation may be done in order to avoid future conflicts that may take place without intervention. By creating and sharing values, city government and its employees can establish some sense of direction in what they are to provide one another and their external stakeholders (Johnson and Leavitt, 2001). Most people and organizations are constrained by the perception that their resources and their horizons are limited. However, Spiritual leadership Theory (SLT) looks at things from the perspective that things need not be broken in order to warrant improvement.

This research examining a city government in central Texas provides additional support for the causal model hypothesizing positive relationships between the qualities of spiritual leadership, spiritual survival, and organizational productivity and commitment. Moreover, the model and measures establish a baseline that can provide input for an action agenda for future research and public administration training and development to increase employees' intrinsic motivation, organizational commitment and productivity, and employee well-being.

5.1 Spiritual Leadership as appreciative inquiry

The vision/stakeholder effectiveness process that is central to spiritual leadership is based on appreciative inquiry which focuses on identifying and addressing key stakeholder issues,

discovering what works well, why it works well, and how success can be extended throughout the organization (Malone & Fry, 2003). Hence, it is both the vision and the process for developing this vision that creates the energy to drive change throughout the organization (Bushe, 1999; Johnson and Leavitt, 2001). Appreciative inquiry is premised on three basic assumptions. The first critical assumption is that organizations are responsive to positive thought and positive knowledge. Second, both the image of the future and the process for creating that image produce the energy to drive change throughout the organization. By engaging employees in a dialogue about what works well based on their own experiences, employees recognize that there is much that works reasonably well already and therefore, change is possible. Lastly, appreciative inquiry is based on a belief in the power of affirmations; if people can envision what they want, there is a better chance of it happening. This approach is suited to organizations that seek to be collaborative, inclusive, and genuinely caring for both the people within the organization and those they serve. By using an appreciative inquiry approach, organizations can discover, understand, and learn from success, while creating new images for the future (Johnson & Leavitt, 2001).

This approach is most tenable when the organization has strategic leaders that are predisposed to embrace this approach. Traditional approaches to management are based in the command and control bureaucratic organizational paradigm which, by definition, focus on the negative and see the world as a glass half empty. Appreciative inquiry is an alternative process to bring about organizational change by looking at the glass as half full. Appreciative inquiry begins with the assumption that people have a choice and can consciously choose what they see and act upon. It is a generative process that gives us a way to bring possibilities to life and develop our capacities and allows individuals to have access to the kind of energy that can be transformative. Appreciative inquiry and change are not sequential, but simultaneous processes since change begins to happen with the very first question we ask (Appreciative Inquiry and the Quest, 2004). A process that has been adapted into appreciative inquiry is the realm of philanthropy, also known as “love of humanity.” This type of altruistic love allows for reflection of personal development in the workplace and enables individuals to create an ideal process for personal development, organization development, and social change. By placing more value on one’s capabilities and potential in an unselfish manner, individuals may become more effective

and incorporate growth that is positive for themselves and those stakeholders around them (Appreciative Inquiry and the Quest, 2004).

An Organizational Development (OD) strategy is defined as the plan for relating and integrating the different organizational improvement activities engaged in over a period of time to accomplish objectives (Harvey and Brown, 2001). Of particular interest in the baseline findings are the “Agree” and “Neither” categories. If OD interventions are to be successful, units with the highest agree percentages should become the initial targets for the visioning intervention discussed later. The “Neither” responses can be viewed as being on the fence as they have the potential of being more easily moved to the “Agree” category (than the respondents in the “Disagree” categories). When based on appreciative inquiry, target OD strategies for improvement should be identified for these groups, rather than the more problematic high percentage “Disagree” units. These units are more likely to have performance challenges and/or be so disaffected that change is difficult.

5.2 Workplace Spirituality, Spiritual Leadership and Performance Excellence

In an organization where employees’ spiritual needs are met and aligned with organizational objectives; higher motivation, commitment and productivity have a direct impact on organizational processes and outcomes which in turn impacts customer satisfaction and ultimately, organizational performance (see Figure 5). Developments in strategic scorecards, performance measurement and quality, (e.g., Baldrige Award Criteria and strategy maps) point out the pivotal role that employee well-being and performance plays in predicting all other key strategic performance indicators. The Strategic Model of Performance Excellence through Spiritual Leadership depicted in Figure 1 provides a process for ultimately impacting customer satisfaction and financial performance by fostering the development of the motivation and leadership required to drive both human well-being and excellent operational performance.

 Figure 5 about here

The field of performance excellence has established the need to go beyond reporting financial metrics to include non-financial predictors of financial performance such as customer satisfaction, organizational outputs such as quality and delivery, process or internal operating measures, and employee commitment and growth (see Figure 5). Moreover, key performance indicators are reported in those areas that have been derived from the firm's strategic plan and for which quantifiable performance objectives have been established. Of these performance categories, employee commitment is the central and leading indicator of the other performance categories; in other words, a high degree of workplace spirituality and spiritual leadership, as a driver of organizational commitment and productivity, is essential to optimizing organizational performance.

In Figure 5, the strategic management process is shown beginning with the development of a vision and mission, followed by an internal and external analysis, which results in strategic action plans and objectives. These objectives provide the basis for strategy implementation and for determining key performance indicators and outcomes. Further, performance indicators may either be leading or lagging measures. For example, a firm's outputs which include quality (service or product) and on-time delivery are leading indicators of customer satisfaction, which in turn, impact financial performance. Internal processes in an organization, such as best practices, determine whether the outputs are excellent. Internal processes are affected by inputs (e.g., late delivery from a supplier can result in a late delivery to the customer) as well as employee well-being and commitment.

5.3 Six step action plan of transforming city government through spiritual leadership

The following is a plan on how to implement organizational transformation through Spiritual Leadership. The most important of these steps are derived from an approach known as Encouraging the Heart. These steps are important because each step incorporates components of, and can be expanded by the Spiritual Leadership Theory for any organization, in this case city government. The six steps of the SLT action plan are: Get a snap shot, the visioning process, empowerment, enhancing calling, enhancing membership, and removing anger, resentment, and fear.

5.3.1 Get a snap shot of the organization: The first step is to get a snap shot of what is going on through surveys and interviews. A research team composed of both internal and external stakeholders should come together and prepare how they will approach the organization. It is necessary that top management provides access into the organization and fully supports the efforts being made. All members of city government should be provided with a survey that will measure the seven variables (Vision, Altruistic Love, Hope/Faith, Meaning and Calling, Membership, Organizational Commitment, and Organization Productivity) of Spiritual Leadership Transformation. After this, interviews with different members of all levels should be conducted to gain a more detailed insight into what is going on in the organization. Interview questions should likewise include questions that measure the seven variables to validate findings.

5.3.2 Visioning process: The second step of transformation through spiritual leadership involves having a vision, purpose, and mission process. The vision (journey), purpose (why a journey is being taken), and mission (who is on the journey and why) work together to define the organizations core values and purpose for existence. These elements must exist for the organization to pave a path toward employee motivation. Spiritual leadership values must be instilled in the organizational leaders and followers through out the visioning process. These core values provide the formulation for and serve to define the organizations culture. An ethical system underlying this culture should be used to communicate, model and reward appropriate organizational behavior.

Vision allows for a basis of social construction of the organization's culture to form into a Learning Organization, which rests on an ethical system and values. The purpose of an organizational vision is to define a journey which, when undertaken, will give one a sense of calling. In this case, a vision may be created for a city as a whole, or for different divisions of a city. These divisions may be the fire department, water and solid waste division, police department etc. What the organization is currently doing could be placed in an actual mission statement. The bedrock values of the organization come from the mission and vision. This includes what values are held by the organization (city). Spiritual leadership believes that these values will lead to, and form the basis for altruistic or unconditional love, and hope/faith (Organizational Transformation).

A vision statement should be created by all members or representatives of the organization and should include their input on what values and principles are shared. All

members of an organization should know what their vision is, believe and be fully committed to their vision, act out their vision, and teach others their vision and how it may be implemented.

The purpose should explain what and why this organization exists and should follow right after the vision statement. How internal and external stakeholders will be affected by change should be considered in organization transformation. This can only be done with all stakeholders being involved to some extent in the change process. Issues on potential problems should be identified and further discussed by a team of internal and external stakeholders. This team should then integrate their findings and see what can be done to reduce uncertainty and risk.

The mission is the organization's reason for existence and provides a basis for creating the vision. It defines what the organization stands for in a larger sense and defines the company's core values and reason for being. These core values provide the formulation for and serve to define the organization's culture.

5.3.3 Skills for empowered teams: The third step involves having the proper skills for empowered teams. This is where shared values, beliefs, and principles come into play. As with any team, there will be different ideas, goals, tension, and resentment at first yet, what is key is how one manages these issues. All members of an organization or city government believe that they are successful. Mood swings among employees can be expected especially since employees may be feeling frightened and uncomfortable due to unknown grounds. Members should think before they act allowing their actions to be carefully thought through.

In order to manage change, organization must be reengineered into a horizontal, Learning Organizations. As previously discussed, in learning organizations employees are empowered to achieve a clearly articulated organizational vision. Through spiritual leadership decision making should focus on internal efficiency of employee motivation.

5.3.4 Enhance calling: The fourth step is to enhance calling. This can be done through four steps found in an approach known as Fish. The first is to create play by promoting creativity and activities allowing employees to enjoy their jobs, instead of dreading the hours that must be spent there. Next employees and their customers should feel like they have just had their day made. Giving employees recognition can do this, along with giving them a sense of worth through service and a positive attitude. Choosing your attitude is the next step needed in order to enhance calling. Selecting to come to work with a positive attitude will help motivate others to

carry on with the same attitude. The last step for enhancing calling is to “be there.” This means that leaders and employees should care for and support customers and one another, while creating a condition for effective communication. Top leaders must actively participate and by showing that they are concerned and interested in what others have to say or feel.

5.3.5 Enhance membership: Membership in an organization is enhanced when, clear, meaningful standards are set for all stakeholders. Membership provides one with the sense that they are understood and appreciated, and allows city employees to feel that they are highly regarded, respected, and valued by others (Kouzes and Posner, 1999). Empathy to one another should be shown while keeping the focus on what needs to be done. Next, a city government or organization should pay attention to their surroundings, offer support, and share information.

Stories should be told to motivate and teach employees new things verbally. There should be personalized recognition that should be kept simple yet, meaningful to each individual. The key is to personalize recognition according to what each individual enjoys. Enhancing membership means making sure everyone celebrates together. This may be done in a formal or informal manner. Finally, leaders should set the example for all employees by “walking the walk” and “talking the talk” in order to gain respect from their employees and show them that their words are consistent with their actions (Kouzes and Posner, 1999).

5.3.6 Work to remove anger, resentment and fear from the organization: The sixth step involves working to remove anger, resentment, and fear from the organization. There should be a clear plan of what the organization or city government is trying to accomplish. This requires leaders to look at self-improvement as a means of transform themselves into stronger leaders. Companies should be healed from crisis and problems, instead of merely trying gain temporary relief. The difference between healing and relieving is that healing reclaims something that is missing while, relief allows for temporary peace and protection (Larsen & Hegarty, 1992). Instead of focusing on what is going wrong, organizations should identify what has, and is going right.

Resistance mainly comes from the fear of the unknown. A lack of information or understanding can often lead to rumors, speculation, and insecurity. These negatives can lead to anger and resentment making the workplace an uncomfortable and unpleasant place to be. Employees may also feel that their security is being threatened causing concerns of job lost, no promotions, or increase in job demand. In some instances, change can bring disadvantages to

groups if not implemented for the right reasons in the right way. People tend to resist change if they feel their security has been invaded (Brown & Harvey, 2001).

Resistance to change is a sign that something is not functioning right in an attempt for change. Yet there are two things that can help to reduce resistance. The first thing is to predict resistance and the second thing is to know and understand that resistance cannot be repressed in the long run. By creating a vision and change program that involves members of all levels, an organization can reduce levels of anger and fear. Likewise, having the organization's leaders facilitate reinforcement, support, and negotiation with resisters can do this (Brown & Harvey, 2001).

5.4 Implications for city government

After taking the "Spiritual Snapshot" or baseline measure of city government, our research group developed an OD strategy for the all departments of the city. This involved the first step in the transformation process through spiritual leadership.

The general organizational transformation through Spiritual Leadership process will provide a starting point, beginning with a vision/stakeholder effectiveness analysis.

 Figure 4 about here

The central Texas city strategic team has completed an initial draft of their analysis that will become the input in a linking pin process. This begins with the city's strategic team doing the same for all division and levels by creating a vision stakeholder analysis for each areas. Given the extent of how this process is based in the spiritual leadership values, a "mental model" leading to agreement on the organization's vision and values may be made creating a sense of empowerment. This also creates an organizational culture that is full of care and concern for what its people think (altruistic love), showing that their input is valued and appreciated.

The basic process for our city transformation through spiritual leadership activities included a visioning process that was designed to foster a strong vision with a "mental model." This visioning process was modeled after the second step in the transformation process through spiritual leadership. This model is focused on selfless

service or calling and two professional development activities targeted to change this particular city's culture into a more centered organization.

After the second step is complete it is essential for the city government to follow through on the remaining four steps. Developing skills for empowered teams, enhancing calling, enhancing membership, and the final step to work at removing anger, resentment and fear from the organization. In order for all steps to be accomplished the organization must have the full support of top management. The leaders of the organization will need to consistently reinforce, support, and negotiate with any employees resisting change.

5.5 Implications for future research

Fry (2003) argued that spiritual leadership theory is not only inclusive of major extant theories of leadership (e.g., transformational, charismatic, servant, authentic, path-goal), but that it is also more conceptually distinct, parsimonious, and less confounded.

This special issue, as well as a growing body of research, is testimony to the increasing evidence that leader emphasis on spiritual needs in the workplace produces beneficial personal and organizational outcomes (Eisler & Montouri, 2003; Giacalone & Jurkiewicz, 2003a; Malone & Fry, 2003; Mitroff and Denton, 1999; Zinnbauer, Pargament, & Scott, 1999). Spiritual leadership theory was built upon Giacalone and Jurkiewicz's (2003, p. 13) definition of workplace spirituality:

A framework of organizational values evidenced in the culture that promotes employees' experience of transcendence through the work process, facilitating their sense of being connected in a way that provides feelings of compassion and joy.

This sense of transcendence – of having a sense of calling through one's work – and the need for membership or social connection are central to the causal model of spiritual leadership and provide the necessary foundation for any theory of workplace spirituality and spiritual leadership.

Furthermore, Giacalone and Jurkiewicz (2003) posit that the greater the value congruence across levels, the more individuals will experience transcendence through their work. Thus, if we are to gain a systemic understanding of how workplace spirituality – through transcendence and value congruence among organizational, team, and individual values – impacts organizational

effectiveness, a focus on the interconnectedness and interplay across these levels is required. Spiritual leadership theory explicitly incorporates this focus (Fry 2003; Fry, 2005).

The results of this study also provide strong initial support for spiritual leadership theory and evidence that those followers who have hope/faith in a transcendent vision within a context of the values of altruistic love have a higher sense of calling and membership, are more committed to their organization, and describe their work units as more productive. Of particular interest is the finding that the meaning/calling and organization commitment relationship was negligible and that membership accounted for almost twice as much variance for unit productivity as did meaning/calling. These findings for meaning/calling and membership are similar to those of Fry & Malone (2003) who, in a field experiment of elementary schools, found similar support for the causal model and roughly similar differences in the variance accounted for by these two spiritual survival variables on commitment and unit productivity. However, the percentages of agreement on the study variables (See Table 6) in that study were much higher and the meaning/calling relationship was significant, although small at .24.

This differential impact of calling and membership on organizational commitment and productivity is noteworthy and warrants further investigation. Much emphasis has been put on the importance of vision in current leadership research. However, it is argued that employee commitment is a central variable for quality and continuous improvement, customer satisfaction, and ultimately, financial performance (Matherly, Fry, & Ouimet, 2005; Kaplan and Norton, 1992, 1996, 2004). If membership is indeed a primary driver of organizational commitment, then a culture of altruistic love (where there is care, concern and appreciation for both organizational and employee needs) will satisfy followers' needs for membership. Current theories of leadership have not addressed these membership linkages, yet they are central to spiritual leadership theory.

6.0 Summary and conclusion

Spiritual leadership theory (SLT) offers promise as a springboard for a new paradigm for leadership theory, research, and practice given that it (1) incorporates and extends transformational and charismatic theories as well as ethics- and values-based theories that have

little empirical research to date, e.g., authentic and servant leadership and (2) avoids the pitfalls of measurement model misspecification.

The results of this study, plus those of Malone and Fry (2003), provide strong initial support for the reliability and validity of the SLT measures and the causal model of spiritual leadership. In one sense we have come full circle and returned to the beginnings of initial theorizing on leadership as motivation (Fry, 2003). Almost thirty years ago House and Mitchell (1974) initiated this area of leadership research with path-goal theory. Shortly thereafter House (1996) moved on to become the founder of charismatic leadership theory that was followed by Burns' (1978) work that set the stage for Bass's (1999) and Conger and Kanungo's (1988) theoretical and empirical work on transactional, transformational, and charismatic leadership. Yet, they did not build on path-goal theory's use of motivation theory (House, 1996). Nor did they incorporate specific follower and organizational outcomes as fundamental to their theories. The lack of clearly defined follower and task characteristics, such as those identified in path-goal theory, has also led to a haphazard search for relevant intervening, moderator, and organizational effectiveness variables within a correlation rather than causal framework and serious measurement model misspecification.

Regarding workplace spirituality, Giacalone and Jurkiewicz, (2003) identify four major weaknesses that must be addressed if this newly emerging paradigm is to achieve acceptance within the scientific community: (1) the lack of an accepted, conceptual definition; (2) inadequate measurement tools; (3) limited theoretical development; and (4) legal concerns. To address these weaknesses and to advance as a workplace spirituality paradigm rooted in science, three critical issues will need to be addressed: levels of conceptual analysis; conceptual distinctions and measurement foci; and clarification of the relationship between criterion variables (Giacalone, Jurkiewicz, & Fry, 2005).

One area that is still problematic in most organizations is the role of religion in the workplace and its relationship to spirituality (Fry, 2003). Viewing workplace spirituality through the lens of religious traditions and practice can be divisive in that, to the extent that religion views itself as the only path to God and salvation, it excludes those who do not share in the denominational tradition and often conflicts with the social, legal, and ethical foundations of business and public administration. Thus, religion can lead to arrogance that a company, faith, or society is "better", morally superior, or worthier than another (Nash, 1994). Translating religion

of this nature into workplace spirituality can foster zealotry at the expense of organizational goals, offend constituents and customers, and decrease morale and employee well-being (Giacalone & Jurkiewicz, 2003a).

Research on several fronts must be conducted for spiritual leadership theory to establish that it is indeed inclusive of other widely accepted leadership theories, and that it extends this basic work through a valid causal model that incorporates relevant spiritual, cultural, follower, and organizational effectiveness variables. First, the conceptual distinction between spiritual leadership theory variables and other leadership theories, constructs, and their relationship to extrinsic and intrinsic motivation must be refined. Based on these results, a natural beginning point would be to conduct research on the role of organizational culture in creating a sense of employee membership and its ultimate effect on important organizational and personal outcomes. Second, more longitudinal studies are needed to test for changes in key variables over time. Third, studies are needed that incorporate more objective performance measures from multiple sources Podsakoff (2003a).

Spiritual leadership theory is a model of organizational/ professional development that fosters systemic organizational transformation from the bureaucratic to the learning organizational paradigm that seems to be required for organizations to be successful in today's chaotic, global, Internet age environment. Past research has clearly shown that increased organizational commitment strengthens motivation and reduces absenteeism and turnover (Meyer & Allen, 1997; Mowday, Porter, and Steers, 1982) and that continuous improvement which is at the heart of the total quality movement (TQM), is related to firm productivity, customer satisfaction, and profitability (Baldrige, 2004; Matherly, et al., 2005; Kaplan & Norton, 2004). The causal model of spiritual leadership and its relationship to spiritual survival and other individual and organizational outcomes for these and other effectiveness variables (e.g., customer satisfaction and objective measures of performance) in production/service organizations should be researched and validated before this approach is widely applied. Also, outcomes across organizational, team, and individual levels hypothesized to be affected by spiritual leadership (e.g., positive human health, ethical and spiritual well-being, and corporate social responsibility) need to be validated for spiritual leadership theory (Fry, 2005).

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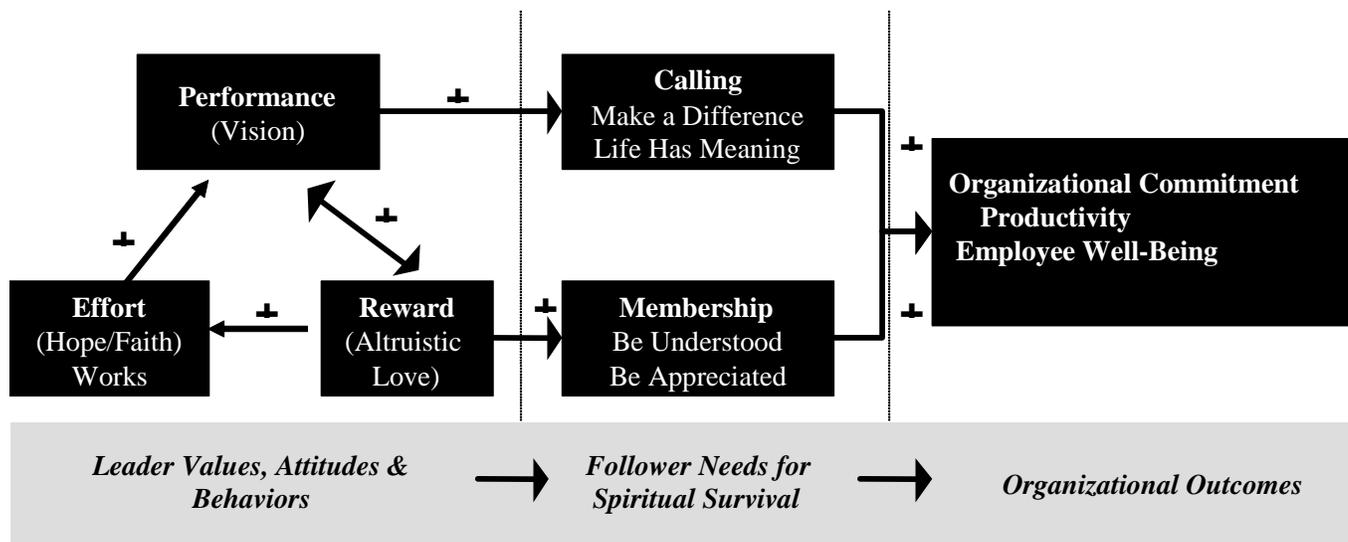


Figure 1. Hypothesized Causal model of spiritual leadership theory

Table 1.
Qualities of spiritual leadership

Vision	Altruistic Love	Hope/Faith
Broad Appeal to Key Stakeholders	Trust/Loyalty	Endurance
Defines the Destination and Journey	Forgiveness/Acceptance/ Gratitude	Perseverance
Reflects High Ideals	Integrity	Do What It Takes
Encourages Hope/Faith	Honesty	Stretch Goals
Establishes Standard of Excellence	Courage	Expectation of Reward/Victory
	Humility	Excellence
	Kindness	
	Compassion	
	Patience/Meekness/ Endurance	

Table 2
Sample demographics

Profile of City Government Sample Study

	n	Percentage
<u>Gender</u>		
Male	113	65.3
Female	53	30.6
<u>Ethnicity</u>		
Caucasian	122	70.5
African American	16	9.2
Hispanic	11	6.4
Mixed	3	1.7
Other	16	9.2
<u>Division</u>		
Director	3	1.7
Police Dept. or Animal Control	52	30.1
Fire Dept.	32	18.5
Water, Sewer Construction, Compost, and Waste Water	22	12.7
Solid Waste (Collection and Disposal)	8	4.6
Administrative (City Hall, Utilities, Municipal Court)	18	10.4
Community Services (Library, Parks and Rec., Golf course)	18	10.4
Public Works (Street, Drainage, Maintenance, Facility Maint.)	15	8.7
<u>Income</u>		
Under \$20K	37	21.4
21K to 30K	91	52.6
31K to 40K	24	13.9
41K to 50K	6	3.5
Over 50K	8	4.6
<u>Age</u>		
20 or under	6	3.5
21 to 30	42	24.3
31 to 40	51	29.5
41 to 50	52	30.1
51 to 65	17	9.8
<u>Education</u>		
Less than HS	1	.6
HS Diploma or GED	53	30.6
Some College	84	48.6
College Grad.	26	15.0
Graduate Degree	3	1.7

Table 3

SLT survey questions

Vision – describes the organization’s journey and why we are taking it; defines who we are and what we do.

1. I understand and am committed to my organization’s vision.
2. My work-group has a vision statement that brings out the best in me.
3. My organization’s vision inspires my best performance.
4. I have faith in my organization’s vision for its employees.
5. My organization’s vision is clear and compelling to me.

Hope/Faith - the assurance of things hoped for, the conviction that the organization’s vision/ purpose/ mission will be fulfilled.

1. I have faith in my organization and I am willing to “do whatever it takes” to insure that it accomplishes its mission.
2. I persevere and exert extra effort to help my organization succeed because I have faith in what it stands for.
3. I always do my best in my work because I have faith in my organization and its leaders.
4. I set challenging goals for my work because I have faith in my organization and want us to succeed.
5. I demonstrate my faith in my organization and its mission by doing everything I can to help us succeed.

Altruistic Love - a sense of wholeness, harmony, and well-being produced through care, concern, and appreciation for both self and others.

1. My organization really cares about its people.
2. My organization is kind and considerate toward its workers, and when they are suffering, wants to do something about it.
3. The leaders in my organization “walk the walk” as well as “talk the talk”.
4. My organization is trustworthy and loyal to its employees.
5. The leaders in my organization are honest and without false pride.
6. The leaders in my organization have the courage to stand up for their people.

Meaning/Calling - a sense that one’s life has meaning and makes a difference.

1. The work I do is very important to me.
2. My job activities are personally meaningful to me.
3. The work I do is meaningful to me.
4. The work I do makes a difference in people’s lives.

Membership - a sense that one is understood and appreciated.

1. I feel my organization understands my concerns.
2. I feel my organization appreciates me, and my work.
3. I feel highly regarded by my leadership.
4. I feel I am valued as a person in my job.
5. I feel my organization demonstrates respect for me, and my work.

Organizational Commitment - the degree of loyalty or attachment to the organization.

1. I do not feel like “part of the family” in this organization.
2. I would be very happy to spend the rest of my career with this organization.
3. I talk up this organization to my friends as a great place to work for.
4. I really feel as if my organization’s problems are my own.
5. I feel very loyal to this organization.
6. I feel a strong sense of belonging to my organization.

Productivity - efficiency in producing results, benefits, or profits.

1. Everyone is busy in my department/grade; there is little idle time.
2. In my department, work quality is a high priority for all workers.
3. In my department, everyone gives his/her best efforts.
4. My work group is very productive.
5. My work group is very efficient in getting maximum, output from the resources (money, people, equipment, etc.) we have available.

TABLE 4
Means, Standard Deviations, and Correlations Among City Government
Study Variables^a

Variable	Mean	s.d	1.	2.	3.	4.	5.	6.	7.
1. Vision	3.71	1.37	.91						
2. Altruistic Love	3.41	1.55	.72	.95					
3. Hope/Faith	4.09	1.11	.70	.69	.82				
4. Meaning/Calling	4.57	1.01	.54	.48	.79	.83			
5. Membership	3.55	1.52	.62	.64	.69	.48	.94		
6. Organizational Commitment	3.64	1.17	.76	.74	.84	.66	.75	.83	
7. Productivity	3.65	1.41	.68	.67	.61	.57	.65	.66	.84

^a n = 369; All correlations are significant at $p < .001$. Scale reliabilities are on the diagonal in boldface

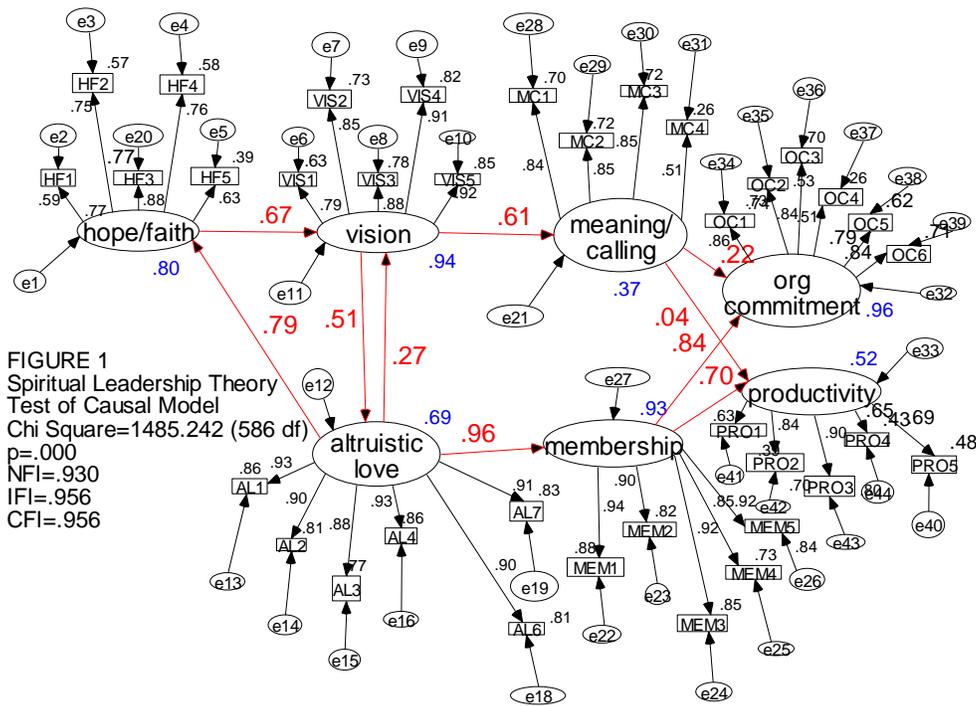


Figure 2
Structural Equation Model for City government data

Spiritual Leadership Theory
 Test of Causal Model
 Distributor Level
 Standardized estimates
 Chi-Square = 287.105 (12 df)
 p=.000
 NFI=.924
 IFI=.927
 CFI=.926

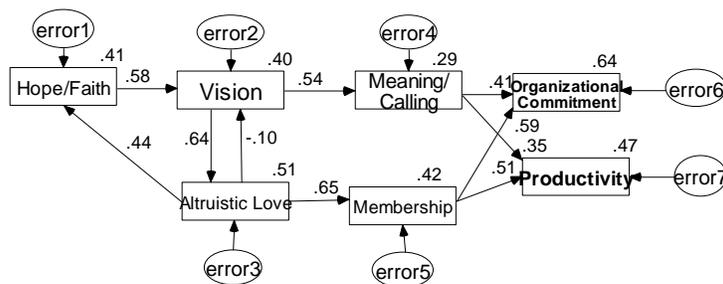
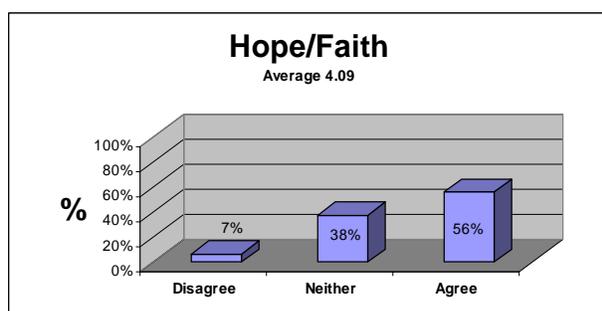
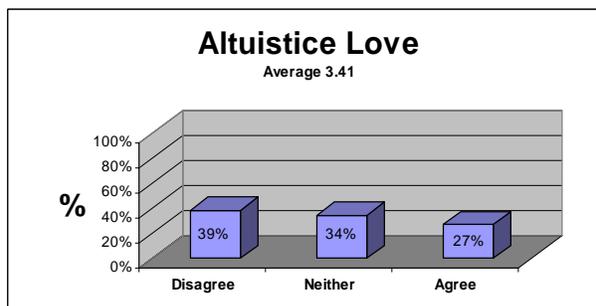
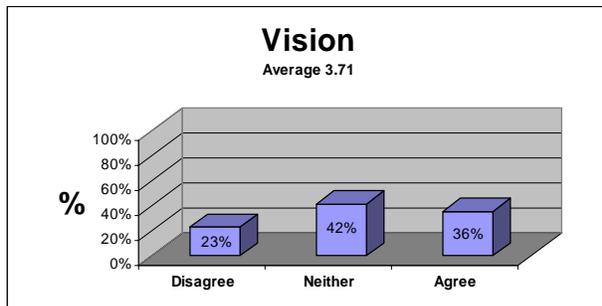


Figure 3
Results of AMOS analysis^a for City government

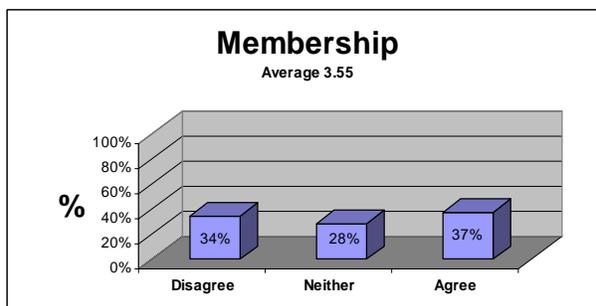
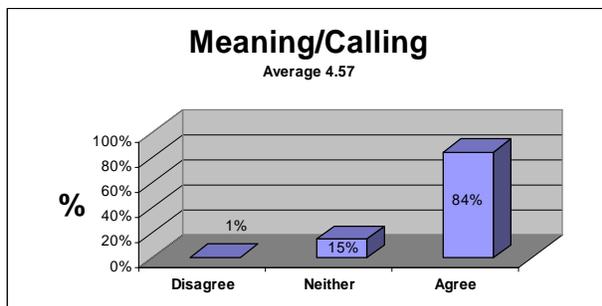
^a Parameters of each latent variable are omitted for clarity
 *** P < .001

Table 6
Summary of City government longitudinal survey results

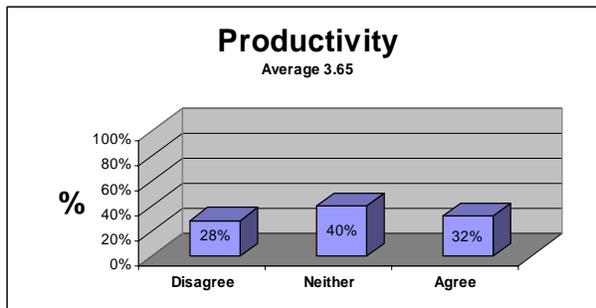
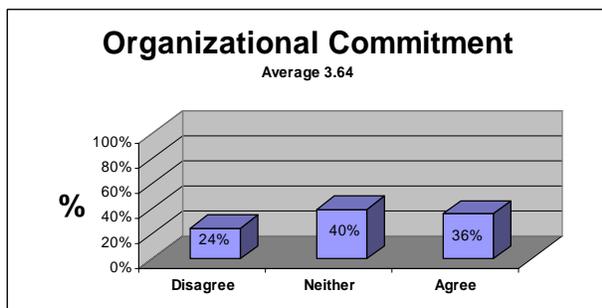
Spiritual Leadership Variables



Spiritual Survival Variables



Organizational Outcomes



* p < .01 two tail test

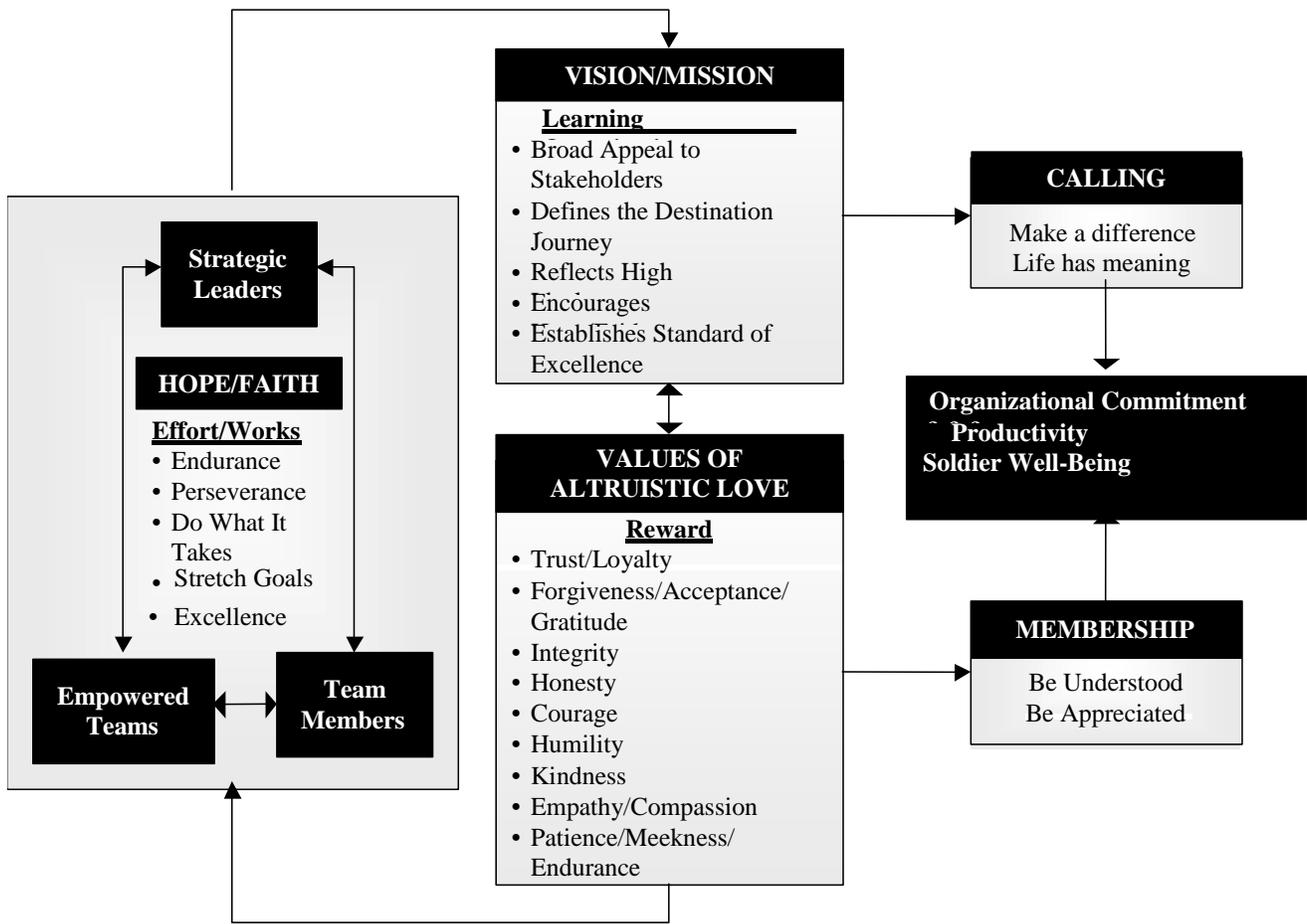


Figure 4. Spiritual leadership as intrinsic motivation through hope/faith, and altruistic love

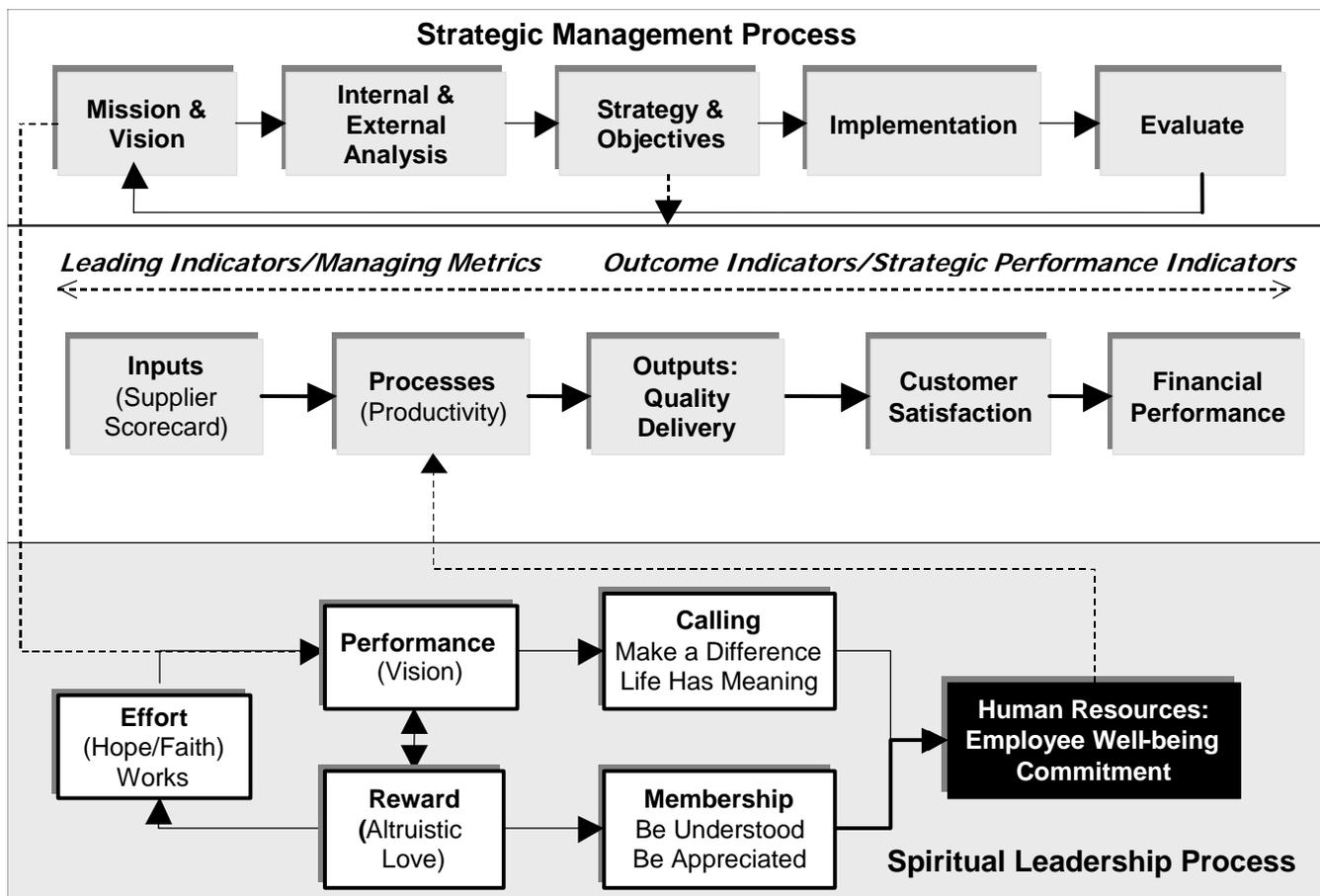


Figure 5. Strategic Scorecard Model of Performance Excellence