Workplace spirituality: A spiritual audit of banking executives in Pakistan

Mahmood A. Bodla and Huma Ali*

COMSATS Institute of Information Technology, Lahore, Pakistan.

Accepted 20 December, 2010

Workplace spirituality has been receiving increased attention from the behavioral scientists in the recent literature. Especially the relationship between spirituality and leadership effectiveness at workplace has been the major research focus. However, most of such studies have been focusing on the work environment in developed countries like USA. On the other hand, the workplace spirituality in developing countries like Pakistan has not been investigated to the extent that it can be of some practical significance. Therefore, the present study is designed to gather empirical evidence from the banking sector of Pakistan to investigate the impact of spiritual need for leadership among followers in relation with spiritual leadership behaviors on followers’ work outcomes like performance, organizational commitment and job satisfaction. This study reveals certain practical implications for this growing service sector management.

Key words: Spiritual leadership, workplace spirituality, individual outcomes, spiritual well-being, religion, leadership Pakistan, USA.

INTRODUCTION

Issues regarding workplace spirituality and its relationship with leadership are getting increased attention in organizational sciences. Fry and Slocum (2008) investigated that most of businesses are focusing on the development of models of spiritual leadership that emphasize spiritual well-being without sacrificing organizational performance. Most of the scholars confuse the concept of spirituality with religion. Though, spirituality and religion are purely private affairs but for the communities which desire to be secular, the overlying of spirituality and religion has become a grown concern. Quatro (2004) confirmed that spirituality apparently holds all those things that major religions systematically teach meaning, expression of the soul, and interconnectedness.

This empirical study investigates spirituality of leaders in banking sector. Banks of Pakistan are being focused by researchers because banking sector has gone through profound and rapid changes for last decade. Many employees were laid off, mergers and acquisitions (for example, Legal merger of Pakistan Industrial Credit and Investment Corporation (PICIC) and Commercial Bank Limited (PCBL) into National Investment Bank (NIB) took place on 31st December 2007, once all regulatory approvals were obtained) kept on taking place, many new banks including foreign and Islamic banks came into market.

The aim of this paper, therefore, is to test empirically whether leadership spirituality affects individual outcomes: organizational commitment, productivity and job satisfaction of banking sector employees and the role of follower’s need for spiritual survival/well-being as mediator.

LITERATURE REVIEW

A lot of work has already been done on workplace spirituality and literature is also available but, the empirical evidence in literature on leadership spirituality has

*Corresponding author. E-mail: humaali2005@hotmail.com or hinaali_me@yahoo.com.
been very limited. Fry and his colleagues (Fry and Coen, 2009; Fry and Kriger, 2009; Fry and Smith, 1987; Fry and Whitington, 2005; Fry, 2005b; Fry and Smith, 1987; Fry and Whitington, 2005) seem to be the major contributor to all the studies. Here in particular discusses about the work already done on topic of leadership spirituality and different dimensions used in researcher’s study.

Giacalone and Jurkiewicz (2003) found that for workplace spirituality to be exercised, calling and membership are essential components. Behavioral scholars (Duschon and Plowman, 2005; Fry, 2005a; Garcia-Zamor, 2003; Giacalone and Jurkiewicz, 2003) observed that spirituality at workplace not only results in positive individual outcomes like happiness, harmony and fear free life but also results in increased productivity, reduced absenteeism and turnover.

Fry and Slocum (2008) investigated that most of businesses are focusing on the development of models of spiritual leadership that emphasize spiritual well-being without sacrificing organizational performance. With the passage of time, researcher’s attention is increasing towards workplace spirituality and its relationship with leadership. Fry (2003) claimed that need for spiritual leadership come into view from interaction of three elements of spiritual leadership (vision, altruistic love and hope/faith) in employees of the organization.

Abdullah et al. (2009) empirically investigated that spirituality at workplace affects the leadership practices. Leadership practices affect the employee’s performance. Research was conducted on educational managers in Malaysia. Researchers found that spiritual leadership significantly impacts teacher’s satisfaction, commitment and overall departmental performance.

Aydin and Ceylan (2009) conducted a research on workers of metalworking manufacturing industry. Researcher was carried out to test the relationship between spiritual leadership, organizational culture and employee satisfaction. Researchers found that employee satisfaction has strong correlation with organizational culture and spiritual leadership. Fry et al. (2009) in a sample of 200 military leaders at United States Military academy empirically investigated a dynamic relationship between leadership spirituality, spiritual well-being and main organizational outcomes. Results showed that hypothesized factors fitted the data well. They further showed that effect of spiritual leadership is fully mediated by spiritual well-being on organizational outcomes.

Fry and Matherly (2006) empirically tested the spiritual leadership model and its effects on organizational outcomes. The consequences provided significant results for spiritual leadership model and found a positive impact on outcomes. It explained 80% variance for organizational commitment, 56% for productivity and 13% for sales growth. The primary purpose of research conducted by Fry et al. (2005) was to empirically test the causal model of spiritual leadership that shows positive relationship between spiritual leadership, spiritual well-being, organizational commitment and productivity. Results provided support for causal model of spiritual leadership theory and its measures.

**Measures and operational definition of variables**

Leadership spirituality is defined in this study as was done by Fry (2003). Firstly, researcher studied eight variables namely vision, hope/faith and altruistic love that collectively forms spiritual leader’s behavior. Then spiritual well-being that consisted of calling and membership variables and finally impact of spiritual leadership on individual outcomes like organizational commitment, productivity and job satisfaction.

**Spiritual leadership variables**

There are three characteristics of spiritual leaders, i.e. vision, hope/faith, altruistic love.

**Vision:** Vision basically refers to the future picture where organizational leaders want to reach. It explains why people should struggle to create that future. Vision basically serves three main functions, that is, provided with direction of change, simplify the large number of decisions and help the employees to quickly and efficiently coordinate the actions.

**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”.

**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. Therefore, faith/hope generates passion and enthusiasm for the fulfillment of organization’s vision with zeal and zest and full dedication. 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.

**Spiritual well-being variables**

There are two components of follower’s need for spiritual survival/well-being. One is meaning/calling while other is membership.

**Calling:** Calling refers to how one finds a meaning and purpose in life by making a difference through service to others.

**Membership:** It means that employees consider themselves a part of the organization and they feel that they are understood and appreciated at the workplace. Membership encompasses a sense of belonging and
community. All the items related to follower’s spiritual survival/well-being were measured on a Likert scale (strongly disagree “1” to strongly agree “7”).

**Individual outcomes**

Individual outcomes like job satisfaction, organizational commitment and productivity were measured through 14 items (4 for organizational commitment, 5 for productivity and 5 for job satisfaction) and these items were adapted from Fry (2003). Fry himself used validated measures. Moreover, these items were also measured on 7 point likert scale. (“1” for strongly disagree to “7” for strongly agree). Two major hypotheses of researchers’ study are:

H$_1$: Spiritual Leadership positively predicts calling and membership.

H$_{1a}$: Vision positively predicts calling.

H$_{1b}$: Altruistic love positively predicts calling.

H$_{1c}$: Vision positively predicts membership.

H$_{1d}$: Altruistic love positively predicts membership.

H$_2$: The positive relationship between spiritual leadership and individual outcomes is mediated by calling/meaning and membership.

H$_{2a}$: Calling mediates the relationship between vision and organizational commitment.

H$_{2b}$: Calling mediates the relationship between vision and productivity.

H$_{2c}$: Calling mediates the relationship between vision and job satisfaction.

H$_{2d}$: Membership mediates the relationship between vision and organizational commitment.

H$_{2e}$: Membership mediates the relationship between vision and job satisfaction.

**ANALYSIS AND DISCUSSION**

The complete data received was then entered into SPSS for analysis purpose. The alpha for spiritual leadership was found to be 0.82, for spiritual well-being, and it was found to be 0.74 and for individual outcomes it was 0.88. Table 1 shows the mean, standard deviation, correlation among the spiritual leadership behavior, spiritual well-being and individual outcomes. Coefficient alphas are also shown in Table 1.

The statistical results given in Table 1, shows that hope/fate has highest mean value 5.88, which means that employees see this variable most important for spiritual leadership while organizational commitment has lowest of 4.53. Similarly, vision has highest standard deviation (1.30) which shows that it deviated the most from average value, whereas organizational commitment

**Table 1. Statistics about spiritual leadership, spiritual well-being and individual outcomes.**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean</th>
<th>SD</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vision</td>
<td>5.74</td>
<td>1.30</td>
<td>0.87</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hope/Faith</td>
<td>5.89</td>
<td>0.99</td>
<td>0.658</td>
<td>0.88</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Altruistic love</td>
<td>5.35</td>
<td>1.11</td>
<td>0.573</td>
<td>0.593</td>
<td>0.87</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Calling</td>
<td>5.78</td>
<td>1.11</td>
<td>0.467</td>
<td>0.583</td>
<td>0.460</td>
<td>0.86</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Membership</td>
<td>5.53</td>
<td>1.25</td>
<td>0.505</td>
<td>0.539</td>
<td>0.652</td>
<td>0.591</td>
<td>0.76</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organizational commit</td>
<td>4.53</td>
<td>0.85</td>
<td>0.566</td>
<td>0.684</td>
<td>0.623</td>
<td>0.591</td>
<td>0.677</td>
<td>0.82</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Productivity</td>
<td>5.78</td>
<td>1.01</td>
<td>0.528</td>
<td>0.611</td>
<td>0.495</td>
<td>0.652</td>
<td>0.587</td>
<td>0.664</td>
<td>0.86</td>
<td></td>
</tr>
<tr>
<td>Job satisfaction</td>
<td>5.73</td>
<td>1.06</td>
<td>0.509</td>
<td>0.591</td>
<td>0.520</td>
<td>0.602</td>
<td>0.650</td>
<td>0.732</td>
<td>0.730</td>
<td>0.87</td>
</tr>
</tbody>
</table>

n, 456; All correlations are significant at p<0.01. Scale reliabilities are on the diagonal in boldface.
has lowest of 0.85, resulting in closeness to average value. The correlation coefficient for all variables is found to be significant at p value of 0.01.

**Follower’s need for spiritual survival/well-being as mediator**

The major aim of the study was to investigate the role of spiritual well-being variables as mediator between spiritual leadership and individual outcomes. First a direct and significant relationship between spiritual leadership and individual outcomes is established (Appendix 1). After introducing the mediating variable, spiritual well-being, direct relationship between spiritual leadership and individual outcome becomes non-significant.

However, X influences M and M influences Y. This can be interpreted as the spiritual leadership having an indirect effect on individual outcomes through spiritual well-being (Appendix 2). The following equation represents the relationship:

\[ Y = \alpha_0 + cX + \epsilon_0 \]  

(1)

Y represents individual outcomes, X is representing spiritual leadership, c is coefficient of effect of spiritual leadership on individual outcomes, \( \alpha_0 \) is coefficient estimate of intercept and \( \epsilon_0 \) is regression error term. If value of c is non-zero, then the effect is either direct or mediated can proceed. For this purpose, two regression equations are estimated.

In Equation 1, we test whether the relationship between spiritual leadership and individual outcomes exists or not. Value of c should also be non-zero.

\[ M = \alpha_1 + aX + \epsilon_1 \]  

(2)

M represents follower’s need for spiritual survival/well-being. In Equation 2, it is taken as dependent variable while spiritual leadership is independent variable. \( \alpha_1 \) is coefficient estimate of intercept and \( \epsilon_1 \) is regression error term.

If significant relationship between follower’s need for spiritual survival and spiritual leadership is found, then a third equation is established in which we test whether spiritual leadership still affects individual outcomes, once controlling for the affect of follower’s need for spiritual survival on individual outcomes. For this purpose, the following equation is established, and then tested.

\[ Y = \alpha_2 + cX + bM + \epsilon_3 \]  

(3)

If b is statistically significant, then given that “a” was significant in Equation 2, the interpretation is that follower’s need for spiritual well-being mediates the relationship between spiritual leadership and individual outcomes. If c is non-significant, it means follower’s need for spiritual well-being fully mediates the relationship and if c is statistically significant, then it results in partial mediation.

**Mediating effect of spiritual well-being on spiritual leadership and individual outcomes**

Here, analysis of different models developed to test our hypothesis is done. For this purpose, the following procedure is used.

Model 1: Statistical results about vision, altruistic love and individual outcomes are summarized.

Model 2: Empirical results of calling/meaning and individual outcomes are discussed.

Model 3: Mediating role of calling/meaning and membership is reported.

**Model 1: Direct effect of vision and altruistic love on individual outcomes**

In our first model, effect of vision and altruistic love which are components of spiritual leadership on individual outcomes like organizational commitment, job satisfaction and productivity is examined. The first model presents direct path from vision and altruistic love to dependent variables; organizational commitment, productivity and job satisfaction. All results were significant at 0.000 levels. Results are shown in Table 2 while path is shown in Figures 1 and 2.

**Model 2: Effect of spiritual leadership on mediators/spiritual well being**

In our second model, effect on mediators, that is, calling/meaning and membership of vision and altruistic love are investigated. In the second model, effect of vision and altruistic love on calling and membership are observed. Calling and membership will act as mediator between dependent and independent variables in next section. All values were found significant at p-value of 0.000. Values of t-value, beta and f change are given in Table 3. Diagrammatically, path has been given in Figure 3 and Figure 4.

**Model 3: Mediating effect of calling on relationship between visionary behavior of spiritual leaders and individual outcomes**

In the third model, mediating role of one of the component of follower’s need for spiritual well-being; that is, calling/meaning is tested. The formula that is used to test the strength of relationship between spiritual leadership components and individual outcomes after introducing calling/meaning as mediating variable is:
Table 2. Relationship between spiritual leadership and individual outcomes.

<table>
<thead>
<tr>
<th>H1a: vision-organizational commitment</th>
<th>ΔR²</th>
<th>ΔF</th>
<th>β</th>
<th>t-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1b: vision-productivity</td>
<td>0.320</td>
<td>213.476</td>
<td>0.566</td>
<td>14.611*</td>
</tr>
<tr>
<td>H1c: vision-job satisfaction</td>
<td>0.278</td>
<td>174.727</td>
<td>0.528</td>
<td>13.218*</td>
</tr>
<tr>
<td>H1d: Altruistic love-organizational commitment</td>
<td>0.259</td>
<td>131.675</td>
<td>0.509</td>
<td>12.807*</td>
</tr>
<tr>
<td>H1e: Altruistic love-productivity</td>
<td>0.388</td>
<td>287.584</td>
<td>0.623</td>
<td>16.958*</td>
</tr>
<tr>
<td>H1f: Altruistic love-job satisfaction</td>
<td>0.245</td>
<td>146.632</td>
<td>0.459</td>
<td>12.109*</td>
</tr>
</tbody>
</table>

*p < 0.000; ΔR², Net variance explained by that particular variable; β, standardized beta.

Table 3. Relationship between Spiritual Leadership and Spiritual-Well-Being.

<table>
<thead>
<tr>
<th>H2a: vision-calling</th>
<th>ΔR²</th>
<th>ΔF</th>
<th>β</th>
<th>t-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>H2b: Altruistic love-membership</td>
<td>0.218</td>
<td>126.520</td>
<td>0.467</td>
<td>11.248*</td>
</tr>
</tbody>
</table>

*p < 0.000; ΔR², Net variance explained by that particular variable; β, standardized beta.

The second hypothesis shows that calling is playing a role of mediator between vision and individual outcomes like organizational commitment, productivity and job satisfaction. The standardized beta value between vision and organizational commitment was 0.566 when there was direct link between dependent and independent variable and 0.370 when calling was introduced as a mediator between vision and organizational commitment. The amount of the relationship between vision and organizational commitment accounted for by the mediator was 0.196 that represents (0.566-0.370)/0.566*100, that is, 34.63% of direct effect. Similarly, the value of standardized beta between vision and productivity was found to be 0.528 when direct link between vision and productivity was empirically tested and 0.286 when calling was inserted as a mediator between vision and productivity. The amount of relationship that was strengthened by introduction of calling as a mediator was 0.242, (0.528-0.286)/0.528*100% between vision and productivity. Likewise, the difference between standardized beta value of direct link between vision and job satisfaction and when, calling was introduced as a mediator between vision and job satisfaction was found to be 0.217, (0.509-0.292). This has resulted in increased strength of relationship between vision and job satisfaction by introduction of calling as mediating variable. The amount of relationship that was strengthened between vision and job satisfaction accounted for by the mediator was 0.217 that represents 42.63% of direct effect. It has been observed after doing mediation analysis that calling mediates the relationship, but the relationship is of partial mediation because direct effect between components of spiritual leadership and individual outcomes also exists as examined in Model 1. Table 4 Mediating Effect of Calling on relationship between visionary behavior of spiritual Leaders and individual outcomes. Figure 5 shows the relationship in model 3.

Model 4: Mediating effect of membership on relationship between altruistic love and individual outcomes

In this hypothesis, mediating role of second component of follower’s need for spiritual well-being; i.e. membership is investigated. In order to test the strength of relationship between spiritual leadership components and individual outcomes after introducing membership as mediating variable, the following formula is used.

\[
(\beta_{\text{direct effect}} - \beta_{\text{indirect effect}} / \beta_{\text{direct effect}}) \times 100
\]

This hypothesis shows the membership playing a role of mediator between altruistic love element of spiritual leadership and individual outcomes like organizational commitment, productivity and job satisfaction. When there was direct link between altruistic love and organizational commitment, the standardized beta value was found to be 0.623 and 0.315 when membership was introduced as a mediator between altruistic love and organizational commitment. The amount of the relationship between altruistic love and organizational commitment accounted for by the mediator was 0.308 that represents (0.623-0.315)/0.623*100, that is, 49.43% of direct effect. Similarly, the value of standardized beta between altruistic love and productivity was found to be 0.459 when direct link between altruistic love and productivity was empirically tested and 0.194 when membership was inserted as a mediator between altruistic love and productivity. The amount of relationship that was strengthened by introduction of membership as
Table 4. Mediating Effect of Calling on relationship between visionary behavior of spiritual Leaders and individual outcomes

<table>
<thead>
<tr>
<th>Variable</th>
<th>Vision</th>
<th>Calling</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Organizational commitment</td>
<td>Productivity</td>
</tr>
<tr>
<td>∆R²</td>
<td>0.32</td>
<td>0.28</td>
</tr>
<tr>
<td>∆F</td>
<td>213.48</td>
<td>174.73</td>
</tr>
<tr>
<td>Beta</td>
<td>0.37</td>
<td>0.29</td>
</tr>
<tr>
<td>t-value</td>
<td>9.45*</td>
<td>7.52*</td>
</tr>
</tbody>
</table>

*p < 0.000; ∆R², Net variance explained by that particular variable; β, standardized beta.

Figure 1. Effect of vision on individual outcomes.

a mediator was 57.73, that is, (0.459-0.194)/0.459*100% between altruistic love and productivity. Likewise, the difference between standardized beta value of direct link between altruistic love and job satisfaction and when, membership was introduced as a mediator between altruistic love and job satisfaction was found to be 0.353, (0.520-0.167).

This has resulted in increased strength of relationship between altruistic love and job satisfaction by introduction of membership as mediating variable. The amount of relationship that was strengthened between altruistic love and job satisfaction accounted for by the mediator was 0.353 that represents 67.88% of direct effect. Results of this relationship are given in Table 5 while path is given in Figure 6.

The results shows that membership acts as a mediator between components of spiritual leadership and individual outcomes but partial mediation is found because b is statistically significant and “a” found in Equation 2 was also significant.

**Conclusion**

It can be concluded that vision and altruistic love positively affects calling and membership which are elements of follower’s need for spiritual survival/well-being. The direct relationship was found between vision and altruistic love and job satisfaction, productivity and organizational commitment. When calling and membership was introduced as mediator among them, mediation effect was observed but partial mediation was there which shows that direct relationship between independent variable and dependent variable exists.

**PRACTICAL AND THEORETICAL IMPLICATIONS**

The positive relationship found between spiritual leadership and elements of spiritual survival/well-being has practical implication for banking effectiveness. The statistical results recommend that spiritual leaders who develop a persuasive vision by taking into consideration the values of altruistic love that generate hope/fiath in employees about vision are in a better position to get desired organizational outcomes. This will help employees to find meanings in their lives and have positive impact on their attitudes. Moreover, the positive relationship found between calling/meaning and individual outcomes. 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.

AREAS FOR FURTHER INVESTIGATION

Number of areas has been remained unexplored by this
research. There is need to address these question. First, this research has only focused on individual outcomes. Organizational or interactive outcomes are yet to be explored. By exploring organizational or interactive outcomes, better information about organizational performance can be obtained. Second, the linkage of spiritual leadership model to financial performance yet to be examined because this study has only focused on
qualitative outcomes. Effect of Spiritual Leadership on quantitative outcomes is still to be investigated in Pakistani context. Thirdly, researcher’s research does not take into consideration the whole domain of spiritual leadership and spiritual well-being and thus ignores certain variables that can affect individual, behavioral or organizational outcomes. Fourthly, role of individual spirituality as moderator between workplace spirituality and outcomes can also be studied. Fifthly, it needs to be investigated in other sectors of Pakistan as well.

REFERENCES


APPENDIX

Appendix 1. First a direct and significant relationship between spiritual leadership and individual outcomes

Appendix 2. This can be interpreted as the spiritual leadership having an indirect effect on individual outcomes through spiritual well-being.