A conceptual framework developed for measuring the impact of workplace spirituality on organizational performance for family-owned businesses in the Philippines

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Abstract

Preceding strategic management and corporate governance principles have been popularly viewed as a means for increasing productivity, efficiency, effectiveness, profitability, winning competition and business survival where the common employee is perceived to be representing only a minuscule part of a big picture. But with the growing attention to the new paradigm in the field of business and management and recently organizational science, surveys around the world have established that a majority of employees want to find meaning in their work. With a whopping percentage of businesses in the Philippines classified as family-owned as well as its massive population belonging almost entirely to the Christian faith, it is important to understand how Workplace Spirituality, if properly executed, can positively help a huge percentage of businesses in the Philippines. This paper presents a continuum figure of a Values Framework for measuring the impact of Workplace Spirituality on organizational performance from a Journal of Business Ethics article and proposed an updated conceptual framework on how workplace spirituality can have a positive influence on employee job performance, and eventually organizational performance, for family-owned businesses in the Philippines.

Keywords: Spirituality, organizational leadership, religion, employee job-performance, family-owned business, culture.

I. Introduction

The recurring phenomena of workplace spirituality have created increased interests and awareness for corporate organizations worldwide. With the complex, demanding, and stressful work life in this millennium, one is forced to seek answers and ways of achieving personal soundness and inner strength.

The common question asked "Why is workplace spirituality becoming a fashionable subject in the business world? Is workplace spirituality just a fad or a new paradigm?" Despite being an abstract concept, workplace spirituality has been chronicled by Newsweek, Time, Fortune, and Business Week for its growing presence in the corporate world (Fry and Slocum, 2007).

A movement which began in the early 1920's in the United States, workplace spirituality emerged as a grassroots movement with individuals seeking to live their faith and / or spiritual values in the workplace. With more and more workers reflecting on the crisis of meaning across all borders, workplace spirituality has become much more international in recent years.

Even though some opinions have stated that workplace spirituality is considered a highly individual and theological construct, Gibbons (2000) cites that most of the academic definitions acknowledge that spirituality involves a sense of wholeness, connectedness at work, and deeper values. Moreover, workplace spirituality can be defined as "...the recognition that employees have an inner life that nourishes and is nourished by meaningful work that takes place in the context of community" (Ashmos and Duchon, 2000, p.137).
Family-owned businesses typically possess specific cultural characteristics that stimulate the development of spirituality in the workplace more than non-family-owned businesses (Neal and Vallejo, 2008). Furthermore, family-owned businesses play a huge role in the global economy. It has been established that a range between 80-90% of all firms in the world is classified as family-owned (Ward, 1987).

II. Objectives and Significance of the Study

This paper has two objectives: the first is to present a Values Framework continuum of Workplace Spirituality anchored from a Journal of Business Ethics article by Jurkiewicz and Giacalone (2004), considered by this author as an important measurable assessment of an organization’s culture (Appendix A); and the second is to incorporate this framework on how workplace spirituality can have a positive impact on employee job performance, and eventually organizational performance, in a family-owned business in the Philippines.

Recognizing that the corporation is the place where we spend a dominant part of our lives, business leaders are called upon to focus their attention on the processes of community among its stakeholders: wholeness, integrity, stewardship, and morality. As it will be discussed in the following pages, spiritual leadership is portrayed as a dynamic and interactive process.

Meanwhile, approximately 45% of all publicly listed international firms’ worldwide (La Porta, Lopez-de-Silanes, & Schleifer, 1999) are family-owned. In the Philippines, reports show that 99.6% of all businesses are comprised of small to medium enterprises (SME), where 80-90% is family-owned business (DTI-Philippines 2006). A family-owned business is defined to be those whose business has at least 50% ownership and management within one family, whether by blood or marriage (Lee-Chua, 1997).

Synthesis of Journal of Business Ethics Article

The anchor article of this paper "A Values Framework for Measuring the Impact of Workplace Spirituality on Organizational Performance" (Jurkiewicz & Giacalone, 2004) provides a theoretical assumption on how Workplace Spirituality could enhance organizational performance. A values framework (see Annex A) was introduced, reviewed, and analyzed paving for a foundation for empirical testing on organizations.

Using the values framework, this author assembled a continuum figure that could be used to measure and assess the values of an organizational culture. Organizations who exhibit positive values on the continuum figure suggests having more workplace spirituality than those who have negative values as provided below in Figure 1.
It is said that seeking a culture with positive values are expected to enhance organizational performance and thus provides organizational strategy (Ashmos and Duchon, 2000; Mitroff and Denton, 1999). To give us a better grasp and appreciation of workplace spirituality, many researchers have presented multiple views and definitions on the subject. Let us now take a look at our critical review of related literature.

IV. Review of Related Literature

- **Definition and Perspective of Spirituality** - Karakas (2010) indicated that there are more than 70 definitions of Workplace Spirituality. Having no standard definition of "spirituality" made the process more difficult. Some definitions of spirituality include concepts such as inner consciousness; enlightenment; and a worldview with a path.

  The intrinsic-origin view of spirituality is that which contend that it is a concept or a principle that originates from the inside of an individual. Guillory (2000) defines spirituality as "our inner consciousness" and that which is spiritual comes from within-beyond our programmed beliefs and values.

  While spirituality refers to some power or authority coming from within an individual, it also includes a feeling of being connected with one's work and with others (Ashmos and Duchon, 2000; Neck and Milliman, 1994). Turner's (1999) perspective on spirituality defines it as "that which comes from within, beyond the survival instincts of the mind."

  Spirituality is often characterized by a need to feel connected to other people, the environment, and to some higher reality. Ultimately, it refers to the deepest values and meanings by which a person lives (Mackenzie, 2011).

- **Distinguishing Spirituality from Religion**

  Spirituality and religion are often times misinterpreted as one and the same. Although believed to be compatible, it is not identical (Garcia-Zamor, 2001).

  Bruce (1996) defines religion as a combination of beliefs, actions, and institutions which assume the existence of supernatural entities with powers of action, or impersonal powers or processes possessed of moral purpose. Karakas (2010, p. 91) went further to distinguish spirituality from religion by describing it as a "personal, inclusive, non-denominational, universal human
feeling; rather than adherence to the beliefs, rituals, or practices of a specific organized religious institution or tradition."

Furthermore, Fry and Slocum (2007) state that spirituality includes positive psychological concepts in pursuit of a vision of service to others. From this perspective, "spirituality is necessary for religion, but religion is not necessary for spirituality. Consequently, workplace spirituality can be inclusive or exclusive of religious theory and practice."

### 3. Views from an Existentialist

The existentialist views on spirituality is referred to as the most quoted phrase of "searching for meaning" in what we are doing at the workplace (Naylor et al., 1996; Neck and Milliman, 1994; Kahnweiler and Otte, 1997). Some common existential questions are: Why am I doing this work? What is the meaning of the work I am doing? Where does this lead me to? Is there a reason for my existence and the organization I belong to?

The above items have provided us a brief overview of the different perspectives on spirituality. However, what is important to note is not on the unified definition of spirituality, but rather on the benefits realized when workplace spirituality is encouraged. But first, let us take a look at a workplace spirituality framework.

### 4. Benefits of Spirituality in the Workplace

Krishnakumar and Neck (2002) suggests that spirituality can bring benefits in a workplace in the areas of creativity, honesty and trust, personal fulfillment, and commitment, which then leads into increased organizational performance.

**Intuition and Creativity** - Increase intuition and creativity has been traced from individuals who practice spirituality as it expands the frontiers of his/her consciousness beyond the normal boundaries (Guillory, 2000; Cash and Gray, 2000; Harman and Hormann, 1990).

**Honesty and Trust** - Burack (1999) indicated that the lack of honesty and trust in an organization can lead to communication problems, and eventually seriously affecting co-operation between employees and management. On the other hand, honesty and trust can lead to better organizational performance by means of better communication, quicker decision making, more innovation, and higher level of customer handling (Kriger and Hanson, 1999).

**Personal Fulfillment** - Spirituality has been linked to Abraham Maslow's concept of self-actualization such as belongingness and sense of achievement (Burack, 1999).

**Commitment** - This area includes commitment of the employees to the organization as well as commitment of the organization to the quality of its products or services, and to the customer (Wagner-Marsh and Conely, 1999). The commitment of the employees to the organization is what
is referred to as "affective commitment". This is where emotional attachment is seen from an individual because he/she are able to identify with the goals of the organization, and that the individual wants to help the organization in achieving its goals (Ketchand and Strawser, 2001).

**Organizational Performance** - Accordingly, it has been demonstrated that organizations that encourage spirituality in the workplace may experience an increase in organizational performance (Neck and Milliman, 1994; Turner, 1999; Thompson, 2000). Validating this further, some research shows that organizations that encouraged spirituality experienced higher profits and success (Mitroff and Denton, 1999; Turner 1999).

5. Workplace Spirituality Construct

After developing a survey and conducting a principal components factor analysis, Ashmos and Duchon (2000) extracted seven different dimensions of workplace spirituality. However, only three core dimensions were focused on which included purpose in one's work or "meaningful work" (individual level), having a "sense of community" (group level), and being in "alignment with the organization's values and mission" (organization level).

Figure 2 below summarizes the conceptual framework of workplace spirituality used in the study for individual, group, and organizational levels of interaction. A short description for each core dimension of workplace spirituality is presented as follows:

**Figure 2: Conceptualizing Spirituality in the Workplace: Individual, Group and Organization Levels of Interaction**

**Dimensions of Workplace Spirituality**

**Individual Level** - First and foremost, there is the assumption that each person at work has his/her own inner motivations, truths, and desires to be involved in activities that give some greater meaning to his/her life and the lives of others (Ashmos and Duchon, 2000; Hawley, 1993).

**Group Level** - Workplace spirituality in the group level concerns interactions between employees and their co-workers. Neal and Bennett (2000) cite that this level of spirituality involves the mental, emotional, and spiritual connections among employees in teams and groups in the
organization.

**Organization Level** - The third dimension of workplace spirituality transpires when individuals in a workplace experience a strong sense of alignment between their personal values and an organization's mission and purpose. Alignment is realized when employees believe that managers and co-employees in their organization have similar values, have a strong conscience, and are concerned about the welfare of its employees and community (Ashmos and Duchon, 2000).

6. **Spiritual Leadership and Culture Creation**

The book "Capturing the Heart of Leadership - Spirituality and Community in the New American Workplace" (Fairholm, 1997c) seeks to promote a spiritual approach to organizational leadership that goes beyond creative management. Management leaders and followers in search for spiritual significance in their work lives are sprouting from all directions.

The author presented a scenario, among others, on complex organizations failing to achieve significant results in the American workplace. For more than the 100-year lifetime of modern management and leadership, organizational goals have paid much attention on increasing productivity, efficiency, effectiveness, and profitability.

**Figure 3: Culture Creation by Spiritual Leaders Fostering Values and Customs in a Workplace**

The second hypothesis proposes that spirituality on the individual, group, and organizational levels brings benefits to the workplace leading to desirable attributes in the areas of intuition and creativity, honesty and trust, personal fulfillment, and commitment. Therefore a bidirectional or reciprocal causal relationship exists between the relationship phenomena and
spiritual leadership variable as they are conceptualized as influencing each other as shown by this writer on Figure 3 above.

Meanwhile, a similar reciprocal causal relationship occurs between the spiritual leadership variable and the fulfillment outcomes dependent variable. The above reciprocal causal relationships are simultaneous and suggest that this mechanism promotes culture creation by leaders fostering values and customs in a workplace.

7. The Spiritual Freedom Model

Two different views can be observed in the encouragement and implementation of workplace spirituality. Mitroff and Denton (1999) have suggested that since there are many possible choices and preferences among different individuals in the workplace, it would be impossible to have spirituality in the workplace on an individual basis. Therefore, the organization-based approach was viewed by some researchers as a favorable method where spirituality is implemented to the organization entirely.

However, the implementation of a common spiritual principle in an organization has a potential to create problems when employees cannot express their own views of spirituality (Krishnakumar and Neck, 2002). A good example would be a "religion-based" company whereby the organization's employees might not be willing to accept a particular religion as their spiritual dimension.

**Figure 4: Individual-Based "Spiritual Freedom" Model for Incorporating and Encouraging Spirituality among Today's Diverse Workforce.**
On the other hand, the individual-based approach (Figure 4 above) of encouragement and implementing workplace spirituality starts with the individual (Turner, 1999) and the organization tries to accommodate and encourage spiritual requests from its employees (Cash and Gray, 2000). This method accepts the "spiritual variety" that its employees have at an individual level.

The model illustrates the concept of "spiritual freedom" within an organization where employees are encouraged to express their own views of spirituality. The individual-based approach of the model is viewed as a more suitable alternative to common workplaces since it refrains from establishing a particular spiritual principle within the organization but instead tries to accommodate the spiritual requests of its employees regardless of their different spiritual beliefs (Krishnakumar and Neck, 2002).

V. Proposed Conceptual Framework - Workplace Spirituality in a Family-Owned Business

This theory paper proposes a conceptual framework (Figure 5 below) on how workplace spirituality can have a positive impact on employee job performance, and eventually organizational performance, in a family-owned business in the Philippines. Eight (8) hypotheses extracted from the previous discussions of different constructs are presented herewith to describe and summarize the corresponding relationships.

Based on the proposed framework, the consequent or dependent variable is employee job performance. On the other hand, the predictor or independent variables leading to employee job performance are individual attributes of intuition and creativity, honesty and trust, personal fulfillment and commitment. Hence:

H1: Individuals who possess attributes of intuition and creativity, honesty and trust, personal fulfillment, and commitment positively influences their job performance.

The second hypothesis proposes that spirituality on the individual, group, and organizational levels brings benefits to the workplace leading to desirable attributes in the areas of intuition and creativity, honesty and trust, personal fulfillment, and commitment. Therefore:

H2: Workplace spirituality on the individual, group, and organizational levels positively influences desirable employee attributes of intuition and creativity, honesty and trust, personal fulfillment and commitment.

The individual-based approach of the Spiritual Freedom model implements spirituality within an organization by encouraging and accommodating the "spiritual variety" of its employees regardless of their different spiritual beliefs. Then:

H3: The individual-based approach of the Spiritual Freedom model positively influences the implementation of spirituality in the workplace on the individual, group, and organizational levels.
The influence on the implementation of the Values Framework for measuring the Impact of Workplace Spirituality on organizational performance depends on the spiritual leadership and culture creation which fosters its values and customs among its followers. Thus:

H4: The spiritual leadership and culture creation positively influences the Values Framework for measuring the impact of Workplace Spirituality on Organizational Performance.

Figure 5: Conceptual Framework for Workplace Spirituality in a Family-Owned Business
The influence on the implementation of the individual-based approach of the Spiritual Freedom model in the workplace highly depends on the Values Framework for measuring the impact of Workplace Spirituality on organizational performance. Therefore:

H5: The Values Framework for measuring the impact of Workplace Spirituality on Organizational performance positively moderates the influence on the implementation of the individual-based approach of the Spiritual Freedom model in the workplace.

Organizational performance and higher profits and success are experienced by organizations that encourage workplace spirituality. Consequently:

H6: The moderating outcome of organizations using the Values Framework for measuring the impact of Workplace Spirituality on organizational performance on the influence of the individual-based approach of the Spiritual Freedom model for the implementation of spirituality in the workplace is positively moderated by organizational performance, higher profits and success.

Workplace spirituality on the individual, group, and organizational levels of interaction will eventually lead to organizational performance, higher profits and success. Subsequently:

H7: Workplace spirituality on the individual, group, and organizational levels positively influences organizational performance, higher profits and success.

Finally, employee job performance will eventually lead to organizational performance, higher profits and success. Correspondingly:

H8: Employee job performance positively influences organizational performance, higher profits and success.

VI. Conclusion

Workplace Spirituality has become a popular tool to enhance corporate direction and action, or better known as corporate governance. Continuously building a theory paper on my intended dissertation topic of Workplace Spirituality in family-owned businesses in the Philippines made this author realize the plethora of existing and potential research work on the topic.

Aside from conceptualizing a framework, this study also sought to provide a better understanding, definition, and benefits of a spiritual approach to organizational leadership and culture from the different relevant theories discussed.

It would also be important to remember that although spirituality and religion are not one and
the same, they are oftentimes closely linked and intertwined with one another. Despite being an abstract and individual concept, workplace spirituality has demonstrated increasing evidence of organizational transformation across the globe.

Noteworthy also to mention, Christianity in the Philippines is represented by an enormous percentage of its population (estimated to be at least 90% of the total population composing of Roman Catholics estimated at 80%, and the rest belonging to groups like Iglesia ni Cristo, Aglipayans, Protestants, and Christians). Cited also earlier was how family-owned businesses play a huge role in the global economy where in the Philippines, a massive percentage of businesses (80-90% of all SME's) are family-owned.

A final cue on Workplace Spirituality would be the method of encouragement and implementation. To avoid potential problems, the concept of individual-based "spiritual freedom" cited earlier (The Spiritual Freedom Model in Figure 4) would be ideal within an organization where employees are encouraged to express their own views of spirituality.

Conducting further research on the following areas will hopefully broaden our understanding on Workplace Spirituality in family-owned businesses:

**Spirituality measured on different work samples or activities (e.g. different industries);

**Spirituality measured on different institutional environments (e.g. profit versus non-profit organizations);

**Organizational changes needed prior to implementing Workplace Spirituality.
VIII. References


