# Issues and Perspectives in Business and Social Sciences

# The Effect of Workplace Spirituality on Employee Performance

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### Abstract

Employees in the 21st century seek a work environment which allows them to find a sense of purpose at work, within an atmosphere filled with respect and courteous interactions between the employees and their surroundings. The spiritually-oriented work environment is crucial because it shapes employees' behaviour at the personal level and eventually, improves employee performance. In this paper, a theoretical framework which explains how the spiritual work environment (inner self, community and meaningful work) improves employee performance is presented. This framework can be a reference for organisations in gauging their spiritual work environment, and subsequently incorporating spiritual elements at work as a way to influence employee performance. In return, it contributes to the long-term survival and success of the organisation.

#### Keywords:

Spiritual Environment; Work; Employees; Inner self; Community; Meaning of Work.

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## 1. Introduction

Organisation survival depends upon its ability to maintain competitive advantage (Singh, 2019). One of the internal sources for competitive advantage lies in the level of employee performance whereby efficient and effective work can lead to various cost savings. Therefore, organisations will be able to focus more on research, development and innovations activities (Van Der Walt, 2018). However, the dynamic changes at global landscape exposes organisations to new external and internal challenges. For instance, the Covid-19 pandemic has forced employees to adapt to job rotations and work-from-home arrangements (Sindhu, 2020). These changes can be stressful and overwhelming, thereby tipping the work-life balance. Consequently, employees feel more of the need to integrate both work demands and personal needs. This calls attention to the need for spirituality at work. This is because, spirituality enables employees to synchronise their inner selves within a positive community setting to find meaning when performing their work (Daniel, 2019) and shapes employee behaviour and influences their performance (Bharadwaj and Jamal, 2020). Accordingly, this study attempts to explain the effect of spiritual work environment on employee performance.

#### 2. Literature review

Harrington et al. (2001) argued that spirituality is about individuals' spirit and inner life, the realisation of real purpose and meaning in their work beyond monetary rewards and task performance, or true meaning at work. Spirituality has been linked to work ethics and the values employees place on their job and workplace, which has been found to increase with age (Mahakud and Gangai, 2015). Workplace spirituality assists individuals in acknowledging their



relationships with their groups, which affects their actions (Chen and Sheng, 2013) and provides individuals deeper perceptions about their lives and selves, and is related to mindfulness, meaning of work, sense of community, organisational values, benevolence and inner life (Joshi and Jain, 2016).

Past literatures have favourably linked workplace spirituality to various work-related outcomes, including stress (Cook and Babyak, 2019; Wadhera and Bano, 2020), career purpose, coherence as well as sense-making (Lips-Wiersma, 2002), wellbeing (Pawar, 2016; Arnetz et al., 2013), earnings management motivations (Chen and Sheng, 2013), employee commitment (Jena and Pradhan, 2018), organisational commitment (Sewwandi and Dhammika, 2020), and workplace incivility from supervisors and colleagues (Lata and Chaudhary, 2020). Chawla (2016) maintained that organisations that manage their salespeople's emotion and spiritual side will be more successful. Spiritual leadership has also been recognised as encouraging belongingness and uniqueness among diverse employees in work settings with high societal relevance (Gotsis and Grimani, 2017). In a more recent study, workplace spirituality has been found to be positively related to ethical climate, prosocial motivation, and moral judgement (Otaye-Ebede et al., 2020). However, in Ayoun et al. (2015), it was determined that spirituality is not related to ethics or moral intensity. These studies, nevertheless, have not adequately link workplace spirituality to employees' performance.

Employee performance is employees' ability to achieve set objectives (Arifin et al., 2020). Pawirosumarto et al. (2017) highlight that employee performance include the extent of employee desires and efforts to accomplish his/her work. This is vital as it contributes to competitive advantage and success of a company (Daniel, 2019; Anitha, 2013). Thus far, work environment has been recognised to significantly impact employee performance (Amin and Majid, 2017). Workplace spirituality forms the work environment within which employees operates. In particular, Jurkiewicz and Giacalone (2004) argue that spiritual work environment creates distinctive work atmosphere which positively impacts employee performance.

According to Bharadwaj and Jamal (2020), employees look for an environment which resonates with their spirituality. Specifically, a spiritual work environment allows employees to associate their inner lives in finding a sense of purpose while they are working to achieve company goals (Singh, 2019). Therefore, workplace spirituality drives employee performance in return for something more than simply material rewards (Sardana, 2018). There has been an emerging and growing focus on spirituality in recent years, with a definite upward trend on spiritual work environment (Philip, 2016; Loehr and Schwartz, 2001). Ashmos and Duchon (2000) define spiritual work environment as a virtuous environment characterised by three main elements, namely inner life, as well as community and meaningful work. This implies that a spiritual work environment is present when employees have the opportunity to express themselves, establish positive community relationship and perform work that relates to their life purpose (Daniel, 2019). The key implication drawn from these findings is that organisations must consider employees spiritual well-being in order to improve their performance (Golparvar and Hassan, 2014; Gotsis and Kortezi, 2008).

#### 3. Theoretical framework

The Meaning of Work (MOW) theory relates employees' performance to their psychology (Michaelson, 2005). Figure 1 shows the three main mechanisms to improve employee performance, namely the organisation resonance, work resonance and personal resonance in accordance to MOW. In particular, organisational resonance considers environmental support and connections, work resonance includes autonomy and self-identity and spiritual resonance incorporates values and higher purpose (Modica, 2018). This study uses the MOW theory to confirm the relationship between the three elements of spiritual work environment, namely inner-self, community and meaningful work to employee performance. The relationship between these three elements to employees' work performance is depicted in Figure 2.

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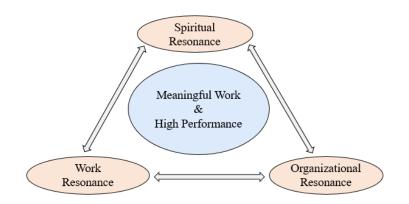


Figure 1: Meaning of Work Theory

Inner life is the first element of a spiritual work environment. It refers to a work environment where employees have the opportunities to express themselves and personify their internal values while performing work (Daniel, 2019; Fry and Nisiewicz, 2013). Hafni and Chandra (2020) studied the effect of inner life on the performance of 111 lecturers in a private university. They found a positive relationship between inner life and employee performance. The result, however, was based on a small sample - a higher education institution in Indonesia. In an earlier study, Daniel (2019) used a larger sample size with employees from health, manufacturing, education and technological sectors. The result was consistent with the finding from Hafni and Chandra's study in 2020. These findings infer that employees whose inner lives are integral to their work will have higher motivations to accomplish the jobs (Singh, 2019; Kramer and Teresa, 2011). Therefore, the first proposition for this study is:

#### P1: Inner life enhances employee performance.

Community is the second element of a spiritual work environment. It refers to positive interactions between employees and their surroundings (Daniel, 2019). According to Dhiman and Marques (2011), the companies Google and IKEA adopt spiritual work environments by encouraging their employees to practise self-reflection, kindness and respect. These non-egocentric practices contribute to higher level of employee performance in these companies (Hafni and Chandra, 2020). However, a more recent study by Campbell and Hwa (2014) found no relationship between community and employee performance. The limitation of this study is that it utilised Key Performance Indicators (KPIs) to measure employee performance. KPIs considers quantifiable set of performance and hence, ignores intangible measurements such as employee motivation and spirituality (Shahin and Mahbod, 2007). It would have been more useful to incorporate survey questionnaires as an instrument to measure employee performance. Moreover, studies like Royal and Rossi (1996) and Fachrunnisa et al. (2014) suggested that sense of community shapes behaviour and contributes to higher employee performance. Therefore, the second proposition for this study is:

*P2: Positive interaction with the community enhances employee performance.* 

The third component of a spiritual work environment is meaningful work. It refers to a set of activities which gives a sense of purpose to employees (Wrzesniewski et al., 2003). This suggests that meaningful work goes beyond its economic function to include a sense of accomplishment, autonomy and independence (Doan et al., 2020; Wairimu, 2020; Vecchio, 1980). As a result, meaningful work becomes an intrinsic motivation which drives employee performance (Bowie, 1998). Studies by Daniel (2019) and Claes and Quintanilla (1994) found positive relationship

between meaningful work and employee performance. The main implication drawn from these findings is that the sense of purpose derived from meaningful work provides employees with internal cues and energy to keep their focus in the midst of the demanding and fast-faced working atmosphere (Kendall, 2019; Wrzesniewski et al., 2003). Accordingly, the third proposition for this study is:

P3: Meaningful work enhances employee performance.

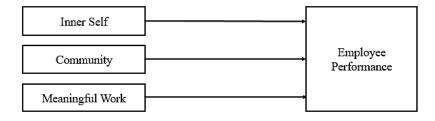


Figure 2: Research Framework

### 4. Conclusion

Organisations can provide employees with a spiritual work environment which can help them harness spirituality by encouraging employees to engage with their inner self, develop a sense of community and find a sense of purpose while performing work-related activities. It is crucial for companies to provide a spiritual work environment to employees in the midst of the current challenges being faced, especially the Covid-19 outbreak. The pandemic has changed the ways employees work and hence, the provision of a spiritual work environment will help develop their spiritual potential and can lead to higher levels of work performance. Inner selves can be developed either via religious activities, meditations, or recreations. These activities should be supported and encouraged by organisations by providing the place, coaching, as well as awareness. Community activities by employees, either by themselves as individuals or their participation in the organisation's community events must be recognised adequately. It is also imperative that organisations develop a strong community relations department that will look into community-related events. This helps to create awareness and eventually employees' interaction with the community. Apart from highlighting instrumental values of work and their contribution, it is also imperative that organisations emphasise the spiritual values of their existence and link the organisations' performance to non-financial ends.

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