

## INVESTIGATING THE EFFECT OF ORGANIZATIONAL SPIRITUALITY ON PERFORMANCE EVALUATION OF EMPLOYEES: CASE STUDY OF PUBLIC SECTOR

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### ABSTRACT

*The issue of organizational spirituality is among the new organizational subjects whose investigation and effects on the employees' performance have been considered by the researchers. The current study aimed at identification of those factors of organizational spirituality whose implementation in the organization increase the employees' performance. The components job satisfaction, social participation, team solidarity, time for addressing the inner life, alignment between personal and organizational values were investigated in Qazvin governor general office and the related units using Stratified random sampling method. Also, the type of the relationship between the components of organizational spirituality and employees' performance was identified and their optimum level was measured using linear and non-linear regression test, linear and non-linear fitting equations, besides estimating mathematical function and differential. The results indicated that some of the components of organizational spirituality have a linear and direct relationship with performance and some other have a non-linear relationship. Therefore, the managers and authorities should pay enough attention to development of organizational spirituality for maximizing the employees' performance.*

**Keywords:** Optimize performance, Organizational spirituality, Staff performance, Public sector

### INTRODUCTION

Investigating and studying the spirituality in the work place is a rather new matter which is so important regarding the key role of spirituality in most people's lives and the time they spend in the work place (Sprung et al, 2012). Among the significant reasons for interest in spirituality in workplace in the recent years both in the researchers and the employees, workforce despair, economic recession, increased uncertainty of top managers, increasing demand for higher working hours and higher profits, and reduced staff's health can be noted. Today, most of people feel unsatisfied, restless, and unsecure about their jobs (Moor, 2006). Self-actualization and all-out self-expression in terms of individual capabilities and skills is more facilitated with spirituality. Workplace spirituality is linked with increase in creativity and innovation, honesty, trust and commitment to work, besides an increased sense of personal development in employees. The today's developed employees search something more than mere material rewards at work (Bradley & Kauanui, 2003).

Among the factors which indicate the importance of investigating the organizational spirituality and its relationship with performance, the followings can be noted:

- i. The emphasis on inner consciousness and awareness, and spirituality at work and workplace provide good grounds for employees to find their 'selves'. The employees can know themselves through introspection and show their capabilities and abilities.

- ii. Emphasis on effective interaction with the colleagues in the workplace and spirituality at work and workplace help employees effectively interact with their colleagues and unite for reaching the individual and organizational goals through empathy, creating a proper environment for mutual understanding, and positive attitudes to each other, so they can both fulfill their communicative goals and enjoy it at the same time.
- iii. Emphasis on human values and employees' perfection-seeking; former schools of management such as neoclassical school solely considered meeting several needs and they were satisfied with higher exploitation. The employees were solely "happy lactating cows" during their organizational life; however spirituality at workplace emphasizes on the fact that people should reach their humanity during their organizational life and always strive to achieve humanity perfection and this is not achieved unless the spirituality is entered in the workplace. The mentioned features challenge the researchers and scholars and its development requires understanding its weaknesses and strengths which needs further research and studies (Rastegar, 2010).

Karakas in 2010 conducted a research titled "performance and its relationship with organizational spirituality" which is about the investigation of three different perspectives to spirituality status, introduction of its advantages to the employees, and its support from organizational performance based on the available literature: a) the human resources perspective that increases spirituality; being a good employee and living a good life, b) the philosophical perspective that provides spirituality; the employees feel they are meaningful and have a goal, c) the individual perspective that provides spirituality; the employees feel interconnected with the society; its result is emphasis on its positive effect on performance.

The spirituality in the organization alongside with increase in commitment, interest, and loyalty to organization can affect the performance and lead to continuous improvement of the employees' performance. Therefore, the governmental organizations with the aim of serving the people requires a talented and committed workforce with the spirit of hardworking and having a goal in order to elevate the organization's performance. Undoubtedly, the employees' performance should be considered and improved to achieve better organizational performance. The organizational spirituality as a new component of human resources management has been only recently considered by the researchers for increasing the performance. The current study has dealt with the investigation of the extent and type of relationship between organizational spirituality and employees' performance and prioritizing its indicators, in order to continuously improve the performance for achieving the studied organization's goals.

## **REVIEW OF LITERATURE**

In the current study, the type of relationship of organizational spirituality is taken as the independent variable and the employees' performance as the dependent variable. The organizational spirituality includes:

Job satisfaction including enjoying what is being done, the job environment and doing meaningful tasks in the workplace. The team solidarity including the team spirits, mutual care between members, social sense, and sense of common purpose. Social participation is indicative of the items in which what is being done by the individual conforms to his life values and it is useful for the society. Alignment between personal and organizational values reflects the congruence between organizational values and people's inner lives and consideration for their inner life includes describing the ways in which the organizations respect spirituality and the individual's spiritual life (Rego, 2008).

## Organizational Spirituality

Entrance of concepts such as morality, truth, belief in God, honesty, conscientiousness, sportsmanship, trust, forgiveness, kindness, consideration, meaningfulness of job, solidarity with colleagues, motivating the employees, a sense of peace and altruism, and in new researches in the field management and organization is indicative of emergence of a new paradigm named spirituality in the work. The researchers' definitions of organizational spirituality are provided in table 1 for better understanding this concept and considering its importance and identification of its components.

**Table 1. Definitions and concepts of organizational spirituality**

Row	Definition of organizational spirituality	Scholar
1	Including efforts to search and find the ultimate goal of a person for working life, to make a strong correlation between the individual, colleagues, and others who work with him in some way or another and also contributing to the unity of the basic beliefs of an individual with the values of the organization.	Mitroff 2003
2	Spirituality in the work is a framework of organizational values which represent promoting the employees' culture, a process to create a superior experience, increasing communication with others, a sense of perfection and enjoying the work.	Giacalone & jurkiewicz 2003
3	Spirituality in the workplace increases satisfaction and productivity, flexibility and workforce good temper, in other words spirituality in the workplace has a negative relationship with stress at work.	Atkins 2007
4	Spirituality protocol in the workplace including synergy, relaxation, inspiration, respect, trust, understanding, acceptance, love and friendship, interaction, indeed, benefit, aid, tolerance, benevolence, openness, kindness,	Marques 2008, P4
5	Also, recent researches by Dunch (2005), and Pluman (2005) shows that spirituality in the workplace reflects the experiences of staff as a meaningful, purposeful, comprehensive, and excellent sense in the workplace.	Pawar, 2009, 559p
6	Studying spirituality as a comprehensive religious structure is shown in the operational definition of spirituality. So, spirituality and religion are not synonymous. Spirituality structure is much more pervasive compared to that of religion. Although a person who is not necessarily religious, may be free of any kinds of religious affiliation with the development of personal system of spiritual values.	Malik 2011 P1237

Whereas according to table 2 on next page, the researchers have defined spirituality in different components and some have defined it in interpersonal, group, and organizational levels. The current study's model (figure 1) has been chosen due to required comprehensiveness and proper measurability.

**Table 2. Spirituality models in the organization**

Row	spirituality models in the organization	Suggested by
1	Integrity, humility, knowledge, meaningfulness, responsibility, love, inner peace, truth, humanism, sense of unity, justice	Giacalin;jurki ewics;2003;14
2	Generosity, kindness, integrity, compassion, honesty, patience, trust, humility, serving others	Fry;2003;695
3	Spirituality in the workplace consists of three components: 1. The inner life 2. Meaningful work 3. The society	Kale & Shrivastava, 2003
4	Indices spirituality in organizations are as follows: 1. Health; 2. Happiness; 3. Wisdom; 4. Success 5. Inner satisfaction.	Dennis et al 2004, P71
5	Spirituality in the workplace has two approaches: a subjective approach and objective approach. Subjective approaches include researches with personal reference to our own knowledge, while we personally participate in the organization as a transformative change tool. Objective approaches include a variety of research on spirituality in organizations. These researches can be qualitative or quantitative..	Heaton etal 2004
6	Karakas introduces the following perspectives for work spirituality in relation to performance: (a) human resources perspective: increases spirituality, being a good employee, and quality of life (B) a philosophical perspective: staff feel they have a purpose and they are meaningful at work, (C) interpersonal perspective: employees have a sense of interconnectedness with the community	Karakas,2010 p92

## Performance

Malin defines performance as an action which helps proper willing and believes it is valuable for the customers and beneficiaries (Bhattacharyya, 2011). Performance assessment is systematic and regular measurement of people's work in terms of the way they do their tasks and determining their potential for growing and improvement (Mirsiasi, 2007).

Proving whether spirituality approaches increases efficiency or benefit in the organization is a very complicated and challenging matter. Investigating the differences about measurement and issues of organizational spirituality and its relation to the performance has always been a question. Some scientists denote the fact that ethical problems and moral concerns are reduced with the use of organizational spirituality in work and it leads to better organizational performance and profitability, however there are some concerns about using spirituality as a management tool and it is It is argued that spirituality should be seen as a phenomenon that exists within individuals and should not be used as a management tool, so that it can be considered as a means to boost performance. In fact, some researchers speak with caution on potential or misuse of spirituality in the workplace. The other hand, some researchers believe that spirituality can be used to improve the performance of the organization and studies

indicate a relationship between spirituality and performance. The main objective of these studies is to show an extent of spirituality that is legitimate and provides main stream of organizations, and it has been observed the organizations that encouraged organizational spirituality experiences and improved this component within them, have a better performance and profitability (Karakas, 2010).

## RESEARCH METHODOLOGY

This study is an applied research with correlation method. The statistical population included all the employees of Public sector and the related units. The sample size was calculated as 213 participants using sampling method and Cochran formula in the confidence level of 95% and error level of 0.05, who were divided based on administrative units and other related units by stratified random sampling.

$$n = \frac{\frac{p(1-p)z^2}{d^2}}{1 + \frac{p(1-p)z^2}{Nd^2}} = \frac{\frac{(0.5) * (0.5) * (1.96)^2}{(0.05)^2}}{1 + \frac{(0.5) * (0.5) * (1.96)^2}{475 * (0.05)^2}} \approx 213$$

A questionnaire with 29 items whose reliability and validity were confirmed was used for assessing the components of organizational spirituality (The Likert five-point scale). The secondary data on performance assessment available in Public sector were used for assessing the performance which included main axes of innovation and creativity (use of new technologies and applications, performance analysis i.e. identification of the causes of failure in achieving the goals, strengths and weaknesses and providing strategies, documenting the experiences, suggestions to improve fulfillment of the tasks, implementation plans, rewards), Skills and capabilities and outstanding services (verified by the director and providing the documentation), training (training the colleagues, teaching, scientific achievement in the field of employment), and customer satisfaction (customer satisfaction, observance of Islamic rituals and ethics, discipline, on-time attendance at work and meetings, on-time fulfillment of duties and satisfying the colleagues).

The obtained data were tested by t-test, Levin, linear and non-linear regression, linear and non-linear fitting equations, mathematical equations, differential, and Friedman tests.

## TESTING THE RESEARCH HYPOTHESES

According to data analysis, the t-test was used for assessing the mean differences of variables gender and marital status. Anova was used for testing the variables education, employment status, and job experience. Based on the investigations, none of the demographic variables were effective on organizational spirituality, regarding the significance level higher than 0.05.

One of the assumptions considered is the independence of regression errors (difference between actual and predicted values by regression analysis). Since the Durbin-Watson statistics value (037/2) is located between 1.5 and 2.5, the hypothesis 'no correlation between the errors' is accepted. Also, the errors have a normal distribution with mean 0, so the regression can be used. Using multivariate non-linear regression and calculation of coefficient of determination for choosing several types of relationships predicted by regression including of the prediction by regression equations of the first degree, second



degree, and third degree functions, inverse function, exponential and logarithmic functions, type of functions and their relationships for secondary hypotheses are identified and provided in Table 3.

**Table 3. Regression equation for each variable**

<i>Hypotheses</i>	<i>Coefficient of determination</i>	<i>Function type</i>	<i>Optimum level</i>
Secondary hypothesis 1	0/46	$Y=3.777+0.335X - 0.047X^2$	$\begin{pmatrix} 3.56 \\ 4.37 \end{pmatrix}$
Secondary hypothesis 2	0/69	$Y=4.104+0.064X$	---
Secondary hypothesis 3	0/52	$Y=5.941-0.872X+0.118X^2$	$\begin{pmatrix} 3.69 \\ 4.33 \end{pmatrix}$
Secondary hypothesis 4	0/49	$Y=5.270-0.527X+0.075X^2$	$\begin{pmatrix} 3.51 \\ 4.34 \end{pmatrix}$
Secondary hypothesis 5	0/52	$Y=4.050+0.07X^2-0.012X^3$	$\begin{pmatrix} 3.88 \\ 4.4 \end{pmatrix}$

### Secondary hypothesis 1

“There is a non-linear relationship between job satisfaction and employees’ performance in Public sector”. The function is of grade-2 type and its maximum point indicates that up to the point “job satisfaction” is 3.56 and employees’ performance is 4.8, the function will be ascending and by increasing the “feeling of job satisfaction”, the performance is also increased, however from this point on, the relationship is opposite and by increasing “job satisfaction”, the performance is decreased. Therefore, there is a non-linear relationship between job satisfaction and employees’ performance and it has maximum point (optimum level).

### Secondary Hypothesis 2

“There is a non-linear relationship between social participation and employees’ performance in Public sector”. The function is of grade-1 type, indicative of a linear relationship between independent and dependent variables. By increasing social participation, the employees’ performance is always increased.

### Secondary Hypothesis 3

“There is a non-linear relationship between opportunity for inner life and employees’ performance in Public sector”. The function is of grade-2 type and its minimum point indicates that up to the point “opportunity for inner life” is 3.69 and employees’ performance is 4.32, the function will be descending and by increasing the “opportunity for inner life”, the performance is decreased, however it is not tangible. From this point on, the relationship is opposite and by increasing “opportunity for inner life”, the function is increased, so the function is ascending. Therefore, there is a non-linear and ascending relationship between opportunity for inner life and employees’ performance and the function does not have a maximum point and an optimum level.

### Secondary Hypothesis 4

“There is a non-linear relationship between team correlation and employees’ performance in Public sector”. The function is of grade-2 type and its minimum point indicates that up to the point “team correlation” is 3.51 and employees’ performance is 4.34, the function will be descending and by increasing the “team correlation”, the performance is decreased, however it is not tangible. From this point on, the relationship is opposite and by increasing “team

correlation”, performance is increased, so the function is ascending. Therefore, there is a non-linear and ascending relationship between team correlation and employees’ performance and the function does not have a maximum point and an optimum level.

**Secondary Hypothesis 5**

“There is a non-linear relationship between personal and organizational values alignment and employees’ performance in Public sector”. The function is of grade-3 type and its maximum point indicates that up to the point “personal and organizational values alignment” is 3.88 and employees’ performance is 4.4, the function will be ascending, however from this point on, by increasing “personal and organizational values alignment”, the performance is decreased. Therefore, there is a non-linear relationship between personal and organizational values alignment and employees’ performance and it has a maximum point (optimum level).

**Main Hypothesis**

There is non-linear relationship between organizational spirituality and performance of Public sector employees.

**Table 4. multi-variant non-linear regression for organizational spirituality**

<i>Function type</i>	<i>Coefficient of determination</i>	<i>Standard deviation</i>	<i>Significance level</i>	<i>Degree of freedom</i>
Grade-1 function	0/49	0/018	0/000	212
Grade-2 function	0/49	0/007	0/000	212
Grade-3 function	0/51	0/015	0/000	212
Reverse function	0/44	0/008	0/000	212
Exponential function	0/42	0/009	0/000	212
Logarithmic function	0/42	0/004	0/000	212

Regarding the modified coefficient of determination 0.51, the grade-3 function is more appropriate.

**Table 5. Regression coefficients for organizational spirituality**

<i>Function</i>	<i>regression coefficients</i>			
	<i>B0</i>	<i>B1</i>	<i>B2</i>	<i>B3</i>
Grade-1 function	3/932	0/109		
Grade-2 function	-3/590	3/873	-0/470	
Grade-3 function	-1/073	1/987	0/000	-0/039
Reverse function	4/981	-5/260		
Exponential function	5/556	0/216		
Logarithmic function	4/998	0/087		

As a result, since the function is of grade-3 type, up to the point “organizational spirituality” is 3.88 and employees’ performance is 4.4, the function will be ascending, however from this point on, by increasing “organizational spirituality”, the performance is decreased. Therefore, there is a non-linear relationship between organizational spirituality and employees’ performance and it has a maximum point (optimum level).

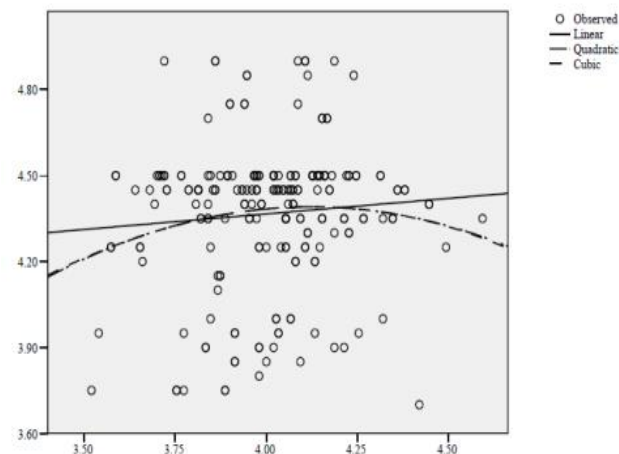


Figure 1: Function diagram and the type of relationship between organizational spirituality and employees' performance

## FINDINGS

A non-linear relationship between job satisfaction and employees' performance was approved for hypothesis one. Thus, it is suggested the managers try to increase feeling of job satisfaction, so the employees have a good feeling toward the workplace and enjoy being within it and consider the job and workplace as useful and quietus. Also, by providing a healthy environment for friendship and communication, they can convey the employees' joy of working to others in order to increase their performance. The higher flexibility of the managers about the ways the jobs are done and providing a healthy environment in terms of lighting, noise, standardizing the office furniture, and training courses can lead to an increase in employees' job satisfaction. Considering the optimum point 3.56, the employees' performance is increased up to 4.37 and this hypothesis possess maximum point. These actions should be measured, intellectual, and reasonable, since if they are higher than a specific level, they will show opposite effects and decreases performance.

The non-linear relationship between social participation and employees' performance is rejected in the second hypothesis indicative of linear, direct, and ascending relationship, i.e. the more the social participation is, the more the employees' performance will be. Thus, it is suggested the managers make the employees have better motivation and performance through providing a correct definition of their tasks and its effects on the society besides giving feedback on the results. Also, providing the employees with a time for taking part in social activities related to their job is essential. As a result, the employees feel their position is effective and useful for the society and also if they feel they are useful for the society and organization, they are more satisfied and find their lives meaningful.

The linear relationship between opportunity for inner life and employees' performance was approved in the third hypothesis however this relationship was increasing and ascending, having a minimum point. Thus, it is suggested the managers try to highly respect the individuals' values and Moral and spiritual health of employees and allocate more time for them, for example holding conferences and providing the employees with the opportunities for expressing their ideas and attitudes and getting familiar with their colleagues' opinions, since the more time they have for their inner life, the more their performance will be and this performance increase starts from minimum point and has an ascending direction.



The non-linear relationship between team correlation and employees' performance was approved; however this relationship was increasing and ascending, having a minimum point. Thus, it is suggested the managers try to promote and strengthen the teamwork sense and also provide an environment for increasing communications and friendship among the employees themselves and employees and managers, not allowing separations and making the employees supplement each other in the teams. Also allocating the tasks to all the employees and receiving feedbacks from the team and individuals' participation instead of feedbacks from one person or the leader of group, since the more the team correlations is, the higher the employees' performance will be and this performance increase starts from minimum point and has an ascending direction.

The non-linear relationship between personal and organizational values alignment and employees' performance was approved in the fifth hypothesis. Considering the optimum point 3.88, the employees' performance increases up to 4.4 and this hypothesis possess maximum point. Thus, it is suggested the managers try to increase the alignment between personal and organizational values in order to respect the people's privacy and align the individuals and organizations' values. For doing this, participation of the employees in developing the operational programs, goals, and prospects can be helpful, so the employees' expectations are met and their feelings are deemed valuable. This leads to increase in performance however these actions should be measured, intellectual, and reasonable, since it may show opposite effects if more than a specific extent.

Considering that there are a non-linear relationships in four hypotheses out of five, there is non-linear relationship between organizational spirituality and employees' performance and the main hypothesis is approved. As a result, it is suggested for organizations to strengthen the spirituality perspectives and improve social participation, team correlation, opportunity for inner life in order to maximize the performance and take good care about perspectives of job satisfaction and alignment between personal and organizational values which have optimum level, so they can appropriately increase it and performance will also be increased.

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