

# Role of Spiritual Leadership in Enhancing Employees' Job Performance: A study of Organized Retail Sector in India

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**Abstract:** *This study has been undertaken in order to understand the impact of spiritual leadership on the extent of job performance in organized service sector of India. For the purpose of the study, sampled population from three chosen organized retail stores in Delhi, NCR region have been chosen for conducting survey and their feedbacks have been collected by administering close-ended questionnaire among them. While the research findings establish positive correlation between employee job performance and spiritual leadership, it also suggests that this form of leadership is most effective in fostering organizational citizenship behavior and organizational commitment among employees.*

**Key Words:** *Employee Performance, Spiritual Leadership, Organizational Commitment, Job Satisfaction, Delhi NCR.*

## I. INTRODUCTION

The organizations today are compelled to respond and improvise faster than ever before, to changes on a global platform. Therefore, the paradigm shift from traditional, bureaucratic organizations towards learning organizations which are strategically aligned (Bagga&Srivastava, 2014). Learning organizations need to set common aspirations, encourage and invest in the creative thinking process and ensure that employees are intrinsically motivated and empowered. The employees on the other end are increasingly conscious about the meaning and purpose of their jobs and lives; their spiritual needs and are more sensitive to how they fit into the organizational community.

While organizational learning capacity is integral in the contemporary times in order to compete in the global business, spiritual leadership serves as an essential attribute in effective development of organizational learning across the team (Aydin & Ceylan, 2009). Spiritual leadership model is a causal leadership model for organizational transformation that is dedicatedly designed in order to create an intrinsically motivated learning organization (Laura Reave, 2005). Spiritual leadership as a causal model applies leaders' hope/faith, vision, and altruistic love onto followers' needs of finding meaning and purpose (Calling) and being understood and appreciated (Membership) to enhance organizational performance (Fry, 2005). These elements are specifically chosen because they have been found successful in intrinsically motivating one's own self and others so that a sense of spiritual survival is developed. This sense of

spiritual survival creates value congruence among the leader and the followers and empowers the entire team to foster a higher level of organizational commitment productivity and well-being (Fry, 2005).

Spiritual leadership has a direct influence on employee behavior. Spiritual leadership develops a value congruence and hence positive perception about the values, attitudes and behavior of their team leader. Eventually, it motivates them to perform well and show dedicated organizational citizenship behavior (Chin-Yi & Chin-Fang, 2012). The specific qualities of spiritual leadership that determine employee behavior and facilitate organizational commitment are vision, altruistic love and Hope/faith. The confluence of these qualities over the followers' needs of calling and membership is the main strength of this form of leadership. While altruistic love has the strongest impact upon employee behavior, vision is second in importance as an element of spiritual leadership. On the other hand, calling and membership is the least significant attribute of spiritual leadership that influences employee behavior (Mansor, Ismail, Alwi, & Anwar, 2013). Spiritual leadership is hence, directly related to employee behavior as a crucial factor for creating a more solid ground for organizational citizenship behavior and its implementation in an organization, thereby being instrumental in enhancing employees' job performance (Kaya, 2015).

## II. AIM OF THE STUDY

The aim of this study is to understand the role of spiritual leadership in determining the job performance of employees in an organization, with perennial objectives being—

**To understand the impact of spiritual leadership on employees' job satisfaction and resultant job performance.**

## III. LITERATURE REVIEW

### 1.III.1 Spiritual leadership in contemporary work environment and its pros and cons

Modern day organizations realize the importance of the importance of vision, motivation and value-based control of clan and culture for which firms today appreciate the need to establish a work culture that is driven by values that inspire the workforce by strongly seeking a shared vision. As a result, increased attention is being given towards values that

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have from a long period of time been considered as spiritual ideals namely, veracity, charity, humility and hence have projected an influential effect on leadership success. Consequently, spiritual leadership has been considered important in a number of contemporary work environments (Meng, 2016). This form of leadership aims at benefiting modern day organizations at two levels.

At the first level, spiritual leadership nurtures the creativity, imagination and intuition of the employees besides enhancing their trust and honesty for their organization.

At the second level, spiritual leadership works at the organizational level in exploring the individual potentials of the employees and improving their organizational performance (Aravamudhan & Krishnaveni, 2015).

The fundamental advantage of spiritual leadership is that it focuses on demonstrating mutual respect, treating others fairly, expressing care and concern, listen to others responsively, being grateful for the contributions of others, and engaging in spiritual practice and values such as integrity, ethical influence, honest communication, and humility, which contributes to the expression of spirituality (Meng, 2016). In comparison to other leadership styles such as autocratic, transformational, democratic, laissez-faire, ethical and such others, spiritual leadership style has the most impact in fostering organizational citizenship behavior among the employees (Chin-Yi & Chin-Fang, 2012). As this style of leadership emphasizes on ideals such as integrity, honesty, and humility, it is comparatively more effective in enabling leadership success (Reave, 2005). Relational well-being in the workforce and productive behavior among individual employees is much better achieved in spiritual leadership in comparison to most other forms of leadership because it emphasizes upon social positive emotions such as forgiveness, gratitude, and hope (Krishnakumar, Houghton, Neck, & Ellison, 2015). However, disadvantage of this form of leadership style is that it could take a religious tangent and could intimidate or offend sections of employees in the workplace (Hicks, 2003; Reave, 2005).

### 1.III.2 Employee performance, its determining factors and impact of spiritual leadership

Employee performance is essentially dependent on the degree of employee engagement and their job satisfaction (Sridevi & Markos, 2010; Dajani, 2015). Employee engagement is a special kind of relationship between individual employees and their respective organization. Thus, an employee, who is fully engaged with his or her organization remains fully committed towards it and takes positive actions in order to accomplish its goals and further its reputation and interests (Albrech, 2011; Macey & Schneider, 2008). Employee engagement is significant for an organization in determining the final quality of its output. This is because engaged employees perform to the best of their potentials which helps the organization in achieving its corporate objectives efficiently and stay competitive (Sakovska, 2012). Three major factors that

affect employee engagement in an organization are implicit benefits, organizational culture and organizational policies. In addition to these are factors such as availability of scopes for career development and higher learning, organizational support, treatment of the management towards the employees, prevalent HR practices and policies, performance appraisal schemes, fair treatment, proper pay and benefits, nature of job, organizational politics, personality factors of employees, individual emotional factors and levels of productivity that have connection with employee performance (Chandani, Mehta, Mall, & Khokhar, 2016).

Spiritual leadership is another vital factor that has its impact upon employee engagement and performance. This is because spiritual leadership is a predictor of organizational commitment, productivity and knowledge performance of the employees (Najaflyue Torkamani, Naami, Hashemi Sheykhshabani, & Beshlide, 2015). Basically, spiritual leadership inspires the employees to develop positive perception about their organization and the job vested onto them. Eventually, it enhances their level of engagement with their organization through intensified organizational citizenship behavior (Tabatabaei, Jooneghani, & Mirghaed, 2014).

## IV. RESEARCH METHODOLOGY

After understanding the significance of spiritual leadership practices within organisations, especially in ensuring employee engagement and boosting their job satisfaction thereby influencing their job performance, a quantitative method of data collection has been applied, in terms of primary data collection. Further, it has been felt that the secondary data will be helpful in establishing the theoretical foundation of this study because it is already validated and empirically established (Saunders et al 2009). However, upon simultaneously realizing the essentiality of first-hand data on the proposed topic of research for the purpose of establishing the ground reality of the study (Gray, 2013), a survey method has been implemented on twenty-five randomly selected employees from each of three chosen organized retail stores in Delhi, NCR region (n=75). In order to seek their opinion on the impact of spiritual leadership on employee behavior, close ended questionnaire were distributed among the respondent employees of these finalized organizations. The quantitative data collected by means of this method has been further analysed by means of the statistical software SPSS for making final interpretations.

## V. ANALYSIS

### 1.V.1 Descriptive analysis

The demographic distribution comprising of age, gender and their professional background of the employees is presented below—

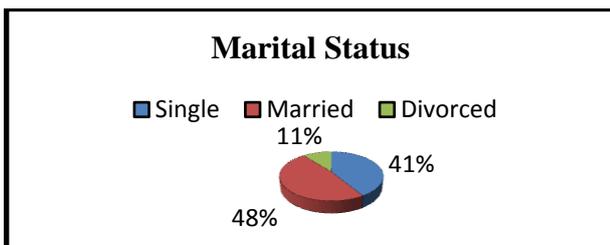
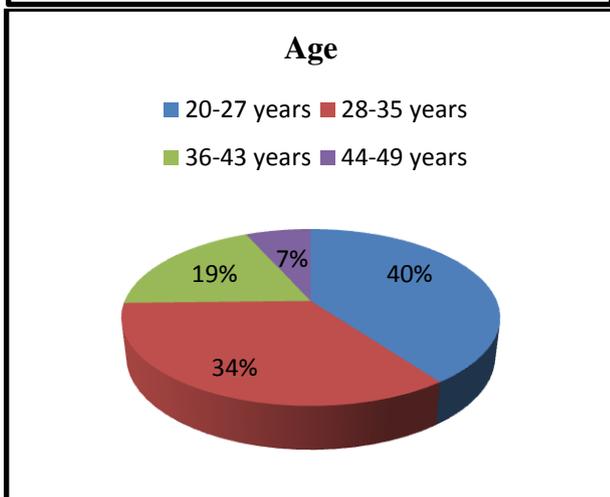
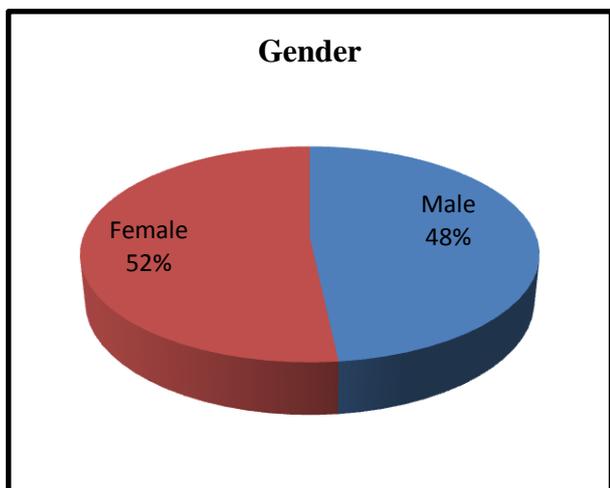


Figure 1: Gender, Age and Marital Status based Demographic Distribution of Respondents

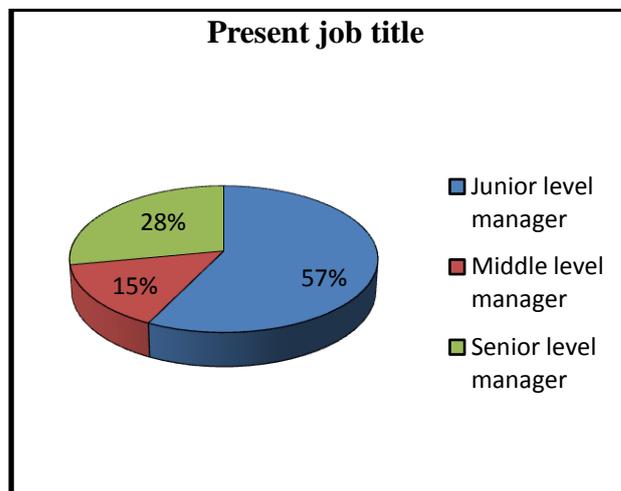
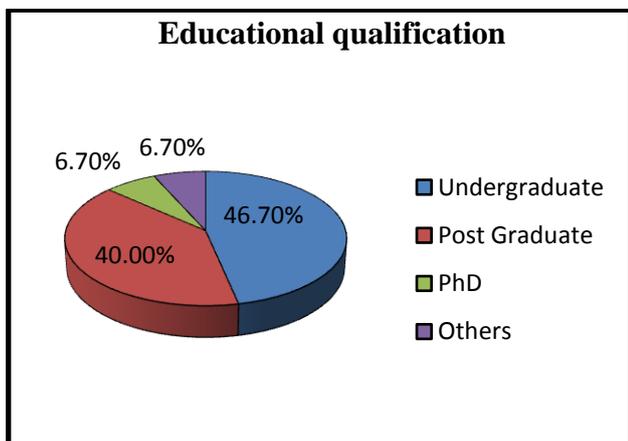


Figure 2: Educational qualification and recent job designation based demographic profile

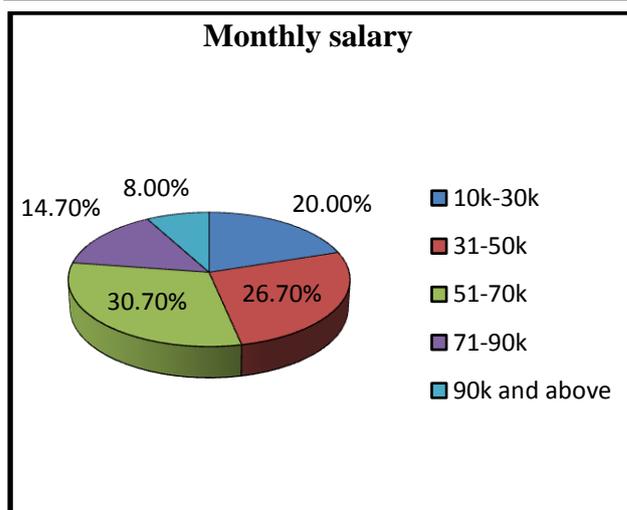
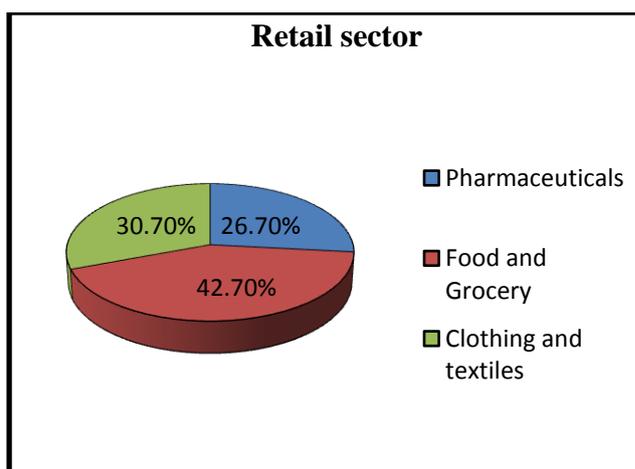


Figure 3: Retail sector representation and monthly salary based demographic profile

Further, analysis of the respondents on the basis of retail sector representation presents that 42.70% of the respondents belonged to the food and grocery sector, 25.7 % respondents were from Pharmaceutical sector, and the respondents from the Clothing and textiles sector were 30.7%.

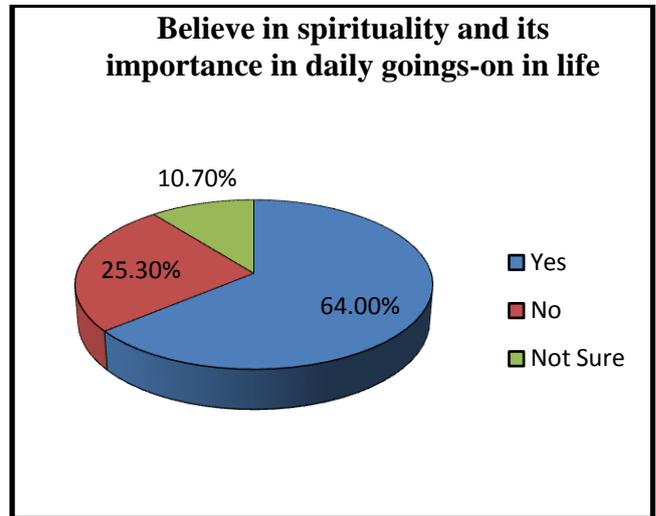
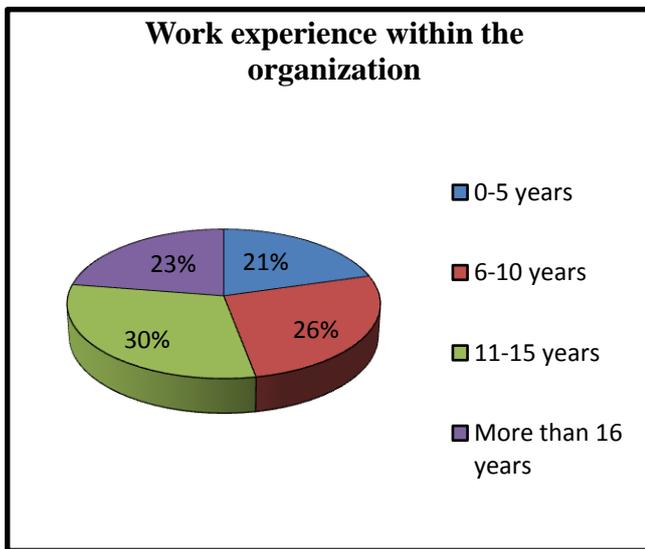


Figure 5: Perception on (a) Impact of leadership skill on organizational performance and (b) Effect of spirituality in daily life

Analysis of general perception of the respondents shows that 84% of them reported that they believe there is positive impact of leadership skills on organizational performance, while 10.7% said that it is not a significant factor for organizational performance. While 64% of the respondents said that they believe in spirituality and its positive impact on daily life, 25.3% said that they do not believe so.

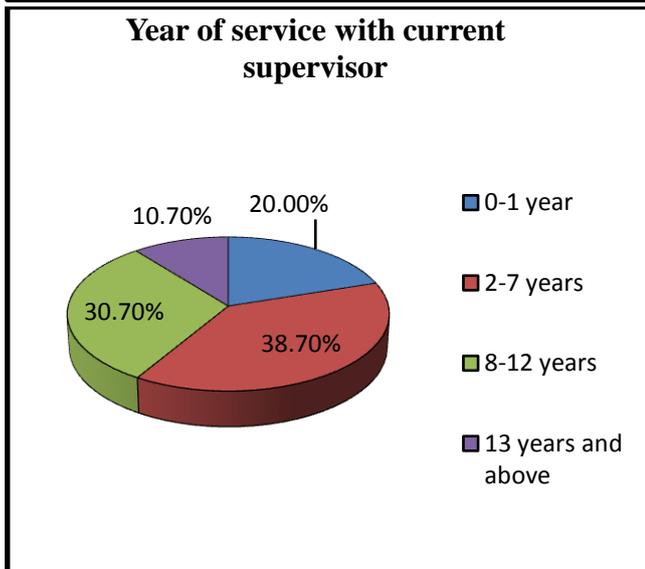
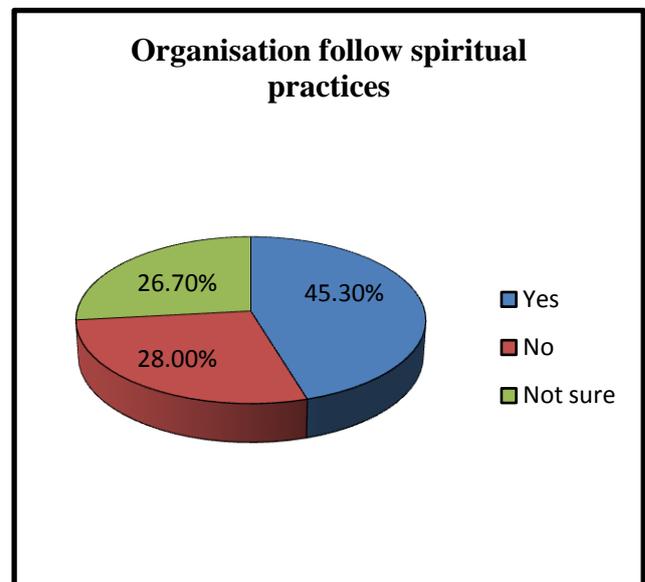


Figure 4: Demographic profile based on work experience within the organization and year of service with current supervisor



1.V.2 General Perception on Spiritual Leadership Practices



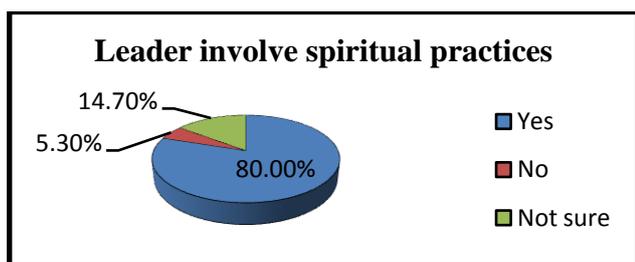
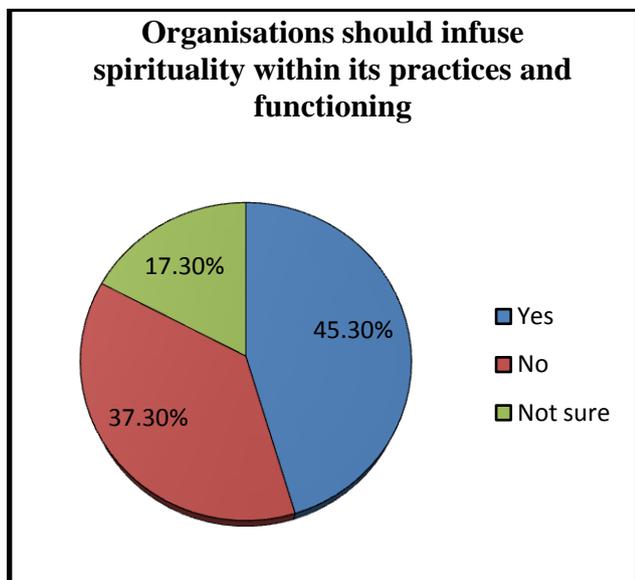


Figure 6: General awareness on (a) Organisation follow spiritual practices, (b) Organisations should infuse spirituality within its practices and functioning, (c) Leaders involve spiritual practices

Questions were asked to gauge if the respondents are aware that spiritual practices are followed in organizations. To this, 45.3% reported with a positive answer. 45.3% also said that organizations that do not follow this practice should infuse it within their operation. Among these respondents, 80% also said that they believe that infusing spirituality in leadership style is highly recommended.

## VI. INFERENCE ANALYSIS

Inferential analysis has been carried out through usage of Correlation and Regression tools to gauge the causality between (1) employee perception (dependent variable) and leadership practices (independent variables); and, (2) job satisfaction (dependent variable) and leadership practices (independent variables). The reason behind selecting the two dependent variables rests on the importance of the two in determining the level of job performance of the employees (Fry, 2005; Reave, 2005). Regression along with its ANOVA and has enabled the researcher to understand the degree of impact on the independent variables on dependent variable, thereby establishing the importance of spiritual leadership practices within organisational functioning (Sykes, 2007).

H0: Leadership style based on spiritual practices has no effect on employee commitment and their job satisfaction, thereby influencing their job performance

H1: Leadership style based on spiritual practices has significant effect on employee perception and their job satisfaction, thereby influencing their job performance

### 1.VI.1 Employee Perception on Leadership Practices

Correlation analysis of leadership practices taking into consideration various spiritual elements like vision, altruism, hope, membership, meaning and organizational commitment show that employee commitment is significantly influenced by all these variables of spiritual leadership. For instance, attachment of employees with organization due to their relation with leader shows 0.752 Pearson correlation value with 2-tailed significance of 0.000, sense of belongingness of employees to organization shows 0.694 value with 2-tailed significance or 0.000 and optimal use of workforce talents and skills at such spiritual workplace show 0.714 value with 2-tailed significance of 0.000. The research findings matches with the research of Javanmard (2012) where positive connection has been found between spirituality in workplace and employee performance.

		Impact of Components of leadership on enhancement of employee performance
Impact of Components of leadership on enhancement of employee performance	Pearson Correlation	1.000
	Sig. (2-tailed)	
	N	75.000
Leaders in my organization understand and are committed to my organization's vision	Pearson Correlation	.891**
	Sig. (2-tailed)	0.000
	N	75.000
The vision of leaders in my organization inspires my best performance	Pearson Correlation	.894**
	Sig. (2-tailed)	0.000
	N	75.000
Leaders in my organization really care about people	Pearson Correlation	.829**
	Sig. (2-tailed)	0.000
	N	75.000
Leaders in my organization have a vision statement that brings out the best in me	Pearson Correlation	.750*
	Sig. (2-tailed)	0.000
	N	75.000
I have faith in leaders' vision for employees	Pearson Correlation	.794**
	Sig. (2-tailed)	0.000
	N	75.000
The vision of leaders in my organization is clear and compelling to me	Pearson Correlation	.718**
	Sig. (2-tailed)	0.000
	N	75.000

Table 1: Correlation values of leadership practices and employee perception

Regression analysis pertaining to this issue in Table 5.3.1.1 show adjusted R square value of .838, thus depicting

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that there is 83.8% variation on perception that leadership style affects employee job performance. ANOVA analysis shows F square value of 30.427 significant at 0.000, thus depicting 30.27% variation in employee perception regarding impact of spiritual leadership on job performance.

R	R Square	F	Sig.
0.931	0.866	30.427	0

**Table 2: Regression values of leadership practices and employee perception**

## 1.VI.2 Influence of leadership practices on employee job satisfaction

Correlation analysis of leadership practices in the organization with employee job satisfaction suggests that spiritual elements also have significant influence on the productivity and loyalty of the employees, thereby enhancing their job satisfaction. For instance, variable such as demonstration of respect for workers and their work shows Pearson value of 0.924 significant at 0.000, and willingness of employees to spend the rest of their career with the same spiritually inclined organization show value of 0.842 with 2-tailed significance of 0.000. This correlates with the research of Najaflye Torkamani et al. (2015) where the influence of positive leadership practices based on mutual respect and appreciation on employee performance and organizational commitment has been established.

		Impact of Spiritual leadership on Employees
Impact of Spiritual leadership on Employees	Pearson Correlation	1.000
	Sig. (2-tailed)	
	N	75.000
I feel more attached to my organisation due to my relation with my leader	Pearson Correlation	.752**
	Sig. (2-tailed)	0.000
	N	75.000
I refer my organisation to my friends and family, as great place to work for	Pearson Correlation	.613**
	Sig. (2-tailed)	0.000
	N	75.000
The care and facilities projected by my organisation and leader influence me to devise a long term plan within the workplace	Pearson Correlation	.707**
	Sig. (2-tailed)	0.000
	N	75.000
Leadership qualities within the organisation motivates me to produce effective results through skill development	Pearson Correlation	.684**
	Sig. (2-tailed)	0.000
	N	75.000
I am satisfied with the job scope and compensation provided by the organisation	Pearson Correlation	.631**
	Sig. (2-tailed)	0.000
	N	75.000

**Table 3: Correlation values of leadership practices and employee job satisfaction**

Regression analysis of this aspect of the research in Table 5.3.2.1 shows R square value of 0.968, thus indicating 96.8% variation in the influence of leadership practices on organizational commitment of employees. ANOVA test shows F square value of 79.253, thus indicating 79.25% variation in employee perception about the impact of leadership practices on commitment of employees.

R	R Square	F	Sig.
0.99	0.981	79.253	0

**Table 4: Regression values of leadership practices and employee job satisfaction**

Hence, following the above statistical results, the null hypothesis is being rejected and alternate hypothesis accepted.

## VII. CONCLUSION

The study conducted for the purpose of exploring the significance of spiritual leadership on employee performance show positive relation between the two variables. Through the research, it has been found out and established that as spiritual leadership is based on encouraging ethical values in the leader and encouraging them to develop team spirit among employees by means of hope, mutual trust, sharing, cooperation and strong purpose, so it fosters a sense of belongingness among them towards the organization. Recommendation can be made on enhancing job security, belief in respective jobs of the employees, love and respect through spiritual leadership within the case organization.

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