

An Investigation on Effects of Spiritual Leadership towards Employee's Happiness Using Structural Equation Modeling

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Abstract

Some believe that there is always a link between happiness and an individual health. This paper addresses a researched question as: How does a leader's spiritual beliefs and spiritual practices affects on happiness as perceived by ones followers. In this study, it was constructed an original model to carry out a research analysis at some universities in Isfahan. The main objective of the researched model is to investigate the employee's happiness in terms of spiritual leadership. We used Structural Equation Modeling. In our proposed model, we assume that spiritual leadership is composed of: The values of vision, hope/faith, altruistic love, meaning/ calling and, membership. Additionally there is a link from spiritual leadership to happiness. The research was applied over 90 employees in universities of Isfahan. According to prepared results, it has been determined that the constructed model is significant and employee's happiness and has some positive significant correlations with spiritual leadership.

Keywords: Happiness, spiritual leadership, structural equation modeling

1. Introduction

Much literature has been accumulated in academic, business and public domain which explores the concept of spiritual leadership. This literature has covered various aspects and shown the reason why spiritual leadership has been interpreted at various levels complexities. Driscoll & Wiebe (2007) state that publication in popular business media on spiritual leadership has been criticized because it has many uncontrolled assumptions and is based on

superficial understanding on the existing literature. There are few empirical studies on spiritual leadership and this may explain the emergence of many perceptions which should be examined more rigorously. The complexity of environmental changes forces firms to search more efficient operational exploration for their development process. This means, increasing the efficiency will play important role in accelerating the development of the organizations. Definitely there may be many factors affecting the organizational effectiveness and one of them is the employee satisfaction. Effective organizations should have a culture that encourages the employee satisfaction (Bhatti & Qureshi, 2007).

Variety of studies have found associations between the spiritual well-being of workers , their psychological health and job satisfaction. A variety of studies have also found relationships between the style of leadership used by a leader and the job satisfaction of the follower. This is particularly true for studies that use the Multi factors Leadership Questionnaire(Bass & Avolio, 2002) as a test for leadership. Consequently, the Full Range of Leadership model and its associated instruments, the Multi factor Leadership Questionnaire, is likely as the most widely taught and studied model of leadership.

In the context of these statements, our research analysis will investigate the employee s satisfaction as a dependent variable. Besides, the independent variables have been selected as organizational culture and spiritual leadership, which are counted as important concepts for organizations and should be fully investigated. Hence, our study will try to find out the effects of spiritual leadership on employee's happiness amongst employees in Isfahan Azad universities.

2. Spiritual Leadership

Most definitions of workplace spirituality include: Notions of meaning, purpose and being connected to others (Mirvis, 1997; Conger, 1994; Ashmos&Duchon, 2000; Vaill, 1998, 2000; Giacalone & Jurkiewicz , 2003).Vaill (2000), for example, views spirituality as having to do with human-kind's search for meaning, and argues that the search for meaning for many adults has often led people to seek about significances at their works (Giacalone & Jurkiewicz, 2003). Definition of, spirituality at work" is difficult even though its application in organization is really undeniable.

Spirituality at work includes a concept of integrity and solidarity for understanding the profound values in work place (Gibbons, 2001),Spirituality at work consists of an attempt to search and find the ultimate meaning of life for work life, to communicate among individuals and their colleagues, and other people who somehow contribute to a work, also, harmony or unity between individuals' fundamental believes with their organizations' values (Mitroff& Denton, 1999).

Fry (2005) noted that —issues regarding workplace spirituality have been receiving increased attention and the implications for leadership theory, research, and practice make this a fast growing area of new research and inquiry. An examination of the academic research reveals three areas of focus for scholars: (a) identifying spiritual values and behaviors, (b) examining conceptual frameworks and models pertaining to spirituality, and (c) developing instruments for measuring spirituality. According to Fry (2003), spirituality includes two essential elements in a person's life: (a) transcendence of self, manifesting in a sense of calling or destiny, and (b) belief that one's activities have a meaning or a value beyond economic benefits or self-gratification. A sense of calling and higher meaning fosters the development of certain values, including vision, altruistic love, and hope/faith. Kriger and Hanson (1999)

proposed a similar set of spiritual values—honesty/truthfulness, trust, humility, forgiveness, and compassion. The staffs need for leadership, ethics more than they've needed before. Thus, considering the leadership in a more fundamental way is necessary. The notion of spirituality in the workplace has come into a considerable prominence during the last decades (Gibbons, 2000). Spiritual matters are now often discussed in the literature of leadership and management (Dent et al., 2005). The current tendency shows that there exist tangible benefits through spiritual approaches, for instance: improvement of morale, reduction of stress and turnover, improvement performance; net income, and positive impacts on stock price (Crossman, 2008). It becomes in the mind and has the property of inspiring. Spirituality should be thought as an integral component of leadership in today's business. This integration is a leading factor for development in order to shift to higher levels of internal and external success (Sanders et al., 2003). SL is related with the member's inquiring, thinking, perceiving, valuing, and acting in the community with the team spirit rather than acting individually (Eggert, 1998).

Sendjaya *et al.* (2008) state that spiritual leadership, relationship, oriented leadership and servant leadership are parts of the "value-based leadership theories", since these contain spiritual elements which serve as a response to disturbing situation, non-ethical leadership or abuse in an unhealthy organization. This means that teamwork is more supported in SL rather than individual work. The spirituality provides an inner knowing through a common consciousness with a higher power (Koenig, 2008). This also requires a deeper intuition and emotional activity. Some researchers such as: Fairholm (1998), Fry (2003), Strack (Fottler), Wheatley and Sodomka (2002), link spirituality to leadership, in as much as spirituality facilitates reaching productivity, provides ethicality and hinders stress in the organizations (Giacalone and Jurkiewicz, 2003). This finding explains that, spiritual leaders play an important role for mororganizational effectiveness. On the other hand, they hinder mental escape from the work environment and try to find better ethical ways for their followers. Moreover, spiritual leaders harmonize the expression of compassion and wisdom and make their followers share the responsibilities more willingly. Besides that, spirituality may have an effect to enhance the organizational learning and it encourages the organizational members about organizational learning rather than individual learning.

Modaff et al. (2008) also state that relationship oriented leadership should stimulate intellectual activities and this perspective is consistent with spiritual leadership, which tries to be involved in a critical sense with the holistic integration between rationality and spirit. This discussion on the relation between spiritual leadership and intellectualism is close to Durkheim's (1968) idea that spirituality in the form of religion would involve thinking capacity and would be no less logical than the scientific thinking which has contributed to the "intellectual evolution of human beings" (Durkheim, 1968). However, the concept related to the critical and intellectual involvement is necessary for spiritual leadership has been so far criticized by some. Durlabhi (2004) admits that Taoist perspective has a role in leadership, but at the same time, it must be admitted that cognitive process is considered by Taoism as an obstacle for the individual effort in arriving at the truth. Such a description of Tao philosophy does not always have to be interpreted as an idea that Taoism is anti-intellectual, but that more knowledge, both in general sense and in the specific sense of leadership knowledge, does not always bring better understanding.

3. Happiness

The word happiness is defined as a positive sense which would be to everyone's favor and is worth pursuing. When this feature, i.e. worthy happiness, is attributed to something, or something is characterized by this property, that thing becomes a valuable object, and valuable objects usually need to be strived for. Happiness studies – which define happiness as the degree to which an individual judges the overall quality of one's life. Many social and economic researches are trying to discover the relationship between happiness and high level of income for present. As we all know, with higher income means higher spending and enjoyment which we suppose must have a great influence on one's happiness. But there are more to discuss on this issue. According to Jorg Schimmel (2009) "Increased income, better objective health and higher levels of education do not automatically lead to greater happiness". Also according to Becchetti and Rossetti (2009), "money can not buy happiness and the debate on the relationship between income and happiness basically tends to be polarized around two opposite stances".

People have been looking for happiness and how to make their lives better. Happiness is a feeling that people experience after achieving their goals. When used in this sense, it is synonymous with life quality (Veenhoven, 2006). Happiness is a mental feeling that every healthy human feels it throughout his life (Vasconcelos, 2008). Those who know the value of life will evaluate the positive portion of life. Shludren and others (2002) argued that the probability of outward and inward flowering of happy people is very high. When employees enjoy happiness it has several advantages for them and their organizations. Employees in a happy organization have good social skills, reach an agreement in case of inter-conflicts and eventually have more intimate relationship with others. A happy staff makes great efficiency and performance to supervisors and achieve better management jobs. Findings have shown that a happy employee makes less problem and fatigue (Frisch et al., 2004). There are some who believe that there is a direct link between happiness and one's individual health. Throughout the centuries, human happiness and its causes have been a central concern to clerics, philosophers, psychologists, and therapists of various kinds. Health and happiness appear to be related to each other, but not always in the ways economists might think (Graham, C. 2008). According to Peter Allmark health promotion is best practiced in the light of an Aristotelian conception of the good life for humans and of the place of health within it. Isen and Reeve (2005) showed that a positive effect induces subjects to change their allocation of time towards more interesting tasks, and that, despite this, the subjects retain similar levels of performance in the less interesting tasks. This hints at individuals becoming better able to undertake repetitive tasks as they become happier -- though the authors do not discuss exactly why this might be true or how this interacts with performance-related payment. More generally, psychologists have shown that positive emotion influences the capacities of choice and innovative content (Isen, 2000), improves memory recall (Isen et al. 1978; Teasdale and Fogarty 1979), and leads into a greater altruism (Isen and Immonds 1978).

4. The Research Model

Related to our subject, we have constructed a relationship between the two concepts, Spiritual leadership, and Happiness and created a model (Figure 1).

According to this model, we see that spiritual leadership is composed of: The values of vision, hope/faith, altruistic love, meaning/calling and, membership. We calculated SL value by the sub-total of these five values. Additionally there is a link from spiritual leadership to happiness.

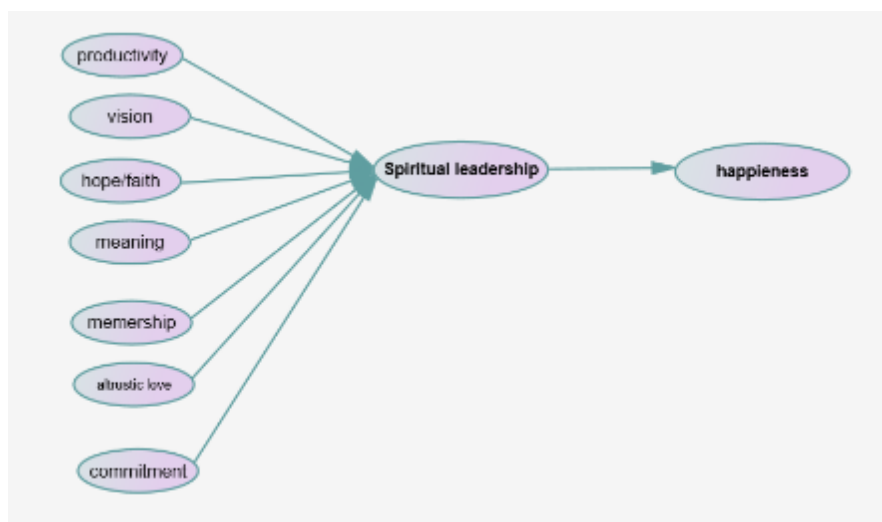


Figure 1: Research Model

5. Methodology

The current study is a descriptive-survey based on methodology, and research- applied based on the goal. Since this study examines the impact of internal marketing on staff's happiness, which is practical, based on the goal. Descriptive statistics were used for analyzing descriptive data and structural equations model was used for testing hypotheses with the aid of SPSS and Amos softwares.

To collect literatures, English and Persian papers, journals and available books were used. A questionnaire was prepared and also used to collect data with a standard framework. All questions were classified on a scale range of five-option Likert (from completely disagree = 1 to completely agree = 5). The questionnaire had two parts of demographic questions including age, gender, education, and the organizational position. Also it included two main questions related to spiritual leadership and happiness.

6. Validity and Reliability

The concept for validity of answers to this question that: To what extent measuring instrument gauges the desired option? Data accuracy cannot be reliable without knowledge of the validity of measuring instruments. There were several methods such as: content validity method for validation. Whether questions represent special characteristics and skills which a researcher wants to measure, the test will have content validity. In this stage, the necessary corrections about the research made during different interviews with experts and professors; therefore, it ensured that questionnaire measures the desired option.

Reliability is one of technical features of measuring instruments and shows to what extent measuring instruments obtain the identical results in the same situation. To determine the validity of the test, Cronbach's alpha was used. It is used to calculate the internal coordinating of measuring instrument that measure different feature. Therefore, reliability coefficient with Cronbach's alpha was calculated using data obtained from questionnaires and SPSS software. Cronbach's alpha coefficient of spiritual leadership (0.81) and happiness (0.85) were obtained. These numbers indicate the questionnaire had enough reliability. The 90 questionnaires distributed among between staffs in Isfahan Azad universities.

7. Analysis of the Structural Model

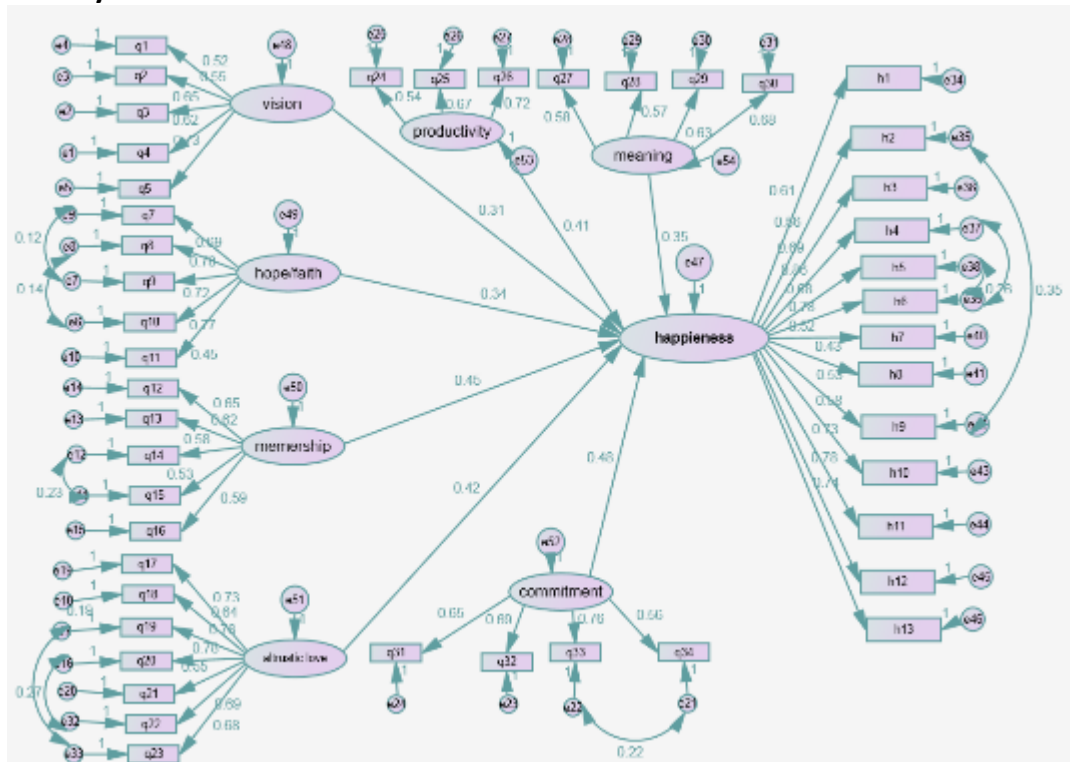


Figure 2: Amos output

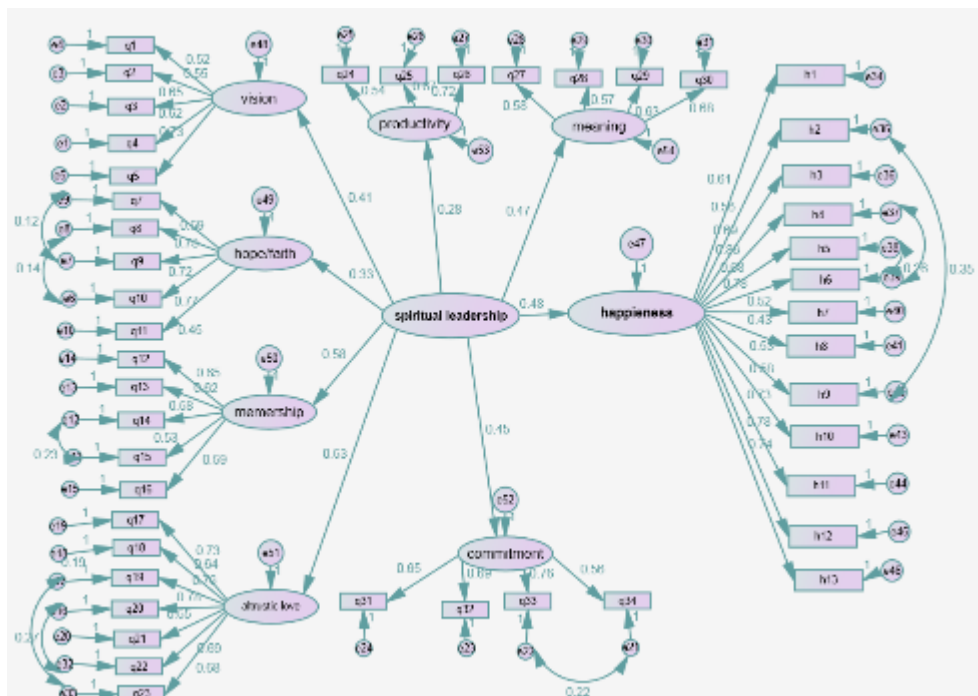


Fig. 3. Another Amos Output

Table 1. The Chi-Square Results

Index	Spiritual leadership	Happiness
CMIN	12.309	50.394
DF	8	35
P	0.138	0.05
CMIN/DF	1.539	1.445
RMR	0.057	0.032
GFI	0.971	0.939
AGFI	0.924	0.886
TLI	0.960	0.954
CFI	0.979	0.771
RMSEA	0.035	0.029

Table 2. Overall index of path analysis

Index	CMIN	DF	P	CMIN/DF	RMR	GFI	AGFI	TLI	CFI	RMSEA
Value	2.133	2	0.344	1.066	0.006	0.993	0.949	0.997	0.999	0.023

hypotheses	Description	Estimate	C.R.	P
1	Spiritual leadership ---> Happiness	0.48	5.703	0.000
2	Faith ---> Happiness		4.873	0.000
3	meaning ---> Happiness	0.34	5.200	0.000
4	Altruistic love ---> Happiness	0.45	5.417	0.000
5	productivity ---> Happiness	0.42	4.375	0.000
6	Commitment ---> Happiness	0.48	5.873	0.000
7	vision ---> Happiness	0.35	5.881	0.000
8	membership ---> Happiness	0.41	6.43	0.000

Table 3. The result of hypotheses testing (regression weights)

We assessed the overall goodness-of-fit using the Chi-square test in Table 1. The Chi-square test assesses the adequacy of a hypothesized model in terms of its ability to reflect variance and covariance of the data. Due to its tendency to be sensitive to sample size, other fit indices (e.g., GFI, AGFI, CFI, NFI, and RFI) were considered in conjunction with the Chi-square. For the statistical significance of parameter estimates, t-values were used. The results of structural equation modeling obtained for the proposed conceptual model revealed ratio of Chi-square to the degree of freedom (χ^2/df) of 1.92 ($p < 0.05$), goodness-of-fit index (GFI) of 0.94, adjusted goodness-of-fit index (AGFI) of 0.90, comparative fit index (CFI) of 0.93, and root mean square error of approximation (RMSEA) of 0.05. Generally, fit statistics greater than or equal to 0.9 for GFI, and CFI indicate a good model fit (Bagozzi, Yiand Phillips, 1991). Furthermore, RMSEA values ranging from 0.05 to 0.08 are acceptable; therefore, the RMSEA suggested that our model fit was acceptable. Other fit indices, indicated that our proposed model obtained an adequate model fit.

A structural equation modeling (SEM) approach was adopted in our data analysis (Bagozzi et al., 1991). Fig. 2 and 3 presents the results of the structural model. Happiness in this study was jointly predicted by spiritual leadership ($\beta = 0.48$, Standardized path coefficient, $p < 0.05$), meaning ($\beta = 0.35$, $p < 0.05$), Productivity ($\beta = 0.41$, $p < 0.05$), vision ($\beta = 0.49$, $p < 0.05$), Hope/faith ($\beta = 0.34$, $p < 0.05$), membership ($\beta = 0.45$, $p < 0.05$), altruistic love ($\beta = 0.48$, $p < 0.05$) and commitment ($\beta = 0.49$, $p < 0.05$). As a result, all hypotheses were supported.

8. Discussion

According to the conceptual model, the structural equations provided by AMOS software are the presented results in Table 2, and Table 3, and the theoretical path model illustrated in Fig. 2, 3.

All of relationships were statistically significant at conventional levels ($p < 0.05$).

Hypothesis with t-value greater than 1.96 is supported, and with t-value between -1.94 and 1.96 is not supported, confidence interval of the test is 95% significance level. Several

insightful results could be summarized from our research framework. The purpose of this study was also to examine the impact of spiritual leadership on staff happiness. The aspects of spiritual leadership also can be considered and measured. Thus, in this research the impact of spiritual leadership on staff's happiness as the main hypothesis is analyzed. The main hypothesis was confirmed by positive and strong effect. The result confirmed the conclusion of previous researchers that spiritual leadership causes mental health and happiness. In this study, there were also some minor hypotheses. Given that spiritual leadership includes seven aspects, the effects of each aspect on employee happiness were studied separately. The concept of spiritual leadership would require ongoing critical and theoretical involvement which would situate the concept among the existing leadership theories, especially value-based leadership theories. This process is necessary for uncovering the similarity and difference with the other forms of leadership so as to prevent confusion in thinking. We believe that the results of this study may be useful for firms as well as other globally acting organizations in planning their strategic maps and increasing their effectiveness. Nevertheless, as another discussion area, we suggest the researchers to study on the other international business areas to compare the results and reach a detailed and sensible conclusion. In developing this discussion further, spiritual leadership may be developed from its present status as a concept into a paradigm which is sustainable (Crossman, 2008), applicable and relevant for the literature of organizational management and leadership.

The results of this study have original implications for organizations as well as academic researchers. We believe that the managerial level employees will consider the findings of this research when improving their organization's productivity. Further study to include different sectors, other organizations, other happiness factors would allow a comparison of results and contribute further evidence on the organizational impact of spiritual leadership. In addition, it would be interesting to discover whether each spiritual leadership factor separately influences each of the happiness factors. To reveal this, a complex model could be constructed for inferences that are more detailed. Moreover, as a leadership study, the researchers may investigate the influence of other leadership types on happiness and compare the results for a high level of productivity in the businesses.

At last, the conceptual model of spiritual work which is examined in this study includes constant variables, but the relations between variables can be defined differently and their effects on each other can be explored. Therefore, it is suggestive that researchers should identify other relations among these variables in their future studies.

9. Further Research

As the risk is with conducting case studies, conscious decisions need to be made which place certain limitations on the study. These have been acknowledged in selected parts of the method section. For instance, frontline employees were selected from a defined set of criteria that were given to the managers by the researchers. Due to the geographical range of this study which was limited to Isfahan city, the conclusions based on the empirical findings cannot be generalized towards the entire organization. Likewise as the sample is not entirely representative the conclusions would not necessarily be replicated. On the basis of these afore-mentioned limitations, we suggest that future researchers should investigate the other factors that have mediating effect. We recommend that further research should be carried out based on the model (Figure 3) presented through this study which links internal marketing to organizational commitment.

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