

**Daystar University Centre for
Research, Publications and
Consultancy Working Paper Series**

**Workplace Spirituality: The Missing Dimension in the
Balanced Scorecard**

By

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Working Paper Series

Number DU/2012/006

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CRPC Working Paper Number DU/2012/006

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Abstract

Workplace spirituality is a rapidly growing concept. Human resources managers and organisational change agents need to understand this concept because it is going to affect how organizations are run. This paper introduces this concept and discusses the influence it may have on the organizational performance. It also discusses the Christian view of this concept.

Introduction

Two milestone developments in performance measurement happened in the early 1990s: the introduction of the balanced scorecard by Kaplan and Norton and introduction of reporting of financial and non-financial information by the Baldrige National Quality Programme (Fuchsberg, 1992; Mahoney & Thor, 1994). The balanced scorecard was introduced in the early 1990s by Robert Kaplan and David Norton after conducting a study of 12 organisations and coming to the conclusion that traditional measurement having a financial bias had failed by ignoring to link operational performance to strategic objectives (Corrigan, 1995). According to them, no single measurement of performance was adequate and therefore different tools of measuring performance were needed. As a consequence, they developed the balanced scorecard (Pienaar & Penzhorn, 2000).

The balanced scorecard is therefore a tool that tries to bridge the gap between operational execution of strategy and strategic objectives set at the senior levels within an organisation. It strives to create breakthrough performance by focusing the organisation on what must be done (Pienaar & Penzhorn, 2000). It makes sure that critical success factors can be evaluated and compared by translating each key statement of the strategic plan into measurable steps (Campbell, 1997).

Kaplan and Norton (1992) provide a framework for capturing performance measurements based on the customer satisfaction, financial performance, internal processes and employee innovation and growth. The non-financial measures were meant to provide the balance needed for employees to be aligned to strategy. The Baldrige National Quality Program was of the same view that “The use of this composite of measures is intended to ensure that strategies are balanced – that they do not inappropriately trade off among important stakeholders, objectives, or short-and longer-term goals” (Baldrige National Quality Program, 2004, p. 6). In line with this view, the program

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focused on customer-focused results, product and service results, financial and market results, human resource results, organizational effectiveness results, and governance and social responsibility results. The balanced scorecard is concerned about strategic performance indicators in customer focus, finance, of quality and internal operations and of human resources for which quantifiable performance objectives have been established and are derived from the firm's strategic plan (Matherly & Fry, 2005; Fry & Matherly, 2007).

Likewise, the Baldrige National Quality Program (2004) recognizes that central to an organization's success is knowledge, skills, creativity and motivation of all employees. Therefore, in order to produce higher quality services and products valuing employees by showing commitment to their satisfaction, development, learning and well-being is paramount. The firm gains a sustainable distinctive competency and market advantage due to a more flexible, responsive and efficient organization brought about by organizational and personal learning.

Critical examination of the balanced scorecard

Some of the key assumptions and the relationships of the balanced scorecard have come under scrutiny. One of the assumptions is that there is a causal relationship between variables in the model. The model assumes that measures of organizational learning and growth lead to measures of internal business processes which lead to measures of customer perspective and which in turn leads to financial measures (Kaplan & Norton, 1996a). Research has however shown that instead of a causal relationship between variables there is interdependence. This therefore means that the balanced scorecard makes invalid assumptions which can lead to sub-optimal performance due to anticipation of performance indicators that are faulty (Norreklit, 2000). Some people have argued that the missing link in the balanced scorecard is spirituality (Fry & Matherly, 2007).

Workplace Spirituality

According to Howard (2002), due to the fact that spirituality is intensely personal, though highly inclusive and universal, it is difficult to define it. Range of phenomena associated with it include the following: it is in the place of our hearts, inside and personal, the pursuit of trans-personal and trans-temporal reality, eternal human yearning to be connected to something larger than their own egos, is everything, union with any and everything (Hicks, 2003; Dent, Higgins, & Wharf, 2005). Though it is highly personal, it also resides and is present in a religion, a group or in an institution which has been formed and developed around the experiences of one or more individuals (Fry, 2003).

Studies have shown that people bring their whole selves to work. This is because they desire to be authentic in what they do and how they do it as they strive for meaning at work. Organisations must therefore care for the whole employee's spiritual, emotional and physical well-being (Cacioppe, 2000).

According to Neal (1997, p. 123), workplace spirituality "can refer to the ways in which organisations structure themselves to support the spiritual growth of employees". It has also been defined by Giacalone and Jurkiewicz (2003, p. 5) as "...a framework of organizational values embedded in a culture that promotes employees experience of transcendence through

the work process, facilitating their sense of being connected to others in ways that provide feelings of completeness and Joy". The level of interactions and connectedness is felt at three levels: self, group and organisational (Milliman, Czaplewski, & Ferguson, 2003).

Self

For employees to be productive there must be a sense of meaning and purpose in their work. This is affected by how they interact at the individual level with their day-to-day work (Milliman, Czaplewski, & Ferguson, 2003). People must be able to see their work as a spiritual path, where they are able to grow as individuals and where they contribute to society meaningfully (Neal, 1997). People do seek not just to realise their full potential through work but also that their work has a sense of social meaning value (Pfeffer, 2003).

According to Fry (2003), there are two types of motivations: intrinsic and extrinsic. Intrinsic motivation is having an interest and enjoying an activity for its own sake. People who are intrinsically motivated will engage in activities that they find fun and therefore the performance of the task becomes the reward. Because it relies on inner satisfaction it fulfils higher order needs. Extrinsic motivation is influenced by extrinsic rewards given by others and may be individual, group based and system-wide (Galbraith, 1977). According to Fry (Fry, 2003), organisations must rely on intrinsic motivation rather than extrinsic motivation in order for them to become learning organisations and survive in the current rapidly changing business environment. Organisations must therefore promote workplace spirituality.

Individuals are affected by what they are doing, the contributions they feel they are making, and their feelings about their fundamental meaning (Vail, 1998; Duchon & Plowman, 2005). Spiritual life includes individual practices (e.g. prayer) and organisational practices (e.g. rooms for prayers, silence and reflection) to help individuals draw strengths from their beliefs (Fry & Kriger, 2009).

Group

Workplace spirituality also means that people must have a sense of community which is a feeling of deep connection with others (Ashmos & Duchon, 2000). People see themselves as connected to each other (Maynard, 1992) and want to have a sense of community through support, freedom of expression and genuine caring (Milliman, Czaplewski & Ferguson, 2003). Organisation must therefore promote workplace spirituality in order to promote a sense of community in the workplace.

Organisational

Employees also want to interact with the larger organisational purpose (Mitroff & Denton, 1999). Employees want to believe that managers and employees have appropriate values, a strong conscience and are interested in the welfare of employees and the community (Ashmos & Duchon, 2000). For example, employees want to see that disciplining employees who make mistakes balances justice and mercy (Prov. 3:3). This means therefore that organisation must not just be seen promoting workplace spirituality but they must also be seen to practice it.

Spiritual leadership

One of the management paradigms that have the potential to guide organisational transformation and development is spiritual leadership (Fry & Slocum, 2008). Spiritual leadership theory was developed from a motivational model that incorporates vision, hope, faith and altruistic love (Fry, 2003; 2005; 2008).

Though fundamental in organizational functioning, spirituality is more of a human trait rather than organizational. However, employees' spirituality is affected negatively in the workplace due to the demands for results and the interconnectedness of individuals (Middlebooks & Noghiu, 2010). This is why spiritual leadership is necessary. Spiritual leaders are known to broadly affect, explicitly or implicitly, the perceptions and behaviours of individuals and also influence and shape the culture of the organizations which also affects the mind-set of individuals (Schein, 2004). It is a concept of leadership that taps into the needs of the leader and the led for spiritual well-being and its purpose is to create vision and value across individuals and teams which can foster higher levels of organizational commitment and productivity (Fry & Slocum, 2008).

Fry (2003, p. 694) defines spiritual leadership as "comprising values, attitudes, and behaviours that are necessary to intrinsically motivate oneself and others so that they have a sense of spiritual survival through calling and membership". It involves creating a vision where members experience a sense of calling to make a difference and establishing an organisational culture based on altruistic love whereby there is genuine care, concern and appreciation of one another. According to Reave (2005), spiritual leadership occurs when a person in a leadership position embodies spiritual values such as integrity, honesty and humility. According to Fry and Slocum (2008, p. 89), "...it involves motivating and inspiring workers through a transcendent vision and a corporate culture based on altruistic values to produce highly motivated, committed and productive workforce". Spiritual leadership therefore fosters spiritual well-being, which influences the triple bottom line (that is, employee life satisfaction, corporate responsibility, organizational commitment and productivity, and financial performance) positively (Fry & Slocum, 2008).

Some authors have argued that before it can successfully be integrated with existing organization leadership theories, there is need for a much better understanding of the notion of spirituality (Benefiel, 2005). Even though the spiritual leadership has not been properly defined as a coherent theory, authors such as Fry (2003) argue that organizations will ultimately fail as learning organizations if they do not embrace workplace spirituality. This view is supported by Mitroff and Denton (1999, p. iv) when they say, "...we believe that today's organizations are impoverished spiritually and that many of their most important problems are due to this impoverishment... We believe that organizational science can no longer avoid analysing, understanding, and treating organizations as spiritual entities".

The Spiritual Leadership Balanced Scorecard Business Model

Management experts have recognised the value of employee participation and empowerment in decision making for a long time. The use of a centralized, hierarchical model for organizations has been widely criticised. For example, Fayol (1984) maintains that it is important, in order to improve organizational efficiency, for long-term employees to develop necessary skills and that managers should encourage the development of enthusiasm to a common cause. This can only be possible if authority is not concentrated at the top of the organizational hierarchy. According to Follett (2005), the power and leadership in organizations should stem from knowledge and expertise, and not from the position of authority of the manager. The emphasis on total quality management in the 1980s brought about a renewed emphasis on empowering individuals and teams with the authority needed to make processes more efficient and effective by decentralizing decision-making. Many management experts have said that the necessary components of employee learning are empowerment, quality and continuous improvement (Conger & Kanungo, 1988; Baldrige National Quality Program, [BNQP], 1992; Kaplan & Norton, 1992; 1996b; 2004).

For spiritual leadership to be a source of employee empowerment, several weaknesses as identified by Giacalone and Jurkiewicz (2003) and Giacalone et al. (2005) must be addressed. Such weaknesses include inadequate measurement tools and lack of theory-based definitions. Many studies have been conducted to test and validate the theory of spiritual leadership (Fry, 2003; 2005; 2008). These studies have shown that there is a significant positive relationship between the influence of spiritual leadership on employee life satisfaction, organizational commitment and productivity, work performance, and growth in sales (Malone & Fry, 2003; Fry, Vitucci, & Cedillo, 2005; Fry & Matherly, 2007; Fry & Slocum, 2008).

The Spiritual Leadership Balanced Scorecard Business Model emphasises that the key to maximizing the triple bottom line is stakeholder satisfaction and spiritual leadership. Central in the Balanced Scorecard performance category is employee learning and growth. This is because this is the leading indicator that drives the other performance categories. Employees who have a sense of well-being will ultimately drive financial performance by striving to produce quality products and services by continuously improving organizational processes through being committed, productive, and socially responsible.

In order to achieve congruence across individual, team and organizational levels that foster higher levels of employee well-being, the model utilizes a vision and values-driven stakeholder approach. Strong intrinsic motivation is established among leaders and followers through vision, hope and a culture grounded in the values of altruistic love. The integration of individuals and teams within the organization's vision and values is facilitated by this intrinsic motivation. As a result empowered teams emerge, which allow workers to effectively deal with key strategic stakeholder issues by utilizing their talents and abilities. Therefore, spiritual leadership is ultimately the driver of the learning and growth performance category that produces continuous improvement in operations and the development of high-quality products and services. This in turn generates high levels of customer satisfaction, leading to sustainable organizations that maximize the triple bottom line.

The Christian worldview and workplace spirituality

A person's worldview influences his or her thoughts and actions and is comprised of values, tastes, perceptions, perspectives and assumptions (Sire, 2004). This implies that a worldview involves the heart, mind and soul and involves propositions and presuppositions (that is, what is pouring into our heart and what is flowing out of our hearts) (Ward, 2003). The Bible also suggests that our worldview is a matter of the heart. The heart is described in terms of spirituality (Acts 8:21), intellect (Rom.1:21), desire and will (Chron. 29:18), wisdom (Prov. 2:10) and emotion (Ex. 4:14). These are traits that every Christian worker should have.

Many Christians would welcome the concept of workplace spirituality if it identifies with Christian practices. However, this is not what proponents of workplace spirituality have in mind. Workplace spirituality has been defined and identified independently of any religious content (Giacalone & Jurkiewicz, 2003). These authors argue that spirituality is not confined to any religion and that religion has no role in defining spirituality of workplace spirituality. An argument has been advanced that religion-based workplace spirituality can lead to arrogance that a particular faith is better than and morally superior to others (Fernando & Jackson, 2006). In other words, workplace spirituality does not mean adopting the practices of a particular religion. It actually means embracing and accepting religious diversity in the workplace. This is what some Christian would find difficult to accept. A Christian scholar should therefore be very careful with this concept. This is because it means that in the workplace some practices can be allowed in the name of "workplace spirituality".

Conclusion

Workplace spirituality is one of the new emerging management paradigms. There are many scholars who are conducting researches on the influence of workplace spirituality and organisational performance. Though many scholars believe that workplace spirituality is the missing link in the balanced scorecard, it has not been clearly defined. There are people of the opinion that spirituality can be defined outside of religion and others disagree and argue that spirituality cannot be defined outside of religion. Christian scholars should therefore not be left behind in shaping up the debate in this area.

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