Spiritual Leadership as a Model for Implementing the Baldrige Performance Criteria

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SPIRITUAL LEADERSHIP AS A MODEL FOR IMPLEMENTING THE
BALDRIGE PERFORMANCE EXCELLENCE CRITERIA

Abstract

Issues regarding workplace spirituality have received increased attention in the
organizational sciences. The implications of workplace spirituality for leadership theory,
research, and practice make this a fast growing area of new research and inquiry by
scholars. The purpose of this research was to test a dynamic relationship between
spiritual leadership and spiritual well-being (i.e., a sense of calling and membership) and
key organizational outcomes in a sample of Baldrige recipient organizations. Using
structural equation modeling (SEM), results revealed a positive and significant
relationship between spiritual leadership and organizational commitment, unit
productivity, and life satisfaction. These relationships were explained or mediated by
spiritual well-being. Implications for research and practice are discussed.

Key words: Leadership, Spiritual Leadership, Baldrige Criteria, Performance Excellence
SPIRITUAL LEADERSHIP AS A MODEL FOR IMPLEMENTING THE BALDRIGE PERFORMANCE EXCELLENCE CRITERIA

The Malcolm Baldrige National Quality Improvement Act of 1987 was a response to the realization that American companies needed to be more competitive in a global environment with regard to quality. Through the provisions of the Act, the Malcolm Baldrige National Quality Award (MBNQA) was begun with the first recipients being named in 1988. In the beginning of the program, awards were given in the sectors of Manufacturing, Service, and Small Business. In 1998, Congress expanded the awards to the Education and Health Care sectors and in 2007 Nonprofit/Government became eligible for the awards (NIST, 2013). According to NIST (2014), since 1988, 102 awards have been given to 96 organizations, with six organizations being two-time recipients and, from 1988 until 2011, 1,540 organizations have submitted applications for the award.

As the field moved toward a more holistic performance improvement perspective, the program was renamed the Baldrige Performance Excellence Program. In addition to administering the Baldrige Award, the mission of the Baldrige program includes promoting performance excellence, developing and disseminating evaluation criteria, and providing global leadership in the learning and sharing of successful strategies and performance practices, principles, and methodologies (NIST, 2013). As noted by Badri et al. (2006:1119), the Baldrige program has “evolved from a means of recognizing and promoting exemplary quality management practices to a comprehensive framework for world-class performance, widely used as a model for improvement.” Baldrige Award
recipient organizations have had their processes and business results verified by an outside group (Baldrige examiners) as being outstanding. In *Building on Baldrige: American Quality for the 21st Century* the private Council on Competitiveness, said, “More than any other program, the Baldrige Award is responsible for making quality a national priority and disseminating best practices across the United States” (NIST, 2013).

**THE BALDRIGE PERFORMANCE EXCELLENCE CRITERIA**

The Baldrige Performance Excellence Criteria are an integrated, nonprescriptive management framework and are made up of seven categories: Leadership, Strategic Planning, Customer Focus, Measurement, Analysis, and Knowledge Management, Workforce Focus, Operations Focus, and Results (Baldrige Performance Excellence Criteria, 2013). The relationships between the seven categories are illustrated in Figure 1.

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Insert Figure 1 about here

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The Baldrige Performance Excellence Criteria (2013) are built on a set of core values, which include visionary leadership, customer-driven excellence, organizational and personal learning, valuing workforce members and partners, agility, focus on the future, managing for innovation, management by fact, societal responsibility, focus on results and creating value, and systems perspective. The relationship between the criteria and the core values are shown in Figure 2. The criteria are based on the core values that are embedded in the processes, which are represented by categories 1-6, and yield outstanding results, which is category 7.
Several empirical studies have provided validation for the Baldrige framework (Badri et al., 2006; Flynn & Saladin, 2001; Goldstein & Schweikhart, 2002; Meyer & Collier, 2001; Pannirselvam, Siferd & Ruch, 1998; Wilson & Collier, 2000). Evans & Jack (2003) study validated the linkage between internal management practices and external results and also provided additional evidence of validity of the Baldrige framework.

As illustrated in Figure 1, leadership is considered to be foundational to the other categories. Meyer and Collier (2001) noted “leadership drives the system which creates the results.” The results of several studies support the concept that the leadership dimension is the driver of the resulting quality (Badri et al., 2006; Flynn & Saladin, 2001; Meyer & Collier, 2001; Pannirselvam & Ferguson, 2001; Winn & Cameron, 1998).

In this paper we propose that the spiritual leadership paradigm provides an integrating model for Baldrige recipient organizations, especially as it relates to increasing levels of commitment, productivity, and employee well-being. First, we review the spiritual leadership model (2003, 2005a, 2008, Fry & Nisiewicz, 2013) and the Baldrige Performance Excellence Criteria. Next, we draw on Latham’s (2013 a & b) work with Baldrige recipient CEOs regarding the transformational process leading to performance excellence and the spiritual leadership model and discuss how the spiritual leadership provides a model for implementing the Baldrige Criteria. Then, drawing on a
sample consisting of six former Baldrige award recipients, we test hypotheses concerning
the positive influence of the spiritual leadership model on organizational commitment,
unit productivity and life satisfaction. Results provided support for the spiritual
leadership as a model that may be of utility in implementing the Baldrige performance
criteria. Implications of these findings are discussed and suggestions for future research
and practice are offered.

**Spiritual Leadership Model**

Our relationship to work has an impact on other aspects of our lives. Management
issues such as work life balance and meaning of work are increasingly gaining attention
by management scholars and practitioners. After all, we spend an average of 90,000
hours (3750 days or 10 years) at work in our lifetime, and more people are asking
questions such as “is this work important to me?,” “How does this work address my
passion?,” and “Does this work make me feel proud?” (Buettner, 2011). Significant
changes in society and business practices (Mitroff & Denton, 1999), changes in people’s
values, growing social consciousness, and spiritual renaissance (Aburdene, 2005; Fry &
Nisiewicz, 2013) appear to be among the reasons that have led business leaders to seek
different solutions to engage people at work.

These changes “represent the major influencing forces forging a new workplace
paradigm, which demands more integrative approaches to life and work” (Oliveira,
2004:18). For example, the financial crisis in 2008 has led many leaders to feel a sense
of unease and to reexamine the definition of success; some have shifted their focus to a
more inward awareness that defines success as a human in a human organization
(George, 2012). The notion of spirituality and religion in the workplace has emerged,
and both scholars and practitioners have explored this relatively new area of inquiry (Fry, 2003, 2005b; Fry & Kriger, 2009; Fry & Nisiewicz, 2013; Wong & Hu, 2012).

Spirituality and religion in the workplace (SRW) researchers have mainly focused on SRW’s impact on organizational reality (Hall, Oates, Anderson & Willingham, 2012), management processes, and leadership (Fry, 2005a; Chen & Yang, 2012).

Spiritual leadership is a causal leadership theory for organizational transformation designed to create an intrinsically motivated, learning organization (Fry & Nisiewicz, 2013). The purpose of spiritual leadership is to create vision and value congruence across the strategic, empowered team and individual levels and, ultimately, to foster higher levels of organizational commitment and productivity. Spiritual leadership comprises the values, attitudes, and behaviors that one must adopt in intrinsically motivating one’s self and others so that both have a sense of spiritual well-being through calling and membership – i.e. they experience meaning in their lives, have a sense of making a difference, and feel understood and appreciated. A general model of spiritual leadership is given in Figure 3.

According to Fry and Nisiewicz (2013:39), spiritual leadership requires the following concepts:

- An inner-life practice (for example, spending time in nature, prayer, meditation, reading inspirational literature, yoga, observing religious traditions, writing in a journal) that positively influences development of both hope/faith in a vision of
service to key stakeholders and the values of altruistic love.

- Hope/faith in vision that motivates both the leader and followers; both experience a sense of calling: their lives have purpose, meaning, and make a difference.

- A personal ethical system and organizational culture based on the values of altruistic love so leaders and followers have a sense of membership and belonging, feel understood and appreciated, and act based on genuine care, concern, and appreciation for both self and others.

The Spiritual Leadership Model has four basic components: inner life, spiritual leadership, spiritual well-being, and personal and organizational outcomes (Fry & Nisiewics, 2013).

**Inner Life**

Inner life is the source of Spiritual Leadership. It can be considered as a spiritual practice that varies from person to person, such as spending time in nature, meditation, prayer, or reading inspirational literature. Inner life is not only the source for personal spiritual leadership but also for the spiritual leadership in organizations. It can create an organizational culture that supports employees’ pursuit for their inner life activities.

**Spiritual Leadership**

With inner life as the source, spiritual leadership emerges from the interaction of hope/faith, vision, and altruistic love. Hope/faith is a trust and also a conviction that what they desire and envision will manifest. Having a clear vision is the starting point in creating the future we want. Visions play important roles in motivating change: clarifying the goals and directions, simplifying details, and coordinating actions. Altruistic love is defined as “a sense of wholeness, harmony, and well-being produced
through care, concern, and appreciation for both self and others” (Fry, 2003: 712). This is a set of key values that are considered morally right, and these values embodied by spiritual leaders.

**Spiritual Well-being**

Fundamental components of spiritual well-being are calling and membership. Calling is about making a difference for others through service and finding meaning and a sense of purpose. The term “calling” is often used when the chosen profession or career is meaningful, significant to the society, and satisfying. Membership means belongingness and a sense of community. In an organization where employees feel a strong sense of membership, they are understood and appreciated. Calling and membership are essential in employee spiritual well-being.

**Personal and Organizational Outcomes**

Fry and Nisiewics (2013) note that satisfying employees’ fundamental needs for spiritual well-being will result in the positive personal and organizational outcomes. A higher degree of spiritual well-being leads to organizational commitment and productivity. Employees who work in groups with high spiritual well-being generally experience a high level of health and life satisfaction. Organizations that implement spiritual leadership have employees with a stronger sense of serving their stakeholders and being socially responsible.

**SPIRITUAL LEADERSHIP AS A MODEL FOR IMPLEMENTING THE BALDRIGE PERFORMANCE EXCELLENCE MODEL**

Implementing Baldrige usually requires organization transformation and that has proven to be difficult. To better understand the specific challenges, methods, and key
success factors associated with leading a successful transformation to performance excellence, a multiple case study was conducted with 14 Baldrige CEOs (Latham, 2013a and b). This multiple-case study resulted in a framework for leading the transformation to performance excellence (LTPE) composed of 35 top-level concepts organized into five categories including forces and facilitators of change, leadership system of activities, leadership behaviors or style, organization culture and value and the internal individual leader. Of the 35 concepts, 14 are directly related to the four components in Fry’s spiritual leadership model (Fry and Cohen, 2009). Another 7 LTPE concepts were indirectly related for a total of 21 linkages between the LTPE framework and spiritual leadership.

**Inner Life**

The source of spiritual leadership is an inner life of spiritual practice” (Fry & Nisiewicz, 2013). Inner life in general was not identified as concepts in the LTPE framework. However, Larson, Latham, Harshman, and Appleby (2012) did find several motivational and attitudinal patterns that influence the actions of CEOs’ leadership. In addition, the CEOs who led successful Baldrige transformations to performance excellence demonstrate many of the concepts in the causal model of spiritual leadership. Therefore, this study will be the first to explore the role of inner life in the Baldrige arena.

**Spiritual Leadership**

**Vision.** There is a high degree of consensus among practitioners and scholars that a vision is important to guide and motivate employees (Kotter, 1995; Kouzes and Posner, 2008; Levin, 2000). According to Fry and Cohen (2009), the vision describes the
organization’s journey including who, what, when, where, and why. The LTPE includes a compelling directive as the guiding force for strategy. This compelling directive is composed of the mission, vision, values, purpose, and sometimes core competencies (Latham, 2013a). The survey questions ask about the level of understanding and commitment to the vision (Q18), whether it inspires and brings out the best in the workforce (Q26 and 30), and whether it is clear and compelling (Q28). The vision directly influences an individual’s meaning or calling.

**Hope/Faith.** According to spiritual leadership theory hope/faith is the assurance of things hoped for and the conviction that the organization’s vision, purpose, and mission will be fulfilled (Fry 2003, Fry and Cohen, 2009). Hope and faith are directly connected to two key LTPE concepts, a focused strategy and enabled, empowered, and engaged employees (Latham, 2013a). Translating the vision into a focused strategy with challenging but doable goals helps increase the level of hope and faith and the setting and acceptance of challenging goals. High performing organizations then translate the strategy into specific human resource strategies that ensure the workforce is enabled, empowered, and fully engaged in achieving the mission and vision (Latham, 2013a). In addition, the LTPE organizations took a whole person approach to workforce development and support (Handy, 1994).

**Altruistic Love.** Six of 35 LTPE concepts are linked to spiritual leadership’s concept of altruistic love including: role model, integrity, humble but confident, trust, value employees, and respect for people. Altruistic love includes “a sense of wholeness, harmony, and well-being produced through care, concern, and appreciation for both self and others” (Fr, 2003, p. 712). While being a role model is a basic tenet of leadership in
general and motivation theory (Bandura 1986; Herzberg 1987), according to Latham (2013b), for the CEOs who led successful transformations it took on a slightly different meaning in that they had to become the change that they were asking others to make. In others words they had to have high integrity and “walk the talk” as well as “talk the talk”, which is a central value of altruistic love.

Therefore, one of the core concepts in leading transformation was integrity that created alignment and consistency of leadership values and behaviors with strategy, action, and measurement throughout the organization (Latham, 2013b). Honesty is a core element of altruistic love in that leaders are honest and without false pride. This is also related to the LTPE concept of humble but confident. Leaders who led successful transformation didn’t think that they knew everything and thus were collaborative but they were confident (Latham, 2013b). Role model behaviors along with integrity and humility combine to influence trust in the organization. The sample Baldrige organizations also had a high level of trust which is also part of altruistic love. According to Ghoshal and Bartlett (1994), trust is a key to teamwork another essential element of high performance. A high level of trust is also influenced by two other key elements of the LTPE framework, valued employees and respect for people. These elements are also part of altruistic love whereby leaders stand up for their people and are considerate toward workers.

**The Mediating Role of Spiritual Well-Being**

The emergence of spiritual leadership then taps into the fundamental needs of both leader and followers for spiritual well-being by positively enhancing their sense of calling and membership.
**Meaning/Calling.** Calling refers to how one makes a difference through service to others and, in doing so, finds meaning and purpose in life. Many people seek not only competence and mastery to realize their full potential through their work, but also a sense that work has some social meaning or value. The term calling has long been used as one of the defining characteristics of a professional. Professionals in general have expertise in a specialized body of knowledge. They have ethics centered on selfless service to clients/customers, an obligation to maintain quality standards within the profession, a commitment to their vocational field, a dedication to their work, and a strong commitment to their careers. They believe their chosen profession is valuable, even essential to society, and they are proud to be a member of it. The need for calling is satisfied through both personal and organizational spiritual leadership.

The CEOs in the LTPE study were asked what they found was the most satisfying part of leading a successful transformation. They described situations where their people had achieved more than they previous thought possible. One CEO noted that most satisfying to them was that their people were more engaged, were happier and felt proud of what they do, what they accomplish, and that they make a difference for the people they’re serving (Latham, 2013b).

**Membership.** Membership gives a sense of belonging or community. These two elements of spiritual well-being are universal and interconnected human needs. When one feels like they are a member or belong in an organization, they have a sense that they are understood and appreciated (Fry, 2003; Fry, 2005a). Being part of a team that transforms the organization to achieve and sustain high performance was a central LTPE concept composed of a culture that valued employees, respect for people, and practices to
reinforce behavior (Latham, 2013b). A culture that values employees was key to achieve high performance for the CEOs who successfully led transformations. This is also a central concept of membership in spiritual leadership whereby employees feel the organizations appreciates them, they are valued as a person, and they are highly regarded by their leaders. Part of membership and feeling valued is respect, which was another key concept in the LTPE framework. High performing organizations have systematic approaches to ensure people are recognized for their work and feel valued. The CEOs who led successful transformations used a variety of recognitions, rewards, and promotions to reinforce the desired behaviors (Latham, 2013b).

In sum, There are clearly linkages between the key spiritual leadership constructs (Fry and Cohen 2009; Fry and Kriger 2009) and many of those found in the LTPE framework (Latham, 2013a and b). However, the LTPE research was limited to inductive qualitative methods used as part of a multiple case study incorporating grounded theory methods. The purpose of this study is to address some of these limitations and take the next step toward a deeper and more objective understanding of the connections between spiritual leadership and leading the transformation to performance excellence. This study will test the causal spiritual leadership model with Baldrige recipient organizations, which begs two additional sub-questions. First, do the spiritual leadership survey results for Baldrige recipients validate the related findings in Latham 2013a and b? Specifically, do the Baldrige recipient organizations score high on altruistic love, membership, hope/faith, vision, meaning/calling, organizational commitment, and productivity? Second, what is the relationship of Inner Life and Satisfaction with Life to the other spiritual leadership constructs for Baldrige recipient organizations?
To further explore these questions, we offer the following hypotheses.

**Hypothesis 1.** Inner life positively predicts spiritual leadership.

**Hypothesis 2.** Spiritual leadership positively predicts calling.

**Hypothesis 3.** Spiritual leadership positively predicts membership.

**Hypotheses 4.** The positive relationship between spiritual leadership and organizational commitment, productivity, and life satisfaction will be fully mediated by meaning/calling.

**Hypotheses 5.** The positive relationship between spiritual leadership and organizational commitment, productivity, and life satisfaction will be fully mediated by membership.

**METHODS**

**Sample and Procedures**

The participants for this study were members of six Baldrige recipient organizations. Baldrige recipients are organizations that have demonstrated highly developed processes in the areas of leadership, strategy, customer-focus, human resource management, operations, and information and analysis. The performance of these processes is reflected in high performance results across a comprehensive scorecard including six key areas: customer (patient and student) results; product and service results; operational process results; strategy implementation results; workforce results; and leadership, governance, and societal responsibility results. The participant organizations’ results compared favorably with relevant comparisons and showed continuous improvement. The processes and results were verified by teams of examiners and the award determination was made only after a site visit was conducted at each organization.
The organizations were recruited from the 27 Baldrige award recipients during the six years from between 2005 and 2010. Six organizations participated representing four sectors: business, healthcare, government, and education. A total of 653 individuals from these organizations participated in the survey with 384 of the 653 coming from organizations in the business sector. The participants came from a cross-section of generations with 38.7% Baby Boomers, 47.5% Generation X, and 11.6% Generation Y (GenMe, Millenials, etc.). Only 4 participants were from the Mature or Silent Generation born before 1946. Approximately 10% of the sample were senior leaders in their organizations. Given the total sampling frame population of approximately 7,300 the sample exceeds the 610 sample size needed to meet a 99% confidence level with a confidence interval of 5.

Measures

**Inner Life.** The measures for inner life were adapted for this study from Fry (2008). Sample items for inner life include “I maintain and inner life or reflective practice (e.g., spending time in nature, prayer, mediation, reading inspirational literature, yoga, observing religious traditions, writing in a journal” and “I know my thoughts play a key role in creating my experience of life (alpha=.82).

**Spiritual Leadership and Spiritual Well-being.** The measures for spiritual leadership and spiritual well-being were adapted for this study from Fry (2008). Sample items for spiritual leadership include “The leaders in my organization walk the walk as well as talk the talk’; “The leaders in my organization are honest and without false pride”; “My organization’s vision is clear and compelling to me”; and “I demonstrate faith in my organization by doing everything I can to help us succeed” (alpha = .94).
Sample calling items are “The work I do makes a difference in people’s lives” and “The work I do is meaningful to me” (alpha = .88). Sample items for membership are “I feel my organization appreciates me and my work” and “I feel highly regarded by my leaders” (alpha = .93).

**Life satisfaction.** Life satisfaction (alpha .75) was measured using the Satisfaction with Life Scale developed by Diener, Emmons, Larsen, & Griffin (1985) (alpha = .83).

**Organizational commitment.** Organizational commitment was measured using five items adapted from the measure of affective organizational commitment developed by Allen and Meyer (1990). Sample items include “I really feel as if my organization’s problems are my own” and “I talk up my organization to my friends as a great place to work for” (alpha = .87).

**Productivity.** Productivity was measured using the group productivity scale developed by Nyhan (2000) plus an additional item, “My unit is very efficient in getting maximum output from the resources (money, people, equipment, etc.) we have available.” Sample items include “In my unit everyone gives his/her best efforts” and “In my unit, work quality is a high priority for all workers” (alpha = .90).

All the above scales utilized a 1-5 (from strongly disagree to strongly agree) response set. Individual scores were calculated by computing scale averages for each dimension.

**RESULTS**

Table 1 displays the means, standard deviations, and correlations of the variables for the unit level, and coefficient alphas for the scales. We used AMOS with maximum likelihood estimation (Arbuckle & Wothe, 1999) to conduct a confirmatory factor
analysis on the three spiritual leadership variables to examine whether a second order spiritual leadership factor existed and whether it explained the relationships among the three lower order factors. To assess whether the observed covariance matrix fit our hypothesized model, we used the comparative fit index (CFI), normed fit index (NFI), incremental fit index (IFI), and standard root-mean square error of approximation (RMSEA). Results showed that the hypothesized three factor model fit the data well and that the higher order spiritual leadership construct could be used for hypothesis testing ($\chi^2 = 283.29; df = 62; p < .001; CFI = .9677; NFI = .958; IFI = .967; RMSEA = .074$).

Insert Table 1 about Here

Test of the Spiritual Leadership Model

Once again, we used AMOS with maximum likelihood estimation to assess the hypothesized model shown in Figure 1 (Arbuckle & Wothe, 1999). Results showed good levels of fit ($\chi^2 = 1231.880; df = 267, p < .001; CFI = .926; NFI = .903; IFI = .926; RMSEA = .067$). Note that as our variables are represented by single observed variables, we corrected for measurement error by setting an error variance equal to: $(1-\alpha) X s.d.^2$ (see Bono & Judge, 2003).

Hypothesis 1 predicted that inner life would be positively related to spiritual leadership. Hypothesis 2 predicted that spiritual leadership would be positively related to calling whereas Hypothesis 3 suggested that spiritual leadership would be positively related to membership. Referencing Figure 2, the results show that the path from inner life to spiritual leadership and from spiritual leadership to
meaning/calling and membership are positive and significant. Thus, Hypotheses 1, 2, and 3 are supported by our data.

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Insert Figure 4 about Here

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Hypothesis 4 predicted that the positive relationship between spiritual leadership and organizational commitment and performance and life satisfaction would be fully mediated by calling/meaning while hypothesis 5 predicted that the positive relationship between spiritual leadership and organizational commitment and performance and life satisfaction would be fully mediated by membership. Our mediation hypothesis would be supported if the fit of the model would not be improved by the addition of direct paths from spiritual leadership to various outcome measures (e.g., spiritual leadership → organizational commitment + productivity + life satisfaction). Consistent with our expectation in Hypothesis 4, the addition of direct paths from spiritual leadership to our outcome variables resulted in essentially the same fit to the model ($\chi^2 = 943.00; df = 263, p < .001; CFI = .940; NFI = .940; IFI = .940; RMSEA = .063$), and the difference in fit was not statistically significant compared to a model with no direct paths from spiritual leadership to outcome variables shown in Figure 2. Therefore, under rules of model parsimony, Figure 2 displays a more parsimonious model that best fit our data. We concluded that meaning/calling and membership fully mediated the relationships between spiritual leadership and organizational commitment and various performance measures, providing support for Hypotheses 4 and 5.
We also assessed the effect of changing construct ordering. For example, it may be possible that the direction is reversed in that when meaning/calling and membership are both high, groups may be more inclined to exhibit spiritual leadership behaviors. This model is not nested with the above two models. Instead, we hypothesized that the effect of meaning/calling and membership on organizational commitment, productivity, and life satisfaction will be mediated by spiritual leadership. This model demonstrated a slightly poorer fit to the data relative to the hypothesized model ($\chi^2 = 1123.95; df = 267, p < .001; CFI = .916; NFI = .895; IFI = .916; RMSEA = .074$). Therefore, under rules of model parsimony, Figure 2 again displays a more parsimonious model that best fit our data.

Therefore, under the rule of parsimony, Figure 2 displays a more parsimonious model that best fits our data. We concluded that meaning/calling fully mediated the relationships between spiritual leadership and organizational commitment, productivity, and life satisfaction. The one exception is the nonsignificant relationship between meaning/calling and productivity ($p=.055$).

**DISCUSSION**

The purpose of spiritual leadership is to create vision and value congruence across the individual, empowered team, and organization levels and, ultimately, foster higher levels of spiritual well-being whereby organizational commitment and organizational performance and employee well-being can not only coexist, but be maximized (Fry, 2005a; Fry & Slocum, 2008; Fry & Nisiewicz, 2013). In that light, this study found general support for the model of spiritual leadership for a sample of Baldrige award recipients. The high degree of fit for the overall spiritual leadership model provides
support for the hypothesis that together the variables comprising spiritual leadership (i.e., hope/faith, vision, and altruistic love) form a higher order formative construct that positively influences spiritual well-being (i.e., calling and membership). The high degree of model fit and significant coefficients further show that there is a positive and significant link from spiritual leadership, mediated through meaning/calling and membership, to key outcome variables, including organizational commitment, productivity and life satisfaction. These findings provide additional evidence that leadership that emphasizes spiritual well-being in the workplace produce beneficial personal and organizational outcomes (Eisler & Mountouri, 2003).

Practical and Theoretical Implications

The large positive relationship found between spiritual leadership and meaning/calling has great implications for aspiring Baldrige recipients. These findings suggest that leadership that establishes and articulates a compelling vision within an organization that is based in the values of altruistic love generates hope/faith in the vision that then serves to help employees find meaning in their experiences and can positively influence attitudes. Moreover, the positive relationships found between meaning/calling and organizational commitment and life satisfaction further attest to the practical importance of spiritual leadership in establishing a strong sense of meaning/calling in workers. Similarly, the strong relationship found between spiritual leadership and membership is also important. The results suggest that spiritual leadership can help reaffirm employees’ perceptions of self-worth, which produces confidence and a connection with the other organizational members (Fry, 2003). Displays of altruistic love inherent in spiritual leadership would be consistent with a deep and genuine form of
individually considerate behaviors as proposed in transformational leadership theory (Avolio, 1999), which is an area that has proven especially difficult for the organizational transformation necessary to implement the Baldrige criteria. We suggest that when organizational members personify the values, attitudes, and behaviors of altruistic love that result in employees’ feeling understood and appreciated, as well as a sense of calling that their job makes a difference, it will tap into an intrinsic motivation cycle resulting in high levels of well-being, organizational social responsibility, and organizational performance that will facilitate this transformation.

The strong positive relationship between inner life and spiritual leadership supports its importance as the source of spiritual leadership and the potential role inner life may play in the implementation of the Baldrige Performance Excellence Model. At its heart inner life is an inward journey of self-discovery and awareness that leads one to the realization that true happiness is found through hope/faith in a vision of service to others through love, which is the essence of spiritual leadership. This inward journey leads one to:

- Seek their purpose and mission in life
- Seek guidance on how to live a good life from other people including the wisdom of people they respect, of great teachers/writings, and from my Higher Self or a Higher Power.
- Maintain an attitude of gratitude even when faced with difficulties.
- Maintain an inner life or reflective practice (e.g., spending time in nature, prayer, meditation, reading inspirational literature, yoga, observing religious traditions, writing in a journal).
- Have compassion for the hopes and fears of all people, regardless of how they view the world based on their culture and past experiences.
- Know that their thoughts play a key role in creating my experience of life
Although Latham (2013 a and b) did not identify inner life in his study, it appears that the CEOs of these organizations at some level must recognize that employees have spiritual needs (i.e., an inner life) just as they have physical, mental, and emotional needs. At the root of the connection between spirituality and leadership is the recognition that everyone has an inner voice that is the ultimate source of wisdom for the most difficult business and personal decisions. Observing, witnessing, and cultivating this inner voice is the purpose of an inner life or spiritual practice.

Ultimately, the existence of an inner life relates to both one’s individual identity and social identity. An individual’s identity is part of their self concept, or their inner view, while the expression of that inner life is in part an expression of social identity. A job is more intrinsically motivating when there is a high level of correspondence between the job, its context and a person’s self concept. One of the necessary conditions for the creation and maintenance of workplace spirituality is an inner life that is nourished by a calling for the transcendence of self within an organization or community that is built on spiritual values such as altruistic love (Fry, 2005b). Overall, we argue that progressively more subtle levels of being require leaders that have a greater commitment to: 1) developing greater awareness of one’s inner life; 2) a vision of service to key stakeholders; and 3) altruistic values based on reciprocal trust and respect (Fry & Kriger, 2009).

Finally, spiritual leadership theory provides a model of organizational development that proposes to foster systemic organizational transformation from the bureaucratic to the learning organizational paradigm that seems to be required for organizations to be successful in today’s chaotic, global, Internet age environment (Fry,
2003; Fry & Nisiewicz, 2013). Past research has clearly shown that increased organizational commitment strengthens motivation and reduces absenteeism and turnover and that continuous improvement, which is at the heart of the Baldrige Performance Excellence Model, is related to firm productivity, customer satisfaction, and profitability. The causal model of spiritual leadership and its relationship to spiritual well-being and other individual and organizational outcomes for these and other effectiveness variables (e.g., customer satisfaction and objective measures of performance) should be researched and validated before this approach is widely applied. Also, outcomes across organizational, team, and individual levels hypothesized to be affected by spiritual leadership (e.g., the triple bottom line) need to be validated for spiritual leadership theory.

**CONCLUSION**

This study suggests that the tenets of hope/faith, altruistic love, and vision within spiritual leadership comprises the values, attitudes, and behaviors required to intrinsically motivate oneself and others to have a sense of calling and membership—spiritual well-being. This creates value congruence across the empowered team to foster increased levels of organizational commitment, productivity, and life satisfaction. Thus, this study helps advance a potential new framework for workplace spirituality and the importance of incorporating the human spirit in existing and new models for leadership theory, research, and practice. Specifically, this study extends prior research by elevating the importance of spiritual leadership for implementing the Baldrige Performance Excellence Model.
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FIGURE 1
The Baldrige Performance Excellence Model

Organizational Profile:
Environment, Relationships, and Strategic Situation

1 Leadership

2 Strategic Planning

3 Customer Focus

4 Measurement, Analysis, and Knowledge Management

5 Workforce Focus

6 Operations Focus

7 Results

FIGURE 2

Baldrige Core Values and Processes

The Baldrige Criteria build on core values and concepts...

which are embedded in systematic processes...
(Criteria categories 1–6)

yielding performance results.
(Criteria category 7)

FIGURE 3
Model of Spiritual Leadership
TABLE 1
Baldrige Sample Means, Standard Deviations, Correlations, and Reliabilities

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean</th>
<th>s.d.</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Inner Life</td>
<td>4.25</td>
<td>.48</td>
<td>.82</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>2. Spiritual leadership</td>
<td>4.13</td>
<td>.65</td>
<td>.53</td>
<td>.94</td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>3. Meaning/Calling</td>
<td>4.37</td>
<td>.61</td>
<td>.52</td>
<td>.63</td>
<td>.88</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Membership</td>
<td>4.00</td>
<td>.86</td>
<td>.36</td>
<td>.81</td>
<td>.53</td>
<td>.93</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>5. Organizational Commitment</td>
<td>4.00</td>
<td>.77</td>
<td>.47</td>
<td>.87</td>
<td>.61</td>
<td>.81</td>
<td>.87</td>
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<td></td>
</tr>
<tr>
<td>6. Life Satisfaction</td>
<td>4.00</td>
<td>.64</td>
<td>.54</td>
<td>.47</td>
<td>.42</td>
<td>.45</td>
<td>.83</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Productivity</td>
<td>4.10</td>
<td>.83</td>
<td>.34</td>
<td>.57</td>
<td>.37</td>
<td>.52</td>
<td>.53</td>
<td>.38</td>
<td>.99</td>
<td></td>
</tr>
</tbody>
</table>

\(a\) n = 652; Correlations > .13 are significant at \(p < .001\). Scale reliabilities are on the diagonal in boldface.
FIGURE 4

Results of SEM analysis for Baldrige data