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Impact of Spiritual Intelligence on firm Performance (Case study Private Bank in Hamburg)

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Abstract

The importance of attention to spiritual intelligence among management issues has increased. According to recent research, the spiritual intelligence can enhance corporate performance. The study examines the impact of spiritual intelligence on organizational performance pay in banks. In this study a questionnaire was designed and distributed among 161 respondents in the city of Hamburg have discussed fieldwork. Data were analyzed with PLS software. Results of regression analysis showed that spiritual intelligence impact on organizational performance. Also This study showed:

1. Consciousness positive and significant impact on organizational performance.
2. Goodness positive and significant impact on organizational performance.
3. Internal orientation is not positive and significant impact on organizational performance.
4. Meaning positive and significant impact on organizational performance.
5. The existence and character positive and significant impact on organizational performance.
6. Truth and honesty positive and significant impact on organizational performance.
7. Integrity and universality positive and significant impact on organizational performance.

Keywords: Spiritual Intelligence, Performance, Private Bank.

1. Introduction

Organizations are not independent business units. They act within their environment. Today, organizations are facing quick changes in markets, global competitions, limited cycle of technological innovations, quick worldwide access to information and cultural, social and political changes. Most strategies developed to deal with these challenges are aimed at increasing the organizational flexibility (short term) and compatibility and adaptation (long term) (Unland, 1994). Among other issues of interest during recent years in response to turbulent and complex environments are concepts such as organizational intelligence (OI), spirituality and organizational health (OH). Identifying the OH indicators and by using and relying upon the individual's mental and intellectual capabilities, managers will be able to try to develop and maintain in-depth relationships and move towards higher levels of organizational improvement.

Introduction of concepts such as ethics, belief in metaphysics or a superior power, honesty, conscience, magnanimity and indulgence, trust, forgiveness, kindness, meaning-seeking in work, empathy with coworkers, compassion for working environment, and increase of modern studies with new concepts all indicate the emergence of a new paradigm (Shaygan, 2002). Chrichton (2008) stated SI as a new paradigm which seems to have emerged after setting forth of multiple intelligence theory in Gardner's book, "Frames of Mind: Theory of multiple intelligences" (1983). Gardner presented this theory based on 7 independent criteria: linguistic, logical-mathematical, musical, bodily-kinesthetic, spatial, and intrapersonal and the interpersonal (Gardner, 2006). Hansen (2001) points out that the employees' needs have changed in type and volume. Actual organizations will be successful if pay full attention to biological, social, psychological and spiritual dimensions of employees. Spiritual intelligence goes beyond the physical and cognitive relationships of individuals with their environment and enters the intuitive and transcendental dimension of their view of life and environment and the same issue clears the answers to questions such as "Who am I?" and "Why I am here?" and "What is important?" for humans so that individuals will be ultimately able to help themselves and others by discovering the hidden sources of love and joy which are somehow lost in stressful and agitated daily life. In another definition one notes that spiritual intelligence opens the heart, illuminates the mind, inspires the soul, links the psyche to the basic origins of existence, helps individuals detect reality from imagination, and could be improved by exercise (Gain and Purohit, 2006). According to George (2006) spiritual intelligence helps finding the innermost and deepest personal sources through which the capacity to meditate, tolerate and adapt oneself is achieved. Amram and Dryer (2007) extended their construct of spiritual intelligence and considered it as including 5 axes of awareness, virtue, meaning-creation, excellence and truth. King (2008) defined spiritual intelligence "a set of mental capacities which contribute to the awareness, integration, and adaptive application of the nonmaterial and transcendent aspects of one's existence" In his view, spiritual intelligence has four components which include: 1) Existentialistic critical thinking: personal seeking for one's meaning of life (Vaughan, 2002; King, 2008; Zohar and Marshal, 2000). 2) Personal meaning-making: is equivalent to individual's knowledge of his/her purpose of life and link to a superior power, others and environment (Vaughan, 2002; King, 2008). 3) Transcendental awareness: includes a combination of insight and freedom, love of life, inspiration-based design, beauty and substantial joy of every moment to increase performance and welfare (Amram, 2009). In fact, transcendence speaks for individual ability of moving beyond self and eccentricity which is the individual's spiritual reality (Hawkins, 1995). 4) Self-awareness development: the ability to enter self awareness more to increase the mental capacity, either through meditation, tranquility or personal control indicates the principle of self awareness development. According to Sisk (2008) spiritual intelligence consists of a deep self consciousness in

which an individual becomes more aware of his/her inner aspects so that he/she is not only a body but also a set of thought, body and soul. Sisk views the key components of spiritual intelligence within the concepts of values, experiences, capacities, properties, and spiritual intelligence systems. Amram (2009) views SI as the ability to use and demonstrate spiritual values so that it will lead to elevated daily performance and physical and psychological health of individuals. Faramarzi, Homaei, and Soltani (2009) in a paper titled "a study of the link between SI and EI among university students in Isfahan" concluded that SI is significantly related to EI and this relationship is observed in different dimensions of spiritual and emotional intelligence. In other words, higher SI leads to higher EI levels. Naddaf, Daneshvar and Jahanbani (2010) in an article titled "A study of the link between SI and employees' (managers') productivity in Shiraz industrial town concluded that there is a significant relationship between SI of managers and supervisors of manufacturing units and their productivity and one could claim that the levels of SI were not age-dependent but could increase with educations and this means that a part of SI is acquired.

2. Literature review

Spiritual intelligence

Spiritual intelligence is a term used by some philosophers, psychologists, and developmental theorists to indicate spiritual parallels with IQ (Intelligence Quotient) and EQ (Emotional Quotient).

Danah Zohar coined the term "spiritual intelligence" and introduced the idea in 1997 in her book *ReWiring the Corporate Brain* (Zohar, 1997).

Howard Gardner, the originator of the theory of multiple intelligences, chose not to include spiritual intelligence amongst his "intelligences" due to the challenge of codifying quantifiable scientific criteria (Gardner, 2000). Instead, Gardner suggested an "existential intelligence" as viable (Gardner, 1999). However, contemporary researchers continue explore the viability of Spiritual Intelligence (often abbreviated as "SQ") and to create tools for measuring and developing it. So far, measurement of spiritual intelligence has tended to rely on self-assessment instruments, which some claim can be susceptible to false reporting.

Variations of spiritual intelligence are sometimes used in corporate settings, as a means of motivating employees and providing a non-religious, diversity-sensitive framework for addressing issues of values in the workplace (Wigglesworth, 2012). According to Stephen Covey, "Spiritual intelligence is the central and most fundamental of all the intelligences, because it becomes the source of guidance for the others (Covey and Stephen, 2004).

Definitions

Definitions of spiritual intelligence rely on the concept of spirituality as being distinct from religiosity (Koenig et al, 2000).

Danah Zohar defined 12 principles underlying spiritual intelligence (Zohar, 2000):

Self-awareness: Knowing what I believe in and value, and what deeply motivates me.

Spontaneity: Living in and being responsive to the moment.

Being vision- and value-led: Acting from principles and deep beliefs, and living accordingly.

Holism: Seeing larger patterns, relationships, and connections; having a sense of belonging.

Compassion: Having the quality of "feeling-with" and deep empathy.

Celebration of diversity: Valuing other people for their differences, not despite them.

Field independence: Standing against the crowd and having one's own convictions.

Humility: Having the sense of being a player in a larger drama, of one's true place in the world.

Tendency to ask fundamental "Why?" questions: Needing to understand things and get to the bottom of them.

Ability to reframe: Standing back from a situation or problem and seeing the bigger picture or wider context.

Positive use of adversity: Learning and growing from mistakes, setbacks, and suffering.

Sense of vocation: Feeling called upon to serve, to give something back.

Robert Emmons defines spiritual intelligence as "the adaptive use of spiritual information to facilitate everyday problem solving and goal attainment (Emmons, 2000)." He originally proposed 5 components of spiritual intelligence:

1. The capacity to transcend the physical and material.
2. The ability to experience heightened states of consciousness.
3. The ability to sanctify everyday experience.
4. The ability to utilize spiritual resources to solve problems.
5. The capacity to be virtuous.

The fifth capacity was later removed due to its focus on human behavior rather than ability, thereby not meeting previously established scientific criteria for intelligence.

Frances Vaughan offers the following description: "Spiritual intelligence is concerned with the inner life of mind and spirit and its relationship to being in the world (Vaughan, 2002)."

Cindy Wigglesworth defines spiritual intelligence as "the ability to act with wisdom and compassion, while maintaining inner and outer peace, regardless of the circumstances (Wigglesworth, 2006)." She breaks down the competencies that comprise SQ into 21 skills, arranged into a four quadrant model similar to Daniel Goleman's widely used model of emotional intelligence or EQ. The four quadrants of spiritual intelligence are defined as:

1. Higher Self / Ego self Awareness
2. Universal Awareness
3. Higher Self / Ego self Mastery
4. Spiritual Presence / Social Mastery (Wigglesworth, 2006)

David B. King has undertaken research on spiritual intelligence at Trent University in Peterborough, Ontario, Canada. King defines spiritual intelligence as a set of adaptive mental capacities based on non-material and transcendent aspects of reality, specifically those that:

"...contribute to the awareness, integration, and adaptive application of the nonmaterial and transcendent aspects of one's existence, leading to such outcomes as deep existential reflection, enhancement of meaning, recognition of a transcendent self, and mastery of spiritual states (King & Teresa, 2009)."

King further proposes four core abilities or capacities of spiritual intelligence:

Critical Existential Thinking: The capacity to critically contemplate the nature of existence, reality, the universe, space, time, and other existential/metaphysical issues; also the capacity to contemplate non-existential issues in relation to one's existence (i.e., from an existential perspective).

Personal Meaning Production: The ability to derive personal meaning and purpose from all physical and mental experiences, including the capacity to create and master a life purpose.

Transcendental Awareness: The capacity to identify transcendent dimensions/patterns of the self (i.e., a transpersonal or transcendent self), of others, and of the physical world (e.g., nonmaterialism) during normal states of consciousness, accompanied by the capacity to identify their relationship to one's self and to the physical.

Conscious State Expansion: The ability to enter and exit higher states of consciousness (e.g. pure consciousness, cosmic consciousness, unity, oneness) and other states of trance at one's own discretion (as in deep contemplation, meditation, prayer, etc.) (King & Teresa, 2009).

Also, Vineeth V. Kumar and Manju Mehta have also researched the concept, extensively. Operationalizing the construct, they defined spiritual intelligence as "the capacity of an individual to possess a socially relevant purpose in life by understanding 'self' and having a high degree of conscience, compassion and commitment to human values."

3. Methodology

We used the sample data gathered by a self-administered questionnaire from top management members of 161 Hamburg companies with more than 100 employees in June 2014. 300 measurement instruments were sent out and 161 received in three week's time which indicates a 53% response rate. Bearing in mind that no second mailing was conducted, based on methodological reasons and knowing that the typical response rate for such a research design in the Hamburg context is 18-20%, the questionnaire can be regarded as a success. This implies that after 20 years, Spiritual Intelligence still presents a very important issue for both Staff. The next phase in the process is parameter value estimation using the PLS (SIMPLIS) tool for structural equation modelling. This is a combination of confirmatory factor analysis (CFA) and econometric modelling, which aims to analyse hypothesized relationships among latent constructs, measured with observed indicators (measurement variables). The complete SEM model has two parts – structural and measurement sub-model. The important advantage that SEM has over multiple regressions is that it allows for simultaneous testing of multiple endogenous (dependent) variables if needed. On the other hand, SEM demands relatively large samples. Diamantopoulos and Sigauw (2000) propose at least 200 units as a rule of thumb, even though the required sample size depends largely upon the number of parameters to be estimated.

4. Finding

After determining the measurement model to evaluate the conceptual model and also to ensure the presence or absence of the causal relationship between the variables studied fit the observed data with the conceptual model, the research hypothesis using partial least squares were tested. Hypothesis test results have been reflected in the chart.

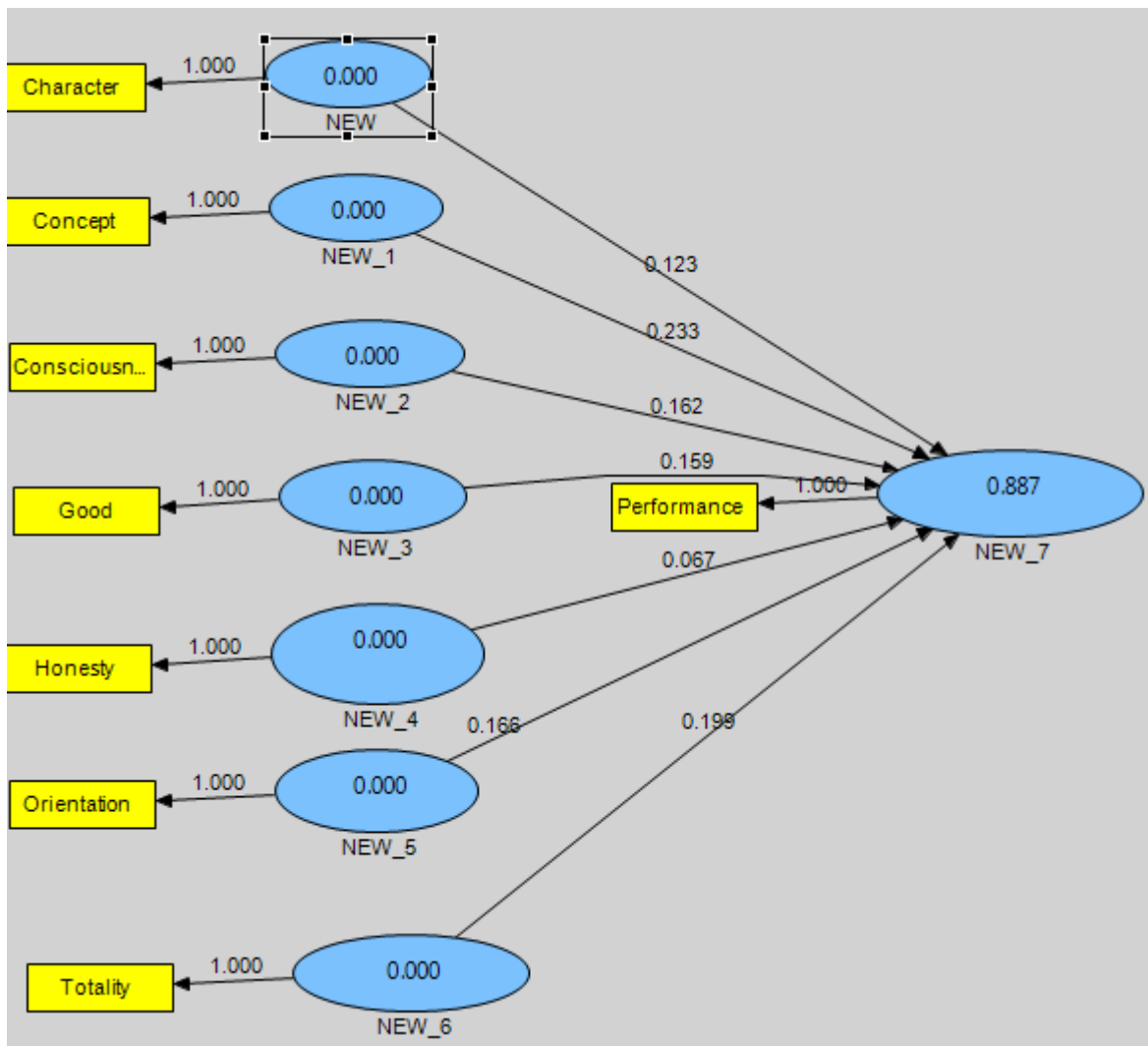


Figure 1: to measure the overall model results and assumptions in standard mode

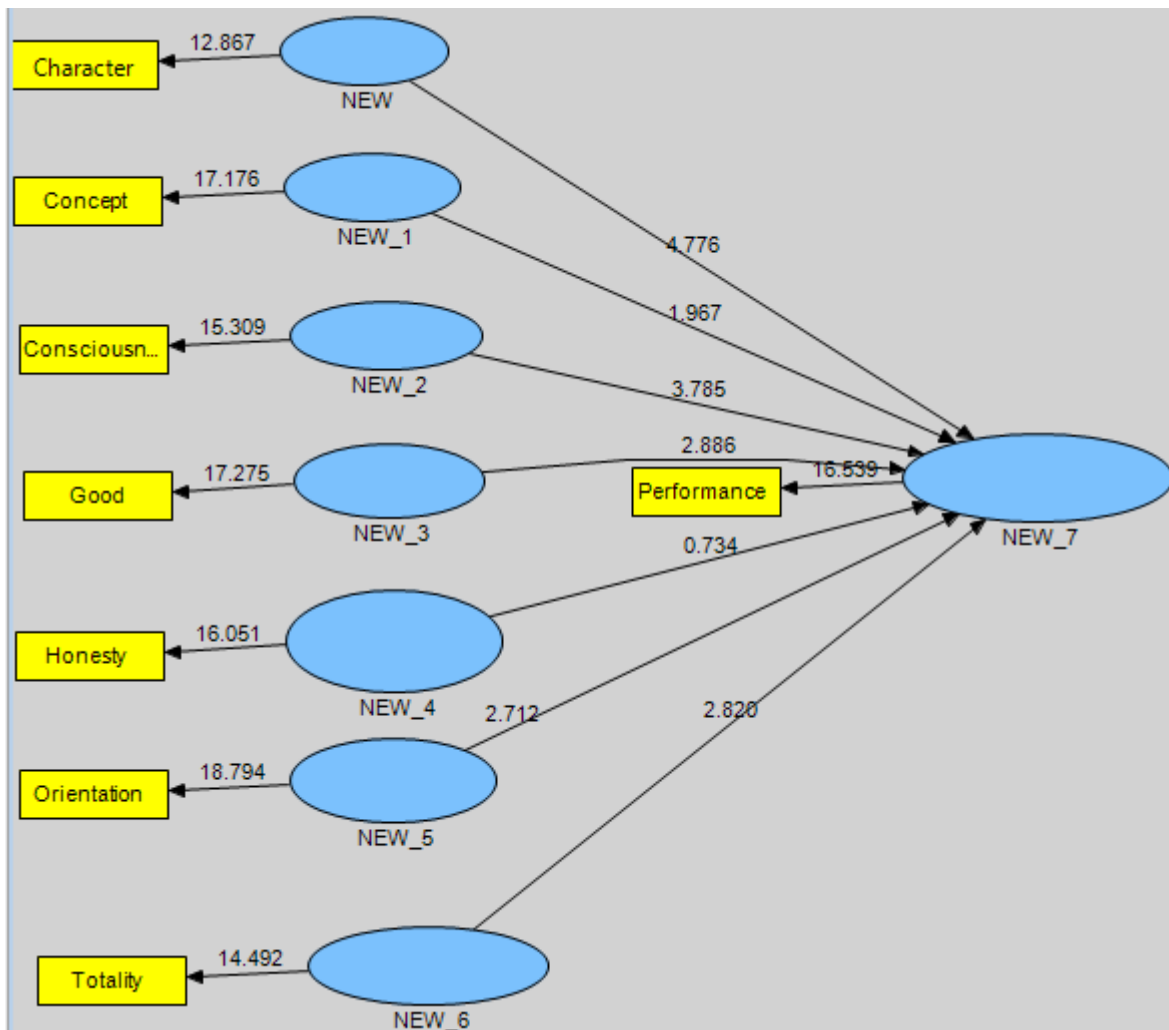


Figure 2: measure the overall model results in significant assumptions

5. Conclusion

As we have proved in the previous section, since our distribution was diagnosed normal (Kolmogorov-Smirnov test) software using PLS, correlation between variables was tested. To investigate the causal relationship between independent and dependent variables and path analysis were used to confirm the model. Applying PLS path analysis software Done.

1. Consciousness positive and significant impact on organizational performance.
2. Goodness positive and significant impact on organizational performance.
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Our aim was to develop a theoretical and empirical framework to test the impact that the Spiritual Intelligence process has on organizational performance from the employee perspective. Relying on the data from 161 Hamburg banks with more than 100 employees gathered in June 2014, the hypothesis stating that better Hamburg leads to better organizational performance from employee' perspective was tested. Companies that put more effort into achieving higher-level Hamburg profit in terms of increased level of employee trust in the leadership, improved efficiency of work organization, a higher level of employee commitment, decreased costs of work per employee (in comparison to the industry average) a more satisfied workforce within the company and augmented employee flexibility. These results are consistent with the previous empirical research (Anell, Wilson, 2000; Brooks, 2002; Dimovski and Škerlavaj, 2004; Kontoghiorghes, Brynat, 2004; Love et al, 2003; Macher, Mowery, 2003; Pate et al, 2000).

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