Impact of Spiritual Leadership on Catholic Organizational Identity

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Abstract

The tradition of leadership in Catholic organizations has long been associated with the values and traditions of the Catholic Church. The proponents of Catholic organizations suggest the loss of Catholic leadership in Catholic organizations will change the culture of the organization and have a significant impact on the values and service principles and, in particular, the nature of Catholic organizational identity. The purpose of this research was to test a dynamic relationship between the revised spiritual leadership model and Catholic organizational identity and key individual and organizational outcomes in a sample of corporate leaders from Catholic health and service agencies. Using structural equation modeling (SEM), results revealed significant support for hypotheses. Implications for theory, research, and practice are discussed.
INTRODUCTION

According to participants of the Canadian Conference of Catholic Bishops (2005), Catholics are at a critical point in history in which significant changes in society will affect the Catholic Church, Catholic education, and Catholic health and social services. Catholic organizations have also become service entities reliant on government funding for survival. Moreover, Catholic leadership has changed over the last 25 years as the authority of Catholic institutions shifts from religious orders leaders to lay leaders. Catholic institutions are no longer governed by the Church, but rather by independent Boards of Directors with non-Catholic members and non-Catholics in leadership roles.

The tradition of leadership in Catholic organizations has long been associated with the values and traditions of the Catholic Church. Leadership characteristics have been rooted in the value of altruistic love, service, structure, doctrine, rituals, and rites of the Catholic tradition, which have contributed to defining the identity of Catholic organizations. The proponents of Catholic organizations suggest the loss of Catholic leadership in Catholic organizations will change the culture of the organization and have a significant impact on the values and service principles espoused by Catholicism. In view of these changes facing Catholic organizations, Catholic clergy, religious orders, and theologians have raised the issue concerning the changing face of leadership in Catholic organizations and the preservation of Catholic organizational identity (Cochran, 1999; Curran, 1997; Giganti, 2004; MacLellan, 2005).

Leaders in organizations are witnessing a growing need to build a culture that celebrates the whole individual as having needs, desires, values, and a spirit of self (Fairholm, 1996). Workplace spirituality is a relatively new concept developed by scholars in the academic literature in the early 1990s and addressed by researchers and leaders as a new paradigm for
organizational transformation and development (Fry, 2003). As the interest in workplace spirituality and its relationship to leadership grows, research is needed to understand the ramifications of spiritual leadership and its relationship to key individual and organizational outcomes.

Specific to the current study, Catholic health and service organizations have recently intensified their efforts to investigate the role of the human spirit in leadership and its influence on preserving Catholic organizational identity. Recent developments have emphasized spiritual leadership (SL) as a new direction with an increase in research specific to spirituality in leadership and organizational management (Ashmos & Duchon, 2000; Fry, 2003; Giacalone & Jurkiewicz, 2003; Marques, Dhiman, & King, 2005; Moore & Casper, 2006; Tischler, Biberman, & McKeage, 2002; Wagner-Marsh & Conley, 1999; Wolf, 2004). The purpose of this research is to aid in investigating this critical link by studying SL in Catholic health and service organizations. We explore the basic proposition that spiritual leadership positively influences Catholic organizational identity as well as other important individual and organizational outcomes. On the basis of our findings, we offer suggestions for SL theory, research, and practice.

THEORY AND HYPOTHESES DEVELOPMENT

Workplace Spirituality

Organizational scholars have begun to study this rising interest in workplace spirituality, arguing that the spirit-work connection is based on definable and measurable aspects of the work environment. Giacalone and Jurkiewicz (2003, p. 13) define workplace spirituality as

“A framework of organizational values evidenced in the culture that promotes employees’ experience of transcendence through the work process, facilitating
their sense of being connected to others in a way that provides feelings of completeness and joy.”

Employees who view their work as a “calling” and the workplace as a source of community approach their work very differently from employees who see work primarily as a means to satisfy their pecuniary needs. Workplace spirituality incorporates those values that lead to a sense of transcendence and interconnectedness such that workers experience personal fulfillment on-the-job. This sense of transcendence and the need for a sense of belonging, community, or social connection through membership are essential for both workplace spirituality and Spiritual Leadership.

Religion and Spirituality

King (2007) described religion as highly institutionalized and considered it an “organizational domain confined and determined by creeds, theologies and doctrines about man’s current and eternal destiny, his relationship with himself and others around him” (p. 104). Snyder and Lopez (2008) suggested religion is concerned with formalized practices and ideas associated with a theological system of beliefs, ritual prayers, rites, and ceremonies.

Spirituality according to Snyder & Lopez (2008) is concerned with the qualities of the human spirit based in values of love, compassion, patience, tolerance, forgiveness, contentment, personal responsibility, and a sense of harmony with one’s environment. Kurtz and Ketcham (2002) described spirituality as being “beyond the ordinary; beyond possession; beyond the narrow confines of self, and beyond expectation” (p. 31). Spirituality according to Kurtz and Ketcham is opening up to one’s life experiences, which inspire us to become aware of self and others. Spirituality is the transcendence of self, which is the reason the individual pursues a vision of service to others guided by the human spirit and the qualities of altruistic love, patience,
tolerance, humility, and respect. Spirituality according to Fry (2003) is the pursuit of a vision of service to others, having the capacity to regard oneself as an individual equal, but not greater in value, to others and through altruistic love and veracity, goes beyond truth-telling to engage one’s capacity for seeing things exactly as they are, thus limiting subjective distortions. Based on this premise Fry asserted “spirituality is necessary for religion but religion is not necessary for spirituality” (p. 706).

Identity Theory

The research on organizational identity has roots in social identity theory (Hogg, Terry, & White, 1995). Social identity theory as defined by Ashford and Mael (1989) is “comprised of a personal identity encompassing idiosyncratic characteristics and a social identity encompassing salient group classifications” (p. 21). The definition of social identity theory presented by Ashford and Mael has been used in research as a theoretical construct to understand the dynamics of organizational identity. According to Foreman and Whetten (2002), social identity theory is the basis for the individual to identify with an organization including the context of social categories such as ethnicity, religious affiliations, gender, age cohort, life status, and political parties.

Reger, Gustafson, Demarie, and Mullane (1994) posited organizational identity is a set of constructs that the individual uses to describe the elements, which are distinctive, enduring, and central to the organization. The members consider the elements of organizational identity as a belief structure intended to guide the core processes of the organization. The members of the organization admire and interpret these beliefs as intrinsic to the identity of the organization. Organizational identity is strong in organizations whose members positively value these beliefs.
Organizational identity has three essential factors, the identity must be central to the organization, enduring, and distinctive (Dutton & Dukerich, 1991; Pratt & Foreman, 2000; Whetten, 2003). The three essential factors proposed in organizational identity theory can be applied in determining the validity of the argument related to the importance of Catholic organizational identity in Catholic health and social service organizations in Ontario.

**Catholic Organizational Identity**

The current situation, which includes both the internal factors of a changing Catholic church following Vatican II and external societal factors, was associated with the questioning of the validity of Catholic organizational identity in health and social service organizations. Pijnenburg, Gordijn, Vosman and, ten Have (2008) presented an argument related to the articulation of Catholic vision, mission, and values as the defining factors in Catholic organizational identity in healthcare. Niven (2006) suggested the vision of an organization provides the word picture for the future direction of the organization and creates the perfect mental picture that everyone in the organization is committed to achieving. Values are “the timeless principles which guide the organization” (Niven, 2006, p. 77).

Values are the beliefs and norms articulated and exampled by the behaviors of the leadership, governance, and staff within an organization. Pijnenburg et al. (2008) reviewed the articulation of vision and values of five Catholic healthcare organizations in the United States in terms of Catholic organizational identity. The commonalities that defined Catholic organizational identity included serving the poor and vulnerable; promoting the common good; serving others; affirming the good news; carrying out the healing mission of Jesus and the Church; and adhering to the core values of altruistic love based in respect, integrity, compassion, excellence, knowledge, trust, accountability, joy, reverence, wisdom, dedication, and creativity.
Curran (1997) suggested Catholic institutions in the 21st century are separately incorporated and legal entities distinct from the original sponsoring religious orders communities or diocese. Catholic health and social service organizations are governed by independent board members and staffed by non-Catholics. The organization’s members have a mandate to serve the public, no longer exclusively serve Catholics, and usually receive little or no funding from the Church. Curran questioned the reason Catholics maintain the need to have organizations identified as Catholic when, in terms of organizational structure and function, the differences between Catholic and secular may be negligible in the current reality.

The enduring value of altruistic love continues to be reflected in a service model in Catholic organizations based on integrity of service, stewardship of resources, respect for the human dignity of all individuals, and dedication to the service of others. The distinctiveness of Catholicism is based in the rites, rituals, and the theological basis for the vision of service and values, which guide the delivery of service. Catholic organizational identity can be defined in terms of the vision of service which is central to the organization, the value of altruistic love which is both an enduring and distinguishing factor in Catholic health and social service organizations.

Catholic Leadership

As members of Catholic health and social service organizations struggle with the concept of Catholic organizational identity, these same organizations’ leaders clearly cite the principles of Catholic social thought as the basis for ministry as being “human freedom and dignity, commitment to justice, and serving the poor, the common good, stewardship of the resources given by God, curative, and exemplary care for the suffering” (p. 27). Marceau (2005) stated, “spirituality of Catholic healthcare is grounded neither in the collection of the individuals’
personal beliefs systems represented in its workforce nor in universal human values but, rather, in the healing ministry of Jesus” (p. 20). Bowes (1998) highlighted six themes of the social teachings of the Catholic Church as “dignity of the human person, community, the common good, human rights and responsibilities, a preferential option for the poor, the dignity of work and solidarity” (p. 27).

Byron (1998) identified 10 principles of Catholic social teachings as human dignity, respect for human life, family association, right and duty to participate in society, protection for the poor and vulnerable, love of one’s neighbor, promote and protect the common good, stewardship, human equality, freedom from oppression. Keenan (2004) presented an argument in which he stated, “natural law provides all humans access to the same moral standards and the purpose of the Ten Commandments is to offer those in the Judeo-Christian tradition a fundamental morality that has affected the foundation of morality throughout the Western world” (p. 124). Keenan (2005) posited Catholics are distinguished in moral life by a belief in the virtue of mercy, which Keenan defined as the “willingness to enter into the chaos of others so as to answer them in their need” (p. 99).

In 1981, Pope John Paul II completed his encyclical letter Loborem exercens (Human Work). The letter contained a discussion on the relevance of work from the viewpoint of human value and moral order as significant in the evangelical message and the duty of the Catholic Church to “form a spirituality of work which will help all people to come closer, through work, to God, the Creator and Redeemer” (p. 8). The dignity of the individual, humanism, and the social and moral obligations are the key messages delivered in the document. The message of Pope John Paul II is representative of the principles of service and values inherent in the teachings of the Catholic Church, which include dignity of the individual, the respect for life
from conception to natural death, the sanctity of marriage, the preservation of the family, and service to the poor and marginalized. The values and principles of service are derived directly from the teachings of Jesus Christ, which form the basis for Catholic organizational identity. The leader in Catholic organizations is charged to deliver humanistic service consistent with these directives from Vatican II, which is intended to support the vision, moral values, ethical values, and dedication to service of the Catholic Church.

According to Giganti (2004) in the description of a leadership competency model for Catholic leaders, the elements of transformation in leadership from the clergy and religious orders to lay leaders in healthcare should be focused in sacramentality, vocation or calling, stewardship, mission, social teaching, and intrinsic worth of all people.

**Model of Spiritual Leadership**

A special issue on SL in 2005 in *The Leadership Quarterly* served as a vehicle for advancing the field of SL as a focused area of inquiry within the broader context of workplace spirituality (Fry, 2005a). In that issue, Dent, Higgins, and Whariff’s (2005) qualitative review of 87 articles led them to propose that there is a clear consistency between spiritual values and practices and leadership effectiveness. In a second review, Reave (2005) argues that values that have long been considered spiritual ideals, such as integrity, honesty, and humility, have an effect on leadership success.

A theme emerged from the special issue suggesting that workplace spirituality is nourished by calling or transcendence of the self within the context of a community based on the values of altruistic love. This collection of articles suggests that satisfying these spiritual needs in the workplace positively influences human health and psychological well-being and forms the foundation for SL. Further, this literature suggested that by tapping into these basic needs, SL
can produce follower trust, intrinsic motivation, and commitment that is necessary to optimize human well-being, social responsibility, and organizational performance.

Spiritual leadership can thus be viewed as an emerging paradigm within the broader context of workplace spirituality that taps into organization members’ needs for transcendence and connection, to intrinsically motivate oneself and others and satisfy fundamental needs for spiritual well-being through calling and membership. Based on the prior work of Fry (2003, 2005b, 2008), a general model of SL that shows the hypothesized relationships for this study is given in Figure 1. As shown, the source of SL is an inner life practice. Spiritual leadership emerges from the interaction of altruistic love, vision, and hope/faith in organizational members (Fry, 2008). The emergence of SL then taps into the fundamental needs of both leader and followers for their spiritual well-being through enhancing their sense of calling toward the unit and its goals and vision and a sense of membership with the group. As shown, spiritual well-being (i.e., calling and membership) then serves to foster higher levels of organizational commitment, productivity, and performance, social responsibility, and Catholic organizational identity.

**Catholic Leadership and the Spiritual Leadership Model**

**Inner Life.**

Referencing Figure 1, The source of SL is an inner life or spiritual practice that, as a fundamental source of inspiration and insight, positively influences development of (1) hope/faith in a transcendent vision of service to key stakeholders, and (2) the values of altruistic love. Inner life speaks to the feeling individuals have about the fundamental meaning of who they are, what they are doing, and the contributions they are making (Vail, 1998; Duschon & Plowman, 2005). Inner life includes individual practices (e.g., meditation, prayer, religious
practices, yoga, journaling, and walking in nature) and organizational contexts (e.g., rooms for inner silence and reflection) to help individuals be more self-aware and conscious from moment-to-moment and draw strength from their beliefs, be that a Nondual Being, Higher Power, God, or philosophical teachings (Fry & Kriger, 2009; Fry, Matherly & Ouimet, 2010; Kriger & Seng, 2005).

The existence of an inner life relates to both one’s individual identity and social or organizational 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 or organizational identity. A job is more intrinsically motivating when there is a high level of correspondence between the job, its organizational context and a person’s self concept (Duschon and Plowman, 2005).

We therefore propose the following hypothesis.

**Hypothesis 1.** Inner life practice will positively predict spiritual leadership.

**Spiritual Leadership through Hope/Faith, Vision, and Altruistic Love.**

Spiritual leadership involves intrinsically motivating and inspiring workers through hope/faith in a vision of service to key stakeholders and a corporate culture based on altruistic love. While there are innumerable theological and scholarly definitions of love, we focus here on a definition based on the golden rule. Altruistic love in SL is defined as, “A sense of wholeness harmony and well-being produced through care, concern, and appreciation of both self and others” (Fry, 2003).

The purpose of SL is to tap into the fundamental needs of both leader and follower for spiritual well-being through calling and membership; to create vision and value congruence across the individual, empowered team, and organization levels; and, ultimately, to foster higher
levels of employee well-being, organizational commitment, financial performance, and social responsibility, and for this study, Catholic organizational identity (Fry, 2008; Fry et al. 2010).

Essential to SL are the key processes of

1. Creating a vision wherein leaders and followers experience a sense of calling so that their lives have meaning and make a difference, and

2. Establishing a social/organizational culture based on the values of altruistic love whereby leaders and followers have a sense of membership, feel understood and appreciated, and have genuine care, concern, and appreciation for BOTH self and others.

Spiritual Well-being

The emergence of SL then taps into the fundamental needs of both leader and followers for spiritual well-being by positively enhancing their sense of calling and membership. Calling or being called (vocationally) gives a sense of making a difference in the lives of others. Membership gives a sense of belonging or community. These two elements of spiritual well-being are universal and interconnected human needs.

**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 (Pfeffer, 2003). 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 (Fry, 2003).

**Membership.** Membership includes a sense of belonging and community; the cultural and social structures we are immersed in and through which we seek what William James, the founder of modern psychology, called man’s most fundamental need – to be understood and appreciated (James, 2002). Having a sense of membership is a matter of interrelationships and connection through social interaction. Individuals value their affiliations, being interconnected, and feeling part of a larger community. As we devote ourselves to social groups, membership meshes us in a network of social connections that go as far as the group has influence and power, and backwards and forwards in relation to its history.

Spiritual leadership positively influences spiritual well-being as group members model the values of altruistic love to one another as they jointly develop a common vision, which generates hope/faith and a willingness to “do what it takes” in pursuit of a vision of transcendent service to key stakeholders (Fry, 2003, 2005b). This in turn produces a sense of calling which gives one a sense that one’s life has meaning, purpose and makes a difference. Concurrently, as leaders and followers engage in this process and gain a sense of mutual care and concern, members gain a sense of membership and feel understood and appreciated. We suggest the following hypotheses:

Hypothesis 2. Spiritual leadership will positively predict meaning/calling and membership.

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

This positive increase in of spiritual well-being, as discussed earlier, ultimately produces positive individual and organizational outcomes, such as increased organizational commitment and productivity, because employees with a positive sense of calling and membership will
become more attached, loyal, and committed to the unit (Fry, 2003). By tapping into these basic spiritual needs, SL facilitates the emergence of trust, intrinsic motivation, and organizational commitment which is necessary to positively influence performance. This is because employees that have hope/faith in the organization’s vision and who experience calling and membership will expend extra effort and cooperation necessary to continuously improve productivity and other key performance metrics (Fry, 2003, 2005b; Fry & Slocum, 2008). In addition, Fry (2005b) explored the concept of positive human health and psychological well-being through recent developments in workplace spirituality, character ethics, positive psychology and SL. He then argued that these areas provide a consensus on the values, attitudes, and behaviors necessary for life satisfaction and corporate social responsibility.

Both Catholic leadership and SL are based on hope and faith in a vision of serving others through love. The Catholic vision of loving and serving others is considered essential by leaders of the Catholic Church in fulfilling the mission to attend to the poor and vulnerable and care for the sick. In doing so Catholic clergy and members of the religious orders community experience a sense of meaning/calling and that their live lives make a difference and have meaning. Through membership in this community they also experience a sense of belonging and membership and that they are understood and appreciated through delivery of health care services.

The corporal and spiritual works of love and service provide the foundation for Catholic organizational identity. In establishing and reinforcing Catholic organizational identity the Catholic leader acts based on hope/faith in a vision of serving others based on values which place the dignity and respect of all people at the forefront, which are consistent with the qualities of altruistic love (e.g., kindness, compassion, patience, integrity, courage, humility, and perseverance) in SL (Dayler, 2011). This includes concerns for social responsibility in terms of
social equality and participation in the decisions, which have an impact on one’s life, freedom of choice, quality of life, self-expression, community participation, and concern for the environment.

Based on the above theorizing we offer our final hypothesis:

**Hypothesis 3:** The positive relationship between spiritual leadership and organizational commitment, unit productivity, life satisfaction, corporate social responsibility and Catholic organizational identity is fully mediated by calling/meaning and membership.

**METHODS**

**Sample and Procedure**

The study sample included executive directors, chief executive officers (CEOs), and their direct reports in leadership positions in Catholic health and social service organizations in the province of Ontario, Canada. Access to the organizations came from (a) provincial Catholic health and social service associations, (b) diocesan directories, and (c) the Internet. Assigning an alphanumeric code to each organization promoted confidentiality and anonymity of the participants and the participating organizations.

The size of the participating organizations ranged from small community health and social services agencies to large hospitals and child welfare agencies. Five types of organizations were included: (a) hospitals, (b) long-term care facilities, (c) community health agencies, (d) child welfare agencies, and (e) social service agencies. The social service agencies were community based and offered residential and nonresidential programs for seniors, homeless, and youth.

The CEO or executive director of each organization was the leader for the purposes of the current study. Direct reports were individuals who were part of a leadership team and had a
direct reporting relationship to the CEO or executive director of their organization. The areas of responsibility among the direct reports included finance, programs, clinical services, community services, public relations and communications, and research and evaluation. The leader and the direct reports from each organization received the survey.

The first step in the data-collection process was to send a letter of introduction to the leaders in each of the Catholic agencies in the province of Ontario. The letter included an explanation of the study purpose and a request for participation. The letter further included the instruction that the leaders who agreed to participate should provide the names, positions, and e-mail addresses of their direct reports.

The direct reports received a letter of introduction by email, indicating their leader had agreed to agency participation in the study. The letter included an encouragement to participate and a consent form. Upon receipt of the consent forms, the participants received the survey through an online survey system. The participants received reminders on three scheduled dates to complete and return the questionnaire.

A total of 71 individuals from 24 organizations completed and returned the SLQ, resulting in an 86% response rate. The respondents included (a) 31 men and 40 women: (b) respondents from each type of organization: 37 (52%) from hospitals, 14 (20%) from long-term care facilities, 3 (4%) from child welfare agencies, 10 (14%) from community health agencies, and 20 (14%) from social services agencies. (c) 39 Catholics and 32 Non Catholics, and (d) 20 leaders and 51 direct reports.

MEASURES

Spiritual leadership and spiritual well-being. The measures for SL and spiritual well-being were adapted for this study from Fry (2008). Sample items for inner life include “My
spiritual values influence the choices I make”; and “I care about the spiritual health of other employees and my co-workers” (alpha = .83). Sample items for SL include “The members of the executive team walk the walk as well as talk the talk”; “The leaders in my squad are honest and without false pride”; “The executive team’s vision is clear and compelling to me”; and “I demonstrate faith in the executive team by doing everything I can to help us succeed” (alpha = .85). 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 = .82). Sample items for membership are “I feel my executive team appreciates me and my work” and “I feel highly regarded by my the members of my executive team” (alpha = .91).

Life satisfaction. Life satisfaction was measured using the satisfaction with life scale developed by Diener, Emmons, Larsen, & Griffin’s (1985) satisfaction With Life Scale. Sample items include “If I could live my life over, I would change almost nothing” and “The conditions of my life are excellent” (alpha .75).

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 squad’s problems are my own” and “I talk up my squad to my friends as a great place to work for” (alpha = .64).

Productivity. Productivity was measured using items adapted by using military terminology from the group productivity scale developed by Nyhan (2000) plus an additional item, “My squad is very efficient in getting maximum output from the resources (money, people, equipment, etc.) we have available.” Sample items include “In my squad everyone gives his/her best efforts” and “In my squad, work quality is a high priority for all workers” (alpha = .83).
Social responsibility. Social responsibility was measured using seven items based on the work of Fry (2005b) and Pijnenburg et al. (2008). Sample items include “I believe that our organization has the responsibility to improve the community in which it operates” and “I take into consideration the effects of decisions I make in my organization on the overall community” (alpha .75).

Catholic Organizational Identity. Catholic organizational identity was measured using five items based on identity theory (Ashford & Mael, 1989; Foreman & Whetten, 2002) and the definition of Catholicism (Donovan, 1997). Sample items include “I believe the Catholic vision of service, values and beliefs makes my organization distinctive from other organizations” and “I believe the teachings of the Catholic church are integral to the enduring Catholic organizational identity of my organization” (alpha .89).

RESULTS

Table 1 displays the means, standard deviations, and correlations of the variables for the squad level, and coefficient alphas for the scales. We used AMOS with maximum likelihood estimation (Arbuckle & Woth, 1999; Byrne, 2001) 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 ($\chi^2 = 118.64; df = 63; p < .001; CFI = .90; NFI = .81; IFI = .90; RMSEA = .11$). As indicators of relative fit: (a) the normal fit index (NFI) should be between 0 to
1.00, (b) the incremental fit index (IFI) and the compatible fit index (CFI) greater than .90, and (c) the root mean square approximation (RMSEA) less than .10 (Blunch, 2008). For the current study, the fit was significant ($p = .001$). The fit indices were slightly below the acceptable threshold but close enough to combine the variables (i.e., altruistic love, faith/hope, and vision) into the higher order SL variable.

**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). The results of the SEM for the hypothesized model were significant at $p < .001$ but indicated a poor fit with the data ($\text{Chi square} = 94.78; df = 23; p < .001; NFI = .77; IFI = .82; CFI = .81; RMSEA = .21$). Improving the fit of the model through the redirection or addition of alternate direct paths from inner life, SL, the mediating variables of meaning and membership, and/or outcome variables would indicate support for a revised model of spiritual leadership. The subsequent analysis involved testing four alternative models for fit against the hypothesized model as is summarized in Table 2.

The four alternative models were mediated models in which meaning and membership partially or fully mediated the outcome variables. Mediation models involve the addition of a variable (i.e., the mediator) that explains the relationship between the independent and dependent variables. In a mediated model, a direct causal relationship does not exist between the independent and dependent variables. The independent variable predicts the mediating variable, and the mediating variable causes the outcome variable. The mediating variable clarifies the relationship between the independent and dependent variables (Kenny, Korchmaros, & Bolger, 2003; Krull & MacKinnon, 1999).
The relationship between the independent and dependent variables can be complete or partial. In the current study models, the theoretical model sets complete mediation and allows testing of the other models against the hypothesized SL model for goodness of fit. Partial mediation occurs when (a) the goodness of fit fails to confirm the complete mediation model and (b) a direct path links the independent and dependent variables (James, Mulaik, & Brett, 2006).

In Model 1, inner life predicted SL, and SL predicted meaning and membership. Meaning and membership predicted life satisfaction, productivity, organizational commitment, social responsibility, and Catholicism. A direct path existed from inner life to life satisfaction, social responsibility, and Catholicism. Meaning and membership were partial mediating variables.

In Model 2, inner life predicted SL, and SL predicted meaning and membership. Meaning and membership predicted life satisfaction, productivity, organizational commitment, social responsibility, and Catholicism. A direct path existed from inner life to social responsibility and Catholicism. Meaning and membership were partial mediating variables.

In Model 3, inner life predicted SL, and SL predicted meaning and membership. Meaning predicted life satisfaction, productivity, organizational commitment, and social responsibility. Membership predicted productivity, organizational commitment, and Catholicism. A direct path existed from inner life to social responsibility and life satisfaction with meaning as a partial mediating variable. A direct path existed from inner life to Catholicism with membership as a partial mediating variable.

In Model 4, inner life predicted SL, and SL predicted meaning and membership. Meaning and membership predicted productivity and organizational commitment. A direct path existed from inner life to social responsibility, Catholicism, and life satisfaction.
Of the four models tested, Model 3 was the best fit. As shown in Figure 2, the indices are $\chi^2 = 45.65; p < .01; CFI = .94; IFI = .94; NFI = .89; RMSEA = .12$. The rule of parsimony prompts application of the simplest theory or interpretation of the data. Based on the rule of parsimony, Model 3 (see Figure 2) is the best fit for the data.

The results from Model 3 provide support for Hypotheses 1 and 2 with a positive link from inner life to SL ($\beta = .55, p < .05$) and from SL to meaning ($\beta = .77, p < .05$) and membership ($\beta = .78, p < .05$). Partial support was found for Hypothesis 3. The relationship between SL and life satisfaction, unit productivity, organizational commitment, and social responsibility was fully mediated by meaning. Hypothesis three was not supported for the mediating effect of meaning on the relationship between SL and Catholic organizational identity. In addition, relationship between SL and unit productivity, organizational commitment, and Catholic organizational identity was fully mediated by membership. Hypothesis three was not supported for the mediating effect of membership on the relationship between SL and life satisfaction and social responsibility.

The major result from the revised model 3 and not predicted by SL theory was the finding that inner life has a direct influence on life satisfaction, social responsibility, and Catholic organizational identity.

**DISCUSSION**

This study found general support for the relevance of the spiritual leadership theory in preserving Catholic organizational identity. Following Fry, Hannah, Noel, & Walumba, 2011), this study supports their finding that the variables comprising spiritual leadership (i.e., hope/faith, vision, and altruistic love) form a higher order formative construct. In addition, the hypotheses that inner life positively predicts spiritual leadership and that spiritual leadership
positively predicts meaning/calling and membership were supported. Finally, the high degree of model fit and significant coefficients partially support our hypothesis that meaning/calling and membership mediate the relationship between spiritual leadership and key outcome variables, including life satisfaction, organizational commitment, productivity, social responsibility and, most important for this study, Catholic organizational identity. These findings provide additional evidence that leadership that emphasizes spiritual well-being in the workplace produce beneficial personal and organizational outcomes (Eisler & Mountouri, 2003; Fry et al., 2005b).

This study is the first to test the revised theory of spiritual leadership that includes inner life as a predictor of spiritual leadership and life satisfaction as an outcome positively influenced by meaning and membership (Fry, 2008). While this revised model received support for meaning and life satisfaction. Membership was not a significant predictor of life satisfaction in this study. Rather there was a significant and positive direct effect of inner life on life satisfaction. Inner life also had a significant positive effect on social responsibility and Catholic organizational identity – variables of specific interest for this study. Thus having a sense of purpose or calling through one’s work coupled with a strong inner life practice directly and positively impacted CEO’s and their direct reports’ life satisfaction as well social responsibility and Catholic organizational identity in this sample of Catholic health and service organizations.

**Implications for Theory, Research, and Practice**

The Catholic Church no longer governs many Catholic institutions. Independent boards of directors with non-Catholic members govern Catholic institutions with non-Catholics in leadership roles. This change in leadership as the basis of authority for Catholic institutions shifts the balance of power from religious orders leaders to lay leaders. As this becomes the rule rather than the exception, a major issue has emerged concerning the preservation of Catholic
organizational identity in Catholic health and social service organizations. This study’s findings demonstrated the relevance of the SL model as a model for Catholic leadership that preserves Catholic organizational identity as defined by Catholic values and principles based on love and service (Fry, 2003, 2005b, 2008).

**Theoretical Implications.** Fundamental to SL theory is the proposition that an inner life or spiritual practice is a source of SL, which intrinsically motivates and inspires workers by creating a transcendent vision and a corporate culture based in the values of altruistic love (Duchon & Plowman, 2005; Fry, 2003, 2005b, 2008; Fry & Kriger, 2009). The current study examined the degree of influence inner life on SL. The results indicate that inner life positively and directly predicts higher order SL (i.e., altruistic love, hope/faith, and vision) as a higher order construct as well as, surprisingly, life satisfaction, social responsibly, and Catholic organizational identity.

One aspect of the SL model is that the strength of inner life comes from a higher power or God (Fry, 2008, Fry & Krieger, 2009; Fry et al, 2010). In Catholic organizations, the foundation for the values and vision of service is the presence of a higher power, Jesus Christ, the founder of the Catholic Church. The clergy and religious orders who have historically led Catholic organizations were committed to an inner life practice that was fundamental to their role in the Catholic Church and in life. The religious orders and clergy were to be exemplers of inner life as reflected in outer life through a vision of love and service to others. The clergy and religious orders brought meaning to the lives of others and encouraged employees of Catholic organizations to be members in the Catholic way of life (Curran, 1997; Donovan, 1997; MacLellan, 2005; Pijnenburg et al., 2008). The direct relationship between inner life and Catholic organizational identity is indicative of the continued importance of inner life practice in
preserving Catholic organizational identity. Through inner life, the leaders of Catholic organizations experience higher levels of life satisfaction and fulfillment. The leaders’ strong inner life also positively influences Catholic service organizations to be socially responsible and serve their communities.

**Practical Implications.** Concerns about the preservation of Catholic organizational identity in Catholic organizations are the result of (a) increased dependence on government funding, (b) pressures for financial accountability, and (c) increased demands for service. The impact of these factors on mission-driven nonprofit organizations such as Catholic health and social services might be a shift in focus toward profitability. The spiritual leadership model may be one avenue for satisfying these demands this since the SL model can be utilized to optimize employee well being, social responsibility, and financial performance (Fry & Slocum, 2008; Fry et al., 2010, Fry & Nisiewicz, in press).

The current study findings indicate the possibility of achieving social responsibility and preserving Catholic organizational identity by adopting and implementing the SL model. Spiritual leaders recognize the deep purpose of their organizations, which is delivering service and building relationships with community members, stakeholders, and staff. Based on these initial findings, leaders in Catholic health and social service agencies might adopt the SL model to preserve Catholic values and the vision of service. Moreover, the focus of leadership development programs for Catholic organizations should be on the importance of the SL perspective in strategic planning.

Catholic clergy and other religious leaders model the rites, rituals, and structures integral to Catholic organizational identity and should model other leadership skills and characteristics consistent with the Catholic values and vision of service. The goal of the current study was to
establish the links between the SL model and Catholic leadership in terms of vision of service and the values of altruistic love, hope, and faith. The study results indicate that leaders who follow the spiritual model are likely to preserve Catholic organizational identity.

Leaders of Catholic organizations also need tools to determine the suitability of job candidates to be able to preserve the Catholic principles based in live and service of others as well as preserve catholic organizational identity. The positive direct relationship between inner life, Catholic organizational identity, life satisfaction, and social responsibility indicates a need to examine the hiring practices and leadership attributes of leaders in Catholic health and social service organizations. Modification of the SL survey might make it appropriate for use as a leadership assessment tool during recruitment. Leaders dedicated to an inner life practice believe in a higher power or God and can articulate to stakeholders the values of altruistic love, hope and faith, and a vision of service. Such vision and values are consistent with the Catholic Church. The Catholic vision of service and Catholic values are central to the organization and inspire a culture of caring.

Suggestions for Future Research

Catholicism is a living community of faith with distinctive traditions, rituals, and beliefs that provide the foundation for Catholic organizational identity. In the current study, the spiritual leadership model was used to investigate if it represented a model of leadership that could be used, within the context of history and tradition of humanity rooted in Catholic values, to establish and reinforce Catholic organizational identity. Previous research has not considered the role of organizational identity as an outcome variable of the SL model. Future research in this area should investigate the influence of the spiritual leadership model on organizational identity in other religious as well as public and for profit organizations.
Boards of directors govern Catholic organizations, and the structure and function of boards can vary by organization. Two types of boards govern health and social services organizations: (a) policy governance boards and (b) operational boards. Boards are accountable and responsible for the vision, mission, and outcomes of the organization. Boards of directors have the power to influence change and are important in preserving organizational identity. A study of the board members and the types of boards in Catholic agencies is necessary to further determine the role of boards and its influence on Catholic organizational identity.

The results of the current study are inconclusive about the importance of rites, rituals, and structure in Catholic organizational identity. Future research on other religious- and spiritually-based organizations should investigate the importance of how these may explain additional variance in organizational identity. In addition, including the perceptions of stakeholders and other community members and their influence on organizational identity is warranted.

The small sample size in the current study limited the analysis of the relationship between SL and Catholic organizational identity with organizations of varying levels and types. A larger sample would enable comparisons among community-based, Catholic health social service agencies and other health organizations, adding to the literature pertaining to Catholic organizational identity and SL in mission-driven organizations. Future studies should also include midlevel leaders and employees in examining the effects of the SL model on the preservation of Catholic organizational identity.

The spiritual leadership model has been offered a positive predictor of social responsibility and a potential solution to the problem of corporate greed and indiscretions of leaders in the for-profit sector (Fry, 2005b; Fry & Sclocum, 2008; Fry & Nisieiwcz, in press).
Future research should sample a broader range of organizations that exhibit differing levels of social responsibility to further test this proposition.

Research on several fronts is necessary to further establish the validity of the emerging spiritual leadership model. The current study’s results support the proposition that leaders with inner life practice based on a belief in God or a higher power have higher levels of life satisfaction and exhibit stronger spiritual leadership. Future research should be conducted in a diverse array of organization to see if this finding has wider application. Additional longitudinal studies across a variety of sample types are needed to test for changes in key variables over time, particularly as relating to a broader range of performance domains. Studies are also needed that incorporate objective measures from a wider span of performance domains.

Finally, the current study involved a Gatekeeper model in which the CEOs and executive directors were the access point to the other members of the organizations. The CEO and executive directors’ participation was necessary for contact with the direct reports in the organization. With most of the mean values of the study variables above 4, the results might reflect sample bias. Future studies should involve attempts to access the sample directly rather than using the gatekeeper approach.

CONCLUSION

In the past, the beliefs and practices of Catholic rites and rituals by the clergy and religious orders have been stabilizing factors in fostering Catholic organizational identity in Catholic health and service organizations. Based on the current study findings, leaders of Catholic organizations do not need to be Catholic but should have an ongoing inner life practice and embrace the ideals (i.e., altruistic love and a vision of service to others) inherent in both Catholicism and the SL model. To preserve Catholic organizational identity, leaders of Catholic
organizations should explore leadership development tools with a focus on the qualities of SL (Fry, 2003). Enabling leaders to develop inner life by providing opportunities for contemplative prayer, centering prayer (Keating, 2009), and principle-centered leadership (Covey & Gulledge, 2005) could also result in positive development of spiritual leadership and increased life satisfaction. This study also provides initial support for the SL model as a model for Catholic leadership to preserve the traditional Catholic vision of service and values in Catholic health and social service organizations. Outcomes related to this include a positive influence on top management life satisfaction, organizational commitment and productivity, social responsibility, and Catholic organizational identity.
REFERENCES


FIGURE 1: Theoretical Model with Hypotheses

TABLE 1: Correlation Matrix

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean</th>
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<th>4</th>
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<th>6</th>
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<td>2. SL</td>
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<td>3. Meaning</td>
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<td>.78</td>
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<td></td>
<td></td>
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<td>5. Satisfaction</td>
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<td>6. Org. Com.</td>
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<td>7. Productivity</td>
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<td>8. Social Resp.</td>
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Note: N = 71; Correlations ≥ .30 are significant at p < .01. Correlations ≥ .22 are significant at p < .05. Correlations ≥ .19 are significant at p < .10. Scale reliabilities are bolded on the diagonal.
TABLE 2: Comparison of SEM Models

<table>
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<th>IFI</th>
<th>CFI</th>
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<tr>
<td>4</td>
<td>IL→SL→mean and mem→prod+orgcom and IL→socres+Cath+sat</td>
<td>.85</td>
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<td>.90</td>
<td>.14</td>
</tr>
</tbody>
</table>

FIGURE 2: Results of SEM Analysis for Model 3

Note: INL=inner life; SL=spiritual leadership; Mean=meaning/calling; MEMBER=membership; SAT=life satisfaction; PRODUCT=productivity; ORGCOM=organizational commitment; SOCRES=social responsibility; CATH=organizational Catholic identity

Note: N=71; Only significant are shown (betas ≥ .30 are significant at p<.01; betas ≥ .22 are significant at p<.05.)