

## **TRANSCENDENT IMPACT: REVEALING THE INTERPLAY OF WORKPLACE SPIRITUALITY DIMENSIONS ON ORGANIZATIONAL PERFORMANCE IN SMALL AND MEDIUM ENTERPRISES**

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### **ABSTRACT**

**Purpose** - This research delves into uncovering the intricate influence of dimension of workplace spirituality (WS) on organizational performance (OP) within the context of Small and Medium Enterprises (SMEs). The primary objective is to discern how elements of spirituality in the workplace contribute to enhancing overall organizational effectiveness and success.

**Design/methodology/approach:** Employing a quantitative methodology, this research utilizes survey tools to collect data from a sample size of 319 small and medium enterprises (SMEs) spanning diverse sectors in India. The survey aims to assess different facets of WS and their correlation with OP. The analysis of these relationships was conducted using Smart PLS.

**Findings:** The findings reveal a significant correlation between workplace spiritual dimensions and organizational performance indicators in SMEs. Specifically, aspects such as meaningful work and alignment of organizational values demonstrate a positive impact on the performance of organization. These results underscore the importance of integrating spiritual principles into the organizational culture of SMEs to foster growth and success.

**Research limitations/implications** – While this study offers a thorough analysis, it faces limitations such as small sample size and potential biases in self-reported data. Moreover, focusing solely on SMEs may restrict the applicability of the findings to larger corporations. Nonetheless, the research underscores the significance of integrating WS in the SMEs as a requirement to bolster OP and sustainability.

**Originality/value** – By providing empirical proof the study contributes to the present literature of the association between WS and OP specifically within the context of SMEs. By shedding light on this underexplored area, the study offers valuable insights for SME leaders and managers seeking to cultivate a more spiritually enriched work environment conducive to achieving sustainable success.

**Keywords:** Workplace Spirituality, Organizational Performance, Small and Medium Enterprises, Smart PLS, Structural equation model

### **1. INTRODUCTION:**

Small and medium enterprises (SMEs) are important for the economic growth, generating jobs through the creation of new industries, increasing competitiveness and efficiency, and reducing inequality and poverty (Maziriri & Chivandi, 2020). In SMEs, the appearance of workplace spirituality (WS) and fairness affect work, employee work happiness, and employee organizational commitment (Mapuranga et al., 2021). Popular literatures indicates that WS helps to improve performance of the organization (Driscoll et al., 2019; Washington, 2016). SMEs have been paid less attention in comparison to large-scale companies by the government and policymakers (Biondi et al., 2002; Iqbal et al., 2021) and SMEs due to limited resources have difficulties in competing with the bigger enterprises and sustain their performance in the long term for survival (Ajibola, 2020). SMEs are crucial for economic growth (Kumar et al., 2022). They also contribute to the reduction of regional imbalances and have a critical role in the Indian economic system. The sector accounts for nearly eight percent of the GDP of the country, employ more than eighty million people across the country in and around 36 million different enterprises, accounts for forty five percent of manufactured output, forty percent of total export, and produces over eight thousand different products ranging from high- tech to traditional and these small enterprises forms the bases for innovation and entrepreneurship, important for the country's future growth (Singh & Paliwal, 2017). SMEs are regarded as a country's backbone because they are involved in every facet of economic and community life. SMEs are also viewed as a growth engine for a country's economic and social transformation. Nonetheless, SMEs confront actual constraints, such as a shortage of personnel, financial resources, experience and educational background, and managerial competence (Rafiki et al., 2022).

WS has assumed importance and a new dimension of it is being explored by researchers and academicians for having the power to transform people, organizations, and societies as spirituality influences every stage of life and spiritual culture dominates at the work front (Kumar et al., 2022). The organization in order to survive and sustain in the long term need to adopt new strategies to enhance its performance, to remain competitive and have an advantage over its competitors in the global market which is no longer limited to the local markets. Organizations are experiencing employees stress, turnover, absenteeism, and employee creativity related behaviour due to lack of spirituality at the workplace, and have started recognizing and developing WS (Ranasinghe, 2019).

This research examines the significance of WS for enhancing the organizational performance (OP) of SMEs, and is important as WS as a concept has not been explored much in the SMEs and has been neglected in India (Aboobaker et al., 2020; Kumar et al., 2022) and is unique, as this contributes to validating the positive relationship between WS and OP, that will help the SMEs and their stakeholders in planning and reshaping their strategies, organizational culture and the behaviour of managers and employees and for improving their organizational performance. Many of the small organizations have grown into large organizations over a period of time like Microsoft and Nike and are successful in the national and international markets (Singh & Paliwal, 2017).

The significant contribution of this study in the domain of SMEs for implementation of WS will help academicians, owners, managers, and stakeholders take and adopt suitable measures required for enhancing the performance of their organizations. The research validates the

hypothetical model with the existing literature with the basic aim of finding the relevance of WS on the performance of organizations relating to the SMEs.

The study explores the impact of WS on the performance of SMEs, a significant portion of global economic activity. The research aims to understand the various dimensions of WS and its potential to enhance the performance and sustainability of SMEs in an ever-evolving business landscape. The study highlights the importance of understanding the interplay between spirituality in the workplace and OP for both theory and practice. By uncovering the various dimensions of WS, the study aims to shed light on its potential as a catalyst for enhancing the performance and sustainability of SMEs in today's business landscape.

## **2. LITERATURE REVIEW**

### **2.1 Workplace spirituality (WS)**

WS is an attempt to comprehend one's life's final objective and establish strong ties with colleagues and people engaged in work, and having alignment and consistency among their personal convictions with their business's objectives (Milliman et al., 2003). Ashmos and Duchon (2000) defines it as recognizing that employees have an inner life that nourishes and is nourished by meaningful work that takes place with regard to community. The focal point of WS definition is when people are committed to work with a sense of purpose, they dedicate themselves. WS is understood to be meaningful at both, the individual level where employees feel spiritually connected with the workplace and work, and at the organizational level where the spiritual value becomes part of organizational culture for better-informed behaviour, decision-making, and resource allocation and needs to be encouraged at both the level for more participation and to modify the organizational planning and strategies and human resources practices like recruiting, training and development, and evaluation. (Kolodinsky et al. 2008; Pawar, 2009; Petchsawang & Duchon, 2012).

### **2.2. Dimension of workplace spirituality (WS)**

a) **Meaningful work:** According to Iqbal et al. (2021), the driving force behind WS is the individual's pursuit of meaning and purpose in their job. These facets of WS influences how people react to their professions and makes the assumption about the people that they have internal motivations, desires, and truth that drive them to act in ways that are significant to both themselves and other people (Ashmos & Duchon, 2000). Work provides an employee with a social identity, and work is more than just being tough or amusing; it's also about discovering meaning and purpose, achieving goals, exposing inner life of one's demands by finding meaningful work, and assisting those who require assistance (Arnold et al., 2007).

b) **Sense of Community:** This component is about a sense of community that involves people's relationships with each other ( Ashmos & Duchon, 2000; Milliman et al., 2003) and at the group level, the workplace dimensions represent the relation between individuals and their colleagues with the conviction that people view themselves as connected to one another and that there is a connection that can be made between inner selves of one's with other people's inner selves ( Milliman et al., 2003). The staff bond on mental, spiritual, and emotional dimensions. At the community level has a greater sense of connection between employees that includes freedom of expression, support, and real care and they gain both, an identity and social recognition through their work.

c) **Alignment with organizational values:** WS is capable of linking the values of an employee with the mission and with the ultimate objective of an organization (Iqbal & Hassan, 2016) and explores employee engagement with the company's vision and objective, where individuals, those who believe that their mission is larger than themselves and are willing to contribute to society and align with corporate goals. Additionally, alignment denotes that an organization's owners, management, managers, and employees get along well and that the organization demonstrates concern for both, the community and for its employees (Ashmos & Duchon, 2000; Iqbal et al., 2021; Milliman et al., 2003). Spirituality inspires workers to perform their jobs honestly and with a purpose that goes beyond making money for themselves and their companies (Iqbal et al., 2021; Van Dierendonck, 2004).

### **2.3. Organizational Performance (OP)**

To survive and compete in the global, deregulated market, and with the constantly changing economic environment, organizations must innovate products and processes, improve quality, and productivity, reduce cost, and create values that competitors cannot copy (Becker & Gerhart, 1996). The universalistic model of human resource management suggests that HRM has a positive relation with OP and it increases the performance of the organization as a whole and as well as the performance of the majority of the particular aspects of the organization (efficiency, development, innovation, and quality). with the fundamental elements of Effectiveness (when the firm achieves the target) and Efficiency (when the firm utilizes minimum resources to achieve its defined target). Satisfaction (of stakeholders, employees, and customers), Innovation (products and processes, skill acquisition and development that will help innovation), and Quality (percentage of high-quality things) Katou & Budhwar (2007). Geographic location affects firm performance (Iqbal et al., 2021). When individual and organizational knowledge is combined, innovations improve organizational performance (Matzler et al., 2008). Employee motivation improves organizational performance and effectiveness (Dobre, 2013). The performance of the organization focuses on ability, capability, and about the relation between performance and organizational goals (effectiveness), stakeholder satisfaction (relevancy), and organizational resources (efficiency) (Jenatabadi, 2015). Performance of an organization is about, the positioning of an organization in the corporate world, based on its achievements concerning its objectives, overall performance based on its managerial skills, values, effectiveness, and efficiency, leadership skills, recognition of employer's appreciated attributes, responsibility and competitiveness, and individual performance that can impact company performance in the short term, medium term, and long term. Pay and promotion, fairness, working conditions, employee benefits, job security, camaraderie, incentives, recognition, and a workplace that instill spirituality in employees boosts performance (Bharadwaj & Jamal, 2020; Sarmiento et al., 2007). Employees are motivated to work with integrity and a purpose that benefits others beyond conducting business when spirituality is present in the workplace. (Iqbal et al., 2021; Van Dierendonck, 2004).

### **2.4. Workplace Spirituality on Organizational Performance**

WS has emerged as a significant area of interest within organizational studies, particularly concerning its influence on OP where WS encompasses meaningful work, alignment of values

and sense of community as its various dimensions and transcendence that emphasizes significance of integrating spirituality to foster employees well-being and enhance organizational effectiveness (Ashmos & Duchon, 2000; Giacalone & Jurkiewicz, 2003; Jurkiewicz, 2004). Several studies have inquired the relation among WS and OP, for instance, Milliman et al. (2003) found that organizations with a strong spiritual culture experienced high level of employees satisfaction, performance and commitment. Fry (2003) suggests that WS adds to the development of a positive organizational culture characterized by trust, collaboration, and innovation. Similarly, Rego et al. (2010) found a positive association between employees' spiritual well-being and their job performance in the context of Portuguese organizations. There is a significant association among organization spirituality and job involvement and organizational identification and reward satisfaction. Also, there is a constructive correlation among organization spirituality and reward satisfaction. Nevertheless, there is an inverse relationship between the spirituality of an organization and the level of frustration within that organization (Kolodinsky et al., 2008) and spiritual leadership has been shown to improve organizational commitment and productivity (Bodia & Ali, 2012; Fry et al., 2005). Spiritual orientation boosts efficiency, productivity, and profitability, improving organizational performance (Jurkiewicz & Giacalone, 2004). WS improves OP (Mishra & Kumar, 2022; Neck & Milliman, 1994; Pandey et al., 2009; Thompson, 2000). However, the impact of WS on OP may vary across different organizational contexts. For example, Biberman and Whitty (1997) argue that while spirituality can enhance organizational effectiveness in some settings, it may not be universally applicable and could encounter resistance in secular or highly rationalized work environments. Moreover, diversity in employees' religious and spiritual beliefs adds complexity to the integration of spirituality into organizational life (Mitroff & Denton, 1999).

In summary, existing literature highlights the potential of WS to positively influence OP through various mechanisms such as enhanced employee satisfaction, commitment, and well-being. However, the contextual factors and challenges associated with integrating spirituality into organizational practices underscore the need for further research to elucidate the nuances of this relationship.

### **3. THEORETICAL BACKGROUND**

WS has garnered significant attention in organizational studies due to its potential impact on various dimensions of OP. Rooted in theories of organizational behaviour and psychology, WS emphasizes the significance of integrating spiritual values, principles, and practices into the workplace environment (Kinjerski & Skrypnek, 2008). According to Ashmos and Duchon (2000), WS encompasses meaningful work, feeling as a community, interconnectedness and the recognition of a higher purpose beyond materialistic pursuits. This theoretical framework posits that when employees experience a sense of spiritual fulfilment and connection to their work, they are more likely to exhibit greater commitment, engagement, and satisfaction, ultimately leading to improved organizational outcomes (Petchsawang & Duchon, 2009). Furthermore, the Social Exchange Theory suggests that fostering a culture of WS can enhance the quality of relationships between employees and the organization, fostering trust, reciprocity, and mutual support (Eisenberg, 2010). Moreover, drawing from the Resource-Based View of the firm, WS can be seen as a unique organizational resource that contributes to the development of a competitive advantage by enhancing employee creativity, innovation,

and resilience (Fry et al., 2005). Therefore, by exploring the relationship between WS and OP, the study attempt to contribute to the growing body of literature on the importance of spiritual values in fostering sustainable success in the SMEs.

#### 4. RESEARCH GAP AND OBJECTIVES

The increasing interest in the study of WS and its possible influence on OP, there remains a significant research gap in understanding how specific dimension of WS benefit performance outcomes in the SMEs. Existing literature often focuses on large corporations, neglecting the unique contexts and challenges faced by SMEs. Therefore, there is a need for empirical research to unveil the effect of different dimensions of WS on OP specifically within the SME context. To investigate the relationship between WS and OP in SMEs with following objectives:

- To explore the relationship between each dimension of workplace spirituality and organizational performance in SMEs.
- To provide practical recommendations for SME leaders and managers to leverage workplace spirituality to enhance organizational performance.
- Add to the existing body of knowledge by filling the research gap and offering insights into the nuanced relationship between workplace spirituality and organizational performance in the SME sector.

#### 5. HYPOTHESIS DEVELOPMENT

This research aims to investigate the correlation between diverse aspects of WS and the performance of small and medium enterprises (SMEs). The increasing acknowledgment of the significance of fostering a comprehensive work environment, integrating spirituality within the workplace, is gaining traction due to its potential to augment employee well-being, contentment, and overall organizational effectiveness. This study seeks to offer valuable insights for both theoretical frameworks and practical applications, underscoring the necessity for a more nuanced comprehension of the influence of spirituality on SMEs.

In accordance with the conceptualization of WS, the examination focuses on three key dimensions: meaningful work, a sense of community, and alignment with the company's values (Duchon & Plowman, 2005; Milliman et al., 2003; Rego & Pina e Cunha, 2008). Katou and Budhwar (2007) posit that the success of an organization hinges on various factors such as its effectiveness, efficiency, development, satisfaction, innovation, and quality. It has been observed that WS significantly impacts OP (Daniel, 2010; Garg, 2020; Shankar Pawar, 2008; Rego & Pina e Cunha, 2008). Building upon the constructs delineating the association between WS and performance of organization, as well as the interplay between the three dimensions of WS and OP, three hypotheses have been formulated, assuming their equal relevance for small and medium enterprises.

- **H1:** The relationship between meaningful work and organizational performance is positive, in the small and medium enterprises.
- **H2:** The relationship between sense of community and organizational performance is positive, in small and medium enterprises.
- **H3:** The relationship between the alignment of organizational values and organizational performance is positive, in the small and medium enterprises.

#### 6. RESEARCH METHODOLOGY

Previous studies (Williams, 2007) have employed diverse research methodologies encompassing qualitative, quantitative, and hybrid approaches. The aim of this section is to elucidate the research methodology utilized in this specific study, as outlined by Dana and Dana (2005). In line with the objectives of our research, a quantitative methodology was adopted for this study.

### 6.1. Pilot Study

To determine the rationality and appropriateness of the instruments, a sample of thirty respondents drawn from SMEs were pretested as part of a preliminary investigation to gauge that the respondent fully understands the questionnaire and the difficulties (these respondents were not considered in the actual study). The responses revealed that in this study, participants were sufficient for the frequency and complexity of the questionnaire.

### 6.2 Sample

According to Teddlie & Yu (2007), "purposive sampling is also known as nonprobability sampling, purposeful sampling, or qualitative sampling." According to Babbie (2008), "researchers choose purposive sampling technique for samples that are likely to be knowledgeable and informative about the phenomenon." The participants in the survey were selected for the research using purposive and convenience sampling through snowball sampling techniques, and small enterprises identification was done as per the Government of India's guidelines for the categorization of SMEs: a company is considered to be a small enterprise if its investment in plant, machinery, and equipment does not exceed ten crore rupees and its turnover does not exceeds fifty crore rupees and, a company is considered to be medium enterprise if its investment in plant and machinery, and equipment does not exceeds fifty crore rupees and turnover does not exceed two hundred fifty crore rupees.

### 6.3 Data collection

The participants in this study are individuals employed in the small and medium enterprises (SMEs) located in Delhi and National Capital Region (NCR), India, encompassing owners, managers, officers, supervisors, and workers. The sampling method employed was a combination of purposive and convenient sampling, facilitated by the snowball sampling technique. A total of 400 questionnaires were disseminated among SME participants, with 319 questionnaires ultimately deemed suitable for inclusion in the analysis for this study.

### 6.4 Research tool

This study employed Smart PLS software to construct a straightforward model elucidating the relation among the dimensions of WS and OP. The adoption of the Partial Least squares Structural Equation Modeling (PLS-SEM) technique was based on various scholarly references (Barroso et al., 2010; Hair et al., 2013; Reinartz et al., 2009). Firstly, due to the limited size of the data set, Smart PLS 4.0 was chosen as it accommodates smaller sample sizes, unlike other statistical methods. Secondly, the study's focus on predictive modeling of workplace spirituality and organizational performance necessitated a technique that could effectively handle this aspect. Lastly, PLS-SEM, particularly through Smart PLS 4.0, is increasingly recognized for its efficacy in elucidating complex behavioral phenomena (Fassott et al., 2016), thereby justifying its selection for this research endeavor.

### 6.5 Research Instrument

a. **Workplace spirituality (WS):** The measurement of meaningful work comprised six items, while a sense of community was assessed using seven items, and alignment with corporate values was evaluated with eight items. These measurement items were adapted from the scale developed by Ashmos & Duchon (2000). A 5-point Likert scale ranging from (1) representing strong disagreement to (5) indicating strong agreement was utilized for assessment.

b. **Organizational performance (OP):** The study considered the four components of organizational performance, effectiveness, efficiency, development and innovation, as outlined by Katou and Budhwar (2007). A 5-point Likert scale ranging from (1) indicating strong disagreement to (5) indicating strong agreement was utilized in this evaluation.

## 7. RESULT ANALYSIS AND FINDINGS

In this study, SMART PLS 4.0 emerges as a widely utilized software tool for conducting Structural Equation Modeling (SEM) analysis. Here, WS is depicted as the overarching exogenous latent variable, while OP serves as an endogenous variable, initially examined in its entirety. Subsequently, the research delves into a more granular analysis, focusing on the three dimensions of WS as exogenous latent variables and OP as the endogenous variable. Thus, within this investigation, the exogenous latent variables denote the three dimensions of WS, while OP signifies the endogenous variable under scrutiny.

**Exploratory Factor Analysis:** A loading value close to one signifies a better fit of variables to the factor response, while loads of 0.70 or higher are deemed acceptable. This preliminary examination encompassed a total of twenty-one items related to workplace spirituality (WS), all requiring contemplation. Notably, the software was configured to cease after 300 attempts. As depicted in Figure 1, none of these items will be retained in the final model, a measure undertaken to bolster the validity and reliability of the model.



The values of cross-loading decide which discriminant validity test is the most effective. A comparison is made between the value of the square root of the extracted average variance (AVE) and the structural model correlation values for each construct with respect to other constructs. Due to the fact that the AVE values found in this study were higher than their correlation values with other constructs, the Fornell - Larcker Criterion determined that each construct possessed discriminating validity (Table 2).

	Alignment with organizational values	Meaningful work	Organizational Performance	Sense of community
Alignment with organizational values	0.838			
Meaningful Work	0.912	0.812		
Organizational Performance	0.790	0.792	0.798	
Sense of Community	0.919	0.939	0.742	0.831

Table 2, shows the Fornell-Larcker criterion for alignment with organizational values, meaningful work, organizational performance, and sense of community, with a score of 0.838.

#### **The coefficient of determination (R<sup>2</sup>)**

According to the findings of this investigation, the R<sup>2</sup> values of the endogenous latent variables in the structural model of research are as follows: 0.75 for high, 0.50 for moderate, and 0.25 for low. By examining, Figure 1, we can see that the value of the endogenous latent variable's (OP) R<sup>2</sup> coefficient is 0.661. According to this data, WS is capable of explaining 66.1 percent of the overall variance that OP possesses.

#### **Model fit test and structural equation modeling results:**

According to Hair et al. (2013), the values of SRMR should not go beyond 0.08, and the value of NFI should fall somewhere between 0 and 1. An NFI value closer to 1 is considered a better match. This study had an SRMR value of 0.056, which indicates that a good fit was found. In addition, the NFI value is roughly 0.831, which shows that the study model is a good fit for the data. The SMART – PLS algorithm was run after determining 300 maximum iterations with a stop criterion of 7, using the path weighting scheme to maximize the value of R<sup>2</sup> (63.5 percent) For the endogenous model latent variable i.e. OP. This was done after evaluating the reliability and validity criteria for all the reflective measurements of the research model and ensuring the integrity of the research data. This was done to determine the accuracy of the research data (Table 3).

<b>Fit summary</b>	<b>Saturated model</b>	<b>Estimated model</b>
SRMR	0.056	0.056
d ULS	1.004	1.004
d G	0.877	0.877

Chi-square	1136.826	1136.826
NFI	0.831	0.831

**Path coefficients significance using the bootstrapping test:** The bootstrapping method is being used to further validate the T-test results. Using PLS-SEM, the meaning level of the route coefficients can be verified using (T-statistics). P-Value coefficients between the endogenous variable OP and the exogenous variables (recruitment, selection, and performance evaluation) in this study are less than 0.05. Since T-Statistics values are larger than 1.96 and the significance level is 5%, structural equation modeling path coefficients for this relationship are therefore statistically significant (Table 4)

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (/O/STDEV/)	P value
Alignment with Organizational values -> Organizational Performance	0.504	0.504	0.204	2.472	<b>0.013 (Significant)</b>
Meaningful Work -> Organizational Performance	0.591	0.595	0.270	2.188	<b>0.029 (Significant)</b>
Sense of community -> Organizational Performance	-0.276	-0.285	0.245	1.124	0.261 <b>(Non-Significant)</b>

Table 4, presents path coefficients, including original sample (O), sample mean (M), standard deviation (STDEV), and T statistics. The P value indicates significant alignment with organizational values, meaningful work while non-significant correlations are found with sense of community

### 8. DISCUSSION

The aim of this study was to evaluate the practicality of workplace spirituality's impact on organizational performance (including effectiveness, efficiency, development, and innovation) within small and medium enterprises (SMEs). The findings, drawn from the perspectives of both owners and employees regarding the influence of workplace spirituality on organizational performance, suggest a significant overall impact on performance in SMEs (with a statistically significant p-value below 0.05). However, when examining specific dimensions of workplace spirituality, the results diverge. Both meaningful work and alignment of organizational values exhibit statistically significant positive contributions to organizational performance (with p-values below 0.05), supporting the initial hypothesis. Conversely, the relationship between a

sense of community and organizational performance lacks statistical significance (with a p-value exceeding 0.05). These results align with prior research on workplace spirituality and organizational performance similar to the study of Daniel (2019) in the north America, where there was positive and significant relationship between inner life with job performance and there was positive and significant relationship between meaningful work and job performance while there was insignificant relationship between sense of community with job performance . Notably, while meaningful work and alignment of organizational values consistently correlate with improved performance in existing studies, the lack of support for the relationship between a sense of community and performance is intriguing. This discrepancy may stem from the unique nature of the sense of community as a distinct construct, which taps into different aspects of psychological motivation. Further investigation into these complexities is warranted, as suggested by recent literature. A sense of community has been shown to positively influence job involvement, which, in turn, impacts organizational performance. Overall, this study underscores the importance of cultivating a spiritual organizational culture, as it fosters a conducive environment for owners and employees, promoting enhanced collaboration, productivity, and overall organizational performance. Neglecting spirituality in the workplace, as evidenced by prior research, can have adverse effects on productivity and, consequently, organizational performance.

**Table 9: Findings**

Sl	Hypothesis	Description	Status
1	H1	Meaningful work and OP	Supported
2	H2	Sense of community and OP	Not supported
3	H3	Alignment of organizational value and OP	Supported

The finding that is based on the perception of employees WS has a significant impact on the overall organizational performance in the SMEs with a P value of less than 0.05, however the result of a relationship with reference to the individual three dimensions of WS are different when analyzed. Meaningful work with a P value of less than 0.05, and alignment of organizational values with a P value of less than 0.05, support that they positively contribute to the organizational performance while a sense of community's impact on OP is not supported as the P value is more than 0.05.

This study explores the relationship between workplace spirituality (WPS) and organizational performance (OP) in small and medium-sized enterprises (SMEs). The results show that meaningful work and alignment with organizational values have a positive correlation with OP, indicating that employees find purpose and significance in their tasks. This leads to increased motivation, commitment to achieving organizational goals, and improved productivity, however a sense of community do not correlates with OP, whereas a strong sense of community fosters camaraderie, trust, and collaboration among employees, leading to improved communication and teamwork and employees feel valued, respected, and connected to their colleagues and the organization, important for organizational culture and employee satisfaction as this directly translate into tangible improvements in performance and contribute positively towards achieving common objectives.

These findings provide a deeper understanding of the complex interplay between WS and OP in SMEs. By recognizing the importance of meaningful work and alignment of organizational values and sense of community that fosters positive outcomes, SMEs can tailor their strategies to cultivate a more spiritually enriching work environment, enhancing overall performance and competitiveness in the marketplace.

## **CONCLUSION**

The research explores the relationship between workplace spirituality and organizational performance in small and medium enterprises (SMEs). It found that meaningful work and alignment of organizational values are positively associated with organizational performance. Employees who perceive their work as meaningful and attached to organizational values exhibit higher levels of engagement, productivity, and satisfaction, bolstering organizational effectiveness. However, the study also found that alignment with community did not significantly affect performance in SMEs. This suggests that other factors like leadership style, organizational structure, or external market conditions may have a more significant influence on performance outcomes. The study emphasizes the importance of cultivating meaningful work and alignment of values and should foster a sense of community in SMEs to enhance performance. It also suggests tailored approaches to integrating spirituality within the workplace.

SMEs are one of the most crucial for the Indian economy. Validating the idea and practices of WS in this area may help academicians, researchers, and practitioners as established in the study of WS on OP. The concept of WS in SMEs is altogether new research conducted in India, which signifies that even in SMEs, WS behaves the same as in other sectors (Kumar et al., 2022). The reason behind the current research was to investigate how much the WS impacted the OP, in the SMEs and confirms that WS has a significant influence on their performance (effectiveness, efficiency, development, innovation). The study is unique as it brings to the notice that the impact of a sense of community on OP should be examined and addressed for achieving better performance of the organizations. Owners and stakeholders of SMEs need to develop spirituality in the workplaces and efforts to be made so that the employees have trust in it. A sense of community may be developed in the culture of SMEs to have better coordination and good collaboration. Empirical studies on WS have highlighted that it is about dedication to work, honesty with the job, equality with people, and the well-being of all that helps an organization to perform better and bring prosperity and positivity to the employees (Garg et al., 2019; Kumar et al., 2022).

## **9. IMPLICATION**

This study investigates the connection between meaningful work, alignment with organizational values and community with organizational performance (OP) in small and medium enterprises (SMEs). It provides theoretical insights into how specific dimensions of spirituality impact organizational outcomes. The findings have significant implications for SMEs seeking to enhance performance and cultivate a thriving organizational culture. Recognizing the importance of meaningful work, alignment of values and fostering a sense of community can help bolster OP. Management can use these insights to design policies, programs, and practices that prioritize meaningful work experiences, values and a supportive

work environment, leading to increased employee engagement, satisfaction, and overall well-being.

The study highlights the importance of understanding spirituality in the workplace for small enterprise owners, managers, academicians, policymakers, and stakeholders. SMEs play a vital role in the economy, reducing regional disparities, and generating employment. The study suggests that WS has a positive effect on OP, making it imperative for management to promote a culture where workplace spirituality is promoted and displayed.

Incorporating workplace spirituality into the organization's culture can significantly improve employees' attitudes and build confidence among employees, driving organizational success and competitiveness. The study concludes that workplace spirituality is crucial for the survival and sustainability of SMEs as it positively influences organizational performance.

### 10. LIMITATIONS AND FUTURE RESEARCH

The study has limitations, including a small sample size of SMEs from Delhi and NCR, a limited use of quantitative research tools, and a triangulated data collection strategy. It also highlights the potential for measurement error or bias in assessing workplace spirituality and organizational performance, and the generalizability of findings due to the focus on SMEs within a specific industry or geographic region. The cross-sectional nature of the study design restricts the ability to infer causality or examine long-term effects over time. Future research could address these limitations by employing longitudinal designs, conducting comparative studies across different industries or regions, using qualitative research methods like interviews or focus groups, investigating potential moderating variables like leadership styles or organizational culture, and exploring the role of technology and virtual work environments in facilitating or hindering the cultivation of workplace spirituality in SMEs. Further research could explore the role of technology and virtual work environments in facilitating or hindering the cultivation of workplace spirituality in SMEs.

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