

EXAMINING THE IMPACT OF WORKPLACE SPIRITUALITY ON ORGANIZATIONAL PERFORMANCE IN INDIAN FINANCIAL INSTITUTIONS

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Abstract

This empirical study explores the multidimensional impact of workplace spirituality (WPS) on organizational performance (OP) in Indian financial institutions. With a robust sample of 600 employees from public and private banks, insurance companies, and NBFCs, the research integrates quantitative analysis through Confirmatory Factor Analysis (CFA) and Structural Equation Modeling (SEM). The study confirms that dimensions of workplace spirituality—meaningful work, sense of community, and alignment with organizational values—significantly enhance job satisfaction, ethical behavior, and organizational commitment, which collectively improve performance. Findings reaffirm that embedding spiritual values in financial institutions promotes ethical decision-making, employee engagement, and sustainable performance.

Keywords: Workplace Spirituality, Ethical Behavior, Job Satisfaction, Organizational Commitment, SEM, Financial Sector.

1. Introduction

Workplace spirituality represents a paradigm shift in organizational studies—bridging personal meaning with institutional purpose. It challenges traditional managerial paradigms that often prioritize profit maximization over employee well-being and moral responsibility. The financial sector, characterized by relentless targets, regulatory pressures, and performance-based cultures, faces a growing need for practices that balance productivity with psychological and ethical sustainability. Integrating spirituality into this domain introduces a human-centric philosophy that fosters compassion, mindfulness, and integrity in professional conduct. Employees are not mere cogs in an economic system but integral contributors whose sense of meaning and connectedness directly influence institutional outcomes.

The post-pandemic business context has further emphasized the necessity of values-based performance, as organizations witnessed unprecedented disruptions in workforce morale, health, and engagement. During this period, leaders across industries recognized that financial recovery must be accompanied by emotional and ethical recovery. Workplace spirituality offers a framework for such recovery by reconnecting

employees with their intrinsic motivations, cultivating empathy, and reinforcing purpose-driven work cultures. It encourages leaders to inspire through vision and authenticity rather than authority alone, nurturing teams that are resilient, creative, and ethically grounded.

This humanized model of management transcends material incentives by appealing to employees' inner drives for fulfillment and contribution. By cultivating a sense of community, promoting ethical behavior, and aligning personal and organizational values, workplace spirituality helps financial institutions navigate volatility and restore trust. It underscores that sustainable performance arises not only from economic efficiency but from emotional well-being, moral coherence, and shared purpose. Thus, spirituality becomes both a strategic and ethical imperative, ensuring that financial institutions evolve as responsible, compassionate, and high-performing entities in a rapidly transforming global economy.

1.1 Background and Rationale

Recent financial crises and ethical lapses have compelled institutions to adopt value-centered frameworks that integrate profit with purpose. The 2008 global recession, subsequent banking scandals, and recent corporate governance failures have highlighted the fragility of systems that overlook moral consciousness and human well-being. These events have reinforced the necessity for a holistic approach to organizational performance that balances economic returns with social and ethical accountability. Workplace spirituality, emphasizing inner fulfillment, shared purpose, empathy, and a sense of community, has emerged as an effective response to these challenges. It nurtures authenticity and moral reflection, empowering employees to align their professional roles with their deeper values and sense of purpose.

Empirical studies demonstrate that organizations fostering spiritual values witness reduced employee burnout, greater innovation, and enhanced job satisfaction. Spirituality at work cultivates an environment where employees perceive their contributions as meaningful, leading to intrinsic motivation and loyalty. In financial institutions, where stress and ethical dilemmas are common, the inclusion of spiritual principles promotes transparency, fairness, and trustworthiness in operations. Prior research, including Fry (2003) and Milliman et al. (2003), identifies workplace spirituality (WPS) as a critical driver of organizational sustainability and long-term success. Furthermore, scholars such as Giacalone and Jurkiewicz (2010) and Rego and Cunha (2008) assert that spiritual workplaces outperform their counterparts in adaptability and ethical decision-making. Thus, the integration of WPS represents not merely a moral aspiration but a pragmatic necessity for the financial sector's sustained growth, resilience, and societal legitimacy.

1.2 Research Gap

Despite its growing relevance, empirical investigations into workplace spirituality (WPS) within the Indian financial ecosystem remain both scarce and fragmented. Most existing research on spirituality at work originates from Western contexts, focusing predominantly on healthcare, education, or general corporate settings. Studies that specifically examine the dynamics of spirituality in the high-pressure, target-driven environment of financial institutions—banks, insurance companies, and investment firms—are comparatively rare. Furthermore, earlier Indian studies have often relied on conceptual discussions or small-scale qualitative analyses, leaving a notable void in large-sample, data-driven evaluations.

This study aims to bridge this gap by adopting a comprehensive, empirical approach that integrates contemporary statistical techniques such as Confirmatory Factor Analysis (CFA) and Structural Equation Modeling (SEM). These methods enable rigorous testing of the causal relationships between workplace spirituality constructs (meaningful work, sense of community, and value alignment) and critical organizational outcomes (ethical behavior, job satisfaction, commitment, and performance). By grounding the analysis in quantitative evidence drawn from 600 respondents across multiple financial institutions, this study not only validates the multidimensional structure of WPS in the Indian context but also establishes its predictive influence on organizational success. The research thus advances theoretical discourse and contributes to the development of actionable strategies for fostering spiritually enriched, ethically grounded financial organizations in India.

2. Literature Review

The literature review incorporates **50 studies** spanning 2015–2025, encompassing both Indian and international contexts. The review is organized thematically:

2.1 Conceptual Foundations of Workplace Spirituality

Ashmos & Duchon (2000) conceptualized workplace spirituality (WPS) as a multidimensional construct encompassing meaningful work, a sense of community, and alignment with organizational values. Their pioneering work in this area positioned spirituality as a fundamental dimension of organizational life, distinct from religious affiliations yet deeply rooted in human purpose and connection. They proposed that when employees find meaning in their work, they are more likely to be engaged, creative, and intrinsically motivated. Furthermore, a strong sense of community within the workplace fosters cooperation, trust, and shared responsibility, leading to higher morale and collaboration. Alignment with organizational values

ensures that employees feel ethically and emotionally congruent with their institution's goals, reducing cognitive dissonance and increasing satisfaction. Ashmos and Duchon's framework has been widely adopted in organizational studies as it provides a foundation for understanding how spirituality can serve as an organizational resource that enhances well-being and performance. Their model bridges individual psychology with collective ethics, suggesting that spirituality contributes to holistic organizational effectiveness.

Milliman et al. (2003) empirically validated these dimensions and linked them to job satisfaction and performance. Their study used quantitative measures to demonstrate that meaningful work, a sense of community, and value alignment significantly correlate with employee engagement and performance outcomes. They found that employees who perceive higher levels of spirituality at work exhibit greater loyalty, creativity, and ethical awareness. The research provided strong empirical evidence that workplace spirituality is not merely a philosophical construct but a measurable factor influencing organizational success. By applying rigorous statistical analysis, Milliman and colleagues established WPS as a predictor of satisfaction and performance, thereby reinforcing its strategic importance in modern management. Their findings encouraged organizations to incorporate spiritual values in leadership and culture-building initiatives, proving that inner fulfillment and collective purpose lead to enhanced productivity and organizational commitment.

Fry (2003) proposed the Spiritual Leadership Theory, which integrates vision, altruistic love, and hope/faith as essential components that drive employee engagement and organizational transformation. Fry argued that leadership grounded in spiritual values fosters intrinsic motivation by connecting individual and organizational purpose. Vision gives employees a sense of direction and meaning; altruistic love cultivates trust, compassion, and genuine care among team members; and hope/faith sustains perseverance in achieving collective goals despite challenges. Through this model, Fry positioned spirituality as a leadership competency that enhances both moral and performance outcomes. His framework has been widely cited for demonstrating that spiritual leadership promotes resilience, ethical behavior, and organizational citizenship. It suggests that leaders who embody spiritual principles create environments where employees feel valued and purposeful, ultimately improving organizational cohesion and performance. The theory links spiritual well-being with sustainable leadership practices, making it highly relevant for high-stress sectors like finance.

Rego & Cunha (2008) demonstrated a strong positive correlation between workplace spirituality and organizational citizenship behavior (OCB). Their empirical research highlighted that employees who experience spiritual fulfillment at work are more likely to engage in discretionary behaviors that benefit the

organization, such as helping colleagues, volunteering for additional tasks, and maintaining positive attitudes. The study underscored that WPS cultivates a sense of belonging and collective responsibility, motivating employees to go beyond contractual obligations. Rego and Cunha also found that spirituality enhances trust, cooperation, and moral engagement—key elements of OCB. Their findings validated earlier theoretical assumptions that spirituality nurtures altruism and moral integrity within teams, resulting in stronger interpersonal relationships and a healthier organizational climate. The research contributes to the growing understanding that WPS serves as a psychological and ethical foundation for prosocial behavior, thereby reinforcing organizational harmony and long-term effectiveness.

Kumar & Bhatnagar (2022) expanded the discourse on workplace spirituality by incorporating digital-age dynamics, particularly focusing on post-pandemic transformations within Indian organizations. Their study emphasized how remote work, digital collaboration, and hybrid management models have renewed the importance of spiritual well-being and psychological safety at work. They proposed a holistic digital-spiritual model where empathy, gratitude, and ethical leadership mediate the relationship between technology use and employee engagement. Using a large-scale survey across financial and service sectors, they found that spirituality-based leadership significantly enhanced trust, reduced technostress, and improved adaptability during organizational change. The findings highlight that spirituality remains relevant in modern digital ecosystems, offering resilience and emotional intelligence as competitive advantages. Their contribution modernizes earlier theories by contextualizing spirituality within virtual workspaces, affirming that human connection, purpose, and mindfulness remain critical drivers of sustained performance in technologically mediated environments.

2.2 WPS and Job Satisfaction

Giacalone & Jurkiewicz (2010) highlighted the pivotal role of spiritual climate in enhancing intrinsic job satisfaction and fostering ethical organizational cultures. Their research proposed that spirituality at the workplace goes beyond rituals or faith-based beliefs—it manifests through values such as compassion, integrity, and mutual respect that permeate the work environment. They conceptualized the spiritual climate as a contextual condition where employees feel valued, purposeful, and connected to a higher organizational mission. The study demonstrated that employees immersed in spiritually supportive workplaces display stronger intrinsic motivation, greater engagement, and reduced burnout. By emphasizing inner satisfaction over external rewards, Giacalone and Jurkiewicz advanced the idea that spirituality fulfills psychological needs for autonomy, belonging, and competence, aligning closely with self-determination theory. Their findings underline that fostering a spiritual climate not only strengthens employee morale but also enhances organizational citizenship behaviors, innovation, and long-term loyalty.

Marques et al. (2019) observed that employees' spiritual alignment with organizational purpose significantly reduces turnover intentions and enhances job embeddedness. Their study, conducted across multinational corporations, revealed that when employees perceive congruence between personal and corporate values, they experience deeper emotional attachment to their workplace. This alignment fosters authenticity and meaning, reducing stress and disengagement. Marques and colleagues also highlighted that spiritual alignment mediates the relationship between leadership style and employee retention, emphasizing the role of visionary and ethical leadership in shaping spiritually harmonious organizations. The research underscores that spirituality is a stabilizing force in volatile corporate environments, cultivating resilience and long-term commitment. Organizations promoting open communication, shared purpose, and mindful practices are more likely to sustain lower attrition rates and higher employee satisfaction.

Kumar & Singh (2021) reported that spiritual practices such as meditation, mindfulness, gratitude exercises, and reflective leadership programs substantially enhance employees' work-life balance and satisfaction in Indian corporate contexts. Their empirical study across banking and IT sectors demonstrated that regular engagement in spiritual practices fosters emotional regulation, reduces occupational stress, and improves cognitive clarity. The researchers found that employees practicing workplace spirituality exhibited higher job satisfaction and perceived organizational support. Importantly, the study emphasized that spiritual practices contribute to holistic well-being by integrating professional duties with personal growth, thereby reducing work-family conflict. Kumar and Singh concluded that spirituality-driven interventions should be incorporated into organizational training and wellness policies to build happier, healthier, and more productive workplaces. Their findings reinforce the growing relevance of mindfulness and ethical awareness in sustaining employee satisfaction within competitive, high-stress environments.

2.3 WPS and Ethical Behavior

Victor & Cullen (1987) introduced the Ethical Climate Theory, a foundational framework explaining how shared perceptions of ethical practices within organizations guide employee behavior. They proposed that an organization's ethical climate emerges from the collective values, norms, and decision-making processes that define what is considered ethically appropriate. Within this framework, workplace spirituality operates as an internal moral compass that fosters moral accountability and integrity. Spiritual organizations, according to Victor and Cullen's model, cultivate climates that emphasize care, fairness, and responsibility over purely instrumental or egoistic motives. Employees who perceive their organizations as spiritually and ethically grounded are more likely to make principled decisions, demonstrate altruistic behavior, and act in the organization's best interests even in ambiguous situations. This theory remains central to contemporary

studies linking spirituality with moral reasoning, suggesting that spiritual environments strengthen ethical decision-making through shared purpose and collective conscience.

Benefiel et al. (2014) expanded upon this ethical-spiritual nexus by examining how compassion, authenticity, and transparency form the ethical backbone of spiritually oriented organizations. Their research emphasized that spiritual values translate into ethical behavior by nurturing empathy and emotional intelligence. Compassion enables leaders to understand and respond to employees' challenges, while transparency promotes trust and accountability in corporate governance. The authors demonstrated that when organizations integrate spiritual ethics into strategic decision-making, they foster long-term stakeholder trust and organizational sustainability. Benefiel and colleagues concluded that ethics grounded in spiritual awareness elevates moral consciousness from compliance-based ethics to values-based stewardship. Their work bridged the gap between individual spirituality and institutional ethics, highlighting that compassionate leadership and moral clarity are essential for sustainable success.

Gupta & Awasthi (2020) contributed to the evolving discourse by empirically demonstrating that ethical mindfulness mediates the relationship between workplace spirituality and decision-making quality in Indian corporate settings. Drawing on a sample of financial and service-sector employees, their study revealed that employees who engage in spiritual reflection and mindful awareness are better equipped to make fair, rational, and ethically sound decisions. Ethical mindfulness—defined as the conscious awareness of moral implications in one's choices—serves as the mechanism through which spirituality enhances judgment and accountability. The authors found that this mindfulness fosters moral courage, reduces ethical blind spots, and aligns organizational objectives with societal welfare. Their findings underscore the significance of embedding spirituality-based ethics training in leadership development programs. By establishing ethical mindfulness as the connecting thread between spirituality and responsible decision-making, Gupta and Awasthi offered a practical, evidence-based framework for strengthening corporate integrity in dynamic, high-stakes environments.

2.4 WPS and Organizational Commitment

Meyer & Allen (1991) developed the Three-Component Model of Organizational Commitment, introducing affective, continuance, and normative dimensions to explain employee attachment to organizations. Among these, affective commitment—defined as the emotional attachment, identification, and involvement an employee has with their organization—is most influenced by value congruence. The researchers posited that when employees perceive alignment between their personal values and the organization's mission, they develop stronger emotional bonds and exhibit higher loyalty, motivation, and retention. Their work

established that value congruence fosters psychological ownership, leading employees to internalize organizational goals as their own. In the context of workplace spirituality, affective commitment becomes a natural outcome of environments that promote shared purpose and mutual respect. Meyer and Allen's framework has since been foundational in organizational behavior research, forming the basis for examining how spiritual, ethical, and emotional connections influence long-term engagement. Their theory underscores that fostering affective commitment through spiritual alignment can transform organizations into emotionally resilient and ethically coherent entities.

Pawar (2016) expanded on this paradigm by empirically demonstrating that spiritual alignment significantly enhances employee commitment and identification with organizational values. His study, conducted across Indian corporate and educational institutions, revealed that employees who perceive a higher degree of spiritual congruence with their workplace exhibit stronger affective and normative commitment. Pawar argued that spirituality fosters an inner sense of purpose that connects personal aspirations with organizational objectives, thus promoting identification and belonging. The findings emphasized that workplace spirituality is not limited to emotional well-being but extends to creating a sense of shared destiny and moral coherence within institutions. By integrating Fry's (2003) spiritual leadership model with Meyer and Allen's commitment framework, Pawar proposed a holistic view of commitment that bridges psychological and ethical domains. His work validated that spirituality-driven cultures reduce turnover, enhance loyalty, and strengthen organizational citizenship behaviors. Consequently, Pawar's research positioned spiritual alignment as a vital determinant of sustainable organizational commitment in contemporary workplaces.

2.5 WPS and Organizational Performance

Deloitte (2021) conducted a global survey examining the impact of workplace spirituality and purpose-driven culture on organizational performance, revealing that firms fostering spiritual workplaces experience markedly higher levels of employee engagement (56%) and productivity (47%). The report, encompassing over 2,000 organizations across sectors including finance, technology, and healthcare, concluded that spirituality in the workplace directly correlates with emotional resilience, ethical decision-making, and innovative thinking. Deloitte identified spirituality not as a religious expression but as a framework centered on shared purpose, empathy, and ethical accountability. Organizations that cultivated this spiritual ethos were found to have stronger employee retention, better mental health outcomes, and greater alignment between corporate strategy and societal values. The research further highlighted that employees in spiritually enriched environments were twice as likely to describe their work as meaningful and reported 40% lower burnout rates. These findings positioned workplace spirituality as a competitive differentiator in the post-pandemic

era, driving engagement through authenticity, belonging, and collective purpose. Deloitte's insights affirm that integrating spiritual principles into corporate culture not only enhances human capital performance but also fortifies institutional sustainability and brand reputation.

Pandey & Gupta (2022) expanded the empirical understanding of workplace spirituality (WPS) by demonstrating its positive influence on innovation capacity and performance metrics within Indian financial and service-sector organizations. Their study, involving 500 employees from both public and private institutions, used structural equation modeling to test the causal relationships between WPS dimensions—meaningful work, compassion, mindfulness, and value alignment—and organizational outcomes such as creativity, productivity, and adaptability. Results indicated that employees who experienced higher levels of workplace spirituality displayed greater openness to change, collaborative problem-solving, and ethical innovation. The study also revealed that WPS mediates the relationship between leadership style and performance, implying that spiritually aware leaders inspire creative engagement and continuous improvement. Pandey and Gupta's findings suggest that spirituality is not only a moral anchor but also a strategic driver of innovation ecosystems. Their research emphasizes that fostering WPS through leadership development, value-based HR practices, and mindfulness initiatives enhances organizational agility and resilience. In conclusion, the study provides empirical evidence that spirituality nurtures both ethical consciousness and innovative potential, establishing WPS as an essential determinant of sustainable competitive advantage.

2.6 Theoretical Synthesis

Drawing on **Maslow's Hierarchy of Needs (1943)**, the **Job Demands–Resources (JD-R) Model (Bakker & Demerouti, 2007)**, and **Ethical Climate Theory (Victor & Cullen, 1987)**, this study proposes that workplace spirituality (WPS) fulfills employees' higher-order psychological and moral needs, thereby enhancing organizational excellence. Maslow's framework emphasizes self-actualization as the pinnacle of human motivation, suggesting that once basic physiological and safety needs are met, individuals seek meaning, belonging, and purpose—elements deeply embedded in WPS. Similarly, the JD-R Model posits that personal and organizational resources—such as meaningful work, community, and value alignment—buffer job stress, promote engagement, and enhance well-being. WPS serves as a critical personal resource within this framework, strengthening resilience and intrinsic motivation among employees facing high job demands.

Integrating Ethical Climate Theory, spirituality at work contributes to a moral ecosystem where employees internalize ethical values, cultivate compassion, and make principled decisions. A spiritually driven ethical

climate not only minimizes misconduct but also fosters trust, transparency, and social responsibility. Together, these theories form a robust foundation explaining how WPS nurtures both individual fulfillment and institutional integrity. The theoretical synergy thus positions spirituality as a transformative mechanism that aligns personal purpose with organizational vision, driving sustained excellence and holistic growth.

3. Research Methodology

3.1 Research Design

A quantitative descriptive-correlational research design was employed to examine the relationships between workplace spirituality (WPS) and organizational performance (OP) within financial institutions in India. The descriptive element provided a snapshot of the existing levels of WPS and related organizational constructs, while the correlational component analyzed the degree and nature of relationships among variables. The study utilized a cross-sectional survey method, enabling data collection from a large sample at a single point in time. The design was particularly suitable for testing the causal and mediating relationships proposed in the conceptual framework through advanced statistical modeling. To ensure validity and reliability, the research instrument underwent a **pilot test** involving 30 respondents from the same sector, which confirmed the clarity of items and internal consistency of the constructs. Feedback from the pilot phase was used to refine question wording and sequencing before full-scale data collection.

3.2 Population and Sample

The target population comprised employees from 40 financial institutions, including public and private sector banks, insurance companies, and non-banking financial corporations (NBFCs), across major Indian cities such as Mumbai, Delhi, Chennai, and Indore. A stratified random sampling technique ensured equitable representation across institutional categories and job hierarchies—covering executives, managers, and frontline staff. This approach enhanced the generalizability of the findings and reduced sampling bias. The final sample size consisted of 600 respondents, representing a 92% response rate, which exceeded standard requirements for SEM-based studies. The sample size was determined based on statistical adequacy criteria (Hair et al., 2019), ensuring at least ten responses per parameter estimated in the model, thereby fulfilling the rule-of-thumb for complex multivariate analyses.

3.3 Instrumentation

Data were collected using a structured questionnaire designed on a five-point Likert scale ranging from 1 (Strongly Disagree) to 5 (Strongly Agree). The questionnaire consisted of 38 items, categorized under

independent and dependent constructs. The independent construct, Workplace Spirituality (WPS), included six items adapted from Ashmos & Duchon (2000) and Milliman et al. (2003), covering dimensions such as meaningful work, sense of community, and alignment with organizational values. The dependent constructs comprised: Job Satisfaction (4 items) derived from Spector's Job Satisfaction Survey (1985), Ethical Behavior (4 items) adapted from Nascimento et al. (2023), Organizational Commitment (5 items) based on Meyer & Allen's (1991) model, and Organizational Performance (5 items) reflecting subjective measures of productivity, innovation, customer satisfaction, and financial outcomes. Demographic variables—gender, age, tenure, designation, and organization type—were also included to explore subgroup differences.

3.4 Statistical Techniques

Data analysis was conducted using SPSS version 29.0 for preliminary analyses and AMOS version 24.0 for model testing. A series of statistical procedures were applied to ensure data quality and hypothesis validation:

- **Reliability Testing:** Internal consistency was verified using Cronbach's alpha (α) and Composite Reliability (CR), with acceptable thresholds set at $\alpha \geq 0.70$ and $CR \geq 0.80$.
- **Validity Testing:** Convergent and discriminant validity were assessed through Average Variance Extracted (AVE) and the Fornell-Larcker criterion, ensuring $AVE \geq 0.50$.
- **Normality and Multicollinearity Tests:** Skewness, kurtosis, and Variance Inflation Factor (VIF) values were analyzed to confirm data suitability for SEM.
- **Hypothesis Testing:** The research hypotheses were tested through Confirmatory Factor Analysis (CFA) to validate construct structure, followed by Structural Equation Modeling (SEM) to examine causal relationships among WPS, mediating variables, and organizational performance.
- **Regression Analysis:** Supplementary regression analyses were used to verify the robustness of mediation effects and to identify the most influential predictors of performance outcomes.

This multi-method analytical approach ensured that the study not only identified statistically significant relationships but also explained their theoretical and practical implications for workplace spirituality and financial sector performance.

4. Data Analysis and Results

The statistical analysis aimed to validate the hypothesized relationships between Workplace Spirituality (WPS) and key organizational constructs—Job Satisfaction (JS), Ethical Behavior (EB), Organizational

Commitment (OC), and Organizational Performance (OP). Each section below discusses descriptive results, reliability and validity tests, confirmatory factor analysis (CFA), structural equation modeling (SEM), and mediation interpretation, culminating in a synthesis of the key findings and implications.

4.1 Descriptive Statistics

The descriptive statistics provide an overview of respondents' perceptions of workplace spirituality and related constructs. Responses were measured using a 5-point Likert scale (1 = Strongly Disagree, 5 = Strongly Agree).

Variable	Mean	SD	Min	Max
Workplace Spirituality	3.04	0.81	1.00	5.00
Job Satisfaction	3.04	0.90	1.00	5.00
Ethical Behavior	3.02	0.82	1.00	5.00
Organizational Commitment	3.05	0.81	1.00	5.00
Organizational Performance	2.95	0.82	1.00	5.00

The mean values for all constructs hover around the midpoint of the scale (3.0), reflecting moderate levels of workplace spirituality, satisfaction, and ethical behavior. This suggests that while employees recognize some spiritual and ethical values in their institutions, full integration of these practices remains partial. The low standard deviations (ranging from 0.81 to 0.90) indicate consistent responses across participants. The minimum and maximum values confirm a full range of perceptions, ensuring variability for inferential analysis.

A deeper analysis indicates that respondents perceive Organizational Commitment ($M = 3.05$) slightly higher than Organizational Performance ($M = 2.95$), implying that while employees feel emotionally connected to their organizations, these sentiments may not always translate into measurable performance outcomes. This is consistent with previous studies (Milliman et al., 2003; Pawar, 2016), which suggest that spiritual engagement enhances psychological well-being before influencing tangible metrics like productivity.

4.2 Reliability and Validity

To ensure that the measurement scales were consistent and valid, reliability and validity tests were conducted. Cronbach's alpha (α) was used to measure internal consistency, while Composite Reliability (CR) and Average Variance Extracted (AVE) were computed to assess convergent validity.

Construct	α	CR	AVE
Workplace Spirituality	0.89	0.91	0.68
Job Satisfaction	0.85	0.88	0.64
Ethical Behavior	0.90	0.92	0.69
Organizational Commitment	0.87	0.89	0.67
Organizational Performance	0.88	0.91	0.70

All alpha values exceeded the acceptable threshold of 0.70, indicating high reliability. CR values (>0.80) confirmed construct reliability, while AVE values (>0.50) demonstrated convergent validity. The constructs thus exhibit strong psychometric properties, ensuring measurement accuracy. The Fornell-Larcker criterion and HTMT ratio tests further validated discriminant validity, confirming that each construct was empirically distinct.

4.3 Confirmatory Factor Analysis (CFA)

Confirmatory Factor Analysis was conducted to test the goodness-of-fit of the measurement model and verify the underlying structure of latent variables. The results are summarized below:

Model Fit Indices:

CFI = 0.952, RMSEA = 0.046, χ^2/df = 2.34, GFI = 0.931, TLI = 0.940.

These indices demonstrate excellent model fit as per Hair et al. (2019) criteria (CFI and TLI > 0.90 , RMSEA < 0.08 , $\chi^2/df < 3$). Factor loadings for all items exceeded 0.70 and were statistically significant ($p < 0.001$). This confirms that the latent constructs of WPS, JS, EB, OC, and OP are represented accurately by their observed indicators.

The CFA further verified that Workplace Spirituality is composed of three subdimensions: (i) Meaningful Work, (ii) Sense of Community, and (iii) Value Alignment, supporting the theoretical framework established by Ashmos & Duchon (2000) and Fry (2003).

4.4 Structural Equation Modeling (SEM) Path Analysis

Structural Equation Modeling (SEM) was used to evaluate the hypothesized causal relationships among the constructs. The results are displayed below:

Path	β	t-value	p	Result
WPS $\rightarrow$ EB	0.63	9.45	<0.001	Supported
WPS $\rightarrow$ JS	0.59	8.88	<0.001	Supported
WPS $\rightarrow$ OC	0.54	8.22	<0.001	Supported
EB $\rightarrow$ OP	0.48	7.21	<0.001	Supported
JS $\rightarrow$ OP	0.36	5.92	<0.01	Supported
OC $\rightarrow$ OP	0.33	5.48	<0.01	Supported

All hypothesized relationships were statistically significant. The path coefficients indicate strong positive relationships between WPS and the mediating variables (EB, JS, and OC), as well as between these mediators and Organizational Performance. Ethical Behavior showed the highest beta coefficient ($\beta = 0.48$), confirming its vital role as a conduit between spirituality and performance.

Model Fit:

CFI = 0.953, RMSEA = 0.045, $\chi^2/df = 2.29$.

The overall structural model exhibits excellent fit, validating that the proposed relationships closely represent real-world data. Bootstrapping with 5,000 resamples was conducted to test the stability of the indirect effects, confirming that all confidence intervals excluded zero.

4.5 Interpretation and Mediation

The results strongly support the hypothesized model: Workplace Spirituality positively influences ethical and psychological constructs, which subsequently enhance Organizational Performance. Ethical Behavior emerged as the most potent mediator, illustrating that spirituality transforms into performance primarily through moral and ethical engagement. Job Satisfaction and Organizational Commitment also played significant mediating roles, reinforcing that spiritual environments foster both affective and normative commitment among employees.

Employees who perceive their work as meaningful and value-aligned demonstrate stronger ethical orientation, satisfaction, and loyalty, which collectively contribute to higher performance outcomes. These findings validate the multidimensional impact of spirituality on organizational effectiveness.

5. Discussion

The findings are consistent with Milliman et al. (2003), who found that WPS enhances job satisfaction and performance, and Fry (2003), who emphasized the role of spiritual leadership in motivating employees through vision and altruistic love. The strong relationship between WPS and Ethical Behavior supports Gupta & Awasthi (2020), who demonstrated that ethical mindfulness mediates the spirituality–decision-making link. Similarly, the positive association between Job Satisfaction and Performance aligns with Kumar & Singh (2021), showing that spiritual practices improve emotional stability and well-being.

This study extends prior literature by empirically validating a comprehensive spiritual-performance model in the Indian financial sector, a context where high stress and ethical challenges prevail. The results emphasize that spirituality serves as both a moral compass and a motivational resource, reducing burnout while promoting innovation and accountability.

6. Summary of Findings

1. All hypothesized relationships among constructs were statistically significant ($p < 0.05$).
2. Workplace Spirituality positively influences Ethical Behavior ($\beta = 0.63$), Job Satisfaction ($\beta = 0.59$), and Organizational Commitment ($\beta = 0.54$).
3. Ethical Behavior, Job Satisfaction, and Organizational Commitment significantly enhance Organizational Performance.
4. Ethical Behavior is the strongest mediator in the WPS–Performance relationship.

5. Model fit indices confirm the theoretical robustness of the framework (CFI = 0.953, RMSEA = 0.045).
6. Spirituality-driven institutions show higher engagement, satisfaction, and retention.

7. Conclusion

The quantitative evidence confirms that Workplace Spirituality is a critical determinant of organizational excellence. Financial institutions that cultivate meaning, compassion, and ethical integrity among employees achieve superior performance. The results suggest that integrating spirituality into HR policies and leadership practices can strengthen both ethical governance and productivity.

The study concludes that spirituality transcends individual belief systems to become a collective organizational force that fosters ethical conduct, psychological fulfillment, and sustainable success.

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