# CHAPTER II

# LITERATURE REVIEW

## 2.1 Introduction

In this chapter, researcher will describe the theoretical background of this research. This chapter will be the guideline for this research. First, this chapter will discuss work spirituality and its dimensions, followed by theories of organizational commitment, relationships between variables, and also the hypothesis of the research. Research framework that becomes the basis of this research will be provided after hypothesis.

## 2.2 Work Spirituality

### 2.2.1 Definition of Work Spirituality

Many people thought that workplace spirituality is the same as spirituality in the religion. However, spirituality in the workplace or work spirituality is different from spirituality in religion. Spirituality at religion is about connecting with God and characterized by peoples' beliefs, practices or

activities within a single religious organization. Spirituality in religion is more collective and structured as it is about peoples' beliefs.

Spirituality in the workplace is totally different from spirituality at religion. The spirituality of the work place is more intimate. There is no concise guideline that will state that everyone has the same spirituality. Besides that, spirituality in the workplace is about whether employees feel connected with their co-workers, whether employees feel a purpose in doing their job, and if employee inner values are in line with organizational values. These things are totally different from spirituality at religions which is collective and about beliefs.

According to Ashmos and Duchon (2000) which is discussed in (Daniel, 2015) workplace spirituality happens in the context of the organization. It is the awareness and understanding that actually employees have an inner life that develop and getting developed by meaningful work. There are 3 dimensions of work spirituality which are meaningful work, sense of community, and alignment of values.

According (Denton & Mitroff, 1999) which is discussed in (Djafri & Noordin, 2017), workplace spirituality is the employees personal drive to find their purpose or meaning in doing their job, build a connection or relationship with co-workers and other people in the office, and to work in a company that

have values congruent with their personal beliefs. Based on the definition, there are three dimensions of work spirituality. Find meaning in doing their job is the first dimension which is meaningful work, build a connection is the second dimension which is a sense of community, and have congruent values is the third dimension which is alignment of values. According to Milliman et al. (2003) which was discussed in (Djafri & Noordin, 2017) work spirituality is mainly affected by meaningful work. Having a meaningful work will also have an impact on employee personal life as it will give them meaning in living their life. Work spirituality has an impact on the way employees behave and also their attitudes. Companies can develop work spirituality as it can solve major challenges that are faced by them such as lack of job satisfaction, poor work performance and lack of organizational commitment(Ahmadi et al., 2014)

Based on the definitions that have been stated above, it can be concluded that work spirituality is important in organizations as it can solve the challenges that are faced such as lack organizational commitment. Hopefully, organizations can find a way to increase the work spirituality that employees feel in order to improve their performance.

**2.2.2 Dimensions of Work Spirituality**

According to Milliman et al. (2003) which wass discussed in (Daniel, 2015), there are three core dimensions of work spirituality, which are:

1. Meaningful Work

   The first dimension of work spirituality is meaningful work. In order to have spirituality in the workplace, employees must have a sense of purpose in doing their work. Companies need to understand this in order to improve their employees because working is more than a challenge. Employees have his or her inner motivation and beliefs that they want to achieve in order to add value to their life and the lives of others. Benefits are not the only that employees looked. Employees are seeking meaning and reason. Employees want to follow their vision and communicate their inner desires in order to have meaningful work.

2. Sense of Community

   The second dimension of work spirituality is sense of community. In order to have spirituality at the workplace, employees must have a sense of community by being connected with their co-workers. Companies need to understand that employees want to feel connected with others in the office, because office is not only a place to work. Office is a place where employees live, develop and connect with others. Sense of connection,

encouragement, freedom of speech and caring for other members are expected by employees.

3. Alignment of Values

The third dimension of work spirituality is an alignment of values. In order to have spirituality in the workplace, employees need to work in the company that have a vision and mission which are in line with their inner values. Companies need to understand that employees need more than money in order to fulfil their inner desire. Employees want to help others and work with honesty. Which is why, organizations that have a high degree of honesty, ethics and commitment to workers, clients and communities are more preferred by employees.

## 2.3 Organizational Commitment

### 2.3.1 Definition of Organizational Commitment

Organizational commitment is the degree of commitment that employees have to his or her organization (Kaur, 2017). The higher the degree of commitment that employees have, the more committed they will be to the organization. According (Allen & Meyer, 1990) which is discussed in (Rahman et al., 2019) the probability of employees to leave the organization can be

decreased if employees committed to the organization, this commitment can happen when employees are psychologically connected to the organization. The probability of employees leaving the organization will be lower as the degree of connection increases. Organizational commitment is divided into three types which are affective commitment, continuance commitment, and normative commitment.

According to Porter et al. (1974) organizational commitment is the relative intensity of an individual's identity and participation in a specific organization. It can be characterized into three characteristics:

A. Employees clear confidence in and acknowledgement of the goals and values of the company.

B. Employees willingness to make a substantial contribute on behalf of the company.

C. Employees willingness to stay in the organization.

Based on the definitions that have been stated above, it can be concluded organizational commitment is important to make sure that employees do not leave the organization. Hopefully, organizations can find a way to increase organizational commitment of employees as it will help company competes with competitors.

**2.3.2 Types of Organizational Commitment**

According to Meyer and Allen (1991), there are three types of organizational commitment, which are:

1. Affective Commitment

    This type of organizational commitment happens when employees feel emotionally attached to the organization. Affective commitment happened to the employees when they identify themselves as part of the organization, and accept the vision and mission of the organization. Employees will become deeply engaged with the organization as they become effectively committed to the organization.

2. Continuance Commitment

    Continuance commitment or can be called as fear of loss commitment. This type of organizational commitment happens when employees fear that the loss by leaving the organization is greater than the benefits. Employees weigh up the pros and cons of leaving the organizations such as compensation and rewards. If the payoff for leaving the organization is higher than the benefits, then employees will stay with the organization.

3. Normative Commitment

Normative commitment or can be called as a sense of obligation commitment. This type of organizational commitment happens when employees feel that it is their obligation to stay in the organization. Employees will stay with the organization because it is the right thing to do, even if they feel unhappy. People with normative commitment tend to show the same behaviour as people with affective commitment.

**2.3.3 Factors Affecting Organizational Commitment**

According to Mathieu and Zajac (1990) which is discussed in (Sloan et al., 2017), there are three key roles that affect organizational commitment:

1. Personal characteristics

Personal characteristics affect organizational commitment of employees. There are five personal characteristics of employees includes age, gender, education, perceived competence, and protestant work ethics.

A. Age

Age have an impact on employee organizational commitment, as older employees tend to be more committed to the organization compared to younger employees. Older employees

have a higher degree of commitment because they have less choices or work openings and they will lose their retirement fees if they left the company. Besides that, older workers tend to have greater job satisfaction and better job position.

B. Gender

Gender have an impact on the organizational commitment of employees. Woman tend to be more committed to the organization compared to men.

C. Education

Education has an impact on the organizational commitment of employees. This relates to the job opportunities that employees have. Employees with higher levels of education tend to be less committed to the organization compared to people with lower levels of education. Employees with lower levels of education tend to be more committed because they have less job opportunities and choices, due to the fact that employees with lower levels of education tend to have less skills and cannot meet the job requirements.

D. Perceived Competence

The way employees perceive their competency to have an impact on their commitment to the organization. Employees who think that they have a high level of competence tend to be more committed to the organization, because they won't doubt their position within the organization. Besides that, they will use the organization as a place to develop themselves and gain achievements.

E. Protestant Work Ethics:

Protestant work ethics have an impact on the organizational commitment of employees, because they tend to believe that organization will be the place where their inner values and important work can be met.

2. Job Characteristics

The organizational commitment of employees is affected by the characteristics of their job. Employees with higher job level tend to be more committed. The reason behind this is employees with a higher job level tend to be older compared to those with lower job level. Older employees have less job opportunities and at the same time they tend to have higher job satisfaction compared to young people. Degree of flexibility also affects the organizational commitment of employees. Higher degree of flexibility will result in a higher

level of commitment, because employees feel that they have power within the organization.

3. Relationship with co-workers and supervisors

Employees are human being and all human beings cannot live alone. They need to be connected with others, which is why an employees' relationship with co-workers and supervisors have an impact on their organizational commitment. Relationship with co-workers and supervisors affect organizational commitment through two ways:

A. Group Cohesiveness: Group cohesiveness is the degree to which the group members are attracted to each other. If employees attracted to one another, then they will be more motivated to stay in the groups..

B. Leadership: Leadership is the degree to which leaders define their own and subordinate positions. It is the way leader sees their subordinates. Besides that, the degree to which leaders are concerned with the well-being of subordinates also affects organizational commitment of employees.

### 2.3.4. Impacts of Low Organizational Commitment

Employees who have a low organizational commitment will have a withdrawals behaviour such as absenteeism, intention to search, intention to leave, and the worst case is turnover (Djafri & Noordin, 2017). These actions will have 3 core impacts to the organizations:

1. Turnover Cost

    Turnover cost is the basic expenses faced by companies. Turnover cost includes the termination process of the employees who want to resign (time and consultation with workers who want to resign).

2. Replacement Cost

    Replacement cost is the cost borne by companies to find the replacement of vacant positions, such as vacancy ads, lack of productivity during the recruitment process and increased risk of error of new workers.

3. Training Cost

    Training cost is the cost faced by companies to train new employees. Time to train new employees is also calculated as a cost

**2.4 Relation Between Work Spirituality and Organizational Commitment**

Work spirituality have a significant positive impact on employees and organizations. Workplace spirituality will have an impact on employees in doing their job as they will feel the meaning and purpose of their job. Workplace spirituality will also affect personal life of employees as people who understand the meaning and purpose of their job will also understand the meaning and purpose of their life. However, spirituality in the workplace not only affects employees, but also companies. It will have a positive impact for the organization regarding profitability, high morality, and decreased in absent rate. If a company integrating spirituality in the workplace, then it can solve the challenges that are faced by organizations, such as lack of organizational commitment by giving a positive impact on personal attitudes and behaviours of employees (Ahmadi et al., 2014)

In order to create creative employees, honesty and trust, satisfy employee needs, and create a high organizational commitment organization can create spirituality in the workplace. The dimensions of works, spirituality which are meaningful work, sense of community, and alignment of values will have impacts on organizational performance and indirectly also have impacts on employee commitment (Dandona, 2013). The detail of impact is stated as follows:

1. Creativity

Workplace spirituality can increase the intuitions and creativity of employees by decreasing the limitations or barriers of knowledge that they have. Employees will be better at solving problems as they have better intuitions and creativity.

2. Trust and Honesty

Workplace spirituality can improve the trust and honesty of employees within the organization. It will improve the organizational performance by decreasing the time taken to create a decision as trust will be the guiding tool to create a decision, better communication between employees and managers, better customers focus, and increase innovation.

3. Individuals Fulfilment

Maslow Needs Theory, which is a sense of achievement can be connected with the work spritualty. Spirituality development in the workplace will help employees to feel more whole and complete while working. The feelings of completeness will have a positive impact on individual fulfilment and higher morality.

4. Organizational Commitment

Organizational commitment of employees can be seen from two aspects. First affective commitment, which is the emotional side of employees. Affective commitment is the way employees understand the purpose of

organizations and help organizations achieve their purpose. Second, a commitment that resulted from the high cost of moving to other organizations.

## 2.5 Hypothesis Development

### 2.5.1 Effect of Meaningful Work on The Organizational Commitment

The employees that understand the purpose and meaning of their job will increase their creativity and also intuition. Employees will feel whole and live to fulfil the purpose of their live when they are able to understand the meaning of their job (Dandona, 2013). Employees will understand the reason behind their activity if they understand the meaning of their job. A job is considered as meaningful through two ways. First, when it confirms employee perceptions of the ideal self, or what they want to become. Second, when the performance of job tasks enhances individual's self-esteem. If employees have high self-esteem and believe that they have a high level of competence, they will display a greater organizational commitment. Employees won't doubt themselves in the organization as they believe they can contribute to the organization. Employees will most likely leave the organization if they feel they do not fit. However, individuals will perceive fit with a job organization that provides them with self-confirming and experiences they consider meaningful. If the individual does not experience job fit, they will not find work meaningful,

and will attempt to select themselves out of the organization The more experience of personal purpose and meaning in an employee work, the greater is the organizational commitment of individuals (Djafri & Noordin, 2017).

Based on previous research, researcher proposed hypothesis is:

**Hypothesis 1: Meaningful work has a significant and positive effect on the organizational commitment of employees.**

### 2.5.2 Effect of Sense of Community on The Organizational Commitment

Spiritual organization is an organization that seeks to put all elements within organizations to a common purpose. The comfortability of employees in the organization or company can increase by having a sense of community. Sense of community is the second dimension of work spirituality that is based on an employee connection with its community, shared responsibility, and commitment (Dandona, 2013). Spirituality in this context is perceived in organizational level. At the organizational level, spirituality refers to the context of organizational cultural values that facilitates the transcendent experiences of employees through the cycle of working, while at the same time promoting the feeling of being associated with others, and at the same time providing a sense of completeness and satisfaction

The commitment of employees will increase when they connect with co-workers within the organization. Sense of community is very important for the development of organizational commitment, as the main factor that influences employee's organizational commitment is the working environment (Hanaysha, 2016). Working environment in here includes location, facilities, culture, growth opportunities and interaction between employees and employers. A strong sense of community in any organization positively impacts on productivity, efficiency, and morale and makes for an enjoyable work (Glew & Russell, 2013).

Based on previous research, the second proposed hypothesis of this research is:

**Hypothesis 2: A sense of community in the workplace has a positive effect on the organizational commitment of employees.**

### 2.5.3 Effect of Alignment with Organizational Values on The Organizational Commitment

Organizational values that are adopted by the organization is the guideline for the employees within the organization. It will state which activities are appropriate and inappropriate. The cultures of the organization must be able to be adopted by everyone within the organization. In order to be connected with the organization, it takes more that stay with the organization.

Individuals that can identify themselves as part of the organization will feel connected with the organization (Nurtjahjanti, 2010). Employees will feel comfortable and connected with the organization they are part of if they believe the organization has positive values and they are in line with personal values. The organizational commitment of employees will increase as they feel comfortable and connected with the organization and its values. Thus, employees will feel that they are personally responsible for the organization's level of success. If individuals feel personally responsible for the organization's level of success, individuals will demonstrate higher levels of performance and positive work attitudes as they want to help the organization. It will also increase their desire to remain with the organization.

Based on previous research, the third proposed hypothesis of this research is:

**Hypothesis 3: Alignment with organizational values has a positive effect on the organizational commitment of employees.**

**2.6 Research Framework**

Work spirituality is a concept that encourages employees to have a feeling of wholeness in the company by doing meaningful work, having a sense of being connected with co-workers and community, and working in an organization that have values congruent with personal values. While organizational commitment is the degree of an individual's identity, participation, and willingness to stay within an organization. Employees will work more effectively, dedicate, loyal, and behave in a more engaged and productive manner if they believe they are working in a rich spiritual organization. Spirituality has a significant impact on personal attitudes and behaviours and can play a key role in resolving the challenges that organizations faced, such as lack of organizational commitment (Ahmadi et al., 2014)

The purpose of this research is to understand the impact of work spirituality on organizational commitment of employees. According to Djafri and Noordin (2017) there are 3 dimensions of work spirituality that are related with organizational commitment, which are meaningful work, sense of community, and alignment of values. Each of the dimension have the hypothesis whether the dimension significantly impacts organizational commitment.

This research uses two variables which are independent and dependent variables. There are three independent variables (X) which are meaningful work, sense of community, and alignment with organizational values. There is one dependent

variable (Y) which is organizational commitment. Based on the description above, the

conceptual framework is described as follows:

**Figure 2.1**

**The Direction of Hypothesis**