

## Power of Workplace Spirituality Dimension for Enhancing Performance in Small and Medium Enterprises

Satish Chandra Mishra<sup>1</sup> and Pankaj Kumar<sup>2</sup>

### **Abstract**

*This study with the intention, to find solutions for the survival of small and medium enterprises (SMEs) in comparison to financially strong large organizations with advanced technology in the present competitive dynamic market with Industry 5.0 and hybrid working culture, explores relationship between dimensions of workplace spirituality on the performance of SMEs. There is limited empirical research on the SMEs' performance as compared to big organization in the Asian countries and needs survival strategies. SMEs contribute substantially to the economy. Samples were studied from the Indian SMEs. The findings established that while meaningful work and alignment with organizational values have significant positive relationship with organizational performance, the sense of community does not have a significant impact. The study provides insights that will be helpful to the stakeholders, owners and managers of SMEs, to enhance their performance and suggest the advantages for its implications, constraints, and the scope for future studies.*

**Keywords:** Workplace Spirituality, Organizational Performance, Small and Medium Enterprises

### **INTRODUCTION**

Small and Medium Enterprises (SMEs) comprise 90% of all organizations worldwide (Manaf et al., 2022). This sector has a crucial role in driving the economy of India, by employing 40% of the workforce second only to the agricultural sector and stimulating economic growth nationwide, making a significant contribution to the economy (Pawar & Sangvikar, 2019). SMEs account for around 98% of organizations in the Asia-Pacific region and contribute over 17% of the GDP of the low income countries like India, 40% in Pakistan, and approximately 50% in high-income nations such as Singapore and Malaysia. In India, SMEs contribute 45% of industrial production and employ 15% of the workforce (Iqbal et al., 2021).

SMEs face several challenges including inadequate resources (Oduro, 2020), insufficient investment in research and development, and market entry difficulties (Amoah et al., 2022) and restricted access to financial resources (Rehman et al., 2019). Implementing innovative strategies may assist SMEs to overcome these obstacles and maintain competitiveness (Gupta & Barua, 2016; Naradda et al., 2020). SMEs are vital for economic advancement as they create jobs, reduce regional inequalities, bridge income disparities, and significantly contribute to GDP (Shelly et al., 2020). Technological advancements such as smart manufacturing bring both opportunities and threats due to high implementation costs and skill gaps (Mittal et al., 2018). A hybrid work culture poses stress and other employee-related problems, for which workplace spirituality offers solutions. Industry 5.0, with its human-centric approach, presents substantial opportunities for SMEs to optimize operations, promote sustainability, and remain competitive in a rapidly changing market (Demir et al., 2019). The utilization of AI, robotics, and the Internet in Industry 5.0 has enhanced productivity and efficiency but also introduced new challenges in ensuring worker well-being (Kuru, 2023). Focusing on human needs and preferences while leveraging new technologies can lead to higher creativity, productivity, and customer satisfaction for SMEs.

Despite these opportunities, SMEs face several obstacles and potential risks, that are crucial and need to be managed successfully for survival (Mittal et al., 2018; Naradda et al., 2020). Literature indicates that workplace spirituality (WS) improves organizational performance (OP) (Driscoll et al., 2019). This emerging field

---

<sup>1</sup> Research Scholar, Department of Management Studies DIT University. E-mail: [satishcmishra.10@gmail.com](mailto:satishcmishra.10@gmail.com)

<sup>2</sup> Assistant Professor, Department of Management Studies DIT University. E-mail: [pankaj.kumar@dituniversity.edu.in](mailto:pankaj.kumar@dituniversity.edu.in)

recognizes the need for meaning, community, and alignment of values at work, particularly pertinent in SMEs where personal and organizational values closely intertwine due to their smaller scale and intimate nature.

Organizations in the present globally competitive business environment are constantly searching for innovative strategies to boost performance and cultivate a positive work environment. One notable approach gaining attention is WS, which involves integrating spiritual values and practices into the organizational setting (Milliman et al., 2003). For SMEs, WS is imperative as aligning employees' personal values with the organization's goals can significantly influence both individual and collective performance (Karakas, 2010). This concept goes beyond traditional motivational theories by focusing on the role of a higher purpose and meaning at work, which enhances employees' commitment, satisfaction, and overall productivity (Benefiel et al., 2014).

WS is believed to improve performance in SMEs by creating a supportive and meaningful work environment (Petchsawang & Duchon, 2012). With limited resources SMEs generally faces unique challenges of fierce competition with their counter parts and with big organizations, making it crucial to explore how incorporating spiritual dimensions can offer a competitive edge and operational excellence. The research investigates the various aspects of WS and their effects on performance in SMEs, providing insights into how spiritual values can be utilized to achieve organizational success and employee well-being.

There is a noticeable research gap as SMEs have not been as thoroughly studied as larger enterprises by stakeholders including management and government (Iqbal et al., 2021). The limited resources of SMEs pose challenges in competing with larger companies and maintaining long-term performance, particularly in the era of Industry 5.0 (Ajibola, 2020). Additionally, as a concept the WS has not been widely examined within SMEs, especially in India (Kumar et al., 2022). This paper aims to analyze the relationship between Meaningful Work (MW), Alignment with Organizational Values (AOV), Sense of Community (SOC), and Organizational Performance (OP) in the SME manufacturing sector, evaluating their significance for survival in the current Industry 5.0 era.

## **LITERATURE REVIEW**

### **Workplace Spirituality (WS)**

WS refers to a framework where employees view their work not just as a means to achieve financial goals but as a pathway to personal development and a connection to a larger purpose. It is commonly divided into three main components: MW, AOV and SOC. WS recognizes that workers have an inner world that is nourished by MW, leading to improved well-being and productivity through AOV and SOC (Ashmos & Duchon, 2000).

WS is a growing field that highlights the importance of creating MW environments that align with employees' inner values and sense of purpose. Within this context, MW refers to tasks and roles that not only meet organizational goals but also resonate with employees' values, enhancing their sense of fulfillment and connection to their work. This concept underscores that employment should extend beyond financial objectives to include personal growth, community involvement, and contribute to greater good. According to Milliman et al. (2003), MW is a crucial aspect of WS, characterized by the integration of personal beliefs with the company's goals. This creates a harmonious and motivating work environment where employees can thrive both personally and professionally. Rosso et al. (2010) view MW as work that provides intrinsic motivation and aligns with employees' personal values and interests, leading to increased job satisfaction, motivation, and commitment, which positively impacts organizational performance. MW is considered meaningful and significant when there is a fit between the work and the worker's values, contributing to a broader sense of making a difference in the world (Steger et al., 2012).

AOV pertains to the core concepts and ethical standards that guide a company's activities and decisions. When these values align with employees' personal beliefs and spiritual ideals, it fosters a harmonious work environment. This alignment can enhance job satisfaction, boost morale, and foster a sense of inclusion among employees. The extent to which employees feel their values align with those of the organization is a critical factor. Strong alignment leads to greater engagement, loyalty, and productivity (Mitroff & Denton, 1999). Milliman et al. (2003) describe this alignment as crucial for WS, leading to improved employee attitudes and behaviors. Giacalone and Jurkiewicz (2003) define alignment with organizational values as the congruence

between a corporation's ideals and its employees' values. Establishing this alignment is essential for fostering a spiritually enriched work culture, resulting in enhanced ethical behavior, employee satisfaction, and organizational efficiency.

SOC in the workplace involves a sense of belonging and being part of a supportive and collaborative environment. Although it is believed to enhance job satisfaction and morale, its direct impact on organizational performance is less clear (Ashmos & Duchon, 2000). WS promotes SOC, which is characterized by collective goals and mutual care among members. Developing a sense of belonging and connection is vital for creating a conducive working environment where employee's experiences valued and motivated (Milliman et al., 2003)

## **ORGANIZATIONAL PERFORMANCE (OP)**

OP generally refers to how effectively an organization meets its goals and objectives, encompassing various aspects such as financial success, operational efficiency, customer satisfaction, worker productivity, innovation, and overall market competitiveness (Dixon et al., 1990). OP outcomes are shaped by the organization's internal shared values, beliefs, and norms, with different organizational cultures influencing various performance dimensions including financial outcomes, employee satisfaction, and innovation (O'Reilly & Chatman, 1999). The standing of an organization within the corporate realm is dependent on its success in meeting objectives and overall performance in managerial skills, values, effectiveness, efficiency, leadership, recognition of employee qualities, responsibility, competitiveness, and individual performance. These factors can have immediate, intermediate, and long-term effects on the performance of an organization. For SMEs, performance is often assessed through financial metrics, productivity, employee satisfaction, and innovation. Despite having limited resources compared to larger firms, SMEs can achieve significant benefits from high employee engagement and average order value (Wiklund & Shepherd, 2005). Katou and Budhwar (2007) note that Human Resource Management plays a crucial role in enhancing overall OP, including specific aspects like efficiency, development, innovation, and quality. Effectiveness and efficiency are key characteristics, reflecting a firm's ability to meet objectives and use minimal resources, respectively. Satisfaction of stakeholders, employees, and customers, innovation in products and processes, and the acquisition and development of skills to drive innovation are also important. Quality is assessed by the proportion of high-quality items produced. Additionally, geographic location can influence firm performance (Iqbal et al., 2021; Kumar et al., 2022).

## **Workplace Spirituality and Organizational Performance**

Research on WS and its impact on OP in the SMEs, highlights its growing significance. WS enhances job satisfaction of employees that strengthens their commitment to the organization (Mapuranga et al., 2021). Additionally, WS is linked to reduction in the intent to leave the organization due to increased job satisfaction (Pariyanti et al., 2023). There is a notable and positive linkage among WS, job engagement, and thriving at work across various enterprise sizes, including small, medium, and large organizations (Van der Walt, 2018).

The practice of workplace spirituality fosters empathy in strategic planning at the organizational level, enhances job satisfaction and work-life quality, and promotes self-awareness, motivation, and team involvement. It also creates an environment conducive to personal development, meaningful societal contributions, and mindfulness towards coworkers, superiors, subordinates, and clients (Fernandes et al., 2018).

MW, is often defined as the sense of purpose or fulfillment derived from one's job, has been recognized as an important factor for organizational effectiveness. Engaged employees, who find their work meaningful, demonstrate higher productivity, profitability, and customer satisfaction, as engagement is positively correlated with MW (Harter et al., 2002). MW also plays a significant role in employee retention, for employees who regards their job as meaningful are less likely to leave their job, resulting in lower turnover rates (Wrzesniewski et al., 1997). Job satisfaction improves when employees see their work as important, which in turn boosts motivation and commitment. This relationship supports the Hackman and Oldham job characteristics model, which fosters innovation and creativity within organizations. Employees engaged in MW exhibit greater creativity in problem-solving and develop unique strategies (Taylor, 2015). Amabile's Componential Theory of Creativity further explains the various elements involved in the creative process (Amabile, 2011). Organizations that provide significant and fulfilling work are more likely to build a positive reputation and attract skilled talent

(Backhaus & Tikoo, 2004; Cable & Turban, 2003). There is also a positive link between MW with organizational citizenship behaviour, where employees, who finds their jobs as important, exhibits positive behaviour that is beneficial to their company, such as assisting colleagues and exceeding job expectations (Podsakoff et al., 2000). Engaging employees in MW can indirectly enhance customer satisfaction, as good quality customer services are provided by engaged and satisfied employees (Schneider & Bowen, 1985). Engaging in meaningful work also improves psychological well-being, positively impacting overall life satisfaction and mental health (Rosso et al., 2010; Steger et al., 2012). Positive alignment among individual values and values of organization leads to a supportive and fulfilling work environment, boosting individual health and overall organizational performance. This alignment underscores the importance of ensuring that employees' values, attitudes, and actions are in harmony with the organization's core values and objectives. Milliman et al. (2003) suggest that aligning individual beliefs with organizational values enhances employee attitudes and motivation, while Giacalone and Jurkiewicz (2003) argue that such alignment fosters a strong sense of organizational commitment and improves OP (Dutton et al., 2003).

WS contributes to overall business effectiveness (Pandey et al., 2009; Thompson, 2000). Jurkiewicz and Giacalone (2004) argue that a spiritual orientation can improve efficiency, productivity, and profitability, leading to enhanced OP. The integration of individual and organizational knowledge through innovations can further boost company performance (Matzler et al., 2008). Increased employee motivation enhances organizational performance and effectiveness (Dobre, 2013). Organizational performance revolves around its ability, capability, and the interplay between performance and goals (effectiveness), stakeholder satisfaction (relevance), and resource efficiency (Jenatabadi, 2015). Factors such as compensation, advancement opportunities, equitable treatment, working conditions, benefits, job stability, team spirit, rewards, and a spirituality-supportive workplace can enhance employee performance (Bharadwaj & Jamal, 2020; Sarmiento et al., 2007). When spirituality is prevalent in the workplace, employees are motivated to work with integrity and a sense of purpose, focusing on benefiting others beyond mere business transactions (Iqbal et al., 2021; Van Dierendonck, 2004).

## **RESEARCH GAPS AND OBJECTIVES**

The current research on WS and OP predominantly focuses on SMEs, with a notable gap in understanding its impact on larger organizations. Additionally, most studies rely on cross-sectional data, suggesting a need for longitudinal research to examine the long-term effects of WS on job satisfaction, employee engagement, and OP. WS linkages with cultural differences are often overlooked, and comparative studies across diverse cultural contexts could offer valuable insights. There is also a need to investigate the mechanisms through which MW influences job satisfaction, creativity, and organizational citizenship behavior. The distinct impacts of various spiritual practices on organizational outcomes are underexplored, and identifying the most effective practices in different settings could be beneficial. Moreover, the indirect effects of WS on customer satisfaction through employee engagement require further investigation, especially across different industry sectors. Lastly, research on the integration of WS with broader organizational strategies is limited, and studies in this area could provide practical guidance for enhancing overall organizational effectiveness and performance.

There is research gap as SMEs have been paid less attention in comparison to large enterprises (Iqbal et al., 2021) and WS as a concept has not been explored much in the SMEs and this sector has been neglected in India (Kumar et al., 2022). A comprehensive investigation has been carried out to investigate the correlation amongst WS and the organizational success of SMEs. Nevertheless, there is a dearth of comprehension of the operational mechanisms of these concepts within the context of SMEs. Investigating the effects of MW, AOV, and SOC on OP within the framework of SMEs might provide significant insights.

## **HYPOTHESES DEVELOPMENT**

Based on the literature, the succeeding hypotheses are projected:

H1: Meaningful work has a positive relationship with organizational performance in SMEs.

H2: Alignment with organizational values has a positive relationship with organizational performance in SMEs.

H3: Sense of community has a positive relationship with organizational performance in SMEs.

## **METHODOLOGY**

The research utilized a quantitative approach, with samples selected through purposive sampling often called as judgmental or selective sampling as the participants are chosen on specific attributes required for the research objective. This non-probability sampling method relies on selecting samples based on their ease of access and proximity to the researcher. It is frequently used in both qualitative and quantitative research due to its effectiveness, relevance, and cost-efficiency. When studying SMEs, particularly small businesses, the involvement of owners is crucial, as many are wary of research and questionnaires. They agree to participate only if assured that their responses will not harm their organization or culture, that the data will be protected from misuse, and that anonymity will be maintained.

### **Pilot Study**

To evaluate the appropriateness and effectiveness of the instruments, a preliminary test was conducted with a sample of thirty individuals from SMEs in the manufacturing sector. This initial assessment was designed to confirm that the respondents comprehended the questionnaire fully and were capable of addressing its challenges. These individuals were not part of the final research sample. The findings established that the participants were well-suited to manage the frequency and complexity of the questionnaire.

### **Sample**

Teddle and Yu (2007) describes purposive sampling as a type of sampling method, also known as nonprobability sampling, deliberate sampling, or qualitative sampling. According to Babbie (2008), this sampling strategy is chosen by researchers to select participants who are expected to have specialized knowledge and provide meaningful insights on the subject. In this study, purposive and convenience sampling methods were employed, with a particular focus on snowball sampling techniques. The selection of small and medium enterprises was based on criteria established by the Government of India, where small enterprises and medium enterprises with investments in plant, machinery, and equipment of less than ten crore rupees, and less than fifty crore and with a turnover under fifty crore rupees, and with turnover of less than two hundred fifty crore rupees respectively.

### **Data Collection**

The study's participants consist of individuals from SMEs, including owners, officers, supervisors, and workers. They were chosen through purposive and snowball sampling methods. Structured questionnaires were distributed to owners and managers, who then passed them on to supervisors and employees. These questionnaires aimed to gather data on perceptions of MW, AOV, and SOC concerning OP. Out of 275 questionnaires distributed within the manufacturing sector of SMEs, 251 were completed and included in the analysis, resulting in a 100% response rate.

### **Research Tool**

To understand the complex relationships among MW, AOV, SOC, and OP in SMEs. Structural Equation Modelling (SEM). The tool Smart PLS 4.0 was chosen for exploratory research, particularly when data may not conform to multivariate normality. PLS-SEM aims to maximize explained variance and is ideal for smaller sample sizes or intricate model structures. This study's novel contribution is the incorporation of WS into performance models of SMEs. This comprehensive model illustrates how a spiritually enriched workplace environment can enhance performance outcomes.

The PLS approach for SEM has been used to explore the relationships among MW, AOV, SOC, and OP. There are several reasons for using the PLS-SEM technique (Barroso et al.,2010; Hair et al.,2013; Reinartz, 2009). Firstly, the sample size is relatively small compared to the vast number of SMEs in India, making Smart PLS 4.0 suitable for smaller datasets. Secondly, Smart PLS 4.0-SEM is increasingly valuable for elucidating complex behavioral research (Fassott et al., 2016). Finally, this study aims to model MW, AOV, SOC, and OP within SMEs.

**Measurement Instruments**

**Meaningful Work:** Six items were used to measure meaningful work, adapted from the scale of Ashmos and Duchon( 2000).

**Alignment with Organizational Values:** Eight items were used to measure alignment of organizational values adopted from Ashmos and Duchon (2000).

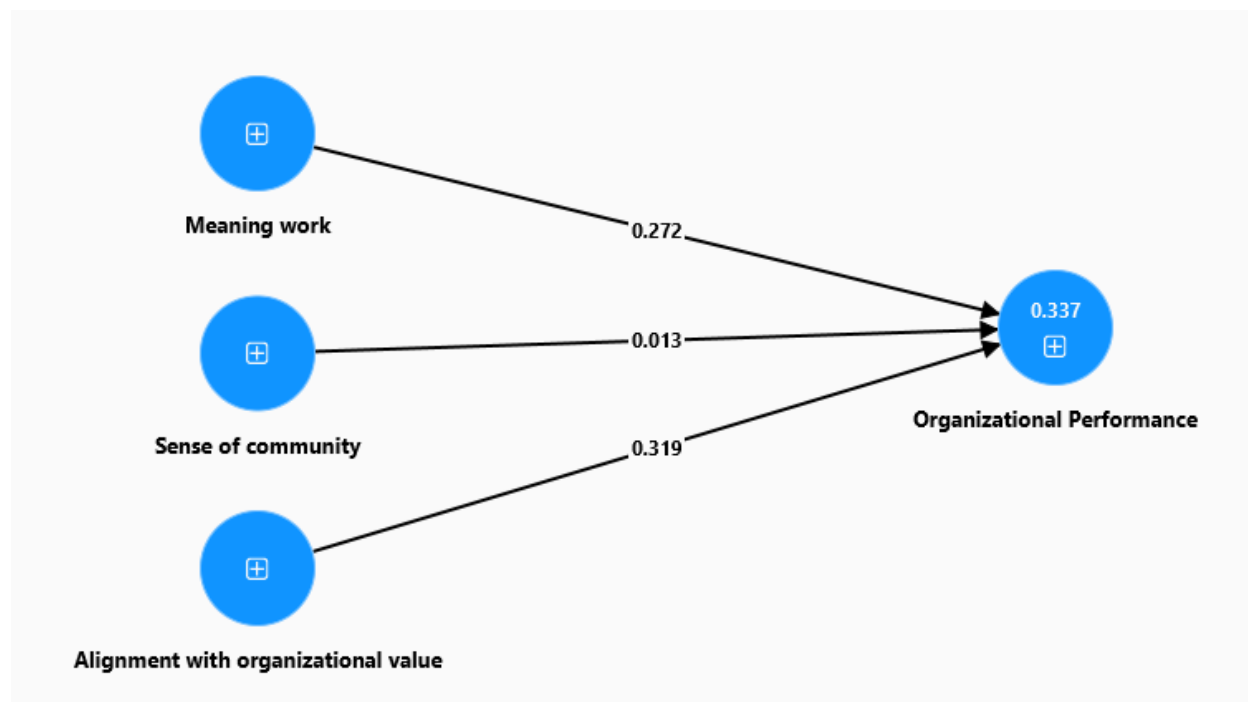
**Sense of Community:** Seven items were used to measure the sense of community adopted from Ashmos and Duchon(2000) scale.

**Organizational Performance:** Four elements (Effectiveness, Efficiency, Development, and Innovation) of OP, as defined by Katou & Budhwar (2007) were considered.

The study used a 5- point Likert scale, ranging from (1) signifying strong disagreements to (5) symbolizing strong agreement.

**ANALYSIS AND RESULTS**

The data underwent structural equation modeling (SEM) to explore the proposed relationships among the variables MW, AOV, SOC, and OP. Figure 1 shows a robust positive correlation between MW and OP, indicating that MW substantially boosts organizational performance. Furthermore, a positive relationship between AOV and OP was observed, which also significantly contributes to enhancing OP, while the correlation between SOC and OP is weakly positive (Figure 1).



**Figure 1:** Measurement model (Outer loading)

Alignment with organizational value	Meaningful work	Organizational Performance	Sense of community	Alignment with organizational value
Q1.mw		0.839		
Q2.mw		0.857		
Q3.mw		0.845		
Q4.mw		0.878		

Q5.mw		0.812		
Q6.mw		0.854		
Q7.c				0.824
Q8.c				0.896
Q9.c				0.884
Q10.c				0.858
Q11.c				0.886
Q12.c				0.801
Q13.c				0.862
Q14.av	0.778			
Q15.av	0.863			
Q16.av	0.863			
Q17.av	0.858			
Q18.av	0.872			
Q19.av	0.879			
Q20.av	0.887			
Q21.av	0.832			
Q1.Effectiveness			0.833	
Q2.Efficiency			0.829	
Q3.Development			0.852	
Q4.Innovation			0.868	

Table 1 displays the outer loadings of various indicators across different constructs. The alignment with organizational values is measured by items Q14.av to Q21.av, with outer loadings ranging from 0.778 to 0.887, reflecting their strong alignment. Meaningful work is assessed through Q1.mw to Q6.mw, with loadings between 0.812 and 0.878, indicating a significant contribution to this construct. The sense of community is represented by items Q7.c to Q13.c, showing loadings from 0.801 to 0.896, which illustrates a strong association with this construct. For organizational performance, indicators Q1.Effectiveness, Q2.Efficiency, Q3.Development, and Q4.Innovation, show loadings between 0.829 and 0.868, highlighting their effectiveness in measuring organizational performance.

### Validity and Reliability

The data presented in Table 2, evaluates the validity and reliability of four constructs: AOV, MW, OP, and SOC. Each construct is assessed using four statistical measures: Cronbach’s alpha, Composite Reliability (rho\_a), Composite Reliability (rho\_c) and Average Variance Extracted (AVE).

	Cronbach’s alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average Variance extracted
Alignment with organizational value	0.947	0.947	0.956	0.730
Meaningful work	0.922	0.924	0.939	0.719
Organizational Performance	0.867	0.869	0.909	0.715
Sense of community	0.928	0.930	0.944	0.738

Table 2, presents the validity and reliability metrics for various constructs, including alignment with organizational values, meaningful work, organizational performance, and sense of community. The Cronbach's alpha values for all the constructs exceeds the recommended threshold of 0.70, indicating high internal consistency. Specifically, alignment with organizational values has a Cronbach's alpha of 0.947, meaningful work 0.922, organizational performance 0.867, and sense of community 0.928. Composite reliability ( $\rho_a$ ) and ( $\rho_c$ ) also surpass the 0.70 threshold, reflecting strong reliability across the constructs. Notably, alignment with organizational values has  $\rho_a$  of 0.947 and  $\rho_c$  of 0.956, meaningful work 0.924 and 0.939, organizational performance 0.869 and 0.909, and sense of community 0.930 and 0.944. The average variance extracted (AVE) values are above the threshold of 0.50, confirming adequate convergent validity, with alignment with organizational values at 0.730, meaningful work at 0.719, organizational performance at 0.715, and sense of community at 0.738. These metrics collectively demonstrate the reliability and validity of the constructs measured.

### Fornell-Larcker Criterion

Fornell-Larcker criteria is a technique employed to assess the extent to which different constructs in structural equation modelling are distinct from one another. Discriminant validity evaluates whether ideas or measurements that are expected to be independent are indeed independent. The Fornell-Larcker criteria states that discriminant validity is confirmed when the square root of the average variance extracted (AVE) of each construct exceeds the correlations between the constructs.

Here's the interpretation of the table with respect to the Fornell-Larcker criterion:

**Alignment with Organizational Value:** The square root of AVE is 0.855. The value exceeds its associations with MW (0.846), OP (0.562), and SOC (0.838). This demonstrates strong discriminant validity.

**Meaningful Work:** The square root of AVE is 0.848. The value surpasses its correlations with AOV (0.846), OP (0.555), and SOC (0.845), indicating sufficient discriminant validity.

**Organizational Performance:** The square root of AVE is 0.846. The correlation between this variable and AOV (0.562), MW (0.555), and SOC (0.519) is lower than its association with other variables, indicating that discriminant validity is achieved.

**Sense of Community** The square root of AVE for SOC is 0.859. This is higher than its correlations with AOV (0.838), MW (0.845), and OP (0.519). This confirms that sense of community has enough discriminant validity.

Fornell-Larcker criterion states that in order to meet the threshold, the square root of average variance extracted (AVE) for each construct must be higher than the greatest correlation with any other construct. Each construct in this table fulfills the criteria, demonstrating that all constructs possess strong discriminant validity. Each construct is separate from the others and evaluates a particular feature of the model.

### THE COEFFICIENT OF DETERMINATION

The R-squared value of 0.337 reveals, that around 33.7% of the variation in OP is accounted for by the three independent variables in the model and implies that although the model explains a notable amount of the variance, other factors not incorporated into the model also influence OP (see Figure 2).



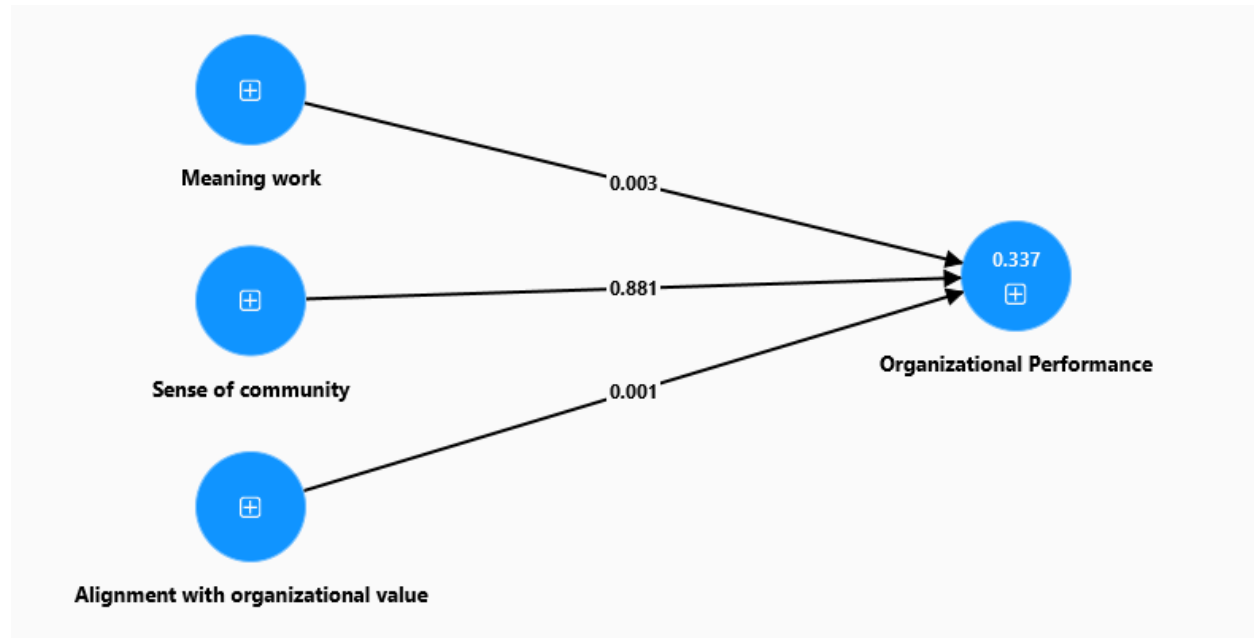


Figure 2: Measurement model (Path coefficient)

### PATH COEFFICIENT

*Correlation between MW and OP*, with p-value is 0.003, explains that there is a noteworthy and measurable correlation between the concept of MW with the effectiveness and success of an organization. Given that the p-value is lower than the commonly acknowledged threshold of 0.05, it recommends that MW has a substantial and statistically significant influence on OP.

*Correlation between SOC and OP*, with p-value is 0.881, explain that here is no discernible correlation of statistical significance between SOC and OP. The p-value surpasses the threshold of 0.05, indicating that there is no significant impact of SOC on OP in this model.

*Correlation between AOV and OP*, with p-value is 0.001, explain that there is noteworthy statistically significant correlation between the degree to which individuals align with organizational values and with the organization overall performance. The p-value, which is considerably below 0.05, demonstrates a strong influence of AOV on OP.

Table 3: Path coefficient					
	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics ( O/STDEV )	P values
Alignment with organizational value -> Organizational Performance	0.319	0.316	0.092	3.464	0.001
Meaningful work -> Organizational Performance	0.272	0.272	0.091	2.983	0.003
Sense of community -> Organizational Performance	0.013	0.014	0.086	0.150	0.881

The statistical analysis presented in Table 3, employs path coefficients, T statistics, and P values to assess the significance of correlations between various parameters and organizational performance (OP). Variables with P values below 0.05 and T statistics exceeding 1.96 are considered to have a significant impact. The table reveals that while AOV and MW notably affect OP, SOC does not. To enhance performance, organizational leaders should focus on strategies that align with values and boost MW. The analysis covers the path coefficients for AOV, MW, and SOC, detailing their effect on OP, including their original sample values (O), sample mean (M), standard deviation (STDEV), T statistics and P values. A commonly accepted significance level is 0.05. A path coefficient of 0.319 indicates a direct and positive relationship between AOV and OP. With a T statistic

of 3.464, surpassing the critical value of 1.96 (for a 95% confidence level), and P value of 0.001, significantly below 0.05, AOV has a robust and statistically significant positive effect on OP. A path coefficient of 0.272 shows a positive link between MW and OP. The T statistic of 2.983 is above 1.96, and the P value of 0.003 is less than 0.05, demonstrating that MW has a significant and strong impact on OP. Conversely, a path coefficient of 0.013 reflects a minimal relationship between SOC and OP. With a T statistic of 0.150, much lower than 1.96, and a P value of 0.881, well above 0.05, SOC does not significantly influence OP.

## DISCUSSION

Objective of this research on SMEs was to assess how MW, AOV, and SOC influence OP, as illustrated in Figures 1 and 2. The conclusions are drawn from the perspectives of owners, managers, and employees regarding these factors, as detailed in Tables 2 and 3. The finding indicates a significant direct effect of MW on OP, supporting Hypothesis 1, and a notable direct relationship between AOV and OP, supporting Hypothesis 2. However, there is no significant link between SOC and OP, suggesting Hypothesis 3 is not supported. This lack of correlation might be attributed to the small workforce and a narrow focus on work, as noted by Burns (2022) and Daniel (2019). Despite this, the findings suggest that MW, AOV, and SOC collectively have a substantial impact on OP in SMEs, consistent with previous research on WS and OP (Driscoll et al., 2019; Garcia-Zamor, 2003; Garg et al., 2019; Kumar et al., 2022). The R-squared value indicates that 33.7% of the variation in OP is explained by MW, AOV, and SOC, with MW and AOV being major contributors, while SOC has a minimal impact in the context of SMEs.

For SMEs to enhance performance, it is crucial for organizational leaders to focus on strategies that align with employees' values and boost MW. This involves creating work environments where employees find their roles fulfilling and are motivated by purpose. Practical approaches include enriching work roles, offering opportunities for professional development, and fostering a culture that values and recognizes individual contributions. Ensuring that AOV aligns with employee values is also essential, and SMEs should establish effective communication channels to convey their mission and values, integrating these concepts and implementing them in the decision making process. The lack of a strong relationship between SOC and OP suggests that while community sentiment is valuable, it may not directly impact performance. Factors like market conditions, innovation, and operational efficiency often play a more significant role in SME performance than internal community dynamics (Fink et al., 2008). In the early stages of SME development, survival and growth take precedence over community-building, which may be seen as less critical for immediate performance outcomes (Burns, 2022). Limited resources, such as financial and human assets, often overshadow the benefits of a strong sense of community (Frederick et al., 2016). Although fostering a positive work environment is important, it does not solely determine performance levels. During challenging times, MW has the most significant impact on employee dedication, followed by personal well-being and community belonging. Organizational values alone do not significantly affect employee commitment, but workplace support positively influences mental health and overall well-being (Hisam, 2021).

## IMPLICATIONS

This study highlights the importance of meaningful work, alignment with organizational values and sense of community in enhancing the organizational performance of SMEs. SME owners and managers should adopt strategies to implement these aspects, as improving them can boost overall company performance. Garg (2020) notes that firms like Apple, Ford, the World Bank, Hewlett-Packard, AT&T, DuPont, Google, IBM, and Yahoo have achieved high performance by fostering a spiritual culture in their workplaces. Research underscores the interconnectedness of personal values alignment, purposeful work, and a sense of belonging in achieving organizational effectiveness, suggesting that improvements in these areas could enhance SME performance (Zhang & Edgar, 2022). This research is especially important in the context of Industry 5.0, which emphasizes human-centered innovation, sustainability, and the integration of new technology with a focus on human well-being. Industry 5.0's human-centric approach that highlights the importance of employee well-being, work-life balance, and adaptability alongside technological advancements and developing suitable strategies, all of which contribute to improved organizational performance. As technological advancements lead more organizations towards hybrid working models and remote digital platforms, employees often experience isolation and

decreased motivation due to a lack of face-to-face interaction (Pew Research Center, 2020; Yin & Marhous, 2022). Research by Sujatha et al. (2023) demonstrates that implementing effective HR practices in SMEs can significantly enhance employee skills and performance.

## LIMITATIONS AND FUTURE STUDIES

This study on SMEs was conducted with a small sample size, which may limit its generalizability across different sectors, larger organizations, and various geographical locations. To better understand the long-term effects of workplace spirituality on organizational performance, especially within the context of Industry 5.0, characterized by a human-centric approach and the integration of advanced technologies including human-robot interactions longitudinal studies are needed. Future research could explore other sectors and include participants from both private and public organizations. It should also consider additional variables, moderators, and mediators using both qualitative and quantitative methods to assess their impact on overall organizational performance and to ensure generalizability. Larger sample sizes would be beneficial, as the impact may vary depending on national culture, subculture, and organizational culture.

## REFERENCES

- Ajibola, E. O. (2020). Nigeria small and medium enterprise sustainability strategies (Doctoral dissertation, Walden University).
- Amabile, T. (2011). Componential theory of creativity (pp. 538-559). Boston, MA: Harvard Business School.
- Amoah, J., Belas, J., Dziwornu, R., & Khan, K. A. (2022). Enhancing SME contribution to economic development: A perspective from an emerging economy. *Journal of International Studies*.
- Ashmos, D. P., & Duchon, D. (2000). Spirituality at work: A conceptualization and measure. *Journal of Management Inquiry*, 9(2), 134-145.
- Babbie, E. (2008). *The basics of social science research*. Thomson Wadsworth.
- Backhaus, K., & Tikoo, S. (2004). Conceptualizing and researching employer branding. *Career development international*, 9(5), 501-517.
- Barroso, C., Carrión, G. C., & Roldán, J. L. (2010). Applying maximum likelihood and PLS on different sample sizes: Studies on SERVQUAL model and employee behavior model. In *Handbook of Partial Least Squares* (pp. 427-447). Springer Berlin Heidelberg.
- Benefiel, M., Fry, L. W., & Geigle, D. (2014). Spirituality and religion in the workplace: History, theory, and research. *Psychology of Religion and Spirituality*, 6(3), 175.
- Bharadwaj, S. H. U. B. H. A. N. G. I., & Jamal, T. (2020). In Search of Spiritual Workplaces: An Empirical Evidence Of Workplace Spirituality And Employee Performance In The Indian IT Industry. *International Journal of Scientific & Technology Research*, 9(3), 1116-1124.
- Burns, P. (2022). *Entrepreneurship and small business*. Bloomsbury Publishing.
- Cable, D. M., & Turban, D. B. (2003). The value of organizational reputation in the recruitment context: A brand-equity perspective. *Journal of Applied Social Psychology*, 33(11), 2244-2266.
- Daniel, J. L. (2019). Trust as a mediator of workplace spirituality and job performance. *Journal of Business & Behavioral Sciences*, 31(2).
- Demir, K. A., Döven, G., & Sezen, B. (2019). Industry 5.0 and human-robot co-working. *Procedia computer science*, 158, 688-695.
- Dixon, J. R., Nanni, A. J., & Vollmann, T. E. (1990). New performance challenge: Measuring operations for world-class competition (irvin/apics series in production management) (J. Dixon, N. Robb, J. Alfred, & T. E. Vollmann, Eds.). doi: 10.1108/IJIS-11-2018-0119.
- Dobre, O. I. (2013). Employee motivation and organizational performance. *Review of Applied Socio-Economic Research*, 5(1).
- Driscoll, C., McIsaac, E. M., & Wiebe, E. (2019). The material nature of spirituality in the small business workplace: from transcendent ethical values to immanent ethical actions.
- Dutton, J. E., & Heaphy, E. D. (2003). The power of high-quality connections. *Positive organizational scholarship: Foundations of a new discipline*. 263-278
- Fassott, G., Henseler, J., & Coelho, P. S. (2016). Testing moderating effects in PLS path models with composite variables. *Industrial Management + Data Systems*, 116(9), 1887-1900. <https://doi.org/10.1108/imds-06-2016-0248>
- Fernandes Bella, R. L., Gonçalves Quelhas, O. L., Toledo Ferraz, F., & Soares Bezerra, M. J. (2018). Workplace spirituality: Sustainable work experience from a human factors perspective. *Sustainability*, 10(6), 1887.
- Fink, M., Harms, R., & Kraus, S. (2008). Cooperative internationalization of SMEs: Self-commitment as a success factor for international entrepreneurship. *European Management Journal*, 26(6), 429-440.
- Frederick, H., O'connor, A., & Kuratko, D. F. (2016). *Entrepreneurship: Theory, process, and practice*. Cengage Learning.
- García-Zamor, J.-C. (2003). Workplace spirituality and organizational performance. *Public Administration Review*, 63(3), 355-363. <https://doi.org/10.1111/1540-6210.00295>

- Garg, N. (2020). Promoting organizational performance in Indian insurance industry: The roles of workplace spirituality and organizational citizenship behaviour. *Global Business Review*, 21(3), 834–849. <https://doi.org/10.1177/0972150918778983>
- Garg, N., Punia, B. K., & Jain, A. (2019). Workplace spirituality and job satisfaction: exploring mediating effect
- Giacalone, R. A., & Jurkiewicz, C. L. (2003). Right from wrong: The influence of spirituality on perceptions of unethical business activities. *Journal of Business Ethics*, 46, 85–97.
- Gupta, H. and Barua, M.K. (2016), “Identifying enablers of technological innovation for Indian MSMEs using best–worst multi criteria decision making method”, *Technological Forecasting and Social Change*, Vol. 107, pp. 69–79, doi: 10.1016/j.techfore.2016.03.028
- Hair, J. F., Jr, Ringle, C. M., & Sarstedt, M. (2013). Partial least squares structural equation modeling: Rigorous applications, better results and higher acceptance. *Long Range Planning*, 46(1–2), 1–12. <https://doi.org/10.1016/j.lrp.2013.01.001>
- Harter, J. K., Schmidt, F. L., & Hayes, T. L. (2002). Business-unit-level relationship between employee satisfaction, employee engagement, and business outcomes: a meta-analysis. *Journal of applied psychology*, 87(2), 268.
- Hisam, M. W. (2021). Impact of workplace spirituality on organizational commitment-a study in an emerging economy. *Turkish Journal of Computer and Mathematics Education (TURCOMAT)*, 12(4), 984–1000.
- How the Coronavirus Outbreak Has - and Hasn't - Changed the Way Americans Work. (2020). Pew Research Report.
- Iqbal, Q., Ahmad, N. H., & Ahmad, B. (2021). Enhancing sustainable performance through job characteristics via workplace spirituality: A study on SMEs. *Journal of Science and Technology Policy Management*, 12(3), 463–490.
- Jenatabadi, H. S. (2015). An overview of organizational performance index: Definitions and measurements. *SSRN Electronic Journal*. <https://doi.org/10.2139/ssrn.2599439>
- Jurkiewicz, C. L., & Giacalone, R. A. (2004). A values framework for measuring the impact of workplace spirituality on organizational performance. *Journal of business ethics*, 49, 129–142.
- Karakas, F. (2010). Spirituality and performance in organizations: A literature review. *Journal of business ethics*, 94, 89–106.
- Katou, A. A., & Budhwar, P. S. (2007). The effect of human resource management policies on organizational performance in Greek manufacturing firms. *Thunderbird International Business Review*, 49(1), 1–35. <https://doi.org/10.1002/tie.20129>
- Kumar, S., Lochab, A., & Mishra, M. K. (2022). Mediating role of Job Involvement between Workplace Spirituality and Work Satisfaction-An Evidence from Indian MSMEs. *Ramanujan International Journal of Business and Research*, 7(1), 31–42.
- Kuru, H. (2023). Understanding employee wellness in industry 5.0: A systematic review. *Journal of Ekonomi*, 5(1), 32–35. <https://doi.org/10.58251/ekonomi.1266734>
- Manaf, A. H. B. A., Sulaiman, M., Sarif, S. M., & Othman, A. K. (2022). Organizational Justice, Job Satisfaction and Islamic Spirituality among Malaysian SME Employees. *Economics and Business (JAFEB)*, 9(1), 259–271.
- Mapuranga, M., Maziriri, E. T., Rukuni, T. F., & Lose, T. (2021). Employee organisational commitment and the mediating role of work locus of control and employee job satisfaction: The perspective of SME workers. *Journal of Risk and Financial Management*, 14(7), 306. <https://doi.org/10.3390/jrfm14070306>
- Matzler, K., Schwarz, E., Deutinger, N., & Harms, R. (2008). The relationship between transformational leadership, product innovation and performance in SMEs. *Journal of Small Business & Entrepreneurship*, 21(2), 139–151. <https://doi.org/10.1080/08276331.2008.10593418>
- Milliman, J., Czaplewski, A. J., & Ferguson, J. (2003). Workplace spirituality and employee work attitudes: An exploratory empirical assessment. *Journal of Organizational Change Management*, 16(4), 426–447.
- Mittal, S., Khan, M. A., Romero, D., & Wuest, T. (2018). A critical review of smart manufacturing & Industry 4.0 maturity models: Implications for small and medium-sized enterprises (SMEs). *Journal of manufacturing systems*, 49, 194–214.
- Mitroff, I. I., & Denton, E. A. (1999). A spiritual audit of corporate America: A hard look at spirituality, religion, and values in the workplace. Jossey-Bass.
- Naradda Gamage, S. K., Ekanayake, E. M. S., Abeyrathne, G. A. K. N. J., Prasanna, R. P. I. R., Jayasundara, J. M. S. B., & Rajapakshe, P. S. K. (2020). A review of global challenges and survival strategies of small and medium enterprises (SMEs). *Economies*, 8(4), 79.
- O'reilly, J. R., & Chatman, D. F. (1999). The Impact of Organizational Culture on Performance: A Review" Authors: A. Journal: *Research in Organizational Behavior*, 21. [https://doi.org/10.1016/S0191-3085\(99\)80016-1](https://doi.org/10.1016/S0191-3085(99)80016-1)
- Oduro, S. (2020), “Exploring the barriers to SMEs’ open innovation adoption in Ghana: a mixed
- Pandey, A., Gupta, R. K., & Arora, A. P. (2009). Spiritual climate of business organizations and its impact on customers’ experience. *Journal of Business Ethics*, 88(2), 313–332. <https://doi.org/10.1007/s10551-008-9965-z>
- Pariyanti, E., Adawiyah, W. R., & Wulandari, S. Z. (2023, November). Does workplace spirituality predict turnover intention in small-and medium-sized enterprises (SMEs). In *Evidence-based HRM: a Global Forum for Empirical Scholarship*. Emerald Publishing Limited.
- Pawar, A., & Sangvikar, B. V. (2019). Understanding the SME: role and distribution in India.
- Petchsawang, P., & Duchon, D. (2012). Workplace spirituality, meditation, and work performance. *Journal of Management Spirituality & Religion*, 9(2), 189–208. <https://doi.org/10.1080/14766086.2012.688623>
- Podsakoff, P. M., MacKenzie, S. B., Paine, J. B., & Bachrach, D. G. (2000). Organizational citizenship behaviors: A critical review of the theoretical and empirical literature and suggestions for future research. *Journal of management*, 26(3), 513–563.
- Rehman, N., Čela, A., Morina, F. and Sulčaj Gura, K. (2019), “Barriers to growth of SMEs in western balkan countries”, *Journal of Management Development*, Vol. 38 No. 1, pp. 2–24, doi: 10.1108/JMD-09-2018-0273.

- Reinartz, W., Haenlein, M., & Henseler, J. (2009). An empirical comparison of the efficacy of covariance-based and variance-based SEM. *International Journal of Research in Marketing*, 26(4), 332–344. <https://doi.org/10.1016/j.ijresmar.2009.08.001> research approach”, *International Journal of Innovation Science*, Vol. 12 No. 1, pp. 21-51,
- Rosso, B. D., Dekas, K. H., & Wrzesniewski, A. (2010). On the meaning of work: A theoretical integration and review. *Research in Organizational Behavior*, 30, 91–127. <https://doi.org/10.1016/j.riob.2010.09.001>
- Sarmiento, R., Beale, J., & Knowles, G. (2007). Determinants of performance amongst shop-floor employees: A preliminary investigation. *Management Research News*, 30(12), 915-927
- Schneider, B., & Bowen, D. E. (1985). Employee and customer perceptions of service in banks: Replication and extension. *Journal of applied Psychology*, 70(3), 423.
- Shelly, R., Sharma, T., & Bawa, S. S. (2020). Role of micro, small and medium enterprises in Indian economy. *International Journal of Economics and Financial Issues*, 10(5), 84.
- Shepherd, D. A., & Wiklund, J. (2005). *Who grows small businesses and how they choose to do it*. In *Entrepreneurial Small Businesses*. Edward Elgar Publishing.
- Steger, M. F., Dik, B. J., & Duffy, R. D. (2012). Measuring meaningful work: The Work and Meaning Inventory (WAMI). *Journal of Career Assessment*, 20(3), 322–337.
- Sujatha, M., Mukherjee, U., Singh, N., & Bamel, U. (2023). Improving creativity among SME employees: exploring the role of organization-based self-esteem and psychological capital. *Employee Relations: The International Journal*, 45(4), 944-965.
- Taylor, G. (2015). Hackman and Oldham's job characteristics model. *Teaching Business & Economics*, 19(2), 7.
- Teddlie, Yu Teddlie, C., & Yu, F. (2007). Mixed methods sampling: A typology with examples. *Journal of Mixed Methods Research*, 1(1), 77–100.
- Thompson, T. (2000). Can you train people to be spiritual? *Training & Development*, 54(12), 18–18.
- Van der Walt, F. (2018). Workplace spirituality, work engagement and thriving at work. *SA Journal of Industrial Psychology*, 44(1), 1-10.
- Van Dierendonck Van Dierendonck. (2004). The construct validity of Ryff's scales of psychological well-being and its extension with spiritual well-being”. *Personality and Individual Differences*, 36(3), 629–643.
- Wrzesniewski, A., McCauley, C., Rozin, P., & Schwartz, B. (1997). Jobs, careers, and callings: People's relations to their work. *Journal of research in personality*, 31(1), 21-33.
- Yin, E., & Mahrous, A. (2022). Covid-19 global pandemic, workplace spirituality and the rise of spirituality-driven organisations in the post-digital era. *Journal of Humanities and Applied Social Sciences*, 4(2), 79–93. <https://doi.org/10.1108/jhass-11-2021-0177>
- Zhang, J. A., & Edgar, F. (2022). HRM systems, employee proactivity and capability in the SME context. *The International Journal of Human Resource Management*, 33(16), 3298-3323.