Spirituality, Economics and Leadership: Integral Yoga Model

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Abstract

Economics address the way we organize and use our resources to serve as much as possible citizens by mainly focusing on rational parameters. Even economist today argue about the rationality of people by introducing concepts such as bounded rationality claiming that mental models do not meet the practice of decision makers such as business leaders. This article introduces a concept that fits the idea of bounded rationality by conceptualizing spirituality. It focuses on the question what is spirituality and how can it contribute to economics by discussing two models. First spirituality in the resource based view as a foundation for organization’s competitive advantage. Second by introducing Yoga, as a means of applying spirituality to leadership with the aim of developing a broader perspective than the standard economic view.

Keywords: Spirituality, Leadership, Resource based View, Yoga
Introduction

The dominant economic perspective can be simply defined in terms of the following three assumptions: The first assumption is that people have rational preferences and outcomes that can be identified and associated with a value. From an economic perspective, we all want to make good decisions. Each individual evaluates the beneficial outcomes with the cost of attaining the outcomes. The costs not only include the goods or services one must give in exchange (the economic costs) for receiving the benefits but also the costs of the decision-making process itself. From an economic theoretical perspective one will strive for optimizing outcomes. A psychological perspective would say that an approach to optimize outcomes might not be used by an individual because the costs in cognitive effort or time are too high. In explaining the decision making Higgins (2000) introduced three concepts:

1. Value of outcomes. He equates value with worth and not with utility and questions ‘is the final decision worthwhile’. Higgins states that the final decision is worthwhile because the benefits of the decision are relatively high compared with alternative decisions (the opportunity costs in economic models). With respect to outcome costs, the decision was ‘worth it’ because the costs of the decision are relatively low compared with the benefits. So there are two steps; first comparisons of the benefit of the decision with alternative decisions; and second, a comparison of the costs of the decision with the benefits.

2. The means by which the outcomes are attained. There must be a fit with a purpose. Utility of a good decision is, according to Higgins, more than value from worth. Another factor that makes a decision good is value from fit. The fit is the relation between a person’s orientation to an activity and the means used to pursue that activity. If the person doesn’t have an economic orientation in terms of rational outcomes he will think of other means, intangible such as a feeling of wellbeing, to pursue an activity.

3. Subjective fit. Independent of this value from worth, Higgins stressed an additional value from fit. When the goal someone pursues fits with his regulatory or management system, the value he experiences will increase; so there is a sort of subjective fit occurring when activities fit with the system. The development of this individual management system is based on situational factors (loss - non loss situation versus gain - non gain situations) and individual factors (security needs versus self-actualization needs; ought self versus ideal self). This subjective fit is often out of the scope of economics.

Higgins explanation reminds us that besides an economic definition of value there is a psychological definition as well. The second assumption of economics states that individuals maximize utility and firms maximize profit. According to the third assumption people act independently on the basis of full and relevant information. The current management models assume that leaders are driven by these assumptions. However, many scholars have addressed the notion that decision makers such as leaders of corporations are not that rational and they often need to take decisions even when relevant information is lacking. Scholars introduce the concept of bounded rationality. Cognitive psychological studies have given many empirical insights that are in favor of the idea that people have a bounded rationality and thus often use other, mainly intangible sources as input for their decision making than only their ratio.

This is the case with managers as well. The behavior of managers especially in multinationals has a broad range impact. The current trend toward globalization creates a greater connection between people in both the business and non-business world and most importantly,
businesses are being forced to understand and take responsibility for the effects of their actions. Economist’s analysis of the financial crisis is bringing an increasing amount of attention to ethical behavior of stakeholders. Ethical behavior is part of the bigger concept of spirituality.

This article will focus on the question what is spirituality and how can it contribute to economics. The term spirituality is becoming more common as a field of interest for the business community with the consequences that several definitions can be found in the management literature. Researchers try to look at spirituality as having many dimensions. Some only focus on the inner side by stressing religious beliefs and things that come from within. Others look at external behaviors, attitudes and emotions related to religiousness or an intrapersonal drive to think that life has a much greater meaning than what can be observed from the outer side. Some give a lot of room to a diversity view by saying that there are many sources of spirituality, including but not limited to religion. Others stress the integrality which is needed to focus on behavior, feelings, and attitudes. Some connect this integrality by bringing in the inner side as well. The spiritual views currently found in the business world are largely multi-dimensional and concentrating on the outer side; integrating several of the outer dimensions.

After offering an overview of main definitions of spirituality we will narrow down the economics context by presenting two models. First by addressing spirituality in the resource based view as a foundation for organization’s competitive advantage. This view is an already accepted one in the economics. We will show how spirituality fits even the existing view. Second, we will look at Yoga, as a means of applying spirituality to leadership with the aim of developing a broader perspective than the standard economic view. What does a Yoga model of leadership provide in terms of organizational efficiency, effectiveness, and employee fulfillment and general benefits? A Yoga model has the potential for stretching beyond the limits of a typical leadership model as it integrates the several levels of our consciousness which is the core of spirituality.

Defining Spirituality

Because spirituality has close ties with theology it is often assumed to be synonymous with religion (Movic, 2004; Benefiel 2003). The popularity of religion has ebbs and flows but in spite of that, there is an increasing trend since the 1960s for individuals to find their spiritual solace in other ways than tradition religion and consider themselves ‘spiritual but not religious’. Spirituality is the inner core within that link together with most of the world’s religions (Krishnakumar, Neck 2002). In this approach, it is non-denominational and can be adapted to many areas of life as a source of enrichment and meaning. An increasing number of disciplines such as psychology and anthropology are now exploring and developing a non-denominational view of spirituality in order to address the increasing need for meaning and congruence in society. One area where this is true is in the emerging relationship between spirituality and leadership (Mitroff & Denton, 1999, Fry, 2003, Nandram, 2009, Benefiel 2008, Pandey & Gupta 2008, Usman & Danish, 2010).

This trend is not without its challenges. Due to its divorce from religion, spirituality does not claim a distinctive domain yet. This makes it difficult to define it for a scholarly field of work. Some management academics are aware of the importance and implications of spirituality for business. In order to help the most hardened materialists understand the concepts and open up to the inner realizations and changed attitudes and behaviors it invites, they are developing ways to define it with conceptual models and by measuring it with
surveys and interview techniques (Mitroff, Denton, Miller 2004, Ashmos, Duchon 2000, Sheep 2006, Marques, 2006, Piedmont & Leach 2002). Defining spirituality as attitudes, behaviors or practices stemming from the inner self, makes it possible to examine it as a part of management science (Bandsuch & Cavanagh, 2002, Pandey, Gupta 2008, Kelemon, Peltonen, 2005). We will explore the academic challenge posed by spirituality and business in greater depth below.

Spirituality can be experienced and expressed both outwardly and inwardly. The spiritual worldview holds that there is one universal consciousness and that consciousness will be perceived and understood according to each individual’s level of evolution and maturity. That same consciousness, perceived outside of ourselves is expressed in terms of spiritual qualities, concepts and worldview. On the other hand, spiritual consciousness at its inner core is perceived through direct, inner experience and is then conveyed according to each individual’s capacity, worldview and most of the time with at least some influence of social, cultural and historical context (Sri Aurobindo, 1993).

Inner spirituality reflects an inner, transformative process which involves transcending our habitual state of being, expanding the consciousness to encompass more subtle aspects of reality and ultimately to connect and fully align to the indwelling Divine. The outer approach to spirituality refers to adapting the mind to spiritual concepts; our relationship to others and the world. The existing research on spirituality in the context of business deals mostly with the outer side of it. I believe that this is due to its non-tangible nature that makes it difficult to access spirituality from a purely scientific or even intellectual perspective. For example, in the literature one can find the opinion that spirituality is not measurable, and thus not a topic for research. Those who are convinced that spirituality is measurable try to respond to this view by saying that we need alternative models to allow the study of spirituality due to its non-tangible, individual and subtle nature. They seek to replace the more positivistic models of research with a constructive view by proposing action research methods, a first person approach or reflective and experience-based models for learning (Benefiel, 2003; Harman, 2008, Awal, 2009). In this article spirituality has both an inner and outer quest insofar as both are relevant for management. How does it fit to leadership?

Incorporating spirituality in economic models can provide leaders and employees with greater meaning in their lives and at work. A spiritual worldview involves a shift to an entirely new paradigm; one in which spiritual or soul consciousness presides over ego consciousness. This inner transformation then translates into our outer actions in the form of congruent thoughts, attitudes and behaviors. It defines such movements as sustainable development and corporate social responsibility as incremental changes insofar as they are only addressing the outer manifestation without transformation the inner core. The wisdom traditions tell us that changing the outer, even through apparently coherent acts, without transforming the inner core is a half measure or incremental change rather than a true transformation. Inner transformation of individuals making up a company and society is what distinguishes change from transformation; it is the only way to bring about a true paradigm shift.

Leaders have the influence they need to play a fundamental role in realizing this paradigm shift. While change can be helped by activities such as reading inspirational materials and attending lectures, these activities rarely go beyond the cognitive to the inner, experiential levels and therefore are not enough. Leaders can thus seek transformation, an inner shift in consciousness, through activities such as introspection, yoga, meditation, breathwork and integral coaching. Transformation is a lifelong committed process involving engaging in thoughts, attitudes and actions that gradually strip away our attachment to the outer appearances of things to reveal deeper, more subtle levels of truth within. Being committed
to this process, leaders may begin to integrate the new ideas, visions and attitudes they gradually discover into all levels of their companies: from processes, people and strategy all the way to values and vision.

In this section an overview of definitions of spirituality has been given. Furthermore its relationship to management and more particular to leadership has been mentioned. Spirituality is an intangible asset for an organization and it relates to progress and its survival (Usman, Danish, 2010). Why it is an asset will be explained by describing the resource based view, a common perspective to address the assets or organizations in relation to its competitive advantages. The question how this asset can be nourished will be addressed by introducing leadership and the technology of Yoga.

A Resource based view

To understand why spirituality is an asset for an organization first it will be framed in the resource based view followed by an overview of studies that prove spirituality as an asset. The Resource-based view (RBV) while not explicitly spiritual is compatible with and lends itself to a spiritual worldview in relation to competitive advantage of an organization. Developed by Penrose, this theory of the firm is one of the first theoretical contributions linking a firm’s resources to its economic output (Penrose, 1959). Although this concept is not explicitly spiritual it provides us with a context in which management can integrate a spiritual vision and approaches. She discussed the sources of a firm’s growth which she essentially defined as an evolutionary process involving the accumulation of knowledge relevant to the firm. Penrose attached importance to the distinctive knowledge and experience of the entrepreneur as a person and saw these as indispensable assets for growth. This view holds that firms do not fully utilize their resources, a lot of resources a hidden in the talents of employees or in the interactions between people involved in the organization, including the stakeholders. Interaction between people will lead to a new outcome due to the insight that the whole is more than the sum of the parts. People, like the managers and entrepreneurs of the firm will constantly try to find new ways to exploit the available resources. This view, in its recognition of the potential for evolution within a firm has the potential to be taken a step further and explored in the spiritual context of evolution of consciousness or evolving toward our higher potential. Barney (1991) developed RBV based on the concepts that competitive advantage can be reached if a firm develops resources and capabilities that are valuable, rare, imperfectly imitable and not substitutable. The key idea of RBV is that firms should use heterogeneous resources such as these to contribute to their competitive advantages. How does spirituality fit into RBV?

The first criterion of RBV is creation of value. A common way for firms to create value is through decreasing the costs of products and services by finding new ways for production and delivery. Spirituality creates value because it impacts the creativity, satisfaction and commitment of employees in a positive way. It also raises their trust in an organization thereby creating a positive spiritual climate. This further cuts cost by reducing the time required for communication. Fry (2005) defines spiritual leadership as values, attitudes and behaviors of employees that help in awakening their intrinsic motivation. These intangible concepts and qualities have the potential to create value. Spiritual practice through nourishing these qualities in individuals can further contribute to this.

The second criterion is rareness. Resources can be competitive only if they are rare. Common resources cannot create the competitive advantage. Bouckaert (2007) explains the opportunity cost of time spent for spiritual practices. Time is a scarce resource, he says, and by investing time for meditation and prayer, we cannot use this time for other activities.
Spiritual practice requires time and yet it can create a competitive advantage in the sense that it provides the spiritually oriented person with the possibility to grasp understanding and meaning in respect to their personal growth through their experiences. It also helps with the ability to cope better with stress or setbacks compared to a non-spiritually oriented person. Spirituality needs nourishment through prayer and other spiritual practices. When it is not nourished, it can dry up.

The third criterion is that for something to create value it must be imperfectly imitable. Firms achieve short term and long term profits only if their resources cannot be imitated. Again, spirituality can be seen as a resource here. Spirituality, because it comes from deep within our consciousness, is complex and cannot be traced easily; therefore it cannot be imitated by others. No spiritual experience or realization, for example a meditation, is similar to another one even for the same person.

The fourth criterion is that it is not substitutable. Spirituality, through the depth and holistic congruence it brings to individuals and the organizations they make up, fits this criterion. The unique ways and qualities it contributes to organizations are not substitutable. Non substitutability is a less tangible asset to businesses than financial resources. Therefore it requires all four criteria in order to be defined as a resource.

After reviewing the development of RBV, Barney (et al., 2001) concludes that its strength is that it represents an opportunity to link micro-organizational processes to the success or failure of organizations.

By integrating spirituality into the Resource Based View it departs from the economics view that people can maximize their utility and that firms can maximize their profit or outcomes. Spiritual resources are not directly observable because they are hidden and only by practices it can be brought to the outward life. RBV combines the material welfare or profit driven aspirations of organizations with the human welfare that can be found inside the human being. Spirituality as positioned here is utility, a term that is common in the utilitarian perspective as well. The utility can be happiness, pleasure or human welfare. The firm’s outcomes can be qualitative as well in terms of employees’ well being.

Research has been done relating spirituality to organizational output (Chopra, 2002, Fry, 2005). Milliman, Czaplewski, and Ferguson (2003) found that there is a positive correlation between workplace spirituality and such employee attitudes as commitment to the organization, intrinsic work satisfaction, and job involvement. Spirituality in leadership has a significant impact on productivity, commitment, mutual collaboration at work and job satisfaction (Usman, Danish, 2010). Spirituality works as an asset: it upgrade the morality and modifies the individual thinking by introduction the concept of self actualization in our lives. It actualizes our true self as it explains our emotions, explores our inner strengths and identifies what we are deep down (Conger, 1994). Ashmos and Plowman (2005) found that spiritually healthy work units perform better, and Fry (2008) established that spiritual leadership has a significant positive influence on employee life satisfaction, organizational commitment and productivity, and sales growth. According to Usman & Danish (2010) organizations cannot survive and retain their consistent performance in the long run, until the individual and organizational competencies are not enhanced repeatedly and if required dissemination of spirituality is not properly present at all levels in the organization. It catches sustainability, enhances our authenticity in the long term growth and development. Leaders have the potential to inspire employees towards exploring their authenticity, nobleness, meaning and collaboration as basics for realizing a competitive advantage over others.

In the following section we will describe a new leadership paradigm based on the technology of Yoga. Yoga is an age-old science for health & well-being, self-mastery and
unveiling the mysteries of the infinite possibilities that lie within us, in our consciousness. Yoga, in this context, is a technology for developing the spiritual path of leaders and their organizations. Exploring the hidden self through Yogic principles is very powerful as it gives an individual a sense of awakened energy that can be applied to evolve his life and work in balance with his true self.

Yoga for Leadership

The technology of Yoga provides a means to unite materialist and philosophical perspectives for business leadership. Therefore, it can be used as a tool for management and motivation at the same time. The approach presented here is unique in that it addresses both perspectives. Most leadership models address only one of these aspects and therefore, miss the tremendous potential for material and existential fulfillment provided by Yoga. Although it is mainly sought by individuals, leaders and organizations can gain benefit both individually and organizationally. Benefiel (2005) described the spiritual potential of leaders and how they were able to bring the insights and state of mind into their organizations in order to bring about transformation. She describes two examples of how spiritual practice can provide concrete solutions in organizations: In the first one, the leader finds their organization faced with a challenge and yet does not have a clear picture of a solution. In this case, spiritual practice can help them to get a clear focus. In the second example, the leader transforms his consciousness to aim towards a higher purpose. Benefiel lists integration of spirituality as one of the requirements for having optimal impact on the organization when dealing with this type of transformation. Spirituality reorients an organization to its higher purpose, and when the higher purpose is no longer being served, a spiritually grounded organization will either restructure itself to serve that higher purpose or if necessary, it will allow itself to die, so that new forms can emerge that will serve the higher purpose.

Sri Aurobindo’s philosophy (1993) addresses the entire scope of life experience from a spiritual evolutionary perspective. He states that all problems in nature such as unmotivated people and conflicts in organizations stem from disharmony. Yoga helps to develop this harmony. In management, harmony is greatly valued through expressions of commitment, loyalty and fulfilled personnel. All these qualities are beneficial for the organization’s survival and growth drives as well as in helping it to serve a higher purpose. Various models have been developed to create this harmony but they do not succeed as they often concentrate only upon a limited set of assumptions about the human being. Yoga provides a solution by offering a holistic view of human beings, addressing all aspects and levels of human experience which can then be applied to the leaders and the organization. Yoga as described by Sri Aurobindo (1993), through the three steps of transformation it engenders, integrates and harmonizes our five bodies or states of consciousness: physical, vital, mental, psychic and spiritual. The leader who grasps this can apply this same process of integration and transformation at the organizational level. For the purposes of conveying this concept in the context of the organization, let us explore these levels hierarchically according to the structure laid out by Sri Aurobindo. While the outer self with which we are most familiar, is made up of four lower bodies, the inner spiritual body envelops and integrates the outer, impure and inner, pure bodies. The outer bodies are born and can be developed through practice of postures, and breathing. The inner body is always present and can be awakened through our own self-effort. The five bodies represent the five different states of consciousness that govern our lives.
a. The physical body represents the physical and material aspects of life and survival. It has the densest form of energy, and is related to the earth element (prithvi). The solid state is evident in our muscles and bones. Purifying this body contributes to health, groundedness, structure, core strength and the feeling of security.

b. The vital body represents sexuality, emotion and vitality and it is associated with the water element (apaha). Its energy is fluid and manifested through the high percentage of liquid that constitutes the human body. The vital body houses powerful emotions such as lust, jealousy, and possessiveness. Purifying this body helps us to control our emotions.

c. The mental body represents our thoughts and ambitions and is associated with the fire element (tejas). This body controls our intellect. Purifying this body improves our interpersonal relations, personality and enhances the balance with our intellectual capacity.

d. The psychic body represents higher emotions and spirituality and it is associated with the air element (vayu). This body manifests through our spiritual aspirations expressed by feelings of movement and expansiveness. It governs our response to a universal love and to religion. Purifying this body leads to the ability to love unconditionally.

e. The spiritual body is connected to the highest level of wisdom and forms the source of pure consciousness. It is associated with the space element or ether (akasha) and leads to truth and infinity. Its presence is evident in our constant search for self-realization. Purifying this body leads to finding freedom in our true self.

These levels of consciousness are being applied here in the context of the leader and his task in an organization. When applying them the leaders will show the following behaviors.

At the Physical level the leader’s behavior will be clear and consistent and address the needs, ethics, integrity and values of the organization. He will create an environment that stimulates ethical behavior both within and outside of the organization. When the structure of a work environment takes into consideration the needs of employees, it brings about feelings of security and grounding amongst the employees. When security and grounding needs are met, individuals are reassured and will naturally seek to function at higher levels. When these needs are not met, it results in self-centered, defensive and counter-productive behavior on all levels and in respect to their responsibilities, their colleagues, superiors, etc.

The main questions at the physical level are:

- Is the structure sufficiently developed to create a feeling of security, groundedness and motivation for employees?
- What are the basic needs of the organization and requirements (ethics and values) that hold the organization together?
- What are the employees’ needs?
- What are the competences of the employees?
- How do these fit with the needs and competences of the organization?

The Vital level of consciousness is the seat of the desires, cravings and emotions. Looked at in terms of an organization, at the Vital level the leader will create a positive atmosphere inciting faith, positive thinking, confidence, willingness to learn from mistakes and mutual trust. This level involves building relationships, empowering and helping subordinates to make use of their competences. The manager will have the emotional intelligence that is needed to build employees’ level of commitment.
Questions relevant to the vital plane in an organization are:

- What types of relationships do employees need to encourage them to make use of their resources? (If the organization has an autocratic structure it will not give room for employees’ emotions. If it has a flat structure, employees will show their emotions at work.)
- What is the ambition level of the employees?
- What are the fears they face?
- What are the organization’s ambitions and fears?

At the Mental level, the leader will possess the skills and knowledge required to operate in a leadership role. He will have a sufficient level of self-mastery to be able to keep in mind the importance of making rational decisions and be able to use his mental capacity when making decisions under pressure. He will have the ability to think clearly and take into consideration the circumstances around him. He will also be able to identify the effects of his decisions on the organization and the other stakeholders.

Questions regarding the mental plane in an organization relate to:

- Planning
- Rules
- Decision making style
- Operations
- Communication

The Psychic level of consciousness describes awareness of and bringing to the forefront the manifestation of the Divine within us through our individual soul. At the Psychic level the leader defines the vision, mission and strategy of the organization based on deep, inner awareness rather than purely on economic or humanistic goals.

The main question at this level goes deeper and refers to the real nature of the organization and how it relates to stakeholders. This can be approached by the following concepts:

- vision
- mission
- strategy

Thus there are several steps to the development of a successful leadership style based on Yoga principles. The leader will start by showing consistency in his structure. He will create positive energy by demonstrating trust; in turn, this creates an atmosphere of trust. Some rituals in the organization may help in terms of celebrating success, communicating about negative or stressful events and dealing with non-ethical behavior. The manager shows optimism, empathy and hope when needed. The psychic level also involves understanding the inter-relationship between the different parts by finding the umbrella or underlying mission, vision and strategy. These should be clear to everyone involved and participants should realize that these ideas should be remembered. It should be understood by everyone that this process is not a one-time exercise. The leader can work with sounding boards to help his reflection, through interactive sessions with employees, stakeholders and by using different communication styles.

Spiritual plane

At the spiritual level an organization delves ‘within and asks the question “What is the consciousness of my organization?” He can consider the following aspects:
What is the inter-relationship between employees and the organization at each level of consciousness?

What is the level of integration between the levels?

The consciousness of an organization can gradually become concentrated and centered within and focused on the inner consciousness. We need an inner poise from which we can act outwardly in a way that is true. There are a few ways to realize this:

- Reflection on our activities will help us to determine the thoughts, words and actions that uplift ourselves and others and those that are harmful.
- Developing equanimity is another central aspect which means being balanced with our inner life in the face of ups and downs in our lives. The leader will not become mentally or vitally upset by unexpected or undesired events. He will remain centered within and deal with outward circumstances from a place of inner strength rather than out of desire, anger or fear. A way to do this is by speaking and acting out of a calm inner poise of the spirit. He learns to remain quietly unmoved when facing difficulties, whether in the world at large, with those who are close to us or with ourselves.
- Patience and perseverance are important characteristics a leader deals with.
- Endurance: develop a capacity for consciously facing and welcoming adverse impacts. Treat surprises as opportunities.
- Indifference: we draw back from troubles of life that are beyond our actions and take less and less interest in them so that only the main priorities and things we can contribute to get our focus.

Conclusion

Economic models that address a resource based view gives us the answer why spirituality can contribute to economics. It sees spirituality as an asset or a value that drives the actions of individuals. Leadership models that incorporates the several levels of consciousness and principles of Yoga offer a concrete manner how to bring in spirituality into economics. The spiritual technology that has been elaborated upon in this article hails from Yoga philosophy which takes into consideration not only the outer actions but also the inner, underlying forces that have the potential to inspire and uplift the drives behind our decisions. This goes beyond ego level ambition, physical, emotional or intellectual needs. In so doing, it aspires to provide to leaders, the capacity to grasp a bigger picture that facilitates inner and outer congruence or we could say, congruence in respect to self, society and nature. When dealing with individuals, this encourages the realization of their higher potential and the means to integrate this potential into their active lives in the form of self-actualization, self-transcendence, creativity, fulfillment and meaning. When dealing with organizations or leadership, as we propose, it creates a rich forum for understanding and accepting self and other and mutual enrichment.

The model presented is not meant to be treated as a linear model as, in practice, the inter-relationship of the levels is fluid and non-linear.

References


