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## **Spiritual Quotient and Ethical Values towards Organizational Sustainability**

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**ABSTRACT.** During the last decade, many organizations were collapsed and had damage their organizational sustainability reason being severe ethical crisis. One of the main reasons affecting organizational sustainability is unethical behavior in the organization. Therefore, the question arises, how this grave issue of unethical behavior of employees can be solved? This paper seeks to assess if spiritual quotient (Here after SQ) is a solution to the unethical behavior of employees and how this SQ along with ethical values can contribute towards organizational sustainability. The paper concludes that SQ is the ultimate intelligence with which people address and solve the problems associated with meaning and value. It is the intelligence that has the force to help people use their actions and lives in a wider, richer and meaning-giving context. Moreover, promoting the ethical values, most of the organizations focus on ethics training programs aimed at increasing employee's ethical behavior in organization. Thus, the paper finally suggests that employee unethical behavior in an organization can be solved through SQ and ethical values in organization.

### **1. INTRODUCTION**

During the last decade, organizations such as Enron corporation (Stevens, 2013), AIG, Lehman Brothers, WorldCom (De and Tenbrunsel, 2012), Arthur & Anderson (Schwartz, 2013), were collapsed and had damage their organizational sustainability reason being severe ethical crisis. These organizations led towards disastrous problems such as low efficiency, revenue losses and bankruptcy (Da Silveira, 2013; Ailon, 2013). The main issue of the failure of these organizations was the extreme lack of ethics (van Dijke, 2014; Ehsan, Kaleem, & Jabeen, 2012; Beeri, Dayan, Vigoda & Werner, 2013; Soltani, 2014). Enron Corp., a distinguished and prominent company was declared bankrupt in late 2001 reason being its failure to address unethical issues (Sims, 2003; Cavender & Miller, 2013). Thus, it can be argued that the ethical lapse of a single employee may result in financial and moral damage to the entire organization. In recent years, sustainability has become central to the discourse and practice of organizations (Pitelis, 2013). Researcher has pointed out that one of the main reasons affecting organizational sustainability is unethical behavior in the organization (Guerci, Radaelli, Siletti, Cirella & Shani, 2015). During the last two decades, US-based organizations have articulated codes of ethics and developed ethics training programs for their employees but they could not bring to end unethical practices (Jondle, Ardichvili & Mitchell, 2014). Moreover employees are continuously involved in unethical misconduct (Ruiz, Martinez, Rodrigo & Diaz, 2014). In addition, Evidence of new ethical lapses involving, international bribery and employee unethical behavior is serious issue for the organizations (Ruiz et al. 2014). According to the Ethics Resource Center (2013), in their National Business Ethics Survey (NBES), they have found that 41 percent of employees were involved in the activities that were against the law or unethical misconduct in the past year. Apart from that, the range of illegal and unethical activities that goes unreported is extensive. It includes corruption, bribery and fraud in the organizations. Adams, Tashchian, & Shore (2001) found that in few small organizations, employees' work without written codes of ethics. An increasing interest of researchers towards ethical values in organizations is evident over the past few unethical scandals (Ferrell, & Fraedrich, 2014).

Therefore, the question arises, how this grave issue of unethical behavior of employees can be solved? This paper seeks to assess if SQ is a solution to the unethical behavior of employees and how this SQ along with ethical values can contribute towards organizational sustainability.

## **2. ORGANIZATIONAL SUSTAINABILITY**

Sustainability is an emerging discipline. The debate in the field of sustainability regarding their indicators and measures is continued in literature (Özlem & Besler, 2014). To-date, many organizations are facing a number of new changes and challenges concerning to their sustainability within the organizations (Adams & Frost, 2008). In the business organizations, Sustainability is taken to refer to the 'triple bottom line', namely environmental, social/ethical and economic (Willard, 2012; Hahn, Pinkse, Preuss & Figge, 2014). Furthermore, the "Triple Bottom Line" became the leading paradigm of organizational sustainability (Savitz, 2012; Willard, 2012). This term was found in 1997 published by British edition of John Elkington's *Cannibals with Forks: The Triple Bottom Line of 21<sup>st</sup> Century Business organizations* (Hartman, DesJardins & MacDonald, 2008). The social bottom line incorporates unethical issues in organizations (Carroll & Buchholtz, 2014; Jamali, 2006). Ethical issues typically occur because of conflicts between employee personal moral beliefs and values and the core values of organization internal environment. Conflict start when an employee attempts to fulfill their own goals instead of organizational goals (Ferrell, & Fraedrich, 2014, p, 61). In addition, business related social issues are concern about ethical behavior in the organization (Garavan & McGuire, 2010; Linnenluecke, Russell & Griffiths, 2009). During this time, the organizations have moved to concern with specific social issues, such as honesty and ethical behavior (Carroll & Buchholtz, 2014). The series of unlawful and unethical practices that goes unreported is widespread including bribery and Fraud. Further such behavior of employee's damage organizational sustainability and its reputation (Lu & Lin, 2014). Apart from that, ethical behavior has become a serious problem for the organizational sustainability. It is alarming regarding the rightness or wrongness of employee behavior in the organizations (Tota & Shehu, 2012). In addition, International organizations have prepared their structural and procedural changes and mostly have been creating new ethics positions such as ethics ombudsmen and ethics committees (Vitell & Hidalgo, 2006) but still the problem is not solved and unethical behavior issues exist in most of the organizations. Campuzano & Seteroff (2010) argue that SQ is necessary for employees in the organization. The worst scandals of these organizations concerned with ethics, the researchers focused their concentration on ethical values and SQ (Zsolnai, 2015) in the organizations as a solution of these problems (Aslam & Nazir, 2011).

## **3. SPIRITUAL QUOTIENT: SOLUTION TO UNETHICAL BEHAVIOR OF EMPLOYEES:**

In 2000, Zohar & Marshal introduced the term, 'spiritual quotient' (SQ). According to Zohar & Marshal (2012), SQ is the ultimate intelligence with which people address and solve the problems associated with meaning and value. It is the intelligence that has the force to help people use their actions and lives in a wider, richer and meaning-giving context. Furthermore, this gives people potential to assess and understand that one course of action or one way of life is more meaningful than the other (King, 2009). Stead & Stead (2014) indicated that people look for meaning and value in what they do as people are driven by questions that why we exist and what is the meaning of our lives. People have a longing to feel a part of the larger reason, something in the direction of which people can aspire. SQ allows them to be creative, to use their imaginations, and to change their rules. Further, it allows people to think out of the box and to take part in with the boundaries of their existence. Furthermore, being spiritual Employees who work for organizations they are consider more ethical (Fry & Wigglesworth, 2013). As according to Zohar & Marshal (2012) SQ is the Soul's intelligence with which employee heal ourselves and with which employee make ourselves whole. In addition, employee use SQ to deal with existential problems like problems where employee feels personally stuck, trapped by the past problems regarding illness and grief. SQ enables them to solve these problems and find peace about them. Moreover, High SQ

requires us to be deeply honest with ourselves and demands the most intense personal integrity (Selman, Selman, Selman & Selman, 2011). Amram (2007) argue that “SQ is the set of abilities that employee use to apply, manifest and embody spiritual resources, values and qualities in ways that enhances their daily functioning and well-being”. SQ is essential to assist an individual in finding out the deepest and most internal resource from which the capacity to care, the power to tolerate and adapt is obtained (George, 2006). SQ helps employee in the context of dealings and align personal values with a clear sense of purpose that demonstrate their integrity level high in the organization (Chin, Anantharaman & Tong, 2011). Emmons (2000) argue that SQ protects people life against non-desirable and non-adaptive behaviors like acting in destructive ways, socially or even personally.

#### **4. LINKING ETHICAL VALUES WITH EMPLOYEE BEHAVIOR:**

When it comes to promoting ethical values, most of the organizations focus on ethics training programs aimed at increasing employee’s ethical behavior in organization (Jondle, Ardichvili & Mitchell, 2014). Negus & Ro (2000) suggested that ethics program reduced unethical behavior of employee. Ghazali, & Ismail (2013) argue that the organization ethical Culture can be a barrier to employee unethical behavior. Moreover, if an organization is perceived to be practicing high ethical values, less unethical behavior can be expected from the employees in that organization (Ghazali, & Ismail, 2013). The unethical behavior in the organization affects the sustainability of an organization (Carroll, 2012) that become unable to maintain its good image. In addition, Employee’s unethical behavior may include violation of conscience, unethical misconduct and pay no attention to policy of the organization (Arif & Malek, 2013).

As far as the need of ethical values in the organizations is concerned, Lu and Lin, (2014) argue that ethical behavior is needed in the organization. Wells and Schminke, (2001) suggested that high-integrity employees represent a more highly ethical than low-integrity employees. Additionally, integrity constructs honesty which is concerned with employee behavior. Researchers argue that ethical behavior is crucial for the sustainability of every organization. Furthermore, Implementation of well formulated ethical values in organization has many benefits (Krishna, Dangayach & Jain, 2011). It promotes team work among colleagues and builds confidence and honesty. The ethical values are based on faith, justice, honesty and human virtues. These are logical ethical principles which employees are required to observe them (Esfahani & Najafi, 2015).

#### **5. ANALYSIS (SQ AND EV AS A SOLUTION TO UNETHICAL BEHAVIOR)**

SQ is the ultimate intelligence which allows people to see the larger context in which actions take place and it gives to people lives an overarching canopy of Meaning and value (Zohar & Marshal, 2000). Srivastava & Misra (2012) indicated that employees consider most important asset for the organization and employee needs SQ (Lari & Ahmadian, 2012; Kaur, 2013). Furthermore, Zohar & Marshal (2000) indicated that SQ is “the soul’s intelligence.” It is the intelligence that makes to whole the people, which allow them to integrate the many fragments of their lives, activities, and being. It allows them to know what their organization is about. SQ is the ability to behave with wisdom and clemency as long as internal and external peace is maintained taking into consideration the conditions (Wiggleworth, 2006).

SQ engages in virtuous behavior: to show forgiveness, to display compassion and wisdom. Furthermore, virtuous behavior implies human strength that enable employee to work ethically in their organization (Giacalone & Jurkiewicz, 2003). According to Reave (2005) Spiritual values and practices allow people to accomplish organizational goals such as increased productivity, lowered rates of turnover and their sustainability. SQ in employee at the organization improves their honesty and trust (Petchsawang & Duchon, 2012). SQ in organizations can improve through training that is necessary to the employee to learn SQ (Elias, Krauss & Aishah, 2010; Mayer, 2000).

As ethical values are concerned, it plays an important role in organizational sustainability (Ferrell & Fraedrich, 2014). ). In the year of 1990s, due to unethical scandals the organizations had started ethical program to their employees (Adams, Tashchian & Shore, 2001). Furthermore, new

unethical scandals had emerged in the 21<sup>st</sup> century. Weber (1995) indicated that ethical values embedded in the organization socialize their employees to ethical behavior. Ethical values influence the moral reasoning of employee as they believe that what constitutes right or wrong (Ambrose, Arnaud & Schminke, 2008).

## 6. CONCLUSION

This conceptual paper discusses the solution that how organizational sustainability can be maintained and unethical behavioral issues of employees can be solved through SQ and Ethical values. The premise of the current paper is that nurturing the ethical values and promoting SQ among the employees of the organization will help to achieve the organizational sustainability. The propositions explained in this conceptual paper have provided an insight into the ethical issues. It concludes that employees are possible to develop their perceptions regarding the “ethical work climate,” on the basis of their organization’s policies and practices regarding ethics (Victor & Cullen, 1988). While promoting the ethical values, most of the organizations focus on ethics training programs aimed at increasing employee’s ethical behavior in organization (Jondle, Ardichvili & Mitchell, 2014). Cartwright & Holmes (2006) point out that organization integrity should be more than a core value on a mission statement and that more organizations need to invest in ethics training. Thus, Employee unethical behavior in an organization can be solved through SQ and ethical values in organization (Aslam & Nazir, 2011; Cartwright & Holmes, 2006; Victor & Cullen, 1988).

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