

Measuring Spiritual Capital as a latent variable

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www.researchmethods.org/4capital.htm

Defining Spiritual Capital as religion capital

- **Roger Finke (2003)**
 - The degree of mastery of and attachment to a particular religious culture.
- **Laurence R. Iannaccone & Jonathan Klick (2003)**
 - Patterns of religious beliefs and behavior, over the life-cycle, between generations, and among family and friends.
- **Peter Berger & Robert Hefrer (2004)**
 - Spiritual capital might be thought of as a sub-species of social capital, referring to the power, influence, knowledge, and dispositions created by participating in a particular religious tradition.
- **Spiritual Capital Research Program (2003)**
 - Spiritual Capital is the effects of spiritual and religious practices, beliefs, networks and institutions that have a measurable impact on individuals, communities and societies

Defining Spiritual Capital as what makes life meaningful

- **Samuel D. Rima**
- In literal sense, spiritual capital should be understood as that which gives vitality, life and animation to wealth, profit, advantage, and power.
- **Zohar and Marshall (2004)**
- The spiritual in human beings makes us ask why we are doing what we are doing and makes us seek some fundamentally better way of doing it. It makes us want our lives and enterprises to make a difference.
- Capital is, per Exford English Dictionary, that which confers wealth, profit, advantage or power.
- Spiritual comes from its Latin root Spiritus that which gives life or vitality to a system.
- **Alex Liu (2007)**
- Spiritual Capital – power or advantage not rooted in material, intellectual, social realms, see 4Capital theory at <http://www.researchmethods.org/be4capital.htm>

Defining Spiritual Capital as attachment to God

- **Ken Eldred (2005)**
 - as the faith, trust and commitment that others will do what is right in the eyes of God.
- **Alex Liu (2007)**
 - Spiritual capital refers to the power and influence created by attaching to the God.
- **Dean R. Lillard & Masao Ogaki (2005)**
 - intangible objects in the form of rules for interacting with people, nature and spiritual beings and believed knowledge about tangible and spiritual worlds.

Spiritual Capital at Three Levels

- **Individual level**
- Zohar & Marshall (2004), Chu (2007)
- **Organizational level**
- Lawrence Miller (2006)
- **Country level**
- Ken Eldred (2005) A Liu (2007)
- **The RM Institute** develops Spiritual Capital Index at Country, Organizational and Individual Level see

<http://www.researchmethods.org/4capital.htm>

My definition of Spiritual Capital

Spiritual capital refers to the power, influence and dispositions created by a person or an organization's spiritual belief, knowledge and practice.

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Measuring Spiritual Capital

- the Lawrence Miller approach

- Worthy purpose
 - - 5 indicators

- Shared value
 - - 5 indicators

Measuring Spiritual Capital

- the Zohar & Marshall approach

- Measuring SQ of individuals
- Measuring culture shifts of organizations
- - self-awareness, vision-led, positive of adversity, holistic, compassion, diversity, independence, fundamental why, reframing, spontaneity, vocation, humility

A psychological measurement approach.

How to measure spiritual capital - our operationalization

- Everyone has some spiritual assets.
- The materialization and use of spiritual assets create spiritual capital.
- This type of materialization creates power and advantage that are observable.
- In other words, we can observe spiritual capital from reading certain indicators.

Measuring Spiritual Capital

- as latent variable at country level

- *A composite index approach*
- Spiritual Capital as a latent variable
- Structural Equation Modeling to be used
- Spiritual Capital consists of religious capital, that generates social justice & morality, and that produces happiness & life satisfaction.
- Spiritual Capital measure consists of three sub-measures of spiritual belief, spiritual knowledge and spiritual practice.

Indicators of Spiritual Capital

- Positive indicators
 - “showing integrity, being accountable and honest, offering hope, being loyal and trustworthy, loving and encouraging others, exhibiting good stewardship, being fair, creating order and serving others” – Ken Eldred
 - “love, honest, trust, mercy, altruism, ...” by Alex Liu
- Negative indicators
 - **corruption, cheating, ...**

Data sources for indicators

- World Value Survey
- Panel Study of Income Dynamics
- Corruption Index by **Transparency International**
- ...

The RM Spiritual Capital Index

- The RM Institute is working to develop a spiritual capital index (SCI) to rank countries.
- The first ranking of countries by spiritual capital is expected to be release on November of 2008.
- Dr. Alex Liu is the leading expert for this SCI project.
- For SCI at organizational level and individual level, please visit <http://www.researchmethods.org/4capital.htm>
- For more, please visit <http://www.researchmethods.org/sci/sci.htm>

References

- A Liu (2003) Index Correlation, Measurement Reliability and Biased Estimation
<http://www.researchmethods.org/democracy-indicators.pdf>
- Lawrence M. Miller 2006 Competing in the New Capitalism, Author House
- Wolfgang Oechsl & Oliver Rohn 2006 Ranking of Countries – the WEF, IMD, Fraser and Heritage Indices, CESifo DICE Report
- Danah Zohar & Ian Marshall 2004 Spiritual Capital, Berrett-koehlar Publishing
- A Liu (2015) Structural Equation Modeling and Latent Variable Approaches, John Wiley & Sons
- Assessing and Developing Spiritual Capital at
<http://www.researchmethods.org/4capital.htm>

Spiritual capital is a combination of power, influence, spirit and knowledge that can be gained through religion (Berger and Hefner, 2003). Fry (2003) stated that due to spiritual capital a leader can deploy spiritual resources in social context and they follow God's will by following divine laws or values in their daily lives. Ismail (2005) introduced spiritual capital as an additional component of intellectual capital. *The Leadership Quarterly*, 16, 771-806. Liu, A. 2008. Measuring Spiritual Capital as a Latent Variable. [Online] Available: <http://www.researchmethods.org/MeasuringSpCapital.pdf> Linnqvist A. and Mettinen P. 2002. Criteria of Sound and Intellectual Capital Measures. Proceedings of the 2nd International Workshop on Performance Measurement, Hanover, June 6-7. Measurements. Spiritual capital is measured at three levels - individual level, organizational level and national level. The method of Danah Zohar measures spiritual capital at the individual level, that is, to measure spiritual intelligence with a psychometrics approach. * [<http://www.rminst.org/sci> the Spiritual Capital Index] * [<http://www.researchmethods.org/MeasuringSpCapital.pdf> Measuring Spiritual Capital as a Latent Variable by A Liu] * [http://www.metanexus.net/spiritual_capital/What_is.asp Metanexus Institute] * [<http://www.ocrpl.org/?cat=2> Spiritual Capital and Economic Enterprise by Oxford Center] * [http://www.samrma.com/upload_user/SpiritualCapital.pdf A Brief Survey of Spiritual. * A composite index approach * Spiritual Capital as a latent variable * Structural Equation Modeling to be used * Spiritual Capital consists of religious capital, that generates social justice & morality, and that produces happiness & life satisfaction. * Spiritual Capital measure consists of three sub-measures of spiritual belief, spiritual knowledge and spiritual practice. Indicators of Spiritual Capital. * Positive indicators * showing integrity, being accountable and honest, offering hope