



Measuring Spiritual Capital as a latent variable

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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 Oxford 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. Spiritual capital refers to the power and influence created by spiritual belief, knowledge and practice.

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)

Our 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

- the RM operationalization

- Everyone has some spiritual assets.
- The materialization and use of spiritual assets is 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

- the RM approach at country level

- **A composite index approach**
- Spiritual Capital is a latent variable
- SEM will be used
- Spiritual Capital has more than what is covered by religious capital.
- Our Spiritual Capital measure consists of three sub-measures of (1) spiritual belief, (2) spiritual knowledge and (3) spiritual practice in business.
- Our focus will be on social and political environments for spiritual pursuing and spiritual practice as related to conducting business.

Data sources for indicators at the national level

- **World Economic Forum** competitiveness index
- Corruption Index by **Transparency International**
- Religious Freedom Index by **Freedom House**
- Cross-national religious data by **ARDA**
- World Value Survey
- and datasets on ethical behavior of firms and nations

The RM Spiritual Capital Index

- The RM Institute is working to develop a spiritual capital index (SCI) to rank countries first, and to rank Global 500 corporations later.
- The first ranking of countries by spiritual capital is expected to be release on November of 2008. Due to the lack of data, the first release of SPI ranking in November 2008 will be a pilot list. We plan to release a complete list in 2009, and to provide annual updates thereafter.
- The first ranking of corporations is expected to be released in May 2009.
- Dr. Alex Liu is the leading expert for this SCI project.
- For more, please visit www.rminst.org/sci

References

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<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