

THE ROLE OF SPIRITUAL CAPITAL AND COMMUNITY IN AMISH ENTERPRISES

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INTRODUCTION

Martinez, Rogers, Yancey, and Singletary (2009) recently proposed a model of spiritual capital that highlights the critical role of community life in organizations for enhancing the spiritual well-being of organizational participants. In this model, spiritual capital is defined as “assets, both tangible and intangible, that emanate from the spirit of an organization’s management, employees, staff and volunteers, and that impact the spiritual condition of all organizational participants (internal and external)” (Martinez et al., 2009). Spiritual capital is described as an important part of the organizational portfolio that includes financial, physical, human, intellectual, and social capital assets as well. Spiritual capital is understood in terms of several elements, including spiritual sensitivity, spiritual motivation, spiritual leadership, spiritual survival and spiritual outreach.

The main argument of the Martinez et al. model is that spiritual capital will have a positive impact on organizations (e.g. reputation, culture, and teamwork) and individuals (e.g. physical, emotional, mental, and spiritual outcomes, as

indicated in Figure 1). The Martinez et al. paper further suggested that one of the most important sources of spiritual capital is the foundation provided by strong community. It is our goal in this case to show how the recent emergence of Amish enterprises illustrates the elements of spiritual capital and their relation to community strength.

COMMUNITY AS A SOURCE OF SPIRITUAL CAPITAL

Martinez et al. (2009) noted that modern organizations have been designed in such a way that valuable spiritual capital is replaced with alienation. The authors focus on (short-term-oriented) materialistic and individualistic tendencies as the cause for structures that promote organizational well-being at the expense of employee welfare. It is suggested that the development of community structures is likely to ameliorate the harmful effects of modern organizational design, and lead to the enhancement of spiritual capital. As Martinez et al. (2009) note, we can learn much about how spiritual capital enhances life from the organizations that have thrived for years in a

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number of North American religiously-affiliated communities. The authors then provide examples of community-based features found in most of the North American religiously-affiliated communities, and compare these with the features of “high spiritual capital organizations” identified in Zohar and Marshall (2004 – see Tables 1 and 2 below).

Martinez *et al.* show in their comparison of these features that organizations having a strong sense and support of community are more likely to have strong elements of spiritual capital. We explore below how the case of Amish enterprises provides an illustration of the Martinez *et al.* model.

THE CASE OF THE AMISH

Historical analysis of spiritually-based communities yields abundant evidence of the transference of community principles to economic enterprise (e.g. Amana communities, Oneida, Mennonite, etc. – see Martinez *et al.* 2009). One compelling example involves the recent transformation of Amish communities from entirely agrarian societies to communities built on a more diversified array of business enterprises (Kraybill and Nolt, 1995). As the Amish population has grown consistently over the decades, farmland in their traditional geographical areas of Pennsylvania and Ohio has become more scarce and significantly more expensive. As a result Amish families have turned to small, community-oriented business enterprises as vocational outlets. Many of these enterprises are inwardly-focused, such as those aimed at modifying modern farm and tractor equipment for the Amish purposes (e.g. non-motorized implements). Other enterprises cross Amish and non-Amish (English, in the Amish vernacular) lines, such as furniture manufacturers. Still others are developed to serve an entirely English demographic, such as home-based Amish restaurants that serve tourists by the busload. These enterprises enable the Amish to continue their centuries-old tradition of family and community strength in a new context, one in which non-agrarian business enterprise takes a more prominent role.

What is remarkable about these new Amish

enterprises is their survivability. Since the 1980’s, when land scarcity and cost forced the Amish to look beyond farming for community continuity, less than five percent of the hundreds of Amish enterprises have failed to succeed and prosper (Kraybill and Nolt, 1995), a rate significantly lower than the national average (according to Small Business Administration statistics). We believe, based on the history of the Amish and the evidence provided in studies of their business enterprises, that their endurance and success can be directly attributed to the presence of spiritual capital born of community strength. Community norms govern the types of Amish enterprises developed, management processes, work ethic, stakeholder relations, training, the size and location of organizations, and even the amount of profitability that is acceptable (Kraybill and Nolt, 1995). As a result, Amish enterprises tend to be modest, humble, and competent undertakings that exist primarily to further the core values that define Amish life and other “Old Order” Pietist branches – relationships, practicality, constancy, and gentleness (Kraybill and Bowman, 2001).

The elements of spiritual capital and Amish enterprise – We have in the case of Amish business enterprises a startling example of success defined along numerous dimensions. First, the survivability and profitability (albeit modest profitability, by design) of the Amish firms is a measure of success that is understood by all who design and manage modern business firms. At the same time, consistent with the principle that human effort aims at outcomes more important than profits and personal recognition (see Faithfulness, principle “L” in Table 1), the Amish enterprises lead to success in achieving the community’s core values. Because human relationships take center stage in the Amish understanding of love and life, Amish business enterprises are structured and operated in such a way as to foster healthy interactions between owners, workers, customers, suppliers, and other human stakeholders. Further, as practical work is a virtue of the highest order, Amish enterprises provide a practical outlet for the exercise of their faith. The size, structure, and simplicity of technology in Amish firms ensures that all participants are kept busy with the work that is a vital part of the redemptive process.

TABLE 1
COMMON FEATURES OF RELIGIOUSLY-AFFILIATED COMMUNITIES
(SEE TABLE 1 IN MARTINEZ ET AL., 2009)

<p>A. <u>Kingdom Manifestation</u> - Attempt to be a manifestation of God's kingdom on earth with all aspects of life ordered around a set of unambiguous beliefs, values, and principles</p> <p>B. <u>Vocational Dignity</u> – The dignity and worth of all work, with God calling every individual to contribute to the life and well-being of the community (Shaker's primary maxim: "Hands to work and hearts to God.")</p> <p>C. <u>Spiritual Work Ethic</u> – The communities embraced the Protestant work ethic without abandoning its spiritual roots</p> <p>D. <u>Vocational Excellence</u> – A standard of excellence in all work and products</p> <p>E. <u>Resource Sharing</u> – Material goods to be used for the well-being of others within and outside of the community</p> <p>F. <u>Cooperative Spirit</u> – Proprietary relationships are subordinated to human relationships; cooperation rather than competition was the preferred norm both within the community and for interaction with the outside world</p> <p>G. <u>Systems Interdependence</u> – Systems approach recognizing the interdependence of family, church, school, and community and that current decisions will affect valued social arrangements in the future</p> <p>H. <u>Individual Subordination</u> – Voluntary subordination of the needs and desires of the individual to the good of the community</p>	<p>I. <u>Eternal Perspective</u> – The eternal and the divine as contexts for viewing present circumstances and activities</p> <p>J. <u>Organizational Ministry</u> – Organizations viewed as vehicles for achieving God's purpose, and therefore, the organization's mission and practices are evaluated against the standards of values and beliefs</p> <p>K. <u>Universal Participation</u> – All workers in businesses and organizations were encouraged to contribute to the task which they all shared (i.e., the divine purpose of the organization)</p> <p>L. <u>Faithfulness</u> – Success viewed in terms of being faithful to the tenets of their faith rather than accumulating power, prestige, or material goods; in the words of Shaker Mother Theresa, "Our job is not success. We leave success to God. Our job is faithfulness."</p> <p>M. <u>Practical Ingenuity</u> – Attempts to be practical, resourceful and innovative in adapting to the changing economic and business climate</p> <p>N. <u>Community Sufficiency</u> – Prized sufficiency of community and avoided deep interaction with outsiders and any dependence on government</p>
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TABLE 2
QUALITIES THAT REFLECT SPIRITUAL CAPITAL IN ORGANIZATIONS
(SEE TABLE 3 IN MARTINEZ ET AL., 2009)

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| <ol style="list-style-type: none"> 1) <u>Broad Purpose</u> – Companies concerned with amassing spiritual capital are constantly placing their goals and strategies in a wider context of meaning and value 2) <u>Corporate Confidence</u> – Companies rich in spiritual capital are self-aware companies. They know what they believe in, what and whom they affect, and what they want to achieve 3) <u>Visionary Values</u> – Companies that build spiritual capital are vision and value led. The values of spiritual capital are deep human values — saving life, raising the quality of life, improving health, education, communication, meeting basic human needs, sustaining the global ecology, and reinforcing a sense of excellence, and pride in service 4) <u>Holistic Perspective</u> – Companies that build spiritual capital have a high sense of holism or connectivity. They see that business is part of the wider human enterprise, part of the wider global scenario. They feel a part of and responsible to the community, the plant, life itself 5) <u>Unsolicited Compassion</u> – Companies that build spiritual capital are compassionate companies. If they see need or suffering within their sphere of influence, they care and take responsibility for doing something about it | <ol style="list-style-type: none"> 6) <u>Diversity Appreciation</u> – Companies that build spiritual capital celebrate diversity. They recognize that every point of view is necessary and that every point of view carries some validity 7) <u>Field Independent</u> – Companies that building spiritual capital are field independent. They are true to their own values and vision 8) <u>Constant Reflection</u> – Companies that build spiritual capital raise fundamental Why questions. They reflect on why they have chosen their goals 9) <u>Willing Spontaneity</u> – Companies that build spiritual capital are always ready to be spontaneous. They don't get locked into paradigms, assumptions, or set agendas 10) <u>Resiliency</u> – Companies that build spiritual capital seek a positive response to adversity 11) <u>Humility</u> – Companies rich in spiritual capital maintain a deep humility. Spiritual capital accrues from doing the right thing, so it doesn't seek praise or unjust reward 12) <u>Vocational Calling</u> – Companies high in spiritual capital have a sense of vocation. They feel called upon to share their wealth in meeting the wider needs of community, humanity, and life itself. They are grateful for any contribution they can make |
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Along these lines, Amish enterprises shun public electricity sources, computers, and manufacturing technologies that substitute for the work of the hands. Kraybill and Nolt note that:

The divine injunction to Adam to till the ground from which he came provides a religious mandate for farming. The Amish believe that the Bible instructs them to earn their living by the sweat of their brow. Tilling the soil induces sacramental meaning, for it ushers them into the presence of God (1995: 25).

Another critical measure of success in any Amish undertaking is the degree to which the endeavor is consistent with Amish tradition. Amish enterprises, therefore, are most successful when they reflect a simplicity that shuns gratuitous innovation in favor of a virtuous constancy.

While constancy was for centuries assured by Amish ties to the land and farming processes, land costs and scarcity have forced the community to seek spiritual constancy in business organizations. Now, even if there is not enough farming land to go around, Amish entrepreneurs and workers can at least ensure constancy through their structures, work practices, and the fact that their small enterprises tie them to the local, geographic community.

Finally, Amish firms are successful to the extent that they promote and ensure the gentleness of all members of the community. One of the most critical elements of Amish life is found in the concept of *Gelassenheit*, or a humble submission to the judgment and good of the community. This is ensured through a gentle spirit, and this meekness is evident in Amish enterprises, fostering an air of cooperation and selflessness. Speaking of the forces that limit the size and growth of Amish enterprises, Kraybill and Nolt observe that,

...the most important limit to growth is not measured by physical or financial size. The most important moral boundary is the owner's attitude. In the Amish context, a haughty disposition reveals a sinful and rebellious spirit" (1995: 147).

Success in the Amish enterprise is, thus, based on universally understood financial and survival

measures, but also on measures defined by the community and the spiritual nature of Amish life.

Amish Spiritual Capital – The case of the Amish is only slightly different from other, non-Amish organizations. Just as do other firms, Amish enterprises must have all sorts of capital to be successful. They must have financial capital, although their sources tend to be more internal (e.g. family, personal savings, Amish loans, etc.; however, external commercial loans are not unheard of) and their uses are frugal and conservative. They must employ plant and equipment, although they tend to shun modern or fancy gadgetry. Their facilities would best be described as Spartan. Amish enterprises use human capital, although they are mostly family employees whose education does not extend beyond the eighth grade (by Amish rules). Amish intellectual capital emanates from their need for ingenuity. Given the traditional and community-based constraints that Amish entrepreneurs face, they solve problems in as simple a manner as possible, often leading to the creative use of other resources, such as time, materials, and people. The Amish are perhaps strongest in social capital, both in terms of the network of Amish people who can support the enterprise and the reputation that the Amish carry throughout the marketplace (Kraybill and Nolt, 1995).

Not surprisingly, it is in the area of spiritual capital that we find the Amish to be most enlightening. Based on Martinez et al. (2009), we have defined spiritual capital as assets, both tangible and intangible, that emanate from the spirit of an organization's employees, staff and volunteers, and that impact the spiritual condition of all organizational participants (internal and external). Like most organizations that are under-girded by strong community foundations, Amish enterprises exhibit evidence of each of the elements of spiritual capital. First, with regard to spiritual sensitivity, the context in which these organizations exist is one immersed in spiritual matters. The enterprises exist to serve spiritual as well as other purposes, and the nurturing community ensures that participants in Amish enterprises are always aware of the role that they – and the organization itself – play in the spiritual life of the community. Second, spiritual leadership is

well-established in these firms, according to the community's *ordnung*, or general rules for living in the community. Both inside and outside the enterprises, Amish workers and managers are guided by the *ordnung* in behavior and decision-making, while still retaining a great amount of autonomy. Organizational leadership according to the principles of the *ordnung* ensures that organizational actors are well cared for, are trained and allowed to develop according to a system of apprenticeship, and are able to experience the whole of organizational life, regardless of position in the enterprise.

Third, Amish enterprises are strong in the element of spiritual survival. Because of the prevalence of community in Amish life, workers in Amish enterprises know that they are not alone, and the daily struggles of life – which are not masked in the simple Amish life – are not faced alone. Employees are encouraged by example and tradition to put family issues ahead of work issues, and Amish workers never fear for a meal or clothing or housing. Such peace of mind frees Amish workers to focus on the joy of the tasks at hand within the enterprise. Fourth with regard to spiritual outreach, the Amish certainly tend to their own flock regarding spiritual matters. However, this is not an outwardly prevalent aspect of Amish enterprise. And the Amish certainly do not engage in overt spiritual outreach to outsiders, although their very nature is to serve. Such service is the more subtle form of spiritual outreach with which the Amish are comfortable. Rather, Amish life is so pervaded by spiritually-based community that overt outreach is not necessary. Finally, Amish enterprises are filled with workers, managers and owners (typically they are owner-managed) for whom spiritual motivation is the prime motivation. The Amish place great value on helping others – for its own sake, not for the sake of establishing a reputation of high customer service. Further, for those in Amish enterprises, their vocational work is a part of the process of redemption. As a result, these organizations are filled with highly spiritually motivated people.

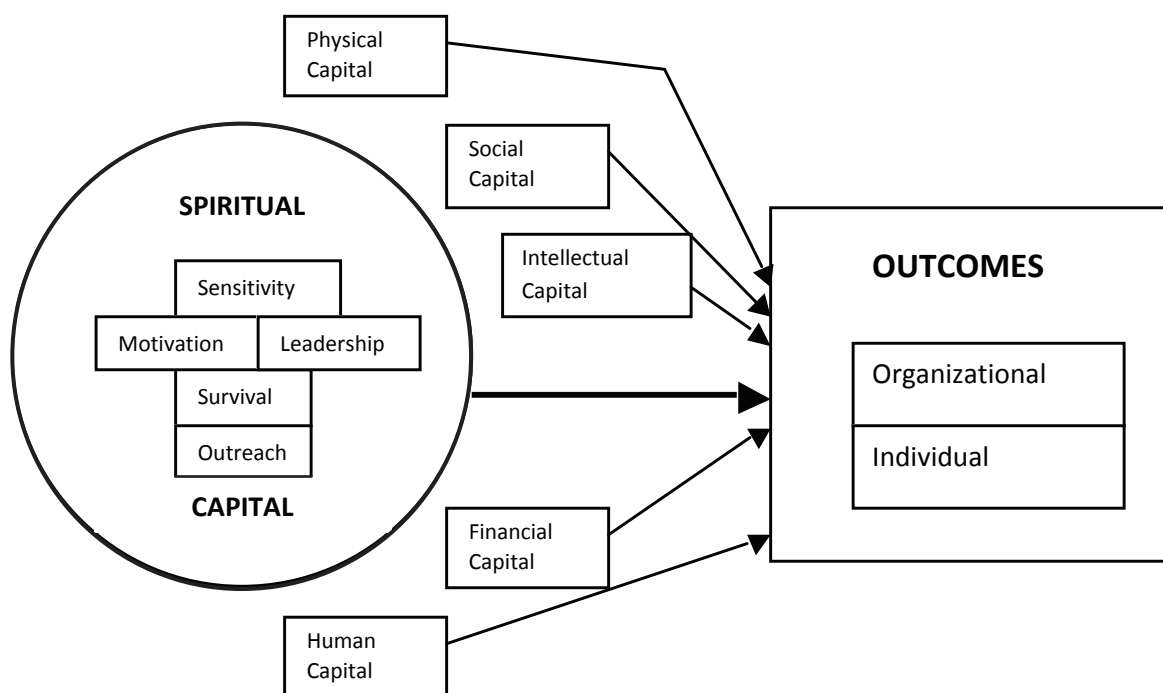
While it is clear that Amish enterprises are high in spiritual capital, and that they are highly successful enterprises by any standard, we have made herein assertions about the relationships

between spiritual capital and organizational and individual outcomes. Our paper is not an empirical one, and we must leave it for future studies to determine such causality more definitively. However, we believe that we have made a strong case for the value of spiritual capital, and for the cost of its absence in modern organizations. Not all firms are Amish. Not all firms are religious. Not all are communitarian, and not all are non-profits. But all firms are filled with humans, and as all humans are intensely spiritual beings, we believe that all enterprises are likely to benefit in material and non-material ways from the development of spiritual capital.

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FIGURE 1
ELEMENTS OF SPIRITUAL CAPITAL IN ORGANIZATIONS
(FROM MARTINEZ ET AL., 2009)



¹ It should be noted that, while constancy and structure can in many scenarios retard innovation and entrepreneurship, the Amish are particularly well-known for their entrepreneurial efforts and for a sense of ingenuity. Given the technological constraints they impose on themselves, their ingenuity is aimed at increasing quality of life, not at discovering new sources of profit.