



Design Organizational Health and Organizational Performance through the Workplace Spirituality, Adaptive Innovation Capabilities and Involvement HRM Practices: An Indonesia Cased Study

Ikhwan H. S.^{1*}, Ditiya Himawati¹, Joko Utomo¹, Etyca Rizky Yanti²

¹Gunadarma University, Depok, Indonesia, ²Binawan University, Jakarta, Indonesia. *Email: ikhwan.faturiah@gmail.com

Received: 15 January 2024

Accepted: 09 May 2024

DOI: <https://doi.org/10.32479/irmm.15871>

ABSTRACT

The financing companies in Indonesia experienced negative performance growth due to debt restructuring of debtors affected by COVID-19 which disrupted organizational health. Many companies are closed due to loss of integrity, credibility, and public trust and do not show good and prudent practices in financial management. Low innovation capabilities and human resource management are also the main problems that cause companies to not be able to operate sustainably. The purpose of this study is to examine the effect of Workplace Spirituality (WPS), Adaptive Innovation Capabilities (AIC) and Involvement HRM Practices (HRM-P) on organizational performance (OP) mediated by organizational health (OH). This study uses primary data collected through a survey using a questionnaire distributed to managers in 150 finance companies operating in Indonesia using a convenience sampling method for 6 months. The questionnaire underwent validation and reliability assessment through factor analysis and internal consistency analysis using Cronbach's Alpha. Data examination involved assessing the relationship between research variables via bivariate correlation. Additionally, the relationship model, encompassing both direct and mediation models, underwent testing using Structural Equation Modeling (SEM) with the SmartPLS 3.0 software. The results of testing the five variables show that the correlation between the variables studied is significant and quite strong. This shows that workplace spirituality, adaptive innovation capability, Involvement HRM Practices, and Organization Health are related to Organization Performance. Furthermore, the organizational health variable is proven to mediate the relationship between the three variables on organizational performance. The conclusion of this study are limited to the finance company sector, perhaps further research needs to be developed on non-financial companies which opens up the possibility of further research and its practical and theoretical implications can be studied further. Research gaps as a basis for future research directions are still scarce and needed.

Keywords: Workplace Spirituality, Adaptive Innovation Capabilities, Involvement HRM Practices, Organizational Performance and Organizational Health

JEL Classifications: M30, M12, M15, L84, L25

1. INTRODUCTION

Finance companies have contributed to Indonesia's economic growth by channeling financing to debtors with an outstanding value of financing receivables of IDR. 405.95 trillion by the end of 2022 to the productive sector. To improve performance in a sustainable manner requires organizational health. Mc Kensey's

study states organizations that improve their health will achieve significant performance improvements and more than 800 companies worldwide, the top total profits for shareholders are generated by healthy organizations. (McKinsey & Company, 2023)'s organizational health index (OHI) is a comprehensive assessment of organizational effectiveness and management performance based on an organization-wide survey (Rob Hoehn, 2020).

Research on organizational health with a management approach was conducted by (Ak et al., 2022) In the research of (Alashkar and Al-Kasasbeh, 2022) Analyzing how organizational well-being, assessed through factors like communication effectiveness, trust levels, team cohesion, goal alignment, and innovation, significantly influences employee productivity. Healthy organizations will also create innovation and creativity, This insight stems from the findings of the study conducted by (Khodavirdizadeh et al., 2022) the results of testing with path analysis show that all healthy organizational strategies, except for community behavior patterns, have a positive and significant effect on organizational innovation. Conceptually organizational health researched by (Canto et al., 2020) states that healthy organizations can systematically develop, plan and take joint responsibility for workplace quality of life programs, health promotion and coexistence to achieve a positive impact on organizational effectiveness. (Gaspar et al., 2021) The study delves into the economic and financial aspects of organizational health, assessing their impact on both professional satisfaction and patient satisfaction. It acknowledges the influence of various internal and external factors within the organizational framework, including those concerning the well-being and quality of life of professionals.

The main problem of concern in this study is that many finance companies in Indonesia have experienced bankruptcy because they do not reflect good corporate governance. The potential fraud occurs, one of which is the weak character of honesty, compliance, morality and integrity of the spirituality of the company's human resources. Fraudulent practices that damage corporations and customers are a serious problem today, there is no institution or corporate institution that is completely free from the possibility of fraudulent practices. Fraudulent practices that occur originate from corruption, abuse of organizational assets and financial reporting fraud. Other problems in financing companies are weak competitiveness, increased credit risk, changing service expectations, and limited innovation with the development trend of digital technology and HR recruitment patterns that are not fully meritocratic. This issue is substantiated by the ACFE 2022 report, which reveals fraud statistics across different industries. According to the report, the banking and financial services sector experiences the highest number of fraud cases, accounting for 22.30% of all cases, totaling 351 instances, making it the industry group with the highest percentage of fraud cases. In the same study, ACFE reported that the parties most harmed by fraud in the financial and banking industry were 41.4%.

Financing companies in Indonesia are decreasing after the COVID-19 pandemic that hit all countries in ASEAN from 223 companies at the end of 2022, to 209 companies reduced by 14 companies. The problem is the restructuring of debtors affected by COVID-19 with a total outstanding principal of Rp. 150.43 trillion, this condition has an impact on organizational health and company performance. There is a surge in non-performing financing, integrity, credibility, trust, lack of innovation capabilities and good practices in HR management are the main problems that cause finance companies to be unable to operate sustainably. The result is a crisis of trust that causes unhealthy organizational management that supports the company's performance.

Research Gap A study conducted by (Parthasarathy et al., 2021) found a positive effect of product innovation capability of a health organization on the successful implementation of EMR. Numerous other studies corroborate these findings, indicating that the ability to innovate positively impacts sustainable organizational performance. Moreover, these investigations propose that innovation acts as an intermediary in the correlation between entrepreneurial capability and sustainable organizational performance (Somwethee et al., 2023).

In a study conducted by Dejoy et al. (2010) concluded that there is a significant relationship between organizational health and employee participation and empowerment, where processes that allow employees to freely participate and play a positive role in job satisfaction and organizational commitment. According to Keller and Price, (2011) found that organizations that identify and manage their health are able to show an increase in both internal health and performance more than 3 times compared to those that do not pay attention to their health. Theoretically it has been tested by (Mushref and Al-jabiri, 2016) that there is a relationship between organizational health and strategic performance vaguely. Research on organizational health with a management approach was conducted by (Ak et al., 2022) examining the relationship between organizational health and demographic aspects through a management approach. Furthermore, research by (Mohammadisadr et al., 2012) states that there is a relationship between the performance of interpersonal managers, information and decision-making tasks with organizational health.

Organizational health is also associated with human resource management practices as expressed by (Kanan, L, 2017) clearly states the conceptualization of a healthy organization emphasizes certain aspects of both economic and human resources. Organizational health represents the health of workers and on a broad dimension as a work organization. The results of a qualitative study conducted by (Singh and Jha, 2018) state that a healthy organization is very important for long-term organizational sustainability. A healthy organizational climate and culture can improve organizational performance and in a healthy organization employees experience less stress and feel more empowered. Healthy organizations are related to the development of HR practices adopted by individuals, groups in the organization, creating conditions that improve the health of the employee's work environment in addition, the development of talent and skills of employees will contribute to organizational health (Fabio, 2017).

An interesting review written by (Mhatre and Mehta, 2023) The scarcity of qualitative studies utilizing phenomenological, ethnographic, and mixed methods approaches, coupled with the absence of experimental research, to uncover the diverse dimensions of workplace spirituality, along with the deficiency in workplace spirituality research adopting a mesospiritual approach to bolster inclusion and diversity in organizations, has spurred numerous new investigations. These studies seek to delve into the connection between workplace spirituality and mental well-being, alongside innovative behaviors, thereby shedding light on the comprehensive nature of workplace spirituality. Despite the plethora of studies and extensive research conducted over

the past decade, the concept of workplace spirituality (WPS) remains undefined and displays overlapping dimensions. It represents a multidimensional concept that encompasses personal, psychological, and social aspects, solidifying its prominence within the domain of organizational behavior (Singh and Singh, 2022). However, this study emphasizes on developing a new model framework of measuring workplace spirituality on organizational health to improve organizational performance with a quantitative approach that has not been studied by many other researchers.

From some previous research results discussing organizational health, organizational performance, spirituality in the workplace, HRM practices. The position of this research is to analyze theoretical gaps, empirical gaps and methodological gaps. This study also conducted in-depth interviews with financial managers to reveal the practice of spirituality in the workplace which was not done in many previous studies. The deepening of this research uses adaptive innovation capabilities variables that are not discussed in previous studies. This research develops organizational health variables determined by The workplace spirituality, adaptive innovation capabilities and involvement HRM practices so as to improve organizational performance.

2. LITERATURE REVIEW

2.1. Organization Health

(Hannan and Freeman 1977). Organizational health is the ability of an organization to take advantage of its ecological niche (a unique domain of environmental resources to support organizational survival) by enhancing relevant competencies and expertise. (McKinsey and Company, 2023)'s organizational health index (OHI) is a comprehensive assessment of organizational effectiveness and management performance based on an organization-wide survey (Rob Hoehn, 2020). According to (Keller and Price, 2011) found that organizations that identify and manage their health are able to show an increase in both internal health and performance more than 3 times compared to those that do not pay attention to their health.

2.2. Organizational Performance

The definition of performance according to (Bartoli and Blatrix 2015), is a measure of an organization's achievements through things such as evaluation, trials, efficiency, effectiveness, and quality. As posited by (Richard et al., 2009), Organizational performance encapsulates three distinct domains of firm outcomes: Financial performance, encompassing metrics like profits, return on assets, return on investment, among others; Product market performance, involving sales, market share, and similar metrics; and Shareholder return, which includes total shareholder return, economic value-added, and associated indicators.

2.3. Workplace Spirituality

(Fry and Matherly 2006) explains that, the value of organizational spirituality involves work motivation and inspiration through transcendent vision along with altruistic cultural values to produce a more motivated, committed, and productive workforce. (Giacalone and Jurkiewicz, 2003) explain that Spiritual labor represents a framework of organizational principles that can be

discerned through a culture that fosters employees' encounters with transcendence.

2.4. Adaptive Innovation Capabilities

The research conducted by (Camisón and Villar-López 2014) corroborated that organizational innovation plays a role in bolstering technological innovation capabilities. Furthermore, it indicated that both organizational innovation and technological capabilities related to products and processes can lead to improved company performance.

2.5. Involvement HRM Practices

The definition of involvement of human resource practices in organizations is recruiting through internal sources and recruiting through external sources (Dessler, 2015). Then, selecting, consisting of having knowledge that matches the job position and having education that matches the job position (Hitt and Black (2012). Furthermore, training and development, consisting of improving specific skills and abilities, and improving new skills and abilities.

2.6. Research Hypothesis and Theoretical Framework

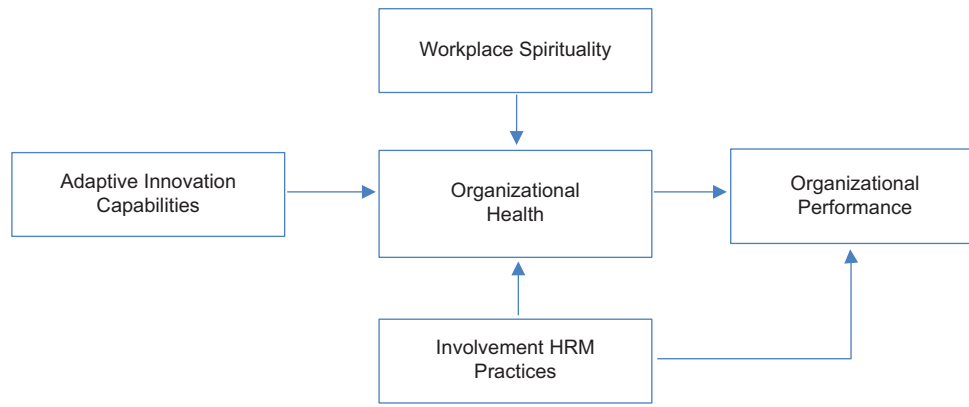
Based on previous research, we propose a research conceptual framework that measures how the influence of workplace spirituality (WPS), adaptive innovation capabilities (AIC) and involvement HRM practices (HRM-P) on organizational performance (OP) and then organizational health (OH) becomes a mediating variable. The development of the model in this study is described as follows in Figure 1.

Several previous studies explain that workplace spirituality (WPS) is positively related to organizational performance (OOP). Empirically and theoretically from model testing conducted by (Rathee and Rajain, 2020); (Sharmaa and Singh, 2021) that organizations that instill the value of spirituality in the workplace can improve quality, productivity, and profitability, effective organizations. The research results of (Jayakumar and Vinodkumar, 2023). (Dubey et al., 2022); (Garg and Saini, 2023); (Saxena and Prasad, 2023) unveiled that every dimension of workplace spirituality exerts a favorable influence on job satisfaction and Organizational Citizenship Behavior (OCB) among managerial personnel (Kasinathan and Rajee, 2023) Workplace spirituality (WPS) serves as an intermediary in the relationship between organizational factors and organizational performance.

H1: Workplace spirituality (WPS) is positively related to organizational performance (OP).

Other scholarly investigations have suggested that the generation of value directly impacts organizational performance, and a direct correlation exists between adaptive capacity and organizational performance, as observed by (Yusuf, 2023). This discovery is consistent with investigations conducted by (Hurtado-Palomino et al., 2022); (Kang et al., 2022); (Rinsky-Halivni et al., 2022); (Zhang, 2021) all of which emphasize the significant impact of adaptive capacity on organizational performance. Moreover, (Somwethee et al., 2023) have underscored the connection between innovation capabilities and the enduring performance of

Figure 1: Research Framework



organizations, highlighting how innovation capability positively impacts sustainable organizational performance.

H2: Adaptive innovation capabilities (AIC) is positively related to organizational performance (OP).

The same research findings suggest that human resource management (HRM) practices directly influence organizational performance and also have a mediated impact through the organizational change process (Rotea et al., 2023); Furthermore, (Hung, 2022). delves into the involvement of HRM practices in enhancing organizational performance, while (Kutieshat and Farmanesh, 2022) reveal a notable positive relationship between Non-HRM practices and innovation performance. Additionally, (Nana and Misra, 2019); (Abu-Mahfouz et al., 2023) demonstrate that specific HRM practices affect organizational performance through their influence on employee competencies. Furthermore, (Tayco, 2022); (Daniwal et al., 2022). establish a significant and direct correlation between HRM practices and organizational performance (Safwan et al., 2023).

H3: Involvement HRM Practices (HRM-P) is positively related to organizational performance (OP).

The results of the study (Farmahini Farahani, 2023); (Tlemissov et al., 2021) revealed that to improve the quality of life of professional nurses by strengthening the value of spirituality in the workplace such as; alignment of organizational values, a sense of community. (Gulhar et al., 2023); (Nurali, 2021) and (Mohd Ali et al., 2022) Workplace spirituality support positively influence person-organization fit and increase the effectiveness organizational.

H4: Workplace spirituality (WPS) is positively related to organizational health (OH).

Technological advances will offer opportunities for organizations to develop new effective tools to reduce employee burnout due to work stress that disrupts organizational health including organizational assets, human resources, knowledge management models, business strategies, and investments (Sanchez-Segura et al., 2023); (Parthasarathy et al., 2021); (Ozsoy, 2022). Empirical evidence demonstrates that knowledge sharing processes serve as

positive mediators in the connection between high-involvement human resource management (HRM) practices and innovation capabilities (Cao et al., 2022) an observation supported by studies such as (Asnany et al., 2022); (Hewko, 2022); (Cadeddu et al., 2023). Knowledge or information exhibits a significant impact on workplace spirituality, encompassing attributes like punctuality, honesty, compassion, and meaningful work, albeit to varying degrees (Evwierhurhoma and Eketu, 2022). Workplace spirituality also exerts a beneficial influence on performance within higher education, with job satisfaction serving as a mediator in the relationship between workplace spirituality and performance (Nurhasan et al., 2023). Additionally, a qualitative inquiry conducted by (Yee et al., 2021) elucidated a direct correlation between spiritual well-being and work performance, emphasizing the appropriateness of incorporating spiritual inclinations within organizational settings.

H5: Adaptive innovation capabilities (AIC) is positively related to organizational health (OH).

The findings indicated a beneficial effect of electronic human resource management (EHRM) practices on organizational health. As a result, (AlHamad et al., 2022). recommend that managers and corporate decision-makers consider investing in human resource systems based on these results (Chillakuri and Vanka, 2022). Propose HRM interventions aimed at implementing sustainable HRM practices, which mitigate the adverse impacts of work and enhance organizational health. Additionally, (Le and Le, 2023) suggest that a strong engagement in high HRM practices can spur both incremental and radical innovation, along with fostering knowledge-sharing practices, thereby sustaining organizational health in the face of turbulent market competition.

H6: Involvement HRM practices (HRM-P) is positively associated with organizational health (OH).

(Alashkar and Al-Kasasbeh, 2022) found that organizational health, assessed through dimensions like communication, trust, cohesiveness, targeting, and creativity, significantly influences employee performance. Another study explored the effects of organizational health and safety on employee performance in the context of sustainable development. The results revealed that favorable organizational health and a supportive safety

environment promote positive attitudes toward work, whereas unfavorable conditions lead to negative attitudes that impact organizational performance (Okechukwu et al., 2021).

H7: Organizational health (OH) is positively related to organizational performance (OP).

3. METHODS

Questionnaires were administered to managers from 150 finance companies located in major cities across Indonesia. The sample was selected using a convenience sampling method over a period of 6 months. The Workplace Spirituality variable comprised 14 questionnaire items, while the Adaptive Innovation Capability variable consisted of 8 questionnaire items. Furthermore, the Involvement HRM Practices variable comprised 8 questionnaire items, and the organizational health (OH) variable utilized 8 questionnaire items. The Organizational Performance variable was constructed from 10 questionnaire items. Validity and reliability of the questionnaire were assessed through factor analysis and internal consistency using Cronbach’s Alpha, following the guidelines outlined by (Sekaran and Bougie, 2013). Data analysis involved examining the relationship between research variables through bivariate correlation. Additionally, the relationship model, which included both direct and mediation models, underwent testing using Structural Equation Modeling (SEM) with the Smart PLS 3.0 program.

4. RESULTS AND DISCUSSION

4.1. Assessment of the Measurement Model (outer model)

The validation test outcomes indicated that the 14 questionnaire items pertaining to Workplace Spirituality (WS) were deemed valid, displaying loading factors ranging from 0.709 to 0.795. Similarly, the 8 question items for the Adaptive Innovation

Capability (AIC) variable were found to be valid, with loading factors ranging from 0.622 to 0.793. The Involvement HRM Practices variable also yielded 8 statements deemed valid, showing loading factors between 0.727 and 0.809. Furthermore, the validity of the 8 Organizational Health (OH) questionnaire items was verified, exhibiting loading factors spanning from 0.627 to 0.799, while the 10 Organization Performance (OP) questionnaire items similarly exhibited validity, displaying loading factors between 0.605 and 0.889.

Reliability testing revealed Cronbach’s Alpha coefficients of 0.802 for Workplace Spirituality, 0.732 for Adaptive Innovation Capability, 0.771 for Involvement HRM Practices, 0.820 for Organizational Health (OH) variables, and 0.758 for Organization Performance (OP). These coefficients exceeded the threshold of 0.6 as recommended by (Zikmund, 2010). Before delving into the assessment of how Workplace Spirituality, Adaptive Innovation Capability, Involvement HRM Practices, and Organizational Health affect Organization Performance, it is imperative to evaluate the correlation between these research variables.

Table 1 The analysis indicates that all five variables examined exhibit high reliability, surpassing the threshold of 0.70 as recommended by (Zikmund, 2010). The averages for each variable range from moderate to high, with Workplace Spirituality averaging at 4.26, adaptive innovation capability at 4.09, involvement HRM practices at 4.26, organizational health at 4.01, and organization performance at 4.15. Furthermore, the correlation among the studied variables is both significant and notably robust. These findings underscore the interconnections of Workplace Spirituality, Adaptive Innovation Capability, Involvement HRM Practices, and Organizational Health with Organization Performance.

The results of testing the mediation model using SEM are presented in Table 2.

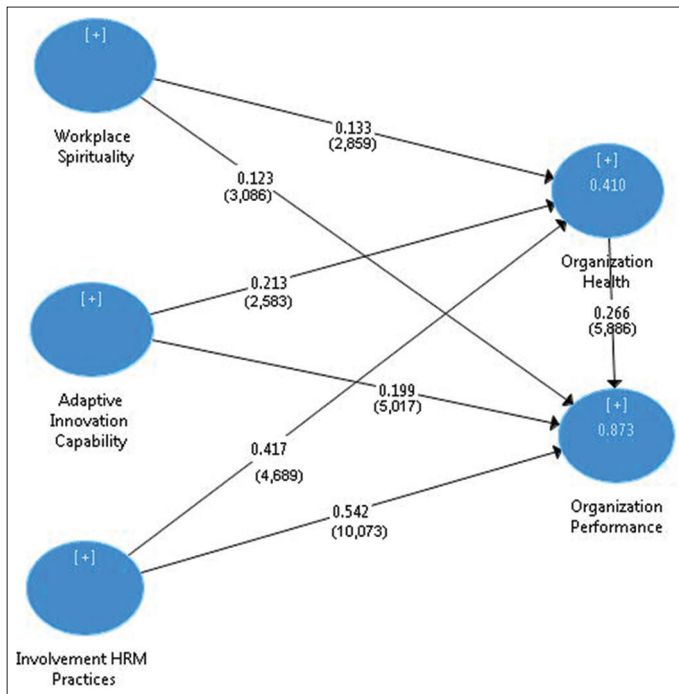
Table 1: Results of descriptive analysis and correlation between variables

Variable	Cronbach alpha	Mean	WS	AIC	IP	OH	OP
Workplace _spirituality	0.801	4.26	1	0.375**	0.295**	0.398**	0.546**
Adaptive innovation _capability	0.732	4.09	0.375**	1	0.350**	0.480**	0.654**
Involvement of HRM _practices	0.771	4.26	0.295**	0.350**	1	0.426**	0.639**
Organization HEALTH	0.820	4.01	0.398**	0.480**	0.426**	1	0.729**
Organization performance	0.758	4.15	0.546**	0.654**	0.639**	0.729**	1

Table 2: Value of path coefficients

	Beta	T Statistics	P-values
Workplace _spirituality -> organization health	0.133	2.859	0.004
Adaptive innovation _capability -> organization health	0.213	2.583	0.010
Involvement HRM _practices -> organization health	0.417	4.689	0.000
Workplace _spirituality -> organization performance	0.123	3.086	0.002
Adaptive innovation _capability -> organization performance	0.199	5.017	0.000
Involvement HRM _practices -> organization performance	0.542	10.073	0.000
Organization health -> organization performance	0.266	5.886	0.000
Specific indirect effects	Original Sample (O)	T Statistics ((O/STDEV))	P-Values
Adaptive Innovation _Capability -> Organization Health -> Organization Performance	0.057	2.239	0.026
Involvement HRM _Practices -> Organization Health -> Organization Performance	0.111	3.873	0.000
Workplace _Spirituality -> Organization Health -> Organization Performance	0.035	2.780	0.006

Figure 2: Model Structure



Based on the results of calculations with Smart PLS 3.0, the following research model image is obtained in Figure 2.

5. DISCUSSION

5.1. The Influence of Workplace Spirituality on Organization Health

The results of this study are in accordance with the proposed hypothesis that workplace spirituality affects organizational health in finance companies in Indonesia. The findings of this study support the results of previous research conducted by Ikhwan et al., (2017), and (Nurali, 2021), (Tlemissov et al., 2021), (Gulhar et al., 2023), (Mohd Ali et al., 2022), (Farmahini Farahani, 2023). Workplace spirituality refers to the integration of spiritual values and principles in the work environment, which involves the recognition of the spiritual dimension in employees' lives and organizational culture. The influence of workplace spirituality on organizational health is significant.

5.2. Effect of Adaptive Innovation Capability on Organization Health

The results showed that adaptive innovation capability affects organizational health in finance companies in Indonesia. This finding supports the results of research conducted by (Hewko, 2022), (Parthasarathy et al., 2021), (Ozsoy, 2022), (Cao et al., 2022), (Asnany et al., 2022), (Sanchez-Segura et al., 2023), (Cadeddu et al., 2023), and (Evwierhurhoma and Eketu, 2022). adaptive innovation capability is the ability of organizations to respond to change with creativity and flexibility, and integrate innovation into their operations. The influence of adaptive innovation capability on organizations is very important in dealing with market dynamics and a changing business environment. Organizations with adaptive innovation capabilities tend to be better able to anticipate changes and adapt quickly.

5.3. Effect of Involvement HRM Practices on Organization Health

The results of testing the third hypothesis show that Involvement HRM Practices affect organizational health in finance companies in Indonesia. This finding is in line with the results of research by Ikhwan, et al., (2017), (Fabio, 2017), (AlHamad et al., 2022), (Chillakuri and Vanka 2022), (Le and Le, 2023). Involvement HRM practices have a significant impact on overall organizational health. These practices include employee participation in decision-making, collaborative work teams, training and development opportunities, and an inclusive work culture. The influence of these practices on organizational health is strong as they give employees a sense of belonging, empower them to contribute, and create an environment that supports growth.

5.4. The Effect of Workplace Spirituality on Organization Performance

The influence of workplace spirituality on organizational performance is very important. The results of hypothesis testing show that workplace spirituality has a positive effect on organizational performance. The results of this study support the findings of (Rathee and Rajain, 2020), (Dubey et al., 2022), (Saxena and Prasad, 2023), (Kasinathan and Rajee, 2023), (Garg and Saini, 2023) and (Jayakumar and Vinodkumar, 2023). The integration of spiritual values in the work environment can have a significant positive impact on various aspects of organizational performance. When spiritual values such as empathy, ethics, shared purpose and work-life balance are embedded in the organizational culture, it can create a more harmonious, meaningful and motivated work atmosphere.

5.5. Effect of Adaptive Innovation Capability on Organization Performance

In an era marked by rapid change in business dynamics, the impact of adaptive innovation capability on organizational performance holds significant importance. The findings of the study substantiate the proposed hypothesis that adaptive innovation capability influences organization performance. This finding is in line with (Ngatno and Dewi, 2019), (Hurtado-Palomino et al., 2022); (Kang et al., 2022); (Rinsky-Halivni et al., 2022); (Zhang, 2021), (Somwethee et al., 2023), (Yusuf, 2023). Adaptive Innovation Capability allows organizations to respond to market, technology, and environmental changes with creativity and flexibility. Organizations that have this capability can more quickly identify new opportunities, develop innovative solutions, and adapt their business strategies as needed.

5.6. Effect of Involvement HRM Practices on Organization Performance

The effect of Involvement HRM Practices on organizational performance is substantial. This study has proven the proposed hypothesis, this finding is in line with research by (Otoo, 2020), (Kutieshat and Farmanesh, 2022), (Hung, 2022), (Tayco, 2022), (Rotea et al., 2023), and (Safwan et al., 2023). When organizations implement these practices, such as employee participation in decision-making, training and development opportunities, and an inclusive work culture, it can create a significant positive impact on various aspects of organizational performance.

5.7. Effect of Organization Health on Organization Performance

The effect of organizational health on organizational performance is very important and interrelated. The results of this study are in line with the findings by (Yee et al., 2021), (Taher et al., 2021), (Alashkar and Al-Kasasbeh, 2022), (Nurhasan et al., 2023). Organizational health includes factors such as positive work culture, effective communication, management support, employee well-being, and adaptability to change. When organizations maintain good health, it creates an environment that supports high productivity, creativity, and greater employee engagement.

6. CONCLUSION

The results of empirical research show that workplace spirituality, adaptive innovation ability and HRM Practice Involvement are proven to affect organizational health and organizational performance. This finding also explains that the organizational health variable is proven to be a variable that mediates the effect of workplace spirituality, Adaptive innovation ability and HRM practice involvement on organizational performance. The findings of this study have filled the gap of previous research that by testing the Adaptive Innovation Capabilities variable, it has a positive and significant effect on organizational health and organizational performance.

There are several limitations in this study, the cross-sectional research design, sample, and measurement influenced the results of this study. First, this study adopted a cross-sectional design at one point in time. This design has weaknesses in explaining the causal relationship between variables, so it is recommended that future studies use a longitudinal design. Secondly, the respondents of this study are limited to professional managers in financial companies in Indonesia, so the results cannot represent the performance of the company as a whole. Future studies can be conducted by adding or expanding the research analysis unit. Finally, this research can be developed by adding variables that play a role in improving company performance in Indonesia.

REFERENCES

- Abu-Mahfouz, S., Halim, M.S.A., Bahkia, A.S., Alias, N., Tambi, A.M. (2023), Sustainable human resource management practices in organizational performance: The mediating impacts of knowledge management and work engagement. *Journal of Entrepreneurship Management and Innovation*, 9, 57-97.
- Ak, M., Uysal, H.T., Yilmaz, F. (2022), Organizational health with management approach: A scale development study. *Pacific Business Review (International)*, 7(14), 118-133.
- Alashkar, A., Al-Kasasbeh, M. (2022), The effect of organizational health on the employee performance in the extractive industries. *Management Science Letters*, 12(4), 229-236.
- AlHamad, A., Alshurideh, M., Alomari, K., Kurdi, B., Alzoubi, H., Hamouche, S., Al-Hawary, S. (2022), The effect of electronic human resources management on organizational health of telecommunications companies in Jordan. *International Journal of Data and Network Science*, 6(2), 429-438.
- Aparecida Kanan. (2017), *Entre lo Disciplinar y lo Profesional*. Programa Editorial.
- Asnany, M., Mallongi, A., Pasinring, S.A. (2022), Organizational innovation culture model for improving health material service performance in police hospitals: A literature review. *Journal of Positive School Psychology*, 6, 336-358.
- Bartoli, A., Blatrix, C. (2015), *Management Dans Les Organisations Publiques*. 4^e éd. Dunod: Défis et Logiques D'action.
- Cadeddu, S.B.M., Dare, L.O., Denis, J.L. (2023), Employee-driven innovation in health organizations: Insights from a scoping review. *International Journal of Health Policy and Management*, 12, 6734.
- Camisón, C., Villar-López, A. (2014), Organizational innovation as an enabler of technological innovation capabilities and firm performance. *Journal of Business Research*, 67(1), 2891-2902.
- Canto, T.C., Solis, V.C., Tun, R.R. (2020), Healthy organization: The importance of its conceptualization. *International Journal of Arts and Social Science*, 3(1), 1-6.
- Cao, T.T., Le, P.B., Nguyen, N.T.M. (2022), Impacts of high-involvement HRM practices on organizational innovation capability: The mediating mechanism of tacit and explicit knowledge sharing. *International Journal of Innovation Science*, 14(5), 733-749.
- Chillakuri, B., Vanka, S. (2022), Understanding the effects of perceived organizational support and high-performance work systems on health harm through sustainable HRM lens: A moderated mediated examination. *Employee Relations: The International Journal*, 44(3), 629-649.
- Daniwal, Y., Dirhamsyah, Pratama, I. (2022), The impact of the human resource practices on the organizational performance: Does ethical climate matter. *Journal of Positive School Psychology*, 6(2), 3067-3082.
- Dejoy, D., Wilson, M., Vandenberg, R., McGrath-Higgins, A., Griffin-Blake, C. (2010), Assessing the impact of healthy work organization intervention. *Journal of Occupational and Organizational Psychology*, 88(1), 139-165.
- Dessler, G. (2015), *Manajemen Sumber Daya Manusia*. Jakarta: Salemba Empat.
- Dubey, P., Pathak, A.K., Sahu, K.K. (2022), Analysing workplace spirituality as a mediator in the link between job satisfaction and organisational citizenship behaviour. *Management Matters*, 19(2), 109-128.
- Evwierhurhoma, E.D., Eketu, C.A. (2022), Knowledge/information work systems and workplace spirituality in Ministries of Culture and Tourism in South States of Nigeria. *Academic Scholars Publishing League (ASPL) International Journal of Management Sciences IS*, 9(3), 74-93.
- Fabio, A.D. (2017), Positive healthy organizations: Promoting well-being, meaningfulness, and sustainability in organizations. *Frontiers in Psychology*, 8(14), 1938.
- Farmahini Farahani, M., Jaber, K., Purfarzad, Z. (2023), Workplace spirituality, compassion satisfaction, burnout, and secondary traumatic stress: A cross-sectional study in Iranian nurses. *Perspectives in Psychiatric Care*, 2023, 7685791.
- Fry, L.W., Matherly, L.L. (2006), *Spiritual Leadership and Organizational Performance*. In: Paper Presented at the Academy of Management, Atlanta, Georgia.
- Garg, N., Saini, D. (2023), Workplace spirituality to cultivate innovative work behaviour: The moderating role of perceived working conditions. *International Journal of Sociology and Social Policy*, 44, 22-42.
- Gaspar, T., Correia, M.F., Torres, I. (2021), Perception of management and public health experts about organizational, professionals and patients related factors that influence the performance in health organizations. *Procedia Computer Science*, 181, 166-172.
- Giacalone, R.A., Jurkiewicz, C.L. (2003), *Handbook of Workplace Spirituality and Organizational Performance*. United States: M.E. Sharpe.

- Gulhar, S., Singh, A., Agarwal, P. (2023). Analyzing the effects of eco-spirituality on organizational commitment and employee engagement among female academics in higher education. *EAI Endorsed Transactions on E-Learning*, 8(2), e2.
- Hannan, M.T., Freeman, J. (1977), The population ecology of organizations. *American Journal of Sociology*, 82(5), 929-964.
- Hewko, S.J. (2022), Individual-level factors are significantly more predictive of employee innovativeness than job-specific or organization-level factors: Results from a quantitative study of health professionals. *Health Services Insights*, 15, 1-15.
- Hitt, M.A., Black, J.S. (2012), In: og Porter, L.W., editor. *Management* (3th ed.). Upper Saddle River, NJ: Pearson Prentice Hall.
- Hung, N.T. (2022), Impact of human resource management practice on organizational performance: The case of food processing enterprises in Vietnam. In: *Leadership-Advancing Great Leaders and Leadership*. London: IntechOpen.
- Hurtado-Palomino, A., De la Gala-Velásquez, B., Ccorisapra-Quintana, J. (2022), The interactive effect of innovation capability and potential absorptive capacity on innovation performance. *Journal of Innovation and Knowledge*, 7(4), 100259.
- Ikhwan, S., Noermijati, A., Rahayu, M. (2017), An Indonesia Case study examines the link between workplace spiritual values, learning orientation, human resources practices, and organisational health. *International Review of Management and Marketing*, 7(3), 17-24.
- Jayakumar, V., Vinodkumar, M.N. (2023), The mediating role of workplace spirituality between personal attributes and job performances of Indian bus drivers. *Journal of Organizational Change Management*, 36, 452-471.
- Kang, Y., Zhao, C., Battisti, M. (2022), Organizational learning in SMEs' internationalization: A moderated mediating effect of absorptive capacity. *Long Range Planning*, 55(4), 102220.
- Kasinathan, S., Rajee, M. (2023), The mediating role of workplace spirituality between organisational factors and organizational performance. *Journal of Pharmaceutical Negative Results*, 13(7), 4130-4142.
- Keller, S., Price, C. (2011), Organizational health: The ultimate competitive advantage. *McKinsey Quarterly*, 2(6), 94-107.
- Khodavirdizadeh, G., Jafar Beikzad, J., Emari, H., Beighzadeh, Y. (2022), Healthy organization strategies in order to promote organizational innovation. *Innovation Management in Defensive Organizations*, 5(4), 191-224.
- Kutieshat, R., Farmanesh, P. (2022), The impact of new human resource management practices on innovation performance during the COVID 19 crisis: A new perception on enhancing the educational sector. *Sustainability*, 14(5), 2872.
- Le, T.T., Le, P.B. (2023), High-involvement HRM practices stimulate incremental and radical innovation: The roles of knowledge sharing and market turbulence. *Journal of Open Innovation: Technology, Market, and Complexity*, 9(1), 100006.
- McKinsey & Company. (2023), Organizational Health Index. Available from: <https://www.mckinney.com/solutions/orgsolutions/overview/organizational-health-index>
- Mhatre, S.G., Mehta, N.K. (2023), A review of workplace spirituality: Identifying present development and future research agenda. *Management Research Review*, 46, 1185-1206.
- Mohammadisadr, M., Siadat, S., Arbabisarjou, A. (2012), Relationship between managers' performance and organizational health. *International Education Studies*, 5(3), 228-234.
- Mohd Ali, H., Shohib, M.W., Ibrahim, M.B. (2022), Islamic workplace spirituality influence on organizational effectiveness of Indonesian States' Islamic Higher Education Institutions. *Equity in Education and Society*, 1(1), 142-162.
- Mushref, A.M., Al-Jabiri, L.S. (2016), Empirical framework of the relationship between organizational health and strategic performance. *Net Journal of Social Sciences*, 5(1), 1-8.
- Nana, F., Misra, M. (2019), Human resource management (HRM) practices and organizational performance: The mediating role of employee competencies. *European Journal of Training and Development*, 42(7/8), 435-454.
- Ngatno, Dewi, R.S. (2019), The role of adaptive ability in firm performance: Moderating effect of firm size and age. *Asian Economic and Finance Review*, 9(7), 807-823.
- Nurali, N. (2021), Peran kesesuaian orang-organisasi dalam memediasi pengaruh spiritualitas tempat kerja dan persepsi dukungan organisasi terhadap perilaku kerja inovatif. *JMD: Jurnal Riset Manajemen and Bisnis Dewantara*, 4(2), 111-124.
- Nurhasan, R., Suwatno, S., Ahman, E., Saepuloh, A., Suhaebah, L. (2023), How is the performance of private university lecturers regarding scientific publications? The perspective of workplace spirituality and job satisfaction in Garut Regency. *Knowledge E, Transdisciplinary Symposium on Business, Economics, and Communication, by the Universitas Dian Nusantara*. Yogyakarta, 552-564.
- Okechukwu, K.O., Eteng, M.J., Anochiwa, L.I., Njemanze, V., Agbanike, T.F., Eyisi, E., Agha, E., Chukwu, J., Igu, N.C.N. (2021), Organizational health/safety and employees' performance for sustainable development. *Webology*, 18(1), 1011-1017.
- Otoo, F.N.K. (2020), Measuring the impact of human resource management (HRM) practices on pharmaceutical industry's effectiveness: the mediating role of employee competencies. *Employee Relations: The International Journal*, 42(6), 1353-1380.
- Ozsoy, T. (2022), The effect of innovative organizational climate on employee job satisfaction. *Marketing i Menedžment Inovacij*, 2, 9-16.
- Parthasarathy, R., Garfield, M., Rangarajan, A., Kern, J.L. (2021), The case of organizational innovation capability and health information technology implementation success: As you sow, so you reap? *International Journal of Healthcare Information Systems and Informatics (IJHISI)*, 16(4), 1-27.
- Rathee, R., Rajain, P. (2020), Workplace spirituality: A comparative study of various models. *Jindal Journal of Business Research*, 9(1), 27-40.
- Richard, P.J., Devinney, T.M., Yip, G.S., Johnson, G. (2009), Measuring organizational performance: Towards methodological best practice. *Journal of Management*, 35(3), 718-804.
- Rinsky-Halivni, L., Hovav, B., Christiani, D.C., Brammli-Greenberg, S. (2022), Aging workforce with reduced work capacity: From organizational challenges to successful accommodations sustaining productivity and well-being. *Social Science and Medicine*, 312, 115369.
- Rob Hoehn. (2020), How McKinney's Organizational Health Index Relates to Innovation. Available from: <https://innovationmanagement.se>
- Rotea, C.C., Ploscaru, A.N., Bocean, C.G., Vărzaru, A.A., Mangra, M.G., Mangra, G.I. (2023), The link between HRM practices and performance in healthcare: The mediating role of the organizational change process. *Healthcare*, 11(9), 1236.
- Safwan, N.S.Z., Ahmad, M.F., Abdullah, M.S. (2023), The effect of HRM practices on organizational performance: A survey of Malaysian state sports councils' employees. *Information Management and Business Review*, 15(2 (I)), 47-53.
- Sanchez-Segura, M.I., Dugarte-Peña, G.L., Medina-Dominguez, F., Amescua Seco, A., Menchen Viso, R. (2023), Digital transformation in organizational health and safety to mitigate Burnout Syndrome. *Frontiers in Public Health*, 11, 1080620.
- Saxena, A., Prasad, A. (2023), Exploring the influence of dimensions of workplace spirituality on innovative work behaviour: Role of sense of God. *International Journal of Ethics and Systems*, 39(2), 183-212.
- Sekaran, U., Bougie, R. (2013), Research methods for business. In:

- A Skill-Building Approach. 7th ed. Chichester: Wiley. p237-266.
- Sharmaa, N., Singh, R.K. (2021), Workplace spirituality and organizational effectiveness: Exploration of relationship and moderators. *Journal of Management, Spirituality and Religion*, 18(1), 15-34.
- Singh, A., Jha, S. (2018), Scale development of organizational health construct. *Global Business Review*, 19(2), 357-375.
- Singh, R.K., Singh, S. (2022), Spirituality in the workplace: A systematic review. *Management Decision*, 60(5), 1296-1325.
- Somwethee, P., Aujirapongpan, S., Ru-Zhue, J. (2023), The influence of entrepreneurial capability and innovation capability on sustainable organization performance: Evidence of community enterprise in Thailand. *Journal of Open Innovation: Technology, Market, and Complexity*, 9(2), 100082.
- Taher, M.H., Muhsen, N.A., Hameed, L.M. (2021), Organizational health between theory and practice field research in the General Company for Petroleum Products. *International Journal of Human Rights in Healthcare*. <https://doi.org/10.1108/IJHRH-10-2021-0184>
- Tayco, R.O. (2022), Human resource management practices and organizational outcomes in the accommodation facilities in central philippines. *Journal of Business on Hospitality and Tourism*, 8(1), 18-39.
- Tlemissov, U., Anichkina, O., Popovich, A., Kozhuhov, N., Terekhova, A., Sepiashvili, E., Koryagina, I., Tikhomirov, E., Morozova, E. (2021), The relationship between workplace spirituality and organisational health in an Islamic context. *HTS Teologiese Studies/Theological Studies*, 77(1), 6653.
- Yee, J.K.L., Smith, J., Robinson, S. (2021), Spiritual well-being and work performance among ground-level employees: Unravelling the connection. *Pertanika Journal of Social Sciences and Humanities*, 29(3), 1671-1691.
- Yusuf, F.A. (2023), Effect of value creation and adaptive capacity to transformation, with organizational performance as an intervening variable. *Journal of Management Information and Decision Science*, 26(2), 1-18.
- Zhang, F. (2021), Evaluating public organization performance under extreme weather events: Does organizational adaptive capacity matter? *Journal of Environmental Management*, 296, 113388.
- Zikmund, W. (2010), *Business Research Method*. 8th ed. Canada: Cengage Learning.