

# Chapter 2

## Spiritual Leadership: Implications for Managerial Action

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**Abstract** The study explores the main practical implications for decision-making and managerial action in organizations that adopted spiritual leadership or that are willing to follow such an approach. Spiritual leadership is a relatively innovative concept, defined as that type of leadership that aims to “create vision and value congruence across the individual, empowered team, and organization levels and, ultimately, foster higher levels of both organizational commitment and productivity” (The Leadership Quarterly 16:835–863). Our study will first review the theoretical contributions to the spiritual leadership research agenda and then will assess its development and limitations. The critical evaluation of the specialized literature will contribute to the underlining of the main implications in terms of managerial behavior; will highlight the criteria spiritual leaders use for decision-making; and, more generally, will explore how the adoption of a spiritual leadership approach influences managerial action in organizations.

**Keywords** Spiritual leadership • Managerial behavior • Decision-making

### 2.1 Introduction

The present study explores the main practical implications for decision-making and managerial action in organizations that adopted spiritual leadership or are willing to have such an approach. It will first review the theoretical contributions to the spiritual leadership research agenda and then will assess its development and limitations. The emergence of spirituality in the organizational context challenges the traditional approaches to science formed in the twentieth century.

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The practical value of studying spirituality for twenty-first-century managers is related to their increased need to better understand the behavior of the human resources in a broader, spiritual, and moral context, in order to further increase business competitiveness.

## 2.2 Literature Review

The rapid development of the spiritual leadership research agenda shows that the topic “has the potential to emerge as a powerful and courageous innovative management paradigm for the twenty-first century” (Crossman 2010: 604). Spirituality at work means, according to some researchers, an alternative to religion, particularly in the USA, where there is a relatively strong discussion on the topic (Kent Rhodes 2006). For other researchers, however, it is a means of harmonization. For example, for Hicks (2003: 115), workplace spirituality is about accepting and committing to a particular way of thinking about oneself, about the meaning of work, and about the workplace or the organization and finding a balance.

The topic is relatively new in the arena of organizational behavior and it is related to the inclusion in this field of the broader concept of spirituality. The inclusion of spirituality in the organizational behavior, leadership, and management is explained by various factors in literature, such as an ever-growing and generalized dissatisfaction with increasing materialism (Hoppe 2005) or growing wage inequality, the reengineering processes, downsizing, and workers’ demoralization (Ashmos and Duchon 2000: 134–135). Ciulla (2000) points out that one of the most terrifying and depressing stories in the news for the majority of Americans in the mid-1990s was about the “best companies.” These decided to downsize and were paying off a great number of employees not because of an economic depression but because they decided to “do more with less” in order to be competitive in a globalized marketplace. Another factor that is usually considered important is the growing need of companies to use their workers’ creativity more, in the conditions of an increased competition. In this context, starting with the 1980s, organizations started to attach more importance to the role that emotions, moral, ethical values, and subjectivity play in making business and managerial decisions. Since the 1980s, spirituality issues attracted researchers to the field of organizational behavior, especially due to its novelty and to its challenging nature.

One important article in the field of spiritual leadership was the article of Mitroff and Denton (1999): *A Study of Spirituality in the Workplace*.

Fry (2003) defines spiritual leadership (2003: 694) as “comprising the values, attitudes, and behaviors that are necessary to motivate intrinsically one’s self and others so that they have a sense of spiritual survival through calling and membership.” Fry proposes a model based on intrinsic motivation, religious and ethical values, building it around three concepts: hope/faith, vision/mission, and altruistic love. Later on, Fry et al. (2005) refined his definition, considering that spiritual leadership has the objective to “create vision and value congruence across individuals, empowered teams, and organization levels and, ultimately, foster higher levels of both organizational commitment and productivity” (Fry et al. 2005: 183). Sanders

et al. (2003: 40–41) define spiritual leadership as the extent to which organizations encourage and engage a sense of meaning and interconnectedness among their employees in both peer and hierarchical arrangements. Moore and Casper (2006: 110) see it as an internal value, belief, attitude, or emotion, attaching to it a strong humanistic dimension. Frye et al. (2007: 247) define it as a relational process aiming at constructing, coordinating, and transforming self, others, and the organization. Hackett and Wang (2012: 880) describe spiritual leadership through attributes such as honesty, integrity, caring, compassion, humility, sensitivity, fortitude, temperance, love, and faith. Nicolae et al. (2013) engage in a review of the literature of spiritual leadership and define it as that line of leadership based on moral, ethical, and religious values, embodied in the organizational culture and aimed at accomplishing both social and business ends, such as improving working conditions, decision-making processes, and motivation.

Empirical tests and objective measures of spiritual leadership were also developed. We use the literature review of Nicolae et al. (2013) to underline some of these, as follows. According to MacDonald (2011: 195), there are well over 100 tests of spirituality and related constructs, like spiritual well-being, spiritual transcendence, or self-transcendence. Moore and Casper (2006: 110) propose three theoretical constructs measuring workplace spirituality: perceived organizational support, affective organizational commitment, and instinct job satisfaction. Another example of a measurement instrument is Beazley's Spirituality Assessment Scale (Beazley 1998: 157). Other examples include Sanders et al. (2005) that use the "Organizational Spirituality Assessment scale" and the "Organizational Leadership Assessment" developed by Laub in 1999. Kass et al. (1991) developed a measurement instrument, called "INSPIRIT." It was designed to assess personal conviction of God's existence and the perception of a highly internalized relationship between God and the person. Ashmos and Duchon (2000) created the "Inner Life Scale," using a 7-point Likert-type scale, including statements about spirituality. Another measurement instrument is the "Virtuous Leadership Scale," developed by Sarros and Barker in 2003. It incorporates the seven attributes of humility, courage, humor, passion, and wisdom, integrity and compassion, manifested in servant leadership and forming the base of moral leadership.

### 2.3 Implications for Managerial Decision-Making and Action

If the research agenda in the field is refining the paradigm of spiritual leadership, the implications for managerial decision-making and action are also important. Spiritual leaders act on different premises and follow different criteria when establishing the policies of their companies. Spiritual organizations are different also in the drivers of their vision, missions, motivations, practices of stimulating effort or operational management, but also in the perception of the individual and the group.

First, spiritual managers act on *different premises*. One difference in the premises of managerial decision-making is the critical evaluation of rationality as the pillar of human action. The traditional leadership models were mainly based on the

Cartesian–Newtonian principles and the rationalist philosophies of Descartes. Those approaches to leadership have followed a rationalist perspective in order to discover universal “leadership” characteristics (Ford and Lawler 2007). In consequence, the main purpose was to demystify successful practices of leadership and to replicate them in companies or academic programs. Unfortunately, those endeavors are more consistent with early approaches to management, in their search for rationality, certainty, and predictability (Ford and Lawler 2007: 409). However, those directions have many times proven to be unsuccessful in front of the uncertainty and turbulence in which the twenty-first-century organization develops its activity. Spiritual leaders replace full rationality with bounded rationality and spirituality, as important explicative factors of organizational behavior. Thus, uncertainty and the acceptance of nonrationality are two important working premises that spiritual leaders base their decisions on.

Other distinctive feature of spiritual leaders is that they are willing to motivate human resources by *intrinsic rewards*. Thus, human resource policies aim to create inspiration, intrinsic motivation, and spiritual values. Decisions on human-resource motivational policies are based on discovering the employees’ calling and on identifying the meaning of the actions to be run by the leader and the followers. In what concerns stimulating the effort, spiritual leaders aim to foster efforts by underlining the conviction, trust, and the importance of a task for business performance, while traditional motivation policies rely more on the stimulation of intelligence, rationality, and problem-solving (Boorum 2009).

Another difference in the spiritual managerial and business actions is that *the spiritual leader will try to balance social and business ends*, profit raising, and altruistic love. Spiritual leadership is differentiated by its aim of accomplishing both social and business ends, together with altruistic love, membership, and calling. Especially membership, altruistic love, and calling are concepts exclusively characteristic of spiritual leadership. They represent more than the sum of moral, ethical, and religious values embodied in the organizational culture. These values justify the simultaneous application of rational determinants and of moral, ethical, and religious beliefs in business decision-making, transforming spiritual leadership into a unique managing style.

If it is common for organizations to emphasize the importance of individualized consideration, to foster personal attention and to treat employees as individuals, spiritual leaders have a different approach to the issue of the individual versus group membership. They consider the group to be the nucleus of the organization, fostering membership; despite this, there is also emphasis put on the appreciation of individual employees (Boorum 2009).

Spirituality at work is a double way concept, in which values, personal characteristics, and interests are manageable simultaneously with the endeavor for profit raising. Spiritual leaders are also focused on *improving workers’ creativity*, which has become an imperative in today’s crowded business arena with its discourse of the knowledge and creative economy. In fact, due to the strong emphasis on boosting creativity, – spiritual leaders respond to an important human need: for work to be meaningful.

*The values of spiritual leaders*, or at least those to which these leaders theoretically adhere, are compassion and caring, courage, generosity, questioning, service, stillness, peace, and thankfulness (Crossman 2010). The emphasis on moral values

**Table 2.1** Differences between transactional, transformational, servant, and spiritual leadership attributes

Transactional leadership attributes	Transformational leadership attributes	Servant leadership attributes	Spiritual leadership attributes
Leader–follower exchanges	Inspiration	Service to others	Social ends
Contingent reward	Intellectual stimulation	Principled	Business ends
Management by exception	Influence	Stewardship	Altruistic love
	Intrinsic motivation	Spiritual values and beliefs	Membership
	Consideration		Calling

Source: After Northouse (1997: 134–135), *apud* Beazley and Gemmill (2006: 259) and the authors’ contribution

is extremely important in spiritual leadership, as compared to traditional leadership approaches, in which moral values do not constitute, by any means, guiding criteria for business action. The most salient characteristic of this type of leadership is that managerial behavior is justified by the simultaneous application of rational determinants and moral, ethical, and religious beliefs. This view challenges traditional theories of organizational behavior and managerial decision-making, by proposing a spiritual, nonrational dimension in organizational processes. In addition, this approach to values allows spiritual leaders to follow not only business ends, but also social ones, enabling leaders to have wider aims in their actions.

In order to better understand the distinctiveness of spiritual leaders, we draw a comparison between different types of leadership, based on Northouse (1997: 134–135, cited in Beazley and Gemmill 2006: 259). Northouse (1997) conducts a comparison between the transactional, transformational, and servant leadership attributes. To this comparison, we added the most prominent spiritual leadership characteristics, in order to elaborate a better picture of the characteristics of the attributes of spiritual leadership. The results are presented in Table 2.1.

Table 2.1 positions spiritual leadership as an evolutionary leadership style which aims at balancing the social and business ends, profit raising, and altruistic love, in quest of a spiritual significance to the complex problems today’s organizations face in society. In this quest, the leader himself or herself is spiritually dedicated and involved in organization’s management.

In Romania, as in the other ex-communist countries, leadership and managerial culture is still recovering from more than 50 years of communism. During the transition period, new businesses have emerged in Romania in spite of the “formal” political and economic institutional limitations. The general perception, however, of both practitioners and researchers is that theory and practice are still underdeveloped as far as leadership is concerned. The field of general research in leadership in Romania is still trying to catch up with the international literature; unfortunately, it does so mainly only with the Anglo-Saxon one. Another aim of research is creating a bridge between the newest international conversations on the topic and the generally mainstream, classical theories of the field. This explains why discussions and research on spiritual leadership in business organizations are, to the best knowledge of the authors, almost nonexistent in the Romanian public sphere (Nicolae 2011).

## 2.4 Conclusions

Based on the issues formulated above, we could draw the profile of the spiritual leader by stating that the coordinates of his/her behavior should be related to social ends and the importance of calling, extrinsic motivation, and group membership. This profile clearly has to be improved by further research that should also extend and detail the implications of spiritual leadership on managerial action. However, this profile represents only a starting point for further research and discussion.

Nicolae et al. (2013) were the first authors investigating issues on spiritual leadership and the promoters of a Romanian research agenda. In practice, only a few companies seem to be aware of the impact leadership has, in general, on the organizational efficiency. In this context, spiritual leadership is probably a misunderstood concept for the Romanian companies or even a taboo since it is not discussed and clarified in the business contexts. Romanian business organizations are still in the era of the professionalization of their management and leadership.

On the other hand, new adequate paradigmatic approaches for the conceptualization and measurement of spiritual leaders should be developed, in order to prevent research from reaching trivial results (Fornaciari and Dean 2001) and to improve business practice and decision-making. In any case, practitioners should prevent a negative application of spiritual leadership, as for example derived from the approach to spirituality as a managerial tool for manipulating public perception or employees' behavior for achieving profits (Crossman 2010; Fornaciari and Dean 2001). There are no studies in the literature that analyze the potential negative side effects of workplace spirituality, such as "divisiveness, discrimination, misuse, and superficiality," also possible sources of organizational conflicts (Crossman 2010; Fornaciari and Dean 2001); this should also be a possible line of research in spiritual leadership.

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