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# Developing the Service Orientation for Spiritual Capital: Leadership Capacity for Bridging Sectors

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#### **ABSTRACT**

This paper explores the development of an individual service orientation leading to the growth of spiritual capital at the organization level. A well-developed service orientation comprises a key competency for successful and ethical leadership in a multi-sector context. The paper begins with an examination of the nature of service, proposing a model of service in order to more clearly note the relationships between service, ethics, and leadership. It subsequently examines the development of a service orientation in individuals, utilizing concepts from cognitive science to explain the construction of this disposition. After noting the direct links to ethics and leadership at the individual level, including parallels to Servant-Leadership and Transformational leadership, the paper explicates the synergistic possibilities of individual service orientations combining to produce spiritual capital in organizations.

#### Introduction

Organizations, and the individuals who lead them, continue to wrestle with questionable behavior that at the least adversely affects the success of the organization and at worst leads to criminal indictment and/or bankruptcy. It has been 30 years since Robert Greenleaf explicitly linked service to organizational success, and far longer since the world's major religions have asserted the "golden rule". While it is understandable that there will be a broad range of individual ethical behavior, this range can be significantly narrowed by the context within which individuals work and live. Culture, social norms, and codified rules of conduct, have all played a role in constructing the common sense of what is and is not appropriate activity. In fact, these implicit influences are so deeply imbedded that any decision ceases to exist – this is the way things are done around here, period. Likewise, organizations create a culture that forms and informs how individuals conceptualize the appropriateness of different activities.

This paper explores the development of a specific capacity at both the individual and organizational level, namely the development of an individual service orientation leading to the growth of spiritual capital at the organization level. A well-developed service orientation comprises a key competency for successful and ethical leadership in a multi-sector context.

Service is an incredibly complex concept, ranging in meaning from quality customer service to serving one's country to emulating the service modeled by one's spiritual or religious ideals. This paper begins with an examination of the nature of service, proposing a model of service in order to more clearly note the relationships between service, ethics, and leadership. We then examine the development of a service orientation in individuals, utilizing concepts from cognitive science to explain the construction of this disposition. After noting the direct links to ethics and leadership at the individual level, including parallels to Servant-Leadership and Transformational leadership, the paper explicates the synergistic possibilities of individual service orientations combining to produce spiritual capital in organizations.

Spiritual capital has been broadly defined as, "The effects of spiritual and religious practices, beliefs, networks and institutions that have a measurable impact on individuals, communities and societies." (Metanexus Spiritual Capital Research Program website) This definition, while an important foundation, requires distinction, alignment, and integration with the more established concepts of human, social, and cultural capital. Further, the moral and ethical dimensions of the larger concept are not sufficiently captured under this broad definition. This paper posits a more specific conceptualization of spiritual capital, providing a base from which to discuss implications and applications for leadership across sectors and relative to globalization.

#### The nature and development of service

We take the next number from the machine and stare at the electronic display behind the counter. As we await the arrival of our number, the words, "now serving" frame the orderliness of our expectations. Will the service be executed "with a smile"? Will it exceed our expectations as customers, clients, citizens? Will the service, in the words of Robert Greenleaf, leave us wiser,

freer, more likely to serve? And, if the service proves to be no more than a routine transaction when our turn arrives, with what impression will we depart?

The concept of service and web of intentions and interactions it comprises vary greatly in both scope and depth. At the most cursory level, service is *a transaction with credibility*, i.e., doing that which one promised to do, explicitly or implicitly. In the market context, service as transaction is elaborated to result in greater commitment (e.g., buy more, believe longer, tell others, etc.). As this transaction conceptualization of service is institutionalized; that is, integrated into organizational systems, service becomes a facet of organizational culture – the way we do things around here. While this far more complex idea of service may take the guise of an ethic of care, it remains a transaction-enhancing construct.

Service takes on ethical dimensions in care-oriented contexts — counseling, non-profit organizations with social missions, health care, emergency services, and religious institutions. In these contexts, service remains transactional, but adds an altruistic and empathetic dimension. Individuals in these roles generally consider their "work" that of serving others, meeting individual's particular (and invariably human) needs within the context of their role or mission of their organization.

Beyond the idea of service as transaction, service has been ubiquitous in individual's efforts to craft a more transcendent meaning to life. All religious denominations, for example, exhort participants to serve a higher being, their inner self, their future manifestation, the earth, etc. More important, religions emphasize service to others as a tenet of identifying with their worldview. Although in some sense there is a transaction (serve more, gain heaven), the nature of service is more broadly applied to an entire existence – this approach ultimately seeks individuals who serve because it is *who they are* (versus what they do). This level of internalized service can also be seen in political affiliations (Libertarians serve the pursuit of freedom), ethnic identification (Jewish tradition of tikkun olam), and nationalism (serving my country).

Across this range of service internalization, from transaction to identity, lie a variety of ends to which service strives. Table 1 (see end of the paper) lists a number of these distinctions. As one reads the various ends, some *feel* more service-oriented than others. And, in fact, that intuitive feeling is shared by others around the world. Despite the myriad cultures, norms, political ideologies, and religions around the world, House and Javidan's (2004) GLOBE project found a common set of leadership characteristics that include obviously service-oriented elements (e.g., trustworthy, just, honest, dependable – and this does not include those characteristics that imply service conceptions such as win-win problem solver, encouraging, and team builder). Indeed, the "golden rule" exists in one form or another in every major religion. Service entails a significant ethical dimension, which at essence lies the willingness and capability of focusing and acting to benefit something other than self, i.e., transcending one's ego.

Closely related to the ends of service, and directly related to ethical discussions, is the means dimension of service. The Servant-Leader, according to Greenleaf (1991) as elaborated by Larry Spears (2000), displays characteristics that are equally concerned with the application of service as with the ends toward which service strives. These characteristics include: listening, empathy, healing, awareness, persuasion, conceptualization, foresight, stewardship, commitment to the

growth of people, and building community. However, the spirit of deep service goes beyond the "helping" perspective. Lasting service approached in a mindful manner is a reciprocal interaction between equals, with the service provider and the service receiver each growing from the experience. Service applied in this manner comprises a full transcendence of ego such that the service-provider engages in a mutual growth activity, rather than a charitable act that serves their sense of altruism, and thus ego. Quite often in real-world application leaders embrace service activities of any sort, however sustainable service requires the intrinsic motivation of reciprocal personal growth.

Figure 1 displays the three dimensions of service explained thus far: (a) degree of internalization – from transaction to identity, (b) focus of ends – from self/ego to other/transcend ego, and (c) means of service – from one-way to reciprocal interactive. This model serves as a guideline for the definition of service and the subsequent explanation of service orientation leading to spiritual capital.

For this paper, service is defined as belief and action that meets four criteria: (a) mindful choice of context and activity (i.e., mindful of ethics, justice, and multi-perspective efficacy), (b) organization and other-centric, seeking the continuous improvement of others as defined by their needs not the providers, and (c) relational and inclusive, focusing on the facets of service that are uniquely and beneficially human and (d) reciprocity, accepting that service provides growth for both the service provider and service recipient in a dynamic relationship. This definition aligns with the more complex theories of leadership such as Transformational and Servant-Leadership. More importantly, the development of these capacities results in a greater ability to see through the eyes of others. In other words, a fully developed service ethic would significantly increase one's efficacy in working as a public servant within a multi-sector context.

# Developing a service orientation: Constructing habits of mind

This paper defines service orientation as a series of actions emanating from a specific mental disposition, or orientation. In order to fully understand, and thus influence, the development of this disposition, it is necessary to briefly examine the cognitive processes underpinning conceptual development.

Anecdotally, individuals understand that their experience and interaction with the external world shapes their internal conceptualization of the world, i.e., their mental model. Early psychology research focused on associations individuals made between one behavior and the next, assuming that connections were made between the known and new information, and thus building or constructing knowledge bit by bit. While researching these processes were originally limited to observable behavior, cognitive and neuroscience research have been steadily explaining the machinations and development of the "black box" that is the mind and brain.

Mental models are constructed from many sources beyond the observable experience, as is now commonly understood. Less common are the full implications of these constructions, particularly in the context of leading organizations. The reciprocal relationship between experiences and their interpretation, and the reflective capacity of the brain, bring the full

sociocultural milieu into the process. For example, Soviet psychologist Lev Vygotsky theorized that mental constructions begin on the social plane in interactions with others, and are then internalized, subsequently reinforcing or reframing one's conceptualization (Vygotsky, 1986).

Mental models and the processes that regulate their construction are considerable facets of leadership. For example, the conscious-competence learning model (Howell & Fleishman, 1982; although its origins are unclear) has been a key understanding for leaders. This model essentially outlines the development of a given concept across two dimensions (consciousness and competence), particularly focused on the individual's receptivity to different learning stimuli, and thus on what the leader as teacher should focus. Another example of mental models application to leadership lies in decision-making research, where the "traps" in rational decision-making center on how individuals make decisions with faulty mental models or constructed mental processes (see Hammond, Keeney, and Raiffa, 1998, for an excellent summary of decision-making traps).

A mental model implies a static picture. However, the constructive nature of the brain and its representations are both dynamic and multi-faceted. In other words, our mental constructions of the world include patterns of mental behaviors or thought processes. These are often referred to as habits of mind, dispositions, or one's orientation. These dispositions guide how individuals interpret situations, analyze information, and monitor thinking. And, like a habit, the mental processes framed by one's disposition happen without conscious rational thought.

Dispositions define what information is salient, which consequently determines what information becomes part of the conceptualization and what information is left out, overlooked, or deemed irrelevant or incorrect. One's disposition also includes the affective responses relative to the specific situations, which in turn influence levels of motivation. Like mental models, many dispositions have substantial implications for leadership. In fact, a number of leadership theories and approaches, if internalized, could be considered dispositions. For example, Blake and Mouton's (1964) classic Managerial Grid that contrasts a leader whose style emphasizes a concern for people versus one who is focused on the task or achievement. Likewise, McGregor (1960) outlines the contrasting styles of directive versus participative leadership. The mindful leader recognizes the contrasts and applies either as needed, however for many leaders one or the other manifests as a disposition, i.e., a habitual way of approaching leadership situations.

Early work researching habits of mind focused on those habits that related to successful learning. Numerous theorists and practitioners have shown that mental habits such as seeking accuracy and precision, persistence with ambiguous problems, divergent thinking, and even avoiding impulsivity could be taught, and indeed these ideas have been successfully implemented in educational settings (see Marzano & Pickering, 1997, for an excellent overview of these habits in practice). In addition, research on expertise in specific domains also illustrates the foundational guiding role of habits of mind (Resnick, 1987).

If constructing specific habits of mind underpins successful thinking, feeling, and motivation in a given situation or domain, and characterizes expertise. Then, what dispositions define effective leadership? Leadership educators address the surface level of this question as they consider

learning objectives, i.e., what should leaders know, do, or be like? But informing and framing the latter are those underlying habits of mind that successful leaders utilize. More important, a leader's disposition also informs how they acquire and interpret new information and experiences. Thus, since by definition a leader influences others, the nature of a leader's disposition not only creates the explicit conditions for followers, but also provides an implicit model from which others construct their knowledge. This influence is particularly important when considering ethical perception and behavior.

#### Ethics, leadership, and service

Clearly, one of the key contextual factors in the formation of ethics, in both individuals and organizations, is the leader. Northouse (2007) summarizes work on ethical leadership, noting five principles that appear foundational: respects others, builds community, manifests honesty, shows justice, and serves others. Serving something other than self is one of the key ethical characteristics for a leader. More specifically, the leader creates conditions for what behavior is deemed acceptable, what means and ends are appropriate (i.e., "fit" with the organization), and even what facets of a situation are salient. Consequently, leadership educators include ethics in their curriculum and often in their pedagogy. Teaching ethics, however, often build critical thinking skills, rather than a disposition to serve and think ethically.

As leadership thinking has advanced, the ethical dimension of leadership as the end toward which leaders influence others has taken a more prominent role. Max Weber (1947) provided the early contrast between a leader's will to power versus service, and he crossed this dichotomy with two approaches: transactional versus transformational. Bass' (1985, 1990, 1998) and Burn's (1978) conception of Transformational Leadership, especially as contrasted with Transactional Leadership, and later Greenleaf's idea of Servant-Leadership now stand as the dominant thinking on the integration of ethics and leadership. In Transformational Leadership, leaders must focus on charismatically appealing to and meeting the higher order motivational needs (per Maslow) of followers, i.e., helping followers and the organization reach full potential. This includes altering the focus of followers to strongly identify with the organizational goals and importance of their role. Bass and Avolio (1994) identified four specific leadership actions to this end: Idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration. More relevant, however, is Bass' assertion that the interaction between leader and follower be authentic and rooted in the moral character and ethical values of the leader and processes. Further, Burns asserts that Transformational leadership exemplifies a reciprocal and mutual process between leader and follower of "raising one another to higher levels of morality and motivation."

Robert Greenleaf's concept of Servant-Leadership is best captured by his seminal quote: "Do those served grow as persons? Do they, while being served, become healthier, wiser, freer, more autonomous, more likely themselves to become servants? And, what is the effect on the least privileged in society? Will they benefit or at least not be further deprived?" Greenleaf and his many contemporaries have crafted a detailed image of what a fully developed servant-leader knows, does, and is like. As those familiar with Greenleaf's work know, the servant-leader sees the larger, interconnected role of the leader and her organization: economically viable, socially

just, and responsible for advancing the community and world within which the organization operates. Essentially, the success and sustainability of followers, organization, and community comprise an interconnected system salient to the servant-leader. This picture provides the "expert" end of a developmental continuum for a service orientation. However, the concept of service entails many complex considerations and questions for practicing leaders, and the journey to that conceptualization is unclear. As such, examining the developmental emergence of understanding, and the educational experiences that prompt these insights, can inform leadership educators.

Many leadership practitioners and theorists clearly assert the explicit influences the leader wields on followers and organizational processes and policies. For example, Kouzes and Posner (2002) highlight leader activities grouped into five major categories: Model the way, inspire a shared vision, challenge the process, enable others to act, and encourage the heart. While the ethical and service-oriented issues are more clearly seen in these often direct activities between leaders and followers, less considered are those implicit influences that expand the scope and depth to which a leader influences organizational culture. For example, what is and is not on the agenda, choice of language, and how the leader conceptualizes their role and identity as a leader. As Bass comments, "The transactional leaders works within the organizational culture as it exists; the transformational leader changes the organizational culture...(the transformational leader) changes the social warp and woof of reality" (Bass, 1985, p. 24).

There appears to be a significant and important link between leadership as process and ethics as guidelines. The role of service, specifically a service orientation, provides a practical and conceptual bridge between what a leader does and how a leader should go about doing it and to what end. Leadership in the public sector is, by definition, in service to the public. Thus, service must be modulated at both the macro-level, where a variety of stakeholders are considered and collaborated with; as well as the micro-level, where the service of individual leaders in the public sector is dependent on how that leader conceptualizes and actualizes a service orientation.

### Valuing ethics in the organization: Spiritual Capital

Valuing and evaluating ethics at the organizational level takes on rather different implications and ideas than working at the individual level of analysis. At the organizational level, one looks to the whole and the systems to assess efficacy, assuming that individuals contribute to that effort, but are not individually countable. In other words, the cliché applies that the whole is greater than the sum of the parts. And, this is no less true for the ethical dimensions of organizations. The concept of *spiritual capital* comprises one attempt to examine, define, and develop the ethical dimensions of organizations at the organizational level.

Initial efforts to define spiritual capital emerged from scholars working across a variety of related fields, and has thus been broadly defined as, "The effects of spiritual and religious practices, beliefs, networks and institutions that have a measurable impact on individuals, communities and societies." However, Middlebrooks and Noghiu (2007) have recently forwarded a meso-model approach to the concept, asserting an integrative role for spiritual capital between individual and organization. The latter definition will be further explicated later in this paper. The concept of

spiritual capital represents the latest iteration in a series of theories of capital that are striving to account for the full range of "value" present or generated in society. These forms of capital are noted in the chronological order of their development by conceptual emphasis in Table 2 A substantial theoretical and research base supports each of these forms of capital, well beyond the scope of this paper, however a brief summary will help to frame the concept of spiritual capital.

The term capital was introduced in classical economics in which it describes three basic facets of production - physical assets, land, and labor. Subsequently, the concept was extended by Becker's introduction of human capital (Becker, 1976). This non-material form of capital refers to the added value derived from investment in human beings and can take many forms such as enhancing and preserving individuals' skills and capacities through education and health care (Iannaccone & Klick, 2003). Focusing on the macro-level, Bourdieu later theorized an additional form of capital, which he called cultural capital (Bourdieu, 1986). Bourdieu's notion of capital focuses more on the nature of association between individuals rather than the capacities of these individual. Cultural capital describes the value people derive from their belonging to a particular culture thereby expanding the understanding of culture as possessing a value that could be modified (Bourdieu, 1984).

Building on these prior notions of capital, one of the most recent forms of capital to emerge is social capital. Popularized over the past decade by Putnam, this concept builds upon Bourdieu's notion of association (Putnam, 2000). Theorists have asserted numerous definitions of social capital, beginning with the seminal work by Coleman (Coleman, 1988). Essentially, however, social capital comprises "...any facet of social relations that serves to enable members of society to work together and accomplish collective goals" (Smidt, 2003, p. 2). While authors such as Putnam emphasize the communal benefit of social capital as a means for social action, others have pointed to its individual benefits. An interesting aspect of Putnam's description of social capital in relation to our discussion about service orientation and spiritual capital within the context of globalization, is the distinction that he makes between "bridging" and "bonding" capital. According to Putnam, the first occurs between socially homogenous groups and is inward looking and exclusive in nature, while the second occurs in socially heterogeneous groups and is outward looking and inclusive in nature. We shall return to this later.

Social capital, the capital resulting from relations between individuals, set the stage for examining this phenomenon at levels of analysis smaller than society at large, namely the community and the organization. Consequently, another form of capital to emerge is Iannaccone's religious capital (Iannaccone, 1990). Iannaccone defines religious capital as the "...skills and experiences specific to one's religion include[ing] religious knowledge, familiarity with church ritual and doctrine, and friendship with fellow worshippers" that produce religious commodities that people define as valuable and explain religious behavior (Iannaccone, 1990, p. 299) [13]. Interpreted by Verter, religious capital is a personal commodity and can thus be considered a subset of human capital (Verter, 2003). However, religious capital is also closely related to Putnam's definition of social capital as it can only be acquired through membership of specific (religious) networks (e.g., Verter, 2003, Finke, 2003). And, the beliefs and behaviors exhibited by individuals are recapitulated implicitly through the culture of the organization, linking religious capital to cultural capital as well.

A most recent addition to the pantheon of capital comes out of leadership research examining the potential applications of positive psychology on the development of individuals and organizations. Research out of the Gallup Leadership Institute at the University of Nebraska has identified four positive psychological constructs (termed Psychological Capital or Psy Cap): hope, resilience, optimism, and self-efficacy (Luthans, Youssef, & Avolio, 2007). Luthans, et al., define Psy Cap as "...an individual's positive psychological state of development [that] is characterized by: (1) having confidence (self-efficacy) to take on and put in the necessary effort to succeed at challenging tasks; (2) making a positive attribution (optimism) about succeeding now and in the future; (3) persevering toward goals and, when necessary, redirecting paths to goals (hope) in order to succeed; and (4) when beset by problems and adversity, sustaining and bouncing back and even beyond (resilience) to attain success." (p. 3) Interestingly, but not surprisingly, all of the latter capacities comprise individual dispositions, i.e., behavioral manifestations of habits of thinking and perceiving. In addition, this latest addition makes clear the multi-level nature of value in organizations – from individual to societal – and thus the importance of looking at the extent to which constructs successfully bridge across these levels.

The above-described conceptual development of different forms of capital provides an interesting parallel to the varied conceptualizations of leadership (see Table 2). Classic capital is concrete and tangible, much like individual based leadership theories that assert the efficacy of leadership is rooted in what the leader does, knows, or acts like. Human capital, while still focused on the individual, shifts the emphasis from the immediate activities to valuing the leader's capacity, i.e., what could the leader do if needed. Social capital, with its focus on relationships, reflects leadership as a process of working with others, emphasizing the macrolevel attributes and operations of leadership. And, cultural capital, with emphasis on the implicit influences inherent in an organization and stability over time, speaks to the systems-oriented perspective of leadership process.

## Spiritual capital

Spiritual capital has emerged as one of the most recent forms of capital, however it has arrived via three distinct paths: (a) via efforts to bring the individual concept of spiritual intelligence to the organizational level (Zohar & Marshall, 2004), (b) via religious capital as a subset of human and social capital (Iannaccone), and (c) via cultural capital using Bourdieu's forms of the latter (Verter). Each of these three paths offers a different conceptualization of spiritual capital, particularly the level of operationalization.

Strongly focused on the individual level and as an outgrowth of work in spiritual intelligence (SQ), Danah Zohar and Ian Marshall have used the term spiritual capital in a book published under that title. They define spiritual capital as "the amount of spiritual knowledge and expertise available to an individual or a culture", adding that the word "spiritual" refers to "meaning, values and fundamental purposes" (Zohar and Marshall, 2004, p. 27). Rather than focusing on *any* measurable impact on individuals and communities, Zohar and Marshall view spiritual capital as a transformational resource available to a society enmeshed in practices that

are unsustainable and destructive. For them, societal transformation starts at the individual level and it requires spiritual capital.

Rooted in models of religious and social capital, spiritual capital recently also started receiving wider attention as a result of the Templeton Foundation and the Philadelphia based Metanexus Institute, which support a research program on spiritual capital. Since 2003, a group of researchers have engaged in research on the topic from a variety of theoretical and methodological perspectives. It is here where the definition of spiritual capital as "the effects of spiritual and religious practices, beliefs, networks and institutions that have a measurable impact on individuals, communities and societies" originates.

A third approach to spiritual capital is rooted in the cultural capital of Bourdieu. Drawing from Bourdieu's writing on religion, Verter (2003) identifies three forms of spiritual capital aligned to the three forms of cultural capital asserted by Bourdieu: spiritual capital as an embodied state, as an objectified state, and as an institutionalized state. The embodied state applies to the individual; his position, disposition, knowledge, abilities, tastes and credentials in the field of religion. Indeed, Verter points out that Bourdieu asserts the application of cultural capital "...is a matter of disposition, not just acquisition" (Coleman, 1988, p. 152). It is the outcome of education and socialization. The objectified state applies to material and symbolic commodities associated with religion and spirituality such as votive objects, sacred texts as well as theologies and ideologies. The institutionalized state finally refers to organizational structures such as churches, seminaries and other religious organizations that exercise authority over spiritual goods be they material or immaterial. These three states provide one model for recognizing a more complete picture of the individual embedded within the organization and its artifacts.

Since organizational leadership theory also spans the wide spectrum that encompasses and interconnects individual and organizational variables recently we have proposed a reconceptualization of the notion of spiritual capital that speaks more explicitly about the specific characteristics or attributes that transcend and span these multiple levels of analysis. Our model proposes three assertions in an effort to further develop the concept of spiritual capital. First, the model asserts that spiritual capital, at its most fundamental, begins with measurable conceptual change at the individual level of analysis. As such, definitions of spiritual capital should include descriptions of individual dispositions that manifest as (a) belief in something larger than self, (b) a sense of interconnectedness, (c) ethical and moral salience, (d) a call or drive to serve, and (e) the capability to transfer the latter conceptualizations into individual and organizational behaviors, and ultimately added value.

A second assertion of our model is that spiritual capital manifests as successful organizational integration (and in some cases, transdisciplinary application), functioning to bridge development at the individual level to development at the organizational level. Individual development of the dispositions within the definition of spiritual capital facilitates relationships between and among leaders and followers, and culminates in the collective spiritual capital at the organizational level, presumably resulting in policies reflective of the latter. Thus, the characteristics noted above as individual dispositions (a-e) also apply as collective, organizational dispositions.

This role of bridging characteristics leads to a third assertion, namely that effective, sustainable organizational leadership requires the transcendent and transdisciplinary nature of spiritual capital. The idea that effective systems (and systems thinking) underlie successful organizations, while not universally applied, has provided a considerable and significant framework for analyzing the characteristics and development of organizations (Senge, 1990). A systems approach often begins with observable behavior, practices and decision-making. However, a deeper analysis examines systems within and between individuals, vis-à-vis the leaders that influence and craft the vision, toward the end of continuously improving the organization. Spiritual capital may play a role in these deeper systems. In other words, this model views spiritual capital as an intrinsically critical part of effective organizational functioning, rather than one of many optional approaches a leader or organization can opt to embrace.

### Understandings of spirituality and religion in the context of globalization

After decades of bitter attempts to rid organized life of the dogmatism that is often associated with organized religion and spirituality, it is understandable that some might object to a proposal to reintroduce religion and spirituality into organizations. Likewise, one might expect that few organizations are keen on providing a space for spirituality and religion if this means potentially opening themselves to conflicts between employees with different spiritual and religious lifeviews. There is no denying that these are ways in which today's religion and spirituality manifests itself and that this poses problems. However, there are alternative ways in which people experience and practice spirituality and religion, ones that are less conservative and do not necessarily lead to conflicts, ones that can in fact be beneficial to organizations that manage to harness it, and ones that more and more people seem to identify with and long for. And, perhaps, a good deal of these differences can be reconciled with a service orientation. Globalization is playing an important role in this new way of experiencing and practicing service, spirituality, and religion

By exposing and bridging cultures, ideologies, religions, and other differences in spirituality; globalization has fueled many conflicts. On the other hand, the same process has also led to a growing realization of human commonality and interconnectedness. There seems to be a growing understanding that beneath the many differences there are fundamental similarities that unite.

A similar dichotomy can be seen in what is going on today with people's experience of spirituality and religion. In the face of religious and spiritual diversification, there is often a tendency to cling to one's own beliefs and dogmas to the exclusion of others, leading to conflicts. On the contrary, a growing awareness that many of the world's spiritual and religious traditions advocate a set of universal principles, norms and values encourage societal harmony and cooperation.

The present models of service and spiritual capital outlined in this paper emphasizes the form of spiritual and religious experience that transcends specific sectarian beliefs. Instead of the rigid and dogmatic aspects of spirituality and religion our model attempts to harness those universal principles and values capable of responding to the needs of a globalizing community. In our view, qualities such as a belief in something larger that self, a sense of interconnectedness and a

call to serve should be applied with humanity as whole in mind rather than be focused on the interests of a few.

### Implications and applications for organizational leadership

How can the notions of a service orientation and spiritual capital that were introduced help us make sense of the challenges that organizations face in the context of globalization? Globalization has radically changed the way organizations conduct their business. It has also placed new requirements on how leaders manage their organization's activities in this new environment. Physically, globalization means that large organizations manage multiple locations that are often dispersed around the globe while smaller organizations are also impacted by the fact that they have come to rely on partners and workers from abroad.

The more significant aspect of globalization is that it has led to the diversification of organizations' workforce in terms of race, culture, values, etc. While in the past, organizations could rely on cultural homogeneity to provide a set of social and ethical guidelines for their activities, the advent of globalization has meant that organizations must deal with competing cultures and ethical standards and thus become more explicit and proactive about their expectations, norms, and rules of conduct Setting such boundaries and keeping the organization functional in spite of increasing diversity is the task of leaders charged with fulfilling organizational objectives. In order to succeed leaders must seek a delicate balance where their organization is on the one hand sufficiently coherent in mind and action to function effectively while on the other hand it remains sufficiently flexible to operate in a constantly changing environment and safeguards its diversity.

We subscribe to the theories that suggest that if harnessed, diversity could be an asset for modern organizations. For theory to become reality however, organizations must be able to handle issues of diversity and make them work in their advantage. Because of diversity, organizations will not only need a set of objectives to which everyone subscribes, but also and maybe more importantly they need a set of values and principles that are sufficiently universal to bridge their organizational diversity, but which at the same time provide a solid sense of direction and community. This brings us back to our notion of spiritual capital, but also to Putnam's bonding and bridging capital which seems to suggest that in the context of globalization, bridging capital has become an increasingly important form of capital for organizations to posses.

In recent decades organizations have used tools such as mission and vision statements, codes of conduct etc. to define their direction and bring about the desired organizational cohesion. It is well documented however, that more often than not organizations fail in their attempts to achieve these goals. Why is this the case?

One important reason why vision statements often end up on a dusty shelf and codes of conduct prove ineffective is because many organizations simply try to superimpose a new set of behavioral criteria upon their existing structure and culture. Decades of cultural homogeneity has left many organizations unprepared to deal with the demands of a diversifying context and incapable of harnessing the spiritual, bonding and bridging capital that they posses.

Consequently their strategies fail to provide the required behavior guiding and transforming effect that organizations seek.

This in effect points to some of the limitations associated with attempts to bring about common organizational values purely through extrinsic motivation, as has also been recognized and addressed in the literature on transformational and servant leadership. This is why our exploration of service orientation in relation to spiritual capital attempts to gain a deeper understanding of the role intrinsic motivation plays in establishing a common vision and objectives within an organization. Thus our spiritual capital model focuses on the intrinsically transformative energies embedded within religion and spirituality and expressed through acts of service that can result in sustained structural change.

# How spiritual capital benefits modern organizations

While organized religion continues to loose ground with less and less people identifying with a specific religious community and attending churches, mosques, synagogues etc., still about 85% of the worlds population considers itself religious. The implication of this trend is that more and more people are likely to seek to integrate their spiritual and religious experience into other parts of their daily life. The home and the workplace are likely candidates. This will increasingly challenge organization and their leaders to address a growing need.

Unless their mission explicitly stems from a set of religious beliefs (which is prevalent mainly among NGOs), most organization today are apprehensive about incorporating spirituality and religion into the workplace. At best, and only when employees voice a need, organizations take a reactive stance and allow their workers to practice some form of spirituality or religion at work in the form of prayer groups in the morning or something similar. Beyond this point, very few organizations seem to feel that spirituality and religion may somehow benefit them.

Contrary to this reality, the argument in favor of spiritual capital implies that organizations that possess this asset will be more successful in a globalizing environment since the transcendental and transdisciplinary nature of spiritual capital entails an awareness of and connection with the rest of the world and a willingness to be of service to it, in other words a high degree of bridging capital. There are other benefits also, associated with the individual elements in our model of spiritual capital. Take for example the sense of community and interconnectedness as well as loyalty that is common for religious communities. Large organizations often struggle to establish a healthy sense of community among their employees and have to "buy" employees loyalty. Another asset that many religious communities have is a set of intrinsically motivating teaching and guidelines that enhance the moral and ethical salience of members. In contrast, modern organizations often find it extremely challenging to inspire moral and ethical conduct among their employees and frequently need to apply controlling measures. In other words, the qualities associated with religion and spirituality have something to offer to modern organization. The questions however is whether and how organizations can employ people's spirituality and religiosity in a creative way, creating the kind of spiritually sustaining and enriching environment that people seek to be in and thereby fulfilling their own need for dedicated and ethically driven employees while safeguarding their productivity.

### A question of paradigms and orientation

The modern stigma attached to spirituality and religion appears to be one of the important reasons why organizations seldom view spirituality and religion as a form of capital. There are other explanations also. One fundamental reason is the fact that in many cases there is a conflict between organizations' "raison d'etre", why they exists in the first place, and the organizational characteristics that are proposed by the notion of spiritual capital. While this notion emphasizes a transcendental view of work, life and society, most for-profit organizations for example were founded with one purpose in mind, to make money. The tension between the predominantly materialistic bottom line mentality and the mentality that results in spiritual capital is an obvious one.

Leadership is another factor. Today's leaders appear already thinly stretched when it comes to satisfying all their employees and customers needs. The modern manager needs unprecedented people skills to keep his organizations on track, while keeping his employees productive and happy. On top of this, the notion of spiritual capital in a sense implies that leaders will need to go from managing people to ministering them. Today's leaders are already called upon to connect their employees to a larger organizational purpose, a task most find difficult to accomplish. The notion of spiritual capital however takes the challenge a step further, in a sense calling upon leaders to offer their employees salvation by creating the space within their organization for people to connect to the essence of life itself. This, to start with, requires a high degree of spiritual capital in the organization and a well-developed service orientation on the part of the leader, something one does not typically acquire in your average MBA program.

#### Conclusion: Enhancing the development of service and spiritual capital

This paper seeks to propose concrete definitions and bring further clarity to the complex concepts of service, service orientation, and spiritual capital. Theorists and practitioners throughout history have recognized the spiritual nature of the human experience and the powerful influence and value it provides. Many organizations throughout history utilized this power to shape their culture and motivate their members. As organizations have grown in complexity and global interconnectedness, the need for excellence in management and organizational systems has perhaps overshadowed the fundamental human facets of service and spirituality. Ethical crises and global problems are raising awareness of the broader view of organizational success.

The next steps for the work described in this paper entails the creation of tools that will raise the awareness of service and spiritual capital in individual leaders and in organizations. Since it is a practical expression of the underlying capacities associated with spiritual capital, a strongly developed individual service orientation becomes an essential element in the development of spiritual capital at the organizational level. As also suggested in the transformational leadership and servant leadership literature, in order for it to become an organizational asset, service orientation should be espoused by leaders and followers alike. Consequently, we seek to develop assessment measures for service orientation and spiritual capital. Then, as leadership educators, we seek to develop curriculum and pedagogy to facilitate the development of these constructs at

the individual and organizational levels, and the bridge between these levels. With a greater balance between the classic dichotomy of emphasis on task versus relationship, and a greater recognition of the relationship between achievement, service, and the spiritual nature of organizations, leaders can foster more sustainable, life-affirming work cultures. And, ultimately change the paradigm through which we work, manage, and lead.

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# **Tables and Figures**

#### Table 1: Ends of service.

<u>Freedom/Anarchy</u> – purpose of service to enhance and ensure individual freedom. <u>Critical</u> – purpose of service to address issues of unequal distribution and access to power.

<u>Individual Egocentric</u> – service only performed to make individual feel good/feel needed.

<u>Individual Pragmatic</u> – service done because ultimately it benefits the individual.

<u>Social Pragmatic</u> – service done because ultimately it benefits society

<u>Unconscious</u> – individual actions irrelevant to try to "plan," thus service irrelevant <u>Moral</u> – service is right thing to do, it is a moral obligation.

<u>Spiritual</u> – service is right based on religious belief or individual spiritual growth <u>Individual psychological</u> – service fulfills psychological needs of individual to have a purpose, do meaningful action, challenge, autonomy, raise self-esteem.

<u>Economic</u> – service creates more individuals capable of consuming and activities of service create consumption.

<u>Systemic/Transformational</u> – service to alter social systems and individual paradigms

Figure 1.

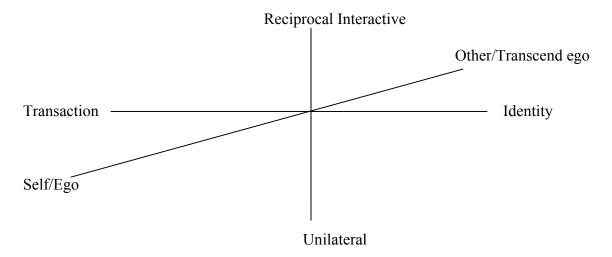


Table 2. Forms of Capital by Conceptual Emphasis with related Leadership Models.

Conceptual Emphasis	Forms of Capital	Leadership Model
	Classical capital	Trait & style based leadership
Concrete/tangible assets	Value created through physical assets, land labor	Focus on the individual leader, rooted in what leader does, knows or acts like
Capacity/Skill	Human capital	Leader identity development theories, Servant Leadership, Transformational Leadership
	Value created through investment in human skills	Focus on individual leaders' potential capacities and dispositions
Relationship	Social capital  Value created through	LMX, Contingency, Situational leadership Focus on processes,
	commonness and stability	cooperation and macro level attributes
	Cultural / Religious capital	Systems theory, TQM
Context/Culture	Value created through association, commonness and stability – big picture	Focus on the system/group/whole