Studying the Role of Spiritual Leadership in Creating Social Capital in the Organization

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ABSTRACT

The purpose of this research is to study the role of spiritual leadership in creating social capital in the organization. Recently spiritual leadership in the organization has been considered as a significant issue in management literature and organizational behaviour and several researchers have studied this topic because of its spiritual effects on the organization's operations. Leadership theory is founded on the basis of internal motivation patterns which will combine Intuition, hope, Compassion and caring and spiritual theories of the working environment and spiritual existence. Statistical society of this research consists of all the managers and employees of social security organization, province of Tehran. Using stochastic and categorized sampling 198 correct and documented questionnaires were received. In this research for data analysis and examining the hypothesis PLS method is used. The results show that spiritual leadership elements such as love, philanthropy, awareness, belief and hope, honesty and confidence and finally Humility have a meaningful effect in creating social capital in the organization.

KEYWORDS: Leadership, Spirituality, Spiritual Leadership, Social Capital

1. INTRODUCTION

Nowadays large and advanced organizations are dependent on competent and aware managers whom have been successful in this issue by applying management knowledge and techniques. Technology advancement and its increasing applications in different organizations have bared difficult duties on the shoulders of managers. Renovation of organizations is one of the widest processes in which we have organizational culture and leadership style as important aspects (Askari, Akbari, 2012). One of the most fundamental duties of a manager in the managing process is organizational leadership. In fact, the main part of the leadership is the increasingly effect that is performed on the employees and is of the most priority in official and organizational duties of a manager. Recently the world spirituality has been changed into a significant issue in the management literature and organizational behaviour and several researchers have studied the effects of spirituality on the organizations performance. It seems that spiritual leadership theory is more than a strong framework for providing the above mentioned requirements. Spiritual leadership consists of motivation of the employees using a higher insight and a culture based on philanthropical values for nurturing motivated and committed manpower. For this purpose, this paper has studied the concept of spirituality and moreover has studied the effect of spiritual leadership on social capital of the organization.

2. Theoretical study

2.1. Definition of Spirituality

From the historical and comparative point of view, we can talk about the severality of spirituality. Different spiritualities and several spiritual schools can be found that are representing special cultural meanings from religious aims of different traditions (Ursulla, 1997). In fact, approximately from the second half of the 19th century in the Europe and the west generally including Western Europe, America and Canada, an issue under the title of spirituality was discussed and all the social regulations were common with respect to spirituality and despite the fact that they belong to different religions they are common with respect to spirituality (Fry, 2003), despite this issue spirituality can be related to Christians from the historical point of view who made differences between different spiritual schools including Spanish or

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Finish spiritual mysticism or Russian orthodox. In fact some of the western writers wrongly believe that the word spirituality has been used only in the recent decades. But this word was previously used in respects such as social comparisons in the 19th century when Indian reformists compared Indian spirituality with western materialism claimed that India has spiritual wealth which the west should be seeking for (Ursulla, 1997). Writers have observed spirituality from different aspects and presented different definitions for it in a way that it can be said that no agreement is existing about the definition of the spirituality (Fry, 2003). About the sensitivity of definition of spirituality Underhill in his spiritual life book says:

In a way that from on part we are obliged to prevent ambiguity and on the other we should prevent hard definitions because no word is such correct and appropriate in our human language with respect to spiritual facts (Spreitzer, 1995). Spirituality is an attempt for nurturing sensitivity to our self, others, natural environment and metaphysics which this attempt have always been made for uniting these sensitivities and aiming to bliss for transferring into a complete human being (Hinnells, 1995).

### 2.2. Spiritual Leadership

Despite several studies with respect to leadership, this issue is still unclear because of its complex nature. The signs of extraordinary leaders seem to be created from among the followers at the first stage in a way that Max Diperi in his book namely “Leading as an Art” has expressed this issue. Also he added that the first responsibility of a leader is describing and determining the facts and realities and the last one is appreciating the followers among which the leader must be a servant which is expressed as a spiritual leader by Max Diperi (Bishop & Scho, 2006). In fact spiritual leadership consist of leadership serving, employees’ participation and empowerment models and is based on servant leader philosophy. A type of leadership which emphasizes on offering services to the others, general view about work, individual development and common decision making (Kakabadse & Kouzmin, 2002). In fact spiritual leaders, express the belief, eagerness and result of their own work and John Vesli remarks these tree items as significant and major particulars and symbol of spiritual leadership (Bishop & Schol, 2006). Spiritual leadership theory means values, viewpoints and behaviours that are aimed for internal motivation of yourself or others in a way that is would result in permanence of spirituality and individual welfare via meaningfulness, purposefulness and membership in yourself and other, thus it requires:

1) Creating a viewpoint and awareness in which the leader and its followers would sense meaningfulness, purposefulness and significane.

2) Creating organizational culture on the basis of values such as expressing love for philanthropy which will result that the leader and its followers would sense membership, being understood and appreciated, meditation, attention and appreciation for himself and other (matherly & fry, 2005).

Spiritual leadership model is a casual theory for organizational changes and creating a learning and self-motivated organization. This theory is based internal motivation pattern which combines, edits and completes awareness and knowledge, belief and hope, expressing love for philanthropy, working environment spirituality and bliss and spiritual permanence (Fry, 2003). In fact spiritual leader will make the organizations personnel eager with respect to their job and work by creating senses toward themselves and others and beyond nature and then it will result in their motivation regarding their working duties and as a result the necessary preliminaries for their spiritual permanence will be provided. In table 1 the most important characteristics of spiritual leadership are presented.

<table>
<thead>
<tr>
<th>Spiritual descriptor</th>
<th>Example of source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compassion and caring</td>
<td>Burack (1999); Kriger and Hanson (1999, pp. 302, 304); Houston and Sokolow (2006); Millman and Ferguson (2008, p. 32); Thompson (2005, p. 26)</td>
</tr>
<tr>
<td>Intuition</td>
<td>Hoppe (2005, pp. 85-87); Houston and Sokolow (2006); Mitroff (2003); Tisdell (2001); Wheatley (2002); Bourgeois (2006); Thompson (2005, p.26)</td>
</tr>
<tr>
<td>Belief &amp; Hope</td>
<td>Fry and Cohens (2009); Houston and Sokolow (2006); Millman and Ferguson (2008, p. 32)</td>
</tr>
<tr>
<td>Honesty &amp; Confidence</td>
<td>Millman and Ferguson (2008, p. 32); Wagner-Marsh and Conley (1999); Burack (1999); Caldwell et al. (2009); Kriger and Hanson (1999, pp. 302, 304); Hoppe (2005, p. 87); Houston and Sokolow (2006); Millman and Ferguson (2008, p. 32)</td>
</tr>
<tr>
<td>Humility</td>
<td>Kriger and Hanson (1999, pp. 302, 304); Millman and Ferguson (2008, p. 32); Thompson (2005, p. 26)</td>
</tr>
</tbody>
</table>

The purpose of spiritual leadership is to realize the spiritual requirements of the leader and its followers for permanence and spiritual bliss suing membership feeling and meaningfulness for creating awareness and knowledge and conformation of values in individual, team and organizational level and finally nurturing positive mental health and commitment and organizational productivity.
2.3. Organizational Social Capital

There has been considerable and increasing interest in social capital theory in recent years. Social capital is a sociological concept, which refers to connections within and between social networks (Nademi, et al, 2012). Social capital is one of the new concepts which is used in economic and social studies of modern societies. Social capital has received considerable attention from scholars including Pierre Bourdieu, James Coleman, Robert Putnam, and Francis Fukuyama, who believe in the important role of social capital in achieving development (Babaei, et al, 2012). This approach in several economic discussions shows the significant role of structures and social relations on economic variables. Social capital is generally based on different cultural and social factors and recognizing it as a type of capital whether in general management level of countries development or organizational management can create new recognition of economic-social systems and assist the managers in better leadership of the systems. Combining the concept of "Capital" and "Social" leads the researcher to both "economic" and "sociology" areas (Bagherzadeh, Jafarzadeh, 2012). Social capital is a concept that does not have a long historical record. Application of this concept increased gradually from 1990 in academic thesis and papers especially in sociology, economics, politics and education by James Colman, Pier Bordio, Robert Putnam and Francis Fokoyama (Wall, 1998).

Also using the concept of social capital is considered as a executive solution in local societies for development problems by policy makers and social policy in charges along with the process of globalization and weakening of the role of national governments (Warner, 2001). Organizational social capital is a complex concept (Brien and Smallman, 2011). Coleman (1988) considers social capital as being peoples’ ability to associate with one another. Putnam (1993, 117-118) and Fukuyama (1995) expanded this concept to include networks, norms and trust, which have the combined ability of increasing organizational potential, concluding that social capital has measurable economic contributions to organizations (Brien and Smallman, 2011). Since the introduction of this concept by Coleman (1988) and Putnam (1993), research into social capital has grown rapidly (Acquaah, 2008; Adler, 2002; Bolino et al., 2002; Brooks, 1998; Brooks and Nafukho, 2006; Carmeli et al., 2009; Fussell et al., 2006; Hezlett and Gibson, 2007; Inkeles, 2000; McElroy et al., 2001; McElroy et al., 2006; Requena, 2003; Tansley and Newell, 2007; Truss and Gill, 2009). Social capital can be studied from cognitive and structural aspects.

A: In structural aspect the following items can be mentioned:
1. Membership in official and unofficial social organizations 2. Social relations of members with each other 3. Social relations of the members of the association with friends, neighbours and relatives 4. Participation in local affairs 5. Responding
B: In cognitive aspect also the following items can be mentioned:
1. Tending to participation 2. Tending to assist others 3. Values and standards 4. Social confidence toward others 5. Commitments 6. Tending to have social relations with the others. This classification is based on Krishna & Shared conceptual model. Of course in this pattern the main issue are cultural elements of the organization (Krishna & Shared, 1999).

3. Research Hypothesis:

H_1: Compassion and caring of the leader in creating social capital in the organization has a meaningful effect.
H_2: Intuition of the leader in creating social capital in the organization has a meaningful effect.
H_3: Belief and hope of the leader in creating social capital in the organization has a meaningful effect.
H_4: Honesty and confidence of the leader in creating social capital in the organization has a meaningful effect.
H_5: Humility of the leader in creating social capital in the organization has a meaningful effect.

4. Measurement Tool Reliability & Validity

The specifications of measurement tools are assessed in two parts one of which is related to reflective and construct characteristic and is shown by the amount of loading and the other is composite reliability and all the reflective characteristics are used with a construct to determine the internal regression of the measurement tool. The appropriate amount for each characteristic and index with its construct is minimally 0.6 (Sosik, et al, 2009) and for composite reliability (pc) is minimally 0.7 (Sosik, et al, 2009, Fornell & Larcker, 1081). As can be seen in table 2 the loading of all the reflective characteristics with the construct is more than 0.6 and also composite reliability is more than 0.7. Thus reliability of the measurement tool will be verified.

Validity of the measurement tool is assessed using the related convergent characteristic. The validity of convergent is based on this principle that the characteristics of each construct would have median correlation with each other. Fornell and Lacker (1981) characteristic for the validity of convergent for
increasing the AVE is 0.5. AVE coefficients show that what percentage of the variance of the structure or model variable are described by a separated element. The results achieved from PLS output show that the variables have AVE of more than 0.5. Thus it has been resulted that the elements can describe the variances of the variables of the research model adequately thus the measurement tool is of an appropriate validity.

ANALYSIS

5.1. Description:
0.65 of the respondents are men and 35% are women, most of the respondents are middle aged and no respondent were observed more than 65 years old: 18 individuals aged from 15 to 25, 68 individuals aged from 25 to 35, 54 individuals aged from 35 to 45, 36 individuals aged from 45 to 55, 22 individuals aged from 55 to 65. From the education point of view 40% of the individuals have high school diploma or associate’s degree (86 individuals), 81 individuals have bachelor’s degree and 31 individuals have master’s degree. Among he respondents 28 individuals have less than 5 years, 86 individuals between 5 to 10 years, 56 individuals between 10 to 15 years and 20 individuals between 15 to 20 years of record of service.

5.2. Structural Model
Figure 1 shows the results achieved from PLS analysis for structural model test in the confidence level with B standardized path coefficient:

In table 2 the results of the hypothesis test using PLS method are presented. As it can be seen the research hypothesis has been verified 95% and the relation of honesty and confidence has the highest path coefficient on the social capital.

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Independent Variable</th>
<th>Dependant Variable</th>
<th>Path Coefficient (B)</th>
<th>Test Statistics (t)</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>First</td>
<td>Compassion and caring</td>
<td>Creating Social Capital in Organization</td>
<td>0.210</td>
<td>3.11</td>
<td>Verified</td>
</tr>
<tr>
<td>Second</td>
<td>Intuition</td>
<td></td>
<td>0.136</td>
<td>2.03</td>
<td>Verified</td>
</tr>
<tr>
<td>Third</td>
<td>Belief &amp; Hope</td>
<td></td>
<td>0.166</td>
<td>2.57</td>
<td>Verified</td>
</tr>
<tr>
<td>Fourth</td>
<td>Honesty &amp; Confidence</td>
<td></td>
<td>0.289</td>
<td>3.83</td>
<td>Verified</td>
</tr>
<tr>
<td>Fifth</td>
<td>Humility</td>
<td></td>
<td>0.191</td>
<td>2.37</td>
<td>Verified</td>
</tr>
</tbody>
</table>

5. DISCUSSION & CONCLUSION

The development of spiritual leadership as both a theoretical construct and as a relevant and applicable perspective to inform workplace approaches and practices, suggests that it has the potential to emerge as a powerful and courageous innovative management paradigm for the twenty-first century (Crossman, 2010).
The main part of the leadership is the increasingly effect that is performed on the employees and is of the most priority in official and organizational duties of a manger. Recently the world spirituality has been changed into a significant issue in the management literature and organisational behaviour and several researchers have studied the effects of spirituality on the organizations performance.

The results achieved from the path analysis in 95% level verify the meaningful relation with the two variables of Compassion and caring and creating social capital. Considering the B coefficients it can be said that 21% of the changes in social capital changes are justified by love and philanthropy (B = 0.210, P<0.05). The quantity of test statistics (t) of knowledge and awareness test is more than a meaningful level (1.96<2.03), thus with 95% confidence it can be said that there is a meaningful relation between knowledge and awareness and social capital, thus the second hypothesis is also verified. By considering B coefficients it can be said that 29% of the changes in social capital are justified by honesty and confidence (B = 0.289, P<0.05), also B coefficients show that 19% of the changes in social capital are justified by Humility (B = 0.191, P<0.05).

REFERENCES
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