



## Leadership and Spiritual Capital: Exploring the Link between Individual Service Disposition and Organizational Value

Anthony Middlebrooks  
*University of Delaware*

Alain Noghiu  
*Laureate International Universities, The Netherlands*

---

Researchers have made considerable advances integrating spirituality and organizational leadership (Fry, 2003; Benefiel, 2005). The concept of spiritual capital has developed as a way of explaining and perhaps advocating this integration in a secular context (Baker & Miles-Watson, 2008). This paper explores the development of spiritual capital as a multi-level form of organizational value, operating at the individual level as the disposition to serve, and subsequently at the organizational level as systems, norms, and culture. The various conceptualizations of spiritual capital are examined and extended, specifically focusing on the nature and development of a key individual level motivation—the call to serve. The authors provide a base from which to discuss implications and applications for leadership across levels of analysis and sectors of practice, all to the end of fostering spiritual capital in organizations.

---

**O**rganizations, and the individuals who lead them, continue to wrestle with the balance between fiscal viability and social sustainability. 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." And although organized religion continues to lose ground, with fewer and fewer people identifying with any specific religious community and attending churches, mosques, synagogues etc., about 85% of the world's population continues to consider itself religious (Encyclopaedia Britannica, 2009). Since individual religiosity and spirituality remain high, while the organized expression of religion is steadily declining, it is safe to assume that people will seek to integrate their spiritual and religious identities into other parts of their daily life. The home and the workplace are front-seat candidates.

Ironically, though the need for integrating spirituality in the workplace appears to be increasing, some authors have argued that modern organizations are in fact less capable than they previously were in providing such meaning. Vaill (as cited in Duchon & Plowman, 2005) argued that while in the past workers could find meaning in their jobs by being able to rely on a

secure work environment, their organization's noble mission, and their leader's inspiring personal character, such characteristics no longer define modern organizations. Instead, job security has been lost, a high turnover in leadership positions has become the norm, and much of the workforce is made up of temporary workers. In today's difficult economic times this may be truer than ever.

Increasingly the demands of globalization, fueled by an exclusive bottom line mentality, appear to define the identity of many modern organizations and their leaders. Recent high-profile failures, from Enron to the myriad organizations involved in the current economic crisis, exemplify the ultimate consequences of an economic system based solely on maximizing profits rather than deeper values and objectives. While it is understandable that there will be a broad range of individual 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 often 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 spiritual capital as a multi-level form of organizational value, operating at the individual level as a disposition to serve and subsequently at the organizational level as systems, norms, and culture. 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 Institute, 2006). This definition, while an important foundation, requires distinction, alignment, and integration with the more established concepts of human, social, and cultural capital. This paper posits a more specific conceptualization of spiritual capital, providing a base from which to discuss implications and applications for leadership across levels of analysis and sectors of practice.

What makes the current leadership and organizational crisis all the more serious is the discourse-reality gap that accompanies it. Organizational leadership theories ranging from trait theories to the more current transformational leadership theories have long recognized that sustainably successful organizational functioning and leadership require a complex array of identities and skills in addition to a motivation for making profit. In fact, *motivations*, plural, may be key in the complicated equation of organizational functioning.

One key facet of spiritual capital at the individual level is the motivation, or call, to serve. *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 examines the nature and development of a service disposition, utilizing concepts from cognitive science to explain how a service disposition is constructed and thus how leaders can enhance organizational value in spiritual capital by fostering this development.

### **Addressing the Spiritual Void in Leadership and Organizations**

Much of the recent literature dealing with deeper-level motivations that influence organizations is the workplace spirituality literature. In this respect, Fry (2003) stated that in order for modern organizations to be able to adapt to today's rapidly changing environment and become learning organizations, they should rely on intrinsic rather than extrinsic motivation. Fry argued that while in the past many organizational leadership theories emphasized extrinsic

motivation (an external source i.e. leader, compelling individuals into a task or behavior by providing what they need to survive i.e. money), there needs to be a shift to intrinsic motivation as the driving force of individual behavior in organizations. Fry defined intrinsic motivation as the “interest and enjoyment of an activity for its own sake” and as something that “promotes growth” and satisfies “higher order needs” (p. 699). Thus, via intrinsic motivation, leadership and higher order motivations (i.e., spirituality) are linked.

Though some authors have argued that there is a need for a much better understanding of the notion of spirituality before it can be successfully integrated with existing organizational leadership theories (Benefiel, 2005), the body of literature that is attempting to make this connection continues to grow rapidly (see for example Benefiel, 2005; Dent, Higgins, & Wharf, 2005; Fry, 2003; Grace, 1999; Houston & Sokolow, 2006; Miller, 2000; Mitroff & Denton, 1999a). Undaunted by the many and varied attempts to define spirituality, several authors argue quite strongly for the inclusion of spirituality in organizational leadership. Fry (2003) for example stated that organizations that fail to apply workplace spirituality will ultimately fail as learning organizations. In their ground-breaking study on the role of spirituality in the workplace, Mitroff and Denton (1999a) went even further in their assertions and stated:

Over the years we have tried all of the conventional techniques known to organizational science to help organizations change for the better ... After years of study and practice we have come to a painful conclusion: by themselves, all of the conventional techniques in the world will not produce fundamental and long lasting changes... We believe that today's organizations are impoverished spiritually and that many of their most important problems are due to this impoverishment... We believe that organizational science can no longer avoid analyzing, understanding, and treating organizations as spiritual entities. (pp. xiii-xiv)

While it may be fundamental to organizational functioning, ultimately spirituality is a human, rather than organizational, trait. Yet, in this increasingly pluralistic, interconnected, and results-driven world, an individual's quest for spirituality seems considerably challenged by the demands of his or her employment. If it is the individuals who are spiritually impoverished, how do we arrive at “organizations as spiritual entities,” and what is the role of leadership in this process?

We know that leaders broadly influence the perceptions and behaviors of individuals in their organizations. Both explicitly and implicitly, the leader's influence shapes the culture and consequently the mind-set of individuals (Schein, 2004). What is less understood however is how leaders impact people's deeper-level motivations such as spirituality. How, if at all, do leaders create the conditions for individuals to integrate their spirituality into the organizations of which they are part?

Various authors have to some extent addressed the leader's role in fostering spirituality in their organizations (i.e. Benefiel, 2005; Fry, 2003; Giacalone & Jurkiewicz, 2003; Mitroff & Denton, 1999a; Vaill, 2000). Dent, Higgins, and Wharf (2005) provided an excellent review of research on the extensive perspectives, definitions, and theories connecting workplace spirituality and leadership at both the individual and organizational levels. Dent, Higgins, and Wharf (2005) reported that the literature suggests workplace spirituality can be correlated with individual development, and that spirituality comprises a tangible added value at the organizational level. Reave (2005) verified this importance in a review of over one hundred studies indicating considerable alignment between spiritual values and practices and effective leadership from the follower, group, and leader perspectives.

Building on these ideas, Fry (2003) was among the first to approach workplace spirituality from the leadership perspective and propose a theory of spiritual leadership. Fry defined spiritual leadership as:

comprising the values, attitudes, and behaviors that are necessary to intrinsically motivate one's self and others so that they have a sense of spiritual survival through calling and membership. This entails: 1. creating a vision wherein organization members experience a sense of calling in that their life has meaning and makes a difference; 2. establishing a social/organizational culture based on altruistic love whereby leaders and followers have genuine care, concern, and appreciation for both self and others, thereby producing a sense of membership and feel understood and appreciated. (p. 269)

While Fry's spiritual leadership model constitutes a step in the direction of better understanding the interplay between spirituality, leadership, and organizational performance, his model focuses primarily on the leadership element of this triangular relationship. Conscious of his focus, Fry suggested that "to gain a systemic understanding of how workplace spirituality – through transcendence and value congruence among organizational, team and individual values – impacts organizational effectiveness, one must focus on the interconnectedness and interplay across these levels." (p. 703). An important aim of the present paper is to consider this interconnection between individual and organizational levels such that causal effects can later be examined and utilized to facilitate development. Spiritual capital is proposed as a concept that incorporates understandings from both workplace spirituality and spiritual leadership literature and addresses the interplay across levels of which Fry speaks.

### **Understanding Forms of Value across Levels of Analysis**

Valuing and evaluating spirituality 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, the systems, or as Stacey (2007) asserted, "responsive processes," to assess efficacy. 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. In this respect Kriger and Seng (2005) have suggested that based upon the values and worldviews of the world's great religions, a theory of leadership that is inclusive of spirituality should be "nondual" or "holonic." They define a holonic system as "one in which each level as a whole is embedded in a higher level of the system, creating a nested system of wholes" (p. 771). The concept of spiritual capital comprises one attempt to examine, define, and develop the spiritual dimensions of individuals and organizations along these lines.

Initial efforts to define spiritual capital emerged from scholars working across a variety of related fields and has been broadly defined as "(t)he 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 chronological order of their development by conceptual emphasis in Table 1. A substantial theoretical and research base supports each of these forms of

capital but is well beyond the scope of this paper; however, a brief summary will help to frame the specific concept of spiritual capital.

Table 1

*Forms of Capital by Conceptual Emphasis with related Leadership Perspectives*

Conceptual Emphasis	Forms of Capital	Leadership Perspective
	<i>Classical capital</i>	<i>Trait &amp; style based leadership</i>
Concrete/tangible assets	Value created through physical assets, land labor	Focus on the individual leader, rooted in what leader does, knows or acts like
	<i>Human capital</i> <i>Psychological capital</i>	<i>Leader identity development theories, Servant Leadership, Transformational Leadership</i> <i>Spiritual leadership</i>
Capacity/Skill	Value created through investment in human skills	Focus on individual leaders' potential capacities and dispositions
	<i>Social capital</i>	<i>LMX, Contingency, Situational leadership</i>
Internal Culture	Value created through common and stable individual relationships	Focus on processes, cooperation and macro level attributes
	<i>Cultural / Religious capital</i>	<i>Systems theory, TQM</i>
Cultural Context	Value created through association, commonness and stability – big picture	Focus on the system/group/whole
	<i>Spiritual capital</i>	<i>Path-Goal</i> <i>Transformational and Servant Leadership</i>
Aspiration/Vision	Value of organizational and individual vision-aspiration alignment to serve	Focus on the ethics of means and ends

The term capital was introduced in classical economics and describes three basic facets of production: physical assets, land, and labor. Subsequently, the concept was extended by Becker's introduction of human capital (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 (1984; 1986) later theorized an additional form of capital, which he called cultural capital. 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.

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 (2000), this concept builds upon Bourdieu's (1984; 1986) notion of association. Theorists have asserted numerous definitions of social capital, beginning with the seminal work by 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. The multi-level operation that characterized spiritual capital is thus also recognized for social capital.

The rise of 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 (1990) religious capital. Iannaccone defines religious capital as the "...skills and experiences specific to one's religion includ[ing] religious knowledge, familiarity with church ritual and doctrine, and friendship with fellow worshippers" which produce religious resources that people define as valuable and explain religious behavior (p. 299). As interpreted by Verter (2003), religious capital is a personal commodity and can thus be considered a subset of human capital. However, religious capital is also closely related to Putnam's (2000) definition of social capital as it can only be acquired through membership of specific (religious) networks (Finke, 2003; Verter, 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). The researchers defined 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 1). 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, or what the leader could do if needed. Social capital, with its focus on relationships, reflects leadership as a process of working with others, emphasizing the macro-level attributes and operations of leadership. Spiritual leadership would comprise both human and social capital. 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 as a Multi-level Concept**

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 attempts to quantify the value of spirituality and religion in economic terms (Metanexus Institute, 2006), and (c) via sociological constructs building on the work of Bourdieu (Verter, 2003). While these three paths overlap, each 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 (2004) have used the term spiritual capital in a book published under that title. They defined 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" (p. 27). Rather than focusing on any measurable impact on individuals and communities, Zohar and Marshall viewed 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. In other words, Zohar and Marshall consider spiritual capital as originating in individuals and foresee societal and therefore systemic implications.

Since 2003, spiritual capital began receiving wider attention as a result of the Templeton Foundation and the Philadelphia based Metanexus Institute, which support a research program on spiritual capital. It is here where the broad 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" originated (Metanexus Institute, 2006). However, emphasizing different attributes of spiritual capital, several researchers associated with the research program have also proposed their own definitions of spiritual capital. Iannaccone and Klick (2003) for example, defined spiritual capital as an extension of religious capital and stated, "the term is sufficiently elastic and popular that it can be applied to all traditional religions, all new religions, and a wide range of non-religious activities deemed virtuous or therapeutic" (p. 2).

Malloch (2003), on the other hand, placed emphasis on economic benefit and argued that economic development can be viewed as a form of religious activity. He argued that the improvement of material conditions can be considered an act of "redemptive transformation":

[E]conomic development can be seen as a process through which persons and communities learn to care for and use the resources that sustain life. Economic development can be viewed as creative management of endowed resources by stewards who act on their faith commitments. Here, genuine economic growth is guided by normative laws, character, and principled habits and practices that take into account the

preservation needs of human beings, their environments, and their physical, mental, social, cultural and spiritual lives. In the ultimate sense, spiritual capital may be the third or missing leg in the stool which includes its better known relatives, namely: human and social capital. (p. 7)

Woodberry (2003) also distinguished spiritual capital from other forms of capital based on the idea that what happens in religious groups is not fully encompassed by other notions of capital. He stressed that religious groups' relationship with God is central and therefore they are more than social clubs. He emphasized moreover that people can access spiritual resources individually without the need for group solidarity. Berger and Hefner (2003) on the other hand proposed that spiritual capital may be primarily a social asset, a sub-species of social capital, and suggested that the notion refers to "power, influence, knowledge and dispositions created by participation in a particular religious tradition" (p. 3).

Berger and Hefner's (2003) notion of spiritual capital bridges the gap between economics and sociology in the third approach to spiritual capital, which is rooted in the cultural capital of Bourdieu. Drawing from Bourdieu's writing on religion, Verter (2003) identified 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 or her position, disposition, knowledge, abilities, tastes, and credentials in the field of religion. Indeed, Coleman (1988) pointed out that Bourdieu asserts the application of cultural capital "...is a matter of disposition, not just acquisition" (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, and theologies and ideologies. The institutionalized state refers to organizational structures, such as churches, seminaries and other religious organizations, that exercise authority over spiritual goods, both material and immaterial. These three states move beyond a dichotomized understanding of spiritual capital and provide one model for recognizing a more complete picture of the individual embedded within the organization and its artifacts.

Building on the pioneering work of Zohar and Marshal (2004), the Spiritual Capital Research Program (Metanexus Institute, 2006), and Verter (2003), other scholars have proposed additional definitions for spiritual capital. These definitions continue the multi-level application of the concept. Lillard and Ogaki (2005) for example defined spiritual capital as "a set of intangible objects in the form of rules for interacting with people, nature, and spiritual beings ...and believed knowledge about tangible and spiritual worlds" which "govern and direct behavior between individuals or between an individual and the natural world" (p. 1). Kenny (2007), however, forwarded a definition that focuses on the individual, stating that spiritual capital "may be interpreted as a measure of enhanced piety that marks the individual as more religious, and perhaps more moral (at least theoretically) than other member of the community" (p. 366). Broadening the application of spiritual capital to faith communities, Baker and Skinner (2006) proposed a definition of spiritual capital as the "values, ethics, beliefs and vision which faith communities bring to civil society at the global and local level" and "the holistic vision for change held within an individual person's set of beliefs"(p. 12).

Recognizing the multidimensional application of the notion, Voas (2005) defined spiritual capital as "those aspects of human and social capital that relate to organized religion, holistic spirituality, mysticism, or nonnaturalistic belief." In his view, spiritual capital implies a "stock of *individual* assets such as worldviews, lifestyles, physical markers, mental resources, cultural characteristics and knowledge of doctrines, practices, texts, stories, etc. and also of



*relational* goods that derive from family ties, group membership, communal activity and other connections in social networks” (p. 1). Voas furthermore maintained that the main method for acquiring spiritual capital is through inheritance.

Among the most recent application of spiritual capital is that of Baker and Miles-Watson (2008), who recognized that spiritual capital also impacts and therefore bears relevance to secular activities. Consequently they proposed a secular variation of spiritual capital and defined secular spiritual capital as “the set of individual and corporate/community values and action produced by the dynamic interaction between spiritual and social capital within secular fields of activity.”

Finally, drawing a parallel with organizational leadership theory which also spans the wide spectrum that encompasses and interconnects individual and organizational variables, Middlebrooks and Noghiu (2007) proposed a conceptualization of spiritual capital that applies to leadership and speaks more explicitly about the specific characteristics or attributes that transcend and span multiple levels of analysis. Their model proposes three assertions in an effort to further develop the concept of spiritual capital.

The first proposition of Middlebrooks and Noghiu’s (2007) 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 facilitates relationships between and among leaders and followers and culminates in the collective spiritual capital at the organizational level, presumably resulting in organizational policies and practices reflective of the latter.

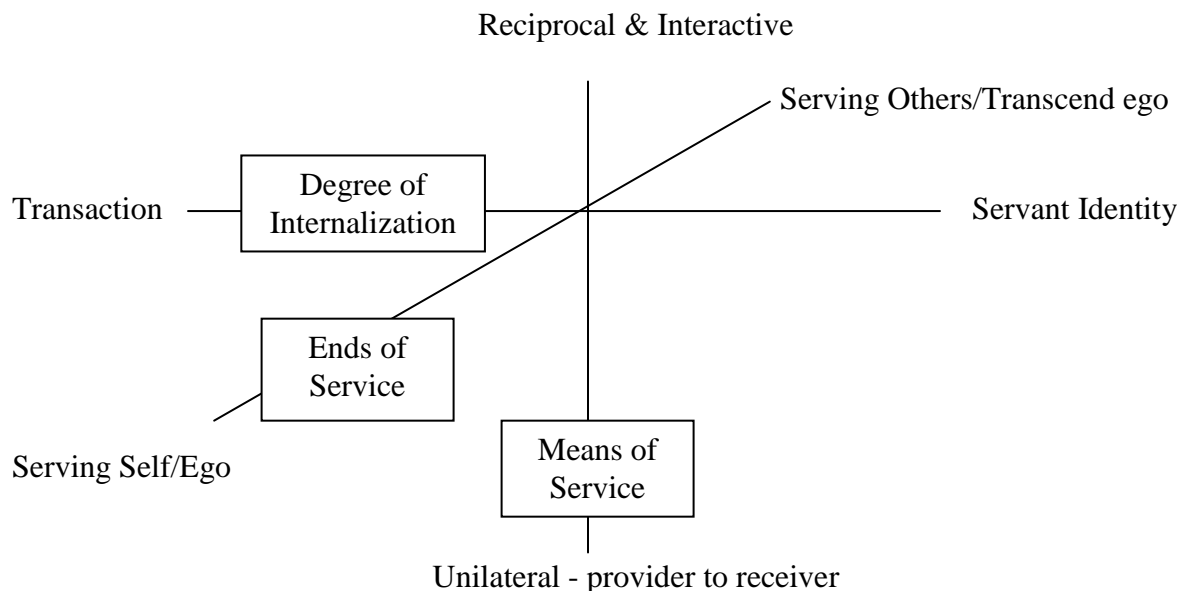
This role of bridging individual to organizational characteristics leads to a second proposition, namely that spiritual capital is an intrinsically critical part of effective organizational functioning, rather than one of many optional approaches a leader or organization can opt to embrace. Effective, sustainable organizational leadership requires the transcendent and transdisciplinary nature of spiritual capital. While not universally applied, the idea that effective systems (and systems thinking) underlie successful organizations has provided a considerable and significant framework for analyzing the characteristics and development of organizations (Senge, 1990; Stacey, 2007). 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, with the goal of continuously improving the organization. Spiritual capital plays a key role in these deeper systems.

Finally, and perhaps most importantly, the Middlebrooks and Noghiu (2007) model proposed that spiritual capital, at its most fundamental level, 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 sense of meaningfulness through: (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. Thus, spiritual capital can be contrasted with workplace spirituality and spiritual leadership in that spiritual capital emphasizes realities that operate on the individual level of analysis such as ethical and service awareness, as well as a “capital” outcome, implying a tangible organizational benefit.

### **Spiritual Capital as Individual Service Disposition**

Conceptualizing spiritual capital as a multilevel phenomenon presents considerable challenges for leaders and leadership. What should a leader know, do, or be like to foster this form of organizational value? At the individual level, one answer may lie in facilitating the development of the call to serve, or service disposition. 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) highlighted 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 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 (Schyns & Meindl, 2005). 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 described, "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" (1985, p. 24).

The concept of service and the web of intentions and interactions it comprises vary greatly in both scope and depth. Figure 1 displays the three dimensions of service: (a) the degree of internalization, which ranges from service as a transaction to a servant identity, (b) the focus of the ends of service, which range from serving oneself/ego to serving others/transcending ego, and (c) the means of service, which range from one-way (provider to receiver) to the concept of service as reciprocal and interactive.



*Figure 1: Three Dimensions of Service*

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.

(Schneider & White, 2004). As this transaction conceptualization of service is institutionalized, or integrated into organizational processes, service becomes a facet of organizational culture—the way we do things around here. And a transactional leadership approach reflects this conceptualization of service. While this idea of service may take the guise of an ethic of care, it remains a transaction-enhancing construct.

As leadership thinking has advanced, the service 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 Burns' (1978) conceptions of Transformational Leadership—especially as contrasted with Transactional Leadership, and later Greenleaf's idea of Servant-Leadership—now stand as the dominant perspective on the integration of service and leadership. In transformational leadership, leaders 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. On an organizational level, 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 (1978) asserted that transformational leadership exemplifies a reciprocal and mutual process between leader and follower of "raising one another to higher levels of morality and motivation" (p. 389).

Greenleaf's (2002) 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 his or her organization: economically viable, socially just, and responsible for advancing the community and world within which the organization operates. The multilevel perspective of Greenleaf's ideas is evident in the fact that 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.

Service takes on ethical dimensions in care-oriented contexts (e.g., 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 to be serving others, meeting individuals' particular (and invariably human) needs within the context of their role or the mission of their organization.

Beyond the idea of service as transaction, service has been ubiquitous in the efforts of individuals to craft a more transcendent meaning to life. Many religious denominations, for

example, exhort participants to serve beyond the self or the immediate life (i.e., 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, which shapes individual behavior and cognition and ultimately one's identity (Koltko-Rivera, 2004). 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, which moves beyond transactional motivations, can also be seen in political affiliations (Libertarians serve the pursuit of freedom), ethnic identification (Jewish tradition of tikkun olam), and nationalism (serving one's country).

Across the range of service internalization from transaction to identity lie a variety of *ends* toward which service is applied. Table 2 lists a number of these distinctions, which range in Figure 1 from ego-centric to ego-transcendent (i.e., serving oneself to serving others to serving a higher principle or cause). As one considers these various ends, some ends may 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, the GLOBE project found a common set of leadership characteristics that include 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 (House, Hanges, Javidan, Dorfman, & Gupta, 2004). Indeed, the “golden rule” exists in one form or another in every culture and major religion. Thus, service entails a significant spiritual dimension, which in essence includes the willingness and capability of focusing and acting to benefit something other than self (i.e., transcending one's ego).

---

Table 2

*Ends of service*

---

*Freedom/Anarchy* – purpose of service to enhance and ensure individual freedom.

*Critical* – purpose of service to address issues of unequal distribution and access to power.

*Individual Egocentric* – service only performed to make individual feel good/feel needed.

*Individual Pragmatic* – service done because ultimately it benefits the individual.

*Social Pragmatic* – service done because ultimately it benefits society

*Unconscious* – individual actions irrelevant to try to “plan,” thus service irrelevant

*Moral* – service is right thing to do, it is a moral obligation.

*Spiritual* – service is right based on religious belief or individual spiritual growth

*Individual psychological* – service fulfills psychological needs of individual to have a purpose, do meaningful action, challenge, autonomy, raise self-esteem.

*Economic* – service creates more individuals capable of consuming and activities of service create consumption.

*Systemic/Transformational* – service to alter social systems and individual paradigms

---

Closely related to the ends of service is the *means* dimension of service. The servant-leader, according to Greenleaf (1991) as elaborated by Spears (1998), 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 a unilateral “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. In leadership this concept aligns with Mary Parker Follett's ideas, which were recently extended by Hollander (2008). 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; however, sustainable service requires the right motive (i.e. what Fry, 2003 referred to as intrinsic motivation) if it is to lead to reciprocal personal growth.

The dimensions of service (Figure 1) provide a framework for describing the nature of one's service disposition, or one's mental framework or worldview comprising a call to serve. A service disposition comprises a very important facet of an individual's development as a leader, but it can be understood and manifested at opposite ends of the service dimensions previously presented. Greenleaf's (1991; 2002) theory of servant leadership, which is modeled after Christ's leadership qualities, clearly tends towards one end of the spectrum and suggests identity, self-transcendence, and reciprocity as the desired ends of service. Through notions such as ethics, altruism, empathy, meaning, and personal growth, the link between leadership, service, and spirituality is further reinforced. Interestingly, in a recent study about spirituality in the workplace where leaders were asked what gave them the most meaning in their jobs, "service to future generations" and "service to my immediate community" were among the most common answers, suggesting that leaders make the connection between service and spirituality (Mitroff & Denton, 1999b).

There are thus important links between success and leadership as process, service as a spiritual principle, and organizational culture. The role of service, specifically a service orientation, provides a practical and conceptual bridge between what a leader does, how a leader should go about doing it, and to what end. Service must be modulated at both the macro-level, where a variety of stakeholders are considered and collaborated with and service is translated into an organizational trait, and the micro-level, where the service of individual leaders is dependent on how that leader conceptualizes and actualizes a service disposition. This understanding serves as a guideline for the definition of service as a spiritual activity and the subsequent relationship between service disposition and spiritual capital.

### **Individual Service Disposition: Constructed Habits of Mind**

Service as a disposition rather than merely an act can be thought of as emanating from a specific set of constructed mental models, or habits of thinking (Dickmann & Stanford-Blair, 2008). In order to fully understand and thus influence the development of this disposition, it is necessary to briefly examine the cognitive processes underpinning the development of dispositions.

Anecdotally, individuals understand that their experiences and interaction with the external world shape their internal conceptualization of the world, or their mental model. Early psychological 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 interaction by interaction. While research of these processes was originally limited to observable behavior, cognitive and neuroscience research have been steadily explaining the machinations and development of the "black box"—the mind and brain.

It is now commonly understood that mental models are constructed from many sources beyond observable experience. Less understood are the full implications of these constructions, particularly in the context of leading organizations. The reciprocal relationship between experiences and their interpretation, as well as the reflective capacity of the brain, bring the full socio-cultural milieu into the process. For example, Vygotsky (1986) theorized that mental constructions begin on the social plane in interactions with others and are then internalized, subsequently reinforcing or reframing one's conceptualization.

Mental models and the processes that regulate their construction play an important role in our understanding of leadership. For example, the conscious-competence learning model (Gordon, 1976, although in management literature often attributed to Howell & Fleischmann, 1982) has been a key construct 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, & 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 dynamic and multi-faceted, as well as shared by others in a general worldview sense. In other words, one's mental constructions of the world include patterns of mental behaviors or thought processes. These are often referred to as habits of mind, or dispositions. 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. 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) outlined 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).

Habitually approaching and interpreting situations as an opportunity to serve (a service disposition) has substantial implications for leadership, most clearly in those leaders exhibiting transformational and servant-leader behavior. While the link between leadership, spirituality, and service has long been established, less understood is how precisely spirituality and religion assist leaders in becoming more service oriented. According to Koltko-Rivera (2006), "...religions shape worldviews, thereby shaping their adherents' sense of reality and proper behavior; in turn, worldviews shape cognition and behavior" (p. 6). A service disposition predisposes what information is salient, which consequently determines what information becomes part of one's conceptualization and what information is left out, overlooked, or deemed irrelevant or incorrect.

Since certain behaviors create value in society while others do not, spiritual capital theorists have included the underlying mental models as an important element in their definitions of the concept (Baker & Skinner, 2006; Lillard & Ogaki, 2005; Voas, 2005). Malloch and Massey (2006) noted that spiritual capital involves "worldviews" (p. 32) as well as "psychological dispositions" (p. 26). And Berger and Hefner (2003, p. 3) and Verter (2003, p. 152) described "dispositions," which Middlebrooks and Noghiu (2007) specified as a service

disposition. Further, a 'call or drive to serve' illustrates that a service disposition also includes the affective responses relative to the specific situations, which in turn influence levels of motivation.

### **Leading in Service of Spiritual Capital**

The culture of an organization comprises the sum whole of the individuals within it, both current and past. Their constructed views of reality dynamically interact with one another, implicitly and explicitly, to create a shared vision of the "way we do things around here." Likewise, leadership activity at the individual level manifests collectively at the organizational level in systems, norms, and culture. When leaders model and facilitate service at the individual level, a culture is created at the organizational level. Giacalone & Jurkiewicz (2003) explained workplace spirituality as, "...a framework of organizational values evidenced in the culture that promotes employees' experience of transcendence through the work process, facilitating their sense of being connected to others in a way that provides feelings of completeness and joy" (p. 13). Baker and Miles-Watson (2008) referred to religion as "symbolic capital" because it simultaneously structures and is structured by worldviews. Thus, from a spiritual capital perspective, a culture resulting from service dispositions is a form of value since it constitutes the foundation of factual reality and manifests as real attitude, behavior, and performance.

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 continue to grow 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. Existential crises and global problems are raising awareness of the broader view of organizational success.

Today's leaders appear thinly stretched when it comes to guiding their organizations to success. The modern leader needs unprecedented technical, management, people, and conceptual skills to keep an organization on track. The notion of spiritual capital implies that leaders will need to go from managing people to, in some sense, ministering to them. 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 may facilitate this effort, but it 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.

Since it is a practical expression of the underlying capacities associated with spiritual capital, a strongly developed individual service disposition becomes an essential element in the development of spiritual capital at the organizational level. As also suggested in the transformational leadership, servant leadership, and spiritual leadership literature, in order for spiritual capital to become an organizational asset, a service disposition should be espoused by leaders and followers alike. Consequently, the next steps in this line of research entail developing assessment measures of spiritual capital. 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, leaders can ultimately change the paradigm through which we work, manage, and lead.

---

### About the Authors

Tony Middlebrooks, Ph.D. is Assistant Professor in the Leadership Program in the School of Urban Affairs and Public Policy at the University of Delaware. He helped develop the doctoral program in leadership as a professor at Cardinal Stritch University and spent ten years prior in non-profit leadership positions, culminating in writing, consulting, and presenting on a variety of leadership topics. Dr. Middlebrooks teaches courses in leadership theory, decision-making, organizational leadership, and research methodology. His current research interests focus on innovative methods of leadership education and the integration of leadership, creativity, and design thinking. Dr. Middlebrooks has a Ph.D. in Educational Psychology from the University of Wisconsin at Madison.

Email: [tmiddleb@udel.edu](mailto:tmiddleb@udel.edu)

Alain Noghiu is a Dutch citizen. He is a Ph.D. candidate at the School of Urban Affairs and Public Policy at the University of Delaware and a Senior Initiative Manager for Laureate International Universities based in Amsterdam, the Netherlands. He has been working on issues related to spiritual capital, moral leadership, ethics, conflict resolution, and intercultural dynamics for several years. His dissertation research focuses on spiritual capital and its implications for and applicability to organizational leadership and policy making. Alain has presented several papers at conferences in the U.S., Europe, and Asia. He also consults in the areas of spiritual capital and moral leadership.

Email: [alain@udel.edu](mailto:alain@udel.edu)

---

### References

- Adherents.com. (2007). *Major Religions of the World Ranked by Number of Adherents*. Retrieved March 5, 2009, from [http://adherents.com/Religions\\_By\\_Adherents.html](http://adherents.com/Religions_By_Adherents.html)
- Baker, C., & Miles-Watson, J. (2008). Exploring secular spiritual capital: An engagement in religious and secular dialogue for a common future? *International Journal of Public Theology*, 2(4), 442-464.
- Baker, C., & Skinner, H. (2006). *Faith in action: The dynamic connection between spiritual and religious capital*. The William Temple Foundation.
- Bass, B. M. (1985). *Leadership and performance beyond expectation*. New York: Free Press.
- Bass, B. M. (1990). From transactional to transformational leadership: Learning to share the vision. *Organization Dynamics*, Winter, 19-31.
- Bass, B. M. (1998). *Transformational leadership: Industrial, Military, and Educational Impact*. Mahwah, NJ: Erlbaum.
- Bass, B. M., & Avolio, B. J. (1994). *Improving organizational effectiveness through transformational leadership*. Thousand Oaks, CA: Sage.
- Becker, G. S. (1976). *The economic approach to human behavior*. Chicago: University of Chicago Press.
- Benefiel, M. (2005). The second half of the journey: Spiritual leadership for organizational transformation. *The Leadership Quarterly*, 16, 723-747.



- Berger, P. L., & Hefner, R. B. (2003). Spiritual capital in comparative perspective. Unpublished Paper prepared for Spiritual Capital Research Program planning meeting. Institute for the Study of Economic Culture, Institute on Religion and World Affairs Boston University.
- Blake, R. R., & Mouton, J. S. (1964). *The managerial grid*. Houston, TX Gulf.
- Bourdieu, P. (1984). *Distinction: A social critique of the judgment of taste* (R. Nice, Trans.). Cambridge, MA: Harvard University Press.
- Bourdieu, P. (1986). The forms of capital. In J. G. Richardson (Ed.), *Handbook of Theory and Research for the Sociology of Education*. Westport, Conn.: Greenwood Press.
- Burns, J. M. (1978). *Leadership*. New York: Harper & Row.
- Coleman, J. S. (1988). Social capital in the creation of human capital. *American Journal of Sociology*, 94, 26.
- Dent, E., Higgins, M., & Wharf, D. (2005). Spirituality and leadership: An empirical review of definitions, distinctions, and embedded assumptions. *The Leadership Quarterly*, 16(5), 625-653.
- Dickmann, M., & Stanford-Blair, N. (2008). *Mindful leadership: A brain-based framework* (2nd ed.). Thousand Oaks, CA: Corwin Press.
- Duchon, D., & Plowman, D. A. (2005). Nurturing the spiritual at work: Impact on work unit performance. *The Leadership Quarterly*, 16, 807-833.
- Encyclopædia Britannica. (Ed.) (2009). "Major religions." Encyclopædia Britannica.
- Finke, R. (2003). Spiritual capital: Definitions, applications, and new frontiers. Unpublished Document prepared for the Spiritual Capital Planning Meeting.
- Fry, L. W. (2003). Toward a theory of spiritual leadership. *The Leadership Quarterly*, 14, 693-727.
- Fry, L. W. (2005). Introduction to the leadership quarterly special issue: Toward a paradigm of spiritual leadership. *The Leadership Quarterly*, 16, 619-622.
- Giacalone, R. A., & Jurkiewicz, C. L. (Eds.). (2003). *Handbook of Workplace Spirituality And Organizational Performance*. Armonk, NY: M.E. Sharpe.
- Gordon, T. (1976). *Teacher effectiveness training instructor guide*. Solana Beach, CA: Gordon Training International.
- Grace, B. (1999). *The spirituality of leadership* (2nd ed.). Seattle: Center for Ethical Leadership.
- Greenleaf, R. K. (1991). *The servant as leader*. Indianapolis, IN: The Robert K. Greenleaf Center.
- Greenleaf, R. K. (2002). *Servant leadership: A journey into the nature of legitimate power and greatness* (25th anniversary ed.). New York: Paulist Press.
- Hammond, J. S., Keeney, R. L., & Raiffa, H. (1998). The hidden traps in decision making. *Harvard Business Review*.
- Hollander, E. P. (2008). *Inclusive leadership: The essential leader-follower relationship*. New York: Routledge.
- House, R. J., Hanges, P., Javidan, M., Dorfman, P., & Gupta, V. (Eds.). (2004). *Culture, leadership and organizations: The GLOBE study of 62 societies*. Thousand Oaks, CA: Sage.
- Houston, P. D., & Sokolow, S. L. (2006). *The spiritual dimension of leadership*. Thousand Oaks, CA: Corwin Press.
- Howell, W. C., & Fleischmann, E. A. (Eds.). (1982). *Human performance and productivity. Vol 2: information processing and decision making*. Hillsdale, NJ: Erlbaum.

- Iannaccone, L. R. (1990). Religious participation: A human capital approach. *Journal for the Scientific Study of Religion*, 29, 297-314.
- Iannaccone, L. R., & Klick, J. (2003). Spiritual capital: An introduction and literature review. Unpublished Preliminary draft prepared for the Spiritual Capital Planning Meeting, October 9-10, George Mason University, American Enterprise Institute.
- Kenny, E. (2007). Gifting Mecca: Importing spiritual capital to West Africa. *Mobilities*, Vol. 2(3), 363-381.
- Koltko-Rivera, M., E. (2004). The psychology of worldviews. *Review of General Psychology*, 8(3), 58.
- Koltko-Rivera, M., E. (2006). Religions influence worldviews, worldviews influence behavior: A model with research agenda. *Psychology of Religion Newsletter*, 32(1).
- Kouzes, J. M., & Posner, B. Z. (2002). *The leadership challenge* (3rd ed.). San Francisco: Jossey-Bass.
- Kruger, M., & Seng, Y. (2005). Leadership with inner meaning: A contingency theory of leadership based on the worldviews of five religions. *The Leadership Quarterly*, (16), 771-806.
- Lillard, D. R., & Ogaki, M. (2005). The effects of spiritual capital on altruistic economic behavior. Unpublished Research Proposal. Cornell University and Ohio State University.
- Luthans, F., Youssef, C. M., & Avolio, B. J. (2007). *Psychological capital*. New York: Oxford University Press.
- Malloch, T. R. (2003). Social, human and spiritual capital in economic development. Unpublished Prepared as part of the Working Group on the Spiritual Capital Project (Metanexus /Templeton). The Roosevelt Group.
- Malloch, T. R., & Massey, S. T. (2006). *Renewing American culture: The pursuit of happiness*. Salem, MA: M & M Scrivener Press.
- McGregor, D. (1960). *The human side of enterprise*. New York: McGraw Hill.
- Metanexus Institute. (2006). Metanexus Spiritual Capital Research Program. Retrieved December 1, 2006, from [http://www.metanexus.net/spiritual\\_capital/](http://www.metanexus.net/spiritual_capital/).
- Middlebrooks, A., & Noghiu, A. (2007). Reconceptualizing spiritual capital: A meso-model for organizational leadership. In S. Singh-Sengupta & D. Fields (Eds.), *Integrating Spirituality and Organizational Leadership* (pp. 675-681). New Delhi: MacMillan.
- Miller, B. (2000). Spirituality for business leadership. *Journal of Management Inquiry*, 9(2), 132-133.
- Mitroff, I. I., & Denton, E. E. (1999a). *A spiritual audit of corporate America: A hard look at spirituality, religion, and values in the workplace*. San Francisco: Jossey-Bass.
- Mitroff, I. I., & Denton, E. E. (1999b). A study of spirituality in the workplace. *Sloan Management Review*, 40(4).
- Putnam, R. D. (2000). *Bowling alone: The collapse and revival of American community*. New York: Simon and Schuster.
- Reave, L. (2005). Spiritual values and practices related to leadership effectiveness. *The Leadership Quarterly*, 16(5), 655-687.
- Schein, E. H. (2004). *Organizational culture and leadership* (3rd ed.). New York: Wiley Publishers.
- Schneider, B., & White, S. (2004). *Service quality: Research perspectives*. Thousand Oaks, CA: Sage.

- Schyns, B., & Meindl, J. (2005). *Implicit leadership theories: Essays and explorations*. Greenwich, CT: Information Age Publishing.
- Senge, P. (1990). *The fifth discipline: The art and practice of the learning organization*. New York: Doubleday.
- Smidt, C. (Ed.). (2003). *Religion as social capital*. Waco, TX: Baylor University Press.
- Spears, L. (Ed.). (1998). *Insights on leadership: Service, stewardship, spirit, and servant-leadership*. New York: Wiley & Sons.
- Stacey, R. D. (2007). *Strategic management and organisational dynamics: The challenge of complexity to ways of thinking about organisations* (5th ed.). Essex: Pearson.
- Vaill, P. (2000). Introduction to spirituality for business leadership. *Journal of Management Inquiry*, 9(2), 115-116.
- Verter, B. (2003). Spiritual capital: Theorizing religion with Bourdieu against Bourdieu. *Sociological Theory*, 21(2), 150-174.
- Voas, D. (2005). Patterns of inheritance of spiritual capital. Unpublished Draft research article. University of Manchester.
- Vygotsky, L. (1986). *Thought and language* (A. Kosulin, Trans.). Cambridge: MIT Press.
- Weber, M. (1947). *Max Weber: The theory of social and economic organization* (A. M. Henderson & T. Parsons, Trans.). New York: The Free Press.
- Woodberry, R. D. (2003). Researching spiritual capital: Promises and pitfalls. Unpublished Document prepared for the Spiritual Capital Planning Meeting 9-11 October 2003.
- Zohar, D., & Marshall, I. (2004). *Spiritual capital: Wealth we can live by*. San Francisco: Berrett-Koehler Publishing.

Conceptual frameworks that describe organizational learning distinguish between exploration and exploitation organizational learning (March, 1991). Exploitation involves learning how to make incremental improvements in existing products, services or processes. Transformational behaviors serve to engage individuals' self-concepts in the interest of the firm's mission (Jung et al., 2003), and increase followers' intrinsic motivation to engage in exploratory learning. This suggests that a firm's HC may be seen as a link or nexus between leadership style and organizational learning. The skills, ideas, information or attitudes for building knowledge are held by individuals, and leaders must be capable of transforming that HC into organizational learning (Zhu et al., 2005). Ethical leadership is leadership within an organization centered around respect for ethics and values, as well as the rights and dignity of others. The concepts of honesty, integrity, trust and fairness are all critical to ethical leadership. Ethical leadership can provide value to businesses by inspiring employees to be motivated and live up to the company's values. Experience suggests that ethical leadership leads to greater employee satisfaction and lower turnover rates. Ethical leaders should demonstrate ethical and appropriate behavior in every facet of their life over time, even when the relationship between spiritual leadership and human capital was described by Fry & Matherly (2006) in which the impact of spiritual leadership in establishing leader-follower spiritual welfare was to develop the congruency of values through strategy, team and individual empowerment that will increase the healthy and welfare either physiological or psychological, organizational commitment, employee productivity, then finally. Thus, organizational culture applied in hospitals will give effect to the loyalty when there is leadership and human capital which gives its influence on employee loyalty. In this case, leadership and human capital suggests its role in mediating the influence of organizational culture on employee loyalty. Leadership in an organization involves getting followers to work together in a coordinated effort to achieve the same goals. Conflict is an inevitable part of organizational life. Blake and Mouton distinguished styles of conflict management along the two dimensions of their grid theory: concern for people and concern for task. Douglas McGregor distinguished between theory X leaders, who have little confidence in the ability or motivation of employees, and theory Y leaders, who believe that employees are hard working and decent. Envisioning is a crucial skill in inspirational leadership and involves creating of an image of a desired future organizational state that can serve as a guide for interim strategies, decision, and behavior.