A major change is taking place in the personal and professional lives of many CEOs and leaders as they aspire to integrate their spirituality with their work.

—Louis W. (Jody) Fry and Eleftheria Egel

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Embedding Sustainability in the Triple Bottom Line

By Louis W. (Jody) Fry, PhD and Eleftheria Egel, PhD

Today's leaders face constant change and chaos across cultures and globalized markets. There is also the requirement for leaders to engage with a wide range of stakeholders, including suppliers, customers, government and industry regulators, or employees from diverse multicultural, ethnic, and religious backgrounds. This is a monumental challenge as performance excellence depends on the corporation’s ability to direct employee behavior toward collective goals. Often, a company’s competitive advantage depends on how intelligent the firm is at observing and interpreting the dynamic world context in which it operates, how it makes meaning of it, and how it finds ways to incorporate its understanding of the world community in which it operates.[1]

These challenges have forced companies to seek and develop leaders who have the ability to influence people different from themselves in numerous, compound ways.[2] Instead of influencing a strategy for a single market, strategy formulation must now often balance global efficiencies with local demands, which may require different strategies given different politico-economic and social contexts. They also must implement these strategies through employees from diverse cultural backgrounds who may not share the organization’s vision and cultural values. Finally, contemporary leaders must also integrate the needs of diverse stakeholders with a balanced focus on economic profits, employee well-being and social and ecological sustainability. One term for this three-pronged emphasis that has seen wide acceptance is the triple bottom line.[3]
Many companies are attempting to integrate the triple bottom line in their strategic plans and have been spending great sums of money to promote their dedication to sustainability and solving ecological and social problems. However, dedication to the triple bottom line is often a response of political correctness, making it difficult to discern whether there is a genuine moral commitment to sustainable development or “greenwashing” whereby disinformation is disseminated by an organization so as to present an environmentally responsible public image. Regardless, there is a growing consensus that current economic business models based on unrestricted growth and consumerism are untenable. Solutions for a sustainable, even flourishing, world require a new model of leadership that fosters a sustainability mindset that places social and environmental sustainability at least on par with profitability and maximizing shareholder wealth. Such a model requires assessing the social, environmental, and economic aspects of any action so that it is as sustainable as possible, with sustainability being defined as a state of existence where social well-being and quality of life is maintained without degrading the ecological systems upon which life depends.

Such a view of sustainability also requires a model of leadership that views sustainable development as meeting the needs of the present without compromising the ability of future generations to meet their own needs as well as the moral obligation to serve the needs of people who are or could be affected by the corporation by recognizing that the legitimacy of powerless stakeholders is determined by the justice of their claim and not by the power they have to voice their claim. An example here would be the indigenous communities in the Amazon rainforests who are losing their land rights to deforestation and uncontrollable extraction of crude oil from conglomerates.

All this reflects an emerging call for leaders to live their lives and lead their organizations in ways that, in addition to providing for the organizations economic success, account for their impact on employees, the earth, society, and the health of local and global economies. Thus, the very definition of leadership is extended to those who seek, regardless of role or position; to build the kind of world we want our children and grandchildren to inherit. For the workplace this means that everyone has the right to pursue a sense of purpose and meaning within a loving community with leaders committed to a sustainable world that insures not just continued survival but the flourishing of future generations. This is perhaps the greatest challenge facing leaders today; the need to develop new triple bottom line business models that firmly embeds social and ecological sustainability without sacrificing acceptable profitability, revenue growth, and other indicators of financial performance.

In response to this call, we offer a model of spiritual leadership that inherently embeds sustainability into the triple bottom line (see Figure 1). In doing so, we draw from the emerging field of workplace spirituality and propose that the spiritual qualities that underlie the world’s spiritual and religious traditions provide the foundation on which leaders may build to hone their skills and competencies to foster a sustainability mindset by seeking higher levels of consciousness, self-awareness, and other-centeredness, which is essential for maximizing the triple bottom line through spiritual leadership.
Feature articles from Newsweek, Time, Fortune, and Business Week have chronicled the growing presence of spirituality in corporate America. A major change is taking place in the personal and professional lives of many CEOs and leaders as they aspire to integrate their spirituality with their work. In many cases, this has led to very positive changes in their interpersonal relationships at work and their organizations’ effectiveness. Further, there is evidence that workplace spirituality programs not only lead to beneficial personal outcomes, such as increased positive human health and psychological well-being, but that they also deliver improved employee commitment, productivity and reduced absenteeism and turnover. Companies perform better if they emphasize workplace spirituality through both people-centered values and a high-commitment model of attachment between the company and its employees. Moreover, there is mounting evidence that a more spiritual workplace is not only more productive, but also more flexible and creative as well as a source of sustainable competitive advantage.

For our purposes “spirituality” is concerned with qualities of the human spirit and that intangible reality at the core of personality, the animating life principle or life-breath that which...
alerts us to look for the deepest dimension of human experience. It is at the heart of the quest for self-transcendence and the attendant feeling of interconnectedness with all things in the universe. This is the inherent assumption for the spirituality that underlies the world’s spiritual and religious traditions.[9] From this perspective a religion is concerned with a theological system of beliefs, ritual prayers, rites and ceremonies, and related formalized practices and ideas. Typically, religion is practiced in institutions which have formed and evolved over time around the spiritual experiences of one or more founding individuals that also provides the context for leadership based upon the beliefs and practices inherent in that religion. However, spirituality is not simply about developing a personal relationship with a divine presence. It is also fundamental to the most widely accepted definition of workplace spirituality, which is “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 in a way that provides feelings of compassion and joy.”[10]

Research has shown that there is a clear consistency between spiritual values and practices, and leadership effectiveness and that values that have long been considered spiritual ideals, such as integrity, honesty, and humility, have a positive influence on leadership success. This suggests that satisfying these spiritual needs in the workplace positively influences human health and psychological well-being, and forms the foundation for both workplace spirituality and spiritual leadership.

Spiritual leadership can be viewed as an emerging paradigm within the broader field of workplace spirituality. It is seen as necessary for creating vision and value congruence across the individual, empowered team and organization levels and can be applied in both religious and secular organizations.[11] Spiritual leadership intrinsically motivates and inspires workers through hope/faith in a transcendent vision and a corporate culture based on altruistic values to satisfy universal needs for spiritual well-being through calling and membership and, ultimately, maximize the triple bottom line.

Figure 2 illustrates the model of spiritual leadership in action.
Essential to spiritual leadership is:

1. Creating a vision wherein leaders and followers experience a sense of calling so that their lives have purpose, meaning, and make a difference;
2. Establishing an organizational culture based on the values of altruistic love whereby leaders and followers have a sense of membership, belonging, and feel understood and appreciated.

While there are innumerable theological and scholarly definitions of love, we focus here on a definition based on the golden rule. Altruistic love in spiritual leadership is defined as a sense of wholeness harmony and well-being produced through care, concern, and appreciation of both self and others.

The source of spiritual leadership is an inner life or spiritual practice that enables one to be more mindful, conscious and self-aware, transcend egoic self-interests, and be able to connect with and serve something greater that promotes the common good. This connection to something greater can include a pantheist orientation toward nature, humanist social or ethical system, or spiritual and religious practices to draw on an ultimate, sacred, and divine Nondual force, Higher Power, Being, or God.[12] All provide people with purpose and meaning, altruistic values, rules to live by, and a source of strength and comfort during experiences of adversity. Underlying all these approaches is the assumption of the dignity of every human being and that people are never to be used solely as means to an (economic) end.
Results of spiritual leadership and related research to date reveal that it predicts a number of individual and organizational outcomes across various countries and cultures. These include being positively related to organizational commitment, job satisfaction, altruism, conscientiousness, self-career management, sales growth, job involvement, identification, retention, organizational citizenship behavior, attachment, loyalty, and work unit productivity and negatively related to interrole conflict, frustration, earning manipulation, and instrumental commitment.[13]

**Personal Spiritual Leadership**

It is important in spiritual leadership to distinguish between leading and leadership. Leading and leader development focus on the individual to develop individual-based knowledge, skills, and abilities associated with a formal leadership role. This often centers on intrapersonal skills and abilities such as self-awareness, self-regulation, and self-motivation. Leadership typically concentrates on the influence the leader has among their followers with a primary focus on the social influence process that engages everyone and enables groups of people to work together in meaningful ways. This involves building the capacity for better individual and collective well-being, adaptability, and performance across a wide range of situations.

Personal leadership is the self-confident ability to crystallize your thinking and establish an exact direction for your life, to commit yourself to moving in that direction and then to take determined action to acquire, accomplish or become whatever you identify as the ultimate goal for your life. Personal leadership is a process of developing a positive self-image that gives one the courage and self-confidence necessary to consciously choose actions that satisfy one’s needs, to persevere, and accept responsibility for the outcome.

Personal spiritual leadership requires hope/faith in a vision of service to others through altruistic love. Referencing Figure 2, the source of personal spiritual leadership springs from an inner life, mindful or reflective practice based on spiritual principles rooted in the golden rule. By being committed to a vision of service to key stakeholders leaders have a personal sense of calling, making a difference in other peoples’ lives, and assure that their life has meaning and purpose. By living the values of altruistic love they have a sense of membership and of being understood and appreciated. The combined experiences of calling and membership form the foundation for spiritual well-being, which is the source of the individual outcomes of personal spiritual leadership—personal commitment and productivity, positive human health, psychological well-being, life satisfaction, and a sustainability mindset.

Through this process leaders become more conscious, mindful, self-aware, and other-centered. Self-awareness is an expression of being present from moment-to-moment and conscious of one’s experiences, thoughts, feelings, and body sensations. From this state of being leaders realize that their view of the world is one of many alternative interpretations of reality and begin to realize they are interconnected and must care and take personal responsibility for the shared well-being of their fellow humans, key stakeholders, and the ecological systems that
must be preserved to insure we pass to a future generation a flourishing world that is better than the one we inherited.

Organizational Spiritual Leadership

Organizational spiritual leadership focuses on group relations between leader-follower, follower-leader, and peer-peer as being dynamic and reciprocal over time. It is well known that leaders through role modeling, behaviors, and other means can alter the self-concepts, attitudes, goals, and beliefs of followers. Through group member interactions an emergent process occurs whereby individual perceptions over time form group and, ultimately, organizational perceptions of spiritual leadership. As this process unfolds, leaders and followers in the organization begin to form compatible mental models of hope/faith in a vision of service to key stakeholders through altruistic love. As group members high in spiritual leadership interact, they continually bolster the level of spiritual leadership of each other and the group. In turn, this increases the group’s sense of calling and membership, ultimately supporting and influencing each other toward a sustainability mindset and a commitment to do their part to maximize the triple bottom line.

A challenge when implementing spiritual leadership at the organizational level is the negative connotation associated with the term spiritual. Secular organizations may desire a neutral term for the leadership model to avoid negative reactions from those who may associate the word spiritual with religion. Concerns arise regarding employee and employer’s expression of belief without judgment while balancing respective parties’ legal rights has proven challenging. In particular, fostering voluntary programs that legitimate and nurture employees’ inner life are seen as essential for implementing organizational spiritual leadership across the organization and include management practices such as:

- A brief moment of silence before meetings
- A room for silence; spiritual support groups
- Corporate chaplains/spiritual directors for confidential inner spiritual guidance and support
- Providing employees with coaching and mentoring opportunities from technical and leadership development and formation to personal vision statements
- Supporting a context for conversations among workers about sound needs, personal fulfilment, and spiritual aspirations
- A library that loans spiritual and religious materials

The Spiritual Leadership Triple Bottom Line Business Model

A business model is a description of the value a company offers. It encompasses the architecture of the firm and the network of partners/stakeholders and includes developing and adopting strategies that have a positive impact on key environmental stakeholders. To do so in today’s chaotic global, Internet age requires an explicit set of moral values and criteria for measuring success coupled with a need to institute triple bottom line assessment and
reporting. The Spiritual Leadership Triple Bottom Line Business Model (see Figure 3)\[14\], which draws from the balanced scorecard approach to performance excellence pioneered by Kaplan and Norton,\[15\] emphasizes stakeholder satisfaction and spiritual leadership as key to maximizing the Triple Bottom Line with particular emphasis on sustainability. In doing so it utilizes a vision and values-driven stakeholder approach to achieve congruence across the individual, team, and organizational levels to foster high levels of employee well-being, social and ecological sustainability, and acceptable financial performance.

Figure 3: Spiritual Leadership Triple Bottom Line Business Model

As shown, the strategic management process begins with the development of a vision, purpose, and mission, followed by an internal and external stakeholder analysis that forms the foundation for relating to and meeting or exceeding the expectations of key stakeholders. This analysis forms the basis for developing organizational objectives, strategies, and action plans for implementation. These comprise the quality, stakeholder satisfaction, and financial measures found in the Balanced Scorecard performance categories.

Employee learning and growth is the central balanced scorecard performance category because it is a leading indicator that drives the other performance categories. The Learning and Growth...
category is primarily driven through the spiritual leadership process whereby both leaders and followers are more likely to cultivate a sustainability mindset, be more committed to the organization, and have higher levels of life satisfaction and psychological well-being. This yields employees dedicated to continuous process improvement, resulting in higher quality products and services that, in turn, satisfy key customers and other stakeholders, including those committed to sustainability. This ultimately leads to better financial performance which, when taken together, maximizes the triple bottom line. Finally, the Spiritual Leadership Triple Bottom Line Business Model facilitates the integration of individuals and teams with the organization’s vision and values. Through this integration, empowered teams emerge, allowing workers to utilize their talents and abilities to effectively deal with important stakeholder issues.

Examples of the Spiritual Leadership Triple Bottom Line Business Model in Action

As mentioned earlier, the starting point for organizations committing to engage all stakeholders from a Spiritual Leadership Triple Bottom Line Perspective is the recognition of the innate dignity of all human beings. Moreover, a sustainability mindset becomes critical for leaders who are consciously engaged in caring for, respecting, and serving all stakeholders, especially those focused on the environment and those in need. Following are three examples of CEOs and their organizations that, although they might not describe their experience in terms of spiritual leadership, have discovered a way to connect with and serve something greater than themselves to embed sustainability into their triple bottom line.

**Unilever.** An example of a CEO and an organization that seeks to serve all stakeholders from a humanistic ethical system based in altruistic values that exemplifies the Spiritual Leadership Triple Bottom Line Business Model in action is Paul Poleman, CEO of Unilever, an Anglo-Dutch company with 176,000 employees, 76,000 suppliers in 190 countries, and 300 factories worldwide. Unilever offers more than 400 brands—Ben & Jerry’s ice cream, Dove soap, Lipton tea, and Hellmann’s mayonnaise—to over 2.5 billion customers. At Unilever, environmental risks and poverty are major problems for almost every part of business operations from manufacturing laundry detergent to growing tea. Fundamental to Poleman’s leadership philosophy is his view that the real purpose of business is to come up with solutions that are relevant to society and help make society better. He also believes that customers will abandon companies that fail to grasp that, while businesses that embrace the triple bottom line will inevitably become more profitable.[16]

Poleman’s embrace of sustainability is not without his detractors however and reflects the balancing act all leaders face who commit their organizations to the triple bottom line. Most significant is the challenge from shareholders, for whom Unilever’s good intentions count for little weight compared to their voracious desire for revenue growth and profits. In response Poleman has remained steadfast to his philosophy. Knowing that it will take years for the company’s sustainability plan to show concrete results he scrapped quarterly earning guidance for investors. In doing so he sided with those who argue that the intense pressure to meet quarterly targets traps companies in a vicious cycle of pressure to maximize share price for
investors to the detriment of long-term growth and execution of complicated strategies, like improving working conditions, improving the environment, and sustainability ambitions.

Poleman believes that success is not defined by a title or position but rather by having a purpose in life and setting out to achieve it. He also takes the time to interview entry-level candidates as well as have small focus groups, dinners, or lunches with people in the company at all levels (there are only five levels at Unilever). He views this as one of his most important jobs, to create a supportive culture to facilitate their career journey. Poleman says that the main thing he has discovered in life is that it is not about yourself, it is about investing in others. Above all he believes the chief quality of a leader is to be a moral, ethical human being. No one is more special because of their job title or responsibilities. The best advice he says he got from his father is to not forget where you came from (a family of modest means) and keep your feet on the ground.[17] His best piece of advice to others is to always remember that it is not about yourself and to be grateful.

Oprah Winfrey Network. Oprah Winfrey’s brand, Oprah Winfrey Network (OWN), and other global initiatives certainly qualify her as a leader who follows the Spiritual Leadership Triple Bottom Line Business Model. An example of a CEO that seeks to serve all stakeholders by drawing on a force or Higher Power greater than herself, Oprah is one of the most powerful women in the world whose net worth exceeds $3 billion. A woman of great talent and gifts, Oprah has produced and acted in movies, given commencement speeches, launched products, appeared on talk shows, and been awarded the U.S.’s highest civilian honor: The Presidential Medal of Freedom for meritorious contributions to the security or national interests of the United States, to world peace, or to cultural or other significant public or private endeavors.

Oprah considers one of her big productivity secrets is being “fully present” and living life moment-to-moment with a level of intensity and truth. From this place of conscious awareness also comes a space of humility and the realization that she does not have all the answers and must rely on a leadership team she can delegate to. This is reflected in conversations with trusted executives who use words like disciples, sacred, moral compass, and spiritual leadership when speaking of her.[18]

At her spiritual core is her belief and understanding that there is a force she calls God that is a presence, a divine entity that loved her into being that helps her stay grounded, centered, and strong. She feels called to inspire people, to get them to look at themselves—to do better and be better to everybody. What mattered most to her about creating OWN was having a platform where she could connect ideas that let people see the best of themselves through the lives of other people.

Oprah’s Angel Network, a public charity formed in 1998, was established to encourage people around the world to make a difference in the lives of others. Her vision is to inspire individuals to create opportunities that enable underserved women and children to rise to their potential. Her network built the Seven Fountains Primary School in KwaZulu-Natal, South Africa. Opened in 2007, the school serves more than 1,000 boys and girls and is a model for teaching and
learning throughout Africa.[19] She also initiates and supports charitable projects and provides grants to not-for-profit organizations around the globe committed to sustainability, such as the World Food Programme, Mpilonhle, and Heifer International that share in this vision.[20]

Aflac. Aflac is a Fortune 500 company that insures more than 50 million people worldwide. The company was founded in 1955 in Columbus, Georgia, by three brothers from Enterprise, Alabama. They were raised in the Methodist Church, and they applied the Christian principles they learned there in starting and building their company. They knew that doing the right thing would be critically important to their success in business. Dan Amos is chairman and chief executive officer of Aflac Incorporated. During Mr. Amos’ tenure as CEO revenues have grown from $2.7 billion to $21 billion as of December 31, 2015. He also is responsible for launching the company’s national advertising program featuring the popular Aflac Duck. Today, Aflac is the leading provider of individual insurance policies offered at the worksite in the United States and is the largest life insurer in Japan in terms of individual policies in force. Aflac was named by Fortune magazine in 2016 as one of America’s Most Admired Companies for the 15th year.

Although Aflac is not a religious company or trying to bring religion into the workplace, faith plays an important role in the company as it was founded and built upon principles rooted in Christianity. Paul S. Amos, a former board of directors member who resigned in June 2017 to join a private equity firm, believes that the teachings of Jesus absolutely create the right principles for the right way to treat other people and that you bring people into the culture and emphasize these principles from day one on how they provide guidance for how you behave in meetings and how you behave both inwardly and outwardly. However, company leaders can make those types of decisions without expressly saying that it’s about a Biblical principle, but knowing it is those foundations that have generated that decision. And when leaders are doing the right things they are also teaching their people how to do the right things. It is not expressly in your face, but it is about doing the things that are going to generate the best return for Aflac’s shareholders, the best return for policyholders and the best way to take care of people.[21]

As the market leader in the supplemental insurance industry, Aflac leaders are committed to making business decisions that balance the needs of their policyholders, employees, sales force, and shareholders, while recognizing the obligation they have to the global community. As such, they have embedded a commitment to sustainability into their triple bottom line by striving to balance effective and efficient management of operations with caring for their people and responsible environmental stewardship, including promoting awareness among their employees and interested stakeholders of their shared responsibility towards protection of the environment.[22]

Aflac also carefully considers the impact of their actions—not only today, but in the years to come. As a large, publicly-traded company, Aflac recognizes its responsibility for leading the way in eco-friendly business initiatives. The company became the first insurance company in the United States to be ISO 50001 Energy Management System registered, which represents the latest best-practice thinking in energy management. Key to this is the Aflac SmartGreen®
philosophy and goal of environmental stewardship, which has led to the implementation of policies and procedures that guide their actions with respect to buildings, procurement, purchasing, and waste prevention.

**Discussion and Conclusion**

For several reasons, the path for embedding sustainability in the triple bottom line is not easy, nor is it a given that all leaders have the capacity to perceive or walk it. First, leadership that emphasizes sustainability reflects an emerging consensus for leaders to live their lives and lead their organizations in ways that account for their impact on the earth, society, and the health of local and global economies. Thus, the very definition of leadership is extended to those who seek sustainable change, regardless of role or position; to build the kind of world that we want to live in and that we want our children and grandchildren to inherit. Second, this requires leaders with extraordinary abilities, as sustainability and sustainable development call for organizations to operate within complex interconnected and dynamic environmental, economic, and social systems that require conscious moral decision-making and complex problem solving. Third, leaders must engage in an inward journey of discovery whereby innate human selfishness is transformed or becomes centered in deeper empathy, compassion, understanding of oneself as well as colleagues, organizations, communities, the environment, and how all these factors interrelate.

Finally, four interrelated objectives must be realized in order to embed sustainability in the triple bottom line through spiritual leadership:

1. **Build the organization**—Develop the organization’s capacity to support other organizations as well as become more sustainable itself.
2. **Build leadership**—Support the development of leader knowledge, skills, and competencies, and the organization’s capacity for embedding sustainability into the triple bottom line.
3. **Build partnership**—Actively contribute to policy and stakeholder development and practice in sustainable development at the industry, national and global levels.
4. **Build practice**—Lead, support, and contribute to debate, discussion, and improvement of leader competencies for effective leadership for sustainability.

The basic assumption underlying these objectives is that, although building the organization is desirable in itself, its main purpose for sustainable development is to make it better equipped to meet the other three objectives. Building leadership requires the development of core
competencies to be able to understand and demonstrate leadership for sustainability, which is often described as sustainability literacy. By building practice, organizations committed to sustainability would build leadership for sustainability with spiritual leadership as its foundation. Building partnerships would improve the quality and impact of a sustainable development within the organization’s stakeholder ecosystem. Leaders, organizations, and their partners could then work to implement sustainable strategies that influence learning, learners, leaders, organizations, and the communities they serve to nurture sustainable development.

In conclusion, we have proposed that the personal and organizational spiritual leadership models can be used for embedding sustainability into the triple bottom line. This is a leadership paradigm within which we can all experience meaning and purpose connected to something greater than ourselves, a world in which we can flourish today as well as provide for the generations of those to come. And most important of all this raises at least two questions for those of us who are committed to this quest, we must ask ourselves, “How will I participate in a sustainable future? Will I make the moral commitment and choose to accept the challenge of co-creating a conscious, sustainable world that works for everyone through spiritual leadership?”

REFERENCES


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Article can be accessed at https://gbr.pepperdine.edu/2017/12/spiritual-leadership/
This special edition of the *Graziadio Business Review* (GBR) is dedicated to the topic of spiritual leadership. As we are living in an increasingly complex world and rapidly moving into the smart machine age, the need for good leadership has never been greater. Spirituality provides a compass to navigate through difficult decisions and situations. Furthermore, it is an essential element of good leadership as it infuses the essential elements of integrity, compassion, ethics, and stewardship.

Given the necessity of spiritual leadership it is not at all surprising to find that scholarly interest regarding this is increasing rapidly. In fact out of the nearly fifty-year history of Scopus, the world’s largest abstract and citation database of peer-reviewed scholarly literature, 56.0 percent of the publications about spiritual leadership have been in the last five years. Spiritual leadership is especially relevant to the business world, as 56.0 percent of all articles published on this topic are within business, management, and accounting across all academic disciplines. This percentage jumps to 76.1 percent for articles pertaining to workplace spirituality. Needless to say spiritual leadership, particularly in the area of business, is “a hot topic.”

This special edition is comprised of nine invited and refereed articles covering a variety of issues from some of the most significant thought leaders in spiritual leadership, including Louis (Jody) Fry, the most cited author in this field. Fry and Eleftheria Egel write on the need to embed sustainability in the triple bottom line. In a similar sphere, Laszlo Zsolnai discusses ecologically
conscious leadership. Jerry Biberman offers an editorial that looks at current research trends regarding spiritual leadership in management. Rick Marrs examines the Jesus leadership style. Relatedly, Bernice Ledbetter, Robert Banks, and David Greenhalgh examine the topic of spirituality and leadership through the example of Apostle Paul. More generally, Soren Eilertsen makes the case for bringing the human spirit to business leadership. Connie James shows how spiritual leadership and learning organizations align. Rick Gibson covers how spirituality can be used to create and solve new problems. And, Richard Walton, Joetta Forsyth, and Jillian Alderman explore the interesting connection between religious beliefs and financial decision-

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EDITORIAL: Research and Teaching on Spirituality and Spiritual Leadership in Management

Current Trends and Possible Future Directions

BY JERRY BIBERMAN, PHD, PROFESSOR EMERITUS, UNIVERSITY OF SCRANTON

Research into spirituality and religion and management and spiritual leadership first began to appear in management academic journals in the late 1990s. Arguably two of the first notable books on the topic were Bolman and Deal’s Leading with Soul[1] and Mitroff and Denton’s A Spiritual Audit of Corporate America[2].

When I first began writing about spirituality and management, I was interested in studying how a person’s own personal experience of spirituality (e.g., spiritual experiences or practices a person had, a person’s level of consciousness or experience of consciousness, “spiritual awakening” or “aha experiences”) might influence how she or he behaved in a management setting or how they influenced the way the person might structure or manage an organization. This interest was sparked by my own personal spiritual experiences. In this article I will summarize where I consider the current state of research to be, and give some suggestions for future research and for teaching and practice implications.
Current state of research

After the first 10 years or so of publications in the area, I and several colleagues developed a theoretical model that was designed to “map the territory” in which most of the research had and is being done on the topic of spirituality in organizations.[3] The model was broken down into three main dimensions—level, measures, and validity. “Level” referred to the level of analysis of the study, and was further divided into individual, work unit, whole organization, and society. “Measures” referred to the types of data being examined or phenomena being measured by the measurement instruments or procedures used in each particular study; they were described as either measuring cognition; emotion; action, behaviors or processes; or other measures. Lastly, “validity” referred to the way in which the phenomenon being studied is validated—as either internally perceived experiences (interior) validated only by the person having or reporting the experience, or externally observable or measurable phenomena (exterior) which can be “objectively” validated. This three-dimensional model resulted in 32 possible combinations. Any given study may fall into one or more of these boxes.

We tested the model using 187 empirical studies in the field that were published from 1996-2004, and classifying the published research using the model, showed those areas of research that had received the most and the least amount of research attention to that point. With regard to levels, most of the studies reported were at the individual level. There were few studies at the organizational level and very few reported at the work unit level and society levels. With regard to measures, most of the studies reported using surveys to measure cognitive and action/process variables. Those studies that were done using interviews, focus groups, and other types of qualitative techniques were most likely to measure a combination of cognitive, emotional, and action/process variables. In terms of validity, most of the studies used interior validity from some type of self-report.

The results of testing the model suggested that future research should be conducted at all levels—particularly at the work unit and organizational levels, and should involve more attempts at external validity, using measures that go beyond self-report to more externally observed measurements such as observations or externally measured behaviors or processes.[4]

The model that we presented and tested in 2007 is similar to the All Quadrants All Levels (AQAL) model that Ken Wilber has described in several of his publications (e.g. Wilber,
To date I am not aware of anyone who has published spirituality and management research specifically using Wilber’s AQAL model or aspects of that model.

I believe that research into spirituality and management is at an interesting stage of development. Several of the original “founding parents” have stopped being involved with research or writing about spirituality and religion and management (for a variety of professional and personal reasons), or have moved on to other areas of research—turning things over to the next generation.

While there has always been a healthy tension among spirituality researchers between those advocating more rigorous empirical research versus those who would rather pursue more creative non-traditional research, recent research seems, in my opinion, to have become increasingly only empirical, with the emphasis in many studies being how spirituality or religion (or even one particular religion), however defined in the particular study, can be used to increase corporate profits or can be used to make the organization more efficient or productive to improve the bottom line, with less research on how spirituality or religion can be used to improve the quality of life within an organization—unless this leads to improving the “bottom line.”

**Suggestions for future research**

In light of the above observations, I would like to propose the following suggestions for possible future research in the areas of spirituality and religion and spiritual leadership and management:

1. **Explore research into other as yet under researched areas of the Tischler et. al. model and Wilber’s AQAL model—especially those involving levels of consciousness**

As summarized above, the results of testing the Tischler, Biberman, and Altman model suggested that future research should be conducted at all levels—particularly at the work unit and organizational levels, and should involve more attempts at external validity, using measures that go beyond self-report to more externally observed measurements such as observations or externally measured behaviors or processes.[6] With regard to Wilber’s AQAL model, since to date no one has published research examining spirituality and management research specifically using Wilber’s AQAL model, research involving the various aspects of his model would be useful.

2. **Greater clarity of distinction/relationship between spirituality and religion and their implications for research**

There has always been a tension between those researchers who were interested in studying the relationship of religion to management with those interested in studying the relation of spirituality to management. Researchers often (sometimes intentionally) blurred the distinction between the two. This has sometimes led to a lack of clarity or consensus as to what is being
studied—ranging from the degree to which a person agrees with or holds a particular belief or belief system relating to a specific religion to whether a person engages in a spiritual practice that may be related to several religions (or outside of a religion), to the degree to which a person has experienced or “felt” a certain psychological or “transpersonal” state of consciousness (which could range from generic feelings such as “love” to higher levels or states of consciousness described by mystics and referred to by Wilber and others). I think it would be interesting to see more research that attempts to differentiate and deal more explicitly with both the belief systems and behavioral practices of spirituality and religion, and that investigates new methods for measuring such seemingly ineffable and hard to measure (or even define) concepts as altered states of mind and levels of consciousness.

3. **Use research methodologies from other academic areas**

In other publications[7] [8] I have suggested that researchers look at techniques that have been developed and used in other related academic disciplines such as psychology, sociology, and anthropology to see if those techniques could be adapted for use in spirituality in management research. Particularly useful would be research methodology that could examine states of consciousness and other subjective psychological experiences as well as techniques involving introspection and self-reflection other than Likert scales on surveys. In the early years of the Management, Spirituality and Religion (MSR) group of the Academy of Management there were many interesting and creative presentations of non-traditional research in dissertations and in conference presentations—including the use of drawings, collages, and other non-traditional research techniques. It would be useful to expand the scope of spirituality research by returning to the use of more creative research methodologies. There are also several qualitative techniques that have been developed and used in other disciplines that could be adapted to management and spirituality research (e.g., those detailed in Pfaffengerber, Marko, and Combs, 2011, as reviewed in Young and Biberman, 2016).[9]

4. **More research relating spiritual leadership to spirituality and religion**

There has been extensive research on spiritual leadership. Much of it has been conducted by Fry using the scale he developed (e.g. Fry, 2008).[10] The scale has been used in a variety of settings, thus generating a great deal of data.

It would be useful to see future research that relates spiritual leadership to research into other aspects of management and spirituality and religion. It would also be useful to see other research approaches to spiritual leadership (or, more generally, into spirituality and leadership) that would examine such things as how leadership behavior changes with or is related to one’s level of consciousness, such as described in spiral dynamics and other similar approaches (e.g. Beck and Cowan, 1996)[11] or where a leader stands in respect to the different levels of Wilber’s AQAL model. It would also be useful to study whether a leader’s behavior is more influenced by her or his religious or spiritual beliefs or by the specific behavioral spiritual practices (such as prayer and meditation) in which a leader may engage.
Research relating mindfulness to aspects of spirituality and religion other than just positivist research

One topic related to spirituality and religion that has received recent attention in both the popular and academic literature is that of “mindfulness.” Mindfulness was the cover story of a recent issue of Time magazine, and there have been recent academic publications and conference papers devoted to the subject. Mindfulness is not really a new practice, but is, rather, a type of meditation practice—falling into the meditation category of “concentration”—that has (like all types of meditation) been practiced in and outside formal religions for centuries.

The recent attention to mindfulness reminds me of the attention that was given to transcendental meditation and to whatever type of spiritual practice or book about spiritual practice that Oprah Winfrey used to feature in the book discussions on her show. As with research on meditation, research on mindfulness has also, for the most part, been positivist and mostly concerned with whether mindfulness practice improves a person’s health and/or various aspects of an organization’s bottom line.

As with spiritual leadership and the other research I discussed above, it would be useful to see future research that relates mindfulness to research into other aspects of management and spirituality and religion. It would also be useful to see other research approaches to mindfulness that would examine such things as how mindfulness practice changes or is related to one’s level of consciousness, changes or improves one’s behavior in an organization, and how these changes in behavior relate to the different levels of Wilber’s AQAL model.

Teaching and practice implications

I spent more than 30 years teaching undergraduate and graduate students at a Jesuit university (the University of Scranton) and attending teaching sessions at national conferences such as the Organization Behavior Teaching Conference and the Academy of Management. While a professor at the University of Scranton I completed the spiritual exercises of Ignatius Loyola and had a series of Jesuit spiritual directors. My experiences with the Jesuits, combined with my Jewish heritage and interest in and experience of Kaballa (Jewish mysticism) and other types of mysticism had a major influence on not only my interest in research and writing about spirituality and religion and management, but also on my teaching philosophy, my classroom teaching assignments, and student learning assessment, on the way in which I taught my classes. They also led to my making a number of conference presentations on teaching.
Two major tenets of Ignatian education philosophy are (in Latin) the magis and cura personalis. Magis is roughly interpreted to mean a striving for excellence (or the most). Cura personalis has been roughly interpreted as meaning caring for the whole person. My teaching philosophy has been influenced by these two tenets. Thus, I strive in all of my teaching to teach the “whole person.” For me, this means not just lecturing and grading on multiple choice tests, but on using a variety of experiential teaching methods, and on using a variety of writing and journaling assignments to have students reflect on what they learned from their experiences. My assessment of their responses is based not just on whether they can recite back a theory, but to the extent that they can apply the theory to analyze how the theory applied to their own experience.

If the criteria for impact for scholarly writing were the degree to which scholarly writing actually influenced or changed managerial or student behavior, then I would say that the things that I wrote which seemed to have the most impact were the articles and books involving teaching methodologies and the use of stories in the classroom (e.g. Marques, Dhiman, and Biberman, 2011, 2011 and 2012),[12] [13] [14] as these may have had an impact on teachers who used them in their classes and subsequently may have changed some of their students’ behaviors.

Looking back, on reflection, between my scholarship, teaching and service activities, teaching was the activity that seems to have had the biggest impact, and to have been my most meaningful activity, in that the students who I taught over the past thirty-some years continue to contact me to tell me how I influenced or changed their behaviors, or how the courses were meaningful to their lives and to their careers.

My experiences have led me to make the following recommendations, which I believe are useful for not only university classroom teaching but also for organization training and human resource development:

1. **Use experiential techniques involving introspection**

Rather than just lecturing and grading on multiple choice tests, use a variety of experiential teaching methods, and use a variety of writing and journaling assignments to have students reflect of what they learned from their experiences. My assessment of student responses and writing is based not just on whether they can recite back a theory, but to the extent that they can apply a theory to analyze how the theory applied to their own experience.
2. **Incorporate meditation, mindfulness, and other integral spiritual practices into classroom activities**

There are a number of books and other resources that describe both how to do these practices and how to incorporate them into classroom activities (e.g. Marques, Dhiman, and Biberman, 2011,[15] among many others).

3. **Incorporate the impact of the researcher’s and teacher’s personal spiritual practices and beliefs into her or his own research and teaching**

In my experience, students were most impacted by experiencing the degree to which their teacher “walked the talk” when it came to teaching about spirituality and religion and management. I did a lot of self-disclosure and sharing of my own spiritual and religious beliefs and practices in my classes, while at the same time encouraging students to discover and follow their own personal beliefs and practices. I believe that self-disclosure is different than preaching or proselytizing. My students seemed to be impacted more by their seeing and knowing that I meditate and do not drink or do drugs, for example, than by my proselytizing to them as to what to do or believe.

**Concluding Remarks**

Research and teaching on spirituality and spiritual leadership in management continue to face challenges. The general area continues to not be considered as “mainstream,” but more of a fringe area of research.

There have still as yet been very few publications on the topic in mainstream “prestigious” management journals (including official Academy of Management journals). These mainstream journals, which have very low acceptance rates, are more favorably considered in many academic departments seeking to attain or maintain accreditation status.

Spirituality researchers, like all researchers, have the human tendency to want to have their research be taken seriously by their colleagues in the management research academic area, and they find it difficult to hear their research interests being attacked as “flaky” or “kooky” or not being taken seriously as a serious field of inquiry by their colleagues. This becomes especially important when their work is being evaluated for tenure or promotion, or as to whether it qualifies as counting toward being “academically qualified” for business school certification. Business school accrediting agencies have been placing increasing emphasis on faculty publishing several articles each year in peer reviewed academic journals in order to remain “academically qualified.” Many business schools rate the academic journals that they would prefer their faculty to publish in on the “quality” of the journal, with quality usually being equated with the percentage of journal submissions that get accepted for publication. “Top tier” journals tend to have very low acceptance rates and to emphasize traditional empirical management research methodology.
From the teaching perspective, business school professors who teach material related to spirituality and spiritual leadership and management are most often Management or Organization Behavior teachers, who often find their approaches, philosophy, and teaching methodologies different and at odds with those of the other more traditional business school faculty in their school.

In terms of the intersection of research and teaching, one way in which a stream of research can be seen as mainstream is whether it becomes included in syllabi of business school courses (or itself becomes a separate course) and whether the topic is mentioned in business course textbooks. Thus for spirituality to be considered mainstream we would expect to see it as a topic mentioned in a management or organization behavior textbook or as part of a management or organization behavior course outline. While there are a small number of business schools that have separate courses on spirituality, and several that include spirituality in their management or organization behavior courses, I am not aware of any management or organization behavior textbooks that explicitly mention the topic of spirituality or have a description of any spirituality researchers or their research.

I believe that the upcoming generation of academic scholars will be able to rise above these challenges. I am encouraged by the great interest in the area that I have observed in recent new members to the Management, Spirituality and Religion group of the Academy of Management, who have expressed interest in understanding the history of the field to date and in expanding the field in new and exciting ways. I am also encouraged by the continued interest that new business school faculty express in incorporating the topic of spirituality and spiritual practices into their classrooms and teaching techniques. I believe that research and teaching in the field will help future managers and organization leaders cope with the stress and anxiety and sometimes rancor that organizations and, indeed, all of us, have been experiencing given the political and economic conditions of the past few years.

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Jerry Biberman, PhD was a Professor of Management and retired from full time teaching in 2012. For 12 years he served as Chair of the Management/Marketing Department at the University of Scranton. He obtained his MS, MA and PhD from Temple University. Biberman has co-edited several books and has published many articles in the areas of work and spirituality and on organizational behavior teaching. He also served as founding co-editor of the Journal of Management, Spirituality and Religion, and has co-edited several special editions on work and spirituality for the Journal of Organizational Change Management. He was a founder and first chair of the Management, Spirituality and Religion interest group of the Academy of Management. In 1999, Biberman was the recipient of the first University of Scranton Kania School of Management Scholarly achievement award. He received the award a second time in 2003. In 2010 he received the Provost Award for Excellence in Integrating Mission and Justice into the Curriculum.

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Ecologically Conscious Leadership

Spiritual Convictions that Achieve Sustainability

BY LASZLO ZSOLNAI, PROFESSOR AND DIRECTOR, CORVINUS UNIVERSITY OF BUDAPEST

Mainstream business practices often produce negative impacts on nature, future generations, and society as a whole. Spiritual convictions may help business leaders to develop ecological consciousness required for achieving sustainability in business functioning. This article presents cases of ecologically conscious business leadership from the USA, Europe, and India that produced unique sustainability innovations, and discusses the role of ecological consciousness in creating business organizations that serve the flourishing of life (human and non-human alike).

Today’s business leadership stems from having a self-centered perspective. Mainstream business leaders typically understand their organizations in separation from the larger environment and tend to pursue goals which are defined in a narrow sense. They are disembedded from the environmental and social context in which their organizations function and consider the natural environment and human persons to be mere means for accomplishing their organizations’ purposes and goals.[1] Self-centered functioning of mainstream businesses may lead to decisions and policies that produce ecological harm and the deprivation of human communities.
Sustainability and Spirituality

There are a number of definitions and theories of sustainability in business context including the “natural capitalism”[2] and the “triple bottom line” concepts.[3] I suggest a simple but straightforward definition according to which an organization is sustainable if it creates socio-ecological well-being while maintaining its financial and economic viability.

It is not enough that an organization does not cause harm to nature or society. Sustainability requires that organizations make positive contributions to natural ecosystems, social communities, and future generations. This is possible if organizations function in ways that do not reduce and destroy but enhance the life-conditions for human and non-human beings.[4]

Ecological consciousness is central in leadership progressing toward sustainability. Such a consciousness can be described as a “system of values that is not based on conventional norms, precepts, commandments, and fear of punishment, but our knowledge and understanding of the universal order. We realize that we are integral part of creation and that by hurting others we would be hurting ourselves.”[5] At the core of ecological consciousness is love and compassion, deep reverence for life, empathy with all sentient beings, and unity with the source of creation.

To improve the sustainability and ethicality of one’s decisions and actions, leaders should enhance the development of their self toward wholeness, that is achieving an inclusive and peaceful state of consciousness. According to empirical evidence collected by psychologists and medical scientists, spiritual experiences may help people in transcending their narrowly defined self-conception, and enable them to exercise genuine empathy with others and taking an all-compassing perspective.[6]

Stanislaw Grof documented and analyzed thousands of spiritual experiences all over the world. Despite the different cultural traditions, the spiritual experiences involve “authentic experimental identification with other people, animals, plants and various other aspects of nature and cosmos….We typically undergo profound changes in our understanding of existence and of the nature of reality. We directly experience the divine, sacred, or numinous dimensions of existence in a compelling way.”[7]

Three Ecologically Conscious Leaders

Henri David Thoreau, Albert Schweitzer, and M. K. Gandhi represent spiritually ecological consciousness leadership models in the most compelling ways. A summary of their life philosophies is worthy to recall here.

American philosopher and naturalist Henry David Thoreau (1817-1862) was known as a leading transcendentalist. His famous book Walden is a reflection on his experience with simple living in a natural environment. Thoreau did not want to reject civilization altogether and deify wild
nature. He was searching for a middle way, preferring “partially cultivated country” which integrates nature and culture.

_Walden_[8] emphasizes the importance and meaningfulness of solitude, contemplation, and living close to nature. Thoreau propagated self-reliance, simplicity, and spiritual progress. For him self-reliance was economic and social independence and a self-supportive mode of functioning based on the ideal of simplicity. He was relentlessly seeking to simplify his lifestyle by minimizing consumer activity, and relying on his own work. He was skeptical about the outward improvement of life and its beneficial effect on inner peace and contentment of humans. Instead he thought that there is a need for spiritual awakening and to realize that man is part of nature.

German theologian _Albert Schweitzer (1875-1965)_ served as a medical doctor who spent most of his life as a missionary in Africa. For his philosophy of “Reverence for Life” he received the Nobel Peace Prize in 1952.

Schweitzer’s central idea was that the decay of Western civilization is due to the fact that it had abandoned its ethical foundation, the affirmation of life. He believed that a “true philosophy must start from the most immediate and comprehensive fact of consciousness, and this may be formulated as follows: ‘I am life which wills to live, and I exist in the midst of life which wills to live.’“[9]

The “will-to-live” appears both as an evolutionary necessity and a spiritual phenomenon. Life and love are interrelated and rooted in a deep spiritual relationship to the universe. Ethics proceeds from the need to respect the wish of other beings to live and flourish. Reverence for life implies that individuals should live in the service of other people and of non-human living creatures. Reverence for the human and non-human life becomes the “highest principle and the defining purpose of humanity.”

_M. K. Gandhi (1869-1948)_ was the leader of the independence movement in India against the British Empire. He employed the philosophy of nonviolence and civil disobedience in his fight for the independence of India.

Gandhi valued nature because it was the creation of God and not because of its usefulness to man. Nature must remain as pristine as possible as it is part of a common omnipresent and omnipotent Absolute Soul. Gandhi insisted on the limitations of wants so that the impact of human life on nature would be minimized.[10]

Gandhi emphasized the importance of living close to the land. His aim was not only political freedom but also freedom from poverty, inequality, caste, and fear. The ultimate goal of human life is attainment of Moksha, i.e. liberation from all ills. According to Gandhi it is the universal Self that has to be realized.[11]
Gandhi followed the philosophy of advaita (non-duality) which states that the world is one, there is no division between subject and object but there is a unity between man and nature. He recognized a basic right to live and blossom for all, the self-realization of all. Greed can never be satisfied but nature produces enough for us if we take just what is enough for us. All living beings have equal right to exist on this planet.[12]

Thoreau, Schweitzer and Gandhi were spiritually rooted leaders. They promoted non-killing, simplicity, self-reliance, and non-violent activism. All of them believed in the essential unity of man and nature, God and the cosmos.

**Ecologically Conscious Leadership in Business**

The author of this article analyzed selected cases of ecologically conscious leadership from the USA, Europe, and India to show the practice of sustainability in different fields of business. These are Patagonia, Triodos Bank, and Organic India. The cases illustrate how ecologically conscious leaders organize and manage business activities in ecological, pro-social, and future respecting ways.

**Patagonia, Inc.**

Yvon Chouinard founded pioneering ecological clothing company Patagonia. He is a devoted environmentalist and believes that business is an excellent place to practice Buddhism. The company is committed to sustainable “natural growth” by selling their products to people who really need them.

Patagonia makes considerable efforts to reduce, neutralize, or even reverse the root causes of climate change. The company is committed to (1) reducing the environmental impact of its operations and its supply chain, (2) supporting grassroots activism by paying an Earth Tax, (3) using the company’s voice to advocate for systemic change, (4) empowering customers by making quality products that can be repaired, (5) supporting regenerative practices in ranching and agriculture, and (6) envisioning a new approach to business.[13]

Commitment No. 1 involves measuring Patagonia’s carbon footprint. In 2015 the estimated emissions of Patagonia’s global operations were 3,617 metric tons of CO₂. Patagonia has developed an employee transportation “Drive Less” program, which provides monetary incentives to employees to ride a bike, carpool, or take public transportation. The Chemical and Environmental Impacts Program is a supply chain initiative by Patagonia to manage chemicals in a more careful way. The program covers all areas of environmental systems including waste, water use, and energy use.

Commitments No. 2 and 3 involve supporting grassroots activists by paying an Earth tax. This funding started in 1985, when Patagonia gave 1 percent of its sales revenue to the preservation and restoration of the natural environment. In 2015 the amount given to grassroots
environmental groups was 70 million dollars. Patagonia’s employees can work up to 320 hours for environmental groups while receiving full pay from Patagonia.

Commitment No. 4 involves making products that are durable and using raw material that cause less environmental harm than their counterparts. One motto is “Repair is a radical act.” “Don’t buy what you don’t need. Think twice before you buy anything.” Commitment No. 5 involves the environmental program “worn wear.” The message is “invest in quality and repair when things break, and celebrate the clothing that travels with us through life.” Patagonia has the largest garment repair center in the USA.

Commitment No. 6 involves an internal investment fund to help “like-minded responsible start-up companies bring about positive benefit to the environment.” The purpose is to inspire and use business to help solve the environmental crisis.[14]

Triodos Bank

Peter Blom, CEO & Chairman of the Board of the Triodos Bank, is a pioneer in sustainable and ethical banking. He joined Triodos in 1980, the year the bank first opened for business in the Netherlands. Having been working at Triodos since the start, he was appointed Managing Director in 1989, and has been CEO since 1997.[15]

The Tridos Bank was founded as an anthroposophical initiative. The bank’s statutes were committed to anthroposophical principles until 1999, but in later years, the bank has broadened its appeal. Triodos is operating in the Netherlands but also have branches in Belgium, Germany, United Kingdom, and Spain. Its mission is to make money to serve positive social, environmental, and cultural change. The bank helps in creating a society that assures the quality of life of all, enables individuals and organizations to use their money in ethical ways benefiting the environment and human communities. It aims to promote sustainable development by providing its customers with responsible financial products and services. Triodos only lends to organizations and invests in projects that benefit both people and the natural environment.[16]

As the name of the bank relates to “Triodos” (meaning “three way”), the business model is based on three pillars, namely planet, people, and profit. It means that Triodos screen every investment in using environmental, social, and financial criteria simultaneously.

Triodos has developed a benchmark for financial transparency and aims to raise the financial literacy of its customers and partners. The bank lends to organizations such as charities, social businesses, community projects, and environmental initiatives. Investing in the environment is done through organic farming, organic food, and environmental technology projects. The areas of social business include trade, manufacturing, services, catering, and business enterprise centers. Culture and welfare is encouraged through lending to clients working in providing healthcare and education, as well as to those working in the arts and on social projects.[17]
Organic India

Organic India is a producer of organic agricultural products. The company was founded in 1997 in Lucknow, India, by Bharat Mitra. It is currently operating on about 50,000 acres of certified organic land and is the largest and most widely-spread certified organic cultivation system in India.[18] The company produces a wide range of agricultural products, all of them are 100% organic. Originally, the main products were tea and medicinal herbs. Nowadays, this assortment has been extended to other products including spices, honey, and ginger. In addition, Organic India has created a venture for selling fresh organic vegetables.

The vision of Organic India is as follows: “To be a vehicle of consciousness in the global market by creating a holistic sustainable business modality, which inspires, promotes and supports well-being and respect for all beings and for Mother Nature.”[19]

For Organic India, organic agriculture is considered as a tool to promote sustainable development for all beings. In order to reach its main objective, Organic India has developed its mission: “To be a trustworthy and innovative global leader in providing genuine organic products and solutions for conscious, healthy living.”[20]

The basis of Organic India’s business is “tulsi” (also called “holy basil”), an herb that is known for its health-promoting effect. It is an herb important in Ayurvedic medicine, the ancient traditional holistic health system of India. The Ayurvedic approach respects all creation and considers the whole universe as one divine unity.

In addition to tulsi, Organic India engages in growing organic spices, seeds, beans, and grains. These are produced without any chemical fertilizer or pesticide and completely avoid genetically modified organisms. Organic India has acquired third-party certifications, such as USDA Organic, EU Organic Farming, and Indian National Standards for Organic Production.

The company’s employment ethics is based on fairness, respect, dignity, and encouragement. Organic India aims to provide farmers with sustainable livelihood. It works with thousands of farmers, directly supporting and training them in organic agricultural practices. The company pays the farmers a premium over the market price and helps them to meet the requirements of USDA and other certification systems.

Organic India is a clear example of progressive entrepreneurship that challenges the business models of modern agribusiness. The company takes a holistic approach to promoting the long-term well-being of farmers and is especially sensitive towards meeting the needs of female employees.
Discussion

Table 1 summarizes the main characteristics of the reported ecologically conscious leadership cases.

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<tr>
<th></th>
<th>Patagonia</th>
<th>Triodos Bank</th>
<th>Organic India</th>
</tr>
</thead>
<tbody>
<tr>
<td>place of operation</td>
<td>USA/Global</td>
<td>The Netherlands/ Europe</td>
<td>India/Global</td>
</tr>
<tr>
<td>mission</td>
<td>creating positive change in consumer behavior and business functioning</td>
<td>use money to serve positive social, environmental, and cultural change</td>
<td>to promote holistic sustainable development</td>
</tr>
<tr>
<td>core values</td>
<td>authenticity, transparency, progressiveness</td>
<td>people, planet, and profits</td>
<td>friendly for the environment, for society, and for the consumer.</td>
</tr>
<tr>
<td>business model</td>
<td>providing natural sportswear and outdoor products</td>
<td>sustainable and ethical banking</td>
<td>supports the marginal farmers to produce the highest quality organic food and health products</td>
</tr>
<tr>
<td>stakeholder engagement</td>
<td>recycling center for the customers, helping pro-environmental behavior of the employees</td>
<td>connects conscious savers and investors with entrepreneurs and companies dedicated to sustainability</td>
<td>giving support and livelihood for marginalized farmers and their communities</td>
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</table>
What is common in the reported cases is that ecologically conscious business leaders employ intrinsic motivation to serve the commonwealth of life and use multidimensional ways of defining and measuring success. In their cases profit and growth are not final ends but only elements of a broader set of non-materialistic goals. Similarly, cost-benefit calculations are not the only means to make business decisions but are integrated into a more comprehensive scheme of wisdom-based management.[21]

**Conclusion**

The reported cases of ecologically conscious leadership suggest that achieving sustainability is not a materialistic affair only. Moving toward sustainability in business requires leadership recognizing a more spiritual comprehension of our place in the cosmos and activating and employing more noble instincts than pure material self-interest. Without practicing ecological consciousness in business leadership there is little chance for flourishing of human and non-human life on Earth.

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Articles and books proliferate extolling the virtues of leadership exemplified in Jesus of Nazareth. The theme often stated, implicitly if not explicitly, is that this itinerant Galilean living 2000 years ago models leadership ideally suited for the modern day CEO or C-level executive. Unmentioned is that Jesus never oversaw any formal organization nor managed a budget of any size; in contrast, we can make a fairly compelling case that Jesus not infrequently was considered a threat to the corporate and government establishments.[1] Sadly, much of the written literature in this area originates with modern principles and insights considered best practices and remakes Jesus in that image. In contrast to that literature, this article avoids superimposing assumed best leadership practices upon Jesus and instead observes his character traits and interactions with people to determine if there are demonstrable qualities and approaches that transcend time and may be applicable and relevant for any leadership setting.

[1] Interestingly, to the author’s knowledge those writing in this area seldom mention that Jesus recruited as associates and followers individuals many today would consider the least qualified and ill-equipped to lead an organization focused upon transforming society and granting full access and participation to anyone expressing a desire to join the movement.
The Socio-Cultural Context

Attempting to bridge the historical chasm of two millennia reminds us of the importance of socio-cultural context and unstated values for leadership settings. The nature of leadership and its implementation varies with the nature of the communities or organizations being led. To state the obvious, leadership of a motorcycle gang differs dramatically from that of a Rotary club; college dormitories have resident directors and not boot-camp drill instructors. Leadership entails the means by which authority is made effective; any significant change in the nature of a community or organization requires serious and studied attention to the attendant changing needs in leadership. Apart from any reference point to Jesus of Nazareth, we intuitively know that communities vary in ethos and defining identities, and that leadership styles in these communities can often be charted on a grid from democratic and/or functionally egalitarian to authoritarian and/or autocratic.

To be overly simplistic, any discussion of leadership in relation to Jesus the Galilean must remember the significant differences in values and ethos between the first century eastern world of Jesus and our twenty-first century western world. To cite a few examples: the first century world valued tradition (the past provided a foundation for the present); age (the elderly often were considered models worthy of emulation); wisdom (defined as well-lived experience); and authority. In contrast, our twenty-first century world often seems a “tradition-less” society (we struggle to find a corporate story), prizes youth and tries desperately to delay aging, frequently values technical expertise over practical wisdom, and challenges authority. When we view Jesus as leader, we must always remind ourselves of the socio-historical backdrop of his sayings and actions.

Although the disclaimers stated above are daunting, I remain convinced that Jesus of Nazareth manifests character traits in His speech and actions that transcend time and culture. While there are numerous Biblical narratives that offer insights into Jesus’s leadership practices and priorities, I will simply cite a few central characteristics demonstrated in Jesus’s behavior that I consider worthy of serious consideration if not emulation. In the interest of brevity, I have selected three narratives familiar to readers of the Bible. These stories derive from the gospel accounts of the life of Jesus. The narratives occur in Mark 10, Luke 10, and John 10. Each narrative provides an encounter of Jesus and his followers that results in a glimpse into the character of Jesus as leader.

Vision of Leadership

Mark 10 recounts several episodes that occur as Jesus makes his final trip to Jerusalem with his followers. Both Jesus and his disciples presume that his ministry and vocation will culminate dramatically with his arrival. However, the disciples anticipate a cataclysmic battle in Jerusalem that will result in the overthrow of the Roman Empire and re-establishment of Jewish rule (aka the “kingdom of God”), whereas Jesus courageously envisions victory through suffering love and loss of life at the hands of the ruling establishment. Against this backdrop, a scene that unfolds in this chapter details the request from two of his most loyal followers (the brothers
James and John) for key positions of leadership in the new regime. Specifically, they ask to flank him when he ascends the throne of power in this new kingdom. Jesus engages their request and boldly subverts their vision of leadership. In the “organization” Jesus is initiating, leadership will be defined not by authority, power, and position but by service. In a most famous line, Jesus replies to James and John that “[he has come] not to be served but to serve, and to give his life a ransom for many” (Mark 10:45). This passage provides ample opportunity for contemporary leaders to consider key images and terminology that communicate and define their organizations.[2] In this narrative, Jesus chooses not to content himself with merely making minor adjustments or tweaks to contemporary societal norms and structures; rather, he completely subverts contemporary understandings of hierarchy and authority by inverting presumed community and organizational norms. While “servant-leadership” has become an overworked expression, this passage provides a striking demonstration of its implementation.

**Choosing Significance**

Luke 10 seldom appears in leadership discussions. The chapter contains a most brief interaction between Jesus and two sisters, Mary and Martha. Having invited Jesus (and apparently others) to dinner, Martha finds herself scrambling to handle all the preparations while Mary sits idly at the feet of Jesus listening to him teach (ironically choosing not to “serve” the one who has come to serve)! Exasperated, Martha asks Jesus to intervene and compel Mary to help with the many unfinished tasks. Jesus surely surprises Martha with his response, “…Martha, you are distracted and worried by many things; there is need of only one thing. Mary has chosen the better part…” (Luke 10:41-42). We must carefully avoid misreading this encounter; elsewhere Jesus clearly affirms the need for responsibility and discipline in one’s personal and professional life. Here the discussion point is the importance of focusing upon what is most important in the moment, and boldly foregoing societal convention and norms to engage whatever is of utmost importance. In this particular instance, the distractions of assumed responsibilities and societal norms caused Martha to miss the opportunity to engage in a truly life-changing conversation. Mary, recognizing the significance of the moment, and the person, experienced an opportunity to learn from one who manifested single-minded commitment to a mission and cause that ultimately revolutionized lives and societies. Contemporary leadership is fraught with distractions and worries of the moment; we dare not miss those opportunities to seize moments where transformation might occur, whether personally, professionally, or for our organization.

**Knowing and Being Known**

John 10 presents a most familiar image for Jesus as leader—Jesus as shepherd. Although most of us live in a post-industrial world unfamiliar with the agrarian imagery of shepherding, this
image continues to dominate leadership discussions. While our lack of familiarity with this world of animal husbandry may cause us to struggle with a full understanding, Jesus’s application of this image is clear. Within the context of leadership, Jesus draws two striking conclusions: leadership involves a leader knowing his sheep and being known by his sheep. On the one hand, good leaders know well those within their community; this knowledge, coupled with care and concern, empowers leaders to effectively move the organization forward. On the other hand, truly effective leaders must allow themselves to be known by those within their organization. Knowledge of leaders builds trust and commitment. Creating a bi-directional sharing of knowledge engenders an empowering environment where integrity and concern for others are virtues, not vices, and where concern for the other produces maturity rather than dependency. Such organizations and communities thrive, rightly balancing reciprocal knowledge of leaders and followers with attentive concern for each other.

The Journey

A concluding image prominent in the biblical materials that transcends time and culture is the image of life and vocation as a journey. This image provides a multiplicity of expansive possibilities for our understanding of leadership practices that create and sustain healthy communities and organizations. The metaphor of life and work as a journey implies the need for leaders who not only know the path ahead but also know the abilities and shortcomings of those participating in that journey. Leaders familiar with the route can anticipate the pace and skill set needed to navigate the terrain. However, truly capable leaders also know the skills and unique abilities of those engaged in the journey and are able to position those people strategically to ensure a most successful journey. Historians and cultural critics alike are of one accord, namely, that Jesus of Nazareth inspired, equipped, and empowered a most unlikely composition of followers that ultimately turned the first century world upside down and forever changed the course of history. While our goals as leaders may pale in scope and ambition, the central tenets and attributes of this Galilean Jew empower us to engage seriously the question of what non-negotiable character traits we might incorporate to enable transformational leadership.

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[2] One of the more interesting phenomena of the New Testament is that although the Greco-Roman world had numerous terms for power, rule, and authority, the Biblical writers consistently eschewed these terms; when discussing leadership they used participles rather than titular nouns (emphasizing function rather than position).
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To one degree or another, every age has exhibited some interest in leaders. It had to, for sometimes it lived or died, or at other times was better or worse off, at the hands of such people. Even when people had little power over who led them—in the village, city, or country—it paid to know who was in charge and what they might do. But the current fascination with the subject goes far beyond this, it involves not just leaders as such but wider concerns about leadership itself. While reflection on the nature and scope of leadership has arisen throughout the ages, there is arguably a broader and more systematic interest in the topic today than in any time past. Moreover, since the 1980s an interest in the integration of spirituality, faith, and leadership has been on a steady rise. This interest has been driven in large part by the longing to experience purpose and meaning at work. Could it be that leadership is a means to activate beliefs and values and raise the level of moral and spiritual maturity for both leader and led?[1]

Given the increased focus on leadership and the growing interest in spirituality, the purpose of this article is to examine the topic of spirituality and leadership using the example of the Apostle Paul as an exemplary leader for contemporary times.
Defining leadership is no easy task, one must first recognize that literature from the humanities, and in particular theology, philosophy, history, literature, and language, provide a rich source of leadership material stemming from ancient times. This includes the Biblical narrative of Moses, Joshua, Samuel, David, Saul, the prophets, Nehemiah, Daniel, Jesus, and Paul as well as the classical literature from East and West including Plato, Aristotle, Sun Tzu, Xenophon, Marcus Aurelius, Machiavelli, Shakespeare, Carlyle, and Gandhi. Philosopher Joanne Ciulla states, “Ancient texts are waiting to be rediscovered and reapplied.”[2]

Peter Northouse in his helpful book *Introduction to Leadership Theory and Practice* defines leadership as “a process whereby an individual influences a group of individuals to achieve a common goal.” He clarifies the four key elements as (a) leadership is a process (b) leadership involves influence (c) leadership occurs in groups (d) leadership involves common goals.[3] Joseph Rost, a leadership scholar focused on the post-industrial twenty-first century, defined leadership as “an influence relationship among leaders and followers who intend real changes that reflect their mutual purposes.”[4] While there may not be a universally accepted definition of leadership, it should be recognized like other disciplines, leadership has many layers of complexity and a working definition may be useful but it is only a starting point to explore its many dimensions.

The modern use of the term “spirituality” embraces the deepest values and meanings by which people live. Not all spirituality is religious but all religions espouse a distinctive spirituality. For example Christians have delineated several spiritual disciplines, Muslims practice the five pillars, Buddhists have the Noble Eightfold Path, and Hindus have a wide range of practices called Sadhana. Similarly, the secularist in an attempt to be guided by their deepest values may practice a form of reflection and meditation. Purpose and meaning are widely recognized as essential to human flourishing and so spirituality has become increasingly acceptable as a dimension of many in the workplace including leaders.[5]

Articulating definitions of spirituality and leadership pose unique challenges of culture and context. The word spirituality can be traced to a reference by the Apostle Paul in the New Testament (I Corinthians 2:14-15), where spirituality is used positively to connote a personal and affective relationship with God. By the 20th century the word came to imply something that can be pursued in or outside formal religious traditions.[6] Spirituality can be defined as “The feelings, thoughts, experiences, and behaviors that arise from a search for the sacred.”[7] Fry defines spiritual leadership as “comprising the values, attitudes, and behaviors that are necessary to motivate one’s self and others so that they have a sense of spiritual survival through calling and membership.[8]

A review of the leadership literature suggests spirituality is discussed in the following ways: as a source of leadership motivation generally and more specifically as a source of ethical grounding leading to virtuous behavior. Spirituality is also described as an aid for coping with difficulty and
toxicity in the workplace for leaders and followers. Those who long for greater purpose, typically described as leading with soul, can find fulfillment from spiritual sources.

The spiritual and religious dimensions of leadership have only recently entered the leadership discourse and questions concerning dichotomies remain including the boundary between religious and spiritual, as well as a concern for the private nature of religious/spiritual practice entering the public domain of the workplace. Some leaders identify as spiritual but not religious, there is a kind of marginalizing taking place in this description, where religion looks askance at spirituality and likewise spirituality rejects much of the so called rigidity associated with religion; each perspective has marginalized the other.[9]

Peter Pruzan argues that spirituality is the context for leadership. He bases this claim on his study of spirituality and leadership in the east, particularly India. He suggests there are good lessons the west can learn from the east. Because moral awareness depends on accessibility to moral frameworks, it is necessary to evaluate our moral frameworks. In the west that framework is typically utilitarianism which is an ends-based moral decision-making approach, where more often than not, the goal is economic rationality, where the ends justify the means.[10] By contrast, in the east and in particular India, the moral framework is more deontological or more duty-based. In that context individuals learn they have a spiritual nature from which emerges character and conduct in a seamless whole, which leads to an embrace of selflessness, and the will to act without concern for outcomes; to act with non-attachment, and not from ego, but rather with duty toward others. In fact, research has shown that spiritual practices like contemplative prayer and mindfulness meditation heighten awareness of one’s environment and one’s self-awareness, leading to higher levels of moral reasoning.[11] This approach resembles servant leadership and indeed there are examples of this approach to leading even among leaders in the west.

**Servant Leadership**

Greenleaf advocates the relevance of servant leadership for the marketplace. This runs counter to the power-seeking, take charge, command and control stance so commonly associated with leadership. For him, servant leadership means placing the good of others and the organization over the leaders’ self-interest. While this contradicts the abuse of power, such leadership does not avoid its responsible exercise and influence. Servant leadership is not a kind of anti-leadership, for leading takes place through foresight, courageous action, and accountability, even though such actions happen in the context of shared decision making among rather than over others.

From Greenleaf’s writings, Larry Spears has identified the following critical characteristics of servant leadership, the ability:

- to listen to others and discern the will of a group,
- to have empathy with one’s fellow-workers,
• to help make both others and oneself whole,
• to rely on persuasion rather than coercion and positional authority,
• to think and act beyond day-to-day realities,
• to hold in trust and be a good steward of an institution, to build community among one’s colleagues and fellow workers.[12] [13]

The Apostle Paul

In the spirit of servant leadership, the Apostle Paul was a servant first and then a leader, being follower-centered and not self-centered. Among the early Christians, Paul most clearly and fully articulates an understanding of leadership. As his work and writings are the key source for Western Christianity, and a seminal influence on other Western social and political structures, it is strange that until recently he has been overlooked in leadership studies. It is only in the last decade that Paul has begun to gain attention. As Mark Strom says:

He was a thoroughly urban man. He readily employed his audience’s vocabulary, literary techniques, intellectual models, social conventions and even clichés. He seems to have improvised from whatever was at hand in order to engage the needs and world views of his audiences. Today we take such adaptability for granted, but there was little precedent for Paul.[14]

As we shall see, however, this adaptability was rooted in a set of deeply held convictions arising from his profound encounter of the living God as revealed through Jesus Christ. In the course of establishing far-flung network of local groups in various cultural settings through an itinerant mission team, he developed a clear understanding and practice of leadership that was quite contrary to conventional approaches to leadership at the time. Though he does not provide a systematic account of the nature and practice of leadership, his approach to it was radical for its day and suggestive still for ours. The following discussion considers two inter-related kinds of governance that arose in his churches—the ongoing task of grass-roots leaders and the sporadic role of Paul himself and his team.[15]

The Language of Leadership

If we begin by looking simply at the basic words Paul uses in speaking about these issues, what strikes us first is the infrequency of terms related to those at the top, to formal power, and to organization. Of more than three dozen terms used of people in leadership positions in his day, the only high-ranking one Paul uses is in reference to Christ (Colossians 1:18). Reference to order, or the need to be orderly, occurs infrequently in Paul’s writings (1 Corinthians 14:40; Colossians 2:5), and only once is it clearly associated with the church, coming at the close of his instructions to the Corinthians about what should happen in their meetings (1Corinthians
Its opposite is unruliness, which is associated with disharmony (1 Corinthians 14:33; cf. 2 Corinthians 12:20).

Paul never suggests that it is the role of one or a few people in the assembly to regulate its gatherings. This is everyone’s responsibility as the people discern and share what the Spirit is saying (1 Corinthians 12:7-11; 14:28, 30, 32). Organization stems from a highly participatory and charismatic process and is not determined in advance by a few. Likewise, the word authority rarely appears in Paul’s writings. Only in two places does he use the word in regard to his own position—never in regard to those in leadership in local churches—and only then when his apostolic link with a church is being challenged (2 Corinthians 10:8; 13:10).

At Corinth, he certainly wishes to re-establish his unique relationship with the church as its founder (2 Corinthians 10-13), but he disassociates himself from the authoritarian way the “false apostles” conduct themselves. He does not seek to influence the members by improper means (2 Corinthians 10:3), boast of his preeminence (2 Corinthians 10:12-15), dazzle the church with rhetoric (2 Corinthians 11:5-6), or manipulate and control his converts (2 Corinthians 11:16-19; cf. 2 Corinthians 1:24). His “authority” is exercised only for constructive purposes, and he prefers that the church take appropriate corrective action before he arrives so that he does not have to engage in it.

**Basic Metaphors for Understanding Leadership**

In talking about organization and authority, Paul draws on several metaphors to provide an overall frame of reference or paradigm for his view. Basic to this are metaphors and analogies drawn from family life. This is not surprising, for the language of family is the primary way of talking about the relationship between God and his people. Just as God is viewed as “Father” and believers as “children,” so Paul describes himself as a “father” to his “offspring” in the faith (1 Corinthians 4:14-15; 2 Corinthians 12:14; 1 Thessalonians 2:11). This conveys an affectionate but responsible parental rather than patriarchal bond.

Paul also speaks of himself as a “mother” who suffers labor pains (Galatians 4:19) and as a nurse who cares for her charges (1 Thessalonians. 2:7; cf. 1 Corinthians 3:2). This cluster of metaphors emphasizes both the affectionate relationship between Paul and his converts and his sense of responsibility for them. But it would be wrong to conclude that Paul encouraged a childlike dependency on him, for he treated believers as adult children and urged them to “grow up” in Christ and to become mature adults in the faith (e.g., 1 Corinthians 14:20; Ephesians 4:14).

Other metaphors in Paul’s writings, such as builder (1 Corinthians 3:10-15) and farmer (1 Corinthians 3:6-9), are drawn from the world of work and stress his fundamental role in starting and designing the Corinthian church. The metaphor of the body (1 Corinthians 12:12-27; Ephesians 4:1-16), especially the reference to the unifying and structuring role of the ligaments, reveals something about the central role of key people in the church whose primary responsibility is to help maintain unity and engender growth.
No Status Distinctions

Reference to certain people in the community playing a greater role than others leads to a consideration of key people within the churches. The language of priesthood appears only metaphorically in Paul’s writings, never of a literal person or group, in regard to a wide range of devotional, compassionate, financial, and evangelistic activities (cf. Romans 15:16, 27; 2 Corinthians 9:12; Philemon 2:17, 25, 30). Paul’s point is that the kinds of ceremonial activities God required of only some people in the Old Testament are now required of all Christians. This desacralizes and democratizes the role of those who have a significant part to play.

The central corporate action in the churches was the Lord’s Supper, which was held weekly and was a full, not a token, meal. Nowhere in Paul’s letters, disputed or undisputed, is anyone identified as the official presider. This role probably fell to the host, in whose home the meal was held. If Paul’s practice is at all typical, baptism also took place through those who were other than leading figures in the movement (1 Corinthians 1:14-17).

As far as the usual terms for secular offices are concerned, only one of the more than thirty that existed in the first century appears in Paul’s writings, but it is used exclusively of the governing role played by Christ in the church (Colossians 1:18). Instead, the language of servanthood dominates. In the first century, however, this language did not necessarily conjure up ideas of lowly people undertaking inferior tasks. Servants of important social and political figures had considerable status and carried on high-level managerial and bureaucratic work. A servant’s master determined that servant’s status, and many servants had a higher social standing than free men or women who belonged to socially inferior families. In addition, because Christ is the Lord of Christians, their servant work has dignity and should be respected, and because he is the ultimate model of servanthood, he provides the profoundest example of how this should be undertaken.

Conclusion

The leadership lessons of Paul are timeless and offer a comprehensive approach to leadership development that serves as a model for us today. As an authentic leader Paul showed sincere affection and emotion toward his followers.[16] Paul’s exemplary approach to developing the next generation of leaders includes first and foremost careful attention to his own leadership so that he might serve as a role model to all, someone worthy of imitation.[17] Paul’s mission to build and grow the church throughout the Roman Empire required that he lead so as to create future leaders and to do this he lead with authenticity and transparency so that his leadership practice might be easily adopted by others. To this end, Paul practiced leadership as an influence process without asserting his authority. At the same time, Paul was bold when faced...
with opposition, holding steadfast to his values and convictions, in this way he demonstrated moral authority.[18]

Faithful leadership in the marketplace begins with the question, does spirituality make a difference in leadership? One way to answer this question is to see spirituality as the integrator of Christian values and business practice. Faith anchors leadership in deeply held belief about the world, people, and the purpose of work. In everyday practice, faith compels leaders to seek creative solutions to business challenges, solutions that are often not on the radar screen of business as usual.

Three of the key tensions leaders of faith regularly encounter are:

- the tension between professional competence and being salt and light: seeking to be highly competent as a professional and knowing when it is appropriate to speak directly about one’s faith in the secular marketplace
- the tension between calling and trusting God: following the leading of God to serve as a leader and trusting God when situations do not seem to create the opportunity to follow ones calling.
- the tension between family and work: honoring multiple demands at home and at work while pursuing integrity through and beyond the stress of various responsibilities

As Laura Nash points out in Believers in Business,[19] additional tensions leaders of faith encounter are between:

- pursuit of God and pursuit of power
- love and the competitive drive
- peoples needs and profit obligations
- humility and the ego of success
- charity and wealth

These polarities are the daily routine for leaders of faith, and faith is the bridge that holds these polarities in tension. Accepting the journeying of leading while living with these tensions is to understand what it means to be called, that is, finding a purpose of being in the world that is related to the purpose of God.[20] Spirituality and leadership meet where calling, values, and actions come together. Does spirituality make a difference in leadership? The answer is clear: It must.
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Spiritual Leadership in the Learning Organization

How Spiritual Leadership Enhances the Learning Organization's Effectiveness

BY CONNIE JAMES, PHD

Spiritual leadership has evolved from a concept written for people interested in the ministry to a model for leaders in business and management. Its tenets of altruism and calling are reflected in its core principles, but it seems a bit elusive when addressing the challenges of running a business and making a profit.

How to organize a business in a way that is compatible with spiritual leadership might have been more difficult in the twentieth century, but today’s learning organizations provide some insights and compatible attributes that spiritual leaders in business can utilize to bridge the gap between sometimes competing goals of profitability and service.[1] Others have noted that spiritual leadership directly impacts the leadership, culture, and employees of learning organizations. This article builds upon their work to show how spiritual leadership can enhance the effectiveness of learning organizations using a Web of Interaction, a system of six organizational components of learning organizations.[2]
Learning organizations (L-forms) are defined as organizations in which everyone is engaged in learning, experimentation, continuous improvement, and increasing the firm’s capacity.[3] This type of organization, with its emphasis on member engagement, is more compatible with spiritual leadership than other organizational forms, such as multidivisional forms (M-forms) that emphasize a command and control leadership style. Louis Fry argues that spiritual leadership is necessary for learning organizations to succeed.[4]

Spiritual leadership flows from leadership theories that emphasize transformational leadership, principle-centered leadership, and workplace spirituality.[5] Louis Fry defines spiritual leadership in business as comprising the values, attitudes, and behaviors necessary to intrinsically motivate one’s self and others to have a sense of spiritual survival through calling and membership.[6] This definition has two foundational components. First, spiritual leaders create a compelling vision in that employees experience a sense of calling that gives meaning and purpose to their lives. Second, spiritual leaders create a culture based on altruism and love such that members feel valued and appreciated. Altruistic love reflects a sense of wholeness, harmony, and well-being based on care, concern, and unselfishness. Similarly, leaders in L-forms create compelling visions and strong cultures, though their motivations may vary. Membership and vision are core elements of both spiritual leadership and L-forms.

Barry Garapedian, the Managing Director of The Oaks Group at JP Morgan, is an example of a spiritual leader who leads a learning organization. He is known for his emphasis on the holistic goals and development of his employees, encouraging them to take time for their relationships, physical health, and spiritual well-being, as well as the business of wealth management. He and his partner, Seth Haye, rank among the top financial managers in the world and have built a practice consistently ranked highly in terms of employee satisfaction, employee commitment, customer trust, community service, and wealth creation. Spiritual leaders, like Barry Garapedian, utilize the elements of L-forms to achieve both excellent firm performance and altruistic purposes.

**Spiritual Leadership and the L-form Web of Interaction**

Learning organizations (L-forms) represent a system of interacting parts that enhance and may be enhanced by spiritual leadership. In designing L-forms, the Web of Interaction shows six elements of L-forms that can aid spiritual leaders in running organizations compatible with their calling and altruistic purposes.[7] These elements include leadership, dispersed strategies, horizontal structures, egalitarian cultures, knowledge workers, and integrating mechanisms as seen in Figure 1.
Leadership

Spiritual leadership goes beyond transformational leadership found in L-forms to being transcendent leadership. Transformational leadership is the norm in L-forms, as firms constantly learn, adapt, and increase their capacity to impact the future. In contrast to transactional leaders who lead through some form of social exchange, such as exchanging wages for a job, transformational leaders stimulate and inspire followers to achieve extraordinary outcomes and in the process develop leaders at every level of the organization.[8] As transcendent leaders, spiritual leaders surpass transformational leaders by being concerned about a person’s spiritual development, membership, and ability to achieve a higher purpose.[9]

Spiritual leaders establish a vision and mission for the firm that addresses making a positive difference in the world. The vision and mission help employees to feel that they are a part of a greater and more altruistic purpose. Cemex’s Patrimonious Hoy,[10] providing housing for the disadvantaged, and Ikea’s building a solar city in Jordan that uses sustainable energy for primarily Syrian refugees, show how firms work to build altruistic purposes within their mission and vision that inspire their members.[11]
The spiritual leader is not just engaged in the transformation of the organization, but is also constantly leading by example and seeking self-improvement. Spiritual leaders use tools, such as 360-degree feedback, to allow employees a safe way to evaluate the leader’s and team members’ performance. However, spiritual leaders go beyond transformational leaders by spending time on developing their “inner self,” by engaging in prayer, meditation, spiritual reading, and workshops. The spiritual leader may incorporate some of these practices in the business, as LinkedIn offers free meditation lessons and makes available meditation rooms following the lead of its CEO Jeff Weiner who meditates.[12]

**Knowledge Workers**

A second interacting element of L-forms is that employees are viewed as knowledge workers, in which everyone can teach, learn, experiment, and continuously improve. Both transformational leaders and spiritual leaders empower workers. However, the spiritual leader goes even further by developing a sense of calling, membership, and altruistic purpose as well as showing a concern for the employee’s spirit.

The spiritual leader works hard at developing ways to show employees that they matter. At Southwest Airlines, Julie Weber, the Vice President of People hires employees with a warrior’s spirit, a servant’s heart, and a fun-loving attitude.[13] Hearts appear everywhere from employees’ name badges to the sides of the airplanes with employee’s names to show employees that they matter. The employees are expected to treat customers with respect and dignity as they are treated.

Spiritual leaders in L-forms wrestle with how to develop an employee’s ability to engage in personal mastery because it operates across multiple domains, including spiritual, physical, mental, personal, and organizational. Spiritual leaders give employees time to increase their organizational capabilities in their pursuit of personal mastery, but they also give them time to “sharpen the saw.”[14] Firms use mindfulness training and well-being workshops to rejuvenate employees. Altruistic purposes are difficult to achieve when employees are burned out.

**Egalitarian Culture**

L-forms are characterized by strong, egalitarian cultures in which everyone engages in continuous improvement, learning, and adaptation. The view that everyone can increase the organization’s capability is widely held from the highest to the lowest level of the organization. The strong culture is expressed in the values, shared beliefs, norms, and symbols in the organization.

Interaction is highly valued, so much so that the spiritual leader takes time to answer emails, calls, and meet people face-to-face. The leader reinforces the belief that the higher, altruistic purpose of the organization requires that everyone work together to achieve its mission and vision. Moreover, the leader works to minimize negative influences, including employees who block improvement, hoard information, or engage in status and power games.
As a spiritual leader of a learning organization, the leader believes not only in the ability of everyone to lead and learn, but also in the infinite dignity of the spirit within each person.[15] He is careful to correct and redirect while inspiring personal growth and professional contributions that will enhance the firm’s capacity for improvement and competitive advantage.

**Dispersed Strategy**

In the command and control organizations of the twentieth century, the leader was expected to formulate the firm’s strategy. In L-forms, leaders are engaged in a much more complex and global world, in which unleashing the collective learning and knowledge of the organization is a new and valued distinctive competence, an organizational capability performed better than one’s rivals.[16] As such, leaders create an environment in which strategic ideas can come from anywhere in the organization. They also create forums to ensure that these ideas reach the appropriate person. The spiritual leader begins with an overarching philosophy, including the altruistic purposes of the firm, that drive the organization, providing a garden for other ideas to grow, to flourish, and, if necessary, to be weeded out.

Even though dispersed strategies may be common in other companies, spiritual leaders view employee involvement in strategy formulation as a way of enhancing the employee’s leadership development. Dispersed strategies interact with knowledge workers and transcendent leadership, especially when employees engage in strategy formulation that affects the altruistic purposes of the firm.

Spiritual leaders carry the ability to develop strategies from any level to a new vantage point. Strategic ideas are linked to altruistic and long-term goals, such that firms engage in not only making the customer experience better and improving the quality of the customers’ lives, but also enhancing the triple bottom line of people, planet, and profits.[17]

**Integrating Mechanisms/Communication**

L-forms focus on integrating mechanisms that address the organization, physical, and informational connections of employees. Physical integrating mechanisms include attention to office space whereas organizational/informational integrating mechanisms include creating information technology and virtual workspace. Spiritual leaders enhance the mechanisms in L-forms by being concerned about the well-being of their employees, how they interact, and how they work to achieve altruistic purposes.

While L-forms often utilize open work, in which employees work from home to achieve a work-life balance, spiritual leaders are aware of providing avenues for employees to work together to enhance a person’s spirit. In addition to providing ways to share work or stay in constant contact, they also provide ways to unplug and to work with others on improving the social good and inner self.
Spiritual leaders create integrating mechanisms that increase employee well-being and interaction. Salesforce.com offers free yoga classes as a wellness benefit and 48 hours of paid volunteer time.[18] Promega, a Wisconsin biotech firm, has on-site yoga classes, fitness centers, healthy meals, and lounges and cafes for downtime and relationship building. In spiritually-lead L-forms the integration of people to achieve higher purposes is as important as integrating systems and work.

**Horizontal Structure**

In order to facilitate constant communication and improvement, L-forms fight against bureaucracy. Similarly, spiritual leaders work toward designing flat organizations so that they have access to all levels of the organization and encourage each employee to do the same. Flatter organizations encourage more frequent communication and sharing of ideas and problems.

Learning occurs and is shared at every level of the organization. As more and more learning about best practices and new ideas is shared throughout the organization, the organization has a better chance to adapt and grow. This growth necessitates new systems and ways of managing growth. Spiritually-lead L-forms learn to shift their focus from positional hierarchies to influential hierarchies, giving access to key people who influence and enhance others.

Spiritual leaders balance systematic networks with relational networks, paying constant attention to the networks that increase the spirit of the organization and its goals toward altruism. By keeping the organization flat, they do not lose touch with the middle and lower levels of the organization, and they encourage others to do the same.

**Conclusions**

While the linkages between spiritual leadership and L-forms are still being explored, spiritual leaders have the ability to transform learning organizations just as L-forms offer a powerful form to enhance spiritual leadership. While some components of both are similar, Table 1 shows areas in the Web of Interaction that can be strengthened by spiritual leadership.

**Table 1: Spiritual Leadership and Learning Organizations Qualities**

<table>
<thead>
<tr>
<th>Model</th>
<th>Spiritual Leadership</th>
<th>Learning Organizations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Approach</td>
<td>Systems thinking</td>
<td>Systems thinking</td>
</tr>
<tr>
<td>Leadership</td>
<td>Transcendent and visionary</td>
<td>Transformational and visionary</td>
</tr>
<tr>
<td>-------------------</td>
<td>----------------------------</td>
<td>-------------------------------</td>
</tr>
<tr>
<td>Structure</td>
<td>Horizontal</td>
<td>Horizontal</td>
</tr>
<tr>
<td>Workers</td>
<td>Membership based on altruistic purpose, inner self and personal excellence</td>
<td>Knowledge workers engage in teams and personal mastery while finding shared meaning</td>
</tr>
<tr>
<td>Culture</td>
<td>Strong open cultures based on shared purpose</td>
<td>Strong open and egalitarian cultures based on shared purposes</td>
</tr>
<tr>
<td>Strategies</td>
<td>Overarching purpose and dispersed strategies with an emphasis on the spirit of the organization</td>
<td>Overarching strategic ideas and dispersed strategies and decision making</td>
</tr>
<tr>
<td>Integrating mechanisms</td>
<td>Purpose, communication, training and spiritual and organizational development</td>
<td>Purpose, communication, training and organizational development</td>
</tr>
</tbody>
</table>

While L-forms can exist without spiritual leadership, spiritual leaders can strengthen the Web of Interaction used in L-forms through a greater sense of purpose, vision, and membership. Organizations, such as Alphabet, LinkedIn, Salesforce.com, Southwest Airlines, and The Oaks Group, provide insights into how they work together.

Spiritual leaders can enhance L-forms by adding transcendent leadership that aligns altruistic purposes with a firm’s goals and vision. They can enhance knowledge workers by going beyond personal mastery and continuous improvement to focus on employee well-being. Integrating mechanisms can encourage employees to have a work-life balance and take time to meditate and unwind from the workplace and encourage employees to work
together on projects that serve the firm’s altruistic purposes. By encouraging an open
culture, the spiritual leader can help to enhance employees’ spirits. Maintaining a flat
organization and dispersed strategy formation also improves the organization and
development of leaders at every level. Spiritual leaders integrate well-being, spiritual
health, and physical health into the workplace, enhancing L-forms by focusing on the spirit
of each employee.

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Bringing the Human Spirit to Business Leadership

When the Quest to Develop Yourself and Others Makes Good Business Sense

BY SOREN EILERTSEN, PHD

Traditional capitalism and its associated business practices are increasingly under pressure from a more holistic perspective that seeks to bring humanity and the human spirit to the workplace. Nearly 2,500 years ago, Socrates boldly asserted, “The unexamined life is not worth living.”[1] Today, a number of business organizations are instilling this belief by establishing the conditions and culture that challenge individuals to continue to grow and develop. To do so requires a huge shift in how organizations view and support their workforce. For business leaders to embrace authentic values around human development, including their own, requires a more evolved worldview, one that—in the service of others—honors the whole person, including the soul, and sees individual growth as an essential human endeavor. This article examines how many business leaders have started to ask whether welcoming the human soul and human development makes good business sense in light of an increasingly disengaged workforce and more complex societal problems.
The Soul in Business

The words soul[2] and spirit may seem incongruent with the hard realities of business, but they need not be. With the religious connotation removed, spiritual leadership is a fundamental call to bring the whole person, including the human soul, to business and corporate leadership. The word “spiritual” is simply that which relates to the human soul, as opposed to that which is material or physical.[3] In essence, “spiritual” pertains to the intangible and subjective aspects of the individual and collective human experience.

Studies show that most people in the workplace view religion as a dogmatic, institutional and negative phenomenon, whereas they view spirituality as an open, individual, and positive phenomenon.[4] The term “workplace spirituality” is difficult to define since it at times is used to propagate a specific faith-based approach in the workplace.[5] Historically, religions served as the “vehicle” to stimulate human spiritual development. All religious faiths are underpinned by ancient wisdoms and truths with paths for people to find their soul and spirit. Unfortunately, religions also have the ability to hold people back through divisive doctrine and limited belief systems. According to Wilber, traditional religions were created over thousands of years ago and have not substantially evolved to new truths—modern and post-modern facts—learned more recently about human nature.[6] While there is a role for the faith traditions in human development, the author contends that the role of established religious doctrine inside business can be limiting. Hence, this article addresses the soul, spirit, and spirituality without the overtones of a specific religious faith.

Without the soul and spirit at work, people live a divided life—ignoring or defying one’s own truth—with threats to personal and professional integrity and creativity.[7] Yet, these intrinsic human abilities of integrity and creativity are desperately needed to solve the complex issues facing today’s business. This essential and unspoken truth has hampered the evolution of business and society for some time. Major shifts are required in leadership awareness and in how organizations are run and managed in order to address this handicap. A number of business leaders and organizations are now making these shifts.

Parker Palmer, author of A Hidden Wholeness[8] notes “The soul is hopeful: it engages the world in ways that keep opening our hearts. The soul is creative: it finds its way between realities that might defeat us and fantasies that are mere escapes. All we need to do is to bring down the wall that separates us from our own souls.”

The Call for Change

Employee engagement is the latest buzzword in business. A recent Gallup survey showed that more than half of the American workforce claims to be disengaged at work.[9] Studies of the next generation workforce indicate that younger employees seek meaning through work and desire personal growth at work.[10] At the same time, business managers and leaders are under increasing pressure to deliver performance and results in a volatile, uncertain, complex, and ambiguous world (VUCA). The acronym VUCA was first used by the military college and is now frequently used in business.[11]
Capitalism has served humanity’s evolution over the past two centuries. Adam Smith’s concepts of trade, division of labor, and supply and demand were essential in the industrial age.[12] Arguably, capitalism is aligned with the “American Dream” in the individual pursuit of success and prosperity. However, when in the hands of egocentric and self-serving (“me-focused”) leaders, this mindset has produced numerous examples of moral failure, resulting in a distrustful, unengaged workforce.[13] Many top business leaders have a strong ego that prioritizes individual success above team and mission.[14] The traditional focus on performance and results feeds and rewards the individual leader’s ego and notion of self-worth.

With the demands of the knowledge and information age, the notion of “conscious” capitalism has emerged with its consideration of all stakeholders,[15] giving rise to the triple bottom line: people, planet, and profit.[16] Today, more businesses are striving to become a force for good in the world and attempting to create meaning for their employees.[17] These efforts require business leaders to increasingly serve others and adopt “other-centered” perspectives (“we-focused”). To do so, however, requires awakened and highly conscious leaders with an authentic connection to higher moral principles and to their fundamental reason for being in the world—a sharp contrast to the ego-feeding conventional model.

To accomplish the necessary shift, a number of thought leaders have challenged business executives to incorporate the whole person at work. Robert Greenleaf's work on servant leadership,[18] Jim Collins’ research on the principles behind great business leadership,[19] and Peter Senge’s seminal thesis on learning organizations[20] have each contributed substantially to that effort in recent decades. More recently, Ken Wilber developed integral theory with implications for business and spirituality,[21] and Robert Kegan researched and studied deliberately developmental organizations.[22]

The words “deliberate,” “intentional,” and “spiritual” describe leaders and organizations who welcome wholeness, build learning communities, and serve others in their quest for development. These intentions are more of an evolutionary pull than a passing fad, initiating a shift in consciousness that truly can drive business success.

**Emerging Organizations**

More than 25 years ago, Peter Senge called for leaders to build learning organizations in which people are seen as parts of the whole, making them active participants in shaping their own reality instead of helpless reactors to their environment. He viewed traditional business as predominantly oriented towards controlling and performing—enforcing reliability—instead of being a place for adaptability, learning and natural curiosity.

Recently, Frederic Laloux’s research of a dozen companies, including well-known Patagonia, describes a new evolutionary perspective of how people collaborate in organizational settings.[23] Metaphors for business such as “machine” and “family” are being replaced with “living organism” or “living system,” revealing a pull towards more wholeness, freedom, complexity and consciousness. This manifests itself inside organizations as:
• Self-management and peer relationships, without the need for hierarchy or consensus;
• Inviting employees to bring their whole selves to work;
• A call for organizational members to listen to and understand the evolutionary purpose of what the organization wants to become.

Leaders, therefore, are required to lead in two particular ways: to create and maintain space for innovative ways of operating, and to be role models without hierarchical power.

At Zappos, the Las Vegas-based online shoe company, the CEO, Tony Hsieh, has implemented holacracy, an evolving and agile organizational structure where authority is distributed and everyone in the organization is a leader.[24] In self-managed teams, members share accountability and authority for the work and goals. While the notion of self-managed teams can be traced back in history, the principles behind holacracy take self-management to a new level. The next generation of self-managing teams demands a new generation of leaders who can hold the space for distributed authority while also understanding when more traditional hierarchy may be needed.[25]

Decurion Corporation in Los Angeles is an example of a deliberately developmental organization (DDO) and part of an emerging group of companies where leadership is transforming the human role in business. DDOs organize their culture and practices to support their employees’ development process. At Decurion, people are seen as ends, not means. Where most businesses seem to trade making money for the well-being and growth of their people, Decurion believes that developing people is good business.

DDO-thinking suggests that creating culture is the main work of strategy and that culture should be central to developing people and business. As Peter Drucker famously may have quipped, “culture eats strategy for breakfast.”[26] The truth in his mantra is intuitively apparent. If organizational culture is this powerful and important, why do not more companies deliberately develop it? What if the main business strategy was to develop culture?

Businesses need not stop focusing on business growth and profitability. Rather they might view developing people as a noble gateway to both, as suggested by Christopher Forman, CEO of Decurion. Forman contends, “Developing people and pursuing profitability are not two separate things. We see them as the same thing. Each reinforces the other. Setting tough profitability targets creates a pull that mandates people develop themselves. And, in turn their development creates increased profitability.”[27]

**Welcoming the Soul and Whole Self**

The human soul has not found its place in business. Frankly, it has not been welcomed. As a result, people leave their vulnerability, emotions, and intuition at the door, operating within a potential-limiting shell of their whole selves. This reality has devastating consequences. If the “intangible side” of humanness is not recognized and welcomed in the workplace, businesses lose the essential human creativity and adaptive problem-solving abilities, which are needed to succeed in a
complex, fast-moving world. When the soul is invited and welcomed, people must then learn to overcome or transcend their ego, which develops in childhood to protect and defend the soul.

The soul can be brought out from behind the ego’s defenses through introspection and through trusted community. Mindfulness practices that allow for such introspection are now prevalent in businesses such as Google, Aetna, Target, and General Mills. In *A Hidden Wholeness*, Parker Palmer speaks of an “inner teacher” that serves as a guide to help in identifying and clarifying one’s story and values. Palmer advocates that this “inner teacher” can be invited forth in trustworthy groups that provide a gentle and respectful space for individual exploration. By rejoining with the soul, individuals create a deeper sense of vocation and relationship to work and role. This provides the opportunity to bring forward the human spirit and integrity in all aspects of being, including to the workplace, and to unleash one’s natural talent and creativity.

To foster wholeness thinking, leaders can view business reality through the six windowpanes illustrated in Figure 1 “A Model to View Business Reality Holistically.” Half of these windows focus on the intangible reality—thoughts and internal processes that may be inferred but are not completely visible (left side). The three other windows focus on the tangible reality—that which is clearly witnessed and understood by others (right side). Typically, business leaders are most comfortable with the objective and tangible; they look for communications, systems, and results, and are typically less confident in providing leadership around values, culture and social responsibility.

**Figure 1:**

**A MODEL TO VIEW BUSINESS REALITY HOLISTICALLY**

Windowpanes provide a perspective and experience of the intangible and tangible business reality.

<table>
<thead>
<tr>
<th>Intangible (often overlooked)</th>
<th>Tangible (typically the focus)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A1 Intention &amp; Integrity</td>
<td>B1 Behavior Communication Competence</td>
</tr>
<tr>
<td>Individual Leader</td>
<td></td>
</tr>
<tr>
<td>A2 Shared Norms &amp; Culture</td>
<td>B2 Work Systems Performance</td>
</tr>
<tr>
<td>Collective Organization</td>
<td></td>
</tr>
<tr>
<td>A3 Brand Image Social Responsibility</td>
<td>B3 Product/Services Market Position</td>
</tr>
<tr>
<td>Market Place</td>
<td></td>
</tr>
</tbody>
</table>

- **A1. Individual intentions**—the intangible psychological influences that form the leader’s ego, values, integrity and intentions; psychologist perspective
- **A2. Shared culture**—the intangible set of shared assumptions that guide behavior in the organization; human resources culture perspective
- **A3. External brand**—the intangible way customers and the marketplace perceive the brand and social responsibility; marketer perspective
- **B1. Individual behavior**—the tangible behavior that is seen by others through the leader’s behavior, communication and competence; leadership coach perspective
- **B2. Shared work systems**—the organization’s tangible systems, products, and results that are seen by others; efficiency consultant perspective
- **B3. External offerings**—the tangible product and services offerings and the position relative in the marketplace to competitors; strategist perspective

Source: Kollner Group, Inc. and Soren Elerssen, PhD – adapted from Ken Wilber’s Four Quadrant Model in “A Theory of Everything” (2001).
Many leaders avoid the intangible and subjective because they are less responsive to cause-and-effect approaches and harder to assess. Yet, the intangible is often the source of the tangible. Using the windows, a leader can bring together the intangible and the tangible aspects of business, placing appropriate, and perhaps primary, emphasis on the intangible instead of avoiding them. Holistic success in business starts with individual intentions and integrity, as depicted in window A1, and considers each of the windowpanes as part of all major decision-making and business strategy work.

Decurion uses the practice of personal vulnerability to generate authentic human connection in community. They find that human connection simultaneously supports personal growth and development and collective intelligence for business value creation. Bryan Ungard, Chief Purpose Officer of Decurion says, “Welcoming humanness into business is not just a good idea, it’s an imperative for our age. Personal and business value are created from the human spirit.”[32]

**The Quest for Learning and Expansion of Consciousness**

The solutions to the increasingly complex issues facing business and humanity will require new levels of awareness and thinking. As Albert Einstein noted, “No problem can be solved from the same level of consciousness that created it.”[33] Learning and consciousness development ought to be life-long pursuits not limited to the classroom. The workplace, where people spend the majority of their time, is an excellent forum for increasing one’s knowledge and awareness.

Most scholars who have studied human evolution agree that humans evolve through stages that build upon one another, and that worldview and other advanced capacities develop over the course of moving through these stages.[34] [35] Similar growth occurs in business leadership, as depicted in the “Evolution of Worldviews & Capacities” Figure 2.[36] Human development begins with a “me-focused” perspective (lower stages) and, through normal growth, develops to an “us” (middle stages) and eventually to a “we-focused” perspective (higher stages) unless growth is derailed.
Similar to Maslow’s hierarchy of needs, where needs progress from survival to self-actualization and transcendence, there is a parallel progression of leadership capacity.[37] All humans are born with innate leadership capacities that lie dormant but can be awakened to confront challenges. At the most basic level, to grow as a leader is to grow as a human. The leader’s worldview shapes thinking and behavior—his own and others’—thereby creating a foundation for the culture of the organization. Most business leaders in the U.S. today operate from the “Results” stage (3). To lead in the emerging, holistic organizations described in this article requires progressing to the higher levels of “Perspectives” (4) and “Purpose” (5). Business leaders who have uncovered their fundamental “Purpose” (5) demonstrate true service of others and the community at large. Researchers believe only a few percent of the general population have reached the highest level of development (stage 5 in this model) and about 20 percent is on the cusp of entering it.[38]
Although a leadership worldview and the associated capabilities are available to every human under the right developmental circumstances, uncovering them requires continuous focus on lifelong, individual growth. Fortunately, adult development research shows that the brain has plasticity to continue to evolve. In his book, *In Over Our Heads: The Mental Demands of Modern Life*, author Robert Kegan discusses how human consciousness is challenged by the increasing complexity of the world.[39] He argues that individuals must develop higher orders of consciousness in order to face the demands of the planet. For higher-stage development to occur, both the soul and the whole must be engaged. Business leaders must tap into broader perspectives and underlying personal purpose by making it a point to truly listen and bring forth their souls. Businesses stall or fail when leaders are unable to transcend their own egos and view the world from a more expansive perspective. The essence of wholeness, from a developmental perspective, requires people to have deliberate access to and use of each of the worldviews and capacities illustrated.

**From the Past—For the Future**

Historically, both Socrates and the wisdom traditions spoke to the human condition and to human development. Now, business leaders and organizations are picking up the mantle. This is very encouraging progress in a troubled world with the need for next level consciousness and a new generation of leadership. Business may have found a new role to play in society.

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[1] Plato. Apology (also known as “The Death of Socrates”). Translated by Jowett, B. (2008). The Project Gutenberg EBook. Author’s note: Plato’s version of the speech given by Socrates as he defended himself at his trial in 399 BC.

[2] Author’s note: In this article, the word “soul” is used interchangeably with the “source of our being” and “true self”


[13] Author’s note: Examples of moral failures in business are seen in newspaper headlines regularly. Recent examples (2017) include businesses such as Wells Fargo, Uber, Volkswagen, and Weinstein Co to name a few.


[26] Author’s note: Peter Drucker, the management guru, is often quoted as saying “culture eats strategy for breakfast;” however, there is no conclusive reference to this.

[27] Interview with Christopher Forman, CEO of Decurion Corporation [Personal interview]. (2014, June 27).


[33] Author’s note: There are a number of versions of this famous and often cited quote. The original source is not entirely clear.


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Article can be accessed at https://gbr.pepperdine.edu/2017/12/bringing-human-spirit-business-leadership/
How Religious Beliefs Influence Financial Decision-Making

Implications for Business Leaders

By Jillian Alderman, PhD, Joetta Forsyth, PhD and Richard Walton, PhD

The current issue of the Graziadio Business Review explores the role of spirituality in modern business. Finance is often perceived as the business discipline most far removed from spirituality and religion. Based on press coverage of the recent financial crisis and regularly occurring scams and scandals, when many people think of finance they are likely to think of ruthless and ethically dubious financiers ready to take advantage of the uninformed. Most business students associate finance with impersonal numbers, complex formulae, and decision rules devoid of ethical or value judgments. However, this review of the interaction of finance and religion shows that not only has there been a long historical relationship between the two, but religion continues to influence financial decision-making in the modern world. Historically, religiously inspired regulation limited financial activity; in the modern world religious preferences have prompted new banking and mutual fund investment products and continue to affect how corporate leaders make specific investment and financial decisions.

From a business perspective, this suggests that business leaders and investors should be aware of how their own religiously-inspired biases and preferences, and those of the people
they employ or seek to do business with, may impact their financial decisions. Such an understanding will improve business leaders’ own financial decisions; help them to better manage their own employees; and more effectively market financial products to their customers. Just as the celebration of religious holidays presents unique commercial opportunities, an awareness of the preferences of potential customers allows business leaders to develop specific financial products targeted to religious customers to the benefit of both the bottom line and their new customers.

**Biblical-Based Financial Regulation**

The Bible contains several references prohibiting the practice of usury, a term commonly used to describe lending money for interest. Biblical examples of prohibiting usury include: generally (Ezekiel 18:13 “If he has exacted usury ... He shall not live!”); to the poor specifically (Leviticus 25:36-37); and to members of one’s own community (Deuteronomy 23:20-21). More interesting to the general practitioner than debates over the proper interpretation of these restrictions, is Lewison’s[1] description of how limitations on lending for interest were historically based on Biblical grounds. From the Council of Nicea in 325 C.E., the Catholic Church implemented various restrictions on charging interest until it was universally prohibited throughout Christendom in 1139. The Catholic Church only accepted lending money at moderate rates of interest in the 19th century. Perhaps partly reflecting the increasingly sophisticated post-Renaissance market economy, Protestant nations and secular powers in Europe were more open to the practice of charging interest on loans. These Protestant nations instead regulated the level of interest that could be charged, effectively re-defining usury as charging excessive levels of interest. The Netherlands allowed interest of up to 12 percent on commercial loans in 1540 and England under Henry VIII allowed interest of up to 10 percent on all loans in 1545, though this was quickly reversed and not revived again until 1571 under Elizabeth I.[2]

Nowadays, it is inconceivable that financial regulations in liberal democracies might be based on religious scripture. The U.S. Consumer Financial Protection Bureau’s recent proposed rules to limit modern-day versions of usury (e.g. payday and auto title loans) describes the high annual percentage interest rates of up to 390 percent but justifies the proposed rules as a means of preventing debt traps for financially vulnerable consumers rather than raising any religious concerns.[3] The current U.S. tax code actually encourages both businesses and individuals to take on interest-bearing debt by making some interest payments tax deductible.

The decline of Biblical authority in regulating finance in the modern economy is not surprising. The opportunity for today’s business leaders is to recognize that the greater freedom offered by secular laws also brings the opportunity to offer specialized products to customers who still want financial products consistent with their faith. For example, from 1963-1976 demand from devout Muslims resulted in the emergence of modern banks operating according to Islamic principles.[4] Islamic Banking is now a huge market, with an estimated $2 trillion of assets managed by Islamic Banks.[5] The Koran also forbids interest and usury. Depositors at Islamic Banks therefore do not earn interest but instead receive a share of the returns from the bank’s
investment of their deposits. A home mortgage from an Islamic bank is also structured differently: the bank generally buys the house and the customer then buys the house from the bank in installments which total more than the bank’s original purchase price. The economic outcomes for the Islamic bank and its customers may differ little from those of traditional interest-bearing products. A further differentiating feature with a religious motivation is that Islamic Banks refrain from investing in industries relating to activities considered sinful, such as pork products, alcohol, and gambling.

**Religion and Household Finances**

Just as some Muslims may choose to save, borrow, and invest in distinct ways as a result of their religious beliefs, there is evidence that religious beliefs are also correlated with certain financial attitudes in Christian households. Renneboog and Spaenjers use data from the DNB Household Survey of about 2,000 households in the Netherlands over the period 1995-2008 to investigate whether religiosity impacts household finances.[6] They find that there are indeed differences in the economic attitudes and financial decisions of religious and non-religious households and that there are further differences between Catholic and Protestant households. In particular, religious households are found to be more likely to save than non-religious households, and Catholic households are less likely to invest in stocks. The authors make no claims as to causality: it is possible that the sort of people prone to thrift and saving are more likely to be religious, or that financial and religious attitudes are both learned from parents. The authors also acknowledge that the associations they observe in the Netherlands may not be applicable to other countries. Even if it cannot be claimed that religiosity directly impacts household financial decisions, the association between the two is both significant and commercially useful. Banks may become more profitable either by offering specific savings and investment products which reflect the different attitudes to risk and saving of different types of households or by adjusting their marketing and communication efforts for their existing products to help overcome different types of households’ aversion to saving or risk.

**Religion and Corporate Decisions**

People do not just make decisions about their own household finances. Corporate leaders also make financial and investment decisions on behalf of their shareholders, and it is already acknowledged that CEOs have a direct impact on their firm’s decisions and profitability.

A paper by Baxamusa and Jalal tests whether a CEO’s religious affiliation affects the firm’s corporate decisions.[7] In particular, they look at capital structure, diversification, and investments. They use the religious affiliation as reported by 457 CEOs of American firms and examine the impact on corporate decisions over the period 1992-2010. The CEOs in the sample
are overwhelmingly Christian (73 percent) and the paper looks exclusively at the differences in the decisions of firms managed by Protestant CEOs (41 percent) and Catholic CEOs (30 percent). The study suggests that, relative to firms lead by Protestant CEOs, firms lead by Catholic CEOs exhibit more conservative policies: they have less debt, diversify more, and invest less in capital and R&D. The study also finds that the firm’s profitability is lower as a result.

The study controls for many factors and performs clever econometric tests to show that these specific decisions are likely the result of the CEO’s religious affiliation. To demonstrate causality the authors use an instrument first proposed by Guiso, Sapienza, and Zingales. The Second Vatican Council (1962-1965) was convened in order to consider how the Catholic Church should respond to the modern world. It prompted debate about doctrine and practices throughout the Catholic Church. This very rare event had a profound impact on Catholics’ views and understanding of their own religion but no impact on Protestants. If the CEO’s religious affiliation is driving the differences in corporate policies, it should be expected that there will be differences between the policies implemented by Catholic CEOs born before 1962 and those implemented by Catholic CEOs born after 1962; but it should not be expected that there will be any differences between the policies of Protestant CEOs born before Vatican II and those of Protestant CEOs born after Vatican II. The corporate policies of post-Vatican II Catholic CEOs did vary as predicted; whereas there was no discernible change in the policies of protestant CEOs born after Vatican II.

The study also predicts that as Protestant CEOs are less conservative in their professional life they will be more adventurous in their personal lives, and confirms that Protestant CEOs are more likely to engage in dangerous activities such as bungee jumping and sky diving.

**Religion and Investment Funds**

According to the US SIF Foundation over $8.7 trillion (or 20 percent of funds under professional management in the U.S.) was invested according to Socially Responsible Investment (SRI) strategies in 2015. Renneboog, Horst, and Zhang’s review of the academic literature relating to SRIs highlights the important role that religious groups had in the origins of “ethical investment.” Specifically, groups associated with all three Abrahamic faiths avoided investments in activities considered sinful such as alcoholic beverages, pork products, and pornography.

Modern SRI funds still negatively screen such “sinful” investment activities even as they may also positively screen green and socially positive investment activities. Avoiding investments in profitable but unethical businesses will likely cause religious investment funds to sacrifice returns for purity. Ferruz, Munoz, and Vargas’ study confirms that managers of religious mutual funds do not perform as well as managers who do not limit their investments based on religious considerations. In other words, investors in religious mutual funds accept lower returns as the price of not investing in “sinful” industries. Smart business leaders will recognize the universal applicability of this result: religious consumers will pay a premium for products which are consistent with their values.
Religion and Financial Reporting

Earlier we considered how a leader’s religiosity can impact decisions taken on behalf of the firm’s shareholders. A firm’s reporting and accounting policies are intended to better inform its shareholders about how well the CEO is managing their firm. These policies are implemented by people and it is not unreasonable to consider whether religiosity might impact a firm’s financial reporting. It is difficult to find publically available information on the religiosity of managers and employees below the level of the CEO. McGuire, Omer, and Sharp instead test how the religiosity of the population of the U. S. County in which a firm has its headquarters is associated with the firm’s financial reporting.[12] They find that there are fewer observed financial reporting irregularities for firms headquartered in strongly religious counties: there are fewer shareholder lawsuits and fewer earnings restatements. Whilst such firms are found to use fewer abnormal accruals, a proxy for potential earnings management, they are associated with high levels of “real earnings management” (i.e. managing earnings by deviating from the firm’s regular operating, investing, and financing practices). Interestingly, they conclude that “religious social norms represent a mechanism for reducing costly agency conflicts, particularly when other external monitoring is low.” In other words, they suggest that when there is concern that managers might not always make decisions in the best interests of shareholders, religious social norms may act as an alternative to costly and intrusive oversight.

Conclusions

This article has shown that there has long been a relationship between religion and finance with religious prohibitions historically reflected in financial regulation. The religious identification of individuals has an observable impact of household financial decisions and corporate investments decisions. This can have a direct impact on financial returns and risks. It has been shown that the religious denomination of a CEO impacts the profitability of the firm. Similarly, religious individuals voluntarily chose to invest in ethical mutual funds even though they yield lower returns. Lastly, it has been shown that religion can impact the accuracy of financial reports and potentially act as an effective means of keeping a firm’s CEO honest.

Space limitations allow this article to offer only a brief overview of the relationship between spirituality, religion, and financial decision-making. The authors believe this relationship is more universal than suggested by the few studies reviewed here and anticipate considerable potential for further research in this area. Whilst samples in these studies from Western Europe and America are dominated by Christians, it is likely that members of other religious groups will also share specific attitudes which will impact their financial decisions. The success of Islamic banking shows this to be the case for Muslims.
What does this mean for business leaders and investors? Firstly, they should be aware of their own religiously-inspired biases and preferences and those of their business partners, employees and customers. Acknowledging such biases allows managers to consider whether they need to revise their decisions or compensate for them. Just as executive compensation is already used to alter managers’ attitudes to risk and investment horizons (e.g. to overcome manager’s risk aversion or to encourage long term investments) managers and investors can devise appropriate and effective mechanisms to compensate for unwanted biases or promote desired biases.

Secondly, business practitioners must accept that their faith may impact the riskiness and the profitability of their investments. Lastly and more positively, recognizing that there are many customers and potential customers with shared beliefs should help managers to design profitable new products for these specific customer groups. Just as firms already offer kosher and halal food products, there may exist financial and banking products which can appeal to distinct faith-based customer groups. Alternatively, business leaders may consciously design more effective ways to market existing financial products based on the specific attitudes to risk and saving of customer groups sharing the same religious attitudes.

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Not everything that can be counted counts,
and not everything that counts can be counted.

Attributed to Albert Einstein

Few business leaders make critical decisions of any kind without evidence of a trend. Today’s data rich environment provides vital information executives need to recognize and seize opportunities or to take corrective action. One challenge for leaders, of course, is capturing the right data; but, the real challenge is creating an effective organizational process for engaging the mass of incoming information through a generative learning style—one that 1) recognizes and places value on information, 2) evaluates the information through the lenses of knowledge and preconception, and 3) seeks solutions through experimentation.[1]
Generative Learning Communities

Billions of invisible bytes of data feeding our dashboards create a picture of institutional performance as it relates to specific goals within specific initiatives. These invaluable bits of information may give an account of changing behavior inside or outside the organization that may require action; but they offer little instruction on how to address the phenomenon behind the symptom. To unravel that mystery, leaders must turn to another invisible resource to create a generative learning community with the imagination to conceive of a future reality and with the capacity to pursue that shared vision through creative problem solving. In order to cope in an age with an abundance of information and a deficit of insight, leaders must access the spiritual resources available to them through their workforce.

The vocabulary of business has largely excluded words such as love, hope, and purpose. If these terms do show up in business literature, they are often confined to discipline of organizational behavior. It is no wonder. Those of us in the western world live and operate under the influence of the age of Enlightenment, waning though it may be. Biblical scholar N.T. Wright says,

The Enlightenment notoriously insisted upon splitting apart history and faith, facts and values, religion and politics, nature and super nature...with one of the consequences being, indeed, that each of those categories now carries with it...an implicit opposition to its twin, so that we are left with the great difficulty of even conceiving of a world in which they belong to one another as part of a single indivisible whole.[2]

To be clear, it is not the author of this paper’s intention to pit the hard and soft sciences against one another. In fact, this author suggests that creating a generative learning team is essential to
organizational effectiveness and such a team depends on spiritual and knowledge-based resources to solve problems. Given that data is flowing at accelerating rates, producing mountains of evidence, learning communities capable of discerning the meaning of the evidence have never been more important to an organization’s ability to cope, grow, and survive.

Neither is the author’s intention to consider spirituality in religious terms, though, personally, the author finds it hard to engage the concept of spirituality without encountering existential questions. The author finds Dallas Willard’s view of the nature of human existence to be compelling.

Human existence understood in the context of the full world of God—“all things visible and invisible,” can be as good as we naturally hope for it to be. As we increasingly integrate our world with the spiritual world of God, our life increasingly takes on the substance of the eternal.[3]

Again, the author raises the issue of spirituality only as it applies to the activation of generative learning communities. Like Willard, the author sees the world as an integration of physical and spiritual elements. That alone is enough for us to explore spirituality and its relationship to the learning communities we hope to create. However, to be as transparent as possible, like Willard, the author sees God as the life-giving source of both physical and spiritual elements.

**Shared Assumptions**

Separate from one’s religious leanings or lack thereof, many people in the organizations we lead long to connect their vocation to their latent existential and cosmological questions or yearnings. Practically speaking, the men and women in our organizations experience, on a personal level, the same shifts impacting our businesses. They, too, are tuned in to disruption, geopolitical conditions, financial shifts, and environmental concerns. Inwardly they wonder if they are part of the solution or are they part of the problem. Ultimately, many of the people who make up the organizations we lead care deeply about the planet and the well being of its people. At their core, most people want to love as they wish to be loved.

The substance of spirituality, if you will allow the characterization, is made up of intrinsic human impulses such as love, hope, purpose, meaning, and discernment. Invisible, though they may be, they provide the key ingredients for creative problem solving. Even more importantly, as Edgar Schein says,

The function of cognitive structures such as concepts, beliefs, attitudes, values, and assumptions is to organize the mass of environmental stimuli, to make sense of them, and to thereby provide a sense of predictability and meaning to the individual. The set of shared assumptions that develop over time in groups and organizations serves this stabilizing and meaning providing function.[4]
Schein observes that all human systems seek to achieve and maintain a sense of equilibrium in order to cope, grow, and survive. The integrity of the organizational system is held together, not only through financial resources and the physical plant, but also through beliefs, assumptions, identity, mission, vision, and values. Put another way, human systems are held together by both visible and invisible elements, with the invisible possessing substantive qualities as essential to the enterprise as the visible. Indeed, I would argue the spiritual forces give energy to the entire system.

In the abstract, spirituality as an energizing and organizing force of any enterprise may not be difficult to acknowledge. The challenge is figuring out how to activate it. Any thought of harnessing it, as if it is a renewable resource, is wrong headed. Leaders who attempt to tap into the motivational energy of their workforce by pandering in some superficial way to the deeply held, personal sensibilities of meaning and purpose or vocation and calling will be seen as inauthentic or untrustworthy if not abusive. The test of the leader is to first see, then cast, a vision of an organization’s contribution to a future global reality at which point they invite a learning community to participate in a shared journey, not only sharing in the vision, but also in the risks and rewards. In so doing, leaders can form and influence the health and vibrancy of an organizational community. More toward this point, L.W. Fry says,

Leaders must create a vision wherein the organization’s members experience a sense of calling in that their life has meaning and makes a difference. They must establish 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.[5]

The key to activating spiritual resources is to access them in an authentic way by gathering a community around a shared identity and a vision of a future reality and engaging them at a personal level, meeting them on the spiritual plane. This requires leaders to come to terms with their own spiritual assets such as love, hope, purpose, and integrity. Business expertise alone, whether in finance or marketing, does not qualify one to lead a community into a complex future in a hopeful and productive way.

**Shared Vision**

While I hope the ideas presented to this point have been meaningful, I doubt they have satisfied the practical questions that hover near the top of mind. How do personal values and beliefs translate into motivation and action? How do they reach the bottom line of the balance sheet? Admittedly, we may not be able to draw a clear straight line from the spiritual plane to the investor’s return, but we can clearly see the role it plays in improving organizational effectiveness.

Peter Senge famously referred to a shared vision as a “common caring.” He says, “Few, if any, forces in human affairs are as powerful as a shared vision.”[6] Again, in the abstract, we sense
that mission and vision are somehow important if not vital, but we find that the real struggle is to activate them to address real world problems.

Given that today’s leaders find themselves at the relative beginning of the age of hyper acceleration, coping and surviving have become daily agenda items. Reactive leaders seeking resources to cope with disruptive change are finding that material resources alone are insufficient to solve the problems associated with accelerated change. Once visionary leaders are now focusing less on the future state of their organization in favor of preserving the mission for today. They do so at great risk to their long-term goals. Minus an animating vision of a future reality, or a desire for the “struggle of shared aspirations,”[7] organizations will labor as adaptive enterprises, reacting to real time challenges and opportunities. In the age of hyper acceleration, adaptive organizations will likely respond too slowly and the great struggle to cope, grow, or survive will create chronic institutional fatigue and eventually failure.

The speed of change and the growing rate of disruption in the current and future environment is prompting leaders to create generative learning[8] organizations that gather information, data, and process it through new filters to view old solutions differently. Generative learning calls upon teams to solve problems by working with both spiritual and knowledge-based elements. The common struggle to reach for the future destination motivates teams to see their future in the context of a world with its many promises and problems.

“Shared vision,” Senge says, “is vital for the learning organization because it provides the focus and energy for learning. While adaptive learning is possible without vision, generative learning occurs when people are trying to accomplish something that matters deeply to them.”[9]

**Figure 2: Activating Spiritual and Knowledge Based Resources**

Activating spiritual and knowledge based resources to encourage generative learning
Conclusion

As mentioned previously, generative learning depends largely on four major steps: Attention, motivation, knowledge and preconceptions, and generation.[10] The process provides a platform for addressing old problems in new ways, but especially for recognizing and understanding new problems.

The world needs people who can select, interpret, and use information to solve new problems they have not encountered before. Today’s focus on twenty-first-century skills such as creative problem solving, critical thinking, adaptability, complex communication, and constructing evidence-based arguments can be seen as a call for generative learning that helps people develop “transferable knowledge and skills.”[11]

While the skills of the generative learning team are key to interpreting information and identifying and discerning the nature of new problems, the greatest benefit to the organization comes through the motivational factor. Motivation is the internal, cognitive state that prompts and gives energy and sustainability to goal-directed behavior.[12]

With this in mind, today’s leader must consider the energizing, discerning, and productive qualities that spiritual resources provide. While asking the functional questions that shield the organization against risk, leaders must also ask some of the most enduring questions with which humans have wrestled over the ages.

- What is real?
- What is true?
- What is my purpose?
- Who is my neighbor?

These questions, though soft or sentimental to some, are in reality the questions that drive everything. They always have. The colleagues you lead are longing for you to ask these questions and to relate them to the work your organization has been called to do.

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