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An Examination of the Role of Spiritual Leadership and Servant Leadership on Knowledge Creation

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Abstract

The business environment is in a constant state of flux characterised by increased competition, uncertainty and restructuring to incorporate more effective work models to sustain growth. Organizations are required to leverage employee knowledge and capabilities to ensure sustained competitive advantage. In this process, leaders are required to be the facilitators of knowledge creation and transmission within the organization. Knowledge creation and management is relevant for the workers themselves and for the organizations. In this sense, this paper aims to discuss the role and effectiveness of spiritual and servant leadership in knowledge creation in organizations. This study also views knowledge creation and management as the dynamic set of activities undertaken by organizations to optimally use the knowledge within the boundaries of the organization. These processes are further linked to complex human involvement and interactions. The relevance of altering leadership dimensions in reaction to paradigm shifts in business processes and workforce management becomes an important study to be undertaken. In this context, the researchers have conducted primary research to explore the relationship between leadership styles and knowledge creation in the organizations. The study looks at both spiritual and service leadership and their influence on knowledge creation strategies in organizations. On the basis of their study the researchers have proposed a model to explore the effectiveness of spiritual and servant leadership styles on knowledge creation at the individual level. It was found from the study result that, only spiritual leadership was found to be effective creation of knowledge among the employees.

Keywords: Spiritual Leadership, Servant Leadership, Knowledge Creation

Introduction

Organizations are operating in a dynamic environment where knowledge creation and management are the potential sources of competitive advantage. The strategies that organizations incorporate in order to enhance the knowledge creation and management are dependent on the employees as well as the leadership exhibited by the employers and managers.

Spiritual Leadership

Spiritual leadership is a holistic approach to leadership wherein the leader is involved in creating a workplace where the employees find meaning in their work through shared traditions, values and beliefs. As the work environment becomes more dynamic, employees strive to find greater meaning in their work and organizations, which has a major impact on quality of life. The International Institute for Spiritual Leadership expresses Spiritual leadership as being involved in “intrinsically motivating and inspiring workers through hope/faith in a vision of service to key stakeholders and a corporate culture based on the values of altruistic love to produce a highly motivated, committed and productive workforce”. The concept of spiritual leadership was proposed by Louis Fry as an alternative to the traditional leadership approaches. Spiritual Leadership involves creating a shared vision at the workplace wherein both leaders and followers experience a sense of purpose and meaning in their life at work. This further entails the creation of an organizational culture based on altruistic love such that leaders and subordinates share a spirit of membership and belonging resulting in their feeling understood and appreciated. Organizations that inculcate a sense of spirituality among the workforce also enhance the organization citizenship behaviour building long-term sustainable workplace relationships and aligning the individual goals with the organizational goals.



Figure 1. Spiritual Leadership Spiritual Well-being Organizational Outcomes (Fry, 2003, 2005, 2009)

Spiritual Leadership involves an active interface between the organization’s vision, hope of faith and altruistic love resulting in providing a sense of calling and membership in followers leading to increased employee satisfaction and commitment and increased business performance.

Servant Leadership

The concept of servant leadership was first advocated by Robert Greenleaf in 1970 in his essay *The Servant as Leader*. A servant-leader focuses primarily on the growth and well-being of people and the communities to which they belong. While traditional leadership generally involves individualistic exercise of power by one at the “top of the pyramid,” servant leadership aims to share the power with employees by helping them to develop and perform as highly as possible. The Greenleaf Centre for Servant Leadership further defines servant leadership as “a philosophy and set of practices that enriches the lives of individuals, builds better organizations and ultimately creates a more just and caring world.”

In the current dynamic business environment where employees are the primary source of competitive advantage for firms, people centred leadership and employee wellbeing are significant factors contributing to organizational growth and sustenance. The servant leader contributes to the growth and development of employees through stewardship, empathy and a commitment to follower empowerment, thus creating a synergistic relationship between all stakeholders. The principle of servant leadership, therefore, encourages facilitating employees to harness their maximum potential leading to organizational success.

Knowledge Creation & Management

Organizations have long recognised the importance of harnessing the knowledge contained within its boundaries. Organizational knowledge is learnt, sustained and diffused by its people in the form of explicit, implicit or tacit knowledge. Knowledge-driven innovation is a key determinant to sustained organizational success. The concept of knowledge and its management does not hold to a single consistent definition but depends on the researcher's focus. Knowledge sharing involves the dissemination of knowledge between people, groups or organizations. As knowledge moves from public domain to personal, it is internalized by the individual and combined with existing or new ideas to create new knowledge. Knowledge can further be classified as

- Explicit (First generation) knowledge – This concept of knowledge management is evidenced during the Industrial revolution age wherein knowledge was public and focussed on the operation of tangible assets
- Tacit (Second Generation) knowledge – Tacit knowledge was person-specific, more difficult to quantify and disseminate. Innovative organizations were successful in capturing both explicit and tacit knowledge and leverage it for organizational growth and success.

Business success entails continuous innovation and transformation. Sustainable agility requires organizations to foster a culture of knowledge management which in turn is dependent on the leadership in the organization. An organization that thrives on innovation needs to encourage its employees to collect, share and transform the knowledge into new products and services. This can only be achieved when employees are motivated and committed and exhibit considerable organization citizenship behaviours, which, in turn, stresses the need for the right leadership strategies.

Both spiritual leadership and servant leadership are focussed on encouraging intrinsic motivation which is necessary for enhancing the organization's knowledge creation and management processes by creating a work environment which inspires the making, sharing and use of knowledge. In the absence of the right leadership framework in the organization, the knowledge creation and management process become stagnant. As employees perceive a lack of interest and commitment from the management in the knowledge management process, it further impacts the absorptive capacity of the organization translating into an inability to integrate and decode new knowledge into products and services.

Spiritual and servant leadership bestows a collective identity among the employees within an ethical framework for decision making. This promotes both trust and social interactions among the employees ensuing improved communication, transparency and resources for knowledge sharing.

In this connection, the role of spiritual and servant leadership in facilitating knowledge creation is proposed.

Literature Review

Duchon & Plowman (2005) proposed that employees exhibit greater job involvement and satisfaction alongwith enhanced commitment and work performance in an atmosphere of workplace spirituality.

Smith, Minor, & Brashen (2018) opine that spiritual leadership allows its practitioners to employ multiple approaches to influence employees resulting in positive outcomes for both the employees and the organization.

Fry (2017) advocated that spiritual leadership would contribute to sustainable change and practices in a dynamic and constantly changing business environment which in turn would have a positive impact on a firm's triple bottom line.

Fry & Cohen (2009) propose that spiritual leadership in organizations involves creating an inspiring vision and enhancing intrinsic motivation focussed on the followers' spiritual needs such as calling and membership. This approach leads to lesser absenteeism and greater productivity and business growth.

Burke & Reitzes (1991) emphasized that workplace spirituality enhanced employees' organizational engagement further impacting their commitment to the organization. Further workplace spirituality also contributed to reducing unethical behaviours and practices at work. (*Krishnakumar & Neck, The "what", "why" and "how" of spirituality in the Workplace, 2002*) opined that spirituality increased positive workplace behaviours including creativity, honesty and morality. Such positive behaviours further contributed to employees finding their work more rewarding and challenging.

Soto (2017) advocated that spiritual leadership nurtures knowledge management processes in the organization by providing an organizational culture and environment in which employees are motivated to augment performance including knowledge management processes aimed at achievement of organizational goals.

Nathan Eva et al (2019) proposed that servant leadership is a holistic approach that aims to encourage and empower followers in ethical, emotional, spiritual and relational dimensions such that they are able to realise their full potential.

Cassar & Buttigieg (2013) advocated that employees are influenced by positive leaders which in turn facilitates organization citizenship behaviour and other constructive outcomes in the organization. *van Dierendonck (2010)* argued that servant leaders seek to grow the organizational resources by focussing on the personal development of their followers and thus enhancing their performance.

Otero-Neira et al. (2016) propose that servant leadership helps inculcate the service mentality in the employees which then encourages positive organizational behaviour including aligning with the organization's objectives, improving effectiveness and contributing to organizational innovation and change among others needed to survive in the current competitive business environment.

Schwarz et al (2016) use Social Learning Theory to emphasise that leaders act as role models for their followers who emulate their altruistic endeavours to serve others which increases public service motivation and job performance. However advocates of Social Exchange Theory argue that the followers' positive behaviour is a result of the reciprocal relationships with their leaders.

Srivastava, Bartol, & Locke (2006) suggest that an organization with empowering leadership encourages knowledge sharing which in turn contributes to better resource utilization and decision making.

Firestone (2003) explains that second generation knowledge is continuously created by individuals as organizations adapt to dynamic environments. Thus knowledge management is not just the process of encapturing and distributing existing knowledge, it is also responsible for knowledge creation.

Nonaka & Konno (1998) proposed that within organizations, value creation happens through interactions in shared learning spaces where tacit knowledge is exchanged. However, Nonaka and Konno also posited that such knowledge sharing between individuals can only occur the individuals share a trusting relationship and a common context through which the knowledge can be understood.

Goh (2002) stressed on the importance of the role of leaders in conveying an attitude that knowledge is not the sole proprietary entity of upper levels in the hierarchy but can exist anywhere. Such attitudes contribute to trust and relationship building across the organization and facilitate information sharing and collaboration.

Rivière & Sitar (2003) advocated that leaders should nurture a knowledge supporting culture to facilitate an environment where employees are empowered to learn and be productive. Thus the effective utilization of an organization's knowledge reservoir depends on the extent to which employees are viewed as a significant contributing partner in the knowledge process and organizational leadership has a key role in deciding the extent to which employees share and utilise knowledge resources.

According to *Nonaka (2007)* organizations operate in a dynamic environment where success is determined by the organization's ability to create and disseminate new knowledge and incorporate it into its products and services. This allows the organizations to create a competitive edge over rivals in the market.

Wee & Chua (2013) opined that in organizations with few exchanges or discussions among employees, the knowledge process remains restricted. In such an environment, management and employees find themselves unable to get involved in collaborative solutions for improvement.

Research Methodology

Hypotheses of the Study

- H1: Servant Leadership is likely to have a significant impact on Employees' Knowledge Creation.
- H 2: Spiritual Leadership is likely to have a significant impact on Employees' Knowledge Creation

Methodology

Descriptive research design has been used and the structured questionnaire was used as a tool for collecting data from the respondents selected using convenience sampling. Data were collected from employees of IT companies in and around Bangalore city. Collected data were analysed using the tools like Factor Analysis, Regression and Correlation.

Scoring Methodology

Employees' Knowledge Creation (OCB), Spiritual Leadership and Servant Leadership were measured using a scale developed using 12, 15 and 21 items respectively. Spiritual leadership scale and Servant leadership questionnaires were adapted from validated constructs from internet and required changes in consultation with the experts has been carried out to fit the study. All those items in the scale were measured using likert scale. Items were measured with five-point scales weighed from strongly agree 10 to strongly disagree 1. Score for employees' knowledge creation would have a total of 120 if all respondents strongly agree to any statement in the scale. Similarly, if the score from all respondents is 1 for any item the final score would be 12. Similar methods were followed for the other variables like spiritual leadership and servant leadership. For servant leadership factor highest score would be 210 and lowest be 21. Similarly for spiritual leadership the highest score would be 150 and the lowest would be 15.

Data Analysis

Demographics of Respondents

Respondents selected for the research study had the following distribution; 30.08 percentages of the respondents are from 25 to 30 years category, 33.33 percentages are from 31 to 35 years category, 21.13 percentages of the respondents are from 36 to 40 years category, 15.4 percentages are from 40 years age group. From the selected respondents' 34.95 percentage of them had zero to five years of experience, 30.08 percentage of them had six to 10 years of experience, 19.51

percentage of them had 11 to 15 years of experience and 15.44 percentages of them had more than 15 years' experience. Salary range among the respondents had the following distribution; 17.88 percentage of the respondents are from less than five lakhs salary scale, 39.02 percentage of them are from five to 10 lakh category, 29.26 percentage of them are from 10 to 15 category, and 13.82 percentage of the respondents are from more than 15lakhs category. Educational qualifications of the respondents had the following distribution; 35.77 percentage of the respondents are graduates, 38.21 percentage of them are post-graduates, and 26.01 percentage of the respondents are from other education categories like doctorates, diploma etc.

Table No 1 Showing profile of the respondents

Variables	Categories	Frequency	%	Mean for Spiritual Leadership	Mean of Service Leadership
Age	25 years - 30 years	37	30.08	4.89	4.11
	31 years - 35 years	41	33.33	6.13	5.22
	36 years - 40 years	26	21.13	6.31	5.39
	Above 40 years	19	15.44	5.89	4.91
Experience	0-5years	43	34.95	6.18	5.01
	6- 10 years	37	30.08	6.19	4.24
	11- 15 years	24	19.51	5.25	4.64
	Above 15 years	19	15.44	6.19	5.48
Salary	< 5 Lakhs	22	17.88	4.8	5.11
	5 to 10 Lakhs	48	39.02	6.09	5.09
	10 to 15 Lakhs	36	29.26	6.47	5.13
	>15 Lakhs	17	13.82	4.89	5.17
Qualification	Graduation	44	35.77	5.94	4.8
	Post-Graduation	47	38.21	6.15	5.09
	Others	32	26.01	4.13	5.41

Table No 2 Table showing mean scores of Employee Engagement and Employer Credibility

		Spiritual Leadership	Service Leadership	Knowledge Creation
N	Valid	123	123	123
	Missing	0	0	0
Mean		5.6938	4.9237	5.6199
Std. Deviation		.80833	1.03077	.92095

From the above it is inferred that, spiritual leadership parameter had a mean value of 5.6938 and the value for service leadership was found to be 4.9237. Knowledge creation has also had a mean value close to spiritual leadership which accounted to 5.6199. Both spiritual leadership and knowledge creation have had a little above average score whereas the mean for servant leadership was below average.

Correlation Analysis

Table No Table showing correlation between the study variable

Correlations				
		Spiritual Leadership	Servant Leadership	Knowledge Creation
Spiritual Leadership	Pearson Correlation	1	.216*	.253**
	Sig. (2-tailed)		.017	.005
	N	123	123	123
Servant Leadership	Pearson Correlation	.216*	1	.158
	Sig. (2-tailed)	.017		.082
	N	123	123	123
Knowledge Creation	Pearson Correlation	.253**	.158	1
	Sig. (2-tailed)	.005	.082	
	N	123	123	123

*. Correlation is significant at the 0.05 level (2-tailed).

** . Correlation is significant at the 0.01 level (2-tailed).

From the above table it is inferred that, there is a significant correlation between spiritual leadership and knowledge creation with correlation coefficient 0.253, which indicates 25.3% of similarity was found between these two variables. The study also revealed that, there is no significant relationship between service leadership and knowledge creation.

Servant Leadership – Factor Analysis

Table No KMO and Bartlett’s Test

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.768
Bartlett's Test of Sphericity	Approx. Chi-Square	974.475
	df	210
	Sig.	.000

The table below enumerates the communality of the selected 21 variables which had a good reliability score of 0.768. Results were keenly checked that no one variable has low loading, i.e., less than 0.5.

Factors of Servant Leadership

Table No Table showing consolidated factors of Servant Leadership

Factor	Eigen Value	Percentage of Variance	Cumulative Percentage
Emotional Healing	5.262	25.058	25.058
Creating value for the community	2.192	10.439	35.498
Conceptual skills	2.105	10.025	45.523
Empowering	1.475	7.025	52.548
Helping subordinates grow and succeed	1.257	5.985	58.533

Putting subordinates first	1.100	5.236	63.769
Behaving Ethically.	1.002	4.772	68.540

Each factor selected for the study had Eigenvalue > one, which is the standard for factor selection and the selected seven factors put together are responsible for 68.540% of the variation in the servant leadership.

Relationship Between Servant Leadership and Knowledge Creation

Table No Model Summary

Model	R	R Square	Adjusted R Square	Std. The error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.158 ^a	.025	.017	.91319	.025	3.082	7	115	.082b

a. Predictors: (Constant), Emotional Healing, Creating value for the community, Conceptual skills, Empowering, Helping subordinates grow and succeed, Putting subordinates first and Behaving Ethically.

From the above table it is inferred that, there is no significant relationship or impact between servant leadership and knowledge creation. P value 0.082 indicated that, there is no significant relationship between the study variables. Calculated R square value of .025 indicates that there is only 2.5% of variation in knowledge creation happen through servant leadership.

Spiritual Leadership – Factor Analysis

Table No

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.802	
Bartlett's Test of Sphericity	Approx. Chi-Square	1004.147
	Df	105
	Sig.	.000

The table below enumerates the communality of the selected 15 variables which had a good reliability score of 0.802.

Important Factors of Spiritual Leadership

Table No Showing consolidated table showing factors of Spiritual Leadership

Factor	Eigen Value	Percentage of Variance	Cumulative Percentage
Vision	5.221	34.809	34.809
Hope/Faith	2.142	14.279	49.088
Altruistic Love	1.814	12.091	61.179
Meaning/ Calling	1.388	9.253	70.432
Membership	1.160	5.734	76.166

From the table above it could be seen that each factor selected for the study had Eigenvalue > one, which is the standard for factor selection and the selected seven factors put together are responsible for 76.166% of the variation in the spiritual leadership.

Relationship between Spiritual Leadership and Knowledge Creation

Table No Model Summary

Model	R	R Square	Adjusted R Square	Std. The error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.253 ^a	.204	.186	.89471	.204	8.262	5	117	.005 ^b

a. Predictors: (Constant), Vision, Hope, Altruistic love, Meaning and Membership

From the above table it is inferred that, there is a significant relationship between spiritual leadership and knowledge creation. P value 0.005 indicated that, there is a significant relationship between the study variables at 95% confidence level. Calculated R square value of .204 indicates that there is 20.4% of variation in knowledge creation happens through spiritual leadership.

Table No Table of Coefficients

Factor	Unstandardized Coefficients		Standardized Coefficients	t	Sig
	B	Std. Error	Beta		
(Constant)	3.097	.017		82.737	.000
	.260	.017	.148	17.100	.000
	.203	.017	.121	13.777	.000
	.148	.017	.111	10.502	.005
	.090	.017	.094	17.078	.005
	.068	.017	.091	4.212	.005

The resulted equation for spiritual leadership impact on knowledge creation is
 $KC = 3.097 + 0.148 (VI) + 0.121 (HO) + 0.111 (AL) + 0.094 (CA) + 0.091 (M)$

The table above displays the co-efficient values of each factor on knowledge creation.

Discussion

Dimension reduction analysis resulted in the identification of five factors for spiritual leadership contributing to 76.166% of total variance, 5 latent variables identified for were found to be the predicting 20.4% of the variance in employee’s knowledge creation. Since the work roles are changing and the workplace compositions are also rapidly changing with the inclusion of young workforce, it becomes vital for organizations to keep their knowledge level updated.

Practical Implications and Conclusion

There has been a lot of study on leadership styles in recent times and this study shows its novelty by identifying the impact of two leadership styles - spiritual and servant leadership on knowledge creation. This study result would help industry people in strategizing their leadership quotient to be included as one of the important components in knowledge creation in addition to the behavioural skills of employees. This study also explains the importance of each component of spiritual leadership and servant leadership and its impact on knowledge creation which could help organization in identifying the areas to concentrate based on the similar kind of study in their company.

The findings of this research study will have both academic and industrial importance. Industries could make use of this research to identify the factors influencing the knowledge creation of employees in organizations. This study will also throw light on studies on knowledge creation and impact on organizational performance as well. The findings of this study would enable employers to identify the areas to improve their policy-making in the future and reframe their structural framework. The growing need for knowledge and suitable leadership styles from employers can be organized with the help of the study to an extent. Since this study is industry-specific, generalization may not be possible and there are a lot of scopes left in this study as a gap for future studies in various other industry sectors.

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