

# Study on the Relationship between Entrepreneur's Spiritual Capital and Employee Creativity

Xue Chen Jianping Gu\* Evan David

School of Business, Nanjing Normal University, Nanjing, Jiangsu, 210097, China

**Abstract:** Through this research about the relationship between entrepreneur's spiritual capitals and employee creativity, this paper explores the influence mechanism of entrepreneur's spiritual capital on employee creativity, and constructs a mediating model. The research shows that entrepreneur's spiritual capital has positive predictive effect on employee creativity, and organizational innovation atmosphere plays a partial mediating role between them.

**Keywords:** Entrepreneur's spiritual capital; Employee creativity; Organizational innovation atmosphere

\***Corresponding Author:** Jianping Gu, School of Business, Nanjing Normal University, No.122 Ninghai Road, Nanjing, Jiangsu, 210097, China. E-mail: [friendgjp@126.com](mailto:friendgjp@126.com)

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## 1. Introduction

Spiritual capital, defined as accomplishment of a vision, belief, and ultimate goal value,<sup>[1]</sup> is related to the motivational force for an entrepreneur to struggle and gradually has become a force for sustainable enterprise development. So what is entrepreneur's spiritual capital? How does entrepreneurs' spiritual capital affect firm performance? How does employee creativity play a role? This series of problems has attracted the attention of scholars, Entrepreneurs' spiritual capital is the need of entrepreneurs' soul, and become the highest need that pursued by entrepreneurs,<sup>[2]</sup> Entrepreneurs with high spiritual capital pay more attention to the spiritual needs of employees, integrating between employees' personal dreams and corporate dreams, creating a shared vision, and encouraging employees to pursue their spiritual needs. At present, empirical research has proved that entrepreneurs' spiritual capital can promote the performance of enterprises.<sup>[3]</sup> This paper attempts to study the mechanism of entrepreneur's spiritual capital more comprehensively, and provides theoretical basis and practical guidance for more effective management of new enterprises.

## 2. Theoretical Framework and Research Hypothesis

Spiritual capital is also called faith principle. Entrepreneurial spiritual capital has become a hot issue in enterprise management research along with entrepreneurial

activities expansion. According to Becker (2010), human capital productivity relies on the person who owned spiritual capital,<sup>[4]</sup> Bourdieu (1986) divided the capital into three types, those are, economic capital, social capital and cultural capital.<sup>[5]</sup> Cultural capital is a form of convention, used as a method to obtain and maintain social status, he then; The next researchers make further research of social capital that comes from social organizations (such as institution or trust mechanism) where members collaborate and connect with each other; In recent years, the study of human capital began to focus on leadership role, that is, entrepreneur's spiritual capital is a positive psychological power which affects individuals and organizations' spirit, trust, knowledge and behavior.<sup>[6]</sup>

Foreign research has proved that the entrepreneur's spiritual capital affects the enterprise performance, the enterprise performance is created by the employee, and employee creativity is an important aspect which affecting the enterprise performance. In this case, the entrepreneur's spiritual capital may have a positive effect on employee creativity. Employee creativity refers to the innovative and useful ideas of employees about products, procedures and processes in their work, which is essential to promote enterprise innovation and success.<sup>[7]</sup> Entrepreneurs need to have spiritual capital that can make the employees find their self-worthiness, create organization culture based on sympathy-empathy, let employees feel the leader care and appreciation, therefore employees will start caring and

appreciate each other too, and create sense of belonging to the organization (Lei, Wen, Su, & Yang, 2015). Entrepreneur's spiritual capital can improve employee creativity through external skills and internal motivation. Based on the analysis above, the following hypothesis is proposed:

H1: Entrepreneurs' spiritual capital has a positive influence on Employee creativity.

Organizational innovation atmosphere is a state where employees perceived that the organization support for their creativity and innovation. Gelade & Ivery (2003) research shows that organizational management can only play a role by significantly influencing one or several organizational atmosphere dimensions.<sup>[8]</sup> Organizational atmosphere is the shared knowledge of management system, practical operation and procedure among employees.<sup>[9]</sup> Organizational innovation atmosphere, when interpreted as organizational environment, refers to the work environment that supports employee's creativity and innovation. Spiritual capital is an accumulation process that brings the vision of the organization, work value and work purpose to employees. Success requires commitment and continuous efforts, continuously train and motivate the employees.<sup>[10]</sup> In the Internet era, it is important to encourage innovation, filled the organization with innovative atmosphere, let employees dare to innovate because achievements brought by innovation. Therefore, the following hypothesis is proposed:

H2: Organizational innovation atmosphere plays a mediating role between Entrepreneurs' spiritual capital and Employee creativity.

### 3. Research Design and Empirical Test

The formal survey began in February 2015 and took 3 months of survey. Through the human resources department, 150 enterprises with a year of establishment less than 5 was randomly selected, and 2-3 copies of questionnaire were distributed for each enterprise, which was fill in by the chief executive (main person in charge) of the enterprise. A total of 350 copies were distributed and 305 questionnaires were collected. After eliminating the invalid questionnaire, a total of 224 questionnaires were left and has met the number of samples required for statistical analysis. The condition of the respondents are: male employees 79.4%, female employees 20.6%; Educational background: Postdoctoral students 14.7%, Doctoral students (excluding Postdoctoral) 20.2%, Master students 31.4%, Undergraduate students and lower educational degree 33.7%.

In order to ensure the accuracy and credibility of variables measurement, we try to use the scale with high reliability and validity which have been used by domestic and

foreign scholars.

1) The entrepreneur's spiritual capital scale. Because the research on this variable is newly emerged, so there is no fix measurement scale available. Researchers need to refer from domestic and international journal which has relation with entrepreneur's spiritual capital, mainly refers to Fry (2009) about the development of spiritual leadership scale, Robinson,<sup>[11]</sup> Shaver & Wrightsman (1991) about self-worthiness,<sup>[12]</sup> Dobrow & Tosti-Kharas (2011) about sense of mission, Li (1998) about view of life. In the scale design process, a thorough bilingual translation, behavioral interview and panel discussion are carried out. Each item is deliberated carefully and repeatedly to ensure the accuracy of the problem description.<sup>[13]</sup>

2) Employee creativity scale. The scale developed by Farmer is containing 4 items: "he/she (the employee) is always being the first to try new ideas or new methods"; "he/she is always exploring new methods to solve the problem"; "he/she is good at producing breakthrough ideas"; "he/she thinks that he/she is very creative".

3) Organizational innovation atmosphere scale. According to scale which is revised by Liu (2010), is containing 5 items: "there is communication between colleagues so they could share their own views and opinions"; "employees are free to set their own working goal and progress"; "employees can obtain sufficient information and data needed for doing innovation"; "supervisor encourages employees to raise some new ideas"; "company gives appreciation and recognition for the innovative staff".<sup>[14]</sup>

The SPSS 19.0 software is used to analyze the mean value, standard deviation and correlation between variables. The results are shown in Table 1. These correlations are consistent with the theoretical expectation, which provides initial support for the hypothesis.

The main and moderating effects in this paper are tested by hierarchical regression. Hypothesis 1 proposed that Spiritual capital has a significant positive effect on the Organizational innovation atmosphere. In order to test this hypothesis, the Organizational innovation atmosphere was used as the dependent variable, then we added the control variables (gender, age and job position), finally the independent variable (Spiritual capital) was added to the regression equation.

### 4. Research Conclusion and Management Suggestion

Based on the theory of spiritual capital, this paper analyzes the effect of Entrepreneur's spiritual capital on Organizational innovation atmosphere, and explores the mechanism effect towards Employee creativity, then creating a new perspective that Entrepreneur's spiritual cap-

**Table 1.** Descriptive Statistic and Correlation Coefficient Matrix for Each Variable

Variables	M	SD	1	2	3	4	5	6	7	8	9	VIF
1.Gender	1.21	0.41	1									1.107
2.Age	30.49	6.2	-0.01	1								2.279
3.Education Level	2.88	0.72	-0.02	0.05	1							1.052
4.Working Period	2.31	1.04	0.059	0.66**	-0.04	1						1.907
5.Job Position	2	0.97	-0.14*	0.58**	0.09	0.42**	1					1.593
6.Spiritual Capital	3.62	0.74	0.05	0.11	0.15*	0.20**	0.18*	1				2.026
7.Innovation Atmosphere	3.43	0.73	0.05	0.02	0.09	0.08	0.11	0.62**	1			1.963
8.Organizational Commitment	3.66	0.98	0.01	0.01	0.02	0.06	0.02	0.40**	0.35**	1		1.734
9.Creativity	3.37	0.86	0.06	0.07	0.03	0.07	0.09	0.62**	0.63**	0.64**	1	2.781

ital could improve Employee creativity. The result shows that Entrepreneur's spiritual capital has a positive effect on Employee creativity. Entrepreneur's spiritual capital affects the employees' behavior by stimulating and fulfilling the employee's spiritual needs. Spiritual capital is the internalization of psychological and spiritual power of an entrepreneur. An entrepreneur who has spiritual capital will bring a good impact on employees' psychology, build a good superior-subordinate relationship and encourage employee to improve their creativity.

## 5. Conclusion

Entrepreneur's spiritual capital plays an important role in stimulating Employee creativity, while Organizational innovation atmosphere plays a partial mediating role between them. By studying the mechanism and effect of Entrepreneur's spiritual capital on Employee creativity, it could give a useful practical guidance that leads to innovation and sustainable development of the enterprise. The research on Entrepreneur's spiritual capital is newly emerged, and it is important to enrich and improve it from the theoretical and empirical research perspective. At the same time, this study shows that Organizational innovation atmosphere plays a partial mediating role between Entrepreneur's spiritual capital and Employee creativity, and there could be another mediating variables between them, so we can use another variables for future research, such as consistency between employee and organization goals, etc. In addition, it is necessary to study the mechanism of Entrepreneur's spiritual capital from a dynamic perspective, and also study about the influence of Organizational innovation atmosphere on Employee creativity under different conditions of Organizational commitment.

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