



**MASTER IN  
MANAGEMENT (MiM)**

**Master's Final Work**  
Dissertation

**The Impact of Spiritual Leadership on Organizational Triple  
Bottom Line: the Mediating Role of Psychological Capital**

MARIA MIGUEL CORREIA ALMEIDA CRISTO

**February – 2025**



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**Supervision:**  
PROFESSOR DOUTOR TIAGO EMANUEL RODRIGUES GONÇALVES

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*“To become a leader, you must first become a human being”*

– Confucius (Chinese thinker and philosopher)

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## **ABSTRACT**

Leadership remains a central focus for management theorists and practitioners. Among the influential trends that emerged in the 1990s is spiritual leadership, which several authors have linked to the promotion of sustainable workplaces. Despite its growing prominence, empirical research exploring the relationship between spiritual leadership and organizational sustainability across Triple Bottom Line remains scarce. Furthermore, the mechanisms underlying this relationship, particularly the role of Psychological Capital, are not well understood. Addressing this gap, this study draws on the theoretical foundations of Hope Theory and Psychological Capital Theory to examine how spiritual leadership contributes to sustainability outcomes. Data were collected through a structured survey and analyzed using Structural Equation Modeling with SmartPLS. The findings confirm that Psychological Capital mediates the relationship between spiritual leadership and social and economic sustainability, while its impact on environmental sustainability is less pronounced. These results highlight the potential of spiritual leadership to drive sustainable performance by fostering psychological well-being, offering valuable insights for both theory and practice.

**KEYWORDS:** Spiritual Leadership; Psychological Capital; Triple Bottom Line.

**JEL CODES:** M14; Q01; J24; L20; C83.

## RESUMO

A liderança continua a ser um tema central para teóricos e praticantes da gestão. Entre as tendências influentes que surgiram na década de 1990 destaca-se a liderança espiritual, associada por vários autores à promoção de locais de trabalho sustentáveis. No entanto, apesar da sua crescente relevância, a investigação empírica que explora a relação entre a liderança espiritual e sustentabilidade organizacional, particularmente nas dimensões do Triple Bottom Line, permanece limitada. Adicionalmente, os mecanismos subjacentes a esta relação, nomeadamente o papel do Capital Psicológico, não são ainda bem compreendidos. Para abordar esta lacuna, o presente estudo baseia-se nas fundações teóricas da Teoria da Esperança e do Capital Psicológico para investigar como a liderança espiritual contribui para resultados de sustentabilidade. Os dados foram recolhidos através de um inquérito estruturado e analisados utilizando Modelação de Equações Estruturais no SmartPLS. Os resultados confirmam que o Capital Psicológico medeia a relação entre a liderança espiritual e a sustentabilidade social e económica, embora o impacto na sustentabilidade ambiental seja menos acentuado. Estes resultados destacam o potencial da liderança espiritual para impulsionar o desempenho sustentável através do bem-estar psicológico, oferecendo contributos valiosos para a teoria e a prática.

**PALAVRAS-CHAVE:** Liderança Espiritual, Capital Psicológico, *Triple Bottom Line*.

**CÓDIGOS JEL:** M14; Q01; J24; L20; C83.

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## **List of Abbreviations**

CSR: Corporate Social Responsibility

PsyCap: Psychological Capital

SL: Spiritual Leadership

TBL: Triple Bottom Line

f: Absolute Frequency

$\alpha$ : Cronbach's Alpha

CR: Composite Reliability

AVE: Average Variance Extracted

VIF: Variance Inflation Factor

$\beta$ : Beta Coefficient

HTMT: Heterotrait-Monotrait



## CHAPTER 1 – INTRODUCTION

Leadership has long been recognized as a central force in shaping organizational culture, influencing employee behaviour and steering the strategic direction of business. Over the decades, the concept of leadership has evolved from a focus on hierarchical control to a more dynamic, relational, and ethical perspective. As early as the 1970s, scholars began emphasizing the role of followers in the leadership process, recognizing leadership as a shared influence embedded in social systems (Samul, 2020). This shift reflects the increasing complexity of organizational challenges and the interdependence between individuals, teams, and organizations (Piwowar-Sulej & Iqbal, 2024).

While traditional leadership models have delivered significant insights, the rapid pace of social, financial, and environmental change has demanded a broader perspective – one that integrates ethical values, employee well-being, and sustainability (Ahsan & Khawaja, 2024). The emergence of unethical practices in organizations during the early 2000s, including breaches of trust and moral failures, further underscored the need for leadership models capable of fostering ethical behaviour and addressing human and organizational aspirations (Fry & Egel, 2021). This has led to the rise of leadership theories rooted in ethical principles, such as Transformational Leadership, Servant Leadership, and Spiritual Leadership (Samul, 2020).

Spiritual Leadership, in particular, offers a compelling framework for addressing the multidimensional challenges faced by contemporary organizations. Originally conceptualized by Fairholm (1996) and later expanded by Fry (2003), Spiritual Leadership emphasizes the significance of intrinsic motivation and spiritual well-being in cultivating a positive and meaningful work environment. While numerous studies have explored the relationship between SL and organizational sustainability (Fry & Slocum, 2008; Wahid & Mustamil, 2017; Samul, 2020; Caldana & Macini, 2021), they often fall short of explicitly delineating how SL integrates into the sustainability framework or explaining the mechanisms through which this integration occurs. This gap underscores the need for further research to clarify these connections and unpack the pathways that link SL to sustainable organizational practices.

The integration of Spiritual Leadership with the Triple Bottom Line framework underscores its increasing relevance in fostering sustainable organizational performance. The Triple Bottom Line framework, encompassing financial, social, and environmental dimensions, provides a holistic approach to evaluating organizational success by balancing financial goals with social equity and environmental stewardship (Fry & Nisiewicz, 2013). Leaders who embrace the principles of Spiritual Leadership are uniquely equipped to promote sustainability

through ethical decision-making, enhanced employee well-being and the alignment organizational objectives with broader societal values (Corral-Marfil et al., 2021).

This study explores the interplay between Spiritual Leadership, Psychological Capital and the Triple Bottom Line dimensions. Psychological Capital, a construct comprising hope, resilience, optimism, and self-efficacy, is increasingly recognized as a critical psychological resource that mediates the relationship between leadership practices and organizational outcomes (Luthans et al., 2007a). By examining the mediating role of Psychological Capital, this study seeks to deepen the understanding of how Spiritual Leadership influences not only individual well-being but also financial, social, and environmental sustainability.

The study is structured into three key sections: the Introduction and Literature Review, which provides the context of the problem; the Methodology and Results, presenting the empirical model; and the Discussion and Conclusion.

## **CHAPTER 2 – LITERATURE REVIEW**

### **2.1 Spiritual Leadership**

In recent leadership theories, the integration of ethical and moral principles into leadership practices has gained prominence (Dinh et al., 2014). Building on the foundations of transformational leadership, Spiritual Leadership (SL) has emerged as an effective higher-level approach that addresses not only organizational challenges but also the well-being and aspirations of employees (Fry & Nisiewicz, 2013). SL strengthens transformational leadership by incorporating cultural values and addressing followers' deeper needs, offering a more streamlined leadership model (Fry, 2003).

Spiritual Leadership, first introduced by Fairholm (1996) and further developed by Fry (2003), represents a leadership style grounded in spirituality, where leaders seek to inspire and intrinsically motivate employees, all directed towards serving the organization's key stakeholders (Smith et al., 2018). Unlike traditional leadership models, SL transcends personal interests and financial outcomes, focusing instead on spiritual growth, moral principles and the well-being of both followers and the organization (Fry & Kriger, 2009). A spiritual leader is described as "someone who walks in front of one when one needs someone to follow, behind one when one need encouragement, and beside one when one needs a friend" (Fry, 2003, p. 720). Spiritual leaders are motivated by a greater purpose that goes beyond material and financial results, cultivating a working environment based on moral principles, respect,

balance, and harmony, as well as highlighting the humanistic and supportive nature of SL aimed at fostering a positive, ethical workplace (Duchon & Plowman, 2005; Fry, 2003; Fry & Kriger, 2009). Table 1 aggregates some definitions of SL and shows the evolution of the concept.

**Table 1 – Definitions and Evolution of the Concept Spiritual Leadership**

<b>Fairholm, 1996</b>	Spiritual leadership is the explanation of spirituality in relation to leadership in a work context.
<b>Fry, 2003</b>	Spiritual leadership involves recognizing the values, attitudes, and behaviours necessary to intrinsically motivate oneself and others, fostering a sense of spiritual fulfilment through purpose and connection.
<b>Fry &amp; Slocum, 2008</b>	Spiritual leadership involves motivating and inspiring employees through a transcendent vision and a corporate culture rooted in altruistic values, which fosters a highly motivated, committed, and productive workforce.
<b>Polat, 2011</b>	Spiritual Leadership is defined as a holistic system that contains moral, transformation, ethics, kindness, righteousness, working in a team, congruence, and completeness.

Source: Own Elaboration

Unlike other leadership theories, which focus on empowering followers or serving them, SL focuses on the spiritual well-being of individuals as a central tenet of leadership practice. Specifically, SL emphasizes ethical decision-making, communicates a compelling vision, reflects spiritual principles like honesty, integrity, and humility, fosters trust among various company stakeholders and prioritizes the collective well-being over personal interests (Piwowar-Sulej & Iqbal, 2024). Table 2 summarises the framework of leadership styles mentioned above.

**Table 2 – Summary Framework of Leadership Styles Mentioned**

<b>Transformational Leadership</b>	Transformational Leadership is a style that aims to inspire and motivate followers to exceed their limitations and pursue ambitious goals by building a trusting relationship with them, resulting in both individual performance improvement and a broader transformation of the organizational culture.
<b>Servant Leadership</b>	Servant Leadership is a style that emphasizes prioritizing the needs of others. A servant leader concentrates on the well-being and development of their followers, rather than focusing solely on personal achievements, and fosters a culture of trust, respect, and collaboration.
<b>Spiritual Leadership</b>	Spiritual Leadership is a style that integrates spiritual values and principles with leadership practices. Guided by a purpose that extends beyond financial and material outcomes, this leader fosters a workplace rooted in ethical values, mutual respect, balance, and harmony. The focus is on transcending personal interests to promote the spiritual well-being and growth of both followers and the organization.

Source: Pardo et al., 2024

Fry (2003) laid the theoretical foundation for Spiritual Leadership Theory, which is based on the theory of intrinsic motivation and spiritual survival. Spiritual Leadership Theory comprises three core dimensions: vision, altruistic love, and faith/hope. These dimensions are critical for fostering spiritual well-being in both leaders and followers achieved through two essential processes: a sense of calling (sense of purpose) and membership (sense of belonging).

At its core, SL involves leading through a higher purpose. The three key dimensions of SL – vision, altruistic love, and faith/hope – work together to motivate individuals on a deeper, intrinsic level. *Vision* provides an inspiring image of the future, offering direction and purpose to organizational members. It clarifies the path of change, simplifies decision-making and aligns individual aspirations with organizational goals, fostering commitment (Fry, 2003). *Altruistic Love*, characterized by care, kindness, forgiveness and trust, promotes a harmonious environment that replaces fear and anger with peace and respect. This creates a positive organizational culture, enhancing both individual and collective well-being (Fry, 2003; Koenig, 2007). Finally, *Hope* and *Faith* foster resilience and optimism within the organization. Hope represents the desire for achievement, while faith provides certainty in the organization's vision, even in adversity (Fry, 2003).

Together, these elements create a working environment that prioritizes the holistic well-being of employees and fosters a strong sense of commitment and loyalty to the organization (Fry, 2003; Fry & Nisiewicz, 2013).

SL also emphasizes cultivating an organizational culture rooted in altruistic love, where individuals feel a sense of belonging, are understood and valued, and experience genuine care, concern and appreciation from others (Fry & Nisiewicz, 2013). Table 3 lists the qualities of SL in each pillar.

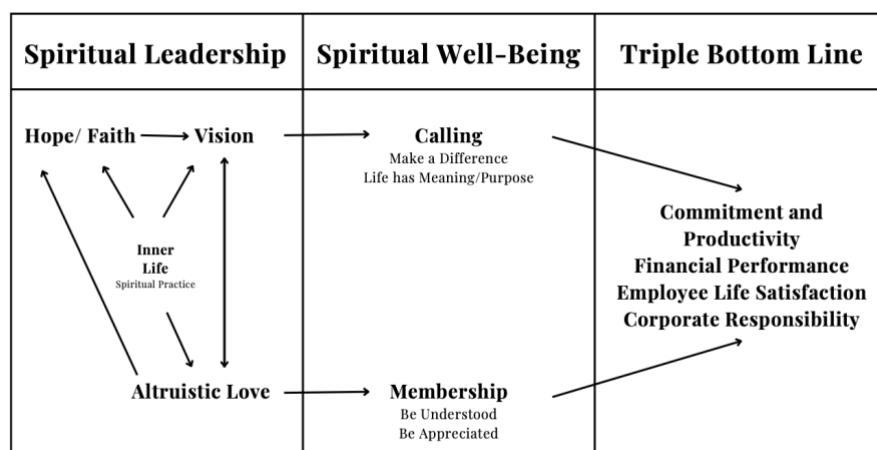
**Table 3 – Qualities of Spiritual Leadership**

<b>Vision</b>	<b>Altruistic Love</b>	<b>Hope/Faith</b>
Broad appeal to key stakeholders Defines the destination and journey Reflects high ideals Encourages hope/faith Establishes a standard of excellence	Forgiveness Kindness Integrity Empathy/compassion Honesty Patience Courage Trust/loyalty Humility	Endurance Perseverance Do what it takes Stretch goals Expectation of reward/victory

Source: Fry, 2003

As illustrated by Fry (2003), the source of SL is often an inner-life practice, such as spending time in nature, meditation, prayer, yoga, or other reflective activities. These practices enhance SL by fostering hope and faith in a transcendent vision, which in turn encourages followers to remain optimistic about the future. Grounded in this inner-life practice, SL produces a sense of calling – a dimension of spiritual well-being that enables individuals to feel they are making a significant contribution to something greater – and a sense of membership, where individuals feel valued and connected to the organizational community. This alignment supports higher organizational commitment and productivity, culminating in sustainable practices that enhance financial performance, social responsibility, and environmental stewardship, thereby maximizing the Triple Bottom Line (Fry & Nisiewicz, 2013; Fry & Egel, 2021). Figure 1 visually represents the integration of SL as a driver for achieving the Triple Bottom Line.

**Figure 1 - Model of Organizational Spiritual Leadership**



Source: Fry & Nisiewicz, 2013

Spiritual Leadership has been shown to positively influence various organizational outcomes, including higher levels of engagement, improved performance and a stronger sense of purpose among employees (Devendhiran & Wesley, 2017). By addressing the spiritual needs of individuals, SL helps create an inclusive and nurturing workplace that promotes psychological well-being and motivation (Mohammed & Elashram, 2022) while aligning with the Triple Bottom Line approach, which emphasizes balancing financial performance with social and environmental responsibility (Fry & Nisiewicz, 2013).

## **2.2 Organizational Sustainability**

Sustainability in the context of organisations is intrinsically linked to the regulation of fundamental principles and accountability to the demands of the market and society (Cavagnaro & Curiel, 2022). When integrated with organisational strategy, it can turn into a crucial component of how organisations do business (Galleli et al., 2020).

Burawat (2019) asserts that corporate sustainability includes environmental, social, and financial performance. Similarly, Iqbal et al. (2020) contend that sustainability is closely linked to Corporate Social Responsibility (CSR) and the effective integration of ecological, environmental, and social dimensions offers a competitive edge to companies.

In this work, the term sustainability will be defined as the organization's capacity to address current business and stakeholder demands while preserving and improving the natural and human resources required for the future (Althnayan et al., 2022). The Corporate Social Responsibility and Triple Bottom Line frameworks, which integrates social, environmental, and financial dimensions, are crucial in today's world. Companies must adopt a sustainable approach that balances financial returns with social and environmental impacts to navigate complex challenges. By embracing these frameworks, businesses can achieve long-term success through improved efficiency, risk reduction, market access, and enhanced innovation and competitive advantage (Bunga, 2023).

### **2.2.1 Corporate Social Responsibility**

Corporate Social Responsibility (CSR) refers to the integration of ethical, social and environmental concerns into business practices, which aims to benefit society while also enhancing the company's overall performance (Kumar et al., 2022). Scholars have divided CSR into three primary dimensions: the social, environmental, and financial aspects, each playing a critical role in Sustainable Development.

Many scholars, including Vallance et al. (2011) have pointed out that the social aspect of sustainability is often viewed as the least developed pillar. The contemporary social dimension of CSR encompasses a diverse array of issues, including internal human resources, job stability, work practices, health and safety, and the development of skills and capacities (Badri Ahmadi et al., 2017). Moreover, research has increasingly addressed the impacts of organizations on external populations, exploring the roles of human capital, productive capital, and community capital in promoting sustainable development (Rajesh, 2020).

Considering these developments, various studies have examined the intersection of CSR, innovation, and organizational performance (Anser et al., 2018), noting that innovative practices often lead to enhance profitability and environmental sustainability (Chen, 2008; Fernando et al., 2019). Research indicates that market demand is a primary driver of green innovation (Lin et al., 2014), an emerging paradigm from this discourse, further supported by ethical business practices and stakeholder pressure, both internal and external (Weng et al., 2015).

Despite extensive research, the empirical findings on the impact of CSR and sustainability policies on economic outcomes remain inconclusive. While some studies have demonstrated a positive relationship between CSR initiatives and a company's financial performance (Lin et al., 2009; Wagner, 2010). Recent studies suggest that the strategic integration of CSR can also drive innovation within organizations, leading to the development of new products, services, and business models that are not only profitable but also socially and environmentally sustainable (Eccles et al., 2014).

### **2.2.2 Triple Bottom Line**

In 1994, the Triple Bottom Line (TBL) concept was introduced to the business sector as a new framework for sustainability, aligned with the Sustainable Development Goals. This concept presented a challenge for businesses to incorporate the well-being of people and the planet into their strategic models and to create new tools and classifications to evaluate the negative impacts on society and the environment (Griggs et al., 2013). In *Cannibals with Forks: The Triple Bottom Line of 21<sup>st</sup> Century*, Elkington (1997) introduced the “3Ps” concept – People, Planet, and Profit – as a triple objective for achieving true sustainability. According to his framework, industries should consider all three dimensions equally when formulating strategies, rather than focusing solely on financial returns (Moneva et al., 2006). For a company to succeed in truly adopting the TBL approach, it must ensure that all three aspects yield positive outcomes.

The first dimension of the TBL, *Profit*, focuses on the economic performance of a corporation, assessing both the impact of business practices on the broader economic system and the company's profitability and financial health (Elkington, 1997). Financial performance is typically calculated by subtracting liabilities, reserves, and provisions from assets to determine equity and capital takes various forms, including financial, physical and intangible assets (Elkington, 1997). While financial reporting is a standard practice, Elkington critiques

the lack of sustainability considerations in traditional reports. The second dimension, *People*, concerns human capital, including employees' collective intelligence, expertise, and skills, essential for learning, innovation, and long-term viability (Bontis et al., 1999). It also addresses the company's impact on stakeholders, aligning with Freeman (1984) stakeholder theory, which emphasizes the importance of stakeholders in enhancing corporate performance. The third dimension, *Planet*, evaluates the environmental impact of a company's activities, distinguishing between critical and renewable natural capital (Elkington, 1997). Although some environmental regulations exist, Elkington argues they fall short of their goals and advocates for the development of new indicators to better assess environmental performance, such as lifecycle impacts of products.

Table 4 presents the rationale for selecting TBL over CSR in the context of researching the impact of SL on company sustainability. By adopting the TBL framework, this research aims to provide a comprehensive analysis that encompasses social, environmental, and financial dimensions, thereby addressing both financial and non-financial outcomes.

**Table 4 – Comparison of TBL and CSR Frameworks for Evaluating the Impact of Spiritual Leadership on Company Sustainability**

Reason	Explanation	Sources
<b>Limited Scope</b>	CSR focuses on ethical, social, and environmental responsibilities but lacks the comprehensive integration of financial, social, and environmental sustainability like TBL.	Brodhag et al. (2004)
<b>Focus on External Perception</b>	CSR initiatives can prioritize external branding over deep strategic integration, which may not align with the internal cultural focus of Spiritual Leadership.	Rajesh (2020); Eccles et al. (2014)
<b>Challenges in Measuring Social and Environmental Impacts</b>	CSR has been criticized for lacking standardized metrics, making it difficult to assess complex factors such as employee well-being and social equity.	Vallance et al. (2011); Lehtonen (2004)
<b>Insufficient Integration with Economic Performance</b>	CSR does not consistently link social and environmental initiatives with economic outcomes, limiting a comprehensive view of financial impact.	Parast & Adams (2012); Saeidi et al. (2015)
<b>Conceptual and Strategic Limitations</b>	CSR is seen as necessary but not sufficient for true sustainable development, whereas TBL balances all three dimensions for a holistic analysis.	Elkington (1997); Brodhag et al. (2004)
<b>Dynamic Nature of Spiritual Leadership</b>	CSR's project-based focus may not capture the systemic changes driven by Spiritual Leadership, while TBL's framework is more suitable for evaluating continuous impact.	McWilliams et al. (2006)

Source: Own Elaboration



### **2.3. Relationship Between Spiritual Leadership and Sustainability**

Within the organizational context, sustainability is closely tied to the enforcement of core principles and the responsibility to address societal and market needs (Cavagnaro & Curiel, 2022). When integrated into organizational strategies, sustainability can evolve into a crucial element of business practices (Galleli et al., 2020). It is essential to develop mechanisms that drive the natural manifestation of sustainability in organizations, thereby supporting the achievement of the 2030 Agenda Goals (United Nations, 2024). This approach not only aims to enhance commitment and productivity but also ensures a steady stream of initiatives directed at achieving these objectives (Samul, 2020; Fry & Egel, 2021). To achieve this, organizations must maintain financial viability, social equity and environmental responsibility by implementing actions that interconnect People, Planet, and Profit – commonly referred to as the Triple Bottom Line.

In this framework, leaders play a pivotal role in striving for sustainable organizational performance by harmonizing financial, social, and environmental considerations to fulfil the needs and expectations of customers and other stakeholders over the long term. Such principles require proficient management, fostering organizational awareness, continuous learning, and the implementation of appropriate innovations and improvements (Piwowar-Sulej & Iqbal, 2024). As a result, a leader's influence extends beyond merely applying their skills and is closely linked to their chosen leadership style, which has both direct and indirect impacts on sustainable organizational performance (Galleli et al., 2020; Galleli et al., 2021; Piwowar-Sulej & Iqbal, 2024). Research suggests that certain leadership styles, including transformational, servant, and ethical leadership, are instrumental in promoting sustainable development (Burawat, 2019). However, these styles may not simultaneously influence all three dimensions of sustainability (Piwowar-Sulej & Iqbal, 2024).

The discussed evidence underscores the need for a leadership approach that not only addresses financial, social, and environmental sustainability but also integrates essential human aspects such as body, mind, heart, and spirit (Fry, 2003), as seen in SL. By adopting this holistic approach, leaders can significantly enhance the organization's sustainable performance, moving beyond the conventional sustainability framework to incorporate a more comprehensive view of human and organizational dynamics (Jiménez et al., 2017).

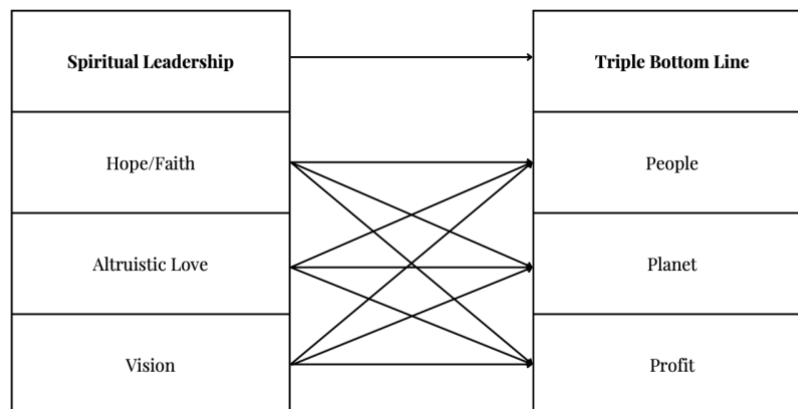
In this context, the leader's participation and adoption of Inner Development Goals efforts and guidelines, serves as a tangible pathway for their growth. The Inner Development Goals focus on fostering the internal development of leaders, equipping them to tackle complex

social issues, particularly those highlighted in the UN’s 2030 Agenda, and preparing them to address the 17 Sustainable Development Goals. Moreover, SL can serve as a bridge for organizations that wish to voluntarily join the Global Compact, a non-profit organization that seeks to encourage organizations to align their strategies and operations with universal principles concerning human rights, labour, the environment, and anti-corruption. Through its guidelines, the Global Compact promotes sustainable growth and responsible corporate citizenship, enabling organizations to tackle societal challenges through committed and innovative leadership.

In conclusion, the personal spiritual attributes inherent in SL provide a foundation upon which leaders can cultivate a sustainability-oriented mindset, pursue higher levels of consciousness in both self-awareness and concern for others and create a work environment conducive to maximizing the TBL (Fry & Egel, 2021).

Figure 2 illustrates the interplay between SL and TBL, emphasizing the connections between the core values of SL – Hope/Faith, Altruistic Love, and Vision – and the three pillar of the TBL - People, Planet, and Profit. This framework will be explored in the next sections to understand how integrating SL with TBL can drive holistic and sustainable organizational success.

**Figure 2** – *Relations between Spiritual Leadership and Triple Bottom Line*



Source: Own Elaboration

### 2.3.1. Spiritual Leadership and Sustainability: Profit

Hope, as described by Fry (2003), is not merely wishful thinking but a confident expectation and belief in achieving future goals. The relationship between hope and

organizational performance is rooted in PsyCap in organizational success. According to Luthans et al. (2007a), hope is one of the core components of PsyCap, alongside resilience, efficacy, and optimism. Organizations with leaders who foster a hopeful environment encourage employees to set challenging goals, develop strategic pathways to achieve these goals, and maintain the motivation to pursue them despite obstacles.

Snyder's Hope Theory (Snyder, 2002) emphasizes that individuals with high hope possess more goal-related strategies and are more motivated to achieve their goals. Snyder characterized hopeful thinkers as people who are able to establish clear goals, imagine multiple pathways toward those goals, and persevere, even when obstacles get in their way (Peterson & Byron, 2008). This hopeful outlook, embedded within the organization's culture, is linked to higher employee engagement, job satisfaction, which leads to improved financial performance (Avey et al., 2010).

Several studies have empirically validated the positive impact of hope in organizational performance. Peterson and Luthans (2003) found that high, when compared to low, hope leaders had more profitable work units and had better satisfaction and retention rates among their subordinates. The study highlighted that hope influences profits by enhancing employee innovation and fostering a collaborative environment that is conducive to achieving organizational goals.

Rego et al. (2012) demonstrated that hope-driven leadership positively correlates with improved team performance, particularly in challenging and uncertain environments. The study suggests integrating authentic leadership and PsyCap fosters employees' creativity, a crucial resource for organizations to face a competitive challenge, take advantage of business opportunities, and improve organizational effectiveness. The presence of hope helps teams navigate difficulties with a forward-looking perspective, maintaining focus on long-term objectives. This resilience and motivation directly translate into sustained organizational performance and profitability.

Altruistic love within the framework of SL refers to genuine care, concern, and compassion for both self and others. According to Post et al. (2002), altruistic love is expressed through compassion for those who are suffering, confronting social injustice, and supporting others in times of need. It cultivates an environment where workers feel esteemed and bolstered, driving to a more grounded sense of community and shared purpose. Fry (2003) argues that when employees feel loved and supported, they are more likely to be engaged, motivated, and committed to their work. This emotional connection enhances organizational performance.

Gentry et al. (2007) found that altruistic love improves emotional well-being, deepens relationships, and gives leaders a greater understanding of their followers. It is positively related to job performance, job satisfaction, and organizational loyalty. As altruistic love fosters an environment of trust, support, and belonging, its influence on employee loyalty is particularly relevant (Post et al., 2002; Gentry et al., 2007).

Vision means seeing the future today. In SL, it serves as a guiding star for the organization, inspiring and focussing efforts in accomplishing long-term objectives. The importance of vision in leadership became a topic of interest in the mid-1980s (Fry, 2003) when global competitiveness accelerated and strategies based on new technologies became prevalent (Conger & Kanungo, 1994). Vision can affect business performance by enhancing employee motivation, empowerment, self-goal setting, and self-efficacy (Su et al., 2023). Vision is also critical for driving organizational change and growth.

Kaplan et al. (2004) identifies four management practices that can boost company performance and, consequently, profit, such as the ability to translate vision into practical terms, effective communication, business planning, and incorporating feedback and learning. Overall performance may be influenced by Kaplan's four phases of putting the vision into action. Baum et al. (1998) defends that a "strong" vision provides a sense of purpose and inspire, and such visions have been associated with higher organizational performance.

Fry's (2003) research suggest that leaders who embody faith in their vision cultivate a culture of trust and commitment, resulting in improved organizational performance. This effect is especially pronounced during crises, where faith-driven leadership helps preserve morale and focus, thereby sustaining performance. Vision is a key driver of employee motivation and organizational alignment (Fry, 2003; Kaplan et al., 2004).

*H1: Spiritual Leadership positively impacts "Profit" dimension of the TBL.*

*H1a: Hope-driven leadership positively influences the "Profit" dimension of the TBL.*

*H1b: Leadership behaviour rooted in altruistic love positively influences the "Profit" dimension of the TBL.*

*H1c: Leadership with a clear and compelling vision positively influences the "Profit" dimension of the TBL.*

### **2.3.2. Spiritual Leadership and Sustainability: Planet**

The relationship between hope and the environment is complex and multifaceted, with hope playing a crucial role in motivating people to engage in pro-environmental behaviours.

Research shows that hope is positively related to climate action, as individuals who believe their efforts can make a difference are more likely to participate in such actions (Ojala, 2022). Leaders who embody hope inspire their organizations to adopt long-term strategies prioritizing ecological health over immediate gains. This forward-thinking mindset fosters creative solutions to environmental challenges, such as reducing carbon emissions, improving resource efficiency and advancing renewable energy initiatives (BEworks, 2023; Okogwu et al., 2023). Drawing from Snyder's Hope Theory, leaders cultivate hope empower their teams to develop multiple strategies for achieving environmental objectives, thus fostering resilience and adaptability when addressing ecological issues.

Altruistic love, a key component of SL, positively influences nature relatedness, defined as the degree to which individuals feel connected to nature and perceive themselves as part of the natural world. Yurtsever and Angin (2022) found that individuals with higher levels of altruism are more concerned about environmental issues and more likely to engage in behaviours that protect the environment. Similarly, Xu et al. (2021) showed that altruistic actions, motivated by a desire to benefit others without personal gain, are positively correlated with environmentally friendly behaviours. Research indicates that organizations demonstrating environmental altruism often experience greater long-term sustainability (Bansal & Roth, 2000).

Vision involves compelling, future-focused goal that aligns with an organization's core values. When applied to the Planet dimension of the TBL, vision is essential in steering organizations toward long-term environmental sustainability.

Two spiritual qualities that are foundational to the Global Leadership for Sustainability are self-transcendence and interconnectedness (Fry & Egel, 2021). Self-transcendence refers to the ability to move beyond self-interest and focus on a broader life purpose, while interconnectedness involves recognizing the deep and intricate links between humans, other sentient beings, and nature. These qualities help spiritual leaders to develop an ethical and responsible vision for their organizations, one that prioritizes the planet's well-being and encourages the protection of its ecosystems. Leaders who cultivate these spiritual qualities are more likely to make decisions that account for the environmental consequences of their actions, leading to more sustainable outcomes (Fry & Egel, 2021). Conscious leaders adopt a global perspective, extending their concern to all living beings and the environment. They demonstrate a deep commitment to the organization's mission and vision, prioritizing it above personal gain (Fry and Egel, 2021). As agents of change, they believe that achieving success

through ethical practices and addressing the needs of all stakeholders leads to superior performance (Strong, 2009; Sisodia et al., 2007).

Existing research on the relationship between vision creation and a spiritual leaders' care for the planet remains ambiguous. For this reason, and because actions by spiritual leaders can function as an "ambient stimulus" (Hackman, 1992), inspiring employees to emulate the behaviours and personal values of the leader (Bandura & National Inst of Mental Health, 1986), this work proposes that the principles of spiritual leaders lead them to create a vision oriented towards the preservation of the planet and their attitudes towards this vision encourage employees to follow an approach that also cares for the planet.

*H2: Spiritual Leadership positively impacts the Planet dimension of the TBL.*

*H2a: Hope-driven leadership positively influences the Planet dimension of the TBL.*

*H2b: Leadership behaviour rooted in altruistic love positively influences the Planet dimension of the TBL.*

*H2c: Leadership with a clear and compelling vision positively influences the Planet dimension of the TBL.*

### **2.3.3. Spiritual Leadership and Sustainability: People**

Hope, as a pillar of Spiritual Leadership, significantly impacts the People dimension of the TBL. Leaders who cultivate hope within their teams instill a sense of purpose and direction, which is crucial for boosting employee engagement, motivation, and well-being (Fry & Nisiewicz, 2013; Ahmed et al., 2023). According to PsyCap theory, as mentioned before, hope is a critical factor in an individual's ability to set and achieve goals, overcome obstacles, and maintain a positive outlook in the face of adversity (Luthans et al., 2007a).

Leadership that is driven by hope creates a workplace where employees feel appreciated and encouraged to give their best. This kind of positive culture not only boosts individual well-being but also fosters a strong sense of teamwork and cooperation, ultimately contributing to the success of the organization (Rego et al., 2009; Anwar et al., 2019).

In the workplace, hope has been associated with various positive outcomes, such as increased performance (Peterson & Byron, 2008). Studies on Psychological Capital demonstrates that hope positively correlates with psychological well-being (Avey et al., 2010), a supportive organizational climate and improved performance (Luthans et al., 2007a; Luthans et al., 2005; Luthans et al., 2008). Hope also contributes to greater satisfaction (Luthans et al.,

2007a; Luthans et al., 2008) and commitment (Luthans et al., 2008), while being inversely linked to absenteeism (Avey et al., 2006).

Hope is also essential in advancing diversity and inclusion within the workplace. Leaders who cultivate a genuine sense of workplace belonging through inclusive cultures, empathic leadership and gives employees a real voice delivers compelling benefits. Employees with a strong sense of belonging face substantially reduce risks of burnout, anxiety, depression and turnover intentions (Smith, 2024). Due to a lack of information regarding the impact of hope on society, this study posits that such commitment to inclusion and empowerment supports broader social sustainability objectives and contributes to the well-being of society as a whole.

Altruism, when applied to the People dimension of the TBL, promotes a culture of care, empathy, and support within the organization, which is essential for enhancing employee well-being and organizational performance. Altruistic love fosters personal growth by encouraging self-transcendence, where individuals prioritize others' welfare over self-interest. Post (2002) describes this love as a self-giving affirmation. Koenig (2007) explains that altruistic love, rooted in compassion, provides emotional healing, reducing anxiety and stress.

Altruistic love fosters stronger communities by promoting compassion and care for others. Underwood (2002) asserts that it enhances social bonds by transcending divisions like class and race. Historical leaders motivated by altruistic love, such as Nelson Mandela and Martin Luther King Jr., inspire social transformation. Altruistic love positively impacts organizations by fostering empathy and cooperation. Gentry et al. (2007) found that altruistic leadership improves workplace dynamics and productivity.

Leaders who practice altruistic love often engage in socially responsible efforts that benefit society at large. This dedication to social sustainability aligns with frameworks like the Global Compact and the United Nations' Sustainable Development Goals, particularly those aimed at reducing inequality and fostering inclusive, sustainable economic growth, enhancing overall societal well-being.

Vision, when applied to the People dimension of the TBL, serves as a powerful tool for aligning individual and organizational goals, fostering a sense of purpose and driving collective action toward long-term success. A clear and inspiring vision offers employees a sense of direction and purpose which is essential for motivating and engaging them in their work (Kantabutra & Vimolratana, 2009).

Leaders who effectively convey a vision that aligns with their team members' values and ambitions can foster a shared commitment to achieving the organization's objectives. The

study from Kantabutra and Vimolratana (2009) notes that a shared vision can transcend individual differences, bringing employees together into a community focused on the organization's future.

Visionary leadership can enhance motivation among employees. Leaders who express passion for their vision inspire their followers to strive for excellence, which can lead to improved performance outcomes. It is noted that visionary leaders motivate their followers to achieve superior performance (Conger & Kanungo, 1994).

When employees are motivated and satisfied due to an effective vision, they tend to provide better service to customers, thereby enhancing overall customer satisfaction. More broadly, organization that operate under a strong and clear vision can contribute to societal growth and development. Such organizations influence not just their internal operations but also their communities by providing valuable products and services that meet societal needs. The research by Kantabutra and Vimolratana (2009) implies that a visionary approach can enhance organizational performance, ultimately benefiting the wider community (Collins & Porras, 1994).

*H3: Spiritual Leadership positively impacts the People dimension of the TBL.*

*H3a: Hope-driven leadership positively influences the People dimension of the TBL.*

*H3b: Leadership behaviour rooted in altruistic love positively influences the People dimension of the TBL.*

*H3c: Leadership with a clear and compelling vision positively influences the People dimension of the TBL.*

## **2.4. Psychological Capital**

Psychological Capital (PsyCap) originates from the broader positive psychology movement, which emphasizes human strengths over weaknesses and focuses on optimism rather than negativity (Luthans et al., 2004). PsyCap is a component of positive organizational behaviour and refers to a state of intellectual and emotional well-being that enhances an individual's ability to confront challenges at work (Gholami Motlagh et al., 2020). It emphasizes psychological abilities and strengths that are measurable, developable, and manageable to enhance performance (Luthans, 2002), people live and promote environmental responsible behaviours (Luthans et al., 2013; Youssef-Morgan & Luthans, 2015). Unlike fixed traits, which remain relatively stable, PsyCap is considered dynamic and adaptable, with the



potential for growth and change over time (Luthans, 2002; Luthans et al., 2007a), allowing employees to build their capacity for success in challenging environments.

PsyCap is typically comprised of four core elements – self-efficacy, hope, optimism and resilience – all of which play a crucial role in how individuals approach work-related challenges. Self-efficacy is an individual's belief in their ability to succeed in a specific task, influencing persistence and challenge acceptance. Hope, described by Snyder et al. (1991), combines willpower and strategies to achieve goals, fostering motivation. Optimism, associated with positive psychology, involves a positive outlook, attributing good outcomes to internal causes and bad ones to external factors (Youssef & Luthans, 2007). Resilience, the ability to recover from adversity, is proactive and can be cultivated, contributing to problem-solving and self-confidence (Luthans, 2002; Hameed et al., 2022).

## **2.5. The Mediating Role of Psychological Capital between Spiritual Leadership and Sustainability**

This study proposes that the positive relationship between perceived Spiritual Leadership and Triple Bottom Line is associated with followers' PsyCap that spiritual leaders nurture. To establish the mediating role of followers' PsyCap in the relationship between perceived SL and the Triple Bottom Line. First, SL must be related to follower's PsyCap. When a leader develops a vision of a long-term challenging, desirable, compelling and different future with altruistic values and shares it with their employees (Fry et al., 2005), employees are more likely to facilitate their ability to set goals and believe that those goals can be achieved and create belief in one's ability to successfully (Gooty et al., 2009), thereby enhancing their self-efficacy. Chen et al. (2012) found a positive effect of SL on employees' self-efficacy perceptions. Furthermore, spiritual leaders cultivate followers' hope by articulating a clear and sufficiently challenging goal to motivate them (Chen et al., 2019), which is vital in creating targets toward which people can direct their agency (Luthans et al., 2007a). In addition, spiritual leaders foster employee optimism by creating a desirable, compelling vision for followers to evaluate current and future circumstances favourably (Wang et al., 2019). Finally, this type of leader nurtures followers' resilience by actively encouraging followers to take calculated risks, and to seek opportunities and solve complex organizational problems (Chen & Li, 2013).

*H4: SL has a positive effect on Psychological Capital.*

The second link that must be established is that follower PsyCap must be related to company sustainability. Self-efficacy refers to individuals' confidence in their ability to perform tasks effectively. This confidence, as noted by Miao et al. (2018), drives individuals to pursue behaviours with the expectation of success. Optimism involves expecting positive outcomes from one's action. According to Lopes and Cunha (2008), optimistic people believe their efforts will lead to favourable results, motivating them to act proactively. Resilience is the capacity to handle uncertainty and recover from challenges. Fleming and Ledogar (2014) emphasizes its importance in adapting to change and maintaining positive behaviours. Hope is linked to goal pursuit and innovation, particularly in creating environmentally conscious solutions, as described by Rego et al. (2012).

Studies such as Afshar Jahanshahi et al. (2021) support the idea that individuals with higher Psychological Capital are more likely to engage in environmentally responsible behaviours. Additionally, those with greater Psychological Capital often achieve better work outcomes (Newman et al., 2014), while those with lower levels face challenges such as increased turnover intentions (Zhu et al., 2022). Bandura (2012) explains that individuals with high self-efficacy align their goals with their abilities, leading to greater effort, while Higgins et al. (2010) note that optimism tend to receive more professional support throughout their careers.

Research increasingly shows that PsyCap positively influences various job outcomes, including organizational commitment (Avey et al., 2011). Recent studies, such as Wu and Chen (2018), have associated collective PsyCap with organizational commitment, while enhancing job satisfaction, which is in turn associated with organizational commitment (Mathieu & Zajac, 1990).

Organizational commitment itself has been shown from the early years to be a strong predictor of employee performance and turnover. Morris and Sherman (1981) indicated that commitment can effectively forecast employee performance and retention.

*H5: Psychological Capital has a positive effect on TBL.*

*H5a: Psychological Capital has a positive influence on the People dimension of TBL.*

*H5b: Psychological Capital has a positive influence on the Planet dimension of TBL.*

*H5c: Psychological Capital has a positive influence on the Profit dimension of TBL.*

A wealth of studies lends credence to the mediating role of Psychological Capital in the relationship between leadership styles and employee behaviour (Ramalu & Janadari, 2020). Avey et al. (2011) demonstrated that employees with high self-efficacy in environmental practices are more likely to engage in pro-environmental behaviours. Their confidence in their

ability to create positive change leads them to actively participate in sustainability initiatives. Zhu et al. (2022) also confirmed that Psychological Capital significantly influences employees' green behaviour.

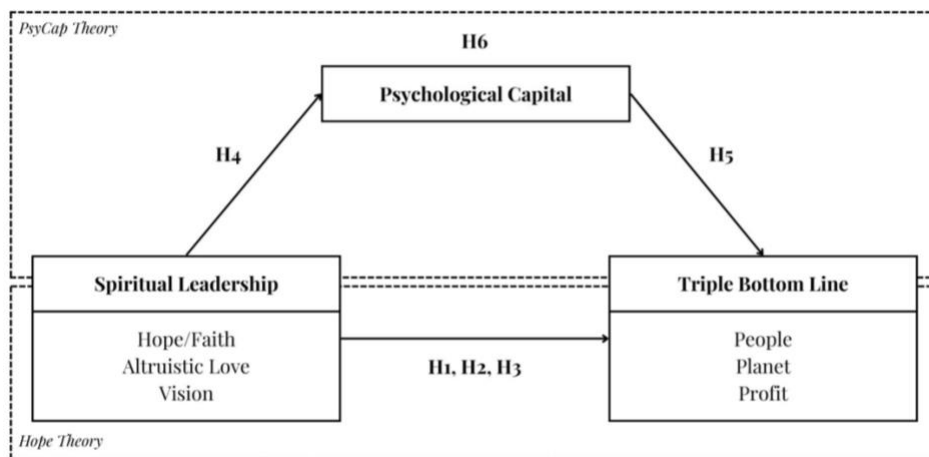
Research highlights a significant relationship between Psychological Capital and personal social responsibility (Kariri & Radwan, 2023). Additionally, human capital, social capital and Psychological Capital all contribute to superior work performance, serving as individual competitive advantages (Luthans et al., 2015).

PsyCap is widely recognized for its positive influence on employee performance (Chaurasia & Shukla, 2014). PsyCap reflects employees' positive psychological states, such as self-efficacy, which are strongly linked to their expected performance outcomes. As a personal source, the dimension of PsyCap have been consistently found to have a positive relationship with performance. Fry and Slocum (2008) argue that key challenge for modern organizations is the need to create new business models grounded in SL. These models should prioritize employee well-being, sustainability and social responsibility, while still maintaining strong performance outcomes.

*H6: Psychological Capital positively mediates the relationship between Spiritual Leadership and Triple Bottom Line.*

Building on the insights discussed in the Literature Review, this study is designed to adhere to the research framework outlined in Figure 3.

**Figure 3 – The Mediating Role of PsyCap between SL and TBL (Research Model)**



Source: Own Elaboration

### CHAPTER 3 – METHODOLOGY

This study followed the Research Onion framework proposed by Saunders et al. (2019) to structure its methodology. The research adopted a Positivist Philosophy, which emphasizes the study of observable, measurable realities to produce reliable data through testable hypotheses (Saunders et al., 2019). Positivism ensures objectivity, with the researcher remaining detached from the subject throughout data collection and analysis.

Aligned with positivism, a Deductive Approach was employed (Saunders et al., 2019), focusing on hypothesis testing derived from established theories, particularly the Hope Theory and PsyCap Theory. This approach aims to test causal relationships between variables and generalized results through quantitative data (Saunders et al., 2019). Furthermore, it maintains the researcher's independence from the observed phenomena (Saunders et al., 2019). This approach also offers generalizability, allowing for the statistical generalization of results based on small sample sizes (Saunders et al., 2019). Additionally, the deductive approach is one of theory testing, which is particularly relevant in this context as it aligns with Fry's theoretical vision, as well as with the core assumptions of Psychological Capital Theory.

The research strategy used was a Survey (Saunders et al., 2019), which allows for the systematic collection of quantifiable data through structured questionnaires distributed to employees. A Cross-Sectional Time Horizon was adopted, as data were collected at a single point in time to analyse relationships between variables efficiently (Saunders et al., 2019).

The study employed a Quantitative Mono-Method, focusing on Linear Regression Analysis to test the relationships between the constructs: Spiritual Leadership (independent variable), Psychological Capital and the Triple Bottom Line (Saunders et al., 2019; Hair et al., 2017, 2019). Data were treated numerically and analysed statistically to ensure reliability.

For greater analytic precision, Structural Equation Modeling (SEM) was applied using SmartPLS Software. SEM enables the modeling of complex cause-effect relationships, particularly with latent variables and multi-item constructs (Hair et al., 2017). It allows for the evaluation of both direct and indirect relationships, maximizing the variance explained in dependent variables (Ali et al., 2018).

SmartPLS is particularly advantageous for analyses focused on testing theoretical frameworks with a predictive orientation; when the structural model is complex, incorporating numerous constructs, indicators, and/or relationships; when the research objective involves exploring theoretical extensions of established frameworks to better understand increasing complexity (e.g., exploratory studies for theory development); when the model includes

constructs measured formatively; when the research draws on financial indices or similar types of databases; when the data source is secondary or archival, potentially lacking comprehensive theoretical underpinnings for measurement; when the target population constrains sample size (e.g., business-to-business research), though it also performs effectively with larger samples; when distributional concerns, such as non-normality, are present; and when latent variable scores are required for subsequent analyses (Hair et al., 2019). For the purpose of this study, is the most appropriate methodological tool, as it facilitates the analysis of a theoretical model with a predictive orientation. This study examines a model comprising three primary constructs and six structural relationships, aiming to extend the Hope Theory and PsyCap Theory frameworks, with the constructs being formatively measured.

### 3.1. Sample

The data for this study were collected between November 18 and December 2, 2024, via the distribution of a questionnaire through social media platforms. The sample was non-probabilistic, as the primary objective was to obtain a heterogeneous representation across various sectors, enabling a broader understanding of the phenomenon's generalization within diverse national organizations (Asiamah et al., 2022). The dissemination method used was the snowball method and of the 805 questionnaires started, incomplete questionnaires and those with at least 90% identical answers across all items, indicating a lack of variability, were excluded. Consequently, the final dataset comprised 502 complete and valid responses.

The sample consisted of 502 employees holding or not leadership positions, with majority identifying as female (55.4%). The largest proportion of respondents belonged to the age group of 45 to 54 years (24.1%). In terms of professional experience, 233 respondents (46.4%) reported having more than 21 years of work experience, whereas 61 respondents (12.2%) indicated less than one year of experience. Regarding tenure within their current organization, 176 respondents (35.1%) reported a tenure of 15 years or more. Table 5 provides a detailed demographic breakdown of the sample.

**Table 5 – Sample demographics**

		<b>f</b>	<b>%</b>
<b>Gender</b>	Female	278	55,38%
	Male	223	44,42%
	Non-binary	1	0,20%
<b>Age</b>	18 to 24 years old	103	20,52%
	25 to 34 years old	94	18,73%

	35 to 44 years old	62	12,35%
	45 to 54 years old	121	24,10%
	55 to 64 years old	112	22,31%
	Over 64 years old	10	1,99%
<b>Professional Experience</b>	Less than 1 year	61	12,15%
	Between 1 and 5 years	105	20,92%
	Between 6 and 10 years	31	6,18%
	Between 11 and 15 years	28	5,58%
	Between 16 and 20 years	44	8,76%
	Over 21 years	233	46,41%
<b>Seniority</b>	Less than 1 year	112	22,31%
	Between 1 and 3 years	104	20,72%
	Between 4 and 6 years	36	7,17%
	Between 7 and 10 years	36	7,17%
	Between 11 and 14 years	38	7,57%
	15 or more years	176	35,06%
<b>Sector</b>	Education	43	8,57%
	Agriculture, Forestry and Fishing	4	0,80%
	Extractive Industries	1	0,20%
	Food, Beverage and Tobacco Industries	6	1,20%
	Textile, Clothing, Leather and Leather Products Industry	2	0,40%
	Wood, Pulp, Paper and Cardboard Industry and Printing	5	1,00%
	Manufacture of Coke and Refined Petroleum Products	1	0,20%
	Manufacture of Electrical Equipment	1	0,20%
	Manufacture of Rubber, Plastic and Other Non-Metallic Mineral Products; Basic Metallurgical Industries and Manufacture of Metal Products, Except Machinery and Equipment	4	0,80%
	Manufacture of Computer, Communication, Electronic and Optical Equipment	1	0,20%
	Manufacture of Transport Equipment	0	0,00%
	Manufacture of Machinery and Equipment	3	0,60%
	Manufacture of Basic Pharmaceutical Products and Pharmaceutical Preparations	10	1,99%
	Manufacture of Chemicals and Synthetic and Artificial Fibers	0	0,00%
	Other Manufacturing; Repair, Maintenance and Installation of Machinery and Equipment	3	0,60%
	Electricity, Gas, Steam and Air Conditioning Supply	5	1,00%
	Water Collection, Treatment and Supply; Sewerage, Waste Management and Remediation Activities	2	0,40%
	Construction	7	1,39%
	Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	19	3,78%
	Transportation and Storage	23	4,58%
	Accommodation and Food Service Activities	7	1,39%
	Publishing, Recording and Broadcasting Activities	1	0,20%

Telecommunications	20	3,98%
Computer Programming, Consultancy and Related Information Service Activities	63	12,55%
Financial and Insurance Activities	35	6,97%
Real Estate Activities	10	1,99%
Legal, Accounting, Management, Architecture, Engineering, Testing and Technical Analysis Activities	33	6,57%
Scientific Research and Development	4	0,80%
Other Professional, Scientific and Technical Activities	21	4,18%
Administrative and Support Service Activities	10	1,99%
Public Administration and Defence; Compulsory Social Security	18	3,59%
Human Health Activities	61	12,15%
Social Work Activities	7	1,39%
Arts, Entertainment and Recreation	2	0,40%
Other Service Activities	45	8,96%
Activities of International Organizations and Other Extraterritorial Institutions	1	0,20%
Activities of Households as Employers of Domestic Personnel; Production Activities for Own Use	1	0,20%

Source: Own Elaboration

### 3.2. Measurements

The most common data collection method is the use of questionnaires, due to their efficiency and cost-effectiveness in gathering large volumes of information (Mazikana, 2023). For this study, a questionnaire consisting of four sections was developed: sociodemographic data; Spiritual Leadership; Psychological Capital; and the Triple Bottom Line.

The scales included in this questionnaire were chosen for being validated for the Portuguese population and for their strong psychometric properties. Additionally, they were selected due to their flexible structure, which allows them to be adapted to various configurations and application settings. Some of the applied questionnaires were shortened versions of the original scales, as they are more compatible with longitudinal research, as noted by Avey, Luthans, and Mhatre (2008). The questions employ a closed-ended format and are based on a six-point Likert Scale: 1 – Strongly Disagree; 2 – Disagree 3 – Partially Disagree; 4 – Partially Agree; 5 – Agree; 6 – Strongly Agree.

The scale used to assess Spiritual Leadership was the multidimensional scale proposed by Fry and Matherly (2006). This scale was developed based on the questionnaire created by Fry in 2003, in its Portuguese adaption (Moura, 2019). The questionnaire comprises thirty-five

questions divided into seven categories; however, for the purpose of this research, only the first seventeen questions, which are divided into three categories – vision (“I understand and am committed to my organization’s vision”), hope/faith (“I have faith in my organization and I am willing to ‘do whatever it takes’ to insure that it accomplishes its mission”) and altruistic love (“My organization really cares about its people.”) – were used. This scale was selected for its continued relevance and successful application across various organizations, including nonprofits, military, police, governments, universities and high schools (Fry, 2003; Fry et al., 2005, 2009; Fry & Slocum, 2008). It demonstrated high internal consistency in the survey, as evidenced by alpha coefficient values ranging from 0.883 to 0.935.

To measure the Psychological Capital, the reduced version of the PsyCap Questionnaire (PCQ) was used, developed by Luthans, Youssef, and Avolio (2007b) and validated for the Portuguese population by Viseu, Jesus, Reus, Nunes, and Cara-Linda (2012). The reduced form of the PCQ consists of 12 items, with 4 items assessing hope (“I feel confident in representing my work area in meetings with management.”), 3 items assessing self-efficacy (“Right now I see myself as being pretty successful at work”), 3 items assessing resilience (“I can be ‘on my own’ so to speak at work if I have to”) and 2 items assessing optimism (“I always look on the bright side of things regarding my job”). Both versions of the PCQ have proven to be reliable and valid measures for assessing Psychological Capital, demonstrating good psychometric properties (Avey et al., 2011; Luthans et al., 2007a, 2008), in this case it presented a Cronbach’s alpha of 0.879.

The financial dimension of the TBL framework was evaluated using the organizational performance measure developed by Delaney and Huselid (1996). This measure includes 11 items covering various aspects of organizational performance (“Development of new products, services, or programs?”). The social dimension of TBL was evaluated using the Work-Related Quality of Life Scale-2, which was enhanced in 2018 to improve its psychometric properties (“My employer provides me with what I need to do my job effectively.”) (Van Laar et al., 2007). The environmental dimension was assessed using the pro-environmental behaviour at work scale proposed by Saeed et al. (2018) (“I share my knowledge about the environment with co-workers). The translations were carried out using the translation-retroversion process and published by Sabino et al., 2024. The consistency, as measured by Cronbach’s alpha, ranged from 0.863 to 0.893.



## CHAPTER 4 – RESULTS

### 4.1. Measurement Model

To assess the validity and reliability of the structural model, consistency, discriminant and convergent validity and collinearity measures were examined (Hair et al., 2019). These were derived from previously validated empirical sources and analyzed using SEM-PLS techniques. The item loadings represent the bivariate correlations between a construct and its indicators and should preferably be above 0.5, although values above 0.7 are also acceptable (Hair et al., 2019). Established literature identifies *Cronbach's alpha* ( $\alpha$ ) as the lower bound, while Composite Reliability (CR) marks the upper bound, with values above 0.7 required for both. The Average Variance Extracted (AVE) measures the convergent validity of the constructs, with values above 0.5 recommended (Hair et al., 2019). Discriminant validity was also assessed using the Heterotrait-Monotrait (HTMT) ratio, which should be below 0.9 to be considered valid (Hair et al., 2019). Collinearity was examined through the analysis of the Variance Inflation Factor (VIF), supported by the statistical significance of the indicator weights and should be below 5.

The results showed that only the loading of one item was below 0.5 (PsyCap item 8 with 0.375) and it was subsequently removed. This adjustment allowed the model's quality to be maintained, although 8 of the remaining 43 items fell below 0.7. The results surpassed the limits suggested in the literature for Spiritual Leadership (Altruistic Love:  $\alpha=0.935$ ; CRa=0.943; AVE=0.723 / Hope:  $\alpha=0.915$ ; CRa=0.916; AVE=0.746 / Vision:  $\alpha=0.883$ ; CRa=0.890; AVE=0.682) and Triple Bottom Line (Profit:  $\alpha=0.883$ ; CRa=0.899; AVE=0.680 / Planet:  $\alpha=0.863$ ; CRa=0.868; AVE=0.646 / People:  $\alpha=0.893$ ; CRa=0.902; AVE=0.702). As for Psychological Capital, it can also be considered valid, even though the AVE value does not exceed the established threshold, it is quite close ( $\alpha=0.879$ ; CRa=0.889; AVE=0.454).

Regarding the discriminant validity measure, all relationships between variables have HTMT values below 0.9. Finally, all items show VIF values below 5, indicating no multicollinearity issues in the current sample. Tables 6 and 7 provide a more detailed view of the study measures.

**Table 6 – Measurement Model**

Measures/Items	Item Load	$\alpha$	CR	AVE	VIF
<b>Spiritual Leadership</b>					
SL1AL1	0.877	0.935	0.943	0.723	3.863
SL1AL2	0.892				4.064
SL1AL3	0.856				2.918
SL1AL4	0.890				3.625
SL1AL5	0.678				1.688

SL1AL6	0.877				3.622
SL1AL7	0.862				3.172
SL1H1	0.858				2.600
SL1H2	0.864				2.751
SL1H3	0.860				2.499
SL1H4	0.863				2.674
SL1H5	0.873				2.822
SL1V1	0.779				1.847
SL1V2	0.750				1.715
SL1V3	0.876				2.691
SL1V4	0.851				2.496
SL1V5	0.866				2.540
<b>Psychological Capital</b>					
Psycap1	0.711				2.538
Psycap2	0.729				2.486
Psycap3	0.657				1.888
Psycap4	0.626				1.589
Psycap5	0.759				2.060
Psycap6	0.744				2.092
Psycap7	0.695				1.810
Psycap9	0.525				1.428
Psycap10	0.553				1.525
Psycap11	0.674				1.873
Psycap12	0.693				1.822
<b>Triple Bottom Line</b>					
TBL - Profit1	0.742				1.978
TBL - Profit2	0.844				2.560
TBL - Profit3	0.850				2.615
TBL - Profit4	0.820				2.273
TBL - Profit5	0.862				2.359
TBL - Planet1	0.758				1.958
TBL - Planet2	0.759				1.886
TBL - Planet3	0.812				2.887
TBL - Planet4	0.850				3.960
TBL - Planet5	0.836				3.272
TBL - People1	0.747				1.788
TBL - People2	0.837				2.369
TBL - People3	0.858				2.571
TBL - People4	0.911				3.739
TBL - People5	0.828				2.310

Source: Own Elaboration

**Table 7 – HTMT of the Variables**

	SL - Altruistic Love	SL - Hope	SL - Vision	PsyCap	TBL - Profit	TBL - Planet	TBL - People
<b>SL - Altruistic Love</b>				0.562			
<b>SL - Hope</b>	0.719			0.687			
<b>SL - Vision</b>	0.858	0.856		0.627			
<b>PsyCap</b>							
<b>TBL - Profit</b>	0.667	0.531	0.660	0.504			
<b>TBL - Planet</b>	0.220	0.379	0.282	0.451	0.336		
<b>TBL - People</b>	0.882	0.762	0.876	0.684	0.740	0.320	

Source: Own Elaboration

The correlations among the subdimensions of Spiritual Leadership (vision, hope and altruistic love) reveal a positive and significant relationship, demonstrating that these variables are interconnected and represent different components of the same construct. Notably, there is a strong correlation between Vision and Altruistic Love ( $r = 0.788$ ), as well as a moderate correlation between Hope and the other dimensions, such as Vision ( $r = 0.771$ ) and Altruistic Love ( $r = 0.671$ ). These results suggest that strengthening one dimension of Spiritual Leadership tends to positively influence the others, highlighting an integrated and cohesive behaviour among the variables.

Similarly, the dimensions of the Triple Bottom Line (Profit, Planet and People) also exhibit relevant interrelationships. A moderate correlation is observed between Profit and People ( $r = 0.665$ ), indicating a significant connection between economic performance and positive social impacts. However, the Planet dimensions show weaker correlations with the other dimensions, such as People ( $r = 0.286$ ) and Profit ( $r = 0.296$ ), revealing a less pronounced relationship. These results emphasize the need for a combined analysis of the TBL dimensions, as despite differing levels of correlation, they offer an integrated and complementary perspective on sustainable development. The values of these correlations are detailed in table 8.

**Table 8 – Correlation of the Variables**

	<b>SL - Altruistic Love</b>	<b>SL - Hope</b>	<b>SL - Vision</b>	<b>PsyCap</b>	<b>TBL - Profit</b>	<b>TBL - Planet</b>	<b>TBL - People</b>
<b>SL - Altruistic Love</b>	1.000	0.671	0.788	0.528	0.624	0.208	0.815
<b>SL - Hope</b>	0.671	1.000	0.771	0.633	0.484	0.342	0.693
<b>SL - Vision</b>	0.788	0.771	1.000	0.572	0.596	0.251	0.784
<b>PsyCap</b>	0.528	0.633	0.572	1.000	0.459	0.395	0.624
<b>TBL - Profit</b>	0.624	0.484	0.596	0.459	1.000	0.296	0.665
<b>TBL - Planet</b>	0.208	0.342	0.251	0.395	0.296	1.000	0.286
<b>TBL - People</b>	0.815	0.693	0.784	0.624	0.665	0.286	1.000

Source: Own Elaboration

## 4.2 Structural Model

To assess the predictive power of the relationship between the variables, the SmartPLS bootstrapping algorithm was used to measure the extent to which the dependent variable is

explained by the independent variables ( $R^2$ ), the direct effects of the variables (regression coefficients), and the PLSpredict algorithm to check the  $Q^2$  values.

The results show a low predictive power for the Planet dimension of the TBL ( $R^2 = 0.176$ ), due to it being a complex phenomenon, thus difficult to explain (Hardyment, 2024). Nevertheless, this value is considered satisfactory for research purposes, as acceptable  $R^2$  values depend on the context (Hair et al., 2019). Psychological Capital ( $R^2 = 0.424$ ), the People dimension ( $R^2 = 0.746$ ) and the Profit component of the Triple Bottom Line ( $R^2 = 0.431$ ) all present  $R^2$  values above 0.3, indicating an acceptable predictive power (Hair et al., 2019). Notably, the People component of the TBL shows a high contribution, as the results indicate that 74.6% of it is explained by Spiritual Leadership.

Regarding the  $Q^2$  values, the results show positive values for all parameters. Therefore, all variables exhibit acceptable predictive power (Hair et al., 2019). The results indicate a positive relationship between pairs of variables, including Profit and People (TBL) and altruistic love and vision (SL), between Planet (TBL) and hope (SL), between hope and altruistic love (SL) and PsyCap, and finally, between PsyCap and the three components of TBL, with significant p-values, i.e., below 0.05 (Hair et al., 2019), as shown in Table 9. These results support the following research hypotheses: H1b, H1c, H2a, H3b, H3c, H4 (hope and altruistic love) and H5. Regarding the mediation of PsyCap, the only supported hypothesis was the one related to the Spiritual Leadership component hope with the three components of the Triple Bottom Line.

**Table 9 – Summary of Hypothesis Testing**

Hypotheses	Relationships	$\beta$	T Statistics	p Value	Results
<b>H1</b>	<b>SL -&gt; TBL-Economy</b>				
H1a	SL-Hope ->TBL-Economy	(-0.072)	1.276	0.202	Not Suported
H1b	SL-AltruisticLove -> TBL-Economy	0.390	6.106	0.000	Suported
H1c	SL-Vision -> TBL-Economy	0.257	3.856	0.000	Suported
<b>H2</b>	<b>SL -&gt; TBL-Environ</b>				
H2a	SL-Hope ->TBL-Environ	0.228	3.189	0.001	Suported
H2b	SL-AltruisticLove -> TBL-Environ	(-0.077)	0.871	0.384	Not Suported
H2c	SL-Vision -> TBL-Environ	(-0.046)	0.408	0.683	Not Suported
<b>H3</b>	<b>SL -&gt; TBL-Social</b>				
H3a	SL-Hope ->TBL-Social	0.053	1.075	0.283	Not Suported
H3b	SL-AltruisticLove -> TBL-Social	0.472	12.914	0.000	Suported
H3c	SL-Vision -> TBL-Social	0.263	5.198	0.000	Suported
<b>H4</b>	<b>SL -&gt; PsyCap</b>				
a	SL-Hope-> PsyCap	0.455	8.229	0.000	Suported

b	SL-AltruisticLove -> PsyCap	0.128	2.035	0.042	Supported
c	SL-Vision -> PsyCap	0.121	1.672	0.095	Not Supported
<b>H5</b>	<b>PsyCap -&gt; TBL</b>				
H5a	PsyCap -> TBL-Social	0.191	5.466	0.000	Supported
H5b	PsyCap -> TBL-Environ	0.317	5.070	0.000	Supported
H5c	PsyCap -> TBL-Economy	0.152	3.527	0.000	Supported
<b>H6</b>	<b>SL-&gt; PsyCap -&gt; TBL</b>				
a	SL - AltruisticLove -> Psycap -> TBL-Economy	0.019	1.726	0.084	Not Supported
b	SL - AltruisticLove -> Psycap -> TBL-Environ	0.041	1.885	0.059	Not Supported
c	SL - Hope -> Psycap -> TBL-Economy	0.069	3.188	0.001	Supported
d	SL - AltruisticLove -> Psycap -> TBL-Social	0.024	1.733	0.083	Not Supported
e	SL - Hope -> Psycap -> TBL-Environ	0.144	4.160	0.000	Supported
f	SL - Vision -> Psycap -> TBL-Economy	0.018	1.402	0.161	Not Supported
g	SL - Hope -> Psycap -> TBL-Social	0.087	4.301	0.000	Supported
h	SL - Vision -> Psycap -> TBL-Environ	0.038	1.542	0.123	Not Supported
i	SL - Vision -> Psycap -> TBL-Social	0.023	1.677	0.094	Not Supported

Source: Own Elaboration

## CHAPTER 5 – DISCUSSION

This chapter provides an interpretation of the study's findings in relation to existing literature, offering deeper insights into the interactions between Spiritual Leadership, Psychological Capital and the Triple Bottom Line dimensions. In this section, the hypothesis will also be examined – not only those supported by the study's results (H1b, H1c, H2a, H3b, H3c, H4 and H5) but also those that were not confirmed – ensuring a comprehensive discussion of the study's implications.

Regarding H1a, which represents the relationship between hope (SL) and the profit dimension (TBL), the findings reveal a negative and statistically non-significant correlation ( $\beta = -0.072$ ,  $p > 0.05$ ). These results deviate from established literature, which predominantly highlights a positive link between hope-driven leadership and economic performance (Peterson & Luthans, 2003; Rego et al., 2012). The absence of statistical significance in this relationship within the current study suggests that the hypothesized effect may not consistently manifest across contexts. This finding may reflect contextual variations in how hope is operationalized or its interaction with organizational factors. Similar conclusions have been reported in studies

such as Adersson et al. (2007), which indicate that the influence of hope cannot be universally generalized to economic outcomes. In contrast, Chak et al. (2022) identified significance in this relationship through mediation mechanisms. Specifically, their findings highlighted the mediating roles of Project workers' Goal Commitment and Project Workers' Goal Stress in explaining the link between hope and economic outcomes.

Regarding H1b, which represents the relationship between altruistic love (SL) and the profit dimension (TBL), the results indicate a positive and statistically significant correlation ( $\beta = 0.390$ ,  $p < 0.05$ ). The claim that a leadership culture rooted in altruistic love leads to higher organizational commitment among employees, driver of financial outcomes, is supported by the results and align with literature. Studies confirm that altruistic love strengthens emotional well-being and loyalty, driving higher performance (Gentry et al., 2007). Additionally, such behaviours positively impact organizational dynamics, elevating overall team performance and engagement (Post et al., 2002; Gentry et al., 2007).

Regarding H1c, which represents the relationship between altruistic love (SL) and the profit dimension (TBL), the results indicate a positive and statistically significant correlation ( $\beta = 0.257$ ,  $p < 0.05$ ). The claim that leaders with a clear and compelling vision significantly improve employee motivation and productivity, drivers of financial outcomes, is supported by the results and align with literature. For instance, Kaplan et al. (2004) identify key practices for translating vision into actionable strategies, such as effective communication, planning and feedback, which enhance performance and profitability. Strong visions foster resilience and commitment, particularly during crises, when leadership faith in the vision maintains morale and focus (Baum et al., 1998; Fry, 2003). Such vision-driven leadership significantly enhances motivation, alignment and financial outcomes (Kirkpatrick & Locke, 1996; Kaplan et al., 2004).

Lastly, as far as H1 is concerned, the results indicate that while Spiritual Leadership has a positive impact on the "Profit" dimension of the TBL, this effect is specifically driven by the components of altruistic love and vision.

Regarding H2a, which represents the relationship between hope (SL) and the planet dimension (TBL), the results indicate a positive and statistically significant correlation ( $\beta = 0.228$ ,  $p < 0.05$ ). The claim that there is a positive relationship between leaders who foster hope and pro-environmental behaviours within their organization is supported by the results and align with literature. Leaders embodying hope encourage organizations to prioritize ecological health over short-term gains, fostering innovative solutions to challenges such as carbon

reduction, resource efficiency and renewable energy adoption (BEworks, 2023; Okogwu et al., 2023). Drawing on Snyder's Hope Theory, leaders who cultivate hope empower teams to create strategies for achieving environmental goals, fostering resilience and adaptability in addressing ecological issues.

Regarding H2b, which represents the relationship between altruistic love (SL) and the planet dimension (TBL), the results indicate a negative and statistically non-significant correlation ( $\beta = -0.077$ ,  $p > 0.05$ ). These results deviate from established literature, which predominantly highlights that individuals with high levels of altruism demonstrate greater concern for environmental issues and engage in actions to protect the planet (Yurtsever & Angin, 2022; Xu et al., 2021).

Regarding H2c, which represents the relationship between vision (SL) and the planet dimension (TBL), the results indicate a negative and statistically non-significant correlation ( $\beta = -0.046$ ,  $p > 0.05$ ). These results deviate from established literature, which predominantly highlights that leaders with self-transcendence and interconnectedness develop ethical and environmentally responsible visions (Fry & Egel, 2021). Such leaders integrate environmental considerations into decision-making, fostering a culture of sustainability and inspiring employees to emulate their commitment to preserving ecosystems (Hackman, 1992; Bandura & National Institute of Mental Health, 1986). The lack of a significant correlation might be explained by the fact that sustainability practices in organizations are complex and involve many different factors. While spiritual leadership focuses on self-transcendence and interconnectedness, putting environmental sustainability into action depends on other variables, like organizational culture, available resources, regulations and pressure from stakeholders (Epstein & Roy, 2001; Linnenluecke & Griffiths, 2010).

Lastly, as far as H2 is concerned, the results indicate that while Spiritual Leadership has a positive impact on the Planet dimension of the TBL, this effect is only driven by the component of hope.

Regarding H3a, which represents the relationship between hope (SL) and the people dimension (TBL), the results indicate a positive but statistically non-significant correlation ( $\beta = 0.053$ ,  $p > 0.05$ ). However, because the p-value is not significant, this positive relationship is not strong enough to confidently claim it exists in the population. The literature suggests otherwise, leaders who cultivate hope create a positive and empowering workplace, boosting employee well-being, engagement and performance. Hope encourages goal setting, resilience

and adaptability while correlating with higher satisfaction, creativity and reduced absenteeism (Fry & Nisiewicz, 2013; Ahmed et al., 2023; Luthans et al., 2007a; Avey et al., 2010).

Regarding H3b, which represents the relationship between altruistic love (SL) and the people dimension (TBL), the results indicate a positive and statistically significant correlation ( $\beta = 0.472$ ,  $p < 0.05$ ). The claim that altruistic love in leadership fosters a culture of care, improving employee well-being and social responsibility is supported by the results and align with literature. Altruistic love fosters a culture of care and empathy, promoting personal growth, emotional well-being and stronger workplace dynamics. Leaders motivated by altruistic love drive social responsibility and inclusivity, aligning their organizations with the UN Sustainable Development Goals (Post, 2002; Koenig, 2007; Underwood, 2002; Gentry et al., 2007).

Regarding H3c, which represents the relationship between vision (SL) and the people dimension (TBL), the results indicate a positive and statistically significant correlation ( $\beta = 0.263$ ,  $p < 0.05$ ). The claim that spiritual leaders' vision promotes motivation, teamwork and social sustainability, including diversity and inclusion, is supported by the results and align with literature. Visionary leadership unites individuals under share goals, motivating teams to achieve superior performance and advancing social sustainability. By prioritizing diversity and inclusion, leaders create equitable workplaces and contribute to community development (Kantabutra & Vimolratana, 2009; Collins & Porras, 1994; Conger & Kanungo, 1994).

Lastly, as far as H3 is concerned, the results indicate that while Spiritual Leadership has a positive impact on the People dimension of the TBL, this effect is only driven by the components of altruistic love and vision. The weakest link observed was in the relationship between Spiritual Leadership and the Planet component of the TBL, which is supported by the literature insofar as it is expected that Spiritual Leadership may not simultaneously influence all three dimensions of sustainability (Piwowar-Sulej & Iqbal, 2024).

Regarding H4, which represents the relationship between Spiritual Leadership and Psychological Capital, the results indicate a positive and statistically significant correlation in the dimensions of hope ( $\beta = 0.455$ ;  $p < 0.05$ ) and altruistic love ( $\beta = 0.128$ ;  $p < 0.05$ ). However, the vision dimension ( $\beta = 0.121$ ;  $p > 0.05$ ) demonstrates a positive but statistically non-significant relationship with PsyCap. While the literature suggests such a relationship exists, the lack of statistical significance indicates that this association cannot be confidently generalized to the broader population. The hypothesis that Spiritual Leadership positively impacts Psychological Capital is grounded in its capacity to nurture followers' self-efficacy,



hope, optimism and resilience. Spiritual leaders, through their vision of a challenging, desirable and altruistic future, foster an environment where employees believe in their ability to achieve goals and success (Fry et al., 2005; Gooty et al., 2009). Chen et al. (2012) demonstrated a positive relationship between Spiritual Leadership and employees' self-efficacy, highlighting how leaders inspire confidence and capability. Furthermore, spiritual leaders cultivate hope by articulating clear, motivating goals, which enable employees to develop agency and perseverance (Chen et al., 2019; Luthans et al., 2007a). They also promote optimism by presenting a compelling vision that encourages followers to view current and future circumstances positively (Wang et al., 2019). Finally, resilience is enhanced as spiritual leaders encourage calculated risk-taking and problem-solving, fostering adaptability in the face of challenges (Chen & Li, 2013).

Regarding H5a, which represents the relationship between PsyCap and the People dimension of TBL, the results indicate a positive and statistically significant correlation ( $\beta = 0.191, p < 0.05$ ). The claim that PsyCap has a positive effect on the People dimension of TBL is supported by the results and align with literature. PsyCap enhances organizational commitment, which is closely linked to employee performance and retention (Morris & Sherman, 1981). PsyCap dimensions such as self-efficacy, optimism, resilience and hope contribute to job satisfaction, a key driver of commitment and performance (Liao et al., 2017; Mathieu & Zajac, 1990). Additionally, optimism fosters professional support and career success (Higgins et al., 2010), while self-efficacy aligns goals with abilities, promoting effort and productivity (Bandura, 2012).

Regarding H5b, which represents the relationship between PsyCap and the Planet dimension of TBL, the results indicate a positive and statistically significant correlation ( $\beta = 0.317, p < 0.05$ ). The claim that PsyCap has a positive effect on the Planet dimension of TBL is supported by the results and align with literature. PsyCap plays a pivotal role in fostering environmental responsible behaviours. Self-efficacy drives individuals to pursue effective environmental actions (Miao et al., 2018), while optimism motivates proactive efforts toward favorable outcomes (Lopes & Cunha, 2008). Resilience supports adaptability to environmental challenges (Fleming & Ledogar, 2014) and hope inspires goal-oriented, innovative solutions for sustainability (Rego et al., 2012). Research confirms that individuals with higher PsyCap are more likely to engage in such behaviours (Afshar Jahanshahi et al., 2021).

Regarding H5c, which represents the relationship between PsyCap and the "Profit" dimension of TBL, the results indicate a positive and statistically significant correlation ( $\beta =$

0.152,  $p < 0.05$ ). The claim that PsyCap has a positive effect on the “Profit” dimension of TBL is supported by the results and align with literature. PsyCap positively influences work outcomes, including organizational commitment, job satisfaction and performance (Avey et al., 2011; Newman et al., 2014). Higher PsyCap levels correlate with reduced turnover intentions (Zhu et al., 2022), while collective PsyCap strengthens organizational performance (Wu & Chen, 2018). These factors contribute to enhance profitability through improved employee engagement and retention, supporting overall organizational success.

Lastly, as far as H5 is concerned, the results indicate that PsyCap has a positive effect on all dimensions of TBL.

Regarding H6, which represents the mediation of PsyCap between Spiritual Leadership and the Triple Bottom Line, the results indicate a positive and statistically significant correlation only in the mediation PsyCap between hope (SL) and all three dimension of the Triple Bottom Line (Profit:  $\beta = 0.069$  and  $p < 0.05$ ; Planet:  $\beta = 0.144$  and  $p < 0.05$ ; People:  $\beta = 0.087$  and  $p < 0.05$ ). The PsyCap mediation of the remaining components of Spiritual Leadership and the TBL, although positive, are not statistically significant ( $p > 0.05$ ). Psychological Capital mediates the relationship between Spiritual Leadership and the Triple Bottom Line outcomes by enhancing pro-environmental and socially responsible behaviours. PsyCap, comprising self-efficacy, optimism, resilience and hope, significantly influences green behaviour and sustainability initiatives (Avey et al., 2011; Zhu et al., 2022). Employees with high PsyCap engage in proactive environmental actions, view challenges as opportunities and develop innovative solutions. Moreover, PsyCap fosters social responsibility, stronger interpersonal relationships and community commitment (Kariri & Radwan, 2023). PsyCap also positively impacts employee performance, linking positive psychological states to superior work outcomes (Chaurasia & Shukla, 2014). Fry and Slocum (2008) highlight the need for spiritual leadership-driven business models that integrate PsyCap to enhance sustainability, employee well-being and organizational performance.

Underpinning these six hypotheses are the two main theories on which this study was based and for which the results provide evidence to justify them. Hope Theory, established by Snyder et al. (1991), defines hope as a dual process involving agency – the will to achieve goals – and pathways – the means to achieve them. Successful hope agentic and pathway thinking, often requiring multiple pathways to overcome challenges (Snyder, 2002). Research extensively links hope to positive individuals’ outcomes, including enhanced psychological and physical well-being, emotional regulation and performance in professional settings (Rand & Touza, 2021).

In organizational context, leaders who foster hope create ambitious yet attainable goals, develop pathways to overcome obstacles and sustain motivation during challenges, significantly impacting the TBL (Luthans et al., 2007a; Peterson & Byron, 2008). Snyder's Hope Theory further highlights that individuals with high levels of hope contribute to a positive and engaged work environments through resilience and goal-oriented strategies (Peterson & Byron, 2008). While psychological studies primarily emphasize individual benefits, such as greater well-being and performance, hope's relational and transcendent aspects, including its communal value, remain underexplored (Rand & Touza, 2021). In organizations, hope transcends individual impacts, inspiring innovative solutions to environmental challenges and promoting pro-environmental behaviours. These behaviours align with broader social and environmental responsibilities, demonstrating how hope underpins sustainable outcomes and enhances the financial, environmental and social dimensions of the TBL (Ojala, 2022; BEworks, 2023).

PsyCap Theory (Luthans et al., 2007) suggests that self-efficacy, optimism, resilience and hope collectively enhance individual and organizational outcomes. The study's results confirm the positive impact of PsyCap on the TBL dimensions, with significant correlations observed in People, Planet and Profit. High PsyCap drives employee well-being, organizational commitment and pro-environmental behaviours, directly contributing to social sustainability and profitability. The mediation of PsyCap between Spiritual Leadership and the TBL further supports its critical role in enhancing performance and organizational success.

## **CHAPTER 6 – CONCLUSIONS, LIMITATIONS AND FUTURE RESEARCH**

### **6.1. Theoretical Contributions**

This study provides a theoretical foundation to investigate the impact of SL on corporate sustainability. The spirituality of a leader is an emerging topic and by introducing psychological as a mediator in the relationship with corporate sustainability, this research offers a novel perspective on complex and underexplored view of the significance of leaders' spirituality for organizations and communities.

To ensure a cohesive and robust theoretical foundation, the study draws on Hope Theory and PsyCap Theory. These frameworks, though relatively underutilized, provide a unique lens to understand the phenomena under study. This integrative approach encourages future research to consider these theories when exploring the relationship between spirituality,

leadership and Psychological Capital. The interplay of variables and theories, along with the resulting insights, expands the theoretical horizons, demonstrating how these frameworks can offer valuable perspectives on the connection between spirituality and corporate sustainability.

The two theories were employed experimentally due to the limited research exploring their application to phenomena such as the Triple Bottom Line. The positive findings on the mediation between Hope, PsyCap and TBL outcomes position this study as a significant academic innovation. It is expected to inspire future scholars to deepen the understanding of these theories in relation to sustainability, particularly by further exploring the pathways through which spiritual leadership impacts financial, social and environmental dimensions.

By emphasizing the role of spiritual leadership in fostering employees' psychological resources and advancing sustainable organizational practices, this research underscores its broader implications. While the study confirms the significant influence of Spiritual Leadership on social and financial sustainability, it also suggests the need for additional focus on strategies to enhance its impact on environmental sustainability.

## **6.2. Practical Implications**

This study provides key insights for organizations aiming to strengthen their sustainable practices. Firstly, fostering Spiritual Leadership behaviours – such as vision, hope and altruistic love – should be a priority. These behaviours not only bolster employees' PsyCap but also support enhanced financial and social sustainability. Leadership development initiatives grounded in Spiritual Leadership principles can cultivate a positive work environment, enabling employees to drive long-term organizational success. Two possible actions for companies to consider are:

- Establish a company culture that acknowledges and values Spiritual Leadership qualities, such as vision, hope and altruistic love. This can be achieved by embedding these principles into leadership frameworks, performance evaluations and recognition programs, encouraging leaders to embody these values openly and to share inner life way of inspiring others to find their way in career and personal terms.
- Facilitate platforms where leaders can openly discuss and share their values and practices, such as leadership circles, mentorship programs (so that the trainees are more intrigued by this way of being) or storytelling events. These initiatives foster authenticity and allow Spiritual Leadership to influence the organization positively.

As PsyCap plays a pivotal role in linking Spiritual Leadership to TBL outcomes, organizations should emphasize developing employees' psychological resources. Training programs that focus on building hope, resilience, optimism and self-efficacy can enhance individual well-being while boosting organizational performance, especially in financial and social domains. Three possible actions for companies to consider are:

- Implement targeted development programs for leaders to strengthen both their own and their team's psychological resources. These programs can focus on enhancing hope, resilience, optimism and self-efficacy, tying them to the principles of Spiritual Leadership.
- Integrate wellness and mindfulness practices into weekly or monthly work life. Offering guided meditation sessions, resilience training or reflective practices can help leaders and employees alike nurture their psychological resources and align with the organization's mission.
- Promoting teambuilding aimed at internal and external team reflection and alignment towards company and departmental objectives; for example, the Enneagram, which is a training that leads us to reflect on the motivations behind our daily actions and thus helps us to understand the motivations of others and to act on them. Training and retreats like these can provide a substantial boost to a team's performance.

Nonetheless, the relatively weaker connection between Spiritual Leadership and the environmental aspect of TBL highlights the need for targeted environmental strategies. Organizations are encouraged to implement initiatives that promote environmental sustainability, such as fostering eco-friendly behaviours, launching sustainability programs and involving employees in green practices. One possible action for companies to consider is:

- Empower leaders to take ownership of sustainability initiatives by embedding environmental goals into the company's core strategy. Encourage leaders to champion these efforts, such as by leading green projects or engaging employees in sustainability activities, for example through financial incentives for departments with smaller environmental footprint.

This study contributes to three Sustainable Development Goals: SDG 8 (Decent Work and Economic Growth) by promoting leadership practices that enhance employee well-being and productivity aligned with decent work and economic growth; SDG 11 (Sustainable Cities and Communities) by fostering ethical and caring organizational cultures that support more inclusive and resilient communities; and SDG 16 (Peace, Justice and Strong Institutions) by

encouraging transparency and integrity through spiritual leadership, thus contributing to stronger and more just institutions.

### **6.3. Conclusion, Limitations and Future Research**

The study highlights the significant impact of Spiritual Leadership on organizational sustainability, encompassing the Triple Bottom Line dimensions of financial, social and environmental performance. By fostering Psychological Capital leaders can inspire their teams to achieve sustainable outcomes that benefit not only the organization but also the broader community and environment.

While this study provides valuable insights into the role of Spiritual Leadership in fostering sustainability through Psychological Capital, certain limitations must be acknowledged. First, the study sample, while diverse, is not fully representative of all industries and did not capture perspectives from all regions of Portugal equally. Future research could explore these dynamics across a wider range of geographical areas and organizational contexts to enhance the generalizability of the findings.

Second, a valuable approach would involve conducting qualitative research to delve deeper into the intricate dynamics between the variables within the Spiritual Leadership model. While quantitative methods focus on identifying and explaining patterns, qualitative research emphasizes gaining a deeper understanding of phenomena shaped by the interaction of the study, the participants, the researcher and the context. This approach is particularly effective for capturing the nuanced and complex aspects of research topics or central questions that are often overlooked in more positivist research.

Third, while Psychological Capital was identified as a mediator, there may be additional factors, such as organizational culture, that could further illuminate the pathways between Spiritual Leadership and sustainability outcomes. Future research could explore these variables to expand the current model and uncover additional insights.

Lastly, future research could benefit from narrowing the focus of Spiritual Leadership to specific frameworks rooted in recognized religious traditions. For instance, Ignatian leadership, grounded in the principles of Ignatian spirituality, offers a promising avenue for investigation. Examining how this leadership approach – characterized by humility, hope, authenticity, profound sense of purpose and discernment – influences the Triple Bottom Line dimensions could yield valuable insights for both academic and practice.

The current study underscores the potential of Spiritual Leadership to address contemporary challenges in business, bridging ethical values with practical organizational outcomes. By prioritizing vision, altruistic love and hope/faith, leaders can create a workplace culture that supports holistic well-being and drives long-term success.

These contributions provide a foundation for future studies and practical applications, inviting further exploration into how Spiritual Leadership can reshape the way organizations balance profitability with their responsibilities to society and the planet.

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## ANNEXES

### Annex A – Survey

Scale	Number of Items Used	Examples of Items	Source
Spiritual Leadership	17	1. Eu compreendo e estou comprometido com a visão da minha organização.	(Fry & Matherly, 2006)
		2. O meu grupo de trabalho tem uma visão que gera o melhor de mim.	
Psychological Capital	12	1. Sinto confiança a representar a minha área de trabalho em reuniões com a gestão.	(Luthans, Youssef & Avolio, 2007b)
		2. Sinto confiança em contribuir para discussões sobre a estratégia da minha empresa / instituição.	
Triple Bottom Line	11	1. A minha entidade patronal disponibiliza-me tudo o que preciso para realizar o meu trabalho eficazmente.	(Delaney & Huselid, 1996)
		2. A organização comunica bem com os seus colaboradores.	