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# JOURNAL OF INDIAN PSYCHOLOGY

A JOURNAL OF CLASSICAL IDEAS AND CURRENT RESEARCH

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Volume 23

Number 1

January 2005

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## IMPACT OF SVADHARMA-ORIENTATION ON TRANSFORMATIONAL LEADERSHIP AND FOLLOWERS' TRUST IN LEADER

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A scale was developed to measure Svadharma-orientation (following one's own Dharma or duty), which is a core element of Indian culture, and its effects on five transformational leadership factors-attributed charisma, idealized influence, inspirational leadership, intellectual stimulation, and individualized consideration-and follower's trust were studied using a sample of 80 manager-subordinate pairs from three organizations in India. Results show a positive relationship between Svadharma-orientation and transformational leadership, and a negative relationship between Svadharma-orientation and trust. Transformational leadership is however not related to trust.

In an age of change, complexity, and competition, where the factor that differentiates a winning organization is the quality of its human capital, leadership assumes more importance than ever. Transformational leadership has the potential for advancing associations, businesses, and society because it can cause fundamental change and create new paradigms by motivating followers to commit to and realize goals beyond their own expectations. However, the main essence of a leadership relation lies in its reciprocity and therefore for any leader to be able to effect such change, he or she must have the support and trust of followers. Leadership is a relationship between leader and follower and it would therefore be affected by the societal culture of which the relationship is a part. One of the most fundamental aspects of interpersonal relationship in India is following Svadharma (literally one's own Dharma or duty) with utmost efficiency and righteousness (Sinha, 1997). Duty-orientation is indispensable to real leadership because it affects the ethos of the workplace and followers' willingness to trust and support the leader in achieving common organizational goals. This paper attempts to study

the impact of leader's Svadharma-orientation on transformational leadership and followers' trust in the leader.

## THEORY AND HYPOTHESES

### Svadharma-Orientation

According to the Indian worldview, liberation of the soul is the central aim of life, and the whole universe is in fact the result of this struggle for freedom. This struggle for freedom is the groundwork of all morality, and all actions we undertake are in pursuance of this goal. The ordinary idea of Dharma or duty everywhere is that every good person follows the dictates of his or her conscience. It is therefore our Dharma to do that work which will exalt and ennoble us in accordance with the ideals and activities of the society in which we are born (Radhakrishnan, 1923). Svadharma of a manager would consist of appropriate role behaviors, including protecting in-group members and favoring them over others, maintaining respect and obedience for superiors, and loving and caring for juniors and dependents.

There is complete unanimity throughout the entire range of Indian thought that the most significant character of work ethic is sacrifice. Deep within, secretly, the Indian mind reveres none so much as an individual of utter sacrifice and self-abnegation. The primary reason why human beings should work, therefore, is to gradually cleanse their sullied minds and intellects so that the perennial, luminous true self shines forth from their lower nature in its full glory. This process of refinement is called self-purification and it is only through sacrifice that work can be converted to be a means of self-purification (Chakraborty, 1987).

The goal of self-purification can also be attained by simply following one's own natural bent of work and discharging the obligations towards others thereby created. It is how a particular duty is discharged that makes a difference, and not what the nature of that duty is. It is better to discharge one's own Dharma imperfectly, than to discharge the Dharma of another perfectly. Doing the duty ordained by one's own nature, one incurs no sin. The pursuit of work according to the role in which one is naturally placed is likely to contribute more effectively to the realization of the aim, and anything going against the grain of one's own duty is likely to impede the attainment of this goal (Chakraborty, 1987).

### Trust

Trust as described by Rotter (1980) is a generalized expectancy held by an individual that the word, promise, oral or written statement of another individual or group can be relied upon. It is, as Hosmer (1995) formally defined, the expectation by one (entity) of ethically justifiable behavior, i.e. morally correct decision and action based upon ethical principles of analysis on the part of the other (entity) in a joint endeavor or economic exchange.

*Variables essential for trust to develop.* According to Mayer, Davis, and Schoorman (1995), trust is a function of trustee's perceived ability, benevolence, and integrity, and of the trustor's propensity to trust. In addition to the above factors, five categories of managerial behavior were identified that captured the variety of factors that influenced employees' perceptions of managerial trustworthiness-behavioral consistency, behavioral integrity, sharing and delegation of control, demonstration of concern, and communication (Whitener, Brodt, Korsgaard, & Werner, 1998).

*Trust and ethics.* Trust is a permanent feature of the relationship between client and professional. It can produce ethical action in two ways: (a) an individual may wish to be trusted (his or her goal) and the best way to attain this goal is to act ethically, and (b) we may wish for ethical action in another and one way to attain it is to trust that person (Brien, 1998). Moreover, integrity is a core determinant of trust. The New Zealand Leadership Survey in 1999 surveyed 1500 managers and found that integrity was the most admired and looked for quality in superiors (Parry, 2000).

*Trust and Svadharma-orientation.* Control over one's impulses and emotions is one of the core Indian values. The person who gives away important resources and makes self-sacrifices is perceived as having gone higher on the scale of merit. Leadership in the Indian context is based on the giving theory of motivation, wherein a leader to be effective should give unconditional care and affection to subordinates (Sinha, 1997), and it can be taken as the leader's duty. Such affection is likely to be repaid with subordinates' respect for and dedication to the leader and this would be possible only if trust exists between the leader and the follower. Singh and Bhandarker (1990) borrowed the theory of transformational leadership from the West and gave it an Indian spirit, stating that, cumulative life experiences lead the person to look for a father figure in the work place for empowering, protection, grooming, and development. In return, the individual develops respect for his or her superior and demonstrates willingness to accept his or her authority. This willingness is a likely outcome of trust in the leader. Hence, it can be hypothesized that the ability of the leader to discharge his or her duties sincerely will be positively related to subordinates' trust in the leader.

*Hypothesis 1.* Svadharma-orientation of the leader would be positively related to follower's trust in the leader.

### **Transformational leadership**

Bass (1985) defined a transformational leader as one who heightens followers' awareness about the importance of designated goals and the means to achieve them, induces them to transcend their self-interests for the good of their group, and stimulates and meets their higher order

needs through the leadership process and the mission. Four features distinguish a transformational leader-charismatic leadership, inspirational leadership, intellectual stimulation, and individualized consideration. Charismatic leadership again consists of two sub-dimensions-attributed charisma and idealized influence behavior. Charismatic leaders have an insight into the needs, values, and hopes of followers, and the ability to build on these needs, values, and hopes through dramatic words and actions. Inspirational leader behavior stimulates enthusiasm among subordinates for the work of the group and builds confidence in their ability to successfully perform assignments and attain group objectives. Intellectual stimulation evokes heightened effort by arousing in followers the awareness of problems and how they may be solved, stirs their imagination, and generates thoughts and insights. Individualized consideration involves giving personal attention to followers who seem neglected, treating each follower individually and helping each follower get what he or she wants (Bass, 1985).

*Ethics and transformational leadership.* Bass and Steidlmeier (1999) argued that what set transformational leaders apart were ethical discussions of character and authenticity. They suggested that ethics of leadership rest upon three pillars: the moral character of the leader; the ethical legitimacy of the value embedded in the leader's vision, articulation, and program; and the morality of the process of social and ethical choice and action that leaders and followers engage in and follow. In a study by Howell and Avolio (1992), ethical charismatic leaders were found to possess three primary virtues: courage, a sense of fairness or justice, and integrity. Banerji and Krishnan (2000) found that inspirational leadership is negatively related to leader's preference for bribery and favoritism, and intellectual stimulation is negatively related to preference for bribery. Kejriwal and Krishnan (2004) found that Vedic worldview (operationalized as understanding of Maya and belief in Karma) enhanced transformational leadership. Thus, it has been established that transformational leadership is grounded in morality and ethical conduct. Being duty-oriented is generally seen as doing the right or ethical thing in the Indian context. Hence, we had:

*Hypothesis 2.* Transformational leadership would be positively related to Svadharma-orientation of the leader.

*Transformational leadership and trust.* To foster their influence and esteem among their followers, transformational leaders who want to bolster their charismatic and inspirational image, engage in impression management (Bass & Steidlmeier, 1999). However, the credibility of the leader suffers when the truth is stretched and trust in the leaders is risked (Podsakoff, Niehoff, Moorman, & Fetter, 1990). Trust is important to transformational leaders because of the need to mobilize follower commitment towards the leaders' vision (Bass, 1985). In addition, Podsakoff, Mackenzie, and Bommer (1996) showed that trust

conceptualized as faith in and loyalty to the leader was directly related to transformational leadership.

*Hypothesis 3.* Transformational leadership would be positively related to follower's trust in the leader.

*Transformational leadership, Svadharma-orientation, and trust.* Researchers have stated that integrity and ethical leadership benefit organizations through the building of trusting relationships which contribute to effective organizational practices. Leader integrity aids the development of trust, thereby creating relationships of respect and increased reciprocity between leaders and followers (Parry, 2000).

Transformational leaders, thus, influence followers' trust and loyalty by articulating a vision for the future, providing an appropriate role model for members, fostering the acceptance of group goals, setting high performance expectations, and showing individualized support for members. In addition, trust for a leader is also aroused when the leader is ethical and is engaged in the pursuit of higher ideals through his or her commitment to work. So while individually, both transformational leadership and Svadharma-orientation of the leader have the potential to positively impact follower's trust in leader, together, such effect is only likely to be enhanced. A leader who is both transformational and Svadharma-oriented will be perceived as even more trustworthy. Therefore, we hypothesized:

*Hypothesis 4.* Transformational leadership will enhance the positive relationship between Svadharma-orientation of the leader and follower's trust in the leader.

## METHOD

The data for this study was collected from three Indian companies—a privately owned shipping company, a huge steel manufacturing company, and a financial institution with branches all over the country. The research sample comprised 80 supervisor-subordinate pairs from across management levels in these companies and the data was collected through questionnaires answered by each pair. There were 21 pairs of respondents from the shipping company, 20 pairs from the manufacturing company, and 39 pairs from the financial institution. Of the 80 pairs, 62 supervisors were males and 16 were females while 52 subordinates were males and 28 were females. The respondents in the financial institution were contacted directly while the others were provided the questionnaires through a contact in the company.

The Multifactor Leadership Questionnaire (MLQ) Form 5x (Bass & Avolio, 1991), widely used in research studies and having high reliability and validity, was used to measure transformational leadership in the supervisors. The questionnaire had 47 statements, which were answered by the superior on a 5-point scale ranging from "Not at all" (0) to "Frequently, if not always" (4).

To measure Svadharma-orientation, we developed a scale that had items describing its five constituent elements—unselfish pursuit of goals, sacrifice, concern for others, ethical conduct, and commitment. The scale consisted of nine items. The items are included in the appendix. The questionnaire was answered by the superior by stating the extent to which he or she agrees or disagrees with each statement using a 5-point scale ranging from “Strongly disagree” (1) to “Strongly agree” (5).

The Conditions of Trust Inventory (CTI) developed by Butler (1991) was used to measure subordinates' trust in the supervisor. The inventory describes 10 conditions that determine trust in a specific other, such as availability, competence, consistency, discreetness, fairness, integrity, loyalty, openness, promise fulfillment, and receptivity. Butler, Cantrell, and Flick (1999) used the “overall trust” items in their study on transformational leader behavior, upward trust, and satisfaction in self-managed work teams to measure associates' trust in their coordinators. In addition, Mayer, Davis, and Schoorman (1995) referred to Butler's 10 characteristics determining trustworthiness in developing an integrative model of trust. The questionnaire has 44 statements in total, 4 under each of the 10 conditions and 4 more under the category “overall trust”. Responses were given by the subordinates on a 5-point scale ranging from “Strongly disagree” (1) to “Strongly agree” (5).

## RESULTS

Table 1 presents descriptive statistics (means, standard deviations, and standardized Cronbach coefficient alphas) for and correlations between all the variables of the study. Svadharma-orientation was significantly negatively related to trust. Thus, Hypothesis 1 was not supported. Attributed charisma, idealized influence behavior, and inspirational leadership were significantly positively related to Svadharma-orientation. The remaining two factors of transformational leadership—intellectual stimulation and individualized consideration—were not related to Svadharma-orientation. There was a significant positive correlation between the five transformational leadership factors—attributed charisma, idealized influence behavior, inspirational leadership, intellectual stimulation, and individualized consideration. Although the five components of transformational leadership are conceptually different and form independent clusters of items, other studies also have found them to be highly correlated. We created a composite transformational leadership variable by taking the mean of the five factors ( $\alpha = .92$ ). The composite transformational leadership variable was significantly positively related to Svadharma-orientation ( $r = .37, p < .001$ ). Hence, Hypothesis 2 was supported. Neither the five factors of transformational leadership nor the composite transformational leadership variable showed any significant correlation with trust, thus providing no support for Hypothesis 3.

Table 1  
Correlations between Variables<sup>a</sup>

N = 80	M	SD	1	2	3	4	5	6	7
1. Attributed charisma	3.05	0.39	(.64)						
2. Idealized influence	3.27	0.41	***.59	(.76)					
3. Inspirational leadership	3.18	0.43	***.66	***.69	(.80)				
4. Intellectual stimulation	3.08	0.44	***.46	** .35	***.60	(.79)			
5. Individualized consideration	3.22	0.40	***.42	***.65	***.67	***.57	(.70)		
6. Svadharma-orientation	4.31	0.42	***.46	***.36	** .33	.18	.16	(.68)	
7. Trust	4.06	0.45	-.06	-.02	.01	.04	.17	**-.35	(.93)

<sup>a</sup>Standardized Cronbach coefficient Alphas are in parentheses along the diagonal.

\* =  $p < .05$ . \*\* =  $p < .01$ . \*\*\* =  $p < .001$ . 21

A regression analysis was done with trust as the dependent variable and the factors of transformational leadership and Svadharma-orientation as the independent variables. Only Svadharma-orientation significantly predicted trust, though negatively (parameter estimate =  $-0.41$ ,  $p < .01$ ). The result was similar when the composite transformational leadership variable was taken instead of the separate factors of transformational leadership (parameter estimate =  $-0.44$ ,  $p < .001$ ). To investigate further, trust was broken down into its 11 elements and then the correlation coefficients between these 11 dimensions, Svadharma-orientation, and the five factors of transformational leadership were calculated. Individualized consideration showed a significant positive relationship with two dimensions of trust-fairness ( $r = .26$ ,  $p < .05$ ) and receptivity ( $r = .24$ ,  $p < .05$ ).

A regression analysis was carried out to test Hypothesis 4, with trust as dependent variable, and transformational leadership, Svadharma-orientation, and the product of transformational leadership and Svadharma-orientation as independent variables. However, no supporting evidence was found, since the product term was not significant. Therefore, our hypothesis that transformational leadership would enhance the relationship between Svadharma-orientation and trust was not supported.

## DISCUSSION

The findings reported in the study lend support to the hypothesis that transformational leadership would be positively related to Svadharma-orientation of the leader. Three of the five transformational leadership factors show significant positive relationships with Svadharma-orientation. These findings suggest that transformational leaders are more self-sacrificing and conscious about their duties. Such leaders may be seen as role models and help organizations cultivate the right work

ethic among their employees by way of example. Companies could institute mentoring programs where every manager has the responsibility of developing and training some employees under him or her. This could give the manager the opportunity to develop transformational qualities and in turn instill in those below him or her, the value of performing their duties conscientiously, and working for the common goals of the organization. This would result in a healthy work culture where productivity will be high because the employees would be duty-oriented, which would automatically affect the bottom line of organization positively.

However, no support was received for the hypotheses that proposed a positive relationship between Svadharma-orientation and trust and between transformational leadership and trust. Individualized consideration was the only transformational leadership factor that showed a significant positive relationship with two dimensions of trust-fairness and receptivity. This implies that supervisors who pay special attention to their subordinates' individual needs are perceived as being more fair and receptive and hence are more trusted. A direct outcome of this will be high morale among the employees and since people will feel valued, they are more likely to contribute positively towards the organization. This is especially relevant today when companies are realizing that emotional intelligence is what distinguishes an effective leader from an ineffective one. Sensitive and receptive leaders who are also perceived as being fair can play the role of an ombudsperson, whom the employees can reach out to and share their problems with, thus, contributing to an open and trusting culture at work.

Results show that Svadharma-orientation is negatively related to trust, which is surprising. A possible reason could be that, the scale having been developed and standardized abroad does not capture trust, as it would be defined in India. In addition, the culture effect is possibly more pronounced because the companies studied were traditional Indian companies that have been in existence for at least fifteen years and hence the Indian ethos might have been very strong. Indians are relationship-oriented (Sinha, 1995) and therefore, trust in a leader would depend upon the kind of relation and social bond between the subordinate and the leader rather than on dimensions like competence, discreetness, and consistency. This is possibly why individualized consideration is the only variable showing any positive relationship with two dimensions of trust and more specifically, receptivity, which captures this aspect.

In India, leaders tend to be looked upon as paternalistic father figures because of the high dependency proneness and preference for hierarchy among Indians (Sinha, 1995). This preference manifests itself in a strong status-orientation where seniors are respected and obeyed, and this deference is more a function of the leaders' position than his or her capabilities or self-sacrificial behavior. Thus, it is possible that if the scale



had measured respect and deference for the leader, it would have been a better predictor of trust.

This is however not to say that competence of the leader does not matter. According to Singh and Bhandarker (1990), a transformational leader must be hardworking (duty) and work tirelessly for the organization without any thought of personal cost (sacrifice). However, what is important is not only being sincere but being perceived as such. Hence, it is possible that since both the MLQ and the Svadharma-orientation scales were filled in by the supervisors, the leaders perceived themselves to be transformational and Svadharma-oriented, but the perception of the subordinates could be different. In addition, it is possible that when leaders sacrifice their personal interests and perform their duty conscientiously, their motives are questioned and such behavior may be viewed simply as impression management. In other words, according to Parry (2000), they are doing the right thing (behaving like leaders) but other interactions with coworkers might have led those co-workers to believe that they have unethical intentions, motivations, or tendencies. This is consistent with the finding that approximately one in twenty of the population is an aberrant self-promoter. Hence, in such a case, the more sacrificing and duty-oriented a leader is seen, the more he or she might be distrusted.

### **Limitations**

The sample size was not large enough to be able to generalize these findings. Moreover, the sample was not matched in any respect since the supervisors and subordinates did not belong to any particular management cadre. Hence, the nature of relationship between the subordinate and supervisor could have varied across these 80 pairs and could have affected the results. Further, there were no parameters for selecting subordinates in terms of number of years spent under a manager and therefore, some might have found it difficult to accurately comment upon their manager's trustworthiness. In addition, the scale measuring trust should have been more aligned to Indian culture. Further, the results for transformational leadership and Svadharma-orientation do not capture the followers' perspective which could have differed from that of the leaders', and that could have caused some discrepancy in results.

### **Suggestions for Future Research**

The results of this study are puzzling and therefore more research is necessary to ascertain the relationships between trust, Svadharma-orientation, and transformational leadership. The culture and values of the country of research should be well understood so that one knows how the variables are defined in that culture. Future researchers in this area should carefully select the sample before administering the questionnaires. It is important to realize that the relationship between a

manager and his or her secretary and between a manager and an officer is qualitatively different even though they both report to him or her. The subordinate should have served for at least two to three years under a manager before being eligible to participate in such a research. This would ensure that he or she has had many opportunities to interact with the manager in a variety of situations and hence would be better equipped to answer questions. It would also help if both the leader and the follower answer the transformational leadership and Svadharma-orientation questionnaires so that there is no scope for speculation and further relationships with other variables can be interpreted accurately and without doubt.

### CONCLUSION

Thus, we may conclude from the findings that a leader who is transformational will be more Svadharma-oriented. Further, a leader who is high on individualized consideration will be perceived by his or her subordinates as being more fair and receptive to their needs and hence more trustworthy. However, not receiving positive results for the relationships between trust and Svadharma-orientation or transformational leadership makes one wonder what exactly is needed to build trust in the follower. This finding would be essential for organizations so that they may train their managers accordingly and encourage behaviors that enhance trust.

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## APPENDIX

### Items for measuring Svadharma-orientation

1. My personal gains determine the amount of effort I put into my work (reverse scored).
2. I give my work the topmost priority.
3. I would willingly forego a pay raise if it helps my organization in times of financial hardships.
4. I always have the interests of my subordinates and the organization at heart when I carry out my responsibilities.
5. In order to accomplish the tasks entrusted to me, I am willing to sacrifice my self-interests if the need arises.
6. It is my responsibility to ensure that the needs of my subordinates are met.
7. I would never compromise on my values in order to meet my goals.
8. My contribution to the organization is more important to me than personal rewards.
9. I do not make any compromises when it comes to work.