

Transformational Leadership and Karma-Yoga: Enhancing Followers' Duty-orientation and Indifference to Rewards*

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Abstract

This article attempts to validate James MacGregor Burns's hypothesis that transformational leaders raise followers to higher levels of morality. Morality in the Indian context is conceptualised as *Karma-Yoga*, the Indian work ideal. *Karma-Yoga* is defined as a technique for performing actions such that the soul is not bound by the results of the actions and is operationalised in the form of three dimensions, viz., duty-orientation, indifference to rewards and equanimity. We hypothesised that transformational leaders move followers towards the Indian

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work ideal, that is, *Karma-Yoga*, and this relationship is moderated by the duration of the leader–follower relationship and the frequency of leader–follower interaction. We studied 329 executives across India. Regression analysis showed that transformational leadership was significantly related to two of the three dimensions of *Karma-Yoga* (viz., duty-orientation and indifference to rewards). Analysis of split samples of high/low duration of leader–follower relationship and high/low frequency of leader–follower interaction showed that the duration of leader–follower relationship and frequency of leader–follower interaction moderated the relationship between transformational leadership and follower’s *Karma-Yoga* such that high duration of leader–follower relationship and high frequency of leader–follower interaction enhanced the impact of transformational leadership on follower’s *Karma-Yoga*.

Keywords

Transformational leadership, *Karma-Yoga*, moral development, Indian culture

A crucial question often asked in leadership research is ‘What is *good* leadership?’ The word *good* is interpreted in two ways. First, we want our leaders to be effective and second, we want our leaders to be ethical. While it is easy to judge the effectiveness of leadership, judging the ethics of leadership is not so easy (Ciulla, 1995). The two normative theories of leadership, which describe *good* leadership in terms of ethical or moral leadership, are James MacGregor Burns’s theory of transformational leadership and Robert K. Greenleaf’s theory of servant leadership. The ethical aspects of both these theories have not been sufficiently explored. In addition, various studies have emphasised cross-cultural differences in leadership behaviour and its effects on followers (Abdalla and Al-Homoud, 2001; Dastmalchian, Javidan and Alam, 2001; House, Javidan and Dorfman, 2001; Pasa, Kabasakal and Bodur, 2001). In this study, we investigate the moral aspects of James MacGregor Burns’s theory of transformational leadership within the Indian context using *Karma-Yoga*, which is the Indian work ideal and the paradigm for socio-spiritual development in India.

James MacGregor Burns's Theory of Transformational Leadership

James MacGregor Burns's treatise on leadership is the best, most influential and prominent work on leadership (Ciulla, 1995; Smith, 1995). According to Burns (1978), transforming leadership occurs when leaders engage with followers in such a way that 'leaders and followers raise one another to higher levels of motivation and morality' (Burns, 1978, p. 20). Hence, the crucial task of transformational leaders is to raise the awareness and consciousness of their followers to higher levels of conduct and morality.

In the last 30 years, a number of studies have shown significant relationships between transformational leadership and desirable organisational outcomes. However, there have been very few studies (for example, Bono and Judge, 2003; Dvir, Eden, Avolio and Shamir, 2002; Shamir, Zakay, Breinin and Popper, 1998) which have investigated the role of transformational leadership in the moral development of followers. One of the reasons for this could be a lack of clarity among leadership scholars on what constitutes moral development. Thus, it is still not clear if transformational leadership leads to lasting transformation in the followers (House and Aditya, 1997, p. 443).

Attempts at Validation of Burns's Concept of Moral Development

Burns was most concerned with the potential of leaders to raise followers to higher levels of motivation and morality. However, what exactly did Burns mean by the terms 'motivation' and 'morality'? In order to explain the process of follower development, Burns (1978) cited the work of social scientists like Adler, Maslow, Piaget, Erikson, Rokeach and Kohlberg. Specifically, he described three interrelated frameworks along which the transformation occurred—the hierarchy of needs, the structure of values and the stages of moral development (Burns, 1978, p. 428). That is, the effect of transformational leadership was to move

followers to higher levels in Maslow's hierarchy of needs (like self-actualisation), towards more socially oriented values and towards post-conventional moral judgement. Despite Burns's emphasis on moral development of followers being the distinguishing characteristic of transformational leadership, there have been few attempts at empirical validation of this claim. The main reason for this could be the lack of agreement on what constitutes moral development and the difficulty in measurement of moral development.

Unlike the other measures of leadership effectiveness, an empirical validation of follower development is difficult because moving from one moral stage to another could take years (Dvir et al., 2002). Hence, scholars have tried a number of alternative ways of conceptualising follower development to validate Burns's (1978) proposition.

A Self-concept based Theory of Follower Development (Shamir, House and Arthur, 1993)

Bass (1999) defined a transformational leader as one who moved the follower beyond immediate self-interests. According to him, the ultimate test for truly transformational leaders is that they 'foster in followers higher moral maturity'; and 'they move followers to go beyond their self-interests for the good of their group, organization, or society' (Bass, 1998a, p. 171). These follower behaviours cannot be explained using the traditional, rational, individualistic motivation theories. Hence, Shamir et al. (1993) proposed a self-concept based theory of follower motivation. According to this theory, leaders link efforts and goals to valued aspects of followers' self-concepts. In addition, leaders change the importance of values and identities within the followers' self-concepts such that socially based values and identities become more salient and hence are more likely to lead to action. An attempt to validate this theory was done by Shamir, Zakay, Breinin and Popper (1998); however, the theory received only partial support. The study found that leaders' emphasis on collective identity was related to: (i) subordinates' identification with and trust in the leader and their work units and (ii) motivation and willingness to sacrifice for the work unit. Another attempt to validate the effects of transformational leadership in terms of higher motivation and

self-engagement was done by Bono and Judge (2003) using the self-concordance model. Self-concordance (the extent to which a job-related task expresses the followers' authentic interests and values) was found to be an outcome of transformational leadership and in turn it led to follower satisfaction and organisational commitment (Bono and Judge, 2003). A study by Sparks and Schenk (2001) of multilevel marketing organisations showed that transformational leadership led to the followers' belief in the higher purpose of their work, which in turn led to cohesion, satisfaction, effort and performance.

Three Domains of Follower Development: Motivation, Morality and Empowerment (Dvir et al., 2002)

Based on the initial conceptualisation of transformational leadership by Burns (1978) and Bass (1985, 1998b), Dvir et al. (2002) identified three domains of follower development as motivation (defined in terms of satisfaction of followers' self-actualisation needs and extra effort by followers); morality (defined in terms of internalisation of the organisation's moral values and collectivistic orientation); and empowerment (defined in terms of critical independent approach, active engagement and self-efficacy). In a field experiment, transformational leadership was found to have a significant relationship with followers' extra effort, collectivistic orientation, critical independent approach and self-efficacy (Dvir et al., 2002).

Constructive/Developmental Theory

In an attempt to explain the internal processes, which generate the actions of transformational and transactional leaders, Kuhnert and Lewis (1987) use constructive/developmental analysis.

Constructive developmental psychology—'the study of the development of our construction or meaning-making activity'—applies to the developing person throughout the lifespan (Kegan, 1980, p. 373). Constructive developmental psychology is based on the fundamental principle that human beings create meanings, which shape their experiences

and determine their behaviour. While individuals are unique in making meanings, all meaning-making systems have an underlying structure which is based on the developing person's distinction between self and other or between subject and object (Kegan, 1980). This theory is used to propose a framework through which transformational and transactional leaders develop through changing organisational and perceptual structures (Kuhnert and Lewis, 1987). Specifically, three types of leaders are explained using the constructive/developmental approach. First, lower-order transactional leaders have their own personal goals and agendas as a frame of reference, which is used to evaluate their experiences. Second, higher-order transactional leaders use interpersonal connections and mutual obligations as a frame of reference. Finally, transformational leaders are able to objectively evaluate their personal goals, agendas, interpersonal connections and mutual obligations because they use personal standards and value systems as the means to organise and evaluate their experiences (Kuhnert and Lewis, 1987). Even though the theory is used by Kuhnert and Lewis (1987) to explain leader development, constructive/development theory being a general theory of human development can be used as a theoretical perspective to evaluate the development of both leaders and followers (Kuhnert and Lewis, 1987, p. 655).

A Comprehensive Model of Moral Development

Moral development concerns the growth in the ability of an individual 'to understand the difference between right and wrong, to care about the difference between them, and to act on the basis of this understanding' (Parker, 1998, p. 267). Thus, the development in moral reasoning is a necessary yet insufficient factor in producing moral action (Thoma, Rest and Davison, 1991). According to James R. Rest's four component model of human behaviour, moral behaviour is the result of at least four component processes: (i) moral sensitivity (interpreting the situation and identifying a moral problem); (ii) moral judgement (figuring out what one ought to do and formulating a plan of action that applies the relevant moral standard or ideal); (iii) moral motivation (evaluating how the various courses of action serve moral or non-moral values and deciding which action a person actually will attempt to pursue); and (iv) moral

character/implementation (executing and implementing the moral course of action). The development of moral reasoning, which is often confused with moral development, is thus just one of the determinants of moral behaviour (Narvaez and Rest, 1995; Rest, Thoma and Edwards, 1997; Thoma et al., 1991) and hence is only weakly related to moral behaviour outcomes.

The four components represent internal processes involving different kinds of cognitive–affective interactions, which together predict moral behaviour. Individuals may be proficient or deficient in one or more of these components. For example, one person may show great sensitivity but poor judgement skills while another may have excellent judgement but fail to have the ego-strength to follow through, and yet a third may have great tenacity to implement simple-minded judgements (Narvaez and Rest, 1995). Since Burns's (1978, 2003) primary test of authentic transformational leadership was 'real intended change' that addressed the deepest human needs, it is not sufficient that the analysis of moral development be limited to moral judgement. Instead, the study of leadership outcomes must include all the four components of moral development.

The Role of Culture in Defining Moral Development

Like all other areas of human behaviour, the theory of moral reasoning has also been subjected to extensive cross-cultural research. Typical research questions include the universal existence of Kohlberg's stages, the universal nature of the sequence of the stages, impact of societal culture on moral development and the rate at which development occurs in different cultures (Eckensberger, 1994). Even though Kohlberg originally described his theory as 'universal', it has shown some limitations in its application across different cultures (Eckensberger, 1994) especially in the higher stages of moral development (Snarey, 1985). Some studies have also focused on the interaction of moral development, political ideology and religious ideology on attitudes towards real life issues (Narvaez, Getz, Rest and Thoma, 1999).

In this review, we have identified five dimensions along which moral reasoning differs in different cultures. First, cultures differ on the relative

emphasis given to self-derived principles and collective solidarity (Fu, Cameron, Xu, Heyman and Lee, 2007; Harkness, Edwards and Super, 1981; Snarey, 1985; Snarey, Reimer and Kohlberg, 1985; Tietjen and Walker, 1985; White, Bushnell and Regnemer, 1978). Second, some cultures consider moral behaviour as an aspiration or personal choice while others may consider it an obligation or duty (Hamilton, Blumenfeld, Akoh and Miura, 1990; Miller, Bersoff and Harwood, 1990). Third, some cultures may prescribe alternative post-conventional codes such as those relating to interpersonal responsibilities rather than justice obligations (Bersoff and Miller, 1993; Miller and Bersoff, 1992; Shweder, Mahapatra and Miller, 1987). Fourth, depending on their view of the nature of man, society and the world, cultures may differ in the extent to which they distinguish between moral norms and social conventions (Ferns and Thom, 2001; Miller et al., 1990; Nisan, 1987; Shweder, Mahapatra and Miller, 1987; Song, Smetana and Kim, 1987). Finally, cultures differ in their perception of the ultimate beneficiary of moral action. While some cultures decide the moral status of actions depending on harm to others, other cultures base their judgements of morality based on the harm done to the agent (Chinmayananda, 1989; Haidt, Koller and Dias, 1993; Shweder, Much, Mahapatra and Park, 1997).

Since the essence of leadership is taking followers to a higher level of moral development, beyond 'everyday wants and needs and expectations' (Burns, 1978, p. 46), understanding cultural perspectives on moral development is crucial to the study of leadership. Cross-cultural studies of moral development have shown the limitations of a universal model for all societies (Eckensberger, 1994; Narvaez et al., 1999; Shweder, Mahapatra and Miller, 1987; Snarey, 1985). Similarly, leadership research has also highlighted the need for developing culturally relevant models of leadership (Dumdum, Lowe and Avolio, 2002; House and Aditya, 1997; House, Javidan and Dorfman, 2001; Lowe and Gardner, 2000).

Culture represents the innermost assumptions and ideals of a group of people. Hence, culture can constitute a yardstick to determine what constitutes a better place and what constitutes *right* and *wrong* (Shweder, Mahapatra and Miller, 1987; Shweder, Much, Mahapatra and Park, 1997). Thus, growth or development implies movement from a lower state to a higher, more preferred state in line with the ideals and aspirations of a group of people. These ideals are derived from a people's culture, which

represents their deepest assumptions and beliefs about the nature of humankind, nature of the world and the goals of life (Krishnan, 2003). Even Burns accepted that manifestations of human needs 'vary widely from culture to culture' (Burns, 1978, p. 72).

Karma-Yoga: The Indian Work Ideal

In the Indian context, the Bhagavad-Gita is the scripture which provides answers to the basic questions of who we are and what our goals ought to be, and it has inspired generations of Indians (Prabhavananda, 1960; Vivekananda, 1972). The path recommended by the Bhagavad-Gita is *Karma-Yoga* (Gandhi, 1946/2001; Tilak, 1915/2000; Vivekananda, 1972, Vol. 1, p. 53; Vol. 5, pp. 246, 249). Hence, achieving excellence in *Karma-Yoga* constitutes the pinnacle of moral development for a person having an Indian world view. However, before one tries to understand *Karma-Yoga*, it is important to understand the fundamental beliefs of Indian philosophy on which the theory of *Karma-Yoga* is based.

Fundamental Beliefs of Indian Philosophy

Despite the numerous schools of thought, three beliefs are fundamental to Indian philosophy (Dasgupta, 1922/1991, p. 71). First, the belief in the *karma* theory, that is, all actions that are done have the power to ordain for their doers joy or sorrow in the future depending on whether the action is good or bad. Often, individuals may be required to take birth in another body to experience fully the joy or suffering that is due to them because of their past actions. The second belief is in the existence of a permanent entity, called *atma* or soul, which is our true unknown nature, pure and untouched by the impurities of our ordinary life. The third belief is about the doctrine of *mukti* or salvation. Since actions lead us through this endless cycle of birth and death, if we could be free of all such emotions or desires that lead us to action, there would be no fuel (in the form of joys or sorrows to be experienced) to propel us into another birth and we would be free of this eternal cycle. Krishnan (2001a) described the four basic components of the Indian world view as: (i) an

understanding of the real nature of this world (theory of *Maya*); (ii) preference for action over inaction; (iii) perceiving the potentially divine nature of oneself and others; and (iv) visualising freedom as the supreme goal of human existence. The Bhagavad-Gita builds on these beliefs and suggests a way out of the cycle of birth and death by selflessly performing one's duties depending on one's position in society.

Construct of Karma-Yoga

The word *karma* comes from the Sanskrit root *kri*, which means doing, affairs or activity and includes all actions that a person performs whether they are of body, speech or mind. The word *yoga* comes from the Sanskrit root *yuj*, which means to join. However, in the Mahabharata it is used in three ways: as a special skill, device, intelligent method or graceful way of performing actions (Gita, Chapter 2, Verse 50); as equability of mind towards success or failure (Gita, Chapter 2, Verse 48); and as the device for eliminating the natural tendency of actions to create bondage (Gita, Chapter 2, Verse 50). Since two of the definitions of *yoga* speak of the relationship of *yoga* with action, the terms *yoga* and *Karma-Yoga* are used interchangeably at various instances in the Gita (Tilak, 1915/2000). For the purpose of our article, we will use the word *yoga* to mean 'device or intelligent method' and hence the term *Karma-Yoga* would be 'a technique for intelligently performing actions'.

Since the ultimate goal of all beings is to free the soul from the cycle of birth and death, any method that enables release from this perpetual cycle is preferable to any other method that is likely to bind the human soul to the cycle. Hence, whether *Karma-Yoga* is defined as 'a technique for intelligently performing actions' or 'a technique for performing actions in a manner that the soul is not bound by the effects of the action', it means the same thing (Tilak, 1915/2000).

Dimensions of Karma-Yoga

Mulla and Krishnan (2006) performed a content analysis of the Gita verses using a contemporary version of the Gita (Gandhi, 1946/2001),

and identified the dimensions of *Karma-Yoga* as duty-orientation; indifference to rewards; and equanimity (identified later by Mulla and Krishnan, 2007).

Duty-orientation. The human body has a natural tendency to act. The Gita states that actions motivated by a desire bind the soul into the cycle of birth and death. Hence, the only way one can function in society without being bound by the results of one's actions is when one is totally convinced that all actions are a repayment of past dues. This essentially means fully understanding the obligations or duties we have towards those in our immediate surroundings. In this manner, all actions become a repayment of past debts and the actor is free of any extrinsic motive for the actions. There may be a certain amount of subjectivity on whom we consider ourselves being obligated to depending on the breadth of one's identity. If a person considers herself first and foremost a daughter, she would consider her obligations to her parents are her primary duty. On the other hand, if a person considers herself as a citizen of the country, she may consider her obligations to her fellow citizens her primary duty.

Indifference to rewards. When an individual is able to discriminate between what is eternal (soul) and what is transient (the body) and is able to increasingly identify with the soul, one's actions are more spontaneous and not motivated by any material gratification. Hence, because of identification with one's eternal nature there arises in the individual, an indifference towards outcomes and extrinsic rewards.

In addition, since the outcomes of one's actions are dependant on an elaborate chain of cause and effect, all that is in the individual's control is performance of that action. Hence, one ceases to have a feeling of ownership towards one's actions and believes that the actions happen naturally and the bodily organs are just an instrument for their execution. This lack of ownership for actions coupled with the sense of obligation to others creates a complete disinterest in the mind of the seeker for any form of material or social rewards.

Equanimity. According to the Gita Chapter 2, Verse 14, the senses interact with the material objects of the world and because of these interactions, there is perception of happiness or pain in the mind of the person

experiencing the sense objects. The perception of happiness or pain leads to desire, which is nothing but a wish to experience again or avoid something that has once been experienced by the senses. This desire leads to further interactions of the senses with material objects. Thus, even when the object of desire is enjoyed, our desires are not extinguished; instead, the desires grow like a fire on which oil has been poured (Tilak, 1915/2000).

One way out of this perpetual cycle of desire is the complete annihilation of all desires by the renunciation of all actions. Another method is to be able to control in one's mind the experience of pain and happiness, that is, being neutral to the experiences of our senses (Tilak, 1915/2000).

According to the Gita, when one does what one has to do, with perfect mental control and after giving up the desire for the result and with a frame of mind that is equal towards pain and happiness, there remains no fear or possibility of experiencing the unhappiness of actions. If one can perform actions with such a spirit, it does not become necessary to give up actions. Hence, the Gita recommends that we keep our organs under control and allow them to perform the various activities, not for a selfish purpose, but without desire, and for the welfare of others (Tilak, 1915/2000). Thus, for individuals who believe in the eternal nature of the soul and the inherent divinity of all beings, there develops a sense of equanimity or resilience towards all physical and mental disturbances.

Karma-Yoga and Moral Development

The three dimensions of *Karma-Yoga* are related to the four components of moral development. The first dimension, that is, duty-orientation, is the basis for moral sensitivity as well as moral judgement. A *Karma-Yogi*, who feels a sense of duty or obligation towards others, can understand the needs and feelings of others. The sense of duty also provides the basis for moral judgement. By empathically responding to the needs of the situation and the time, the *Karma-Yogi* identifies his or her appropriate duty as the right course of action. The second dimension of *Karma-Yoga*, indifference to rewards provides moral motivation, enables a *Karma-Yogi* to perform actions selflessly without any expectation of

extrinsic or intrinsic rewards. The third dimension of *Karma-Yoga*, equanimity, enables the *Karma-Yogi* to stick to the decided moral course of action without being carried away by troubles and temptations in the path of duty and thus it constitutes moral character.

Validation of the Karma-Yoga Construct

Earlier studies have validated the *Karma-Yoga* construct with each of the four dimensions of moral development.

Moral sensitivity. Moral sensitivity is the ability to interpret a situation and identify a moral problem. It involves the skills of empathy and role taking with respect to individuals affected by one's actions (Narvaez and Rest, 1995). Mulla and Krishnan (2008) validated *Karma-Yoga* with dimensions of empathy and showed that empathic concern (that is, other-oriented feelings of sympathy and concern) was related to *Karma-Yoga* only for individuals who were low on personal distress (that is, self-oriented feelings of personal anxiety and unease).

Moral judgement. Moral judgement is the ability to judge which action in a given situation is morally right and which is wrong. At each level of moral judgement, the individual has a different set of assumptions about the world. Kohlberg's theory of moral development is based on the Kantian assumption of an autonomous asocial individual who is the starting point of society. On the other hand, the Indian culture considers social units and social duties the starting point of society (Shweder, Mahapatra and Miller, 1987). Perhaps for this reason, Indians give more importance to interpersonal responsibilities as compared to justice obligations (Miller and Bersoff, 1992). Another illustration of this principle is that Indians are found to be more likely than Americans to be tolerant of breaches of justice due to a person's vulnerability to contextual influences (Bersoff and Miller, 1993). Mulla and Krishnan (in preparation) found that individuals high on *Karma-Yoga* were also high on conventional moral reasoning. In addition, *Karma-Yoga* was not related to post-conventional moral reasoning.

Moral motivation. Moral motivation is the motivation to select a moral value over other values (Narvaez and Rest, 1995). Rokeach (1973) considered terminal values to be of two kinds—those that are self-focused called personal values, and those that are others-focused called social values. Krishnan (2001b) showed that transformational leaders gave higher importance to others-focused social values like ‘a world at peace’, ‘a world of beauty’, ‘equality’, ‘national security’ and ‘social recognition’. Like the terminal values, instrumental values are also of two kinds—those which when violated arouse pangs of conscience or feelings of guilt for wrongdoing called moral values, and those which when violated lead to feelings of shame about personal inadequacy called competence or self-actualisation values (Rokeach, 1973).

Mulla and Krishnan (2007) validated the dimensions of *Karma-Yoga* using Rokeach’s (1973) universal values and found that individuals who were rated high on *Karma-Yoga* showed a distinct terminal value system which was characterised by a high emphasis on other-oriented values like ‘a world at peace’ as compared to self-oriented values such as ‘mature love’. Individuals rated low on *Karma-Yoga* showed exactly the opposite prioritisation of these values. High *Karma-Yoga* individuals also gave a significantly stronger emphasis on the other-oriented value of ‘national security’. In addition they found that individuals who scored high on *Karma-Yoga* rated ‘being responsible’ as the most important amongst the list of 18 instrumental values of Rokeach’s scale. Responsibility means being dependable and reliable. Individuals who are highly duty oriented are likely to be highly responsible and dependable. High *Karma-Yoga* individuals also rated the value of ‘obedience’, significantly higher than low *Karma-Yoga* individuals. Both these values are moral values and are likely to arouse feelings of guilt if they are violated. In contrast, low *Karma-Yoga* individuals rated being ‘broadminded’ as significantly higher than high *Karma-Yoga* individuals. In fact for low *Karma-Yoga* individuals, it was more important to be ‘broadminded’ rather than to be ‘responsible’. In other words, this would mean that individuals low on *Karma-Yoga* would be easily distracted by novel ideas and actions as compared to fulfilling their prior obligations. Another interesting observation in the aggregate value systems of the two groups is that for low *Karma-Yoga* individuals, being ‘forgiving’ (rank = 15) was more important than being ‘obedient’ (rank = 18). On the other hand,

for high *Karma-Yoga* individuals, being 'obedient' (rank = 10) was more important than being 'forgiving' (rank = 17).

Moral character. Moral character or implementation calls for self-confidence, self-efficacy, perseverance and tenacity in being able to work around problems and unexpected difficulties in implementing the desired course of action. Implementation includes being able to resist distractions and keep sight of the final goal (Narvaez and Rest, 1995).

Conscientiousness, as defined in Merriam-Webster's Online Dictionary is an adjective meaning one that is 'governed by or confirming to the dictates of conscience' (conscientiousness, 2010; that is, 'the sense of moral goodness or blameworthiness of one's own conduct, intentions, or character together with a feeling of obligation to do right or be good'; conscience, 2010). The personality factor of conscientiousness which is part of the Big-Five model of personality (Goldberg, 1990) comprises of the facets of competence, order, dutifulness, achievement striving, self-discipline and deliberation (Costa and McCrae, 1995) and is a good measure of moral character.

Mulla and Krishnan (2006) validated *Karma-Yoga* using two facets of the personality trait of conscientiousness, viz., dutifulness and achievement striving, using hierarchical regression and a test for moderation. They found that a belief in the basic tenets of Indian philosophy enhanced duty-orientation, and indifference to rewards enhanced life satisfaction. There was moderate support for their hypothesis that dutifulness was more strongly related to *Karma-Yoga* when achievement striving was low than when it was high.

When taken together these four studies (Mulla and Krishnan, 2006, 2007, 2008, in preparation) validate *Karma-Yoga* against the four dimensions of moral development, viz., moral sensitivity, moral judgement, moral motivation and moral character. Thus, *Karma-Yoga* shows good potential as an alternative model for moral development in the Indian context.

Based on these studies, the *Karma-Yogi* comes across as an individual, who highly values the welfare of others, who is empathic and who can understand the feelings and emotions of others without getting personally ruffled, who makes decisions based on interpersonal responsibilities, and who executes his or her duty without worrying about personal achievements.

Transformational Leadership and Follower's Karma-Yoga

Transformational leaders motivate followers to go beyond their self-interests (Bass, 1998a, 1999), by making socially based values and identities more salient (Shamir et al., 1993). Thus, followers start identifying with their work unit and show an increased willingness to sacrifice for the work unit (Shamir et al., 1998). By making the follower's identity as a member of the collective more salient, leaders activate a sense of duty or obligation in their followers. For example, during the Indian independence struggle, the Indian leaders strived to make the identity of being an Indian more salient as compared to other individual and family identities thereby motivating the Indian people to make great personal sacrifices for the nation. Additionally, by motivating followers to sacrifice for their work units, leaders stimulate followers' actions, which are not motivated by extrinsic rewards. Finally, leaders increase self-efficacy and collective efficacy thereby making followers resilient to transient difficulties in taking actions (Shamir et al., 1993).

Hypothesis 1. Transformational leadership is positively related to follower's *Karma-Yoga*.

Duration of Relationship and Frequency of Interaction

Moral development of followers is a process that takes time (Dvir et al., 2002) and occurs when leaders actively engage with followers to challenge old assumptions, and resolve conflicts within followers' value structures (Burns, 1978, p. 42). One of the components of followers' transformation is value congruence, which results in greater satisfaction over a period of time (Krishnan, 2005a). Specifically, it was found that the relationship between transformational leadership and cognitive outcomes is moderated by the duration of the leader–follower relationship (Krishnan, 2005b). Also social network proximity is a key determinant enabling similarity in attributions of charisma, and convergence of attribution of charisma over time (Pastor, Meindl and Mayo, 2002).

Hypothesis 2a. Duration of the leader–follower relationship moderates the relationship between transformational leadership and follower's *Karma-Yoga* such that increased duration will strengthen the relationship.

Hypothesis 2b. Average frequency of leader–follower interaction moderates the relationship between transformational leadership and follower’s *Karma-Yoga* such that increased frequency of interaction will strengthen the relationship.

Method

Participants

The participants in this study were 329 executives, with age ranging from 22 years to 60 years (median age = 34 years), working in cities all over India, across diverse industries such as automobile manufacturing, banking and financial services, engineering, media, retail and software. The sample included 278 male and 47 female respondents (4 undisclosed). The total work experience of the respondents ranged from 8 months to 45 years (median = 12 years) and the work experience with their current organisation ranged from 3 months to 40 years (median = 8 years).

Measures

For measuring *Karma-Yoga*, we used the 18-item scale developed by Mulla and Krishnan (2006, 2007). The scale for *Karma-Yoga* consists of three subscales of six items each, viz., duty-orientation, indifference to rewards and equanimity. Reliabilities for the duty-orientation subscale have been found to be adequate with Cronbach alphas ranging from 0.69 to 0.73 (Mulla and Krishnan, 2006, 2007). Reliabilities for indifference to rewards subscale have been found to be adequate with Cronbach alphas of about .68 (Mulla and Krishnan, 2006). The reliability of the equanimity subscale had been found to be low (Cronbach alpha = 0.50; Mulla and Krishnan, 2006), and hence the items have been modified for the purpose of this study. The respondents were asked to answer the *Karma-Yoga* scale by indicating the degree of their agreement or disagreement to the 18 items on a five-point scale (0 = strongly disagree; 1 = disagree; 2 = neither agree nor disagree; 3 = agree; 4 = strongly agree).

The short version of the multifactor leadership questionnaire (MLQ) of Bass and Avolio (1995) was used to measure transformational leadership as perceived by the followers. Five factors of transformational leadership—idealised influence (attributed), idealised influence (behaviour), inspirational motivation, intellectual stimulation and individualised consideration—were measured through four items per factor. The respondents were asked to answer the MLQ by judging how frequently their manager displayed the behaviours described in the questionnaire, using a five-point scale (0 = not at all; 1 = once in a while; 2 = sometimes; 3 = fairly often; 4 = frequently, if not always).

The duration of the leader–follower relationship was measured in months. The frequency of interaction was measured in terms of 12 categories, that is, more than once every day, once a day, four times a week, thrice a week, twice a week, once a week, once a fortnight, twice a month, once a month, once a quarter, once in six months and once a year.

Data Analysis

The reliabilities of the dimensions of transformational leadership were found to be satisfactory, and Cronbach alphas of idealised influence (attributed), idealised influence (behaviour), inspirational motivation, intellectual stimulation and individualised consideration were 0.81, 0.75, 0.83, 0.73 and 0.71 respectively. There was a significant ($p < 0.01$) positive correlation between the five transformational leadership dimensions mentioned earlier. The mean of the five dimensions was taken as the score for transformational leadership. The Cronbach alpha for the all the transformational leadership items taken together was 0.94.

The reliabilities of the dimensions of the *Karma-Yoga* scales were quite low. The Cronbach alphas of the duty-orientation, indifference to rewards and equanimity scales were 0.54, 0.63 and 0.36 respectively and the Cronbach alpha of the complete *Karma-Yoga* scale consisting of 18 items was 0.64. The reliability of the duty-orientation scale was improved (Cronbach alpha = 0.62) by dropping three items and the reliability of the indifference to rewards scale was improved (Cronbach alpha = 0.68) by dropping two items. The *Karma-Yoga* dimension of equanimity was

dropped from the further analyses since its reliability could not be improved. Since the correlation amongst the two dimensions of *Karma-Yoga* was low ($r = 0.22, p < 0.00$), the dimensions were not combined and all analyses were done on the individual dimensions separately.

Results

Table 1 presents descriptive statistics (means and standard deviations) for and correlations between all variables in the study.

Transformational Leadership and Follower's Karma-Yoga

Transformational leadership was not related to any of the demographic variables, viz., age, sex, qualifications, work experience and work experience in current organisation. Both dimensions of *Karma-Yoga*, viz., duty-orientation and indifference to rewards, were related to age, work experience (in years) and tenure in the organisation (in years) such that increase in each of these three variables led to an increase in *Karma-Yoga*.

We performed regression analysis for the two dependent variables, viz., duty-orientation and indifference to rewards, separately. The results of the regression analyses are reported in Tables 2 and 3 respectively.

As shown in Table 2 transformational leadership was significantly related to follower's duty-orientation such that higher transformational leadership led to higher duty-orientation in the follower. Among the control variables, only work experience was significantly related to follower's duty-orientation. Transformational leadership was also positively related to follower's indifference to rewards (refer Table 3). However, none of the control variables was related to follower's indifference to rewards.

Moderation by Duration of Leader–Follower Relationship

Out of the entire sample, 321 respondents had mentioned the duration of their relationship with their managers. The moderation by duration of the

Table 1. Means, Standard Deviations, Cronbach Alphas and Correlation Coefficients

| Variable | M | SD | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|--------------------------------|-------|-------|--------------------|-------------------|--------|--------|-------|--------|--------|------|
| 1. Duty-orientation | 3.09 | 0.67 | (0.62) | | | | | | | |
| 2. Indifference to rewards | 2.68 | 0.75 | 0.22** | (0.68) | | | | | | |
| 3. Transformational leadership | 2.58 | 0.78 | 0.24** | 0.10 [†] | (0.94) | | | | | |
| 4. Age | 36.32 | 9 | 0.13* | 0.21** | 0.04 | | | | | |
| 5. Sex | 1.14 | 0.35 | -0.09 [†] | 0.05 | -0.05 | -0.06 | | | | |
| 6. Work experience | 14.05 | 8.94 | 0.18** | 0.23** | 0.06 | 0.89** | -0.05 | | | |
| 7. Tenure | 10.05 | 8.86 | 0.17** | 0.19** | 0.04 | 0.78** | -0.06 | 0.74** | | |
| 8. Duration of relationship | 25.40 | 31.25 | 0.01 | 0.05 | 0.04 | 0.21** | -0.02 | 0.22** | 0.21** | |
| 9. Frequency of interaction | 5.78 | 4.98 | -0.11 | -0.05 | -0.15 | 0.20** | 0.07 | 0.11* | 0.02 | 0.07 |

Notes: N varies from 321 to 329. Cronbach alphas are in parenthesis along the diagonal.

Sex: Male = 1 and Female = 2.

[†] $p < 0.10$, * $p < 0.05$, ** $p < 0.01$.

Table 2. Impact of Transformational Leadership on Follower's Duty-orientation

| Dependent Variable | Independent Variables | B | SE B | β |
|-----------------------------|--|-------|------|---------|
| Follower's duty-orientation | Transformational leadership | 0.20 | 0.04 | 0.24** |
| | Age (years) | -0.01 | 0.01 | -0.23 |
| | Sex (Male = 1 & Female = 2) | -0.16 | 0.11 | -0.08 |
| | Work experience (years) | 0.02 | 0.01 | 0.28* |
| | Tenure (years) | 0.00 | 0.00 | 0.11 |
| | Duration of leader-follower relationship | -0.00 | 0.00 | -0.03 |
| | Frequency of leader-follower interaction | -0.01 | 0.00 | -0.07 |

Notes: $N = 306$. Adjusted $R^2 = .10$. $F = 5.95^{**}$

$^{\dagger}p < .10$, $*p < .05$, $**p < .01$.

Table 3. Impact of Transformational Leadership on Follower's Indifference to Rewards

| Dependent Variable | Independent Variables | B | SE B | β |
|------------------------------------|--|-------|------|-------------------|
| Follower's indifference to rewards | Transformational leadership | 0.09 | 0.05 | 0.09 [†] |
| | Age (years) | -0.00 | 0.01 | -0.01 |
| | Sex (Male = 1 & Female = 2) | 0.16 | 0.12 | 0.07 |
| | Work experience (years) | 0.01 | 0.01 | 0.21 |
| | Tenure (years) | 0.00 | 0.00 | 0.05 |
| | Duration of leader-follower relationship | -0.00 | 0.00 | -0.00 |
| | Frequency of leader-follower interaction | -0.00 | 0.00 | -0.06 |

Notes: $N = 306$. Adjusted $R^2 = .05$. $F = 3.47^{**}$

$^{\dagger}p < .10$, $*p < .05$, $**p < .01$.

leader-follower relationship was tested in two ways. First, we conducted regression analyses with duty-orientation and indifference to rewards as the dependent variables and transformational leadership, relationship duration and the interaction term as the independent variables. In both cases the duration term as well as the interaction term was not significant.

Second, the sample of 321 respondents was arranged in ascending order of the duration of their relationship with their managers. The minimum duration of relationship was 1 month, the maximum duration of relationship was 278 months and the median duration of relationship was 17 months. The sample of 321 respondents was divided into two parts depending on the duration of their relationship with their managers. The 162 respondents whose duration of relationship was less than or equal to 17 months were called 'low duration' and the 159 respondents whose duration of relationship was greater than 17 months were called 'high duration'. Separate regression analyses were performed on low duration and high duration pairs to determine the relationship between transformational leadership and the two dimensions of *Karma-Yoga*. The results of the four regressions are shown in Table 4.

As seen in Table 4, the relationship between transformational leadership and both the dimensions of *Karma-Yoga* (viz., duty-orientation and indifference to rewards) become stronger for high duration leader–follower relationship as compared to low duration leader–follower relationships. This implies that the duration of relationship between the

Table 4. Impact of the Duration of Leader–Follower Relationship on the Relationship between Transformational Leadership and *Karma-Yoga*

| | Low Duration of Leader–Follower Relationship (Relationship Duration Less than or Equal to 17 Months) N = 162 | High Duration of Leader–Follower Relationship (Relationship Duration Greater than 17 Months) N = 159 |
|--|--|--|
| Impact of transformational leadership on follower's duty-orientation (dependent variable = duty-orientation) | $\beta = .17$ ($p = .02$) | $\beta = .34$ ($p = .00$) |
| Impact of transformational leadership on follower's indifference to rewards (dependent variable = indifference to rewards) | $\beta = .09$ ($p = .22$) | $\beta = .12$ ($p = .11$) |

leader and the follower moderates the relationship between transformational leadership and follower's *Karma-Yoga*. Hence, Hypothesis 2a is supported.

Moderation by Frequency of Interaction

Out of the entire sample, 321 respondents had mentioned the frequency of their interactions with their managers. The moderation by frequency of interaction was tested in two ways. First, we conducted regression analyses with duty-orientation and indifference to rewards as the dependent variables and transformational leadership, frequency of interaction and the interaction term as the independent variables. In both cases the frequency term as well as the interaction term was not significant.

Second, the sample of 321 respondents was arranged in ascending order of the frequency of interaction with their managers. The minimum frequency of interaction was 'once a year' (coded as 1), the maximum frequency of interaction was 'more than once every day' (coded as 12) and the median frequency of interaction was 'once a quarter' (coded as 3). The sample of 321 respondents was divided into two parts depending on the frequency of their interaction with their managers. The 159 respondents whose frequency of interaction was less than 'once a quarter' were called 'low frequency' and the 162 respondents whose frequency of interaction was greater than or equal to 'once a quarter' were called 'high frequency'. Separate regression analyses were performed on low frequency and high frequency pairs to determine the relationship between transformational leadership and the two dimensions of *Karma-Yoga*. The results of the four regressions are shown in Table 5.

As seen in Table 5, the relationship between transformational leadership and follower's duty-orientation becomes stronger for high frequency of leader–follower interaction as compared to low frequency of leader–follower interaction. This implies that frequency of leader–follower interaction moderates the relationship between transformational leadership and follower's duty-orientation. However, the strength of the relationship between transformational leadership and follower's indifference to rewards did not change in the desired direction when the

Table 5. Impact of the Frequency of Leader–Follower Interaction on the Relationship between Transformational Leadership and *Karma-Yoga*

| | Low Frequency of Leader–Follower Interaction (Frequency Less than 'Once a Quarter') N = 159 | High Frequency of Leader–Follower Interaction (Frequency Greater than or Equal to 'Once a Quarter') N = 162 |
|---|--|--|
| Impact of transformational leadership on follower's duty-orientation (dependent variable = duty-orientation) | $\beta = .15$ ($p = .04$) | $\beta = .28$ ($p = .00$) |
| Impact of transformational leadership on follower's indifference to rewards (dependent variable = indifference to rewards) | $\beta = .12$ ($p = .11$) | $\beta = .02$ ($p = .77$) |

results of the regressions for the two groups (that is, high and low frequency of leader–follower interaction) were compared. Hence, Hypothesis 2b was only partly supported.

Discussion

The results of this study give some support for our hypothesis that transformational leadership enhances followers' *Karma-Yoga*. Of the three dimensions of *Karma-Yoga*, we found that transformational leadership enhances the duty-orientation of the followers and followers' indifference to rewards. The relationship between transformational leadership and follower's duty-orientation was stronger ($\beta = 0.24$, $p < 0.01$) than the relationship between transformational leadership and follower's indifference to rewards ($\beta = 0.09$, $p < 0.10$).

This implies that transformational leaders make followers more duty oriented and more indifferent to rewards. This is in line with the reasoning that transformational leaders motivate followers to go beyond their self-interests by making socially based values and identities more salient

(Bass, 1998a, 1999; Shamir et al., 1993). By making the follower's identity as a member of the collective more salient, leaders activate a sense of duty or obligation in their followers and this in turn makes followers indifferent towards material rewards.

We found that the duration of the leader–follower relationship moderates the relationship between transformational leadership and follower's *Karma-Yoga*. Longer duration of the leader–follower relationship enhances the strength of the relationship between transformational leadership and follower's *Karma-Yoga*. Similarly, we found that the frequency of leader–follower interaction moderates the relationship between transformational leadership and follower's duty-orientation. Hence, the evidence from this study shows that transformational leaders increase follower's *Karma-Yoga*. In addition, we find that the extent of increase of follower's *Karma-Yoga* because of transformational leadership is increased over a period of time as the duration of the leader–follower relationship matures and due to increased leader–follower interactions.

Limitations

The study did not show any support for equanimity as a distinct dimension of *Karma-Yoga* and the relationship between transformational leadership and followers' indifference to rewards was weak. Thus, out of the three dimensions of *Karma-Yoga* (viz., duty-orientation, indifference to rewards and equanimity), transformational leadership was strongly related only to duty-orientation. One of the reasons for this could be the interrelationships amongst the three dimensions of *Karma-Yoga*.

Sense of duty or obligation towards a larger collective constitutes the core of *Karma-Yoga*. The other two dimensions (indifference to rewards and equanimity) are perhaps consequences of duty-orientation or *Karma-Yoga*, which manifest over time. For example, if A borrows money from B, then A feels a sense of obligation (duty-orientation). Later when A is making efforts to return the borrowed amount back to B, A will not be affected by any pain or pleasure that is encountered in the process of repayment (equanimity). Finally, when A has repaid B, then A will not expect to be praised or rewarded by B (indifference to rewards) since whatever was done by A was out of a sense of duty or obligation

towards B. In other words, duty-orientation of *Karma-Yoga* will enhance indifference to rewards and equanimity after some time. These relationships can be empirically tested through longitudinal studies or experiments.

A second area for improvement is the measurement of *Karma-Yoga*. The existing self-report scale has low reliability and is susceptible to self-report bias (Podsakoff and Organ, 1986), and the use of a common instrument to measure the independent and dependent variable makes this study susceptible to common method variance (Podsakoff and Organ 1986; Podsakoff, MacKinzie, Lee and Podsakoff, 2003). In future, studies on this theme must explore objective ways of measuring *Karma-Yoga* and seek to measure the follower's development over a longer period.

This study was done on a predominantly male sample and even though there does not seem to be any strong correlation between sex of the follower and *Karma-Yoga*, it is not clear if the findings of this study can be generalised to a more balanced sample. Hence, further studies should investigate whether *Karma-Yoga* can account for moral development equally in males and females.

Managerial Implications

The belief that 'good' leadership is a universal construct valid across cultures is increasingly being challenged by various studies highlighting cross-cultural differences in leadership behaviour and its effects on followers (Abdalla and Al-Homoud, 2001; Dastmalchian, Javidan and Alam, 2001; House, Javidan and Dorfman, 2001; Pasa, Kabasakal and Bodur, 2001). Despite cultural differences, organisations are united in their quest for efficiency of their human resources which is manifested in the form of high employee productivity and lower employee turnover (Huselid, 1995). This study conceptualises *Karma-Yoga* (operationalised at duty-orientation and indifference to rewards) as an outcome of transformational leadership in the Indian context. Our empirical findings support the hypothesis that transformational leadership enhances followers' duty-orientation and indifference to rewards. These findings support the beneficial effects of transformational leadership in bringing about desirable work outcomes in the Indian context. Organisations should strive to

develop transformational leadership at all levels in order to achieve a productive and committed workforce.

In addition, the findings show that relationship duration played a major role in the relationship between transformational leadership and its positive outcomes. In other words, only when followers interact with leaders over a long period of time the positive effects of transformational leadership (in terms of moral development) are able to manifest. In this study, the average duration of the leader–follower relationship was about two years, which is quite representative of the general condition of the industry. In organisations with high employee turnover such as software, telecom and other service industries, the duration of the relationship may be even lesser. This severely limits the potential of transformational leaders in the organisation to positively affect their followers. In order to ensure longer leader–follower relationship durations, organisations must strive for longer durations (especially when follower’s satisfaction with the leader–follower relationship is high) or must ensure that individuals move in pairs across assignments.

Conclusion

Validating Burns’s (1978) hypothesis that transformational leadership leads to the moral development of followers in the Indian business context is fraught with challenges. The most significant challenge is the long duration of relationship required for the followers’ moral development. Individuals in organisations are typically mature adults in the age group of 25 to 55 years and are recipients of multiple influences from various sources. From these multiple influences, we must be able to detect the impact of the manager who may have known the individual for not more than a couple of years at the most. The next significant challenge is to be able to define moral development, a highly culture bound variable in the Indian context. This is especially difficult, because Indians are a highly heterogeneous lot and they may vary on the extent to which they are influenced by Western thoughts and ideals. Finally, even after we have understood the ideals of Indian managers, we have the task of adequately measuring their moral development and making it suitable for

empirical analysis. In the midst of these challenges, this study is a small attempt to show the way towards the validation of Burns's hypothesis. Further studies are required using alternative Indian/Western models of moral development on larger samples with longer relationship durations to understand this phenomenon completely.

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