

DO TRANSFORMATIONAL LEADERS RAISE FOLLOWERS TO HIGHER LEVELS OF  
MORALITY? VALIDATING JAMES MACGREGOR BURNS' HYPOTHESIS IN THE INDIAN  
CONTEXT USING KARMA-YOGA

Using a sample of 329 executives in India, this study shows that transformational leadership is positively related to two dimensions of followers' Karma-Yoga or moral development—duty-orientation, and indifference to rewards. Duration of leader-follower relationship moderates the effect on both the dimensions of Karma-Yoga, and frequency of leader-follower interaction moderates the effect on duty-orientation.

Creating knowledge in the new economy requires developing leadership at all levels. 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 secondly 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' theory of transformational leadership and Robert K. Greenleaf's theory of servant leadership. In this study, we investigate the moral aspects of Burns' 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' Theory of Transformational Leadership**

James MacGregor Burns' 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' (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 thirty years, a number of studies have shown significant relationships between transformational leadership and desirable organizational outcomes. However, there have been very few studies (e.g. Bono & Judge, 2003; Dvir, Eden, Avolio, & Shamir, 2002; Shamir, Zakay, Breinin, & 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 & Aditya, 1997: 443).

## **Attempts at Validation of Burns' 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 (p. 428). That is, the effect of transformational leadership was to move followers to higher levels in Maslow's hierarchy of needs (like self-actualization), towards more socially oriented values, and towards post-conventional moral judgment. Despite Burns' 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 conceptualizing follower development to validate Burns' (1978) proposition.

Shamir, House, and Arthur (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 et al. (1998); however, the theory received only partial support. 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 lead to follower satisfaction and organizational commitment (Bono & Judge, 2003).

Based on the initial conceptualization of transformational leadership by Burns (1978) and Bass (1985, 1998b), Dvir et al. (2002) identified three domains of follower development. The domains identified were- motivation, defined in terms of satisfaction of followers' self-actualization needs and extra effort by followers; morality, defined in terms of internalization of the organization'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).

## **The Role of Culture in Defining Moral Development**

The essence of leadership is taking followers to a higher level of moral development, beyond 'everyday wants and needs and expectations' (Burns, 1978: 46). Cross-cultural studies of moral development have shown the limitations of a universal model for all societies (Eckensberger, 1994; Narvaez, Getz, Rest, & Thoma, 1999; Shweder, Mahapatra, & Miller, 1987; Snarey, 1985). Similarly, leadership research has also highlighted the need for developing culturally relevant models of leadership (Dumdum, Lowe, & Avolio, 2002; House & Aditya, 1997; Lowe & Gardner, 2000; Pillai, Scandura, & Williams, 1999).

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, & Miller, 1987; Shweder, Much, Mahapatra, & 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 (1978) accepted that manifestations of human needs 'vary widely from culture to culture' (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, p. 246 & 249). Hence, achieving excellence in Karma-Yoga constitutes the pinnacle of moral development for a person having an Indian worldview. 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: 71). First, the belief in the *karma* theory i.e. 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 (2001) described the four basic components of the Indian worldview 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 (iii) visualizing 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 paper, 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) identified the dimensions of Karma-Yoga using a contemporary version of the Gita (Gandhi, 1946/2001). Each verse was content analyzed and classified into three categories viz. activities prescribed to reach the ideal state (69 verses); description of the ideal state of a person (145 verses); and outcomes on achieving the ideal state (76 verses). Since, Karma-Yoga describes the path to reach the ideal liberated state through work, Mulla and Krishnan (2006) further analyzed the types of activities prescribed to reach the ideal state. They found that five types of activities were described in the Gita: devotion to god or seeing god in all beings (22 verses); performing actions without attachment (16 verses); meditation or focusing on the soul (10 verses); being neutral to opposites, or keeping senses under control (10 verses); and doing one's duty in society (8 verses). They considered three of those five activities—performing actions without attachment, being neutral to opposites, and doing one's duty in society—as comprising Karma-Yoga.

The essence of Karma-Yoga is given in the Gita (Radhakrishnan, 1948/1993) Chapter 2, Verse 47, which says, 'To action alone hast thou a right and never at all to its fruits; let not the fruits of action be thy motive; neither let there be in thee any attachment to inaction.' This verse of the Gita is also mentioned by Tilak (1915/2000: 895) as giving the entire import of Karma-Yoga in a short and beautiful form. Later in the Gita (Radhakrishnan, 1948/1993, Chapter 3, Verses 12, 13, and 16), Arjuna is told that persons who survive on this earth and use its resources without working are living in sin, and hence all beings are obliged to work selflessly in order to fulfill their duty towards the world. Hence, based on the results of the content analysis and the interpretation of the Gita verses, Karma-Yoga was taken as made up of three dimensions: duty-orientation; indifference to rewards; and equanimity.

**Duty-orientation.** The 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 others. In this manner, all actions become a repayment of past debts and the actor is free of any extrinsic motive for the actions.

**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 i.e. 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**

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: 267). Thus, the development in moral reasoning is a necessary but insufficient factor in producing moral action (Thoma, Rest, & Davison, 1991). According to Rest's four component model of human behavior, moral behavior is the result of four component processes: (i) moral sensitivity (interpreting the situation and identifying a moral problem); (ii) moral judgment (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 behavior (Narvaez & Rest, 1995; Rest, Thoma, & Edwards, 1997; Thoma et al., 1991) and hence is only weakly related to moral behavior outcomes.

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

The three dimensions of Karma-Yoga are related to the four components of moral development. The first dimension, i.e. duty-orientation is the basis for moral sensitivity as well as moral judgment. 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 judgment. 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, which 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 & Rest, 1995). Mulla and Krishnan (2008) validated Karma-Yoga with dimensions of empathy and showed that empathic concern (i.e. other-oriented feelings of sympathy and concern) was related to Karma-Yoga only for individuals who were low on personal distress (i.e. self-oriented feelings of personal anxiety and unease).

**Moral judgment.** Moral judgment is the ability to judge which action in a given situation is morally right and which is wrong. At each level of moral judgment, 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, & Miller, 1987). Perhaps for this reason, Indians are found to possess a post-conventional moral code in which interpersonal responsibilities are perceived to be as principled as justice obligations and may be given precedence over justice obligations (Miller & Bersoff, 1992). Another illustration of this principle is that Indians were found to be more likely than Americans to be tolerant of breaches of justice due to a person's vulnerability to contextual influences (Bersoff & 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 & 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 (2001a) 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-actualization 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 characterized 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 prioritization 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 instrumental value. 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* 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*. 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 & 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" (i.e. "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;" Merriam-Webster Online Dictionary, 2007). 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 & 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 & Krishnan, 2006; 2007; 2008; in preparation) validate Karma-Yoga against the four dimensions of moral development viz. moral sensitivity, moral judgment, 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, 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. 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: 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, & 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 (four 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 organization 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 .69 to .73 (Mulla & Krishnan, 2006, 2007). Reliabilities for indifference to rewards subscale have been found to be adequate with Cronbach alphas of about .68 (Mulla & Krishnan, 2006). The reliability of the equanimity subscale had been found to be low (Cronbach alpha = .50; Mulla & 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—idealized influence (attributed), idealized influence (behavior), inspirational motivation, intellectual stimulation, and individualized consideration—were measured through four items per factor. The respondents were asked to answer the MLQ by judging how frequently their manager displayed the behaviors 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 i.e. 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 idealized influence (attributed), idealized influence (behavior), inspirational motivation, intellectual stimulation, and individualized consideration were .81, .75, .83, .73, and .71 respectively. There was a significant ( $p < .01$ ) positive correlation between the five transformational leadership factors. The mean of the five factors was taken as the score for transformational leadership. The Cronbach alpha for the all the transformational leadership items taken together was .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 .54, .63, and .36 respectively and the Cronbach alpha of the complete Karma-Yoga scale consisting of 18 items was .64. The reliability of the duty-orientation scale was improved (Cronbach alpha = .62) by dropping three items and the reliability of the indifference to rewards scale was improved (Cronbach alpha = .



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 ( $r = .22, p < .00$ ), the dimensions were not combined and all analysis was 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.

**Table 1: Means, Standard Deviations, Cronbach Alphas, and Correlation Coefficients**

Variable	<i>M</i>	<i>SD</i>	1	2	3	4	5	6	7	8
1. Duty-orientation	3.09	.67	(.62)							
2. Indifference to rewards	2.68	.75	.22**	(.68)						
3. Transformational Leadership	2.58	.78	.24**	.10 <sup>†</sup>	(.94)					
4. Age	36.32	9	.13*	.21**	.04					
5. Sex	1.14	.35	-.09 <sup>†</sup>	.05	-.05	-.06				
6. Work Experience	14.05	8.94	.18**	.23**	.06	.89**	-.05			
7. Tenure	10.05	8.86	.17**	.19**	.04	.78**	-.06	.74**		
8. Duration of relationship	25.40	31.25	.01	.05	.04	.21**	-.02	.22**	.21**	
9. Frequency of interaction	5.78	4.98	-.11	-.05	-.15	.20**	.07	.11*	.02	.07

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

Sex: Male = 1 and Female = 2

<sup>†</sup>  $p < .10$ , \*  $p < .05$ , \*\*  $p < .01$ .

**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 organization. Both dimensions of Karma-Yoga viz., duty-orientation and indifference to rewards were related to age, work experience (in years), and tenure in the organization (in years).

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 Table 2 and Table 3 respectively.

As shown in Table 2 transformational leadership was significantly related to follower's duty-orientation such that higher transformational leadership leads 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.

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

Dependent Variable	Independent Variables	<i>B</i>	<i>SE B</i>	$\beta$
Follower's duty-orientation	Transformational leadership	.20	.04	.24**
	Age (years)	-.01	.01	-.23
	Sex (Male = 1 & Female = 2)	-.16	.11	-.08
	Work experience (years)	.02	.01	.28*
	Tenure (years)	.00	.00	.11
	Duration of leader-follower relationship	-.00	.00	-.03
	Frequency of leader-follower interaction	-.01	.00	-.07

Note. *N* = 306. Adjusted  $R^2$  = .10.  $F$  = 5.95\*\*

†  $p < .10$ , \*  $p < .05$ , \*\*  $p < .01$ .

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

Dependent Variable	Independent Variables	<i>B</i>	<i>SE B</i>	$\beta$
Follower's indifference to rewards	Transformational leadership	.09	.05	.09†
	Age (years)	-.00	.01	-.01
	Sex (Male = 1 & Female = 2)	.16	.12	.07
	Work experience (years)	.01	.01	.21
	Tenure (years)	.00	.00	.05
	Duration of leader-follower relationship	-.00	.00	-.00
	Frequency of leader-follower interaction	-.00	.00	-.06

Note. *N* = 306. Adjusted  $R^2$  = .05.  $F$  = 3.47\*\*

†  $p < .10$ , \*  $p < .05$ , \*\*  $p < .01$ .

**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 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.

**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) <i>N</i> = 162	High Duration of Leader-Follower Relationship (relationship duration greater than 17 months) <i>N</i> = 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)	$\beta = .09$ ( $p = .22$ )	$\beta = .12$ ( $p = .11$ )

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

**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”) <i>N</i> = 159	High Frequency of Leader-Follower Interaction (frequency greater than or equal to “once a quarter”) <i>N</i> = 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)	$\beta = .12$ ( $p = .11$ )	$\beta = .02$ ( $p = .77$ )

## 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 ( $\beta = .24, p < .01$ ) than the relationship between transformational leadership and follower’s indifference to rewards ( $\beta = .09, p < .10$ ).

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.

The study did not show support for equanimity as a distinct dimension of Karma-Yoga and did not validate the moderating role of frequency of leader-follower interaction on the relationship between transformational leadership and follower’s indifference to rewards. 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 sometime. These relationships can be empirically tested through longitudinal studies or experiments.

Validating Burns' (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 organizations 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' 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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