CHAPTER-I

Introduction

The study is centrally concerned with the changes in motivations and leadership styles in the emerging scenario at public sector banks. As far as the work culture, motivations and leadership styles at public sector banks are concerned, they have gone through a huge change in the post liberalization period.

Indian banks entered into very exciting and challenging phase under the impact of Narasimham Committee recommendations which have definitely far reaching implications on the organisational structure and operations of the banking systems in India. Indian banks are now required to adhere to international standards in respect to capital adequacy, income recognition, asset classification, investment management, accounting practices and procedures, which are very crucial in the emerging environment of competition and globalisation. The key changes so far as the banker is concerned are liberalization of the economy, globalisation, technology explosion, consumer supremacy, profitability crunch and competitive pressure. These factors are interlinked as they influence and are influenced by one another. Today, Indian customer is extremely aware of what his counterpart is enjoying in term of quality of banking, with respect to promptness in service delivery (facilitated by Tele-banking, internet banking and computerization in banks), increased transparency and customer orientation. With the entry of foreign banks and principal institutions into the banking arena, the expectation levels are going to go up still further leaving no option for the existing public sector banks, but drastically upgrade the quality of the services and simultaneously up-grading the skills of their human resource.
Under the changed banking scenario, the Indian banker's strategic response to the challenge has to be wide ranging. It will have to look at its organisation structure, the systems, the processes and to bring about necessary changes. But most of all, it has to equip and rally around its men to meet the challenges. Accordingly, the human resource practices in banks, have become even more critical. We all know, a challenge is also an opportunity. The Indian banker has to grab this opportunity and grab it fast before the competition overtakes them. Since in a service industry like banking the basic input is men, human resource development emerges as the single most important element of the bankers' strategic response to the challenge of change.

Moreover, a beginning has been made in providing autonomy for nationalized bank, with a view to improve productivity, efficiency and profitability in development of sound financial operations. The issue of autonomy of public sector banks requires greater operational freedom to ensure adequate flexibility according to the employees' needs of the bank, reshuffling of branches by way of closure/mergers of unviable branches, to develop more number of specialised branches, freedom in regard to the recruitment of staff so that the bank can recruit based on their needs reducing operational cost, reorganizing of branches, regions, zones and head office administration leading to leaner and thinner administration. In addition to that suitable updating of technology to suit the needs of individual banks so as to cater to the customer needs and the perceived satisfaction is also on the agenda.
The post liberalization period:

Liberalization and de-regulation process initiated by the Indian Government in early nineties has completely changed the face of the Indian banking industry. The entry of new private sector banks with the state-of-the-art technology and lean structures has forced the old private-sector and public-sector banks to respond to the new challenges with aggressive restructuring measures. The past five years have seen the public sector banks rapidly introducing new products and services, computerization and networking key branches, rationalizing manpower and launch a number of initiatives to improve operating efficiencies. To survive and thrive in the long run, banks need to pursue strategies that enable them to develop resources that are inimitable, rare, durable and superior to competitors.

Historical background:

Organized banking was active in India since the establishment of the General Bank of India in 1786. After independence, the Reserve Bank of India (RBI) was established as the central bank and in 1955, the Imperial Bank of India, the biggest bank at the time, was taken over by the government to form state-owned State Bank of India (SBI). RBI had undertaken an exercise to merge weak banks to strong banks and the total number of banks thus reduced from 566 in 1951 to 85 in 1969. With the objective of reaching out to masses and meeting the credit needs of all sections of people, the government nationalized 14 large banks in 1969 followed by another 6 banks in 1980. This period saw enormous growth in the number of branches and the banks' branch network became wide enough to reach the weakest sections of the society in a vast country like India.
SBI's network of 9033 domestic branches and 48 overseas offices is considered to be one of the largest for any bank in the world. The economic reforms unleashed by the government in early nineties included banking sector too, to a significant extent. Entry of new private sector banks was permitted under specific guidelines issued by RBI. A number of liberalization and de-regulation measures aimed at consolidation, efficiency, productivity, asset quality, capital adequacy and profitability have been introduced by the RBI to bring Indian banks in line with International best practices. With a view to giving the state-owned banks operational flexibility and functional autonomy, partial privatisation has been authorized as a first step, enabling them to dilute the stake of the government to 51 per cent. The government further proposed, in the Union Budget for the financial year 2000-01, to reduce its holding in nationalized banks to a minimum of 33 per cent on a case by case basis.

Industry Structure:

As of March 31, 2003, there were a total of 289 scheduled commercial banks in India. The following Table gives the banking measures of deposits, advances and net profit as at March 31, 2003 for the key constituents namely, public sector banks, private sector banks (new - which came into existence after liberalization of nineties and old - which were in existence from before), foreign banks and regional rural banks. Even though regional rural banks number 196, they have a minuscule share of 3.4 per cent of customer deposits and 3 per cent of net profit of the industry total. Similarly, the older private sector banks are mostly regional players and enjoyed a small share. The public sector banks including dominate the industry with 77 per cent share of the deposits and 70 per cent share of net profit. Public
sector banks still command a very high share of close to 50 per cent share of the total industry in terms of deposits.

Foreign Banks and New Private Sector Banks

Though the new private sector banks and foreign banks have a lower share in customer deposits (8.2 per cent and 4.9 per cent respectively), they command a higher share of the net profit (9.8 per cent and 10.4 per cent respectively). Due to restrictions on branch expansion, foreign banks traditionally focused their operations on the top 25 cities of the country. However, they differentiated their operations by focusing on premier customers and set superior standards in productivity, customer service and operating efficiencies by using state-of-the-art technology. Global best practices were introduced and practiced. More importantly (as we will discuss later), they built durable competencies by attracting the best manpower, building proprietary technologies and processes and by building strong brand image. The new private sector banks modeled their strategies after the foreign banks. They built much larger branch networks than foreign banks, though small by comparison to public sector banks and pose, by far, the greatest challenge to the dominance of public sector banks.
Table 1: Structure of the Indian Banking Industry, March 31, 2003

<table>
<thead>
<tr>
<th>Bank Group</th>
<th>No. of Banks</th>
<th>Deposits</th>
<th>Advances</th>
<th>Profit</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.a Public Sector Banks</td>
<td>27</td>
<td>10,794</td>
<td>5,463</td>
<td>123</td>
</tr>
<tr>
<td>Share (per cent)</td>
<td>9.3</td>
<td>73.9</td>
<td>72.1</td>
<td>68.9</td>
</tr>
<tr>
<td>1.b Nationalised Banks</td>
<td>19</td>
<td>8,986</td>
<td>3,501</td>
<td>78</td>
</tr>
<tr>
<td>Share (per cent)</td>
<td>6.5</td>
<td>49.0</td>
<td>47.2</td>
<td>44.2</td>
</tr>
<tr>
<td>2.a Private Sector Banks</td>
<td>21</td>
<td>914</td>
<td>494</td>
<td>12</td>
</tr>
<tr>
<td>Share (per cent)</td>
<td>7.3</td>
<td>6.5</td>
<td>5.3</td>
<td>7.0</td>
</tr>
<tr>
<td>2.b New Pvt. Sec. Banks</td>
<td>27</td>
<td>813</td>
<td>413</td>
<td>177</td>
</tr>
<tr>
<td>Share (per cent)</td>
<td>12.5</td>
<td>4.9</td>
<td>10.4</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign Banks in India</td>
<td>36</td>
<td>693</td>
<td>522</td>
<td>18</td>
</tr>
<tr>
<td>Share (per cent)</td>
<td>12.5</td>
<td>4.9</td>
<td>10.4</td>
<td></td>
</tr>
</tbody>
</table>

Total Pvt. Sec. Banks (1+2)  | 65           | 2,387    | 1,911    | 44     |
Share (per cent)            | 22.8         | 10.7     | 22.2     |        |

Total Comm. Banks (3+4)     | 93           | 13,559   | 7,405    | 171    |
Share (per cent)            | 32.2         | 98.6     | 97.1     | 97.0   |

Regional Rural Banks (5)    | 196          | 489      | 216      | 15     |
Share (per cent)            | 67.8         | 3.4      | 2.9      | 1.0    |

Total of all Banks (7)      | 289          | 14,042   | 7,623    | 175    |
Share (per cent)            | 100.0        | 100.0    | 100.0    |        |
The public sector banks had to face a tough challenge when the new private sector banks made their entry in early nineties. The new banks had the benefit of starting on a clean slate and had started with state-of-the-art technology which in turn helped them save on man power costs and provide better services. On the other hand, the older banks had not kept up-to-date with technology and were facing competition of this kind for the first time. How did the public sector banks respond to the new competition?

Introduction of new products and services:
Many of the public sector banks launched an array of products and services, especially on the retail front, to match the competition. Some of the new products include debit cards, credit cards, international cards, special deposits, sweep-in accounts, demat accounts and any-where-banking. Some of the new services include round-the-clock phone-banking, Automated Teller Machines (ATMs), inter-city, inter-branch banking, net-banking and bill payment services. Many public sector banks have even launched their own asset management companies to offer mutual fund services to their customers.

Computerization and networking of branches:
Banks invested aggressively in computerization and networking of branches. Almost all the public sector banks, on date have fully computerized branches. All The banks under study have fully computerized branches to have the best of customer service, and operational efficiency. Initially there was some problem in training of the banking staff at various banks, but not things seems to be under control.
Installation of ATM networks

All the banks in the country have made heavy investments in the installation of large networks of ATMs. As of March 2003, SBI had a network of 1305 ATMs, Canara Bank had 282 ATMs, Corporation Bank had 475 ATMs to match the ATM network of private sector banks such as HDFC Bank and ICICI Bank. ATMs proved a tremendous success by reducing the load on branches significantly as, apart from carrying out routine transactions such as cash withdrawal etc, customers can avail such services as transfer of funds and payment of utility bills by visiting any of the ATMs located conveniently.

Risk Management and Capital Adequacy

Many public sector banks were saddled with large non-performing assets (NPAs) and suffered from low capital adequacy. Banks have since put in place stringent Risk Management Systems to address not only credit risk, but also market risk and other operational risks. There have been attempts to systematically recover from defaulting customers and make adequate provisions for NPAs. Many Banks have raised capital either on their own strengths or with the help of government’s infusion of capital to raise the capital adequacy levels to meet prudential norms. All these measures resulted in a much better financial structure for the older banks compared to the position a decade back.

Most of the public sector banks have focused their efforts on the above strategies and a cursory glance at the management reports in any of the latest Annual Reports of these banks would reveal lengthy discussions of the improvements achieved on these fronts. It is easy to observe that most of the above strategies can be categorized as measures to improve operational
efficiencies and effectiveness. Most of the above can be replicated by any competitor with adequate capital at its disposal. They are me-too strategies. The only advantage is the time required by the competitor to implement them, which too does not yield any long-term advantage. While all these measures to improve operational efficiencies are certainly necessary to survive the competition, they are by no means sufficient. These are what are typically called by organisational behaviorists as 'hygiene factors'. The realization of the fact that the above measures do not provide any distinctive advantages is reinforced by the recent announcements by many banks to share their ATM networks. On February 10, 2004, the largest public sector bank SBI and two of its largest private sector competitors HDFC Bank and UTI Bank announced plans to share their ATM networks for the combined benefit of all their customers. In fact, if the ATM networks did not provide any distinct strategic advantage it raises a key question as to whether these banks should have outsourced the whole networks to a third party in the first place.

Competing on Valuable Resources
If the above strategies are merely measures to improve operational effectiveness, then what strategies should banks follow to gain a sustainable competitive advantage? The current thinking in Strategy Research advocates those strategies that generate valuable resources to the firm. Every bank has a collection of physical and intangible assets and capabilities that it has developed over a period of time. These can be broadly termed as 'resources' and each company's or bank's unique stock of resources is the basis for its competitive advantage. For example, possession of a wide network of interconnected branches is a resource for a bank. A resource is termed
‘valuable’, if it possesses some characteristics, which we will elaborate later, that make it very difficult or impossible for competitors to acquire. Possessing such valuable resources lends a bank a sustainable competitive advantage because it becomes very hard or sometimes impossible for competing banks to acquire similar resources. Hence successful strategies are those that enable banks to acquire such valuable resources which cannot be competed away.

For the resource to be valuable it should be scarce or rare. A prime example of such resources is the Human Resources. The best quality manpower is very limited in number and is scarcely available. For a service industry such as banking where human resources form a significant source of value addition, possession of excellent quality manpower generates a key competitive advantage. Our research focuses on this key area, as predominantly banking industry is part of service industry. In public sector banks the state of affaires is not very encouraging, as they require a huge mental upheaval to remove the age old human resource practices in the system.

Hence, in addition to pursuing strategies that keep them up-to-date on operating efficiencies, public sector banks have to pursue strategies that generate inimitable, scarce, durable and superior resources. It is not possible to propose a generic list of best resources that are applicable to all banks because no two banks are alike and each bank may possess its own stock of unique and valuable resources. Each bank has to conduct a detailed internal assessment to identify what are its unique assets and capabilities that can serve as valuable resources.
Two choices for consideration are brand image and a wide network of branches. In multiple customer surveys, the brand recollection and positive image of SBI has come out to be so strong that it is comparable to many well-known consumer brands. This is a valuable resource that SBI could continuously nurture and build into a strong competitive advantage. Many other older banks such as Bank of Baroda, Bank of India, Indian Bank etc., which are currently bigger than many private sector banks may find themselves rapidly losing market share if they do not invest in building strong brands.

Another resource that is potentially valuable is the wide network of branches that public sector banks possess. For example, SBI, Bank of India and Indian Bank have a network of 9033, 2550 and 1377 branches respectively, compared to HDFC Bank’s 278 branches. While the large branch networks of older banks are currently being looked at as a liability, they can be potentially a very valuable resource. It will take many, many years for any of the private sector banks to build such a wide-spread network. It is possible for the older banks to try and find ways to leverage on their branch network in rural areas in ways that a new bank will find difficult to match. A winning strategy has to be unique and different. Each bank can find its own set of valuable resources that can be the foundation for winning strategies.
Leadership:

The traces of leadership can be found in the most ancient scriptures of human endeavors. In Ramayana and Mahabharata, Rama and Krishna were two great leaders, who changed fate of millions during their time because of their exemplary leadership. Over the centuries the Indians have witnessed the emergence of great leaders such as ‘Kautilya’, ‘Kanishka’, followed by Muslim rulers such as ‘Humayun’, ‘Akbar’, and ‘Orangjeb’, then in the pre independence period ‘Rani Lakshmi Bai’, ‘Tipu Sultan’, ‘Tatya Tope’, ‘Subhash Chandra Bose’, ‘Mahatma Gandhi’, ‘Lala Lajpat Rai’ etc proved their prowess.

As a whole, leadership has been a feature of human interaction since the dawn of time, although the word ‘leadership’ was coined in 1818 (Rost, 1991). Historical scriptures portray a large number of great leaders around the world, who have left their mark. Rost (1991) claims that a true study of leadership was impossible until there was a concrete concept to describe it, and certainly the area has been considerably explored by social scientists, management researchers and many others from a variety of academic disciplines only since the beginning of the twentieth century.

Although the study of leadership has followed many paths, thereby taking into consideration many facets of human interrelationships, the area of leadership styles and motivation and that too in Indian public sector banking needs a great deal of exploration. This was the idea which tempted the researcher to undertake the same for his research project.

The major objective of the study is to study the present position of leadership, its styles and level of motivation in the banking sector. As has been seen leadership styles have kept on changing with the changes in
In an attempt to reach some consensus about what could be generalized from factors common to 'greatness', for instance, the 'great man' idea looked at prominent leaders. This led to 'trait' theories of leadership. Such theories sought to describe specific attributes shared among leaders, their very presence being accounted as suggestive of leadership potential. Researchers working under this paradigm pointed to characteristics essential for effective leadership, but every list of such characteristics propounded was different, and no common set of traits was able to be determined. Without such consensus, the paradigm was essentially flawed. Stogdill (in the classic work originally published in 1974, and which has since been expanded and amended by Bass) compared many studies on traits, but ultimately concluded that they were contradictory and produced no consistent result (Bass, 1990). Perhaps as a result of this inconclusive line of thinking, the emphasis was transformed to behaviour associated with leadership, as distinct from leader personality characteristics. Following this line of thought, universalistic model were suggested, arguing that one or other approach to leadership was, in every circumstance, superior to others: the so called 'one best way' models. Subsequent 'situational' theories have refuted these ideas, judging that either the situation must be amended in order to render a particular leader effective, or else leaders must modify their practices to suit their specific situational context. It can be seen that the 'leader behaviour' and 'situational' leadership models involved a
paradigmatic shift in thinking away from concentration on the leader only and towards the relationship potential between leader and followers. Contemporary views of leadership tend to move even further along the leader/follower relationships continuum, and emphasize those who are led, rather than leaders themselves. This has given rise to an emphasis on the interactive nature of leadership, the social and psychological linkage between individuals. This includes the way in which ‘followers’ attribute leadership powers, characteristics, abilities, competencies, and rights to a leader, how leaders attribute characteristics of success or failure to their subordinates rather than to the situation or their own leadership, and the mutual influence of leaders and followers (Bass, 1990).

Motivation:
Motivation happens to be the most significant aspect of management of human behaviour since the dawn of time. As far as the motivational leadership is concerned it is directly concerned with encouraging or discouraging the subordinates to do or not to do certain acts. Motivation is defined as the willingness to exert high levels of effort toward organisational goals, conditioned by the effort’s ability to satisfy some individual need. While general motivation is concerned with effort toward any goal, we narrow the focus to organisational goals in order to reflect out singular interest in work related behaviour. The three key elements of this definition are – effort, organisational goals, and needs.
The effort element is a measure of intensity when someone is motivated, he or she tries hard. But high levels of effort are unlikely to lead to favorable job performance outcomes unless the effort is channeled in a direction that benefits the organisation (R. Katerberg and G.J. Blau, 1983). Therefore, we
must consider the quality of the effort as well the intensity. Effort that is directed toward, and consistent with the organisational goals is the kind of effort we should be seeking. Finally, we treat motivation as a need satisfying process.

A need, in the business lexicon, means some internal state that makes certain outcomes appear attractive. An unsatisfied need creates tension that stimulates drives within the individual. These drives generate a search behaviour to find particular goals that, if attained, will satisfy the need and lead to the reduction of tension.

So we can satisfy say that motivated employees are in a state of tension. To reduce this tension, they exert effort the greater the tension the higher the effort level. If this effort successfully leads to the satisfaction of the need tension is reduced. But since our interest is in work behaviour and that too in public sector banks in India, this tension reduction effort must also be directed towards achieving the organisational goals at respective banks. Therefore the definition of motivation requires that the individual needs be compatible and consistent with the organisational goals. Where this does not occur, we can have individuals exerting high levels of efforts that actually run counter to the interest of the organisation.

Theories of motivation:

Theories have their own importance in the context of development of literature in a particular area. In the development of motivational literature there have been some important theories, which are more significant than others.
Hierarchy of needs theory:

Propounded by Abraham Maslow, this theory introduced need hierarchy to the business world. Need hierarchy happens to be a landmark document in the development of motivation literature. This particular theory has been subject to intensive research well after its inception. Even on date it happens to be a hugely significant motivational theory, wherever motivation has been referred.

Theory X and theory Y:

- Motivation – Hygiene Theory

Contemporary Theories:

- ERG Theory
- McClelland's Theory of needs.
- Cognitive evaluation theory.
- Goal setting theory
- Reinforcement theory
- Equity Theory
- Expectancy theory

Integrating contemporary theories:

Are they culture bound:

Background of the problem:

Human resource happens to a subject of intensive research and development since the very beginning of the business discipline. Initially, most of the research especially in the area of human resource and within these disciplines like leadership and motivation has been subject to research
mostly from the Western Europe and American academicians. Later on keeping the significance of human element in mind, such studies also got flavor from the researchers across the world. As the business in the twenty first century is dominated by service industry, the research in this particular area has got further impetus. Now service organisations like – banks, Hospitals, IT and ITES, Hotels and Resorts are fighting with the problems of high attrition rates, lapses in customer service and responsiveness to new customers etc. This has put up a challenge to the entire industry especially in the areas of leadership and motivation. We are fighting with a problem of lack of motivation among the new generation and this leads to lack of initiative taking ability, which further leads to leadership related problems.

Statement of the problem:
Leadership, motivation and other HR variables have been subject to research since a long time. There have been innumerable studies in these disciplines. The current study is unique in its nature as through this an attempt is being made to study these variables with respect to banking industry. To be more precise the study belongs to the public sector banks in a developing country i.e. India. So to put forward in simpler words we can say that, the uniqueness of the study can be credited to the context. As India is going through a fast transition phase in the post globalisation era the current study makes an interesting research. In the current study an attempt has been made to find out the status of variables such as Leadership and Motivation in the Indian public sector banks.

Purpose of the study:
India as a country has been subject to huge transition right from its inception as a free nation. In the formative years our policy makers made an attempt to
revamp the lost glory of Indian business through protectionist policies. Over a period of time it led to a sense of complacency in the minds of the business community. It further led to poor customer service and lack of innovation in product and service development. This state of affairs continued for almost four and a half decades and ultimately, under the pressure from IMF, World Bank and GATT India delicensed its economy in a phased manner. This ended up in a pile of foreign multi national companies in this country. The moment foreign MNCs started flooding this country, it became clear that the honeymoon for the domestic companies is over. Contrary to conventional wisdom, Indian companies fought back well above expectations. Indian banks, which formerly were known for their poor service are no exception to this. Under such a scenario, the employees of these banks were under great pressure. The changes in the macro environment were forcing them to change overnight. It was a test of character. Such circumstances demanded, redefinition of leadership and motivation in the banking sector. Through current study an attempt has been made to study these changes and resulting outcomes.

Review of literature

Overview of the Section

The previous section gave an outline view of the setting and purpose of this project, that is, to look at leadership within a theoretical framework in order to ascertain the transferability of such theories internationally. To do this, there is a need to establish a solid foundation of what has been learned in relation to leadership, and motivation. For this purpose, this chapter will take
the form of a critical review of leadership and motivation literature, particularly material published during the last ten year, and will take into account both theoretical and cross-national perspective.

As it is necessary to establish a wide platform as a foundation for focusing on the particular aspects relevant to this study, the earlier part of the chapter will be a wide-angle perspective of leadership and motivation literature. This serves the purpose both of demonstrating the diversity of approaches to leadership and motivation and of showing how relatively little has been done in the area of leadership and motivation.

Development of the academic discipline of leadership

People have evinced an interest in leaders and leadership throughout recorded history, this interest becoming an area of intense scientific study and research during this century (Base, 1990; Jaga, 1982; Yukl, 1989b; Rost, 1991) beginning, according to Fiedler (in Graumann and Moscovici 1986:101), with a study by Lewis Terman in 1904 on the relationship between children’s intelligence and their exhibition of leadership. The contemporary study of leadership permeates many national cultures and many disciplines, including management, educational administration, public administration, psychology, social sciences and politics. The variety of understandings brought to the study by these many perspectives enrich the study of leadership, and should tend to perspectives enrich the study of leadership, and should tend to move it away from domination by any one particular view, and towards a place where paradigms of leadership will develop. A paradigm, defined as standing for “the entire constellation of beliefs, values, techniques and so on shared by the members of a given
"community" (Kuhn, 1970:175) represents the fundamental image of subject matter commonly agreed upon by members of a particular scholarly or scientific community. The multiplicity of concepts of leadership which have remained irreconciled suggests that in the field of leadership research paradigmatic consensus remains elusive. As a result, the range of writing on the subject of leadership is vast, from the intensely theoretic to the "how-to-do-it-better" manuals; from detailed analytical studies to anecdotal reports of leadership achievements; from wide-spanning survey works to narrow-focused detailed accounts. Even if we consider only the major works of the last ten years, the whole gamut is represented.

Several impressive major works review the truly vast range of leadership theory and research, provide insight into the development of leadership as a field of study, and show the enormous variety of approaches which have been taken. These include the classic Bass and Stogdill's Handbook of Leadership by Bass (1990). This work is now in its third edition, the first edition, by Stogdill only, being "an attempt to assemble all the published evidence . . and to summarize the findings" (Bass, 1990:xiv). Leadership in Organizations by Yukl (1989a) has managerial leadership as its primary focus and, though not attempting to summarize everything written on leadership, expounds, comments upon and evaluates the literature deemed most relevant to its objectives in a very valuable manner. Leadership for the Twenty First Century by Rost (1991), is a masterly evaluation of leadership research at the end of the twentieth century, and looks forward to the needs of the next. A fascinating comment on the development of leadership study is provided by the International Leadership Symposia Series by Hunt and various others (1975, 1977, 1979, 1982, 1984, 1988). Another interesting
overview is edited by Graumann and Moscovici (1986, from symposia held by the Study Group on Historical Change in Social Psychology). The particular interest of this volume is its disciplinary origins within the framework of social psychology and its distinctly European orientation. Leadership: Multidisciplinary Perspectives I edited by Kellerman (1984) examines leadership from the vantage point of a wide range of disciplines encompassing psychoanalytic, organizational and political perspectives; the approaches expounded are also wide-ranging, creating a challenging and expansive view of leadership.

Many works do not attempt to review the whole field of leadership study, but share results of valuable research and indicate their own impression of the direction of developments in the field. They are usually liberally illustrated with anecdotal and experimental material, and often have a pragmatic objective of helping the reader understand leadership better, and become a more effective leader. Some of the important contributors in this area, whose works have been widely disseminated, are Adair (1987), Bennis and Nanus (1985), Bennis (1989a, 1989b), Cohen (1990), Hickman and Silva (1984), Hickman (1990), Hilmer (1989), Hitt (1988), Kotter (1988, 1990a, 1990b), and Kouzes and Posner (1988).

Given the scope of the literature, the number of extant propositions regarding leadership may appear confusing because of the disparate directions taken. Theorists have often rejected alternative lines of study, either considering the basic assumptions fundamental to the approaches as being mutually exclusive (Burrell and Morgan, 1979), or through an inability to reconcile another path with their own. Jago (1982) says that to single out one perspective on leadership as having made the greatest
contribution to knowledge of having the greatest practical utility "would appropriately undervalue the very real contributions made in other approaches" (Jago, 1982:330). He suggests that theories should not be regarded as competing, but that since at least some evidence exists in support for each, their existence reveals the conceptual complexity of the area of leadership.

Definitions of leadership

Bass (1990:11-18) and Rost (1991) both considered it essential to draw together and analyze the many definitions used by writers on the topic. Bass examined 7,500 works and concluded that though the definitions are almost innumerable, they do allow for a rough classification scheme.

*Leadership has been conceived as the focus of group processes, as a matter of personality, as a matter of inducing compliance, as the exercise of influence, as particular behaviours, as a form of persuasion, as a power relation, as an instrument to achieve goals, as an effect of interaction, as a differentiated role, as initiation of structure, and as many combinations of these definitions.*

(Bass, 1990:11)

He considers that the many definitions indicate the progression of thought in leadership theory and research. The particular definition adopted will be determined by the purpose for which it is to be used, which may be:

*To identify the object to be observed*
*To identify a form of practice*
*To satisfy a particular value orientation.*
To avoid a particular orientation or implication for a practice
To provide a basic for the development of theory.

(Bass, 1990:19)

This monumental work showed how very diverse are the perceptions of the whole area of study, and how very wide-ranging the meanings attributed to the concept of leadership had become. Comprehensive analysis of the literature in the field is a daunting task, and of necessity most appreciations of the body of knowledge in the area have been circumspect.

To arrive at any definition is limiting but never the less worth while because of the insights gained during the search. For example, Rost considers definition of the term leadership to be vital to an organized, cohesive study of the topic. He undertook a wide-ranging search of dictionaries, scholarly books and articles on leadership written between 1900 and 1990 for such definitions. He reviewed 587 books, chapters and articles, severely limiting works by the same author, and generally omitting textbooks. No attempt was made to exhaust all the available literature, but there was a deliberate emphasis on books and book chapters as the source. Rost found that definitions of leadership were extremely diverse, and went on to classify and evaluate them. A major point which emerges from his study, and about which he is justifiably outraged, is that many authors writing scholarly books on the subject of leadership refrain from defining their use of the term at all, working from the assumption that everyone understands what they are talking about. Of the 587 works analyzed, 221 defined leadership while 366 did not. In order to aid the study of the topic, he makes a plea for a universally acceptable definition, though Bass (1990) claims such a search is
fruitless, since "the methodological and substantive aspects of leadership in which one is interested" always predetermine the choice of definition (Bass, 1990:18). Rost’s suggested definition for universal acceptance is "Leadership is an influence relationship among leaders and followers who intend real changes that reflect their mutual purposes" (Rost, 1991:102). This certainly encompasses the common threads running through a host of other definitions, while remaining broad and yet focused enough to be truly useful.

Yukl comments that some difficulty with definition occurs because:

> It is a word taken from the common vocabulary and incorporated into the technical vocabulary of a scientific discipline without being precisely redefined. As a consequence, it still carries extraneous connotations that create ambiguity of meaning.

(Yukl, 1989b:2)

He further claims, as Bass (1990) did, that researchers define leadership according to their own perspective and interests, and hence it would be difficult, if not impossible, to distill the essence of all these definitions into one which would be meaningful and acceptable to all.

A definition of great appeal is by Jago (1982), perhaps because it acknowledges the dichotomous usage of the word leadership as both a characteristic possessed, to greater or lesser extents, by individuals, and as an action or happening in the interrelationships of people:

> Leadership is both a process and a property. The process of leadership is the use of noncoercive influence to direct and coordinate the
activities of the members of an organized group toward the accomplishment of group activities. As a property, leadership is the set of qualities or characteristics attributed to those who are perceived to successfully employ such influence.

(Jago, 1982:315)

In concurrence with very many definitions, the word influence plays a strong part in this definition, successful use of influence, in Jago's view, being what distinguishes a person who demonstrates the characteristic of leadership. His insistence on noncoercive influence shows that Jago makes a clear distinction between the actions of 'leadership' and those of 'domination'.

To describe the quantify the true meaning of leadership in some way, or summarize the research done in the area, would inevitably fain, since approaches have been so diverse, and the quantity of study undertaken so vast. Stogdill's Handbook of Leadership (1974) summarized and interpreted the published research of forty years by studying over there thousand books and articles; this work has, since then, been amended and augmented by Bass, in its latest edition being renamed Bass and Stogdill's Handbook of Leadership (1990). It makes use of 7,500 books and articles, demonstrating the exponential increase in the field of leadership literature since the original edition. The volume of literature is now so immense and varied that some recent writers, for example Miner (1982) and Meindl, Ehrlich and Dukerich (1985) even question the purpose of continuing such research, at least within the current framework, noting the complexities and confusion in the area of study. However, others appear more hopeful, seeing signs of a congruence between some theories, and expectations that a more integrated, holistic
view will emerge (House in Hunt, Baliga, Dachler and Schriesheim, 1988; Bargal and Schmid, 1989).

Historical perspectives on leadership

Literature of the ‘great man’ and ‘trait’ theories

As noted in chapter one, the earliest leadership studies concentrated on studying great leaders of the past, and attempted to define the qualities they held in common. The search for a list of character traits which would promise effective leadership was not successful, and this approach was largely abandoned. As soon as reflection on the various qualities of several effective leaders suggested a set of common characteristics, another leader would come to the attention of the researchers who displayed none of the shared traits, but wholly different ones. Many types of characteristics were studied, including those related to physical appearance, social background, intelligence and ability, personality, task related skills, and social qualities. However, in spite of the commonsense appeal of this approach, a definitive set of characteristics which portrayed or guaranteed leadership effectiveness could never be finalized.

However, some work in this area is proceeding. Fiedler (in Graumann and Moscovici, 1986) considers the importance of intelligence to have been overlooked, and puts forward a cognitive research theory showing the contribution of intelligence and job knowledge in a directive environment with group support. Though not yet well-supported, Fiedler believes this concept to be valid, and to challenge the "uncritical acceptance of participative leadership" (Graumann and Moscovici, 1986:101-114). This is an exciting development, since participative leadership in one from or
another seems to have been most highly favoured by researchers for many years, probably since 1940s. Lord, De Vader and Alliger (1986) also feel the traits approach worthy of exploration, and by reevaluating earlier studies on personality traits using more modern statistical methods show that misinterpretation of earlier results led to a discounting of the importance of some traits, in particular intelligence, masculinity-femininity and domainance, to leadership success.

Bennis (1989a), from a study of US leaders actually engaged in leading, rather than a purely theoretical study, suggests that a list of characteristics needed by future leaders should include broad education, boundless curiosity, belief in people, teamwork, willingness to risk, devotion to long-term growth, commitment to excellence, virtue and vision. These traits are very practically oriented, in line with the practical and encouraging focus of his book./ Yukl (1989a), reviewing Stogdill’s (1974) work on traits, concluded that he (Stogdill) was really discussing skills, and that the skills most often linked to leadership were found to be intelligence, dominance, self-confidence, achievement drive, interpersonal skills and activity. Kouzes and Posner (1988) developed a list of leadership-related skills based on interviews with over 7,500 managers who were asked to say what they looked for or admired in leaders. The result were strikingly consistent. The most admired leaders were reported to be those who were honest, competent, forward-looking and inspiring (with honest outstandingly first on the list), then followed by courageous, straightforward, imaginative, dependable, supportive, caring, cooperative, mature, ambitious, determined, self-controlled, loyal and independent. It seems inaccurate to call these qualities ‘skills’; perhaps the required skills is in the leader’s communicating
to the followers the possession of those qualities. It is not merely the
possession of skills, but the appropriate use of them, which characterizes
effective leadership.

Other studies, not nominally under the heading of ‘traits’ theories, have also
concentrated on traits, but not those actually possessed by leaders or
followers; rather the characteristics attributed to them by the other party on
the basis of observation, of perceived need, or of what the observer feels
‘ought’ to be the characteristics of the leader or follower. For instance, in
some cases a particular outcome may be, after the event, credited to the
leader, whereas in reality it was entirely the result of other factors.

The judgment on whether or not some acts like a leader will be largely
determined by the individual follower’s personal view of what a leader
should act. These theories are more correctly called attributive theories
(Calder, in Jago, 1982; McElroy and Schrader, 1986). Perhaps the supreme
value of the attributive theories is the way they point out the importance of
the interactively and interdependence of leaders and followers, particularly
illuminating the power of the follower in facilitating or inhibiting leadership.
Barnard (in Armstrong, 1988) said:

Employees in a sense delegate upwards to management the authority
for organizational decisions and in so doing legitimize the right of those
above to command those below.

(Barnard, in Armstrong, 1988:3)

This follower power is, I believe, of profound, and neglected, significance.
Where followers willingly and eagerly give the right of command to those in
leadership positions over the,, it could be presumed that acts of leadership would have a far greater likelihood of success and leadership would be judged to be effective. Where leadership seems ineffective, however, the responsibility may well lie not with the quality of that leadership per se, but with the unwillingness of followers to accept leadership and its concomitant authority.

Hilmer (1985) has some interesting light to shed on this with respect to leadership in Australia. He believes that because many of the early pioneers, both convicts and settlers, were forced to work against their will and without personal reward, an attitude of suspicion and employee-employer conflict resulted which, he maintains, has developed into a peculiarly Australian “conscript mindset” existing to this day. Employees influenced by the mindset have low job satisfaction, an underlying attitude of desiring to ‘score’ against the enforcement of work by doing as little as possible for their employers, and perceptions of their managers as demanding unfair and extortionate. The “conscript mindset” present in employers and managers has produced a strongly ‘theory X’ attitude (McGregor, 1960, in Wagner and Hollenbeck, 1992) of autocratic leadership and little tolerance for worker participation in decision-making. Byrt and Masters (1974) claim that a low level of respect for authority exists within Australia, thus corroborating the importance of the concept of attributing right of command to leaders when considering Australian workers. The aspect of attribution may prove significant in the current project when analyzing the differing perceptions of leaders, and attitudes towards them of Australian and South-East Asian Employees.
Since work on leader characteristics within the study of leadership did not produce positive and definitive results, researchers considered not only leader characteristics, real or attributed, but the ways in which leaders behave in relation to their followers. This opened up a new sphere of exploration in the fields of social psychology and organizational behaviour. The need to recognize idiosyncrasy in human behaviour is very much part of contemporary theorizing in leadership, giving rise to concepts of personal linkage between individuals and within groups, and personalizing the process lying at the heart of successful leadership.

The behaviourist tradition in leadership research

A large group of theories, the impetus for which was, perhaps, a sense of disappointment with the lack of consistent evidence on leadership traits, looked to leadership behaviours to attempt to delineate the effective leader. The origing of the work of Misumi, upon which the current study is largely build, lie in this behaviourist context.

The Ohio State University study identified two separate and independent variables *initiation of structure*, (the degree of which the leader defines, organizes and establishes ways of getting the job done) and *consideration*, (the degree of two-way communication, trust, respect and warmth a leader shows). Follow-up studies indicated a high level of consistency and stability in descriptions of each factor. In spite of recognition that these two factors really did not explain all the behaviours of a leader (Bass, 1990:513), this work has dominated questionnaire research into leadership (Yukl, 1989a:74). University of Michigan researchers also explored the are of leader behaviour. Their focus was to identify relationships between leader
behaviour, group process and group performance (Yukl, 1989a:81). They categorized three types of behaviour which differentiated between effective and ineffective managers: task-oriented behaviour, relationship-oriented behaviour and participative leadership. The results resembled those of the Ohio studies, since task-oriented behaviour aligns very closely with initiating structure and relationship-oriented behaviour with consideration (Likert, 1974).

Blake and Mouton’s Managerial Grid was based on these two-factor ideas: a combination of different levels of concern for people and concern for production within a particular leader could result in 81 different positions on the grid, thus showing that leadership behaviour can be extremely varied. They described only five major positions so as to delineate the contrasts, and claimed the superiority of the ‘9,9’ style of leadership, strong in both concern for people and for production simultaneously, in very situation (Blake and Mouton, 1982).

Although most questionnaire studies neglect to test adequately for interaction between the dimensions, some have done so, with mixed and inconclusive results (Larson, Hunt and Osborn, 1976). Misumi’s Japanese studies have found that ‘high-high’ (the PM theory’s equivalent of Blake and Mouton’s ‘9,9’) leaders are usually the most effective, but regard the two factors as interactive (Misumi, 1985). Yukl (1989a:96) suggests that questionnaires cannot adequately test for the interactivity of the dimensions, but that the critical incident method would be very useful for this purpose.

Leader effectiveness has also been analyzed on the basis of the style adopted by the leader towards subordinates. Lewin, Lippitt and White (1939, in Bass,
1990) distinguished between leaders adopting an autocratic, democratic or laissez-faire style of leadership, and concluded that democratic leadership was preferable from both productivity and behavioural perspectives. There was some criticism of the original studies' results on the basis of the national climate of the nation in which they were conducted: it was felt by some that performing such research in a democratic country like the USA would predetermine the superiority of a democratic style of leadership. This was the impetus behind Lewin's approach to leadership researchers in Kyushi University in Japan just after the Second World War to propose research work there and see if similar results were forthcoming. Misumi, then a graduate student, regards Lewin's approach as the "motivating force behind my subsequent devotion to the study of leadership" (Misumi, 1989a:322). His research in the field of leadership began at this point, leading in the course of time to the formulation of his PM theory of leadership (Misumi, 1985) which will be described in more detail later.

Tannenbaum and Schmidt (1958) began the move away from the 'one-best-way' approaches as epitomized in the Blake and Mouton model, advocating consideration of all facets of each situation, suggesting that leaders amend behaviour according to situational contingencies. They suggested that the individual qualities of manager, subordinates and situation should all be considered before deciding which leadership style would be most effective. Thus they linked the behavioural theories to the following group of situational and contingency theories.
Situational or contingency theories

The idea that leadership style of behaviour should alter according to specific demands of particular situations led to a spate of situational or contingency theories. The basic premise of these theories is that no method will always be the best method. Differences in the leader’s personality, followers' personalities, task to be done, urgency and/or importance of the task, degree of task structure, ability and expertise of the followers, and many other factors, will together determine what would be most appropriate and effective within specific situations.

Fiedler’s Contingency Theory has been the most outstanding and long-lived of this group, dominating the scene since 1953. Yet he stand alone in his assertion that anything is easier to change than the characteristics of the leaders, and his method of adaptation hinges on changing the features of the situation to make the specific leader effective. Fiedler’s theory assesses a leader’s style by a questionnaire based upon judgement of a ‘Least Preferred Co-Worker’ (LPC), and attempts to match that style with a suitable combination of leader member relations, task structure and the leader’s position power. The theory’s premise is that the leader’s personal style is fixed, so amendments must be made in the situation to enable that particular leader to become truly effective. It has proved controversial, due to ambiguity in the variables, lack of clarity in the meaning of LPC score and inconsistent validation (Yukl, 1989b; Graen, alvares, Orris and Martella, 1970).

Other situational leadership models suggest that leaders should effect changes in their own behaviours in order to be truly effective. Among these
are House’s path-goal model (1971), Hersey and Blanchard’s situational leadership model (1977), and Vroom and Yetton’s decision-making model (1974). Of these, House’s theory and the Hersey-Blanchard model both focus on the task-oriented and relationship-oriented behaviour idea, while Vroom and Yetton’s model assesses leader effectiveness on the basis of decision-making methods used, since so much of leadership is concerned with decision-making (Smith and Peterson, 1988; Hunt, 1984; Vecchio, 1987; Vroom and Yetton, 1973).

Misumi’s work began with consideration of leadership styles, following Lewin, Lippitt and White, developed along the lines of the Ohio and Michigan studies, and also embraced the contingency approach.

Later models using a contingency approach are interesting and varied. An ‘Operant Conditioning Perspective’, developed from the Skinner learning theories (Sims in Hunt and Larson, 1977), looks at leadership in terms of the shaping of subordinate behaviour by controlling the consequences of behaviours, and the use of rewards and punishments. Interestingly, the use of punishments shows inconsistent results, and is not recommended for that reason, but results for the use of rewards show consistent positive effects.

Along the same lines, the Vertical Dyad Linkage Theory (Graen and Cashman in Hunt and Larson, 1975) emphasizes the relationships developed by a leader with different subordinates, as individuals rather than as a group. The particular interest of this theory is in drawing attention to questions such as whether leadership causes outcomes, or subordinate behaviour and performance cause leader behaviour, or whether there is a mutual impact (Hunt, 1984:21).
Stewart sees leadership as part of a manager’s work and its influence as not only vertical but also lateral (Hunt, Sekaran and Schriesheim, 1982:11-30). She has proposed three classes of variables which affect managerial tasks: demands, constraints and choices. These are contingencies which affect the manager’s influence, and suggest the specific amount and kind of influence appropriate. Hunt and Osborn’s ‘Multiple-Influence Model’ (Hunt, 1984) sees organizational environment, context (size and technology) and structure (all macrovariables) combining with microvariables (conditions within the organization) to affect the manager’s role. They firstly influence leadership behaviour, then combined with that behaviour, impact on the performance and satisfaction of employees. Through a complex model, considering a broad range of contingency variables, it conceptualizes leadership as both affecting outcomes and being affected by contingencies (Hunt, 1984:32). Another complex multi-variable contingency model is Yukl’s ‘Vertical Linkage Model’ (Yukl, 1989a), which portrays situational variables as directly influencing one or more of six intervening variables, while other situational variables determine the relative importance of those intervening variables.

Some of these later contingency models become so complex they are both clumsy to use and difficult to apply (Jago, 1982). While it has been good to see a move away from the more simplistic approaches which only considered one or two factors of variation in any given situation, one feels that the more complex a model becomes, the less usefulness it has to a practicing leader. However, if nothing else, these later theories demonstrate that there are, in any situation, very many moderators to leadership effectiveness.
Leadership and management

There has been longstanding debate about leaders and managers, whether or not the terms are synonymous, and if not, what their true relation is (Bass, 1980; Hitt, 1988; Hunt, Sekaran and Schriesheim, 1982; Hunt, Hosking, Schriesheim and Stewart, 1984; Kotter, 1990a and 1990b; Sayles, 1979; Yukl, 1989a). Yukl claims that “(it) is obvious that a person can be a leader without being a manager, and a person can be a manager without leading” (Yukl, 1989a:4) Bennis and Nanus (1985) Claim the terms are quite disparate. Kotter (1990a) sees them as separate but complementary, summarizing the difference as: “management is about coping with complexity . . . leadership, by contrast, is about coping with change” (Kotter, 1990a:104). Hosking (1988) states that when people talk of leadership they really mean the skill of organizing. Dachler (in Hunt et al 1984) dislikes the tendency of using the terms leadership and management interchangeably, and says:

Whereas both management and leadership refer to complex processes that design, change, develop and direct social systems, leadership is tied to a person, but what that person thinks, does and feels involves a great deal more than simply influencing other people . . . Management, on the other hand, is not tied to any one person or group, but is a social-political-evolutionary-nonlinear and sense-making process . . . a fundamental property of social systems, not of individuals.

(Dachler, in Hunt et al 1984:102)

Dachler’s comments are profound in their impact. The explanation of leadership and management either as synonymous or as subsets of each other
have been intuitively unsatisfying, yet an undeniable link exists between the two processes. Dachler distinguishes leadership as intrinsically personal, a quality or property of a thinking and feeling person, while management is a social systems property. One wonders why it took so long to arrive at so satisfying and clear an explanation.

Managerial roles have occupies a prominent place amongst later leadership theories (Stewart, in Hunt, Sekaran and Schriesheim, 1982:11-30, Tosi, in Hunt et al, 1982; Minitzberg, 1973 in Yukl, 1989a). The relevance of this to the current study is particularly evident in that, while considering the perceptions of organizational leadership in three nations, the means chosen to do so was a survey of employees’ assessment of the behaviours of their managers. Thus the role of a manager in leadership is particularly important to this study, especially as it has just been pointed out that leadership and management are by no means synonymous terms. (Mintzberg (1973, in Yukl, 1989a) pioneered this very important facet of management and leadership, concentrating on roles performed by individuals in positions of management, and dividing the manager’s tasks into three role clusters and ten specific roles (one of which is leadership). The three clusters deal with the interpersonal behaviour of managers, information processing roles and decision making behaviour. The ten roles fitting into these clusters are all needed to present a complete view of managerial behaviour. He evidently sees leadership as a subset of management, and feels that to focus on leadership within the managerial setting is to neglect other important roles (Mintzberg in Hunt, 1984; Bass, 1990)

Yukl (1989b) proposed a taxonomy integrating several approaches to dimensions of leadership behaviour. He divides managerial behaviour into
four major categories: building and maintaining relationships, collecting and disseminating information, making decisions, and influencing people. It is interesting to compare Yukl’s list of effective managerial behaviours with Mintzberg’s observed managerial roles. The similarities are striking: however, Yujl subdivides what Mintzberg sees as a single leadership role into ten specific areas, showing how very prominent and varied a role he considers leadership to play within the managerial function (Yukl, 1989a; Hunt, 1984). The table below shows the comparisons between Mintzberg’s view of managerial roles and Yukl’s list of effective managerial behaviours. More than half of the behaviours which Yukl considers vital to effective managers are part of the leadership role. This indicates that relevant information concerning leadership behaviours can indeed be gained by a consideration of the managerial function such as this project undertakes.
Managerial Behaviour (Yukl) compared with Managerial Roles
(Mintzberg)

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<th>Managerial Behaviour (Yukl)</th>
<th>Managerial Roles (Mintzberg)</th>
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<td>Resource allocator</td>
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<td>Problem solving</td>
<td>Disturbance handler</td>
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<td>Informing</td>
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<td>Monitoring</td>
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Transformational and charismatic leadership theories

A development of considerable interest during the last decade or so has been the focus on the distinction between 'transactional' and 'transformational' leadership, a terminology created and expounded by Burns (1978), who explained the difference, in speaking of political leaders, on the basis that transactional leaders "approach followers with an eye to exchanging one thing for another: jobs for votes, or subsidies for campaign contributions" (Burns, 1978:3), while transformational leaders seek to satisfy the higher needs of their followers, to engage persons to their fullest extent, and to result in a mutual benefit and stimulation. Yukl says transformational leadership empowers subordinates, enabling them to participate in the process of transforming the organization (Yukl, 1989b:269).

Meindl (1990) sees emphasis on transformational leadership as a fashion, brought about by the decline in Western (particularly US) business success. He suggests that transactional leadership is possibly seen as a scapegoat, and transformational leadership as a saviour:

_The failure and the promise of leadership has been recast in terms of these distinctions, providing a way to interpret the dismal past, while at the same time encouraging hope and the possibility of more positive changes for the future._

(Meindl, 1990:181-2)

Charismatic leadership, a concept brought into the study of leadership by Max Weber early in the century, has reemerged into the public arena during the 1980s (Conger and Kanungo, 1987; Conger, 1989; Conger, 1991).
Weber envisaged the charismatic leader as a person endowed by almost supernatural qualities who, through personal magnetism, an almost mystical power of attraction, confidence, vision, and the ability to articulate that vision, inspires followers, often to an overwhelming extent, to devotion and unquestioning obedience. His premise is that charismatic leaders become prominent when there is psychic, physical, economic, ethical, religious or political distress (Kets de Vries, 198:265). It has been said that "a precondition for the establishment of charismatic leadership is the existence of a latent charismatic situation" (Lepsius in Graumann and Moscovici, 1986:56). Weber describes charisma in the leadership context as any authority that derives its legitimacy not from rules, positions or traditions, but from a:

Devotion to the specific and exceptional sanctity, heroism, or exemplary character of an individual person, and of the normative patterns or order revealed or ordained by him.

(Eisenstadt, 1969:46, as quoted in Conger and Kanungo 1987:638)

the 1980s view of a charismatic leader is often that of the ultimate transformational leader, who can arouse enthusiasm, emotional involvement and commitment of subordinates to organizational objectives (Bargal and Schmid, 1989:45). Conger and Kanungo (1987) examine charismatic leadership from the political science, sociology and social psychology perspectives, and advocate delving beneath the aura of mysticism it invokes, treating it strictly as an observable behavioural process; they view charisma as an attributional phenomenon, putting forward testable hypotheses to identify specific behavioural characteristics as distinguishable attributes of
charismatic leaders. Kets de Vries (1988) also comments on its somewhat mysterious and mystical connotations, discussing the attributional and projective facets of leadership, particularly of charismatic leadership. He warns that, because followers project idealized illusory characteristics onto leaders, this may have destructive impact upon the leaders themselves if they believe that they actually possess the exaggerated qualities attributed to them by their followers. Graumann and Moscovoci (1986) discuss hesitancy amongst European researchers to explore this area because of their recent damaging experience of the outworkings of the negative effects of charismatic leadership, and produce some interesting articles on the topic, including one which considers Weber’s views of charisma in reference to the rule of Hitler. Hunt (et al, 1988) devotes an entire section in the latest International Leadership Symposia Series (volume eight) to charismatic leadership.

Development of the academic discipline of motivation:

Motivation has been an area of extensive research after the breakthrough research by A. Maslow on motivation and personality (A. Maslow, 1954), followed by a study on “the motivation to work” (F. Herzberg, B. Mansner, and B. Snyderman, 1959). These two studies provided the necessary impetus to the academic developments in the field of motivation. Later on some researchers tried examining the studies conducted by the above mentioned pioneering authors (D.T. Hall and K.E. Naugaim, 1968), which was continued by other researchers as well (E.E. Lawler III and J.L. Suttle, 1972); (J. Rauschenberger, N. Schmitt, and J.E. hunter, 1980); (M.A. Wahba and L.G. Bridwell, 1976). Maslow’s need hierarchy theory has been a subject of continuous research as it has presented the motivation and its
basis in a very simplistic form. Need hierarchy has been researched by a number of authors over a period of time (C.P. Alderfer, 1969); (C.P. Schneider and C.P. Alderfer, 1973); (J.P. Wanous and A. Zmany, 1977).

D. McGregor, worked in the area of the human side of the enterprise in 1960, later on a lot of work such as evolution and establishment of theory X and Theory Y was conducted to find out the human management at the marketplace and possible solutions (R.J. Summers and S.F. Cronshaw, 1988). The study conducted by D. McGregor gave way for the furtherance of research in the area of employee motivation and job satisfaction (R.J. House and L.A. Wigdor, 1976); (D.P. Schwab and L.L. Cummings, 1970); (R.J. Caston and R. Braito, 1985), where a wide spectrum of human behaviour at work, right from job satisfaction, personal psychology, performance and satisfaction to industrial relations.

The similar studies focusing on motivation and achievement and power, which was fueled by the research of D.C. McClelland (1961, 1975) and others (J.W. Alkinson and J.O. Raynor, 1974); (M.J. Stahl, 1986) were conducted over a period of time, the similar studies are still on and rule the motivational research.

Since measurement is an area of concern in mapping human behaviour, the quest to find out some pragmatic answers has always been there. A number of research studies over a period of time has been conducted in this particular discipline. Some of the best published work in this area belongs to A. Mehrabian on “Measures of achieving tendency” (1969), H.J.M. Hermans on “A questionnaire measure of achievement motivation” (1970) and J.M Smith on “A quick measure of achievement motivation” (1973).

D.C. McClelland and others have also contributed in the area especially studies concerning in the area power as a great motivator at the work place.
These studies tried to put forward the significance of delegation of authority and power in motivation (McClelland; McClelland and D.H. Burnham, 1976); (R.E. Boyatzis; D.A. Kolb, I.M. Rubin, and J.M. McIntyere, 1984). D.C. McClelland have also contributed significantly in the field of motive acquisition, and the impact of achievement motivation training on small businesses (1965; 1979). Another study by D. Kipnis (1974), was concerning the issues relating to power equation and its role on motivation factor in a given organisation.

Among the contemporary authors E.A. Locke with his seminal work on the theory of task motivation and incentives, gave insights on the issue of motivation, and its relationship with incentives (1968).

Work and motivation are interrelated in different forms and pose a variety of challenges to the working managers in different organisations. Right from the very beginning of business education, it has been among the greatest challenges to motivate the employees at the work place (V.H. Vroom, 1964), Vroom has referred three important variables in motivation i.e. expectancy, instrumentality and valence respectively. Vroom’s work has been well complemented by the preceding work in the discipline, where an attempt has been made to investigate the expectancy theory of work motivation in different forms. (L.W. Porter and E.E. Lawler III, 1968); (D.F. Parker and L. Dyer, 1976); (M.J. Arnold, 1981)

Motivation is not only from outside, it is also from inside, which is referred to as intrinsic motivation. Intrinsic motivation depends on a number of factors, such as extrinsic rewards (E.L. Deci, 1975); (R.D. Pritchard, K.M. Campbell, and D.J. Campbell, 1977); (E.L. Deci, G. Betly, J. Kahle, L. Abrams, and J. Porac, 1981); (D.C. Jordon, 1986). Although some others argue that extrinsic rewards does not effect the intrinsic motivation (W.E.
Scott, 1976). During the 1970, the subject of intrinsic motivation got a lot of attention and a number of studies referring a number of concerned variables have been conducted during that period (G.R. Salancik, 1975); (F. Luthans, M. Martinko, and T. Kess, 1976); (H.J. Arnold, 1976); (B.J. Calder and B.M. Staw, 1975)

Motivation has also been subject to task or goals. This kind of motivation is very common among the organisations world over. Higher targets, promotions, challenging assignments all fall under this category. When an individual has been provided with such tasks, they get tense and motivated. Under sheer tension, they get motivated to attain assigned objectives (P.C. Earley, P. Wojnaroski, and W. Prest, 1987);

The review of literature in this study has incorporated both a wide-angle view of research and literature on leadership and motivation. An attempt has been made to show the many paths down which theory and research in the area of leadership and motivation have traveled, even during the last ten years. Though it may appear that the result has simply been greater confusion, there is great body of knowledge which reflects the complexity and diversity within the field.

A dichotomous relationship exists in the study of leadership and motivation: it has been treated as a measurable concept and also as a social reality unmeasurable in empirical terms. Therefore, the researcher has realized the need to seek a more holistic view and bring together supposedly mutually incompatible directions of thought, seeking a more secure base in theory and epistemology, while at the same time embracing the viewpoints of other disciplines.