RESEARCHER DIALOGUE WITH THE ENTREPRENEUR
improving the living standards of the lower strata of population. Keeping this in view various policies, provisions, procedures, schemes and programmes have been initiated from time to time. But the performance of small scale industry could not be improved. There is a growing tendency of small scale industries becoming sick. The reasons may be numerous. One of the causes for sickness in the small scale industrial sector in India is ineffective management/leadership. Most of the failures can be attributed to leadership failures. Bigger industries can afford to hire the services of professional whereas the small industries can not do so because their economies do not permit them to employ professionals who have to be paid huge sums of salaries and therefore, owner-managers must naturally combine in themselves the qualities of a professional manager to run the industries successfully. Those owner-managers who are able to lead their industries on scientific lines flourish whereas industries not run on scientific lines fall sick.

Many studies have been undertaken on leadership styles adopted in bigger organisation. But relatively only a few attempts have been made to study the leadership styles in small scale industries. A study of this nature is
necessary to understand the leadership styles because many of the small scale industries are being managed by owner-managers. Since there are regional differences in the development of small scale industries in India, more specific studies are needed in these areas. An attempt is made to examine the leadership styles in small scale industries in Tiruchirapalli District of Tamilnadu.

REVIEW OF LITERATURE

Studies during the period of 1930-1950

A series of pioneering leadership studies were conducted on high school children in the late 1930s by Ronald Lippitt and Ralph K. White under the direction of Kurt Lewin at the University of Iowa. They studied the decision-making component of the leader's behaviour and classified leaders into three types as authoritarian, democratic and laissez-faire. One definite finding was the boys' overwhelming preference for the democratic leader. In individual interviews, nineteen of the twenty boys stated they like the democratic leader better than the

authoritarian leader. The boys also chose the laissez-faire leader over the autocratic one in seven out of ten cases.

In 1945, the Bureau of Business Research at Ohio State University\(^1\) initiated a series of studies on leadership. The purpose of the study was to identify various dimensions of leader behaviour and identified two dimensions: initiating structure and consideration. Initiating structure refers to the leader's behaviour to establish well-defined patterns of organisation, communication, methods and procedures. It is task-oriented dimension. Consideration refers to leader's interpersonal relationships with his subordinates. It is person oriented dimension. The research studies also show that initiating structure and consideration are two separate distinct dimensions and not mutually exclusive. The study found that leaders high in initiating structure and consideration tended to achieve high subordinate performance and satisfaction more frequently than those who rated low either on consideration, initiating structure or both.

\(^2\) Roger, M., Stogdill and Alvin E. Coons, Leader Behaviour: Its Description and Measurement, The Ohio State University Ohio, 1957.
Bales\(^1\) at Harvard had done work on the study of small group. He found that in small group two different kinds of leaders emerge. One kind was the task-leader represented by those who talk more and offer suggestions; and the other kind was called socio-emotional leader represented by those who make it easier for other to talk and offer psychological support.

Leadership studies undertaken at the University of Michigan's Survey Research Centre\(^2\) at about the same time as those being done at Ohio State, divide leadership into employee-centred and production-centred. The conclusion arrived at by the Michigan researchers strongly favoured the leaders who were employee-oriented in their behaviour. Employee-oriented leaders were associated with higher group productivity and higher job satisfaction. Production-oriented leaders tended to be associated with low group productivity and lower work satisfaction.


Robert Tannenbaum and Warren H. Schmidt\textsuperscript{1} see leadership as involving a high variety of styles, ranging from one that is highly boss-centred to one that is highly subordinate - Centred. The styles vary with the degree of freedom a leader or manager grants to subordinates. They recognise the following styles:

Leader makes decision and announces it; Leader makes decision and persuades subordinates to accept it; Leader presents ideas and invites questions; Leader presents tentative decisions subject to change; Leader presents problems, gets ideas and suggestions before making decisions; Leader defines problems and limits of action and asks group to make decisions; and leader permit group to function within limits defined by situations.

The theory recognises which style of the leader is appropriate depends on the leaders, the followers and the situation and also concludes that the successful leader is one who can assess the forces and behave appropriately at any given time.

Douglas Mc. Gregor\textsuperscript{1} states that there are four Variables involved in leadership: Characteristics of the leader; attitudes, needs and personal characteristics of followers; characteristics of the organisation and the social, economic and political milieu. He also notes that leadership is not a property of the individual, but a complex relationship among these variables. He identifies\textsuperscript{2} two major perpetual structures which are labelled theory X for authoritarian approach and theory Y for the participative approach.

A very popular approach to identifying leadership styles of practising managers is Robert R. Blake and Jane S. Mouton's managerial grid.\textsuperscript{3} They use a chart called Managerial Grid to describe five types of a managerial styles. They make use of the terms "concern for production" and "concern for people". Each style points out the relative contents of concern for production or people and

\begin{itemize}
\end{itemize}
implies that the most desirable leader behaviour is "maximum concern for production and people". Managerial grid is very much similar to production – people orientation style as given by Ohio State University.

Apple White¹ has summarised much of the research on leadership roles and functions, the question of why people attempt to lead, leadership under stress conditions, the relationship of communication to leadership, the problem of leader assessment and the concept of leadership styles.

Rensis Likert² and his associates of University of Michigan, have developed four systems of management: Exploitative autocratic (System 1), Benevolent autocratic (System 2), participative (System 3) and democratic (System 4). On the basis of intensive research, Likert, has shown that high producing departments in several organisations are marked by system 4 (democratic).

Fiedler³ has developed a contingency model of leadership assuming that the effectiveness of the leadership

¹ Apple White, Philip B., Organisational Behaviour, Englewood Ciffs, N.J., Prentice Hall, 1965 (Chapter 6)
is based on his ability to act in terms of situational favourableness. Situational favourableness depends on three factors:
1. Leader-member relations
2. Task structure, and
3. Position power.

According to him leader-member relations are good if the leader is respected and accepted by his group. The task is highly structured if it is clearly outlined. The leader's position power is high if he has the power to hire and fire, promote and transfer, increase and decrease salaries.

Myers from his interviews with industrialists, government officials, labour leaders and managers in both Indian and foreign-owned firms, concludes that though there are some exceptional companies, many Indian top managements are relatively authoritarian in their relationships with lower managements and with labour.

Ganguli's study of leadership behaviour in a state-owned engineering factory, the prevalence of a high degree of control is also highlighted.

In a survey by Punekar and Savur\(^1\) of the relations between white-collar employees and their supervisors in 11 different organisations such as banks, insurance companies, manufacturing firms, government offices, a State-owned public utility company and an educational institution, it was found that only 3 supervisors out of a sample of 75 believed that subordinates can work without supervision and only 6 thought that giving responsibility to the white-collar employee is the best way to get the work done. Most supervisors (70 per cent) expressed the belief that subordinates can only work with supervision and have no sense of responsibility.

**Studies During the period 1970-1980**

Reddin\(^2\) conceptualised a three-dimensional grid borrowing some of the ideas from the managerial grid. Three dimensional axes represent task - orientation, relationship - orientation and effectiveness. By adding an effectiveness dimension to the task - oriented behaviour dimensions he has integrated the concept of leadership

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styles with the situational demand of a specific environment.

Victor Vroom and Phillip Yetton proposed the leadership participation model. It relates leadership behaviour and participation to decision-making. It provides a sequential set of rules that should be followed in determining the form and amount of participation in decision-making, as determined by different types of situations.

According to R.J. House theory (called Path-goal theory) that it is the leader's job to assist his followers in attaining their goals and to provide necessary direction and support to ensure that their goals are compatible with the overall objectives of the group or organisation. According to path-goal theory when leaders demonstrate high consideration, subordinates are likely to experience greater satisfaction whereas high initiating structure provides role clarity and should lead to higher performance. Four kinds of leadership behaviour are identified under this


theory. They are: directive, supportive, participative, and achievement-oriented.

Nitish De¹ has surveyed the value systems of Indian managers and managers of other countries and found that though Indian managers profess a belief in group-based participative decision making, they have little faith in the capacity of workers for taking initiative and responsibility.

Elhance and Agarwal² in a study of leadership styles along with delegation of authority of 123 executives at various levels of management from two private and two public sector companies, conclude that 67 per cent executives in private sector and 57 per cent of them in public sector units have democratic leadership style.

R. Rangaswamy and Helmick³ in their study of leadership behaviour of 56 top level managers have found that Indian managers are more employee-oriented as compared to their American counterpart. This is due to Indian

culture and religious pattern which influence helpfulness and peaceful co-operation.

M.R. Lokhande and S.N. Singh's study covers five leadership patterns: (1) Traditional leadership, (2) Political leadership, (3) Opinion-making leadership, (4) Decision-making leadership and (5) Caste leadership. The study brings out the fact that there have been very poor growth and development of leadership in the villages under study. Socio-Economic status, however, has been found to influence considerably the leadership structure with respect to extension programmes. Traditional leadership positively associated with caste and socio-economic status still seems to dominate the form of leadership in village life.

Singh and Das's study of 280 managers from 2 public sector units and 4 private sector units shows that bureaucratic style is the most predominant followed by the benevolent autocrat, developer and democratic in that order. Further, the leadership style is associated with the type of

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organisations, executives' age group, their level in the organisation and their exposure to management programmes.

The study by Joseph and Kesavan\(^1\) of 45 supervisors from public sector and 38 from private sector shows that in a private sector the emphasis is on production which is meaningful since total wages are tied up with the amount produced, whereas in public sector, superior orientation is prevalent which can be explained by the fact that superiors are given complete authority in recommending their subordinates for promotion along with increase in pay.

Jaggi's\(^2\) study of 120 managers concludes that prevailing leadership styles appear to be between benevolent autocracy and consultative type. The study further indicates that the leadership style is associated with various factors such as age of the executives, their positions and functions, and the size of the organisations.

**Studies during the period 1980–1990**

Kalra\(^3\) has studied the pattern of styles of 70 managers and has found that most of the managers have their

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leadership behaviour guided by the situations in their organisations.

Sinha\(^1\) in his study lists out three types of leadership styles as (1) Participative, (2) Authoritarian and (3) Authoritative leadership.

Swarna Pratap and Srivastava\(^2\) have studied leadership styles and the effectiveness of executives in private, public and governmental sectors. The study is based on Harsey and Balanchard model. They have taken a sample of 80 executives out of which 30 were from private sector, 25 each from public sector and government sectors. The study states that much difference in leadership effectiveness and styles in different organisations is not seen. Results on high task-low relationship (style 1) and low task - high relationship (style 3) show that the Indian executives do think on the lines of "concern for the people" but many of them still like to be benevolent autocrats rather than participative managers. High task relationship (style 2) is found to be predominant among executives of organisations. The positive correlations of low task - high relationship


Muttaya and Vijaya Kumar\(^1\) by taking a sample of 68 scientific personnel belonging to different research institutions have identified five styles. They are: (1) Direction style, (2) Negotiating style, (3) Consultative style, (4) Participative style, and (5) Delegation style. The study indicates that the predominant style is 'direction' followed by 'delegation' and participation.

R.P. Singh and Janak Pandey\(^2\) conducted a study to show pattern of relationship between three leadership styles (participative, authoritarian and authoritative) with different strategies of control, need satisfaction and commitment with the organisation. The study was conducted on a sample of 250 respondents comprising 150 workers, 50 supervisors and 50 line-managers of an electronic equipment manufacturing large public undertaking in India. The study suggests that participative style leads to greater need satisfaction and organisational commitment, and


authoritative style is closer to participative leadership but it does not lead to commitment. The study also brings out that participative and authoritative are positive styles of leadership. Authoritative may substitute participative till conditions in an organisation do not permit but participative style of leadership would not work till there is a change in the socio-cultural milieu of the Indian organisations.

Ramakanth has made an attempt to know the attitudes of managers in different manufacturing organisations with regard to the classical or modern point of view. He has used a questionnaire covering four distinct areas: (1) Capacity for leadership initiative, (2) Sharing information and objectives, (3) Participation and (4) Internal Control. On the basis of responses, he concludes that in the areas of capacity for leadership initiative, sharing information and objectives and participation, the managers are in favour of modern approach and in the area of internal control, they are in favour of classical approach.

Neelam Varma has made an attempt to examine the relative validity of the implicit leadership by testing two

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groups experienced (Executives) and inexperienced (students) in an oil refinery. The study suggests that a leader's behaviour may be conceived of as a joint effect of all the five dimensions of leadership, i.e. Authoritarian style, Bureaucratic style, Nurturant, Participative and Task Orientation.

Prabhakar Singh¹ has made an attempt to study the leader behaviours that exist in ineffective and effective organisations producing similar commodity and located in the same area geographically and socially. The study indicates that the leadership that exists in ineffective organisation, at all the three levels (lower, middle and upper level executives) does not have any definite and significant trend. The study indicates that significantly high percentage of the executives practised non-complimentary orientations in leading their subordinates.

The executives of effective organisation showed a different orientation. The lower management cadre executives showed Nurturant - Task leadership, middle management cadre executives showed participative - Task orientation and upper cadre executives showed Participative-Task leadership styles.

The study concludes that the Nurturant - task leadership is best leader behaviour for supervising the workmen and Participative - Task leadership is for supervising the executives. The study also indicates that organisation, its objectives, culture and values decide to a large extent the type of leadership behaviour that its executives shall learn and practise.

Studies during the period 1990-1997

R. Venkatapathy\(^1\) views leadership style from three perceptions: benevolent, critical and developmental. His study is based on the assumption that a leader adopting a particular style would create a climate similar to that style. The study is based on the data collected from 6 public sector organisations and 5 private sector organisations represented by 37 executives in each sector. It is concluded that there is no difference among public-private executives on their perception of top management style as Benevolent; significant differences exist on critical and developmental styles but developmental is the primary style followed by Benevolent and critical styles and the

perception of public and private executives on climate created by the top management due to their style remains heterogeneous.

Lynn R. Anderson's\(^1\) study describes two types of leadership training that are most appropriate for high and low self-monitoring individuals: Techniques requiring leaders to change their own behaviours (track I training) and techniques requiring leaders to change conditions within their organisational environment (Track II training). The study indicates that the personality typology of high versus low self-monitoring is presented as a possible moderator of leadership training. The behaviour of high self-monitoring individuals is guided by situational factors. These leaders should benefit most from leadership training requiring leaders' behaviour to change as a function of group contingencies (Track I training). The behaviour of low self-monitoring individuals is displayed in accordance with internal, dispositional traits and values. These leaders should profit most from training that instructs leaders to alter organisational structures to produce an effective atmosphere.

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match between the leader's intrinsic behavioural style and group contingencies (Track II training).

Rama J. Joshi's paper explores the concept of managerial effectiveness as perceived by the Chief Executives. Based on interviews with the Chief Executives of units covered by the study, certain dimensions of managerial effectiveness were identified. They are:

Leadership, inspiring, dynamic, motivating, gets respect of others, Result oriented, desire to achieve, direct resources towards maximising results.

Ability with people, good human relations skill, concern for people, identification with the company and its goals.

Understanding and discharging their own role in the organisation, effective handling of problems/situations.

Innovative/doing something on their own initiative/creative.

Rajinder Kaur's study is designed to investigate the psychological characteristics of democratic and  


autocratic managers as well as to find out the relationship between managerial styles and managerial success. 325 managers from Bharat Electronics Limited, Bangalore comprised the sample. The study indicates that managerial success is not associated with managerial styles. A tendency towards the autocratic style prevails among the Indian Managers. The psychological correlates reveal a qualitative difference in the characteristics of the democratic and the autocratic managers.

N. Panchanatham and others\(^1\) attempted to explore the leadership and problem solving styles of executives of public sector organisations. The results indicate that the executives dominantly used democratic, authoritative and coaching styles of leadership, there were no significant relationships between leadership styles and problem solving styles and in the field of specialisation of executives did not have any influence on their problem solving styles. The study suggested that the organisation should design separate training programmes on problems solving and leadership styles and the executives of different branches should be considered equally for developmental programmes.

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Manisha Agarwal and G.C. Agarwals' study examined the relationship between junior and middle managers' power styles and their influence over different dimensions of decision making activities through participativeness in three industrial organisations. Data analysis reveals the importance of the integrated power style in predicting managerial participativeness in goal-setting and conflict-handling. Findings have significant implications for reducing middle level managers' feelings of powerlessness by increasing the degree of their participation in activities affecting personal or organisational level out comes with the utilisation of an integrative approach to power exercise at the work place. The study also indicates the importance of monetary incentives for middle and junior managers for securing their effective participation in the decision-making activities.

S. Subramanian and K.Sajjan Raos' study is an attempt to investigate the attitudes of union leaders towards certain management decisions. Data have been

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gathered from 68 union leaders belonging to two prominent unions. Their perceived importance of the 12 crucial management activities and also their perceived contribution of the unions (as opposed to management) in implementing these aspects, have been studied. Results reveal a positive orientation of union leaders towards these aspects and suggest that unions have metamorphosed from their traditional role of just getting their colleagues their due, to a more progressive outlook. The authors envisage a more dynamic functioning for union leaders in the changing realities by which they can contribute not only to the welfare of their colleagues, but also towards development of their organisation.

Thiruvenkatam Ravichandran and D.Nagabrahman's study attempted to explore the effectiveness of leadership in a transitory environment. A list of 15 traits/skills such as vision, expertise, motivation, calculated-risk, innovativeness, exemplary, assertion, integrity, chavisma, interpersonal skills, initiativeness, ambition, altruism, commitment and empathy were identified through interaction

process based on which a questionnaire was constructed and rated on five-point Likert scale. Data were collected from 299 managers representing 8 nationalised banks and their branches. The study states that effective leadership was perceived to be related to the person and his character such as one's expertise with interpersonal capabilities and empathy. The study also suggests that effective leaders are those with vision and having noble and altruistic goals. It is also noted that the ideal of leadership in everybody's mind has influencing effect on leadership in organisations if it is properly communicated and shared among top echelons.

METHODOLOGY AND DATABASE

TITLE OF THE THESIS: ORGANISATIONAL BEHAVIOUR AND LEADERSHIP STYLES IN SMALL SCALE INDUSTRIES IN TIRUCHIRAPALLI DISTRICT, TAMILNADU - AN EMPIRICAL EXAMINATION

SIGNIFICANCE OF THE STUDY

Industrialisation sine qua non of economic progress. The objectives of industrialisation are high growth rates, employment generation and equitable distribution of income and wealth. The effect of it is to raise the per capita income and standard of living of the
people of any country. The third world countries are trying to solve their endemic problems of poverty, inequality and unemployment through systematic process of industrialisation. The development experience of past indicates that industrialisation has played a crucial role in over all economic development of any country. Countries with rapidly growing industrial sectors have been able to manage the development problems particularly employment, poverty and income levels effectively than those countries in which industrialisation lagged behind. Thus there is a world wide acceptance to solve their economic and social problems. India is no exception to this.

Small scale industries play an important role in the developing economies like India. Apart from providing employment they help in reduction of regional disparities and improvement of living standards of the lower strata of population. Keeping this in view various policies, provisions, procedures, schemes and programmes have been initiated from time to time. But the performance of small scale industry could not be improved. There is growing tendency of small scale industries entering into sickness. The reasons may be numerous. One of the causes for sickness in the small scale industrial sector in India is ineffective management/leadership. Most of the failures can be
attributed to that of leadership failures. Bigger industries can afford to hire the services of professionals whereas the small industries could not do so because their economies do not permit them to employ professionals who are to be paid huge sums of salaries and therefore, owner-managers must naturally combine in themselves the qualities of a professional manager to run the industries successfully. Those owner-managers who could lead their industries on scientific lines flourish and others are entering into sickness.

Many studies were undertaken on leadership styles adopted in bigger organisations. But relatively only a few attempts have been made to study the leadership styles in small scale industries. A study of this nature is necessary to understand the leadership styles because many of the small scale industries are being managed by owner-managers. Since there are regional differences in the development of small scale industries in India, more specific studies are needed in these areas. An attempt is made to examine the leadership styles in small scale industries in Tiruchirapalli District, Tamilnadu.
OBJECTIVES

The specific objectives of the study are as follows:

1. To know the present theoretical background of leadership and a review of literature in leadership styles;

2. To know the attitudes of owner-managers of small scale industries in Tiruchirapalli District towards classical and modern leadership approaches;

3. To study various leadership styles in small scale industries among the owner-managers;

4. To assess how far the age, education, experience and family background will influence the leadership styles of owner-managers; and

5. To make suggestions for improving the existing Administration of small scale units in Tiruchirapalli District, Tamilnadu.

HYPOTHESIS

The following hypothesis are tested in this study:

1. The attitudes of majority of owner-managers of small scale industries in Tiruchirapalli District are in favour of modern approaches of leadership;

2. In all categories of small scale industries in Tiruchirapalli District the owner-managers are in favour of modern approach of leadership;
3. There is significant relationship between the attitudes of owner-managers and their demographic characteristics.

4. The owner-managers adopt different types of leadership styles depending on situations, and

5. Leadership styles of owner-managers vary with the age, education, experience and family background.

SAMPLE DESIGN

Tiruchirapalli District is purposively selected for this study because of considerations of proximity and familiarity. There are 4920 small scale industrial units in Tiruchirapalli District in 1999-2000 which were registered with District Industries Centre, Tiruchy District. The classification adopted by District Industries Centre, Tiruchy is followed for stratification of small scale units. Accordingly the registered small scale industrial units are classified into 9 categories as shown in the table given below:
### NUMBER OF SMALL SCALE UNITS REGISTERED WITH DISTRICT INDUSTRIES CENTRE

<table>
<thead>
<tr>
<th>Category</th>
<th>Number of units</th>
<th>Sample units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agro based</td>
<td>820 (16.67)</td>
<td>160</td>
</tr>
<tr>
<td>Mineral based</td>
<td>100 (2.03)</td>
<td>20</td>
</tr>
<tr>
<td>Engineering based</td>
<td>1430 (29.06)</td>
<td>290</td>
</tr>
<tr>
<td>Forest based</td>
<td>670 (13.62)</td>
<td>130</td>
</tr>
<tr>
<td>Food based</td>
<td>200 (4.06)</td>
<td>40</td>
</tr>
<tr>
<td>Chemical based</td>
<td>390 (7.93)</td>
<td>80</td>
</tr>
<tr>
<td>Leather based</td>
<td>50 (1.02)</td>
<td>10</td>
</tr>
<tr>
<td>Textile based</td>
<td>60 (1.22)</td>
<td>10</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>1200 (24.39)</td>
<td>240</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>4920 (100.00)</strong></td>
<td><strong>980</strong></td>
</tr>
</tbody>
</table>

Source: General Manager, District Industries Centre, Tiruchirapalli District.

Sample units are selected by using stratified proportionate random sampling technique. 20 per cent of the units in each category are selected for the purpose of the study. The study is confined to 980 unit in total.
DATA BASE

Both primary and secondary data are used in the study. Secondary data is collected mainly from the reports published by the Tiruchirapalli District authorities and the Government of Tamilnadu. Some of them are statistical abstracts of Tamilnadu, Tiruchirapalli District Gazetteer, Handbook of Statistics, Tiruchirapalli District, District Credit Plans prepared by Lead Bank of Tiruchirapalli District, Tiruchirapalli District Industries Centre, Tiruchirapalli Population census, Tiruchirapalli district and Industrial Profile, Tiruchirapalli District. Primary data are collected from the 980 owner-managers of small scale industries in Tiruchirapalli District. A structured schedule of questions is prepared for this purpose. The schedule is divided into four sections. They are identification, characteristics, attitudes and method of making decisions. In the method of making decisions, five leadership styles and situations are incorporated.

STATISTICAL TOOLS

The data collected from primary and secondary sources are subjected to statistical treatment for clear analysis and interpretation. Apart from simple statistical tools like averages, ratios, tables, weighted mean, linear
Compound growth rates, standard deviation, Correlation and t test have been extensively used to analyse leadership styles. The process of computation of weighted mean, linear growth rate, compound growth rate, standard deviation, correlation co-efficient and t-value are given below:

a. **Weighted mean**

\[ \bar{x}_w = \frac{\sum wi X}{\Xi X} \]

where,
- \( \bar{x}_w \) = Weighted mean
- \( wi \) = Weightage
- \( X \) = number of respondents
- \( \Xi X \) = total number of respondents

b. **Linear growth rate**

\[ Y = A + Bx \]

c. **Compound growth rate**

\[ Y = AB^X \]

where
- \( Y \) = Number of units/employment/investment
- \( A \) = Intercept of linear trend
- \( B \) = Rate of growth per one year
- \( X \) = Number of years
d. **Standard Deviation**

\[
S.D. = \sqrt{\frac{\sum W_i X_i^2}{\sum W_i X_i} - \left(\frac{\sum W_i X_i}{\sum W_i}\right)^2}
\]

where,

- **S.D.** = Standard Deviation
- **W_i** = Weightage
- **X_i** = Number of respondents
- **X_i** = Total number of respondents

e. **Coefficient of correlation**

\[
r = \frac{\sum X_i Y_i - \sum X_i \sum Y_i}{\sqrt{\sum X_i^2 - (\sum X_i)^2} \sum Y_i^2 - (\sum Y_i)^2}
\]

where

- **r** = Coefficient of correlation
- **dx** = X-Assumed mean of X series
- **X** = Demographic variables
- **dy** = Y-Assumed mean of Y series
- **Y** = Number of times the style used by the owner-managers
- **N** = Number of pairs of observations

f. **t-test**

\[
t = \frac{r}{\sqrt{\frac{1-r^2}{n-2}}}
\]
where

\[ r = \text{correlation coefficient} \]
\[ n = \text{Number of industrial units} \]

**THE CONCEPT OF SMALL INDUSTRY USED IN THE STUDY**

The concept of Modern Small Scale Industrial unit as used by the Government of India is adopted in this study. The definitions currently in force are:

a. **SMALL SCALE INDUSTRY:**

Units having investment in plant and machinery not exceeding Rs. 1 crores

b. **ANCILLARY UNITS**

Undertakings having investment in plant and machinery not exceeding Rs. 75 lakhs and engaged in:
- the manufacture of parts, components, sub-assemblies, tooling or instruments, and
- supply of 50 per cent of the production to other units for the production of other articles.

c. **TINY UNITS**

Undertakings having investment in plant and machinery not exceeding Rs. 10 lakhs.

**SERVICE ESTABLISHMENTS**

Undertaking with investment in plant and machinery not exceeding Rs. 10 lakhs.
CHAPTER SCHEME

CHAPTER I - INTRODUCTION

The significance of the study and the methodology used in this study are presented in the chapter.

CHAPTER II: PRESENT INDUSTRIAL STATUS OF TIRUCHIRAPALLI DISTRICT

CHAPTER III: LEADERSHIP MODELS - AN OVERVIEW

CHAPTER IV: SCENE OF SAMPLE SMALL SCALE INDUSTRIAL UNITS IN TIRUCHIRAPALLI DISTRICT

CHAPTER V: OWNER-MANAGERS BEHAVIOUR - AN ANALYSIS

CHAPTER VI: OWNER-MANAGERS LEADERSHIP STYLES - A STUDY

CHAPTER VII: RESUME

This chapter is devoted to the presentation of findings and suggestions.