CHAPTER - I
INTRODUCTION

Management and Leadership 2
Definitions of Leadership 3
Administrative Vs Charismatic Leadership 11
Administration and State's Commercial Taxes Department 16
Importance of the Study 20
Definition of Terms 23
Objectives of the Study 25
Hypotheses of the Study 25
Methodology of the Study 26
Limitations of the Study 30
References 32
"A less than ideal tax structure designed for a poor administration may work better—its effects may be more in line with these desired—than a ‘good’ tax badly administered.”

– Richard M. Bird

1. MANAGEMENT AND LEADERSHIP

Management is an activity or process composed of some basic functions, for accomplishing the objectives of any enterprise through and with the efforts of people. When the objectives of any enterprise are to be achieved through organised and co-operative endeavour, management becomes essential for directing and unifying group efforts towards a common purpose. As human aims and beliefs are mostly realized through the establishment of different institutions in our society, management is universally needed for operating all such organisations. Besides, the greatest and most comprehensive of our social organisations, viz. the Government and its organs (departments) need management as much as others require, perhaps even more than all other social organisations. The nature and significance of the activity do not change even if it is called administration in some social institutions and management in others.

Management has been practiced since the dawn of civilization. History tells us that co-ordination, which is the essence of management, helped the primitive men in their pursuits of hunting and later, cultivation of land. These activities very much involve division of labour, leadership and directing, which were practiced, though unconsciously. The differences in the habits, behaviour
and attitudes of people, sometimes led to conflicts which disturbed the social life of the group. Then a man/woman of creative imagination arose out of the group and took the initiative to resolve those conflicts and maintain social order. This is how the \textit{primordial institution of leadership} emerged. Since this was something different from their customary way of life, people in the earlier stages did not take kindly to the emerging leader. They resented his interference. However, after some period they realised the importance of having someone with superior knowledge to lead them for the successful accomplishment of their tasks.

There was a time when command could be exercised in a dictatorial manner in Government Sector. Such methods are not only outmoded in our times but usually will not be tolerated in a democratic society. The alternative is leadership – \textit{leadership in the broadest sense}.

2. DEFINITIONS OF LEADERSHIP

Joe Rost\textsuperscript{2} in his excellent account of the origin of the word ‘leader’ says that the word stems from the root ‘\textit{leden}’ meaning "to travel" or "show the way."

Human beings have always been keenly interested in leaders and in leadership. Confucius sought laws of order between leaders and subordinates. Plato described an ideal republic with philosopher-kings providing wise and judicious leadership. Later, Plato and his colleagues established the Paidea, a school for leadership in early Greece. In the sixteenth century, the Italian
Niccolo Machiavelli illuminated another side of leadership – some say the more practical side.

The scientific study of leadership (as opposed to the study of leaders) has arisen primarily in the United States and almost exclusively so since the turn of the twentieth century.

There are as many lists of the "essential" definitional characteristics of leadership as there are writers on the subject. Some of the most cited character traits include integrity, concern for results, and desire for responsibility, and appearance.

Main factors that define the social context of Leadership are three. They are: group led the followers and the situation. Each factor is relevant for the exercise of leadership function. That is, leadership is specific to the group members and the situational context within which they interact with the leader. Leadership takes place in this matrix of interaction and interdependency. Understanding this social dimension of leadership is important in the analysis of either leadership or its operational utility.

Many suggest that the leadership is defined best as the relationship between the leader and the followers - a relationship built around some common interest and directed by the leader.

There are almost as many different definitions of leadership as there are persons who have attempted to define the concept. Nevertheless, there is
sufficient similarity between definitions to permit a rough scheme of classification

Leadership as a Focus of Group Process

Among the earliest definitions encountered, the leader is viewed as a focus of group change, activity and process and people defined leadership in a group perspective. It is a social activity. The leadership composed of a leader and a follower reiterated for each member of the group becomes the primary environment within which leadership takes place.

Cooley maintained that "the leader is always the nucleus of a tendency, and on the other hand, all social movements, closely examined, will be found to consist of tendencies having such nuclei."

According to Bernard, the leader is influenced by the needs and wishes of the group members. He defined leadership as "the quality of the behaviour of the individuals where by they guide people on their activities in organised efforts."

Mumford observed, "Leadership is the pre-eminence of one or a few individuals in a group in the process of control of societal phenomena.

"Chapin viewed leadership as "a point of polarization for group cooperation."
Stogdill viewed leadership as a group process and says that the Leader is viewed as a focus of group change, activity, and process among the earliest definitions encountered by him.

For Redl, the leader is a central or focal person who integrates the group.

In the words of K. Davis leadership is “the human factor, which binds a group together and motivates it toward goals.”

Knickerbockers followed a line of thought that seems to place him in the group centrality school of theorists, maintaining, “When conceived in terms of the dynamics of human social behaviour, leadership is a function of needs existing within a given situation, and consists of a relationship between an individual and a group.”

The definitions grouped under this head try to place the leader in a particularly fortuitous, if not helpless, position in the inexorable progress of the group.

Leadership as Personality and its Effects

The concept personality appealed to several early theorists who sought to explain why some persons are better able than others to exercise leadership.

In this category, the definition put forwarded by Bingham stands top with its linkage to trait theory of leadership. He says “a leader is a person who
possesses the greatest number of desirable traits of personality and character and the process carried out by him is leadership”.

Max Weber\textsuperscript{12} combined much modern thinking about leaders in his definition of leadership. For Weber, “leadership is an individual quality by virtue of which the leader is set apart from ordinary men. Charismatic leaders he said, have supernatural, super human, or at least specifically exceptional qualities.”

Smith\textsuperscript{13} commented in regard to personality dominance of the leader that “the social group that express its unity in connected activity is always composed of but two essential portions: the centre of local activity, and the individuals who act with regard to the centre.”

The definitions fall under this head do not take into account the concept of leadership situation.

**Leadership as the Exercise of Influence**

Use of the concept ‘influence’ marked a step in the direction of generality and abstraction in defining leadership.

In his definition Bernard M Bass\textsuperscript{14} tries to differentiate three kinds of leadership - attempted leadership, successful leadership and effective leadership. He says that “an individual’s effort to change the behaviour of others is attempted leadership. When the other members actually change, this creation of change in others is successful leadership. If the others are reinforced or rewarded for changing their behaviour, this evoked achievement is effective leadership.”
Tannenbaum\textsuperscript{15} defined leadership as “inter-personal influence, exercised in a situation and directed, through the communication process, toward the attainment of a specified goal or goals.

**Leadership as a Power Relation**

The term leadership is also defined in terms of power. Black \textsuperscript{16} saw leadership as the “centralization of effort in one person as an expression of the power of all.”

French and Raven and French\textsuperscript{17} defined leadership in terms of differential power relationships among members of a group. Interpersonal power is conceived as “a resultant of the maximum force which A can induce on B minus the maximum resisting force which B can mobilize in the opposite direction”. Five bases of power are postulated. These are referent power (liking), expert power, reward power, coercive power and legitimate power.

But Hugh R\textsuperscript{18} Taylor had different ideas and he says all power comes from eight sources. They are:

a) **Positional power**- positional power is the power to approve or disapprove; to hire or fire; to make decisions and to exercise authority. It is derived from ones job or the position one holds in relationship. It may include certain perks but it also carries responsibilities.
b) **Expertise power**: it is the power that comes from knowledge, skills, background, education, wisdom or information held by a person group or organisation, and the ability to use that knowledge effectively.

c) **Charismatic power**: Charismatic power is derived from personality, charm, aura of confidence, or leadership characteristics (innate or acquired) of the person or group holding it. Charismatic power is the ability to get people to do what one wants without having to resort to positional power or some form of reward and punishment.

d) **Influential power**: Power also derives from a person’s ability to do favours for others, lend power to them, give rewards or fulfil the needs of those in one’s relationship. If expertise power consists of what one knows and what one studied in school, influential power is where one studied and with whom one went to school.

e) **Implied coercive power**: If a favour, reward or other benefit can be given, it can also be withheld. Implied coercive power is established when a person lets others know that what he or she can also withhold or take back. Implied coercive power is also derived from the tacit knowledge that one has the power to use actual coercion unless the desired behaviour is exhibited.

f) **Actual coercive power**: It is a very fine line that separates implied coercive power from its actual counterpart. The difference lies in an individual’s demonstrated willingness to actually withhold favours, rewards or benefits.
in order to attain his or her desired ends. Actual coercive power is often exhibited by revoking privileges and rewards as a means of altering behaviour.

g) The power of applied pressure: If coercion does not work, it is sometimes necessary to apply sanctions, impose non-violent punishments shun, block or otherwise chastise wrongdoers. The ability to do this is derived from the measure of one's power of applied pressure. This form of power often entails borrowing power from others in order to strengthen its base.

h) The power of raw force: When all else fails, people resort to force. Parents spank, individuals fight, bosses fire, companies engage in economic warfare and nations drop bombs. Force is the final and ultimate source of power. If the user has more raw force than his or her opponent, he or she will win. If he or she has less than imagined, disaster can result.

Livingston\textsuperscript{19} defined leadership on the basis of coercion. According to him, 'Leadership is the ability to secure desirable action from a group of followers voluntarily without the use of coercion'.

**Leadership as a Form of Persuasion**

According to Gardner\textsuperscript{20}, "Leadership is a process of persuasion and example. The leader induces group action that is in accordance with the leaders' purposes or the shared purposes of all. This definition, common to many theorists, implies a developmental role, but does not make the process explicit."
Koontz and O'Donnell\textsuperscript{21} regarded leadership as "the activity of persuading people to cooperate in the achievement of a common objective."

Other Definitions

Some scholars attempted to define leadership on the basis of various concepts. Munson\textsuperscript{22}, tried to describe leadership by linking with certain concepts like co-operation, creativity etc. He defined leadership, as "the ability to handle men so as to achieve the most with least friction and greatest cooperation and Leadership is the creative and directive force of morale."

But Peter F. Drucker had other ideas. He defined leadership from the point of view of transforming the employees. Drucker\textsuperscript{23} defined leadership as "the lifting of man’s vision to higher sights, the raising of man’s performance to a higher standard, the building of man’s personality beyond its normal limitations". By considering the recent trends of leadership research, this definition given by Drucker can be named as ‘transformational definition’ of leadership.

It is very difficult to locate an ideal definition to elucidate the term leadership because any one definition given by a person may lack an important concept of leadership which is described by others.

3. ADMINISTRATIVE Vs CHARISMATIC LEADERSHIP

Administrative Leadership is not the same thing as political or charismatic leadership which is identified with a person possessed of
charismatic habits and occupying rather inertly status position relative to other individuals who are not too clearly related to him.

Administrative leadership is not a passive status or the mere possession of some combination of traits. Ralph M Stogdill says it "appears rather to be a working relationship among members of a group in which the leader acquires status through active participation and demonstration of his capacity for carrying co-operative tasks through to completion".

The subject matter of the administrative leadership should be clearly distinguished from that of charismatic leadership. The latter confines itself only to the analysis of a set of personal qualities which go to make a person successful leader. While personal attributes like superior strength, superior cunning, superior intelligence, superior knowledge, and superior determination are important variables of a successful leader, they alone do not constitute a successful leader. Actually the administrative leader emerges as a consequence of the needs of the groups of people and of the nature of the structure with in the administrative and hence can be studied only in an organisational setting.

Administrative leadership arises only when the authority has been settled in office in governmental organisation. One who is charged with the function of directing activities of his subordinates in a Government Department may use one of the following four alternatives.
a) **Force.** He may use his authority i.e., status in the official hierarchy to enforce the choice of certain activities which he desires as means. Disobedience would involve punishment. Force can be used to control the activities of the people, but it engenders opposing force and often defeats its own purpose.

b) **Paternalism.** He may paternise the subordinates and in return would expect loyalty and gratitude from them in the office work. Though paternalism was quite effective at one time, is today frowned at by the self-conscious citizens of a democratic State. Moreover, trade unions would not allow officers to patronise their members, as it may diminish their own influence among the workers.

c) **Bargain.** With the group of subordinates, each party promising by itself to furnish certain means in return for certain other means. Bargaining method is fairly widely used in industry but there are serious limitations in using it in government organisations. Moreover, service to the state can not be altogether based on mercenary considerations.

d) **Leadership.** Although the officer and the subordinates enter the organisation with different aims, a situation is created under which the means of achieving the aims become the same for everyone, with the result that everybody in the organisation is willingly and enthusiastically working for himself and the organisation simultaneously. A situation in this kind can be created by the officer in which the activities as those of his
working team, if performed together, would serve as a natural means, means for each party to satisfy their own needs.

While analysing all the four alternative courses, an officer in command may employ any of the alternative courses to direct the activities of his subordinates, he would find that the last course i.e., the LEADERSHIP is most effective and in consonance with the theory and requirements of a democratic administration. In the administrative leadership style, a complete identification takes place between the aims of the organisation and those of each member of the team. The adoption of this course, the officer might feel, would involve loss of power and control. But actually this method has two positive consequences of tremendous importance.

a) It substitutes the possibility of negative fear, hostility, resistance to change etc., by genuine motivation towards organisation objectives

b) It taps the resources of the whole group and stimulates even the potential skills of the workers. Thus, the use of this method involves not the loss of power but a tremendous increase in the power and resources of the officer.

Administrative Leadership needs three bases, namely:

a) Personal: Good health, personal energy, physical endurance, a sense of mission and purpose, enthusiasm and self confidence, sense of friendliness, concern for others, keen intelligence, integrity, sense of moral
duty and fairness, persuasiveness and judgement i.e., capacity to know the strong and weak sides of a problem and person.

b) Political: Political responsiveness of administration depends on three attitudes. Firstly, the officer should be able to handle administrative problems in their larger and broader terms. His decisions in hundreds and thousands of individual cases that come before him must be based on public policy. Secondly, he must have a ‘Governmental sense’ i.e., his approach to all public questions should be rather than personal. No personal or party considerations should intervene in the performance of his public duties. Thirdly, he must have a ‘political sense’ i.e., he must have the capacity to expose public policy and activity to public command and criticism and to adjust to his policy in public needs and desires.

c) Institutional: Administrative leadership must also fulfil the conditions necessary for the institutional well-being of the administrative agency which he has to direct. All the co-workers have to develop a team spirit and for the purpose of generating such a spirit, the first requirement is that a sense security must be created in the minds of the employees. Governments have recognised the financial aspect of this need for the security and provide with wages, promoting policies, relevant plan etc. But financial well being alone does not provide full security to the employees. They must also be secured psychologically. For this purpose, subordinates must be confident that in all legal activities, they have the genuine
approval of their superior. In the absence of genuine attitude of 'approval', they would feel threatened, fearful and insecure.

Another requirement of security atmosphere is the knowledge on the part of all, i.e., the leaders should be generalist administrators rather than experts in any one branch of it. Through participation in a work programme, subordinates become more and more aware of their superiors’ problems and thus obtain a genuine satisfaction in knowledge that their opinions and desires and ideas are given due consideration in the search for solution.

As a corollary to the desire for participation, there is also a desire for responsibility. This desire is based upon a sense of independent and self importance and is the sine qua non of self realisation and personal development.

Another institutional condition required for the growth of leadership in administrative agency is discipline. Consistent discipline is the basis of a sound system of an organisation. But to create dynamic leadership within an agency discipline must not be based on a fear psychosis. It should be self imposed.

4. ADMINISTRATION AND STATE'S COMMERCIAL TAXES DEPARTMENT

States' Tax revenue collection activities consist of two functions — Tax Design and Tax Reform. Tax design is concerned with the designing of the tax or tax structure, which includes i) replacing an already existing tax by new tax, ii) imposition of an altogether new tax and iii) abolishing an existing tax to give a
new appearance to the tax structure. On the other hand, Tax reform is concerned with adjusting an already existing tax or a tax structure to changed circumstances such as introducing changes in the existing tax rates, the rates, exemptions, concessions and the administrative procedure.

Tax design and tax reforms can be classified on the basis of the agency in charge of tax designing and suggesting tax reforms. They are:

a) the legislature

b) the executive, and

c) the expert committees appointed by the Government.

When a new tax is suggested and its actual design is shaped in the legislative process based on public opinion, and (or the pressure of the self interested groups) it becomes a tax design by the legislature.

Tax design and tax reforms by the executive refer to the initiative taken by the bureaucracy to persuade the government to accept the tax reforms and designs suggested by it. It can be based on its own thinking, feedback, review, experience etc, or influenced by the experience of other countries or by independent expert opinion.

Finally, tax design and reforms suggested by independent expert committees appointed by the government.

Thus, tax design refers to tax engineering aspect and the reforms refer to periodic repair to the structure after it is designed and installed.
The desired objectives of a tax cannot be achieved unless it is properly administered. In fact, failure to properly administer the tax defeats its very purpose and threatens the canon of equity because full payment of tax is then made only by those who can not avoid it. But the officials of the department in every state frankly admit that efficiency is at very low ebb and evasion of tax is rampant. The assesses/dealers who bear the impact of the tax and come into contact with tax officials corroborate the fact and voice their demand for abolition of tax partially or completely on the grounds of corruption in the department.

Improvement in the administration of the taxes department is therefore of paramount importance. This could be attempted by developing an atmosphere which is conducive with effective leadership qualities at all levels of the tax department. Any tax department performs two types of activities namely, the functional and the institutional, the former is performed to fulfil the basic purpose of the department. The latter refers to the type of activities the department must concern itself with, in order to enable it to serve as a department. Commercial taxes department of Government of Kerala contributes nearly 65 to 70% of the states’ tax revenue. Therefore, the scope of this piece of research work is focused on the administrative activities of the Commercial Taxes Department (CTD).
The four functional areas of CTD are; a) Headquarters organisation, b) Administrative Organisation, c) Enforcement Organisation and d) Appellate Organisation.

a) Administrative Organisation: The organisation leadership of the department is provided by the officers of the Indian Administrative Services. However, in some of the states, where the tax yield is growing but has not yet made any significant mark, this leadership is not really forthcoming from the IAS cadre. As a Commissioner (who is drawn from the IAS) takes charge of the department with no specific working experience in that organisation, it takes some time for him to get to know its working and provide guidance in policy formulation. Thus the post of the commissioner is very important for the efficient functioning of the department.

b) Administrative Organisation: The administrative organisation of the department follows a two tier system. The first being the DIVISION and the second being the CIRCLE, which is the ultimate unit of the organisation.

c) Enforcement organisation: The work of the enforcement personnel at the field level involves surveys, investigations, visit and search of places, seizure of books of accounts and reporting of malpractices etc.

d) Appellate Organisation: Because of the possibility of abuse of discretionary power by the assessing authorities and of errors in interpretation of law, the tax administration provides for the right to appeal, revision and
references. It is apparently in almost all the states that the appellate organisation of the department is generally under the supervision of Headquarters of the department which by large easily controls the powers of the Appellate authority.

5. IMPORTANCE OF THE STUDY

We live in an information age and people in this world think about reaping the benefits of the global knowledge based economy. Globalisation is no longer an option, but a fact. Its repercussions are felt in all governmental and non-governmental organisations. In this ever changing scenario, the objectives of any enterprise/department can be achieved only through successful, effective and goal-centred leadership. Therefore proper understanding of the concepts of Leadership and realizing the importance of Leadership in Public Services is the need of the hour

The Public Service leaders are always striving for to reach a point where they can have a proper trade off between accomplishment of their goals and the satisfaction of the needs of their subordinates. A proper understanding of the leadership theories or models, leadership techniques and research findings can lend them a hand to them for developing their leadership skills.

The challenges of Leadership in administration has three aspects –

i) Leadership among the Political administrators

ii) Leadership among the bureaucratic administrators, and

iii) The interaction between political and bureaucratic leaderships
From the above mentioned list, the focus of the study is the second aspect i.e., Leadership among the bureaucratic administrators.

Commercial Taxes Department is one of the most important Public Services of our federal country. The lion’s share of the revenue earned by the State government is from commercial tax. Therefore the administrative leadership of such a department is important for any Government. Though the Government of Kerala, in their annual budgets announce fresh tax design and tax reforms, the effective and enhanced collection of taxes are seldom achieved as per the targets. This is mainly due to the ineffective Administrative Leadership Potential in all the hierarchical levels of the Commercial Taxes Department. A new taxing system called 'Value Added Tax' is proposed to be implemented from the next fiscal year. (w.e.f.1-4-2003) For the successful functioning of VAT system, Tax Administration demand effective Administrative Leadership at all levels of the Commercial Taxes Department.

Even the best designed tax structure may fail to achieve its objectives for want of proper Administrative Leadership. Therefore, simplicity of the administration co-existed with effective leadership is a panacea against administrative failure to implement well conceived tax designs and reforms like VAT. In this context, Richard M Bird25 has observed that "since the quality of tax administration is such an important constraint on the possibility of tax reforms, it would appear logical to suggest tax reform which can be administered by a poor administrator. Tax policy must
be framed on the basis of a realistic understanding and appraisal of the capabilities of the tax administration.

Bird\textsuperscript{26} continues to say that a \textit{less than ideal tax structure designed for a poor administrator may work better—its effects may be more in line with these desired} – than a \textit{'good' tax badly administered}.

Therefore the Leadership at all levels of a department is important for achieving the objectives for which it is set up. This defends the selection of the study of Administrative Leadership Potential of Commercial Taxes Department.

Moreover, the studies on Leadership are scarce in India, especially in Kerala. Management is a growing subject and a study on one of its important concept like ‘Leadership’ is welcomed by both the academicians and practitioners. As said, the research conducted in India on such an important area viz., leadership is meagre when compared to the foreign countries like USA and Canada in Kerala, till now there are very few attempts have been made to conduct studies on leadership and even most of the studies are confined to private sector, and not in government.

In a nutshell, the Public service leadership is moving towards a crisis everywhere in the world and informed and effective action is needed stop the drift and to adapt to changing times and emerging tasks. The problem is both a decline in the quality of leadership and a slowness to respond to the changing world. Leaders in the 21st century are facing demands to modernise public
services and orient them more closely to the needs and wishes of public. There are also higher expectations on the part of the general public, who expect public services to keep up with private ones. Other radical changes include increased opportunities, and requirements, for partnerships both across the public sector and with private and voluntary organizations and pressures to harness new technology and deliver government services electronically. To understand these astonishing changes taking place around the world and to keep the department one is heading in tune with the times, the 'Leadership factor is the most crucial. The Public Services in Kerala are no exception to this phenomenon. The Commercial Taxes Department of Kerala like the other Public Services of the Government of Kerala is also facing an Administrative Leadership crisis.

If a responsible government is serious about Public Service Leadership in the 21st century, then surely there is a need to prepare and develop such leadership within the context of a clear understanding of our world today.

This research work titled 'Administrative Leadership Potential: A Study on the Taxes Department of government of Kerala' attempts to fill the gap. The findings of this study and the suggestions made thereon will have practical utility on the working of the department concerned and for other similar departments.

6. DEFINITION OF TERMS

Leadership: Leadership is the mental and/or physical activities performed by an employee of the Commercial Taxes Department to fulfil the public service objectives. The activities would directly or indirectly influence the
behaviour and activities of the co-employees of different hierarchical levels and the 'environment' of the department.

**Environment:** Environment is defined as the physical and mental area in which the 'leaders' are performing their Public Service tasks as 'Superiors' and 'Subordinates'. The environment includes work and organisational environment i.e. internal environment and the external environment.

**Leaders:** Any employee capable of influencing the behaviour and organisational activities of the co-employees (Employees at all levels) in the CTD.

**Superior:** The term 'Superior' denotes a higher position or rank. In this sense, a 'Superior Officer' is a person who holds a higher position or rank in an office. Superior denotes all the employees of the CTD in the Officer Cadre such as Assistant Sales Tax Officer (ASTO), Sales Tax Officer (STO), Assistant Commissioner (AC) and Deputy Commissioner (DC) (Commissioner is the chief of the department and in the IAS cadre. Since he is not a permanent incumbent of the department, he is left out from the sample employees for the selected study).

**Subordinate:** 'Subordinates' in the CTD refer to all the employees below the rank of the Deputy Commissioner (DC) i.e. Assistant Commissioners (AC), Sales Tax Officers (STOs), Assistant Sales Tax Officer (ASTO), Inspectors,
Head Clerks, Upper Division Clerks (UDC) and Lower Division Clerks (LDC) and does not include sub staffs like Peons, Drivers and Watchers.

**Administrative Leadership Potential:** Administrative Leadership Potential stands for the practicable Public Service leadership qualities latent in employees of the Commercial Taxes Department.

7. **OBJECTIVES OF THE STUDY**

1. To identify the component independent variables (with sub-components), which in combination would stand for the measurement of dependent variable Administrative Leadership Potential of the Officials of Commercial Taxes Department (CTD).

2. To develop various predictor equations for measuring the Administrative Leadership Potential of the employees of the CTD.

3. To obtain factor structures in terms of experimental variables (both dependent and independent variables) for the officials of the Commercial Taxes Department of Government of Kerala, and

4. To give suggestions for improving the effectiveness of interpersonal relationship and leadership qualities of the Officials of the CTD.

8. **HYPOTHESES OF THE STUDY**

Three hypotheses are framed for the present study and they are:

1. Each of the variables identified and selected for the study will correlate with the dependent variable – Administrative Leadership Potential.
2. The independent variables (Predictor variables) can be reduced in number to yield the best fit predictor equations for Administrative Leadership Potential by developing appropriate statistical techniques.

3. The factor structures on the Administrative Leadership Potential obtained in respect of variables will differ significantly from each other.

9. METHODOLOGY OF THE STUDY

1. After a detailed review of the literature on leadership and leadership models, and research works conducted with in and outside India in similar contexts and of the structural and characteristic features of the Commercial Taxes Department of Government of Kerala, relevant variables and its sub-components (items) contributing to the Administrative Leadership Potential were identified. On the basis of that exercise, Eight (8) variables consisting of a total of 285 items were identified. Besides, 12 items under the variable called the 'Personal Profile' of the respondents were also developed to through light upon the personal background of the respective respondents.

2. After identifying and analysing the eight independent variables (consisting of 285 items) along with the twelve items to explain the Personal background of the Sample Employees, Interview Schedules were prepared. The independent variables finally selected for the study are:

1) About Ones Superior (V2) (Items: 63)
2) External Environment (V3) (Items: 10)
3) About Oneself as Superior (V4) (Items: 63)
4) Work and Organisational Environment (V5) (Items: 21)
5) About Ones Subordinates (V6) (Items: 37)
6) About Ones Peers (V7) (Items: 27)
7) About Oneself as Subordinate (V8) (Items: 37) and
8) About Oneself as Peer (V9) (Items: 27).

3. Interview, based on the variables and its sub-components, were employed to collect the opinions of the employees of the CTD. A seven-point rating scale was also framed to indicate the scores of opinion expressed by the sample employees. Before finalising the structure of the Interview Schedule, an "in-house" testing of the draft interview schedule was made with in the academic circle. A pilot study or pre-test was also conducted before finalising the Interview Schedule for actual empirical test.

4. The population or universe for the study includes only those cadres of employees which were felt relevant for the study. In this sense, the population for the study is 2976 employees of the CTD. The population is identified as per the records of the statistics wing at the Commissionerate of Commercial Taxes Department of Government of Kerala.

5. The population (Number of employees from different cadres of employees of Commercial Taxes Department) is classified into three layers for the purpose of selecting the sample such as Top level, Middle Level and Lower Level employees. Special attention has been made to identify the employees from each cadre who can give proper and reliable answers for the questions supplied to them.
6. **Random Sampling** method was employed in selecting sample employees from the population. All the items of the sample were selected independently of one another and all the items in the population had the same chance of being selected. At some points Judgement *sampling* is adopted in order to avoid those respondents who were not at all cooperative in imparting the relevant details. The sample selected for the study is 300 which constitute 10.08 per cent of the total population. Out of this, 55 are Top level employees, 145 belong to Middle level Cadre and 100 pertain to Lower level Cadre employees. The period of interview for all these sample employees selected for is 6 months (from Feb 2001 to July 2002).

7. The data collected were codified, classified and tabulated. Tables, Diagrams and Statistical results were derived using the Computer. The packages like MS Word, MS Excel and SPSS (Statistical Package for Social Sciences) were used.

8. Statistical tools used for the study are mean, standard deviation, Correlation, Multiple correlations, multiple regression analysis and Factor analysis. The factors are extracted using Principal Component Method and the factors are rotated through various iterations by using Kaiser Varimax rotation method.
9. The analysis of data was done in the following order.
   
a) Using the 12 items pertaining to personal details, the profile of the respondents (of the Total Sample of 300 employees) was analysed by adopting statistical tools like Percentage, Mean and Mode.
   
b) An item-wise analysis was made of all the 285 items which are grouped under eight different independent variables in order to assess the Administrative Leadership Potential (ALP) of the CTD. The mean scores of the responses made by the respondents for each item under each variable were studied in this segment of analysis. Thirty-nine tables are drawn and on an average each table consists of eight items. In short, an item wise descriptive analysis is presented as the first step towards the process of analysis.
   
c) By using multiple regression analysis, 255 predictor equations were framed out of which Eight (8) predictor equations, one from each set was statistically selected for predicting the Administrative Leadership Potential of the CTD.
   
d) The factor structures of the total sample were obtained through factor analysis for the selected eight variables along with the dependent variable Administrative Leadership Potential. The factors were extracted using Principal Component method and Kaiser Varimax rotation method was used to rotate factors. Altogether, four (4) factors were derived through the statistical analysis.
The Structure of the Study

The study has been presented in five chapters. Chapter I forms the ‘Introduction’ to the study. Chapter II is the ‘Literature Review on Leadership’. Chapter III gives the ‘Theoretical Framework’ of the study. Chapter IV shows the ‘Analysis and Findings’ of the Study. The last Chapter (V) contains the ‘Summary Conclusions and Suggestions’.

10. LIMITATIONS OF THE STUDY

In spite of all the usual safety measures that were taken to make the study scientific and reliable, the researcher would like to point out some unavoidable limitations. They are:

1. The selection of independent variables was done after reviewing the literature on leadership, referring to other research work, studies etc. and analysing the essential characteristics of the Commercial Taxes Department. Altogether, 285 items are selected for the study under eight independent variables. More variables or items can be included to make it more comprehensive list. However, the selection of eight variables and its subcomponents was made as they were considered more vital and had higher logical correlation with the Administrative Leadership Potential.

2. The selection of independent variables and its subcomponents was purely based on the characteristic features of the employees of the CTD of Government of Kerala. Hence, the developed Interview Schedule is more applicable to the CTD of Kerala only. The application of the framed
Interview schedules in the CTD of other States or in other departments in Kerala itself would need modification and contextualisation. However, the variables used here are more or less of similar application in all the public service activities.

3. One of the important purposes for which the data on the different independent variables were used was for PREDICTIVE VALIDITY. The predictive equations were formed with the help of the data on the independent variables and with the dependent variable – Administrative Leadership Potential. In the long run, the predictor equations may not give accurate results.

4. The tax revenue of the Government of Kerala comes from the Commercial Taxes, Motor vehicles tax, registration, State Excise etc. The scope of the study is limited to the leadership potential of the Commercial Taxes Department only due to its major contribution to the State Ex-checker. The leadership efficiency of other tax departments is not attempted in this study.

The above limitations, the researcher would like to point out, are not, in nature, so serious as to vitiate the findings. Most of them are also beyond the purview of the scope for the study.
References


13. M, Smith "Personality dominance and leadership", *Journal of Sociology*, 1934, pp.18-25


