Chapter-I

INTRODUCTION
A recent book on 'Organizational Behaviour' by Keitner & Krinicki (1998) picturizes 'a pack of wolves' on its cover page, perhaps conveying that organizational processes including leadership are part of our natural history. Leadership is a naturally occurring universal social phenomenon which is observed in one or another form from insect societies to modern man. In the modern era, the leader carries a significant social entity whether it is at home, office, private or public organization. Actually, leadership is an evolutionary process since the age of protoculture society. In simple words, a leader is a person who has leadership qualities and/or the one who leads.

Research on understanding leadership in the organizational context has been a theme of great interest as well as of complexity since the work of Lewin, Lippit & White (1939). The critical problem regarding the complex analysis of leadership involves the answer to a question—'who is an effective leader'? This question is focussing on the minimum levels of performance (goals of an organization) as determined by the organization specific to measure the effectiveness of a leader on the basis of certain parameters. An effective leader shows excellence up to or above those standards by getting the work done from those whom he leads.

Conceptually, leader is said to possess distinct traits and qualities due to which he is able to exert control over the group. Different sociologists and thinkers (Baudus, 1942; Bass, 1960; Gouldner, 1950;
Hainan, 1950) have put their views forward in this context. Allport (1937, 1942), a trait theorist, has stated the preponderance of such traits would make a leader effective: (1) Traits of ascendance (2) Physical power (3) Tact & zeal (4) Social support (5) Tonus & tenacity (6) High mobility (7) Face to face mode of address (8) Expensiveness in the field of action (9) High intelligence and understanding (10) Keen susceptibility to social stimulations (11) Reinforcement of energy (12) Restraint and Inscrutability.

Charles Bird has also (1926, 1938) identified certain traits in a leader- (1) Intelligence (2) Moral sensitivity (3) Imagination (4) Responsibility (5) Drive and determination (6) Dynamic physical characteristics (7) Imperturbability.

Robbins (1996) has stated leadership as the ability to influence the group toward the achievement of goals.

On the basis of the nature of systems operative, various types of leaders were identified by Etzioni (1961). He dealt with three systems i.e. coercive, utilitarian and normative type. All these three systems entertain different kind of leaders depending upon the basis of authority, kind of involvement and subordinate’s feelings. The leaders of coercive organization are termed king or queen, dictator, tyrant boss or autocrat. The kind of involvement in this system is alienative leading to the development of the feeling of resentment, anger or dependence,
submission or loyalty and commitment on the part of subordinates. While the leaders of utilitarian organization are termed supervisor, manager, executive, bureaucrat or senator involving ‘calculative’ kind of involvement. The subordinates’ feelings in this system are of caution, suspicion, independence, self-protective and uninvolved etc. The leaders of normative organization are called true leader, messiah, entrepreneur or charismatic leader dealing with ‘moral form of involvement’. The feelings of involvement, dedication, commitment, sense of shared goals and high motivation develop in subordinates.

In an organizational (utilitarian) setup, there are hierarchical levels of management and each level deals with the formal structure. But the most significant fact is ‘not all leaders are manager nor are all managers leaders.’ The source of influencing the group may be formal, such as that provided by the possession of managerial rank in an organization or there may be nonsanctioned leadership (Robbins, 1996) - the ability to influence that arises outside the formal structure of an organization, i.e., emerging leadership itself within a group. It is, therefore, explicit that at every level, a manager has to lead others by presenting himself as a guiding star and to act manifold in the organization.

Mintzberg (1993) stated three important roles performed by a manager: - (1) Interpersonal Role-manager as a figurehead (2) Leader Role - Manager as a source of motivation to subordinates, and (3) Liason
Role - Manager interacting with subordinates and superiors outside his working unit. Thus, the activities of an effective manager constitute - (1) to get the job done through high quantity and quality standards of performance and (2) to get the job done through people, requiring their satisfaction and commitment.

Schutz (1958), in his FIRO theory (Fundamental Interpersonal Relations Orientation) highlighted a conceptual and integrative view of leadership roles stating 'Effective leader integrates the needs of the group with reality'. Going with the above description of traits of a leader, its roles, activities and the type of an organization where he practices, it is obvious that leadership is a process having high degree of underlying variability.

LEADERSHIP STYLE

The leadership is determined by the leadership style delegated by a leader. The term ‘style’ roughly represents the leadership behaviour or approach. It refers to the way in which the leader influences his followers, if the leadership is considered as the ability to influence. It portrays the manner in which the leader affects the goal attainment process of his group. The connotation of ‘supervisory style’ has been given to the term ‘leadership style’.

Lippitt & White (1939) came upon with the three leadership styles under Iowa studies research programme, viz., authoritarian, democratic and laissez-faire. An authoritarian leader makes decisions alone and
orders his subordinates to do every thing in the light of the decisions made by him. A democratic leader actively involves subordinates in the decision making process, shares problems with them, solicits their inputs and shares the authority for arriving at decisions. A laissez-faire leader avoids making a decision and gives relaxation to subordinates to take individual decisions on their own by providing little guidance whenever feels so.

Research on the effectiveness of these alternative styles indicated the democratic leadership style as most desirable (Lewin et al., 1939) for the employees under this leadership style were more satisfied, had higher morale, more creative and had better relationship with their supervisors.

The famous Ohio state studies (Stogdill & Coon, 1948) focussed on two types of leadership styles i.e. consideration and initiating structure. Consideration deals with the recognition of individual needs and relationships while initiating structure is inclined towards goal orientation.

Fleishman & Harris (1962) conducted a study on the group of production supervisors in a manufacturing environment using this classification. It was found that high levels of leader consideration were associated with lower levels of employee grievances and turnover. Subsequent researches on this dichotomy were conducted by Kerr & Schrieschcim (1974), Stogdill (1974) and Yukl (1971).
Katz, Mccoby & Morse (1950) carried out an effective programme in the area of leadership in Michigan University. Their work resulted in two leadership styles, Production Oriented & Employee Oriented leadership which appear to be consistent with the Ohio state studies in essence. Initially, these two styles were taken as opposite ends of a single continuum. But in 1972, Weissenberg & Kavanaugh fortunately disproved this assumption and asserted that these are two separate dimensions being independent of one another; the extent to which a person is high or low on the dimension does not determine where that person stands on the other dimension. As a result, a leader may simultaneously be high or low on either or both of the dimensions.

Number of research studies (Katz et al., 1950; Katz & Kahn, 1952; Mann & Deut, 1954) were carried out examining the relationship between employee oriented and production oriented leadership styles and leadership effectiveness. The eventual conclusions drawn from this research regarding these two styles were similar to those drawn for consideration and initiating structure. However, there is no consistent evidence that either leadership style results in higher levels of productivity.

Likert & his associates in Michigan University (1961) dealt with four systems on the basis of authority delegated by leader. Every system emerged in a separate management i.e. exploitive authoritative (S₁), benevolent authoritative (S₂), consultive (S₃) and participative group (S₄).
The managers of exploitive authoritative are highly autocratic, have little trust in subordinates, engage in downward communication and motivate people through fear and punishment with occasional rewards. The managers of benevolent authoritative have a patronizing confidence, motivate with rewards and some fear and punishment, permit some upward communication and allow some delegation of decision making but with close policy control. Consultive managers have substantial but not complete confidence and trust in subordinates, use rewards for motivation with occasional punishment, engage in communication flow both down and up, make broad policies and general decisions at top along with consultation at lower levels. Participative Group managers have complete trust and confidence in subordinates in all matters, always involve creative participation from the lower level, give economic rewards on the basis of group participation and involvement in goal setting and appraising performance, engage in much communication down and up, and encourage decision making throughout the organization.

Robert Blake & Mouton (1964) provided a ‘Managerial Grid’ which deals with the task and people oriented dichotomy. This grid identified 5 leadership styles, viz.,

(1) **Impoverished Managers** concern themselves very little with either people or production and have minimum involvement in
their jobs, to all intents they have abandoned their jobs and only act as messengers for communicating information from superiors to subordinates.

(2) **Team Managers** are one who display in their actions highest possible dedication both to people and to production.

(3) **Country Club Managers** - Managers of this style have little or no concern for production but they are concerned only for people.

(4) **Autocratic Task Manager** They are concerned only with developing an efficient operation who have no concern for people and are quite autocratic in their style.

(5) **Middle of the Road Managers** have medium concern for production and for people. They obtain adequate but not outstanding, morale and production.

The well-known Fiedler's (1967) contingency model of leadership effectiveness also identified the leadership styles i.e.

(1) **Lenient style**: is oriented primarily towards achieving good interpersonal relations and toward attaining a position of personal prominence.

(2) **Hard nosed style**: is task-oriented and a leader gains satisfaction by getting tasks performed.
Robert House (1971) proposed the Path-goal theory of leadership effectiveness stating ‘effective leaders’ are those who help subordinates in achieving both enterprise’s goals and their personal goals, particularly achievement and reward goals such as money, promotion, opportunities for growth and development.

The Vroom-Yetton (1973) normative leadership model provided a detailed analysis of five leadership styles, seven situational dimensions, fourteen problem styles and seven decision rules. The five management decision styles involve (1) A(I) making the decision on own by a leader himself (2) A(II) In making decision gather the maximum information from the subordinates (3) (I) share the problem with relevant subordinates individually and get their ideas and suggestions without bringing them as a group. (4) (II) To solve the problem in a group collectively, make the decision to bring out the most relevant subordinate’s influence. (5) G(II) Share the problem with subordinates as a ‘group’. The role of leader is of ‘Chairperson’ and the leader has to implement that decision only which has the support of the entire group.

Besides these descriptions of leadership styles, Sinha (1974-76) introduced the concept of Authoritative style of leadership which has recently been renamed as the Nurturant-Task-Master (NT) type of leadership for the reason of confusing, similarity of Authoritative to Authoritarian in nomenclature. The NT style is different from authoritarian style which is self-oriented and also from participative style which is
people oriented. Though NT leader is task oriented, he is not indifferent to human factors. He motivates the subordinates to work by maintaining personalized and supportive relationship with them. He helps and guides them so as to make them able to assume greater responsibilities.

Bass (1985) applied the concepts of transformational and transactional leadership to business organizations. Transactional leadership deals with the transaction between leader and followers in terms of performance by exchanging rewards for the appropriate levels of effort. While transformational leadership moves beyond transactions and put in maximum efforts to increase the level of followers awareness for valued outcomes by expanding and elevating their needs and encouraging them to transcend their self-interests.

Nicholls (1986) proposed a congruent leadership model, which postulated that the correct leadership style is that which is congruent with a combined assessment of factors relating to the leader, the subordinates and the situation. The major characteristics of congruent leadership include the leader's equal and high emphasis on task and on relationships. The congruent leadership model also recognises that the leader's level of activity in directing the task and developing relationship will vary as the situation demands.

Prof. J.B.P. Sinha (1987) proposed the model of leadership style having six dimensions i.e. Authoritarian (F) style, Bureaucratic style (B),
Nurturant (N) style, Task-oriented style (T), Participative (P) style and Nurturant Task (NT) style. This model postulates that Authoritarian and Bureaucratic leadership styles are ineffective except the task is simple and high routined. The participative leader is stated to be effective only when the subordinates are willing to participate otherwise this leadership is also said to be weak or manipulative as the leader abdicates his responsibility or shifts it to subordinates. The nurturant leadership style is preferred but in order to be effective it must be contingent on task performance. And this characteristic is the major attribute of Nurturant Task leadership style. This model specifies that the NT style of a leader helps the subordinates to work hard and sincerely. As a result, the subordinates gain expertise to work on their own. The power distance is also reduced. Gradually, the subordinates get prepared and willing to participate in group related decisions. The NT leader in order to remain effective must shift gradually to P style. Thus, the model visualises a dynamic reciprocal influence relationship between a leader and the subordinates.

Determinants of Leadership:

After the detailed analysis of different models of leadership style, the primary question arises: what are the determinants of leadership? Is it solely a result of genetic predisposition of a leader or it is due to the
impact of environment or work set-up where he is working or the gist of both these factors. This question requires the investigation of an equation: \( LS = f(P, E) \)

where \( LS \) = Leadership style
\( P \) = Personality
\( E \) = Environment.

Prior to 1949, the major ‘vein’ of research emphasized upon isolating the physical, intellectual or personality traits that distinguished leaders from followers. Different trait theorists (Allport, 1942) started with the ‘greatman’ theory (James, 1880) stating that leaders are born and not made.

Environmental Approach emphasized upon the significance of environment where an individual is reared-up and the kind of experience he gets. Hartman & Harris (1992) have emphasized the importance of parental influence in early life in shaping a leadership style. Hantaluoma, Dickinson & Inada (1992) found the importance of background factors such as familial, social, economic and financial in determining styles among middle level managers in United States.

Situational Approach: After getting general dissatisfaction with the failure to isolate leadership traits, various investigators (Crockett, 1955; Kahn & Katz, 1956) focused upon the situation in which leadership occurs. This approach assumes that ‘leadership is strongly affected by
the situation from which the leader emerges and in which he or she operates'. It further assumes that the traits and skills that characterize a 'good leader' will vary from group to group and from situation to situation. Thrasher (1927) in a study of street gangs reported that the particular activity of the group was a major factor in determining who would be the gang leader. Burke (1940), Dunkerly (1940) and Stogdill (1974) also emphasized the importance of situational leadership factors in their research work. Baddeley & James (1991) reported that in the 'political environmental' situation where the 'innocent managers' are unaware of the politics sometimes become rude & ineffectual confirming the view that leadership style is flexible according to situation. Trice & Beyer (1991) reported the concept of 'Cultural Leadership (CL)'. It states that it is not the behaviour of effective cultural leaders that change rather this leadership either creates or changes organizational cultures.

Functional Approach: This approach was developed under the influence of 'Kurt Lewin (1951), founder of field theory in social science'. It shifted emphasis from the study of the leader as a person to the study of the group. According to this approach, leadership is defined as all those member acts that aid in the development of the group and accomplishment of the group's task. Benne & Sheats (1948), Carter, Haythorn and Lanzatta (1950) and Stogdill (1951) found that the relative emphasis placed upon particular leadership functions was highly influenced by the task situation.
Measurement of Leadership:

The most of research and theory on leadership clearly indicate that an effective leader designs a system that takes into account the expectancies of subordinates, the fact that motives vary from time to time, interpersonal relationships, types of rewards and situational factors. In order to quantify the ‘leadership’ variables, various important techniques are in use, i.e., Questionnaire, Interview, Rating Scale, Observation, Self-assessment, Perceptions of subordinates, perception of co-workers and psychological tests. Different theorists (Allport, 1937; Katz, 1950; Stogdill, 1948) used different methods in order to identify the leadership style delegated by a supervisor/manager of a company.

Katz, McCoby & Morse (1950) used the observation along with the performance appraisal method. In observation, they observed the meeting schedules held by a leader and evaluated his job performance in terms of accomplishment of organizational goals and how much satisfied the subordinates are from the concerned leader (by interview method). At the same time Ohio scholars (1948) developed two questionnaires; one to measure the style of the leadership as perceived by the leader himself (self-assessment technique) called ‘Leadership opinion questionnaire’ and the other to measure the style of leadership as perceived by the subordinates of the leader (perception of subordinates criteria).
Blake & Mouton (1964) developed a questionnaire on 'Self Assessment of Key Managerial Orientations'. It has 6 elements i.e. decision, convictions, conflict, emotions, humour and effort. Each of this carries 5 statements describing the leaders for task concern and concern for people (ranging from 1-9 levels). Fiedler (1967) introduced a scale/score, called 'Least Preferred Co-worker' (LPC). It is a 20 item questionnaire designed to assess the level of esteem in which the leader holds his least preferred co-worker. The leader is asked to describe the person with whom he has worked least well in accomplishing his task. The Low LPC score (unfavourable evaluation) indicates that leader is willing to reject those with whom he can not work. The lower the LPC, the greater the tendency to be task-oriented and vice-versa in case of high LPC score.

Robert House (1971) dealt with the 'structured role situation' in order to assess the leadership style. In this study, leaders were given a situation and they had to guide and counsel their subordinates in terms of clearing the paths, clarity of goals, providing support and rewards, analysing the situation, task and employees needs.

Vroom & Yetton (1973) developed a questionnaire in which the leaders were to answer 7 situational questions (A-G). Out of these 7 questions, first 3 dealt to protect the quality of decisions and next 4 to protect the decision acceptance.
Sinha (1974) developed a questionnaire on leadership style. It consists 13 items each of which has 3 statements describing Authoritarian (F), Nurturant Task (NT) and Participative styles (P). Respondents, i.e., managers are asked to rank all the three statements of each triplet in terms of how true they are of them. The individual scores are obtained by summing up all the top ranks (rank-1) for each style of leadership.

Graen and Liden (1987) developed a 5 item leader member exchange (LMX) scale in order to assess the quality of supervisor-subordinate interaction. Format had ratings from 1-5. The possible range of scores extended from 5→25. With the help of this scale, average leadership style (ALS) is measured as the LMX ratings of all the subordinates reporting to a particular supervisor are averaged and that average is assigned to each group member as their ALS score.

J.B.P. Sinha (1987) developed two versions of leadership style scale (LSS) and leadership behaviour scale (LBS). The LSS asks a leader to rate himself on the items while the LBS asks a group of subordinates to rate their immediate superiors.

Corresponding to Sinha's (1987) 2 versions of leadership style scales, there are 2 versions of the measures of subordinate's preferences developed by T.N. Sinha and Jyoti Prasad in 1990. These are Subordinates Preference Scale and Behaviour Preference Scale. The
former is used by a leader to ascertain the preferences of his subordinates and the latter is used by subordinates to express their preference regarding the leader's behaviour.

In the present research study, Sinha’s Leadership Style Scale (LSS) and Leadership Behaviour Scale (LBS) are used to measure the variable of leadership style.

**Leadership and Performance:**

A leader performs various operations having a great impact on the performance indices, e.g., turnover (output), psychological well-being of employees, organizational climate, organizational health etc. The leader’s own forces, his personality characteristics and the approach used by a leader play an important role in the determination of effective performance of an organization. High human relational approach of a manager influences the performance most. Moreover, leader's interaction with subordinates also determines the organizational performance (Lai, 1993; Sinha, 1987). In practice, the term 'Performance' generally refers to the output (Productivity). However, leadership is also related to other end variables, i.e. psychological well-being and job satisfaction of employees through certain moderator variables related to organizational policies, matters, organizational climate etc. Leadership style is very important in shaping organizational climate which thereby determines the performance of workers. Number of empirical research studies have revealed the significant relationship of the Nurturant task
leadership style with high job satisfaction, low employee turnover and motivating climate (Ansari, 1982; Ishi, 1978; Orphen, 1980; Sharma & Rajan, 1984; Sinha, 1981). The performance of an organization bears an important relationship with organizational stress mainly in employees. Participative leadership style has been found to decrease the salience of organizational stress among the employees and increase the output of an organization (Sinha, 1984).

The foregoing description converge on the proposition that leadership style is situational and influences the organizational performance directly as well as indirectly through moderators. Moreover, the organizational performance in some cases is also influenced by the forces in subordinates, forces in work place and also by the forces in the managers.

PERSONALITY/TYPe A BEHAVIOUR PATTERN

The ‘Behaviour Pattern’ is considered to be a trait, typology and as a continuum of behaviours ranging from extreme ‘Type A’ to extreme ‘Non Type A or Type B’. Two prominent cardiologists - Meyer Friedman and Ray Rosenman pursued their clinical and epidemiological research regarding the role of behaviour and Central Nervous System (CNS) in the development of Coronary Heart Disease (CHD). It led to the emergence of 2 broad behaviour pattern - (i) Type A Behaviour Pattern (TABP) or coronary prone behaviour pattern and Type B Behaviour Pattern (TBBP). Both of these behaviour patterns may carry a significant importance in the
occupational (managerial) context because some of the employees and managerial cadre may develop TABP and some are not related to this Behaviour Pattern.

**Type A Behaviour Pattern**

Coronary prone behaviour pattern also called ‘Type A’ is defined as a ‘characteristic action emotion complex which is exhibited by those individuals who are engaged in a relatively chronic struggle to obtain an unlimited number of poorly defined things from their environment in the shortest period of time, and, if necessary, against the opposing efforts of other things or persons in their same environment (Friedman and Rosenman, 1969).

The TABP is considered to be an overt behavioural syndrome or style of living characterized by extremes of competitiveness, striving for achievement, aggressiveness (sometimes stringently repressed), haste, impatience, restlessness, hyperalertness, explosiveness of speech, tenseness of facial muscles and feelings of being under the pressure of time and under the challenge of responsibility. Persons having this pattern are often so deeply committed to their vocation or profession that other aspects of their lives are relatively neglected. Not all aspects of this syndrome or pattern need to be present for a person to be classified as possessing it. The pattern is neither a personality trait nor a standard reaction to a challenging situation, but rather the reaction of a
characterologically predisposed person to a situation that challenges him or her. Different kinds of situations evoke maximal reactions from different persons (Jenkins, 1975).

**Type B Behaviour Pattern**

This pattern is characterized by relatively little or nonhabitual sense of time urgency, non-competitiveness, lack of aggression drive and is exhibited by generally more relaxed, easygoing and more patient individuals. The Type B person cannot be adequately described as the antithesis of Type A person because the Type B individual exhibits all or some of the same traits, but not in the exaggerated manner that is so common to the Type A subject. Nor do we find in the Type B person the cluster of these exaggerated characteristics exhibited simultaneously as is so often observed in Type A individual. By way of analogy, if the Type B person were thought of having a 'normal body temperature' then the Type B person is not involved in a chronic struggle against time although he may occasionally feel sometime pressure. He is not overtly competitive and while he may espouse certain ambitions, he pursues his goals in a relatively non-aggressive way.

A true 'Type B' is one who from earliest days never cared to compete excessively or to run a race with time. Of course, he might have been a good student and even a superb thinker. He might work for long hours and be very conscientious about what he usually does. But he does not feel the need to compress events in time and get more done 'each
day'. Unlike the 'A', the 'B' person feels that there is a time enough each
day to do those things he wishes to do. He cuts a smaller piece of pie of
life. He is not apt to relinquish vacations and is often very satisfied with
his status, both economic and social. He never makes one think of the
sharply discharged arrow. His whole demeanour suggests relaxation,
unhurriedness and contentment.

Life in a complex organization can be a great source of
challenges for managers. Brummet, Pyle and Flampoltz (1968)
suggested that managers suffer from extreme physiological symptoms
from stress at work. Such Type A Behaviour pattern forces on them active
organizational life before they have had an opportunity to fully actualize
their potential. The mental and physical health as a result of job stress are
not only disruptive influence on the individual manager but also a real cost
to the organization on whom many individuals depend.

The Type A Behaviour Pattern has strong relationship with Factor
(H) i.e. Hard Driving and Competitiveness, Factor (S) i.e. Speed and
Impatience and Factor (J) i.e. Job Involvement. Factor (H) involves the
perceptions of oneself as being hard-driving, conscientious, responsible,
serious, competitive and putting more effort than other people. Factor (S)
deals with the time urgency revealed in the style of behaviour of the Type
A person. Factor (J) expresses degree of dedication to occupational
activity. Fild et al (1960) pointed out that Job Involvement (Jl)
characteristic of Type A Behaviour pattern is both a blessing and curse.
They found that the higher the status of person's occupations, the more involved they are in their work. These highly involved persons obtained greater emotional rewards from success but they also pay greater psychological price when faced with prospects of failure in their work role and thus experience greater degree of stress and anxiety.

It is not only the source of stress that gets influenced by Type A Behaviour factors, it is the output also that gets suffered (Lazarus et al., 1974). Type A individuals perceive more 'Role overload' than Type B's (Jones, 1975). Glass (1977) - Type A individuals are more motivated than Type B's to gain and control over important events and thus are more threatened by potential loss of control over stressful event than Type B's.

Type-A managers have been found to be less prepared for demands and expectations of management (Hinkle, 1961), more involved, more persistent, reactive to responsibility (Russek, 1965), experience more overload at work (Frenek & Caplan, 1973).

There is an intermediate Behaviour Pattern - Type X that is found in persons who exhibits some of the characteristics of both the incompletely developed A and B types. This phenomenon exemplifies the fact that all people are not easily categorized as Type A or Type B. Type X is not a true or pure Type A or Type B. The X behaviour pattern occurs seldom in comparison to A & B types (about 10% or less of the population). If a preponderance of Type A behaviour pattern
characteristics exists, then the subject is rated 'A'; if a preponderance of
Type B characteristics exists, then the subject is rated 'B'. Only when the
distribution is so nearly equal that the subject can not be categorized as
really being Type A or Type B, the subject should be rated as Type X.

TABP is not always exhibited by a person. It is only in the
presence of certain environmental factors i.e. organizational stress,
competition, threat to ego, job related problems etc. that a manager
exhibits such kind of behaviour pattern.

In the present research study, an attempt has been made to
study the relationship between the leadership style (self-perceived) and
type A Behaviour Pattern along with Factor (H), Factor (S) and Factor (J).

ORGANIZATIONAL CLIMATE

The leadership style and behaviour pattern have a great effect on
the organizational climate (Ganesan & Rajendran, 1981; Steve &
Kozlowski, 1983).

Climate is used in organizational analysis in a way similar to our
everyday reference to weather. Climates change because pressure
areas, winds or one of many other factors shift; source climates are better
for human functioning than other climates. Similarly, in organization
theory, climate is a characteristic of the entire unit and is a result of the
many forces operating in that environment. As a result of the evolution of
a climate, the response of the organization to outside influences become
predictable. McClelland (1965) defined it as a set of generalized attitudes and beliefs that exist in a community or a nation. Crombie (1963) described technical, intellectual and social climate necessary for scientific and technical innovation. He found that these three aspects of environment constitute the total climate. Organizational climate research occupies a popular position in current industrial and organizational psychology. Gilmer (1964) reviewed the early organizational climate literature. However, conceptual and operational definition, measurement techniques and ensuring results are highly diverse and contradictory.

Guion (1973) concluded that organizational climate represents a 'fuzzy' concept. In order to remove these diversities and contradictions and to gain order and direction in concept, it became necessary to review the major conceptualizations definitions and measurement approaches regarding organizational climate.

Approaches of Organizational Climate: James & Jones (1974) presented three separate but not mutually exclusive approaches to define and measure organizational climate. These approaches are-

1. Multiple Measurement - Organizational Attribute Approach

Representative of this approach is the definition of organizational climate as 'a set of characteristics that describes an organization and that (a) distinguish the organization from the other organization (b) are relatively enduring overtime (c) influence the behaviour of people in
organization (Forehand & Gilmer, 1964). By elaboration he stated that - under this approach - following areas of study would be appropriate - Studies of organizational models and taxonomies (e.g. Katz & Kahn, 1966; Sells, 1963), organizational context (Lawrence & Corsch, 1967) and organizational structure. In addition, this broad definition would encompass system values and norms (Katz & Kahn, 1966) as well as studies of the different facets of organizational and sub-group processes such as leadership, conflict, reward, communication and control. In fact, any study focusing on organizational or group characteristics would be included in general area of organizational climate.

2. Perceptual Measurement - Organizational Attribute Approach

The prior definition dealing with first approach gives excessive attention to the organization as a whole and places insufficient emphasis on perceptions of the members of organization. The greater stress should be made on the idea that the environment is interpreted by the members of organization to have a certain quality which affect their attitude and motivation.

Litwin & Stringer (1968) and Taguiri (1968) defined organizational climate as relatively enduring quality of an organization's internal environment distinguishing it from other organization,

a) which results from the behaviour and policies of members of organizations especially top management,

b) which is perceived by members of organization,

c) which serves as a basis for interpreting the situation, and

d) acts as a source of pressure for directing activity.

Thus, they indicated that climate of organization should be measured perceptually.

Guion (1973) felt that climate researchers were confused as to whether climate was an organizational attribute or an individual attribute. If considered as organizational attribute but measured perceptually then he concluded that the accuracy of perception should be validated against objective, external measures of the situation or at least validated against consensus of perceptions.

3. Perceptual Multiple - Measurement Individual Attribute Approach

Schneider & Bartlett (1970) defined organizational climate as a set of summary or global perceptions held by individuals about their organizational environment. This interaction between personal and organizational characteristics, in which the individual acts as an
information processor, uses inputs from (a) the objective events in the organization, (b) characteristics of organization, (c) characteristics of perceiver.

In this approach the concept of climate must be described as personalistic; climate is an individual perception. 'What is psychologically important to the individual must be how he perceives his work environment not how others might choose to describe it, (Schenider 1973). The data collected should be up to the level of explanation perspective and that shared perceptions of climate may be important for predicting the behaviour of many individuals.

**Measurement of Organizational Climate**:

The measurement problem of organizational climate may be conceived as one of the constructing tests for organizations, and thus involves the systematic observation of the behaviour of organizations. Approaches include: intensive observation in "Field" situations, such as by Barne, 1960; Blau, 1954; Stauton, 1960; Dill, 1950; Argyris, 1958).

Second popular approach to measure organizational climate involves to assess the perceptions of organization by organization members (Likert, 1961). This method was used by Thistethwaive (1959, 1960), Hemphill (1956), Forehand & Guetzkow (1962) and Forehand (1963) to measure dimensions of climate.
Yet another approach is observation of objective organizational properties. There have been several attempts to examine objective properties easily and reliably obtainable from records (Baumgartel and Sobol, 1959; Talacchi, 1960; Evans, 1963).

Studies have also been conducted with experimental variation of organizational properties (Coch & French; 1948; Cohen & Rhenman, 1961 & Guetzkow, 1962). Out of these methods, questionnaire methods have been most frequently used to measure the climate of the organization.

Therefore, there may be an infinite variety of organizational climate because of their subjective and perceptual nature. Laboratory research and industrial studies have isolated several dimensions of climate which affect the behaviour in striking ways. Moreover, the dimensions are thought to be convenient clusters because of their suitability for measurement. Moreover, dimensions are sometimes taken as direct measures of situational determinants or sometimes as symptoms or signs of some behaviour. Overall, what is significant is that the dimensions are suitable for measurement. Whether they represent symptoms or causes is not important, they do serve to describe an organizational situation and simultaneously to differentiate between any such situations.
The word 'dimension' has been defined as the "particular set of environmental factors.. with reference to something is viewed... one of the aspects of a cultural phenomena." Thus, dimensions helps in visualizing or conceptualizing something, and it represents a unified aspect of that thing. Some of the frequently used/adopted dimensions can be best described by Litwin & Stringer (1968). They advocated a set of dimensions of organizational climate in a series of studies. These dimensions are-

*Structure & Constraint*: Lewin et al (1939)- isolated situational structure as a climate dimension which reduces either of job challenge or the perceived worth of succeeding at the job. Several studies of business organization (Burns & Stalker, 1961; Woodsworth, 1965) suggested that amount of structure is an important variable affecting individual and group behaviour. Employees absenteeism, accidents and turnover are directly related to structure.

*Individual Responsibility*: Argyris (1964) emphasized that Individual Responsibility is logically associated with the structure of an organization. Studies of business organization showed that subjects with a high need for achievement prefer job which allow them more personal responsibility. Likert (1961) emphasized that the personal responsibility lead to "higher loyalty", "higher group flexibility" & "higher group performance standards."
**Warmth & Support** : Vroom (1964) proposed that Warmth & Support are major determinants of Job satisfaction. Fleichman (1957) stated that the employee-oriented supervisor establishes a supportive personal relationship with his subordinates by being understanding and taking a personal interest in them. Likert (1961) stated that there should be a favourable, co-operative attitude throughout the organization with mutual trust and confidence. Organizations differ in extent to which they provide personal and work related support and warmth.

**Reward & Punishment** : This dimension is closely related to third. Through reward approach, the superior guides the subordinates towards the goals of organization without unduly restricting their freedom. Superiors work toward the well being of his subordinates and give them proper rewards, according to the contribution made towards the achievement of organizational goals. In punishment approach, supervisor points out the mistakes of his subordinates rather than correcting them and making them learn new experiences. The punishment may be in the form of criticism, disapproval, withholding positive feedback etc.

**Conflict & its tolerance** : This dimension was proposed by Litwin & Stringer (1968). Lawrence & Lorsch (1967) felt that the resolution of conflict is one of the important process involved in differentiation and integration of organizational functions. A good way of conflict resolution provides an effective integration in complex organization.
Performance & Standards: It is to be expected that level of standards that are set in organization would be an important determinant of achievement motivation. It contributes to the knowledge of relationship between performance standards or expectations and individual motivation.

Organizational Identity & Group Identity (GI): Individual identification with the group goals become important. The concept of loyalty has been recognized as an important determinant of the behaviour of members of an organization. Different kind of feedback patterns of individual performance, interpersonal thinking worker’s satisfaction and group cohesiveness can be seen. Emphasis on group loyalty and group goals increases group identity and lead to improved practices, more mutual trust and less strain in interpersonal reactions. Gellerman (1968) indicated that effective leader also benefits from group loyalties.

Risk & Risk Taking: In running business, organization needs and takes risk. Environmental conditions regarding risk and risk taking are likely to be important determinants of achievement related behaviour.

In the present study, a multidimensional as well as holistic approach to organizational climate has been taken. Chattopadhyay & Aggarwal (1998) dealt with 11 dimensions, vis., conflict resolution, communication, motivation, warmth, support, decision making, reward system, responsibility organizational structure, performance standards and identity. Organizational climate is a moderator between leadership style & behaviour pattern on one side & 2 important end variables i.e.
Psychological well being and Turnover (productivity).

Organizational Performance:

The term ‘Performance’ is often viewed as behaviour in some measure of the adequacy of the behaviour involved. It refers to the accomplishment made which is only overt. In Organizational Psychology, the term ‘organizational performance’ is frequently used but only in terms ‘as how adequately the ‘Organizational goals’ are being achieved. Therefore, in this context it is not only the performance of organization which is measured rather it also involves the performance of worker, supervisor, leader, unit and management also that is a part and parcel of organizational performance (Slater & Stanley, 1989). Moreover, the trends indicated that only ‘money’ was not an indicator of good organizational performance and an end in itself rather it also involves the due consideration to the ‘Mental health’ of employees (Piotrowshi & Armstrong, 1989).

The psychological parameter to measure the performance of an organization refers to the General Well-being of employee’. General well being is a construct related to the broader concept of positive mental health, which is not a mere absence of disease or infirmity (Verma, 1988). The person reporting low well-being means that he/she is not having complete and harmonious functioning of the whole personality in relation to the mental health. Mental health is significantly related with stress. The stress may be due to environmental factors, i.e., Economic uncertainty,
political uncertainty etc. or due to individual factors, i.e., family problems, economic problems, personality etc. or due to organizational factors, i.e., task demands, role demands, organizational structure, organizational leadership etc. (Robbins, 1996). Although it is very difficult to fathom the subjective feelings yet it is very useful in a variety of research and applied settings such as a quality of life index, a mental health status appraisal, a measure of psychotherapy outcome evaluation and a social indicator of measuring population changes in the sense of well-being over time (Faizo, 1977). Number of research studies (Colbry & Lynds 1995; Feldt, 1997, Riipiner, 1997) have identified the role of social support (interpersonal relationship, coherence & need congruence based Job Involvement) in determining well being. Moreover, an empirical support (Sullivan, 1996) do exist in recognizing extra organizational factors (family members especially spouse’s well being) as determinant of well being.

Conceptually, the term ‘Turnover’ refers to the output/performance of an organization. Its meaning varies from organization to organization. In Banks it refers to the amount of deposit annually in the bank in terms of savings, plus interest on loans etc. In manufacturing unit, the term turnover refers to the amount of production made at a specific time period (criterion set). In private sector, this term is sometimes confused with the term ‘Employee turnover’ which refers to leave the organization voluntarily. Turnover is not restricted only up to the measurement of the unit’s productivity rather it also involves various
aspects i.e. organizational commitment, turnover intention, prosocial organizational behaviour, job satisfaction (Johnston, Charles & Black, 1990) & worker's morale (Madan & Vasudeva, 1988). In the present research, the term 'Turnover' has been operationalized in terms of premium procured from the client.

Theoretical Perspective, Aim & Objective:

After describing all the study related variables, here a theoretical perspective based upon interrelationship of these variables has been presented pictorially:
On the basis of the all the above theoretical framework, the aim of the study is to find correlates of organizational performance in terms of well-being of employees and annual turnover. The major objective of the study is to empirically test the theoretical framework given in figure 1.1. To explore if general pattern of behaviour, such as type-A, would give rise to specific leadership styles in organizational situation (service, business sector). To further verify that distinct leadership style create different organizational climate (e.g., good vs. bad or positive vs. negative, etc.). Finally, good or positive organizational climate matters for the well-being of workers. Distress free workers produce more.