



Leadership across the Organizations in Public Sector Units in India

KEYWORDS

Transformational, transactional, laissez-faire

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ABSTRACT

This paper investigates the effectiveness of transformational, transactional and laissez-faire leadership across organizational levels in public sector steel units in India. MLQ-5X has been used as an instrument for the study. Executives at senior management level from two public sector steel units completed the 360-degree version of MLQ-5X. Multiple responses –self, superior, subordinate and peer ratings were have been obtained. Simple regression analysis and multiple regression analysis have been used for the hypotheses testing and for the study of significance of the relationships. The findings of the research show a distinct pattern of behaviour across the organizational levels. Transformational leadership is equally effective across the organization levels but transactional leadership is not equally effective across the organizational levels. Laissez-faire is ineffective at all organizational levels. The findings also add to the knowledge in the area of leadership by providing new data and conclusions on significance and non-significance of transformational, transactional and laissez-faire leadership across the public sector steel units in India.

1. Introduction

The literature regarding leadership has recently witnessed a shift toward studying leadership in context (Antonakis, Avolio, and Sivasubramaniam, 2003; Fairhurst, 2009; Fry and Kriger, 2009; Liden and Antonakis, 2009; Pawar and Eastman, 1997; Porter and McLaughlin, 2006) and as a distributed phenomenon across organizations (e.g. Gronn, 2002). Studies on transformational leadership have responded and have started to shift focus towards identifying and understanding contextual and organizational variables (Zhu, Avolio and Walumbwa, 2009). This paper contributes to this shift in focus by exploring the contextual impact across organizational levels on transformational, transactional and laissez-faire leadership and reports a framework of these leadership behaviours across two public sector steel units in India. This paper adds to knowledge in the area of organizational level and leadership research as it investigates leadership effectiveness across organizational levels in public sector steel units in India, which has not been investigated to date.

There are two public sector steel plants in India :Steel Authority of India Limited (SAIL) and Rastriyai Ispat Nigam Limited (RINL). SAIL is having five integrated steel plants and are located at Bhilai, Bokaro, Durgapur, Burnpur and Rourkela. RINL is having only one integrated steel and is located at Visakhapatnam and popularly known as Vizag Steel. Bhilai Steel plant and Vizag Steel plant have been selected for the study of leadership across the organizations.

2. LITERATURE SURVEY

2.1- The full-range leadership theory

Bass (1985) argued that existing theories of leadership primarily focused on follower goal and role clarification and the ways leaders rewarded or sanctioned follower behavior. This transactional leadership was limited to inducing only basic exchanges with followers. Bass suggested that a paradigm shift was required to understand how leaders influence followers to transcend self-interest for the greater good of their units and organizations in order to achieve optimal levels of performance. He referred to this type of leadership as transformational leadership. Bass's original theory included four transformational and two transactional leadership factors. Bass and his colleagues (cf. Avolio & Bass, 1991; Avolio, Waldman, & Yammarino, 1991; Bass, 1998; Bass & Avolio, 1994; Hater & Bass, 1988) further expanded the theory based on the results of studies completed between 1985 and 1990. In its current form, the FRLT represents nine single-order factors comprised of five transformational leadership factors,

three transactional leadership factors, and one non-transactional laissez-faire leadership as described below

2.1.1-Transformational leadership

Transformational leaders are proactive, raise followers awareness for transcendent collective interests, and help followers to achieve extraordinary goals. Transformational leadership is theorized to comprise the following five first-order factors: (a) Idealized influence (attributed) refers to the socialized charisma of the leader, whether the leader is perceived as being confident and powerful, and whether the leader is viewed as focusing on higher-order ideals and ethics; (b) idealized influence (behavior) refers to charismatic actions of the leader that are centered on values, beliefs, and a sense of mission; (c) inspirational motivation refers to the ways leaders energize their followers by viewing the

future with optimism, stressing ambitious goals, projecting an idealized vision, and communicating to followers that the vision is achievable; (d) intellectual stimulation refers to leader actions that appeal to followers' sense of logic and analysis by challenging followers to think creatively and find solutions to difficult problems; and (e) individualized consideration refers to leader behavior that contributes to follower satisfaction by advising, supporting, and paying attention to the individual needs of followers, and thus allowing them to develop and self-actualize.

2.1.2-Transactional leadership

Transactional leadership is an exchange process based on the fulfillment of contractual obligations and is typically represented as setting objectives and monitoring and controlling outcomes. Transactional leadership is theorized to comprise the following three first-order factors: (a) Contingent reward leadership (i.e., constructive transactions) refers to leader behaviors focused on clarifying role and task requirements and providing followers with material or psychological rewards contingent on the fulfillment of contractual obligations; (b) management-by-exception active (i.e., active corrective transactions) refers to the active vigilance of a leader whose goal is to ensure that standards are met; and (c) management-by-exception passive (i.e., passive corrective transactions) leaders only intervene after noncompliance has occurred or when mistakes have already happened.

2.1.3. Non-transactional laissez-faire leadership

Laissez-faire leadership represents the absence of a transaction of sorts with respect to leadership in which the leader

avoids making decisions, abdicates responsibility, and does not use his authority. It is considered active to the extent that the leader “chooses” to avoid taking action. This component is generally considered the most passive and ineffective form of leadership.

2.2- The Multifactor Leadership Questionnaire:

Since its introduction, the MLQ has undergone several revisions in attempts to better gauge the component factors while addressing concerns about its psychometric properties (Avolio et al., 1995). The current version of MLQ (Form 5X) was developed based on the results of previous research using earlier versions of the MLQ, the expert judgment of six leadership scholars who recommended additions or deletions of items, and confirmatory factor analyses (CFAs) (Avolio et al., 1995; Avolio, Bass, & Jung, 1999). The MLQ (Form 5X) contains 45 items; there are 36 items that represent the nine leadership factors described above (i.e., each leadership scale is comprised of four items), and 9 items that assess three leadership outcome scales. This study focused on the 36 items that corresponded to the nine leadership factors.

It has been argued that context in which leadership is observed can constrain the types of behaviours that may be considered prototypically effective (Lord, Brown, Harvey & Hall, 2001). Furthermore, situations that are not similar could require different leadership behaviours to match the prototypical expectations of followers across a diverse set of contexts (Lord, Foti, & De Vader, 1984). Examples of context that could alter the prototypical expectations of leadership could include national culture (Brodbeck et al., 2000; Koopman et al., 1999), hierarchical level and environmental characteristics such as dynamic versus stable (Brown & Lord, 2001; Keller 1999; Lord et al., 2001; Lowe et al., 1996).

From another perspective, “situational strength” may determine whether individual differences play a role in predicting individual behaviour (Kenrick & Funder, 1988; Mischel 1977). According to Mischel (1977), strong situations where there are stable systems with strong behavioral norms, represent context where individual differences may not make a big difference in behaviour because individuals are restricted in the ways they can behave. However in weak situations involving dynamic systems with weak behavioural norms, individual differences should be more evident because individual behaviour is less restricted in those settings.

Following the above argument, leadership may be contextualized in that the same behaviour may be seen as more or less effective depending on the context in which they are observed and measured. Conversely, where the same behaviours may exist and are validated as such across different contexts entails that behaviours (factors) can be considered being universally measurable and valid. In the latter case, respondent would be “employing the same conceptual frame of reference” across diverse contexts which requires that factors are measured consistently across context (Vandenberg & Lance, 2000).

Assuming context influences leader behaviour, effective leaders will seek to actively adjust their behaviours in order to meet prototypical expectations they themselves and their followers have in different contexts (Hogg, 2001). The meta-analysis result reported by Lowe et al. (1996) clearly established the relationship between various MLQ factors, and outcome variables which were moderated by contextual factors, including organization type. They also showed that leader level moderated the frequency of full range behaviors that leaders demonstrate.

3- Research Methodology:

The study aims at investigating the transformational, transactional and laissez-faire leadership behaviours across organization level in public sector steel units in India. To carry out the research four specific research hypotheses were gener-

ated; they are entailed in the following section.

3.1-Hypotheses:

3.1.1-Hypothesis: 1

Ho1:

There is no significant positive linear relationship between employee performance and transformational leadership.

Ha1:

There is significant positive linear relationship between employee performance and transformational leadership.

Ho2:

There is no significant positive linear relationship between employee performance and transactional leadership.

Ha2:

There is significant positive linear relationship between employee performance and transactional leadership.

Ho3:

There is no significant negative linear relationship between employee performance and laissez-faire leadership behaviours.

Ha3:

There is significant negative linear relationship between employee performance and laissez-faire leadership.

Ho4:

There is no significant linear relationship between employee performance and transformational, transactional and laissez-faire leadership behaviours.

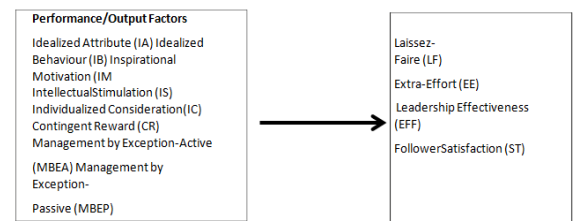
Ha4:

There is significant linear relationship between employee performance and transformational, transactional and laissez-faire leadership behaviours.

3.2- Research Design:

The study used a between – groups design with 11 independent variables. These variables are Idealized Attribute (IA), Idealized Behaviour (IB), Inspirational Motivation (IM), Intellectual Stimulation (IS), Individualized Consideration (IC), transformational leadership (A composite of preceding five variables) Contingent Reward (CR), Active Management-by-Exception (MBEA), Passive Management-by-Exception (MBEP), transactional leadership (A composite of preceding three variables), Laissez-Faire (LF). There are three outcome variables: Level of extra effort by followers (EE), Leadership Effectiveness (EFF), Follower satisfaction (ST). All of these variables reflected scales in the MLQ.

Conceptual Frame Work of the Research- Leadership Behaviours



3.3-Research Population and Sampling:

India has two public sector steel companies – Steel authority of India limited (SAIL), Rastriya Ispat Nigam Limited (RINL). There are five integrated steel plants under SAIL while only one is there under RINL. The integrated steel plants under SAIL are located at Bhilai, Bokaro, Durgapur, and Rourkela & Burnpur. The integrated steel plant of RINL is Vishakhapatnam Steel Plant located at Vishakhapatnam.

Bhilai Steel Plant and Vizag Steel Plant have been chosen for research purpose. Both steel plants have different departments and are organizationally divided broadly into two categories. These are executives and nonexecutives. Both categories have different grades, designations and responsibilities and perform their duties under set procedures and systems.

Executives are having nine grades from E1toE9 with nine designations such as junior manager, assistant manager, deputy manager, manager, senior manager, assistant general manager, deputy general manager, general manager and executive director. Functionally executives have been divided into three levels. These levels are junior management covering E1 to E5 grades. Middle management covering E6to E7 and senior management covering E8 to E9. All executives are in leadership roles. The sample size has been calculated based on the strength at senior management level in each plant and quota sampling has been conducted. .

3.4- Measuring Instrument:

After an extensive review of literature on leadership, it has been argued that, Full Range Leadership Development Theory is an appropriate theoretical construct for this research and an appropriate instrument has been identified called MLQ-5X. The questionnaire contains 45 statements that identify and measure the key aspects of leadership behaviour. And each statement in the questionnaire relates to transformational, transactional or non-transactional leadership factors. The respondent is required to judge how frequently the behaviour described in the statement is exhibited. The MLQ uses a scale of 0 to 4, with 0 indicating a "not at all" rating of the behaviour described in the statement. The other end of the scale, 4, indicates a "frequently if not always" rating of the behaviour described in the statement.

The MLQ consists of two versions, one for the leader to complete, and one for the raters of the leaders to complete. The leaders complete a questionnaire describing their own leadership style, whilst the raters complete a questionnaire regarding the leadership style of their specific leader. These two versions consist of exactly the same statements except they are written in different perspectives. These two versions are known as the "leader version" and "rater version" respectively.

A 360-degree method was used, with four categories of rating- self rating, peer rating, superior rating and subordinate rating.

3.5-Data Gathering and Capturing:

For the purpose of the research, the questionnaires were distributed personally to the leaders and raters and were collected back after completing it. These scores were then captured by a data capture, into a Microsoft Excel spread sheet, in order to be statistically analyzed. These scores were then imported into Minitab-16 for further analysis.

4-Data Analysis:

After capturing the data in MINITAB -16, the score of the leader on individual factors was calculated by averaging the scores of the leader, superior, average scores of peers and subordinates. After the calculation of leader's score simple statistical analysis, inter item analysis, and cronbach's alpha reliability coefficients of all the leadership factors across organizational level were calculated. The result has been given in the table no 1, and 2.

Similarly simple regression analysis was conducted between leadership factors and outcome factors. The outcome factors were considered as dependent variables and leadership factors as independent variables and as per convention dependent variables are taken on Y-axis and independent variables on X-axis. The significance of regression analysis has been indicated by *. The regression analysis between

outcome factors and leadership factors across organizational level has been conducted and the results have been given in the table no.3 and 4..

Also multiple regression analysis was conducted between outcome factors and leadership factor of transformational, transactional and laissez-faire across the organizational level. The leadership factors which are significantly related to the outcome factors have been indicated by *. Analysis of the variance gives the value of F and its significance. It has been also indicated by*.

Table No.1 CRONBACH's ALPHA RELIABILITY COEFFICIENTS FOR MLQ FACTORS FOR LEADERS AT SENIOR MANAGEMENT LEVEL IN BHILAI STEEL PLANT

Leadership/performance factor	Mean	Standard deviation	Cronbach's Alpha reliability coefficient	Evaluation based on Sekaran 2000
Idealized attributes (IA)	3.1434	0.2996	0.84	Good
Idealized Behaviour (IB)	3.0154	0.2984	0.8654	Good
Inspirational Motivation(IM)	3.3025	0.184	0.6778	Acceptable
Intellectual Stimulation(IS)	2.8815	0.2273	0.7236	Acceptable
Individualized Consideration(IC)	2.8085	0.2174	0.7439	Good
Transformational Leadership(TFL)	3.0094	0.1977	0.9173	Excellent
Contingent Reward(CR)	3.1995	0.2097	0.65	Acceptable
Management by exception-Active(MBEA)	2.608	0.3349	0.7518	Acceptable
Active Leadership(al)	2.9792	0.1938	0.9259	Excellent
Management by exception-Passive(MBEP)	0.43145	0.0739	0.677	Acceptable
Transactional Leadership(TAL)	2.0796	0.1611	0.7444	Acceptable
Laissez-Fair(LF)	0.35782	0.1411	0.89	Good
Passive Leadership(PL)	0.39464	0.07186	0.6277	Acceptable
Extra Effort(EF)-Y1	3.054	0.2325	0.724	Acceptable
Effectiveness(EFF)-Y2	3.2466	0.2108	0.6966	Acceptable
Satisfaction-Y3	3.1906	0.2405	0.71	Acceptable

Table No. 2 CRONBACH'S ALPHA RELIABILITY COEFFICIENTS FOR MLQ FACTORS FOR LEADERS AT SENIOR MANAGEMENT LEVEL IN VIZAG STEEL PLANT

LEADERSHIP/OUTPUT FACTORS	MEAN	STANDARD DEVIATION	CRONBACH'S-ALPHA	Evaluation based on Sekaran 2000
IDEALIZED ATTRIBUTE	2.7264	0.2833	0.9702	Excellent
IDEALIZED BEHAVIOUR	2.8014	0.2831	0.9287	Excellent
INSPIRATIONAL MOTIVATION	2.8221	0.2598	0.9370	Excellent
INTELLECTUAL STIMULATION	2.7016	0.3079	0.9737	Excellent
INDIVIDUALIZED CONSIDERATION	2.5780	0.2784	0.9865	Excellent
TRANSEORMATIONAL LEADERSHIP	2.7259	0.2765	0.9906	Excellent

CONTINGENT REWARD	2.9276	0.2791	0.9889	Excellent
MANAGEMENT BY EXCEPTION-ACTIVE	2.4763	0.2567	0.9369	Excellent
MANAGEMENT BY EXCEPTION-PASSIVE	.53883	0.25655	0.9957	Excellent
TRANSACTIONAL LEADERSHIP	1.9368	0.4846	0.4917	Poor
LAISSEZ-FAIRE	0.53672	0.29119	0.9676	Excellent
EXTRA EFFORT	3.2625	0.2680	0.8922	Good
LEADERSHIP EFFECTIVENESS	3.3543	0.2094	0.9567	Excellent
FOLLOWER SATISFACTION	3.2636	0.2439	0.8601	Good

Table No.3 Relationship between Extra Effort, Leadership Effectiveness & Follower Satisfaction and Leadership Factors for Leaders at Senior Management Level in Bhilai Steel Plant

Leader ship Factor	Extra Effort			Leadership Effectiveness			Follower Satisfaction		
	β	R ²	Modified R ²	β	R ²	Modified R ²	β	R ²	Modified R ²
Idealized Attributes	.5443***	49.2	47.2	.5829***	68.6	67.4	.6359***	62.7	61.3
Idealized Behaviour	.6983***	80.3	79.5	.5064***	51.4	49.5	.5626***	48.7	46.7
Inspirational Motivation	.8926***	49.9	47.9	.8124***	50.3	48.4	.8178***	39.1	36.8
Intellectual Stimulation	.8387***	67.2	66.0	.6478***	48.8	46.8	.6864***	42.1	39.9
Individualized Consideration	.4448*	17.3	14.1	.4777***	24.3	21.4	.4278*	15.0	11.7
Transformational Leadership	1.052***	80.0	79.3	.9262***	75.4	74.5	.9751***	64.2	62.8
Contingent Reward	.8319***	56.3	54.6	.7464***	55.1	53.4	.7156***	38.9	36.6
Management by Exception (Active)	.3583**	26.6	23.8	.4496***	51.0	49.1	.4218**	34.5	32.0
Management by Exception (Passive)	1.084	11.9	8.5	.7685	7.3	3.7	1.034	10.1	6.6
Transactional Leadership	1.063***	54.2	52.4	1.124***	73.7	72.7	1.085***	52.8	51.0
Laissez - Faire	-.9456**	32.9	30.3	-.5848*	15.3	12.1	-.7605*	19.9	16.8

N.B.*=P< 0.05, **=P<0.01, ***=P<0.001

Table No.4 Relationship between Extra Effort, Leadership Effectiveness & Follower Satisfaction and Leadership Factors for Leaders at Senior Management Level in VIZAG Steel Plant

Leadership Behaviour	Extra Effort			Leadership Effectiveness			Follower Satisfaction		
	B	R ² %	R ² %	B	R ² %	R ² %	β	R ² %	R ² %
Idealized Attribute	0.9344***	97.60	97.50	0.6502***	77.4	76.20	0.6655***	59.70	57.70
Idealized Behaviour	0.9323***	97.00	96.80	0.6523***	77.70	77.60	0.6549***	57.80	55.60
Inspirational Motivation	1.019***	97.80	97.60	0.7205***	79.90	78.90	0.7464***	63.2	61.3
Intellectual Stimulation	0.7994***	84.40	83.60	0.5576***	67.20	65.60	0.5656***	51.00	48.50
Individualized Consideration	0.9505***	97.50	97.40	0.6759***	80.80	79.80	0.6760***	59.50	57.50
Transformational Leadership	0.9628***	98.70	98.60	0.6759***	79.60	78.60	0.6863***	60.50	58.50
Contingent Reward	0.9416***	96.20	96.00	0.6573***	76.70	75.60	0.6860***	61.60	59.70
Management by Exception(Active)	1.023***	95.90	95.70	0.7280***	79.60	78.60	0.7514***	62.50	60.60
Management by Exception(Passive)	-1.014***	94.30	94.00	-.7186***	77.50	76.40	-.6817***	51.40	49.00
Transactional Leadership	-.0145	0.1	0.00	-.0091	0.00	0.00	0.0899	3.2	0.00
Laissez-Faire Leadership	-.8639***	88.10	87.50	-.5831***	65.70	64.00	-.6768***	65.30	63.60

*p≤ .05, **p≤ .01, ***p≤.001

β is Regression Coefficient, R² is coefficient of determination, R² is adjusted R²**Table No.5 MULTIPLE LINEAR REGRESSION ANALYSIS BETWEEN EXTRA EFFORT, LEADERSHIP EFFECTIVENESS & FOLLOWER SATISFACTION AND LEADERSHIP FACTORS ACROSS BHILAI STEEL PLANT AND VISAG STEEL PLANT**

LEADERSHIP FACTORS	Bhilai Steel Plant			Vizag Steel Plant		
	Extra effort β	Leadership effectiveness β	Follower satisfaction β	Extra effort β	Leadership effectiveness β	Follower satisfaction β
IDEALIZED ATTRIBUTE	-0.137	0.154	0.434	-0.70	-0.22	0.97
IDEALIZED BEHAVIOUR	0.345*	-0.031	0.269	0.135	0.27	-1.00
INSPIRATIONAL MOTIVATION	0.168	0.038	-0.258	0.069	0.595	0.54
INTELLECTUAL STIMULATION	0.362	0.315**	0.011	-0.0043	-0.048	0.189
INDIVIDUALIZED CONSIDERATION	0.0975	0.253	0.154	0.348**	1.04	-1.19
CONTINGENT REWARD	-0.008	0.184	0.022	0.137	-0.301	0.19
MANAGEMENT BY EXCEPTION (ACTIVE)	0.184*	0.269***	0.129	0.067	0.054	0.56
MANAGEMENT BY EXCEPTION (PASSIVE)	0.112	0.074	0.497	-0.335**	0.077	0.08

LEADERSHIP FACTORS	Bhilai Steel Plant			Vizag Steel Plant		
	Extra effort β	Leadership effectiveness β	Follower satisfaction β	Extra effort β	Leadership effectiveness β	Follower satisfaction β
LAISSEZ-FAIRE	-0.218	0.237	0.090	0.0021	0.588	-.574
R ²	91.10	92.50	74.20	99.8	86.3	70.00
R ²	86.60	88.80	61.20	99.7	76.00	47.50
F	20.40***	24.70***	5.74**	698.93***	8.40**	3.11*

* $p \leq .05$, ** $p \leq .01$, *** $p \leq .001$

β is Regression Coefficient, R² is coefficient of determination, R² is adjusted R²

5. RESULTS AND DISCUSSIONS-

5.1. Reliability of the findings-

Table 1 and 2 show the results of cronbach' alpha reliability coefficients of transformational, transactional and laissez-faire leadership factors and outcome factors at senior management level across Bhilai Steel Plant and Vizag Steel Plant. All the results are acceptable or good except the transactional leadership at Vizag steel plant.. Therefore for the purpose of this research MLQ instrument deemed to be a reliable measure of transformational transactional and laissez-faire leadership factors and outcome factors.

5.2. Hypothesis testing-

Table 3 and 4 show the results of simple regression analysis conducted between leadership factors and outcome factors at senior management level across Bhilai Steel Plant and Vizag Steel Plant. From the tables, it is evident that transformational leadership across Bhilai Steel Plant and Vizag steel Plant is positively and significantly related to the outcome factors. Hence the null hypothesis Ho1 is rejected and concluded that transformational leadership is positively and significantly related to performance. Similarly transactional leadership at Bhilai Steel Plant is positively and significantly related to all the outcome factors but the relation between transactional leadership and outcome factors at Vizag steel Plant is insignificant. Hence Ho2 is rejected only for Bhilai Steel Plant. And Laissez-faire leadership across Bhilai Steel Plant and Vizag Steel Plant is negatively and significantly related to the outcome factors. Hence Ho3 is rejected. Table 5 shows the result of multiple regression analysis conducted between outcome factors and transformational, transactional and laissez-faire leadership behaviour at senior management level across Bhilai Steel Plant and Vizag Steel Plant. . Analysis of the variance shows the value of F and its significance. From the table no. 5 it is evident that multiple regression analysis conducted between outcome factors and leadership behaviours across Bhilai Steel Plant and Vizag Steel Plant is significant. Hence, Ho4 is rejected and concluded that there is significant relation between performance and transformational, transactional and laissez-faire leadership behaviours.

5.3. DISCUSSIONS-

The findings of the research show a distinct pattern of behaviours across Bhilai Steel Plant and Vizag Steel Plant. Transformational leadership is equally significant across both the organizations. Transactional leadership is significantly and positively related to the outcome factors in Bhilai Steel Plant but it is not significant in Vizag Steel Plant. Similarly laissez-faire leadership is equally significant across both the organizations.

With regard to the constituent factors of transformational, transactional and laissez-faire leadership, the more detailed analysis given by multiple regression analysis shows a pattern of significant and non-significant leadership behaviours. For extra effort at Bhilai Steel Plant, idealized behaviour and management by exception (active) are significant behaviours while at Vizag Steel Plant intellectual stimulation and management by exception (passive) are significant behaviours. Similarly, for leadership effectiveness intellectual stimulation and management by exception (active) are significant leadership behaviours while at Vizag Steel Plant no behaviour is significant. For follower satisfaction no leadership behaviour is significant across both the plants.

Furthermore the results of this research provide evidence to challenge previous findings concerning the proposition that effective leaders typically display both transformational and transactional leadership behaviours (Avolio and Bass, 1998; Avolio et al., 1999; Bass and Avolio, 1993; Hater and Bass, 1998; Howell and Avolio, 1993). The research also supports concern about the generalizability of the Full Range Leadership Model. It implies that there are differences in leadership requirement across organizational level. Our findings fail to support the augmentation effect of transformational leadership on transactional leadership.

5.4. IPLICATION OF THE RESEARCH-

The results of the research highlight the need of development of transformational and transactional leadership behaviours at senior management level across both the plants. At senior management level there is need of development that concentrates on moving from the use of active management-by-exception to the use of more constructive transactional leadership behavior-contingent reward- and transformational leadership behaviours.

The 'Full Range Leadership' model has previously been hailed as the leadership development solution for all managers regardless of the organizational and national boundaries (Avolio, 1999; Bass, 1997).

6. CONCLUSIONS-

The results of the research suggest a distinct pattern in the use of and significance of transformational, transactional and laissez-faire leadership across the organizations. The use of transformational leadership is lacking and the effectiveness of transactional leadership is decreased across both the organizations. The findings also add to knowledge in the area of leadership by providing new data and conclusions on the significance and non-significance of transformational, trans-

actional and laissez-faire leadership across Bhilai Steel Plant and Vizag Steel Plant. There is evidence also to support concerns about the generalizability of the full-range leadership model and suggestions of differences of leadership requirement in general across the organizations.

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