

## Leadership Development in India: Building Leadership Capability

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### ABSTRACT:

Increasing pressures for improving business performance in complex environments are pushing organizations to look at different ways to build capabilities in their human capital. With Leadership Development becoming an area of growing importance in this direction, the purpose of this paper is to investigate the role of the leadership development process in building leadership capability in the Indian context using mixed method research design. Based on empirical research and underpinned by organizational theory, the paper suggests a shift towards creating more integrated leadership development frameworks. The paper encourages practitioners of leadership development to recognize that an overly emphasized standardized design may limit the effectiveness of such programs.

**Key Words:** Leadership Development, Leadership Development Process, capability, India

### INTRODUCTION:

Building leadership capabilities is fast emerging a top priority for organizations across the world. According to a 2010 McKinsey report, leadership capability contributes most to business performance. Competition and the lack of leadership talent make leadership development (McCauley, Moxley & Van Velsor, 1998) major priorities for organizations (Forbes, 2014). Research indicates that Leadership Development is critical to organizational competitive advantage and performance (McCall, 1998; Hay Group, 2000, Viceri & Fulmer, 1998). However, one of the least researched areas is in fact the science of Leadership Development (Avolio B., 2010)

There is increasing evidence to the fact that leadership can be learnt. Messmer (1999) indicates leadership to be a quantifiable set of skills and ways of thinking that can be taught. Peter Drucker opines 'Leaders are not born, they are grown'. 'Leadership Development' essentially relates to the process of creating a robust pipeline of leaders (Avolio, 2004, 2005; Conger & Benjamin, 1999; Day, 2001; McCall, 1998, McCauley, Moxley & Van Velsor, 1998). 'Leadership Development' is any activity that enhances the quality of leadership within an individual or organization (Wikipedia)

Trends for Leadership development, leadership pipeline and leadership capability are expressed in the literature across various countries like USA, UK, Australia, Europe. Although leadership development emerged in the western countries during the year 1900 to 2000, it has spiked up in the last 20 years. A shift in leadership development has occurred. Recent research shows that Europe is now second to organizations in Asia Pacific, with India making the fastest progress in the area of Leadership Development. In fact, Fegley (2006) indicated trends in Western world that the Indian HR community needs to look into. Companies are therefore beginning to show greater interest in Leadership Development and corporate India is increasingly investing in Leadership Training and development (Lessons from Leadership in India, CCL, 2008).

In spite of India having been recognized as having one of the fastest growing economies of the world (Budhwar & Varma, 2010) argue that there is a critical scarcity of empirical research that could help researcher's, practitioner's and policy makers understand the emerging patterns of Human Resource

Management in the new Indian economic environment. This critical scarcity of empirical research extends to the study of leadership development as well. Notwithstanding the rich state-of-the-art western approaches to Leadership Development, current thinking about the design and implementation of leadership development in the Indian context remains limited.

This paper attempts to fill this gap and to further our understanding, we propose a shift in perspective from an overly emphasized standardized approach to more integrated approach that may be more useful towards building leadership capability in the Indian context. The exploratory study presents data collected from a pilot study of key stakeholders of a leadership development process. While this limits the generalizability of the findings, we argue that the insights from the explorative study may be extended to broader contexts as its utility lies in the proposed approach to exploring LDP frameworks from an integrated perspective in the Indian context.

The key research question we aimed to address was the following:

**RQ: To what extent do Leadership development processes enable building leadership capability in the Indian context?**

More specifically the following sub questions were addressed:

- 1) **What is an effective Leadership Development design framework?**
- 2) **What drives the success of Leadership Development process delivery?**
- 3) **How effective are Leadership Development programs in enhancing leadership capability?**

To address the above questions this paper is organized as follows: the first section sets the context of leadership development in India. The next section examines the literature on leadership development approaches. This is followed by the research methodology and findings of the exploratory case study and practical suggestions for more effective leadership development design in Indian organizations.

### **Leadership Development in India**

The economy of India is the tenth largest in the world by nominal GDP and the third-largest by purchasing power parity(PPP).The country is one of the G-20 major economies, a member of BRICS and a developing economy that is among the top 20 global traders according to the WTO. (Wikipedia).India's economy is projected to grow by 6.9% per annum in 2014-18. (OECD Development Centre's Medium-Term Projection Framework (MPF-2014). Deloitte's global index for 38 nations (2013) ranked India as the fourth most competitive manufacturing nation. India is one of the world's most important suppliers of talent.

Given the emergence of India in the arena of expansive global growth, many home grown businesses are seeking to double, triple and quadruple their revenues over the next decade, if not sooner (Lessons from Leadership, CCL Study,2008). According to a recent study by global management consulting firm McKinsey, the manufacturing sector alone in India could grow six-fold to US\$ 1 trillion, by 2025. The rising demand in the country and the aspirations of multinational companies to establish low-cost plants in India, are seen as reasons for this possible growth. However as per a PwC survey, about 81% of Indian CEOs viewed unavailability of key skills as the biggest threat to their growth prospects. Chief among them relates to leadership talent. It is a tremendous challenge for HR professionals to create the next generation of global leaders (Conference Board 2006)

"Companies need leaders who can think strategically, handle ambiguity and change, be aware of ever-changing regulatory laws, constraints and the environment, and should have the right set of values, adding such skills are extremely hard to find in India". As Mr. Rajeev Bhadauria, Director, Group HR of JSPL

With this pace of growth in the Indian economy and increased competition globally, has put pressure on all functions of organizations (Budhwar2006). There has been evidence of increasing need among the managerial cadre to build capabilities, resources, competencies, strategies (Budhwar 2006; Bhatnagar and Sharma,

2005). Facing the daunting task of hiring the right talent, Indian organizations have put their focus on developing the next line of leaders through intensive programmes. Given the emergence of India as an economic powerhouse and the relative lack of research on leadership development in Indian organizations, this study becomes important

### **Leadership Development Approach**

The literature on leadership development has a practitioner influence, and research studies are sparse in this area. Though there is a lot of information on what makes a good leader (Stod gill, 1974, Burns, 1978, Fiedler, 1967) there is less insight on Leadership Development, the discipline of creating a robust and sustainable pipeline of leaders.

What are effective leadership development processes? There is no one answer to developing leadership. There are a range of factors that influence the style of leadership and dictate which approach to leadership development is most likely to lead to success. Yet, a most often question then asked is that, why so few leadership development efforts produce the leaders needed when the elements of leadership development have been well developed and researched over the past thirty years. (McCall Jr. & George Hollenbeck, 2010). In fact, leadership development (ref, 2006) is an area which needs a special research focus.

Traditionally, leadership development has focused only on developing the leadership abilities and attitudes of individuals. However, this sort of leader development (as opposed to leadership development) is questionable with regard to efficiency and effectiveness. Though many leadership development processes emphasize the nature and importance of experiential learning but clarity on developing leadership at the individual level visvis the organizational interplay of leadership forces and influence continues to evade many (Congos, 1992). The competency approach to leadership too continues to offer an illusory promise to rationalize and simplify the processes of selecting, measuring and developing leaders and yet only reflects a fragment of the complexity that is leadership (Bolden & Gosling, 2003.)

More recently, organizations have discovered that leadership also can be developed by strengthening the association and networks of individual leaders at a collective level and aligning their efforts thus enabling them to influence organizational dynamics. The standardized and most widely used frameworks of Leadership development comprise classroom modules on managing self, managing others, managing business and managing change, based on Ramcharan's leadership pipeline model. These are interspersed with 360 degree feedback, individual development plans, coaching connects, action learning projects and mentorship. Critical Competencies to move up the leadership pipeline like knowledge, skills time horizons (Charan, R., Drotter, S., & Noel, J. (2001) are being complemented and supplemented by learning agility, adaptive capacity, resilience, reflection, decision making, complexity and uncertainty handling.

References to other approaches include life changing events (Maxell, 1998) or transformative events called crucibles- a severe test or trial, the most negative from which extraordinary leaders find meaning in—and learn from (Bennis, 2010). The concept of Leaders developing Leaders is also being seen as an effective development process. (Cacioppe, 1998). State of the art leadership development occurs in the context of ongoing work initiatives that are tied to strategic business imperatives (Dotlich & Noel, 1998; Moxley & O'Connor Wilson, 1998). Another perspective which programs fail to factor is insights into the strategic goals of the organization and business direction Very few or practically negligible assess the sustainability factors for leadership development including the state of organization development, culture and leadership commitment to the process.

“Relying on old methods to address entirely new talent challenges may prove detrimental in today's global economy that is desperate for innovation, refreshed leadership programs, and new demographic and skill gap challenges.”, Jeff Schwartz, Deloitte Touché Tohmatsu Global Organization and Change Leader Many companies do engage in more on-going leadership development efforts, but these are often disjointed efforts with no coherent plan and a lack of clearly defined objectives for development of leaders or succession requirements (Conger & Fulmer, 2003). A well designed leadership development program is the key to

identifying, attracting, filling and retaining corporate leadership. (Taleo Research, 2010). Taleo, has identified seven steps for effective leadership development including business alignment, identification of business critical roles, career growth etc. While most standard approaches align very remotely to these seven steps, most significant linkages to planning for succession, career management and growth for employees and retention of these leaders are not addressed and lose emphasis in due course.

### Methodology

Based on the experiences of management employees who participated in Leadership Development program in Indian organizations, a pilot study was done on a sample of 43 employees and 17 facilitators. Given the descriptive nature of the research, a mixed method approach was used which included review of relevant literature and quantitative as well as qualitative data collected. The research was conducted in 2014 based on 43 participants who had participated in separate leadership development programs in the year 2012 and 2013 and 17 facilitators of the program (consulting partners, HR anchors and management sponsors) who were closely associated with the design and implementation of the program

The first phase was a structured survey to assess the impact and effectiveness of the design, tools and process of the Leadership Development program. The questionnaire was divided into three parts on a) Design b) Delivery and c) Impact. Each part consisted of objective questions on a five-point Likert scale along with open-ended subjective questions. 75 respondents were sent the questionnaire to respond. 60 completed questionnaires were received making a response rate of 80%. The sample comprised 53 males and 7 females; the minimum qualification was a graduate degree. In the second phase, semi structured interview discussions were done for 30-45 minutes with random sample 10 participants to assess the experiential feedback of the programs. The first phase was a quantitative analysis of the objective questions. In the second phase content analysis was done on the interview feedback to thematically code the emerging themes. Respondent demographics are shown in Table I

**Table I: Respondent Demographics**

Role in Leadership Development Process	Gender	Industry	Education Qualification	Junior Management	Middle Management	Non Management	Senior Management	Top Management	Board Level	Total Respondents		
Participant (N=43)	Male: 40 Female: 3	BFSI	MBA/CA	1						1		
		Hospitality	MBA/CA		1						1	
		IT	Engineering Diploma/AMIE					1				1
			Graduate/Post Graduate			1						1
			MBA/CA			1						1
		Manufacturing	Engineering Diploma/AMIE				1					1
			Engineering Graduate				15		3			18
			Graduate/Post Graduate				3					3
			MBA/CA				10					10
		Others	Graduate/Post Graduate					1				1
			MBA/CA			1			1			2
		Service/ Retail	MBA/CA		1	1					2	

		<b>Telecom</b>	MBA/CA				1		1	
<b>Management Sponsor</b> (N=2)	Male: 1	<b>BFSI</b>	MBA/CA					1	1	
	Female: 1	<b>Hospitality</b>	Graduate/Post Graduate				1		1	
<b>HR Anchor</b> (N=10)	Male: 8 Female: 2	<b>BFSI</b>	MBA/CA				1		1	
		<b>Healthcare</b>	MBA/CA	1					1	
		<b>Manufacturing</b>	Graduate/Post Graduate			1				1
			MBA/CA		2		1			3
		<b>Others</b>	MBA/CA		1			1		2
		<b>Pharmaceutical</b>	MBA/CA		1					1
		<b>Telecom</b>	Phd				1			1
<b>Consulting Partner</b> (N=5)	Male: 4 Female: 1	<b>Manufacturing</b>	Graduate/Post Graduate					1	1	
		<b>Others</b>	MBA/CA		1				1	
			Phd					1	1	
		<b>Service/Retail</b>	MBA/CA		1		1		2	
<b>Grand Total</b>				4	39	2	11	2	2	60

**Findings** –The data was analyzed based on categorization of the responses from participant, HR anchor and consulting partners into three major construct of design, delivery and impact as shown in Table II. Responses from management sponsor were not considered due to inconsistency. A scale of 1 to 4 was used to convert the Likert scale responses to quantitative data, 4 representing most effective and 1 representing least effective. Qualitative responses from subjective questions were categorized under experience.

**Table II: Constructs of Leadership Development Framework**

Construct		Mean	SD
Design (Overall mean : 3.23)	Do you have programs or processes for Leadership Development in your organisation?	3.54	0.83
	Does your organisation have a clear articulated Leadership Development Strategy?	2.85	1.40
		3.00	1.15
	The overall design and approach of the Leadership Development program was relevant and meaningful to the development journey	3.67	1.43
	Criteria and Process of nomination into the program	3.38	1.18
	Clear Articulation of the meaning of Leadership	3.17	1.28
	Alignment of the program to business needs	3.25	1.37
	Applicability of program to my role	3.00	1.33
	The action learning project assigned to me was business relevant and useful	3.85	1.16
	The time frame of the Development Journey was appropriate	11	
	What is the time duration (in months) of the development program	months	
Delivery (Overall mean : 3.05)	Quality of the Training Content	3.46	1.30
	Manager Involvement in the program	2.67	1.23
	Effectiveness of Classroom Modules	3.23	0.95
	Effectiveness of Coaching Sessions	3.62	1.23
	Effectiveness of Action Learning Project	2.33	1.19
	Effectiveness of 360 Degree Feedback	3.25	1.15
	Effectiveness of Individual Development Plan	3.58	1.10
	Effectiveness of Manager Involvement	2.64	1.41
	Effectiveness of HR Facilitation	3.45	1.43
	Effectiveness of Leadership Support	2.92	1.36
	Experience with the Coaching Sessions	3.23	1.37
	I had enough opportunity to learn business skills while working on Action	2.23	1.36

	Learning Project		
Impact (Overall mean : 3.01)	The coaching connects were useful in my development journey	3.31	1.20
	The coach assigned to me helped me to reflect on and added value to my development journey	3.15	1.19
	Overall, how satisfied are you with the Leadership Development Program in your organisation	2.54	1.22
	The program met my expectations and needs as a learner towards my development journey	2.62	1.35
	The Action Learning project has enhanced my Leadership Skills	2.08	1.40
	The Leadership Development Program has enhanced my understanding of the concept of Leadership	2.77	1.20
	Attending the Leadership Development Program has helped me in my personal development journey	3.23	1.14
	The Leadership Development Program has enabled me to reflect and make the desired changes in myself	3.31	1.04
	The Leadership Development program has been effective in making an impact on enhancing my Leadership capability	3.08	1.25
	The Leadership Development Program has made an impact on enhancing the team/group's leadership capability	3.00	1.30
	I will recommend this program to my colleagues to attend	4.00	0.96
	Experience	What was the main takeaway for you from the Leadership Development Program? Based on your experience, what recommendations or suggestions do you have for the Leadership Development Program design or delivery? What areas of the Leadership Development Program did you find the least useful? In your opinion what other design components should be added to the program framework? What was the criteria/process of nomination into the program?	

**Phase 1:** In what follows we explore our respondent's views on the key research questions:

1) What is an effective Leadership Development design framework?

Referring to Table II, the overall mean for design construct was higher at 3.23 than the mean for delivery & impact. However the mean for 'a clear articulated strategy' is lower at 2.85 than the average mean. While 90% of the respondents indicate that their exist processes for Leadership Development in their organization, only 70% indicate that their leadership development program is based on a clearly articulated leadership development strategy. The other variable which is on the lower side is participant's response to the overall design and approach being relevant and meaningful to their development journey. Surprisingly it was also observed that only 3 of the 43 participants for the leadership development program were females. This has deep implications for the Indian corporate sector intending to move women employees into key leadership positions.

2) What drives the success of Leadership Development process delivery?

A concerning trend is observed on the construct delivery pertaining to variables of manager involvement in the program (Mean= 2.67), effectiveness of action learning projects (Mean=2.33), opportunities to learn through action learning (Mean=2.23) and Leadership Support (Mean= 2.92). The delivery factor is typical of the leadership development process effectiveness and indicates issues of the actual involvement of key stakeholders in building capabilities in the organization. This finding is also supported by interview feedbacks.

3) How effective are Leadership Development processes in enhancing leadership capability?

Findings on the construct of impact indicate an alarming concern around the contribution of action learning project to enabling enhancement of leadership skills. Pegged at a mean=2.08, this indicates the inability of action learning projects to provide live opportunities to participants to learn the skills of collaboration, influence and business exposure. The other areas of concern with low mean indicate the poor impact of the leadership development process both on the overall satisfaction (Mean= 2.54) as well as meeting the

expectations and needs of learners development journey (Mean=2.62)

In the first phase feedback from participants indicated high scores on the overall impact of the program in building capability through self-reflection, 360 degree feedback, Individual Development Plan and Coaching. Positive scores of more than 75% agreement on design, delivery and impact were indicative of fair satisfaction levels, but experiential feedback data reflected that this may mean reactive satisfaction, only for a limited time.

Phase II: In the next step, qualitative analysis of the semi structured interview was conducted utilizing content analysis. This section contains an identification of the deeper factors linked to the effectiveness of the Leadership Development Process. It is based on the responses to the subjective, open-ended questions in the personal semi structured interviews

Selection Process to the program: There is a perception among the participants that the selection process is not transparent. In spite of mechanisms to assess competencies, both participants and HR anchors felt that there is a gap in the way participants are selected for the process. There seems to be no focus on assessing the learning agility and development readiness of participants. We argue that though a number of tools like performance rating, potential evaluation through assessment centers, superior feedback and emotional intelligence tests are used to avoid detailers, the impact can be scaled up by rigour and focus on assessment of a participant's willingness and ability to unlearn, learn and adapt. It is important to assess the attitude, willingness to change and commitment to the process of leadership development

Leadership Support: The present organizational and leadership support is a concern area which emerged during the interviews. The primary issues that were raised related to the lack of manager involvement and leadership review for the process. This finding is further supported by the quantitative data in Phase I.

Action Learning Project: Mostly all the respondents interviewed indicated the ineffectiveness of the action learning projects to play a strong role in the development journey. References to action learning projects being linked career growth, action learning projects in the form of live business exposures, opportunities to dedicate time to action learning projects were heard from the participants. Interestingly this is evident in the Phase I scores for variable around action learning projects design, delivery as well as impact.

Linkage to Role & Career Growth: This is the area that is causing maximum dissatisfaction among the leadership participants. This issue was directly expressed as a need to know what is in store for them after the Leadership Development process and lack of clarity impacted their own commitment and involvement in the process towards enhancing their leadership capability.

### **Recommendation**

Based on participant feedback and comments it can be noted that there is a gap on distinct factors of robust selection process, leadership support, role and career planning linkages as well as inadequate focus on action learning projects. In examining the implications of the foregoing findings it is recommended that state of the art leadership development frameworks articulate the meaning and context of leadership and leadership development both at the individual and the organizational level. At the organizational level it is required that key HR processes must integrate leadership development at all levels supported by cross functional moves, job rotations and mentoring. Leadership development requires long term leadership support and needs to be explained, reinforced and understood by all participants, line managers and champions/steering committee members to enable building capabilities at the same pace. The above are indicative of the need to integrate these components in the design and delivery to create integrated Leadership Development Frameworks towards building leadership capabilities in the Indian context.

## CONCLUSION

The present study indicated that a good leadership development design of a 9-12 months cycle may lead to enhancing leadership capabilities, but only for a limited time in the Indian context. Effective Leadership development is a function of participant readiness, principles of design and executive support. Participants undergoing leadership development do experience change as a direct result of the leadership development process, but the presence of requisite integrated components will scale up the impact. It has been argued that more effective Leadership development programs can be developed if they focus on integrating supporting HR practices, linkages to role requirements and career progression, opportunities to practice leadership and more leadership support for sustainable Leadership Development frameworks. Leadership development practitioners will benefit from assessing their respective organizations' current practices vis-a`-vis those discussed here, while scholars may utilize the practitioner's perspective for generating further research on the academic literature on Leadership Development.

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