IDENTIFICATION OF LEADERS – A STUDY OF FMCG COMPANIES IN MUMBAI REGION WITH SPECIAL REFERENCE TO ASSESSMENT CENTRE METHOD

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Submitted by

Kuldeep Singh Soun

Under the Guidance of

Dr. P. K. Bandgar

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DECLARATION

I hereby declare that the thesis entitled "Identification of Leaders – A study of FMCG companies in Mumbai region with special reference to Assessment Centre Method" completed and written by me has not previously formed the basis for the award of any Degree or other similar title upon me of this or any other Vidyapeeth or examining body.

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CERTIFICATE

This is to certify that the thesis entitled "Identification of Leaders – A study of FMCG companies in Mumbai region with special reference to Assessment Centre Method" which is being submitted herewith for the award of the Degree of Vidyavachaspati (Ph.D.) in Management of Tilak Maharashtra University, Pune is the result of original research work completed by Shri Kuldeep Singh Soun under my supervision and guidance. To the best of my knowledge and belief the work incorporated in this thesis has not formed the basis for the award of any Degree or similar title of this or any other University or examining body upon him.

Dr. P. K. Bandgar

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Abbreviations

AC	Assessment Centre
ASTD	American Society of Training and Development
AT&T	American Telephone and Telegraph
CEO	Chief Executive Officer
CFO	Chief Financial Officer
DDI	Development Dimensions International
FedEx	Federal Express
FMCG	Fast Moving Consumer Goods
GE	General Electric
GLOBE	Global Leadership and Organizational Behavior Effectiveness
HR	Human Resources
HSBC	Hongkong & Shanghai Banking Corporation
IBM	International Business Machines
KRA	Key Result Area
LD	Leadership Development
LDP	Leadership Development Program
LEAP	Leadership Evaluation and Awareness Process
M&A	Mergers and acquisitions
MTEC	Motorola Training & Education Center
OD	Organization Development
OTJ	On the job
Ph.D.	Doctor of Philosophy
PIQ	Personal Information Questionnaire

QWL	Quality of Work Life
SSB	Services Selection Board
TAS	Tata Administrative Services
TISS	Tata Institute of Social Sciences
TQM	Total Quality Management
TV	Television
UK	United Kingdom
US	United States
VPI	Vice President Institute
WOSB	War Office Selection Board

CHAPTER 1.

INTRODUCTION AND RESEARCH METHODOLOGY

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1.1   Introduction to business

The basic objective of business is to develop, produce and supply goods and services to customers. This has to be done in such a way as to allow companies to make a profit, which in turn demands far more than just skills in companies' own fields and processes. Businesses are predominant in capitalist economies, in which most of them are privately owned and administered to earn profit to increase the wealth of their owners. Businesses may also be not-for-profit or state-owned. A business owned by multiple individuals may be referred to as a company, although that term also has a more precise meaning.

"The etymology of "business" relates to the state of being busy either as an individual or society as a whole, doing commercially viable and profitable work." [1]

1.1.1 Forms of business

There are several forms of business like :

i. Sole proprietorship firm: A sole proprietorship is a for-profit business owned by one person. The owner may operate on his or her own or may employ others. The owner of the business has unlimited liability for the debts incurred by the business.

ii. Partnership firm: A partnership is a for-profit business owned by two or more people. In most forms of partnerships, each partner has unlimited liability for the debts incurred by the business. The three typical classifications of partnerships are general partnerships, limited partnerships, and limited liability partnerships.

iii.   Company: A company is a limited liability business that has a separate legal personality from its members. Companies can be either government-owned or privately-owned, and privately-owned companies can organize either for-profit or not-for-profit. A for-profit company is owned by shareholders who elect a board of directors to direct the company and hire its managerial staff. A for-profit company can be either privately held or publicly held.

iv.   Cooperative: Often referred to as a "co-op", a cooperative is a limited liability business that can organize for-profit or not-for-profit. A cooperative differs from a for-profit corporation in that it has members, as opposed to shareholders, who share decision-making authority. Cooperatives are typically classified as either consumer cooperatives or worker cooperatives. Cooperatives are fundamental to the ideology of economic democracy."

1.1.2 Classification of business

Business can be classified as follows:

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[1] http://en.wikipedia.org/wiki/Business

i. Agriculture and mining businesses are concerned with the production of raw material, such as plants or minerals.

ii. Financial businesses include banks and other companies that generate profit through investment and management of capital.

iii. Information businesses generate profits primarily from the resale of intellectual property and include movie studios, publishers and packaged software companies.

iv. Manufacturers produce products, from raw materials or component parts, which they then sell at a profit. Companies that make physical goods, such as cars or pipes, are considered manufacturers.

v. Real estate businesses generate profit from the selling, renting, and development of properties, homes, and buildings.

vi. Retailers and distributors act as middle-men in getting goods produced by manufacturers to the intended consumer, generating a profit as a result of providing sales or distribution services. Most consumer-oriented stores and catalog companies are distributors or retailers.

vii. Service businesses offer intangible goods or services and typically generate a profit by charging for labor or other services provided to government, other businesses, or consumers. Organizations ranging from house decorators to consulting firms, restaurants, and even entertainers are types of service businesses.

viii. Transportation businesses deliver goods and individuals from location to location, generating a profit on the transportation costs.

ix. Utilities produce public services such as electricity or sewage treatment, usually under a government charter.

Besides above, there are many other ways business can be classified in divisions and sub-divisions.

1.1.3 Role of business in the society

Business plays a big role in the growth and development of the country and the society. Business supplies goods and services that customers cannot, or do not want to produce themselves. Business creates jobs for customers, suppliers, distributors and co-workers. These people make money to support themselves and their families, pay taxes and use their wages to buy goods and services. Business helps in continuous development of new goods, services and processes. It helps in investing in new technologies and in the skills of employees.

In a country like India which has huge population, it is said that youngsters should be encouraged to start their own business so that they need not search for jobs which are less. On the contrary, they can provide jobs to people by starting their own businesses.

Considering the importance of business and the role that it plays in the society, business management as a discipline has evolved. It is important that the business has to be managed effectively as it contributes to the growth of the country and society at large. Business Management as a discipline also has evolved due to the separation of ownership from management.

1.1.4 Business Management

Management as a separate field of study can be said to have emerged only during the second half of the 19th century, when with the introduction of joint stock companies a new industrial era began. There is a separation of management from ownership. So it gave rise to problem of labour, inefficiency of them and inadequacy of wage payment. In search of solution to these problems, people began to recognize management as a separate field of study.

Business management is the process of the planning, co-ordination and control of a business. To survive in the long run, a business must be profitable and liquid. To do so, it must create sufficient value for its customers so that its revenues exceed its total

costs. The overall task of business management is to address successfully the problems that confront a business in its role as a value-creating organization.

In addition to their problem-solving abilities and skills, the owners of business or business managers must have knowledge and expertise in the seven functional areas of business: production, marketing, finance, accounting, human resources, management information systems, and product research and development. Moreover, top management must be able to co-ordinate these activities within the business so as to maximize the value of the business to its shareholders and its other stakeholders, such as employees, suppliers, customers and the surrounding community.

Areas of Business Management:

i. Production managers purchase and take inventory of raw materials and semi finished inputs, manage the use of these inputs in the production process, and control final goods inventory and the shipping, transportation and distribution of final products.

ii. Marketing managers conduct of market research to determine which products, at which prices and quantities and with which characteristics, will create value for consumers. They also manage the advertising, promotion and sales of the firm's products.

iii. Finance managers raise capital for the firm from external sources, such as the stock market, banks, and individuals, and manage the internal allocation of funds within the firm. They also evaluate capital expenditures for plant and equipment and for research and development.

iv. Management accountants collect and evaluate cost data on the wages and salaries of a firm's employees, equipment and materials inputs, and its various sources of capital. They combine these data with revenue data to determine the firm's profits, its assets and liabilities, fund-flow needs and tax liabilities.

v. Human resource managers help make hiring decisions, conduct training, co-ordinate the evaluation and reward systems within the firm, and chart and manage the careers of the firm's employees.

vi. Research and development managers develop new process technologies to increase production efficiency and new product technologies to expand the range, quality and performance of the firm's products.

vii. Information systems managers manage information flows within the firm and between the firm and its suppliers and customers. Increasingly, they also provide access to the wealth of data available via the internet.

The firm's overall business strategy and how it is implemented are crucial to its success. Top managers assess the strengths and weaknesses of the firm in relation to other firms in its industry (or industries) both at home and abroad; set the firm's objectives and goals; formulate and implement the firm's strategy; assess the success of the firm in creating value for its various stakeholders relative to its competitors; and, if necessary, over time revise its basic competitive strategies.

One of the most important aspects of business management is to ensure that all employees possess the information, skills, attitudes and motivation to use their full potential to achieve the firm's strategic goals. Top management influences the corporate management style, the corporate culture of interpersonal relationships and values within the firm.

1.1.5 Human resource as a factor of business

Business of any form and type cannot run without the most important resource in it the Human Resource. In the late 80's when the then Prime Minister of India late Rajiv Gandhi wanted to bring computer revolution in our country, a large section of population felt that he would make them jobless. Today we know that the computer has not played any role in making people jobless, although, it has contributed hugely in giving jobs to people. There were similar fears in the 80's that the world would be ruled by robots and it would replace human being at work place. Nothing of that sort

has happened. Whatever may be the technology used, human resource is an irreplaceable resource, and its presence will remain forever in the business. New technologies will come, but there will always be a need of the human resource to run this technology and also to make the present technology obsolete by introducing new technologies. Wars cannot be won by robots and computers alone; it needs the vital human resource. Organizations of all forms from software companies to construction companies need human resource. No business or organization can think of carrying its operations without human resource.

Human Resource is the most complex resource to manage. It is said that it is easy to manage materials, machinery and any other resource but human resource is the most difficult resource to manage. No two human being are exactly same by their behavior, therefore, management has to have a different strategy to manage each human resource present in the organization. Getting the human resource is also not as easy as getting any other resource. On the one hand, there is unemployment, and on the other, there is a shortage of employees with right skills in organizations. In India, there is a dearth of manpower with the right skills in advertising agencies, retail companies, software companies, the armed forces and in any organization we can think.

Human Resource in organizations can be categorized into different categories like unskilled, semiskilled and skilled human resource. The nature of job responsibility and the pay packages depends on their skill category. An unskilled human resource would get the basic minimum wage as a pay package but industry pays a skilled human resource as per their demand.

It has long been said that a company does not work through its bank balance or its capital assets but the people who work for it and who put the bank balance and capital asset into effective use. It is this point of view that has basically generated a huge limelight for the importance of managing those human resources.

1.2.   Human Resource Management

Human Resource Management (HRM) is a management function that helps manager's recruit, select, train and develop members for an organization. It is concerned with the people's dimension in organization.

The HR department mainly acts as a bridge between the organization staff and the organization   HR plays a pivotal role in organization from proper organization of each and every personnel's duties and profiles, personnel requirement, welfare policies, monitor and improve efficiency of the staff, solving staff problems, payroll management, pre-recruitment and post-resignation formalities, ensure training of new personnel and updating, taking care of legal requirements and ensuring the compliances are met with like Labour Law, Factories Act, Shops & Establishment Act., Payment of Wages Act, Minimum Wages Act, Maternity Benefits Act, etc. also falls under the duties of the HR Department.

As mentioned above, it is the human factors that actually lead an organization to perform, deliver and grow. The organizations performance is directly proportionate to the individual's performance. If people perform individually and in teams, the overall organization performance is bound to enhance – other factors being in favor. As a result, the management of these resources are extremely essential for any organization, whether profit-seeking or non-profit seeking, to achieve maximum productivity levels.

1.2.1 Objective of Human Resources in the business organization.

The objective of management is to inject or deliver a professionally and technically competent workforce to the company, who are willing to execute their duties and responsibilities to the organization with ample dedication. It should also ensure that this workforce is willing to do so. HR can help a company proactively retain and attract good employees, as well as following the correct procedures improving the organizations reputation, credibility and commitment from staff, thus becoming an employer of choice and reducing unnecessary and unplanned overheads and employee turnover.

HR is the backbone of any organization. The role of HR is that of a catalyst, facilitator and business partner. HR is bridge between organization and employees. Without HR organization can not develop skilled employees who can bring the organization at top

HR is now considered to be a business partner where its role is on understanding the business and then making HR strategies that will support the growth of the business.

HR professional's role is to help the organization to identify the basic needs in human capital development and to provide managers with a help to develop their subordinates. In this sense, Human Resources is not just a department to take care of employees, but to provide managers with tools to manage lead and develop their employees to be competitive in the market.

However, in terms of a broader perspective, HRM can have secondary objectives as a four-point strategy.

i. Societal Objectives :

It is to make sure that the organization in its functions is aware of the needs and challenges of the society. It must make sure that it is not breaking the pre-set boundaries, especially legal, of the society and rather make way for evolution. This includes maintaining cordial union-management relations and compliance to the legal obligations.

ii. Organizational Objectives :

An HRM process is of no use if it does not co-operate with the enterprise in achieving its basic goals. Regardless, of its other functions its first duty is to serve the organization. Framing policies, Manpower Planning, Selection and Placement, Employee relations, identifying and nurturing future leaders and doing talent management with efficiency are all part of the organizational objectives.

iii. Functional Objectives:

An important responsibility of the HR department is to ensure that the productivity of the other organizational segments or departments are in consonance with the current needs of the company. This is done through methods like appraisal and assessment. It is important that the HR professionals follow a Performance Management System (PMS) in the organization which does not just restrict itself to appraisals but also goes beyond it in enhancing the performance of the employees. When we talk about PMS, then it is all about setting Key Result Areas (KRAs), Key Performance Indicators (KPIs), identifying and building competencies for the organization, and then assessing the performance of the employees based on the KRA's, KPI's and competencies. The gaps identified between the required competencies and the actual competencies can be bridged with the help of training & development programs and by re-looking the entire selection process.

iv. Personal Objectives:

"To assist employees in achieving their personal goals, at least insofar as these goals enhance the individual's contribution to the organization. Personal objectives of employees must be met if workers are to be maintained, retained and motivated. Otherwise, employee performance and satisfaction may decline and employees may leave the organization."[2]

1.2.2 Role of HR in Globalization and Liberalization

i. Globalization:

Globalization means interdependence between different countries around the world - doing business together, trading, etc. It refers to the process by which regional economies, societies, and cultures have become integrated through a global network of political ideas through communication, transportation, and trade.

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[2] Aswathappa K., in Human Resource and Personnel Management, Fourth Edition, Page No. 9, Tata McGraw-Hill Publishing Company Limited, New Delhi, Year of Publication 2005.

ii. Liberalization:

Liberalization refers to a relaxation of previous government restrictions, usually in areas of social or economic policy.

iii. The era of Globalization and Liberalization

The adoption of globalizing and liberalizing policies for the economy of India was done in 1991. This was a time when the country was facing massive fiscal deficits, depleting forex reserves and huge debt obligations throughout the world. The otherwise conservative Indian economy now became open to an extensive global participation. With liberalization, many of the industrial regulations binding organizations all over the country were done away with. This also increased the amount of private-player participation in the market. There are very many challenges that an HR department faces in the age of globalization. It has to create a global-mindset for both the managers and the employees. To meet these challenges, organizations need to recognize HR as a strategic element of business. The HR department has to create an atmosphere of unity in diversity and co-operation throughout the corporation and a culture with a global approach. It has to understand the need of developing set-of practices that are meeting the needs of the organization anywhere and everywhere in the world. The organizations need to develop and train employees in a way that they are able to perform with efficiency all over the world.

As a result, the masses observed a paradigm-shift in terms of employment duties and employers.

Presently, India hosts an enormous number of Multi-national companies, joint ventures and foreign-owned subsidiaries. Similarly, a large number of companies of Indian-origin are constructing bases all over the world.

When it comes to business, the world is indeed becoming a smaller place. More and more companies are operating across geographic and cultural boundaries. While most have adapted to the global reality in their operations, many are lagging behind in

developing the human resource policies, structures, and services that support globalization.

There are very many challenges that an HR department faces in the age of globalization. It has to create a global-mindset for both the managers and the employees. To meet these challenges, organizations need to recognize HR as a strategic element of business. The HR department has to create an atmosphere of unity in diversity and co-operation throughout the corporation and a culture with a global approach. It has to understand the need of developing set-of practices that are meeting the needs of the organization anywhere and everywhere in the world. The organizations need to develop and train employees in a way that they are able to perform with efficiency all over the world.

The Coca-Cola company is one of the most successful MNCs in the world. With operations in as many as 200 countries, 80 per cent of its revenues are generated from foreign operations. The US-based company believes in the famous motto of "Thinking globally, acting locally". The company has propagated a common HR policy within the company and developed a group of international minded mid-level executives for senior management responsibilities.

The structural adjustments policies initiated the process of opening up the closed economy of the country. There was a huge change in the politico-legal environment with deregulations and de-licensing on foreign investments. The FEMA and MRTP acts along with removal of public sector monopoly in certain industries occurred. This caused a major turbulence in the various organizations and made the business environment hyper-competitive.

In order to stay in the race, the companies required a new system in the HR processes.

iv. HR's different role in Globalization and Liberalization.
With globalization, people of different countries work together. It was very familiar seeing Indians working in foreign countries in the past. With globalization and liberalization, one can now see foreign employees coming and working in India. The

retail industry needs SME (subject matter experts). These SME's are hired from foreign countries who work in India. The role of HR professionals has therefore become more diverse where it requires a great understanding of the International Human Resource practices. The H.R. departments role in globalization and liberalization can be explained as follows:

a. HR as a strategic partner:

When it comes to business, world is becoming a smaller place. More and more companies are operating across geographical and cultural boundaries. The Human Resource also faces many challenges in the globalization process. To meet these challenges, organization needs to consider the HR function not just as an administrative service but as a strategic business partner. Companies should involve the human resources department in developing and implementing both business and people strategies. This type of partnership is necessary if an organization wants to change potentially inaccurate perceptions of HR and reiterate the HR function's purpose and importance throughout its global environment. The process of globalizing resources, both human and otherwise, is challenging for any company. Organizations should realize that their global HR function can help them utilize their existing human talent from across multiple geographic and cultural boundaries. International organizations need to assist and incorporate their HR function to meet the challenges they face if they want to create a truly global workforce.

b. Decentralization:

The globalization of HR is characterized by increasing levels of decentralization. Half of all international organizations have one primary HR department with independent regional HR staff. Many international and domestic companies use a more centralized approach—one primary HR department with dependent regional HR staff. Most organizations operating at domestic level have only a primary HR department with no regional HR staff.

c. HR plays a key role in Mergers and Acquisitions:

One of the biggest change agents in any corporate scenario are the mergers and acquisition of companies. It changes the power plays in the industry and brings about a paradigm shift in the acquired or merged organizations.

Mergers and acquisitions (abbreviated M&A) refers to the aspect of corporate strategy, corporate finance and management dealing with the buying, selling, dividing and combining of different companies and similar entities that can aid, finance, or help an enterprise grow rapidly in its sector or location of origin or a new field or new location without creating a subsidiary, other child entity or using a joint venture. The distinction between a "merger" and an "acquisition" has become increasingly blurred in various respects (particularly in terms of the ultimate economic outcome), although it has not completely disappeared in all situations.

There have been a number of mergers and acquisitions that have taken place in India in the past few years. Some of the major acquisitions by Indian companies are as follows:

1. Tata acquiring Corus
2. Hindalco acquiring Novelis
3. Tata acquiring Jaguar and Land Rover
4. Essel Packaging acquiring Propack
5. Ranbaxy Laboratories Ltd. (RLL) acquiring Allen S.p.A, a division of GlaxoSmithKline (GSK) in Italy, Romania's largest independent generic drug producer Terapia and drug maker Ethimed NV in Belgium.
6. Wockhardt acquiring Negma laboratories
7. Times group acquiring Virgin Radio
8. Mahindra and Mahindra acquiring Schoneweiss
9. Sterlite acquiring Asarco
10. ONGC acquiring Imperial Energy

Mergers & Acquisitions are never easy. That's because it is never fully possible to buy out the core of the firm. In these days of high attrition and a vibrant job market, companies involved in mergers and acquisitions have to tread lightly when it comes to employees. They have to be reassuring about jobs, and allay all fears and concerns. Given this situation, HR departments are beginning to play a more significant role than ever before, in integrating people during M&A.

"The IGATE acquisition of Patni is an example. It required the integration of 25,000 people (16,000 from Patni and 9,000 from iGATE). Though it was not easy telling Patni staff their company had been bought out, HR officials ensured they were informed about this well ahead even before the external stakeholders. Within minutes of the announcement, employees received mails from the CEO, PowerPoint presentations explaining the benefits of the deal, and timelines for various activities. Discussion forums, Town Hall meetings and teleconferences were set up.

"These will continue so that employees in all geographical locations can get their doubts cleared," says Sunil Chitale, chief strategy and marketing officer at Patni. Even queries posted online anonymously, will be answered. The two companies will continue with their independent HR policies till they can figure out integration. In fact, Phaneesh Murthy, ex-CEO of iGATE, assured that retention packages would be rolled out to select employees soon".

People integration is a complex issue. For most HR personnel, work begins before the actual M&A, when a company is scouting for a prospective. A cultural fit is key; if not addressed, this could lead to high attrition later. Working out compensation structures and roles, and the swapping of best practices, follows. Sensitizing employees on both sides, the HR departments must make it clear there is no 'loser'. If the merger is cross cultural, employees need to be briefed on the cultural norms of the partner. Post-acquisition, surveys need to be conducted in the acquired company, and training provided to staff, for them to get a feel of their new environment. Role changes are crucial; the sudden removal of top management in an acquired firm leads to instability".[3]

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[3] "HR Plays Key Role in Mergers", The Economic Times Mumbai, Date: Jan 18, 2011; Section: Career & Business Life, Page No. 10

d. Training for global business:

Firms competing in a global market place, and organizations are to survive and prosper in the modern world of rapid change, they need to be more flexible, faster-moving and faster-learning than before. For that firms are implementing special global training programs, the reason for doing to avoid lost business due to cultural insensitivity, improving job satisfaction and retention of overseas staff and enabling a newly assigned employee to communicate with colleagues abroad. Providing training for employees not only helps them develop their skills and knowledge, but it is also motivational and a building block to organizational success. Global training programs opt for prepackaged programs.

Executive Etiquette for Global Transactions: This program prepares managers for conducting business globally by training them in business etiquette in other cultures.

Cross Cultural Technology Transfer: This program shows how cultural values affect perceptions of technology and technical learning.

International Protocol and Presentation: This program shows the correct way to handle people with tact and diplomacy in countries around the world.

Language Training: Language training delivered by certified instructors, usually determined by the learner's needs

e. Adapting to technological change:

Traditionally human resource management (HRM) has had a people-oriented approach. However today, the competitive demands of the marketplace require emphasis to be given to a knowledge-based administration using technology as a tool.

Human Resource Information Systems (HRIS): an integrated system providing information used in HR decision making. An HRIS serves two major purposes in

organizations: (1) improves the efficiency with which data on employees and HR activities are compiled; (2) having accessible data enables HR planning and managerial decisions making to be based to a greater degree on information rather than relying on managerial perceptions or intuitions

Enterprise resource planning (ERP): "An enterprise planning system is an integrated computer based application used to manage internal and external resources, including tangible assets, financial resources, material and human resources".

There are also different software's used payroll management, appraisal management, employees training etc.

f. Maintaining code of ethics:

HR professionals must help ensure that ethics is a top organizational priority. HR must ensure that the leadership selection and development processes include an ethics component. After all, leaders at all levels of the organization need to both model ethical behavior and communicate ethical standards to employees. Selection procedures must filter out people who, despite making their numbers, are known for cutting ethical corners. HR is responsible for ensuring that the right programs and policies are in place

Some of the other recent trends in HR are as follows:

g. Quality of work life:

Quality of work life (QWL) is viewed as an alternative to the control approach of managing people. The QWL approach considers people as an 'asset' to the organization rather than as 'costs'. It believes that people perform better when they are allowed to participate in managing their work and make decisions.

h. Flexi time:

Flexi time is a scheme where an organization gives its employees the opportunity of a flexible working hours arrangement. Under flexi time, there is normally a core period of the day when employees must be at work (e.g. between 10 am and 4pm), whilst

the rest of the working day is "flexi time", in which staff can choose when they work, subject to achieving total daily, weekly or monthly hours. An employee must work between the basic core hours and has the flexibility to clock in / out between the other hours

i. Flexi work:

It is a program that allows flexibility in handling the type of work in various departments of the organizations in systematic way by the employee during his tenure of employment in an organization. For example, a candidate may be selected as a clerk in the Personnel Department and after two years he may be allowed to take up work in any other department of the organization.

j. Moon Lightning by employees:

This is a situation, which arises among employees on account of dissatisfaction from present wage & salary structure. They feel that employer enjoys the increased profit and that they are being exploited by the employer. Consequently they agitate for hike in wages or take up another part-time job or business simultaneously with that of the original job. This is also known as Double Jobbing.

k. Management of turnover and retention:

Employee turnover costs businesses billions of dollars each year. It works against productivity, efficiency and, ultimately, profits. As such, managing turnover is essential for all organizations. Every organization, therefore, should have an action plan, or at least a program that sensitizes management to the issues. Some programs designed to reduce/manage turnover consist of changes collectively or separately in job content, compensation practices, promotion policies and career, hiring practices, authority and responsibility relationships and the workflow process.

1.2.3 Innovation

Innovative practices started developing inside the companies to hire the best talent and retain them. In order to maintain a good rapport with the employees the companies started introducing them to the corporate culture of professionalism, which was required to stay ahead of the growing competition.

These days we observe many such innovations at work. One such example would be that organizations their senior-managers to attend Executive management programs at B-schools which not only develops and grows their professional potential but, also imbibes a sense of loyalty toward the company.

In such a hyper-competitive environment, the HR managers look to develop certain skills amongst the employees that will enable their workforce and organization to become cutting edge. This competitiveness has been synonymous to staying above the average and survival.

The environment of competition throws various challenges at a business. It is for the business to have perception, understanding and action strategies for such problems. If a company is ahead of its competition it should know what it has to do to keep rivals at bay. Constant upgrading is a must in such cases. The examples of Microsoft in Operating system software and Google in web-based search engines are apt.

Traits of lateral thinking, innovation, intrapreneurship and speed are high in demand. HR policies must address the issue of enabling people to respond to environmental opportunities and challenges in the best interests of the company. Intrapreneurship and innovativeness in the people ensures that "out of the box thinking" is at work and value innovation is an ongoing exercise in the company. Self-discipline is an essential element of entrepreneurship in the companies. It is this attribute that enables people to act responsibly, and acts as a voluntary check over oneself. Speed is a critical factor today's business environment. Any innovation if not capitalized in a short time is as good as a lost opportunity. Speed is not same as haste – again Self discipline helps in maintaining the divide between speed and haste.

If such traits can be encrusted into the policies and HR frameworks, the concern would gain a huge advantage over its competition. The institutionalization of such traits shall take the company to a higher plane of competitiveness.

The significance of HR in such environments reaches the indispensable levels.

Without the proper management of Human resources, a company is most likely to wither away.

1.2.4 HR and its role in Talent Management

The most significant driver of an organizations success – and its key differentiator – is the contribution made by its people, from its senior leadership to its newest hire.

Today's leaders understand the importance and value of that talent, but many lack answers to a variety of talent-related questions such as, whether an organization has a talent pool that is able to address current and future business needs; if the business is flexible and agile enough to deal with the constant inflow and outflow of employees; whether it keeps track of the changing nature of work and skill sets required to address that change; and where are the company's new sources of talent and how it can make the most of them.

Addressing these issues has become increasingly important in the face of challenges such as globalization, recovering economies, change in talent demographics and even the nature of work itself. A research by Accenture confirms that the subject of attracting, engaging and retaining the right kind of people is now a matter for board rooms, and not solely a concern for human resources departments.

While some organizations till lack robust talent management systems, processes and practices, others have invested carefully in them and they have weathered the economic storms of the last few years. These organizations have seen their employee capabilities mature through the right kind of training and learning. At the same time, their understanding of market conditions has allowed them to keep their compensation competitive, and their scalable and resilient recruiting service delivery models have ensured continued focus on attracting and retaining the right people.

Now, as stability returns to the market-place, these organizations are posed for a talent-powered organization, they must do more than add people to their staff; they must build capabilities that multiply their talent so they generate superior levels of

innovation and results. When these capabilities align with critical business requirements, organizations can create long-term competitive advantage.

"In talent-powered organization, the leadership provides vision and passion for talent multiplication, and communicates about its strategic importance to the organization and its future. Additionally, HR people and line leaders have a profound commitment to a holistic system of talent multiplication based on four capabilities: defining talent needs, discovering new sources of talent, developing employees' potential and deploying them in the right place at the right cost at the right time. Research shows that those companies that invest in HR professionals and hold them accountable for multiplying talent are much more likely to become high performing organizations. In addition, companies, deemed 'human performance leaders' are much more likely than 'laggard' companies to have functional leaders deeply engaged in talent management issues and initiatives.

It is imperative that organizations understand human resources' new role. At the same time, HR professionals must move beyond employee relations and support business strategies, lead change aligned with business objectives, build HR practices that develop leadership, talent and culture, and help enable an effective operating model."[4]

1.2.5 HR is using different interventions using Organization Development (OD) approach

OD is the use of behavioral science knowledge to bring about planned change in the organization. OD is a part of the change management using behavioral science knowledge.

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[4] Managing Talent by Prithvi Shergill, page no.40 and 41, People matters, , Vol.II, Issue 4, 15 April – 15 May, 2011.

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Definition of OD:

"An effort planned organization wide, and managed from the top, to increase organizational effectiveness and health through planned interventions in the organizations' processes using behavioral science knowledge" .(Beckhard, 1969)

" OD is a planned effort, initiated by process specialists to help an organization develop its diagnostic skills, coping capabilities, linkage strategies in the form of temporary and semi-permanent systems and a culture of mutuality" (Pareek, 1975)

"OD is a systematic effort, using behavioral science knowledge and skill, to change or transform the organization to a new state". (Beckhard, 1999)[5]

HR is using the OD approach in today's times to bring about development in the organization with the help of behavioral science knowledge. Some of the HR Interventions that can be done using the OD approach are – Competency Mapping, OD approach to Performance Management System, Leadership Development using 360 degree feedback and Assessment and Development Centres.

1.3   Leadership / Executive / Manpower development

Leadership:

The task of the leader is to get his people from where they are to where they have not been.
- Henry Kissinger

Effective leadership is not about making speeches or being liked; leadership is defined by results not attributes.
- Peter Drucker

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[5] Rao T.V., in Organization Development Experiences – A Case for Enriching HRD through OD, W.P. No. 2010 - 01 – 01, January 2010, IIM, Ahmedabad,

As mentioned above leadership is all about leading people. In an organization leadership is required to bring the Vision of company in to reality.

A leader is anyone who develops / grooms people in the organization, who is directly or indirectly responsible to increase customer satisfaction and ultimately revenues of the organization. These leaders can be there at different levels in the organization.

In the corporate scenario, one of the core responsibility of the HR department is to identify potential leaders for future, train them, develop them and coach them so that they are ready for the challenges. There are different methods to identify future leaders like coaching and mentoring, assessment centres, managerial grid etc. How important is to develop a leader can be best known with the recent example of the Tata group which is looking for the successor of Mr Ratan Tata.

Leadership development is considered critical for the success of organizations in a competitive scenario. Realizing this, organizations have started investing in developing leaders from inside, by identifying people who show the promise and prove their mettle. In the era of constant changes brought by globalization and increased opportunities, it becomes imperative to recognize potential leadership talent within organizations and design HR systems which will provide the identified with required learning and accelerated career growth. Such initiatives serve to motivate the performers as well as create a leadership pipeline.

The debate whether leaders are born or whether they are created by contextual factors has contributed to significant amount of theory building. However, what is more important in the organizational context is to find employees who are potential leaders and nurture them early enough. With the concept of life long employment vanishing and employees constantly trying to find greener pastures for better career options , organizations cannot remain aloof from attracting the fast trackers and managing them through well planned organizational interventions. On the other hand organizations have to consider employee career planning and management as part of their HR strategy. The focus here is to retain and nurture valuable employees while regularly

moving out the misfits. For example in the case of 3M a fast tracker/high potential is "an employee who consistently contributes at a significantly high level. Confidence exists that the individual will move to the next job band within three years" and in case of Westcoast Energy she/he is the one who "demonstrates a pattern of success in new and tough situations, leaves tracks in the sand, takes personal risks and makes professional sacrifices"(Cope and Fischer, 1998). With globalization setting in and the environment of operation becoming more competitive, many Indian organizations have set up formal programs for leadership development. This may range from a wide array of activities within companies like the use of 360 degree performance review for assessing leadership potential, assessment centres, specially designed accelerated development programs, training and coaching, special assignment and career designs. Corporate universities (leadership institutes like that of Crontonville of GE) are also becoming a much observed phenomenon in the Indian context which toes the line of organizations like GE. The Infosys Leadership Institute is an example in this context. Age and experience as critical factors rather than performance to qualify for leadership positions is also disappearing at least from the private sector organizations. In this context HR has a major role to play in streamlining the HR processes towards selecting leadership potential and managing them.

1.3.1 Leadership Development

Leadership Development refers to any activity that enhances the quality of leadership within an individual or organization. These activities have ranged from MBA style programs offered at university business schools to action learning, high-ropes courses and executive retreats.   When we talk about leadership development, it can be developing leaders individually, collectively and succession planning:

i.   Developing Individual Leaders

Traditionally, leadership development has focused on developing the leadership abilities and attitudes of individuals. Classroom-style training and associated reading is effective in helping leaders to know more about what is involved in leading well. However, knowing what to do and doing what you know are two very different outcomes; management expert Henry Mintzberg is one person to highlight this dilemma. It is estimated that as little as 15% of learning from traditional classroom

style training results in sustained behavioral change within the workplace. Among key concepts in Leadership Development, one may find –

a. **Experiential learning**: positioning the individual in the focus of the learning process, going through the four stages of experiential learning as formulated by David A. Kolb: 1. concrete experience 2. observation and reflection 3. forming abstract concept 4. testing in new situations.

b. **Self efficacy**: The right training and coaching should bring about 'Self efficacy' in the trainee, as Albert Bandura formulated: A person's belief about his capabilities to produce effects

c. **Visioning**: Developing the ability to formulate a clear image of the aspired future of an organization unit.

ii. Developing Leadership at a collective level:

More recently, organizations have come to understand that leadership can also be developed by strengthening the connection between, and alignment of, the efforts of individual leaders and the systems through which they influence organizational operations. This has led to a differentiation between Leader Development and Leadership development. Leader development focuses on the development of the leader, such as the personal attributes desired in a leader, desired ways of behaving, ways of thinking or feeling. In contrast, Leadership Development focuses on the development of leadership as a process. This will include the interpersonal relationships, social influence process, and the team dynamics between the leader and his/her team at the dyad level, the contextual factors surrounding the team such as the perception of the organizational climate and the social network linkages between the team and other groups in the organization.

iii. Succession Planning:

The development of "high potentials" to effectively take over the current leadership when their time comes to exit their positions is known as succession planning. This type of leadership development usually requires the extensive transfer of an individual between departments. In many multinationals, it usually requires international transfer and experience to build a future leader. Succession planning requires a sharp focus on

organization's future and vision, in order to align leadership development with the future the firm aspires to create. Thus successive leadership development is based not only on knowledge and history but also on a dream. For such a plan to be successful, a screening of future leadership should be based not only on "what we know and have" but also on "what we aspire to become". Persons involved in succession planning should be current leadership representing the vision and HR executives having to translate it all into a program.

1.3.2 Executive Development

Executive development is the whole of activities aimed at developing the skills and competencies of those that (will) have executive positions in organizations. While "executive" and "manager" and "leader" are often used interchangeably, "executive" is commonly used to signify the top 5% to 10% of the organization. Similarly, "development" and "training" and "education" are often used as synonyms, however "development" is generally seen as the more encompassing of the three in terms of activities that build skills and competencies.

While it is typical to find organizations that have dedicated corporate training & development people and processes, it is not always the case that an organization will have a dedicated executive development set of activities. In some organizations (typically large multi-nationals), there is a separate executive development team, in other organizations executive development is handled as one of many activities by the larger corporate training group, and in yet other scenarios there is no executive development activity to speak of.

In contrast to other corporate training & development activities, which have as their core purpose to build tactical skills for employees, executive development plays a different role for the organization. Indeed some executive development is conducted for the purpose of building tactical skills (sometimes referred to as "hard skills" such as business fundamentals- finance, marketing, operations and also "soft skills" such as communication and team building), yet executive development is also used to evaluate future potential future executives as well as a mechanism for the CEO and the executive team to cascade their strategies, goals, and even elements of the culture to the rest of the management team and ultimately the organization. In the best of

cases, executive development not only helps an organization execute its key strategies, it can also help provide input to the strategy creation process. In this way, executive development is much more strategic than typical corporate training & development which is used for most employees of an organization.

i.   Developmental Options

Executive development professionals have a wide variety of activities they can choose to deploy including in order of most commonly found:

a. OTJ (On the job) stretch assignments, line and staff roles, rotational assignments
b. Executive coaching
c. Mentoring
d. Custom workshops and activities
e. Action learning
f. Business school open enrollment courses
g. Online courses and resources

ii.   Best Practices

The following are a set of best practices most often found in organizations that have long standing development activities which are highly regarded in and outside of the organization.

a. Articulate a clear and compelling vision – Leaders have many competing priorities, and need a compelling set of reasons to support development activities. The development team needs to build a compelling case and consistent themes across its development strategy.

b. Ground development in business challenges – When in doubt, development that is rooted in solving current and significant business challenges will always prevail over development that is designed to round out a leader or a group of professionals.

c. Shorten the timeline – Especially in light of budget cutbacks that are all too common in organizations today, it is important that development is focused on solving current operating cycle issues and challenges. Development plans that span many quarters risk never being fully implemented.

d. Market successes – Successful development professionals, like any other professionals in the organization, are quite good at highlighting their impact for the

organization and making sure to create "buzz" for their work and activities. Whether through formal ROI studies or informal anecdotal reviews that are circulated to strategic individuals, it is key to promote success.

1.3.3 Manpower Development

Manpower development, now commonly referred to as human resource development, is an ongoing process that analyzes, forecasts and projects an organization's future manpower requirements. In other words, manpower development focuses on such issues as whether the organization is ready to compensate for the loss of experience from retiring employees and if employees are adequately prepared to implement organizational change.

Manpower development is a process that seeks to optimize an organization's usage of its human resources. It requires an integrated approach that addresses multidimensional aspects of employees, ranging from enhancing technical and interpersonal skills to creative thinking and leadership. Organizations with high productivity levels have made manpower development an integral part of their business culture.

Manpower Development is important as the grit, sweat, and heavy equipment needed to complete large projects. For many companies it is a key component of company culture, a vital part of the company mission, and important for business success. Development refers to formal education, job experiences, relationships, and assessments of personality and abilities that help employees perform effectively in their current or future job and company. Although developments sometimes enhanced through planned development programs it often results from work experiences.

At the organizational level, manpower development (training of workers) is associated with anticipating manpower shortages so adequate personnel are available to implement future organizational plans.

1.3.4 Practices for fostering young leaders: Indian Case Examples

India today is moving towards the progress and as said it has the most youngsters as part of population compared to other developing or developed countries.

A number of organizations have implemented fast track leadership interventions. Some of the examples help to identify the critical factors which are similar throughout. The Tata group's leadership development practices are worth mentioning here.

Tata Administrative Services (TAS)

A classic example of leadership development program in the Indian context is the Tata Administrative Services (TAS). The program, which was conceived and implemented more than 40 years back, aims at growing leaders who can lead the various group concerns in the future. It selects and trains high achieving young postgraduates from leading business schools of the country. The candidates are given extensive cross functional exposure across various group enterprises. TAS recruits are given the best possible support from the organization, and have steeper career growth opportunities. The first year of TAS is dedicated towards group orientation and learning, termed as "GOAL". Here the recruits get a two weeks intensive orientation about the group. They get opportunities to interact with the senior management of the group. Training provides exposure of various initiatives and future plans of TATA. GOAL also provides learning through tours of various facilities of the group. Cross-functional training and challenging projects are given. Exceptional candidates are recognized for merit. After completing the GOAL, the recruit is given a posting which matches his choice and organizational requirements. The TAS gives the recruits to have high degree of exposure across various functions, group companies and responsibilities. Management expects the TAS recruit to be in a senior management position within 10 to 12 years, where he will be having a strategic role and considerable external contacts.

Various case examples and literature show that organizations can have planned processes to enhance the development opportunities of high potential employees. Tracking the high potential employees requires high degree of commitment from the

top management in terms of resources and other support, like mentoring. It is essential that organizations map the strategic relevance of leadership development and required competencies in the leaders. With the advent of globalization and increased competition beyond boundaries, the need for building future leaders is high and global leaders are the need of the hour. At the same time, traditional modes of organizational career management are losing their relevance. It is imperative that organizations understand the importance of managing the individualized career aspiration of high potential employees and provide them with enhanced opportunities both in terms of development support and career choices which mould them as future leaders.

1.4 Assessment Centre Method

1.4.1 Meaning of Assessment Centre

Assessment Centre is a comprehensive and highly specific assessment and selection tool constructed on a case by case basis to meet the manpower requirements of the company at that particular moment in time.

Assessment Centre is the identification of behavioral characteristics, skills and aspirations required for the post, by means of analysis carried out in conjunction with the company's line management.

It is the construction of customized tools and exercises, both group and individual, developed on the basis of the information gathered during the identification phase.

It is the Implementation of these tools and exercises during group or individual assessment sessions.

1.4.2 Definition of Assessment Centre

"Assessment centre is a method of predicting future performance by using simulations and other techniques to measure a candidate's ability to handle future responsibilities". – Julie Hay, 'Assessment and Development centre'.

1.4.3 History of Assessment Centre

Assessment Centre process was first used sometime between the two world wars. The Treaty of Versailles, which ended the First World War, prevented Germany from rearming and thus the traditional approach to the selection of officers, which was of observing their performance in war or in exercises was denied to them. German psychologists then devised this method which involved a combination of tests, simulations and exercises to identify the potential of officer candidates. The British Army used this method in the early days of Second World War when they established the War Office Selection Boards (WOSBs), again for the selection of officer candidates. However, it was brought into the private sector only in 1956 after AT&T used it for selection of high potentials for managerial positions.

1.4.4 Essential Elements of an Assessment Centre

Assessment Centres must meet the following given criteria:

i.   Job Analysis – To understand job challenges and the competencies required for successful execution of the job.

ii.   Predefine competencies – Modeling the competencies, which will be tested during the process.

iii.   Behavioral classification – Behaviors displayed by participants must be classified into meaningful and relevant categories such as dimensions, attributes, characteristics, aptitudes, qualities, skills, abilities, competencies, and knowledge.

iv.   Assessment techniques – These include a number of exercises to test the assesses of their potentials. Each competency is tested through at least 2 exercises for gathering adequate evidence for the presence of particular competence.

v.   Simulations – The exercises should simulate the job responsibilities as closely as possible to eliminate potential errors in selection.

vi.   Observations – Accurate and unbiased observation is the most critical aspect of an AC.

vii.   Observers – Multiple observers are used to eliminate subjectivity and biases from the process. They are given thorough training in the process prior to participating in the AC.

viii.   Recording Behavior – A systematic procedure of recording must be used by the assessors for future reference. The recording could be in the form of hand written note, behavioral checklist, audio-video recording etc.

ix.   Reports – Each observer must make a detailed report of his observation before going for the discussion of integration of scores.

x.   Data Integration – The pooling of information from different assessors is done through statistical techniques."

1.4.5 Benefits of Assessment Centres

"There are certain reasons why assessment centres are preferred over other methods of selection and leadership development. Some of them are highlighted below:

i. ACs map the next level challenges and simulate them in exercises. This raises the validity of the assessment tool. The old way of evaluating the person based on past performance does not work many times, as the challenges of the next level are different from the challenges in the existing position.

ii. Assessment centres not only help the organization in placing the right candidate for the right job/assignment but also helps in developing the participants. When participants see others handling the same exercise differently, it gives them an insight into their own performance thereby raises the credibility of the selection procedure.

iii. It appeals to the lay person's logic and therefore is regarded as a fair means of assessment by the participants.

iv. Assessment Centres can be customized for different kinds of jobs, competencies and organizational requirements.

v. By involving the line managers in the procedure, assessment centres naturally gain support from them in the management decisions.

vi. Assessment Centres, even when conducted with selection purpose, do provide training to participants in the process. Also the assessors undergo training in the process which proves helpful for the organization.

vii. Their validity coefficient is higher than most other techniques used for predicting performance. This is so because it simulates real job challenges and evaluates the candidate on the same".[6]

1.5   Review of Literature

The literature relating to the topic is reviewed as under:

I.   Sharma Radha R. in her book "360 degree feedback, competency mapping and assessment centres", Tata McGraw Hill, New Delhi, 2002 concluded the way Assessment Centres are done in some companies in India like Smithkline Beecham, JK, Vysya Bank, Pricewater House Coopers. This book also gives details of importance of competency profiling in Assessment Centre and how Potential Appraisal can be done through Assessment Centre. The book is a very interesting attempt of author to enhance the knowledge and learning of 360 degree feedback, competency mapping and assessment centres by sharing practical examples of its implementation in various companies. It is clearly evident that author has done

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[6] http://www.tmtctata.com/

enormous amount of research on the implementation of 360 degree feedback, competency mapping and assessment centres.

The efforts in this book, have been aimed to share the different way 360 Degree Feedback, Competency Mapping and Assessment Centres have been designed and shared with the corporate experiences. The author has explained several approaches and their applications in a very simple and effective way. This book has covered almost all the important aspects of the Assessment Centre. The book is an excellent collection of practical approach and implementation, which are being used by several companies in India. Thus, this book not only help in making the understanding of the concepts of 360 degree feedback, competency mapping and assessment centres easy, but also to be equally useful to practicing managers to update their knowledge on the subject.

II.   Nayak Madhumita in her paper "HR Imperatives for the organization in the twenty first century [Building competencies, quality and learning organizations]", IMED Journal of Management and Social Research, Pune, Year of Publication Volume III Number 2, April 2010 pointed out about the modern world of the 21st century. She has divided this paper in three parts.

The first part of the paper talks about the concept of values and what are the principal moderators of value so that desired competency, quality and the learning organization is achieved. She explains the meaning of ego strength, field dependence, locus of control, organizational culture, organizational climate, ethical climates, organizational goals, policy, reward structure, stakeholders, decision making, decision alternatives and decision dimensions. She relates all this to values.

The second part of this paper talks about value based HR intervention on which the corporate culture is built and sustained. Here she talks about what is HR Intervention and how it can be successfully achieved. She gives emphasis to the behavioral science knowledge in implementing HR Interventions.

The third part of this paper talks about the concept of learning organization. Organization needs to operate in cut-throat-competition wherein the notion of the

learning organization itself is brought out. She supports this section by giving reference to the work done by Ikujiro Nonaka. To conclude, this paper takes the reader from the area of Human Resources to the area of Organization Development.

III.   Tiwari J. S. in his paper "HRD and Organizational Diagnosis Revisited", IMED Journal of Management and Social Research, Pune, Year of Publication Volume III Number 2, April 2010 talks about setting of criteria for benchmarking proactive HR intervention. In this paper, he has given importance on doing organizational diagnosis before doing any kind of HR intervention. He is of the view that HR interventions should not be made just for the sake of it. As per his views, there are various sub-specializations in HR that work in tandem with each other. These sub-specializations are – Human Resource Planning, Human Resource Development, Human Resource Administration and Human Resource Information Systems. All the sub-specializations in HR will comprehend each other to make a successful HR intervention.

In the sub-specialization category – Human Resource Development, he talks about providing with avenues of growth internally to the employees rather than identifying people from outside. He gives emphasis on identifying internal potential talent and providing them with the required training. This will keep the morale of employees high and provide internal avenues for them for growth.

To conclude, he gives importance to do diagnosis before doing any HR intervention.

IV.   Gunavathy J. S. and Indumathi G. in their paper "Leadership and Organization Citizenship Behavior – A Study among Employees of a Civil Engineering Company", BVIMR Management Edge, New Delhi, Year of Publication Volume 4 No.1, Jan. – June 2011 talks about the relationship between the leadership that an employee experiences from his supervisor and Organization Citizenship Behavior (OCB). The study brought to light some of the grey areas in the leadership styles. The authors suggest that leaders should not only try to enhance job satisfaction and organizational commitment, but also pro-social, organizational citizenship behavior of their employees. For true citizenship behavior to be exhibited, leaders should be able to foster a culture of trust, mutual understanding and transparency. Leaders should focus

on leader-member exchange rather than on mere leadership styles or performance targets.

The study suggests few areas where improvement can be done on the part of leaders by prioritizing and delegating of activities, giving due credit to good performers by having a transparent system of rewards and recognition, by being just and fair in his dealings with employees and by having a positive influence on the employees, and by the organization by developing a culture that actively promotes the leader-member exchange.

V.   Randall James E., Cooke Ernest E. and Jefferies Richard J. in their article 'Can assessment centres be used to improve the salesperson selection process', Journal of personal selling and sales management, 1981-82 talks about the importance of combination of different methods as part of selection technique. As per E. James Randall, no one selection technique can stand alone, and that a combination of methods used together, adapted for a specific company that are matched with that company's needs, will provide the optimum selection process for salespeople. As per the author, Assessment Centres are the best way of selecting sales personnel. Companies need to study their own unique situations and develop their individual combination of techniques that when used together will yield the best results. As per the authors, sales management must wake up to the fact that there is not a quick, easy, cheap solution to the sales selection process.

VI.   Russell Craig J. and Domm Donald R. in their paper 'Two field tests of an explanation of assessment centre validity', Journal of occupational and organizational psychology, 1995 talk about structured ways of obtaining a sample of behaviors. The researchers did two study on assessment centre. In study 1, the assessors were explicitly trained to view traditional assessment centre dimensions as role requirements of the target position. In study 2, the assessors were trained to obtain both traditional dimensional ratings of candidate skills, abilities and personal characteristics and forecasts of how well candidates should perform on various tasks in a future job. The research was done with the hypothesis that task based ratings will demonstrate higher criterion related validities than the trait based ratings. In both the studies, the researchers obtained the job related information in a structured manner by

way of discussions and interviews with the job holders, their superiors and the top management and by doing job analysis.

In study 1, the research was conducted based on the selection of criteria set for the position of Store Managers for a US based Fortune 100 integrated durable goods manufacturer for their retail outlets. The assessors were trained in this study to assess role related dimensions for the position of store manager. In study 2, unit managers of the same company as in study 1, participated in the study. Their earlier assessment centre scores and performance appraisal results were analyzed.

As per the analysis of both the studies conducted by the researchers, criterion related validities were higher for the task based assessment dimensions and displayed more consistency (less variations) in their correlations with performance criteria. When assessors were asked to consider trait-based ratings in combination with the task based ratings, criterion related validity was reduced. In study 2, when assessors were asked to provide both trait based and task based ratings, trait based ratings demonstrated substantially lower criterion related validity while task based ratings exhibited high criterion related validities

VII. Weaver Carl F. of Brevard Community College, Cocoa, Florida in his applied research project "Can Assessment Centres Eliminate Challenges to the Promotional Process", 2000 submitted to the National Fire Academy talks about the challenges in promoting qualified fire service officers. The purpose of his research was to identify if an assessment centre would be the best way to identify and promote candidates who could perform the Staff Lieutenant / Fire Inspector 1 job duties successfully. In conducting this research, the author used descriptive research methodologies involving a literature review and survey method. The survey was divided into four categories: promotional testing in general, assessment centres in the promotional process, success of candidates selected by assessment centres and the results of challenges that may have been filled as a result of assessment centre. The researcher has recommended that the Orange County Fire Rescue Department's Fire Loss Management Division utilize an assessment centre in their Staff Lieutenant / Fire Inspector I promotional examination process.

During the research, the author studied the practice of promotion in the Fire Loss Management Department. The fire department used conventional written and oral testing practices in hiring and promoting. The candidates who got pass grade in the written test were asked to appear for the oral interview. An outside vendor would conduct the written test and the oral interview board evaluators were fire loss management division managers. As per the researcher, these promotional practices caused many grievances during the past years, as well as numerous employee complaints against management.

The researcher conducted survey with the fire departments in Florida that the Orange County Fire Department uses for benchmarking. This was done by the researcher because these departments are approximately the same size and deliver similar services, and the department routinely uses this measure to determine salaries, benefits, equipment acquisition, resources, and other personnel and operational areas. Since there were limited number of departments that Orange County Fire Rescue uses in their benchmarking, additional surveys were sent by the researcher to other metropolitan sized departments in the southeastern United States.

As per the survey results, more than 70 percent of the responding departments stated that they use some aspect of the assessment centre process in their promotions. Amongst the departments that used assessment centre, only one candidate could not complete the probationary period, that too because it was discovered that the employee had cheated on the written examination. The result of the survey indicated that the majority of respondents agreed that assessment centres work well in the promotional and hiring process. As per the researcher, both the respondents and the literature review indicate that the assessment centre promotional examination process conducted is reliable and valid.

Based on the literature review and survey results, the author agrees that an assessment centre is the best approach in filling the Staff Lieutenant / Fire Inspector 1 positions. The researcher has recommended that while assessment centre is developed, it is also important that the Fire Official and his management team discuss with fire prevention personnel about the changes being made to the examination process. The researcher

has suggested to the department to schedule a seminar to explain the use of assessment centres in the promotional examination process, what dimensions will be tested based upon the job analysis, how the dimensions will be tested, what scoring mechanism will be used to determine the ranking of the candidates, and what criteria will be used in selecting the candidates. Based upon the history of previous examinations, the researcher has said that it may be necessary to fill the new positions from the candidates in ranking order. The researcher has further recommended that the Fire Official should encourage his personnel to assist in developing a comprehensive job analysis for the Inspector 1 and Municipal Fire Inspectors positions. The researcher has also suggested that an outside vendor familiar with and well-versed in assessment centres should be used in the development and implementation of the assessment centre. The researcher has concluded that assessment centres have been proven to weather the challenges and be a valid, accurate, and successful method of identifying qualified people for specific positions.

VIII. Rao T. V. in his White Paper "Global Leadership and Managerial Competencies of Indian Managers", Indian Institute of Management, Ahmedabad, W.P. No.2007-06-05 Year of Publication June 2007 talks about qualities of effective managers, leaders and world class or global managers. The White Paper gives details about what leadership is through the views of different management experts at international level. From the views of these management experts on leadership, T.V. Rao has listed 25 competencies needed to be a global leader and manager. The White Paper also gives reference to few Indian studies done on leadership. The research was done by 360 degree survey method for 762 senior and top level managers from manufacturing, services and pharma sectors combined with a mix of organizations belonging to two leading houses of India. All the organizations were MNC's in private sectors. The paper identifies the strengths and weaknesses of Indian Managers. Job knowledge came as the most frequently observed strong point of Indian managers across all the sectors surveyed by the author. Communication, team work and hard work came out as other strong points of more than 20 Indian Managers. Short temper, open-mindedness, and inability to build juniors are the most frequently mentioned areas of improvement. Vision, values, strategic thinking, decision making skills, risk taking,

innovativeness, ability to learn from mistakes, learning orientation and self renewal efforts, and cross cultural sensitivity are other qualities lacking in Indian managers to be called as global managers. These qualities are either not exhibited dominantly or are not received by fellow managers. The White Paper further suggests that the management education and development programs should focus on these qualities so that Indian Managers become world class managers.

IX.   Lyne de Veer Heather and Kennedy Fraser in their paper "An Analysis of Leadership Development Programmes working in the context of development", Developmental Leadership Program, Year of Publication February 2011 pointed out about the various leadership development program throughout the world as a tool for developmental policy.

As per this research, lot of leadership programs emerged, most of these program have fallen short to understand the meaning of leadership, its nature, its aim to contribute to development & choosing & designing the program. As per the researchers, the number of leadership development programs working within the developing world has increased dramatically over the past twenty years.

The study is based on research which reviewed of a sample of 67 different leadership development programs operating in different regions of the world. The main body of the paper consists of a review of 67 leadership development programs (LDPs) that aim to build or enhance leadership capacity in the developing world. It primarily reviews LDPs with an online presence. These were identified and reviewed using a variety of means, including: online search and selection, scans of academic material, information from evaluation units of major development organizations, questionnaires to all surveyed LDPs providing contact information on their websites, and some semi-structured interviews. Despite constraints (such as limiting the review to organizations with some online presence, or those that responded to enquiries), this sample provides a useful basis for identifying the most important issues and themes for policy makers to take into account with regard to funding, selecting or creating leadership development programs.

The researchers here surveyed a total of 67 organizations but a Google search for the term "leadership development program" gives more than 349,000 results, and the number of program operating around the world is growing all the time. Nonetheless, this research illustrates the variety of different program available.

As per the research, the different program can be classified as :

   i.   Management training

  ii.   Organizational development

 iii.   Scholarship program

 iv.   Skills training

  v.   Community development

 vi.   Entrepreneurial development

 vii.   Capacity development

viii.   Coalition/network building

 ix.   Mentoring/coaching

  x.   Executive development

 xi.   Resource support

According to the research the largest LDP in operations are the management training program or executive development program designed mainly for business use. The form of a set of questions that policy-makers should ask of LDPs (and of themselves) when designing, selecting or assessing program for use in development policy; the relevant and appropriate answers will depend upon the aims and requirements of the particular policy-maker.

To review and assess the program the researchers asked questions related to the leadership development program that these organizations were conducting.

Based on their research, the researchers have laid down some policy messages for strengthening the leadership development in the organization which are as follows :

i. Articulate your own understanding of 'leadership' and its role for development first.

ii. Be critical and discriminating when supporting or commissioning programs.

iii. Choose programs that understand that leadership for development is more than leadership for organizational development.

iv. Choose programs that are appropriate for the context and sector.

v. Make sure you have the right program for the right participants.

vi. More can and should be done to evaluate the effectiveness of leadership programs.

The researchers concluded that many leadership programs fail to have a clearly articulated understanding of 'leadership', and few have a theory of change that could underpin and guide the methods and content of their courses. Therefore a well-conceived and well-run LDP should, at least, provide a clear definition of what the program means by "leadership" and a sound theory of change that lays out explicitly how the program (its format and practices) will change the behavior, roles, and influence of the participants in such a way as to impact upon the pursued development outcomes, methods and content that are appropriate to the aims and the understanding of leadership, and consistent with the theory of change of the program.

As per the researchers, there is a need to evaluate leadership programs beyond participant satisfaction to verify leadership development as a policy tool for development. A minority of programs shows that it is possible to evaluate much more than is currently the case. Rigorous evaluations or impact assessments that validate a programs theory of change is needed and it allows for the identification of short-term and long-term impact; and enables the programs to make necessary adjustments when output, outcomes or impact fall short of expectations.

Therefore this research paper analyses the impact of the leadership development programs through survey's & findings and also deals with the ways to strengthen it for the organization effectiveness.

X.   Ray Keith W. and Goppelt Joan in their paper "Understanding the effects of leadership development on the creation of organizational culture change: a research approach", International Journal of Training and Development, 15:1 ISSN 1360-3736, 2011 analyze the linkage between developing leader and the resulting effect on an organization changing culture.

As per the researchers, most leadership development programs are the assumption that if individual leaders improve, they will create improved performance for those who follow them. The researchers wants to provide a better understanding of how leadership development programs affect organizations either by measuring outcomes or by investigating the processes of organizational change. For this the researchers have suggested the narrative approach; a narrative approach that incorporates constructionist and complexity theories of organization can meet the needs of practitioners and researchers when they engage in understanding and influencing a leadership development programs effect on the organization.

As per the researchers, narrative is a retrospective account coherently weaving together the storytelling that has occurred before whereas, antenarrative is the speculative incomplete descriptions of episodes of lived experience offered up as a first attempt of sense-making. As individuals tell antenarratives and negotiate larger narratives, they are able to create enough coherence to visualize a future through their stories and act upon them to create the future. This sense-making process has the effect of both reducing complexity at the individual level and increasing complexity at the social level. Dominant narratives become accepted as true and stabilize the system so that more people can live together in coordinated action. Narratives play the role of strange attractors in human social systems allowing them to stabilize and create a dynamic order. Antenarratives are equivalent to the system testing out multiple modes in the environment until one antenarrative becomes the stabilizing strange attractor narrative.

Ability to influence organizational culture change through individual transformation in a leadership development and aid researchers in understanding if and how a leadership development program creates organizational culture change.

As per the researcher, a change in individual behavior will change or disturb the routine environment of work, as per the training given, changes will affect the environment and this change will bring a new nature of culture in picture or existence so the effect is sure shot not need to explain. The training given to the employee will change his peers and also his superiors and followers.

The researchers concluded that sense-making and analysis is the important part of all the actions to determine the effect on the culture change of the organization created by conducting a leadership development program and it is contributing to increase the collaboration between the same.

XI.   Oracle Corporation in their white paper "Seven Steps for effective leadership development", Year of Publication June 2012 talks about seven steps for effective leadership development implemented by Oracle Corporation. As per the white paper, an effective leader is a person behind a successful organization. He can make a success of a weak business plan also, but a poor leader can ruin the successful business. Thus to identify, attract, and retain corporate talent, companies need to develop best leadership development programs which are focused on best hiring strategies, employee development and career and succession planning.

In this research paper it is said that companies face 2 major challenges in leadership development. First is to identify qualified candidates to fill future leadership roles and the second one is to develop leadership programs for strong leaders. In past leadership development was focused only on individuals and there was not efficient system to develop this. There was not such technology to be deployed to build the programs across the organization. There were no support systems for leadership practices and processes.

Due to various leadership scandals various companies lost faith in leaders. In a survey in this paper it showed that 51% of those surveyed said they had diminished confidence in business leaders at non-US companies and 76% has less confidence in US business leaders. The overall talent shortage has led to challenges in leadership development. 82% of 930 companies surveyed stated that talent shortages were hindering their leadership development efforts. Successful organizations need both leaders and managers and there is fundamental difference between both. Leader influences, inspires, and drive people to a common goal. But manager has to keep day to day operations of organization run smoothly. There has to be development for both set of skills.

There are certain elements and functions for leadership development programs. These include recruitment to source leadership talent, assessment to evaluate leadership capabilities, performance management, succession planning to enable employees to understand their leadership options and development. A successful leadership development program begins with the alignment of leadership development with company strategy and understanding of type of leadership style. Oracle Corporation developed 7 steps for effective leadership development. These 7 steps include:

i. Determine the best leadership style for your organization

ii. Identify current and potential leaders within the company

iii. Identify leadership gaps

iv. Develop succession plans for critical roles

v. Develop career planning goals for potential leaders

vi. Develop a skills roadmap for future leaders

vii. Develop retention programs for current and future leaders

The conclusion of this white paper is that leadership development is an critical aspect for every organization for attaining output. This requires effective evaluation of many talents. There has to be many support systems like technology for leadership

development programs. A good leader may have a improved goal, good leadership skills and consistent performance. All organizations need a strong leader for success. Talent management with technology helps to develop this. Leaders are the one who best drive the business performance. An organized leadership program has talent aligned with corporate goals. Thus Oracle Corporation developed this seven steps and the elements required for successful implementation of leadership development program.

XII. Bolden Richard in his article "Trends and Perspectives in Management Leadership Development", Business Leadership Review IV:II, Year of Publication April 2007 has reviewed various recent trends in management & leadership development in the U.K. It includes that management and leadership are presented as distinct rather than integrated and complementary activities / processes and limited consideration is given to the impact of contextual factors on individual and organizational performance. The contemporary context of management & leadership development includes the changing conceptions of the nature of management and leadership, the need to enhance management and leadership capability arises from the changing nature of work, especially the need to cope with increased competition. The article focuses on what exactly is leadership & management development & how can individual and organization get the most out of it? Whether there are any differences or similarities between the two concepts. As per the article, in one of the studies conducted by Mabey and Ramirez, HR and line managers preferences for management development methods in European companies are as follows:

  i.   Internal skills programs
 ii.   External courses, seminars, conferences
iii.   Mentoring/coaching
 iv.   Formal qualification
  v.   In-company job rotation
 vi.   External assignments, placements and/or secondments
vii.   E- Learning.

As per the article, Richard Bolden says that the choice of selecting management and leadership development approach is not a simple one. For maximum effect, one need to carefully consider what it is that they seek to develop and how best this can be achieved. The article proposes some approach on selecting a management and / or leadership development. The article includes series of questions/issues for individuals and organizations to consider when investing in leadership & management development.

1.6   Defining the problem

Assessment Centre has been a technique to identify potential leaders since the second world war. This method was used by AT&T in the early 50's to assess managerial and leadership competencies.

With globalization, the market has become increasingly demanding and competitive. There is a demand for a range of goods and services. With the growth of population in India, there is a growth of product users. This growth has resulted in potential for FMCG companies to grow. When companies grow, they also have to provide excellent services to maintain their growth. To survive in this competitive environment, organizations need to align their strategic intent in line with the market requirements. The strategic intent thus shapes the mission statement of the organization, the structure of the organization and the values it follows. The organization then sets its performance goals according to its strategic intent. To achieve these performance goals it has become imperative for organizations to have competent people.

While doing secondary research, it was found that there are gaps in the services provided by FMCG companies. One of the reasons for these gaps in services was shortage of competent manpower. It was also found that there is high attrition in the FMCG Industry across levels. This is because there is shortage of competent manpower, and all companies are poaching these competent people who are available in the market. When an employee holding leadership position leaves the organization,

it can impact the services of the organization. Thus, it is important for companies to have a pool of competent people ready who can be available at the right time. Assessment Centres help organizations identify and develop competent people and have thus become need of the day.

As this is an old method of identifying potential leaders it is important to understand its applicability in the current scenario.

Assessment Centres are required by all corporate where motivation and leadership qualities are essential for performing. In this context, each organization needs Assessment Centre. It will help organizations to identify the right person required for the respective role / assignment. It will help organizations to identify leaders within the organization and will also help in developing leaders in-house. The study will help corporate improve their performance.

This study will help in understanding the trends in the use of assessment centres. This study will help the corporate to build in-house competencies. This study can be used in different areas like Sales, HR, IT., Finance, Quality etc. This study is conducted from December 2010 to June 2013.

1.7   Objectives of the study

The objectives of the study are as follows:

   i.   To study the concept and its applicability to Assessment Centre.

   ii.   To understand the activities involved in Assessment Centres.

   iii.   To find out the shortcomings of the Assessment Centre method.

   iv.   To evaluate the leadership development methods used by the companies.

v. To measure in India the trends in leadership development by the companies.

vi. To suggest measures to improve the leadership development methods.

1.8 Hypothesis of the study

The following are the hypotheses for the study:

H0. Leaders identified through Assessment Centres give better results in the organization.

H1. There is a growing trend of using Assessment Centre method for leadership development in FMCG companies.

1.9 Research Methodology

(i) Survey method:

As the study is descriptive and analytical, survey method was followed for conducting the study.

(ii) Data collection:

a. Primary data:

Primary data were collected with the help of questionnaire.

b. Secondary data:

Secondary data were collected with the help of books, journals, websites etc.

(iii) Sampling:

a. Population of samples:

Population of samples is FMCG companies in Mumbai region.

b. Size of samples:

Size of the sample is 50 FMCG companies out of 468 having offices in Mumbai, Thane and Navi Mumbai.

c. Technique of sample selection:

Technique of sample selection is random sampling method.

(iv) Data analysis:

a. The data collected is tabulated and analyzed with the help of statistical methods such as average, percentage, etc. The conclusions are drawn on the basis of analysis of data.

b. Hypotheses are tested using appropriate statistical tools.

c. A few suggestions are also made for development of leadership in the industry.

1.10 Scope and significance of the study

All organization needs leaders who can take it to the next level. In an organization, leadership is all about leading people and bringing vision of the company into reality. It is all about giving results. Nurturing the current leaders is important. Equally important is identifying the potential leaders and making them ready to take-up responsibilities for the growth of the organization.

Different organizations adopt different methods to identify and groom leaders. It is the responsibility of the HR department and the leadership team of the organization to ensure that there is a proper method by which they ensure that there is no vacuum. A methodical succession planning helps in ensuring that there is a proper leadership pipeline and the next level leadership team is ready to take-up.

India today is the second most populated country in the world. The rate of growth of population is the fastest in the world. While this is seen as a problem, this can also be an opportunity. India has the maximum number of youngsters as part of its population in the workforce. The average age of people taking-up leadership positions is decreasing. Many young professionals are taking-up the leadership role early in their career. The report presented focuses on some of the practices carried out by leading FMCG companies in India. Also it covers some of the examples of young business leaders from other industries who are making India proud in various fields and are leading the country.

There are various methods of identifying and developing leaders. Assessment Centre is one such method. It is being used world-over by corporate for selection as well as for identifying leaders within.

Assessment Centres are required by all corporate where motivation and leadership qualities are essential for performing. ACs map the next level challenges and simulate them in exercises. This raises the validity of the assessment tool. The old way of evaluating the person based on past performance does not work many times, as the challenges of the next level are different from the challenges in the existing position. Assessment centres not only help the organization in placing the right candidate for the right job/assignment but also helps in developing the participants. When participants see others handling the same exercise differently, it gives them an insight into their own performance thereby raises the credibility of the selection procedure. In this context, each organization needs Assessment Centre. It will help organizations to identify the right person required for the respective role / assignment. It will help organizations to identify leaders within the organization and will also help in developing leaders in-house. The study will help corporate improve their performance.

The study will focus on identifying leaders especially in the FMCG industries. The study will further probe if companies are using assessment centre as part of their mission towards identifying leaders and its effectiveness. This study will help the corporate to build in-house competencies and to identify leaders within.

1.11   Limitations of the study

Study is based on samples and the data is collected with the help of questionnaires.

Finding are based on data, therefore, data may be biased to some extent.

This study is based on companies in FMCG sector.

There are companies which do not have a proper program to identify future leaders. There are companies which have a program to identify future leaders, but do not have assessment centre as one of the method to identify and develop leaders.

The respondents are not able to give certain information as either they feel it is confidential in nature, or they do not have such information readily available with them.

1.12   Chapter Scheme

The study is divided in the following chapters:

Chapter 1.
Introduction and research methodology.

Chapter 2.
Assessment centre method.

Chapter 3.
International practices in leadership development.

Chapter 4.
Data Analysis.

Chapter 5.
Conclusions and suggestions.

CHAPTER 2.

ASSESSMENT CENTRE METHOD

Contents

2.1   Introduction to Assessment Centre

Assessment Centre (AC) is a systematic method of evaluation of behavior of an individual based on the multiple criteria. To assess multiple trained observers and techniques are used. Assessment centre is a place where a person {staff} is assessed to decide whether he/ she is suitable for job or not. Assessment centre is a method used particularly in military or management. For e.g. to select officers; assessment centre method was used in World War II. In assessment centre candidate has to go from interview, psychometric test or certain examination to know his/her suitability for job. When a company wants to recruit fresher's from various engineering colleges as well as from various management schools then companies use this method to know whether the candidate is suitable for particular job or not. It is because the fresher candidate has only academic knowledge so with assessment centre method; the

company gets chance to know the potentials, skills, abilities and weakness of the candidate.

In short, an Assessment Centre consists of standardized evaluation of behavior based on multiple inputs. Multiple trained observers and techniques are used. With the received results judgments about candidate's behavior are made. These judgments are pooled in meeting among the assessors or by a statistical integration process.

In simple words assessment centres are used to know the suitability of candidate for particular job with the help of various assessment methods like interviews, business games, simulations etc.

Assessment centre is:

  i.   Standardized procedure of evaluation.
  ii.   A program designed to measure required skill sets / dimensions for particular job.
  iii. A key HR process especially of recruitment and selection.
  iv.   Aim is to know the suitability of candidate for particular job.
  v.   Series of activities to know the suitability of candidate for particular job.
  vi.   Drawing conclusion with statistical process.

AC allows candidate to demonstrate skill sets and behaviors.

2.1.1 Characteristics of Assessment Centres

The following are the characteristics of AC.

  i.   Have a pass or fail criteria.
  ii.   It is geared towards filling job vacancies or selection.
  iii. AC addresses an immediate organizational need.
  iv.   It can be used with external and / or internal candidates.
  v.   It may have fewer assessors and more participants.

vi. It involves line managers as assessors.

vii. Place less emphasis on self-assessment.

viii. Focus on what the individual can do now.

ix. Are geared to meet the needs of the organization.

x. Assign the role of judge to assessors.

xi. May give no feedback to the individual.

xii. Retain ownership of outcome / feedback within the organization.

With above discussion the overall concept of what an assessment centre is must be clear. But for further clarification; following are not assessment centres:

i. Multiple rounds of interview for job.

ii. Written test for job.

iii. Individual's clinical assessment.

iv. Psychometric tests.

v. Reliability on single evaluation method.

In addition to above explanation, to know more about assessment centres, it is important to know what the essential elements of an assessment centre are :

Assessment centres must meet the following given criteria:

i. Job Analysis – to understand job challenges and the competencies required for successful execution of the job, the job or the position for which assessment centre is done has to be adequately analyzed.

ii. Once the job analysis is done, measurement techniques are to be selected based on job analysis.

iii. As it is clear from the above, AC does not rely on a single evaluation method, therefore, there must be multiple measurement methods selected based on job analysis.

iv. Assessors' behavioral observations classified into meaningful and relevant categories.

v. Multiple observations made for each dimension.

vi. Multiple assessors used for each candidate.

vii. Assessors trained to a performance standard.

viii. Systematic methods of recording behavior.

ix.   Assessors prepare behavior reports in preparation for integration.

x.   Integration of behaviors through pooling of information from assessors

2.1.2 Use of Assessment Centre

The use of assessment centre is mainly for HR department, because HR Department looks after required and actual skill sets of candidates and then selects them. But assessment centre method is not restricted only up to selection; this can be used for various HR functions. Following is the list of HR functions where assessment centre method is effective / applicable:

i.   **Selection:** assessment centre method helps in getting right people for right job at right time.

ii.   **Career path:** It helps in deciding the candidate to decide his / her career path or career development. It is because candidate has got knowledge about the competencies required for particular job.

iii.   **Identify the potential:** It helps candidate to know his / her potential and strong areas. This helps him / her in performance appraisal.

iv.   **Identification of talent:** Assessment centre method clearly indicates the talents available within the organization, which helps in identifying potential people for particular position.

v.   **Training and development needs:** Assessment centres also facilitate training and development need identification for candidate.

vi.   **Succession planning:** as said above assessment centre method clearly indicates the skill sets or competencies of an individual, it helps in succession planning. This decision of succession planning based on assessment centre results helps in reducing errors or helps in accuracy of taking right decision.

vii.   **Development of candidate:** Skill enhancement through simulations

2.2   History of Assessment Centre Method

Assessment centre method is known to be in practice since last 1500 years ago as mentioned in Kautilya's Arthashastra.

Assessment Centre method was earlier used by German military in 1920's to assess the officers for selection of German Army. Assessment Centre method includes observations, performance appraisal, assessment by those who knew him, interviewing, and other forms of testing as mentioned in Arthashastra. German military mostly focused on both multiple assessment techniques as well as multiple assessors for measuring complex behavior with special focus on leadership and also without ignoring the skills and abilities.

After German Military there was British War Office Selection Boards (WOSB) set up in 1942 for identifying potential officers for the British Army. Assessment Centres of WOSB included different tests like group discussions, short lectures, leaderless group tasks and also used mixture of assessors like military officers, psychiatrists and psychologists to assess the candidates performance.

In 1945, Assessment Centre method was used for non – military purpose by British Civil Service Assessment. The main reason for using by them was for multi stage selection process for 2-3 days of assessment by test screening and interviews.

In India the Services Selection Board (SSB) is set up to identify officers for the Indian armed forces. The SSB selection process is spread over five days assessment of candidates with an aim to select candidates with Officer Like Qualities. These qualities include effective intelligence, sense of responsibility, initiative, judgment (under stress), ability to reason and organize, communication skills, determination, courage, self-confidence, speed in decision making, willingness to set an example, compassion and a feeling of loyalty to the nation.

"In 1956, American Telephone and Telegraph Company (AT&T) initiated its management progress study (MPS) under Douglas Bray. This was the first industrial application of the assessment centre method. Both individual characteristics of young managers as well as organizational settings in which they worked were studied and

evaluation at the assessment centre was used to predict whether the participant would make it to the middle management in the next ten years or less. The sample included both recent college graduates and non-management personnel who had risen to the managerial positions relatively early in their career. The dimensions assessed included managerial functions like organizing, planning, decision making, general ability such as intellectual ability, personal impression, sensitivity, and values and attitudes, both work related and social.

Assessment tools like interviews covering background, personal objectives, social values, interests, etc., in-basket exercises, business games, leaderless group discussion, and various projective and chapter and pencil tests were used. Assessors included industrial / clinical psychologists, Bell staff, and university faculty or consultants. Later, line managers were also trained (but supervisors of assesses were not used as assessors). Feedback was not given to participants, their supervisors, or other managers to minimize the effect of assessment on the individual's progress in the company. Criterion data were gathered in 1965 regarding the level of management attained and salary progress over approximately eight years since the assessment and have been summarized below: for college grads predictive validity coefficient = 0.46 in early years and 0.33 in the 16th year. For non-college graduates: predictive validity coefficient = 0.46 in early years above 0.40 in the 16th year. Later AT&T started using the assessment centre method for personnel decisions such as potential appraisal, promotions, etc.

The success of the earlier work of AT&T was followed by Standard Oil which was the second to start assessment centres. This was followed by IBM, Sears Roebuck, General Electric, and Caterpillar Tractors. By 1981 more than 2500 organizations applied the method to select potential managers".[7]

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[7] Rao T.V. and Juneja Mohit, in Is past performance a good predictor of future potential? W.P. No. 2007 - 06 – 06, June 2007, IIM, Ahmedabad,

2.3 Current Trends in Assessment Centre

There has been a trend towards using the term "Development Centre", in place of "Assessment Centre". The term Development Centre has helped to gain in reduced anxiety. Participants find the term "development" more friendly and less threatening than "assessment" because the difficulty with assessing 'strategic focus' is that it is often poorly articulated in the first place. Until we understand what it means in terms of concrete activities or behaviors in a specific job it's hard to assess. Maybe the increased use of assessment centre exercises is a reflection of the ever growing usage of simulations in all types of media in modern life. For example as we see TV shows demonstrating the insight to be gained from observing 'real' behavior in an entertainment context perhaps the wider population are being drawn to this concept as a means of fully understanding people's potential when recruiting.

There are certain commonly used ways of conducting an AC and the purposes for which they are conducted. These trends are listed below:

i. Purpose: Most often ACs are used for developmental purposes rather than selection. When used for selection, it is often for the selection of middle level managers wherein the dual purpose of development is also achieved. This is so because of the cost and time involved in conducting an AC.

ii. Duration: Most ACs are two and a half day long if the purpose is of mere selection. However if the AC is to combine selection with training, it is usually conducted for about five to six days. The duration increases with the increase in the responsibility level of those being assessed.

iii. Group strength: The number of candidates in each group is usually 5-6. Overall, the number of participants in an AC ranges from 12 – 21.

iv. Feedback: Feedback most often is provided orally than in written. Feedback is more frequent in case of developmental ACs for example in training etc. In case of evaluative ACs i.e. selection, feedback is provided at the end of the session.

v. Tests: In-basket tests are the most successful among all the other AC exercises followed by interviews. Mental ability tests and personality tests are the least effective in predicting the future effectiveness of the candidates.

vi. Method of selection of participants: The candidates selected for ACs are usually the ones recommended by the seniors. Performance appraisal data is also considered for the selection to assessment centres.

2.4   How an Assessment Centre Works

Assessment centres are one of the most effective ways to find out the strengths and weakness of a person. It also helps to analyze if the person is a good fit for a role and whether he can handle the responsibilities. It also gives you a better sense of what is involved in the role you have applied for. It also helps in assessing our own self, where we are strong and where we need improvement.

An organization uses them because making the right selection decision is really important to them. It's a chance for them to see how a person behaves in work-based situations. Specially trained assessors evaluate each participant according to company's requirement. The assessment centre method involves multiple evaluation techniques, including various types of job-related simulations, interview, psychological tests, group discussions, group problem solving exercises, and role-plays.

The purpose of an Assessment Centre is for selection, promotion, training and development, it also aims to provide an organization with an assessment process that is consistent and fair. Usually AC's are used for development of employees rather than for selection purpose as AC consume a lot of time and cost. It is only used during the selection of middle level manager since it can also be used for their development later.

The duration of AC can be for two to three days but if the assessment centre also include selection and training, then it requires five to six days. The duration change according to the level of responsibilities faced by assesses. A traditional AC involves six participants in each group thus there can be 12 to 21 assesses in an AC at a time. The candidates selected for ACs are usually the ones recommended by the seniors.

Performance appraisal data is also considered for the selection to assessment centres. The participants are observed throughout the activities by assessors who are trained to observe and evaluate behavior and knowledge. They take notes on the assesses behavior during situations and discuss it later with other assessors. Feedback is provided often during development trainings.

2.4.1 Stages in a Typical Assessment Centre

AC normally involves the following stages. The list of critical responsibilities, at each stage is given below.

i. Pre Assessment Centre

    a. Defining the objective of AC.

    b. Get approval for AC from the concerned officials.

    c. Conduct job analysis.

    d. Define the competencies required for the target position.

    e. Identify the potential position holder and send them invitations.

    f. Identify the observers.

    g. Train the observers.

    h. Design the AC exercises

    i. Decide the rating method.

    j. Make infrastructural arrangements.

    k. Schedule the AC.

    l. Inform the concerned people of the schedule.

ii. During Assessment Centre

    a. Explain participants the purpose of the AC, the procedure it would follow and its outcome.

    b. Give instructions to the participants, before every exercise.

c. Distribute the competency-exercise matrix sheets among observers.

d. Conduct all exercises.

e. Conduct a discussion of all observers on every participant's ratings, at the end of the session.

f. Make a report of the strengths and improvement areas of every participant.

g. Give feedback to participants.

h. Get feedback from participants and observers about the conduction of AC.

iii. Post Assessment Centre

a. Compile reports of all participants and submit the list of selected participants to the concerned authorities.

b. Make improvements in the design according to the recommendations.

c. Evaluate the validity of results after a definite period.

2.4.2 Common Job Simulations Used In Assessment Centres Are:

The following are some of the commonly job simulations used in assessment centres. It may be noted that these are the most commonly used job simulations, and there can be many other methods based on the typical requirement of the organization.

i.   In-basket exercises.
ii.   Group discussions.
iii.   Interviews with "subordinates" or "clients".
iv.   Fact-finding exercises.
v.   Analysis / decision-making problems.
vi.   Oral presentation exercises.
vii.   Competency-based interview.
viii.   Written communication exercises.
ix.   Business games.
x.   Paper-pen exercise.

In-basket tests are the most successful among all the other AC exercises. Mental ability tests and personality tests are the least effective in predicting the future

effectiveness of the candidates. The data collected through these activities are evaluated and analyzed and is used for decision making process. The assessor makes a written report of all the assesses, their detailed information, their strength and areas of improvement and relate it to the requirement of the target position also the most unique feature of AC is that it relates it to future performance by forecasting how a participant will handle the problem and what decisions he will make during challenging situations. AC's provides individuals an opportunity to exhibit their talent and performance through these activities which they cannot in the existing job. In addition to that the organization conducting Assessment Centre enjoys benefits in the form of improved efficiency and quality results. The candidates are also satisfied with the fairness in selection procedure for the position and readily accept it. The trainers polish their efficiency level and managerial skills by giving them constructive feedback and guidance.

2.4.3 What are the assessors looking for:

Behavioral patterns are judged in the Assessment Centre. Team work is looked for how effectively have you put in the inputs across to your peers. Assessment Centres are used to quantify one's weakness, strengths and behavior. Do the people meet the objectives; note the various abilities or skills for the nature of the job. Are they suited for the post? To identify right person for the right job. The ultimate goal is career development plan of the participants.

Assessors look for following qualities :

- i.   What a person says and acts.
- ii.   Who is Observable and verifiable.
- iii. A person who avoids judgments and misinterpretations.
- iv.   Can clearly describe actions.
- v.   Collated for actions perceived.
- vi.   Behavior displayed important/relevant to the role.
- vii. Intellectual, social, interpersonal, adaptability, result-oriented, versatile, creativity.

2.5   Advantages and disadvantages of Assessment Centres

2.5.1 Advantages of Assessment Centres

    i.   It is a fair and accurate way of selecting a candidate.

    ii.   It not only helps in selecting the right candidate for the position but also enhances the knowledge of the participants and boosts their thinking procedure and also improves their efficiency at work.

    iii.   It gives opportunity to individuals who are talented and couldn't exhibit their talent because their job never demanded it.

    iv.   They enable interviewers to assess existing performance as well as predict future job performance.

    v.   It gives the candidates a better insight into the role they have applied for as the tests are similar to the role.

    vi.   They help employers build an employer brand. Candidates who attend assessment centres which genuinely reflect the job and the organization are often impressed by that company, even if they are rejected.

    vii.   Assessment Centres can be customized for different kinds of jobs, competencies and organizational requirements.

2.5.2 Disadvantages of Assessment Centres

    i.   ACs are very costly and time consuming. The assessment centre will take at least three days for each assessor one day for training, at least one day for assessing, and one more for making a decision.

    ii.   ACs requires highly skilled observers as the observers may bring in their own perceptions and biases while evaluating.

    iii.   Those who receive poor assessment might become de-motivated and might lose confidence in their abilities.

    iv.   A personal characteristics examined via assessment centre exercises cannot be measured accurately even over a period of three or four days.

    v.   Assessors might not be fully familiar with the details of the work that successful candidates will have to undertake. Hence the wrong qualities maybe assessed.

2.6   Growth of Assessment Centre's in various countries

2.6.1 United States

Assessment Centre's were introduced in the U.S. during the Second World War for selecting spies after which a lot of private companies started adopting it. The first company who introduced AC in the U.S. was American Telephone and Telegraph Company for the selection of managers. This program was basically started to make out the employees performance and their development with respect to their managerial role. Dauglas Bray, the architect of this study, had some concerns when he designed this study :

    i.   How would AC's affect people and what change will it bring to them and the organization.

    ii.   Will the desired change be achieved.

    iii.   Career counseling and development.

    iv.   How will this change affect the organization's climate, procedures and processes.

    v.   Will they be able to select the right candidate for the right job not only for current job but also for future role?

Here the duration for Assessment Centre's is 3½ days which includes personality test, written test, mental ability, interviews etc. Assessment Centre in AT&T Proved to be very effective for assessing individual as well as group performance with various exercises, group discussions and activities involved and the concept of selecting managers through AC's also proved to be productive. A lot of organizations introduced assessment centre's in the organization after that like standard oil, General Motors, Ohio, IBM, etc.

The practices adopted by the UK are different from the US as the UK emphasizes more on group performance while US stress on leaderless group exercises.

2.6.2 Canada

The Director of the Public Service Commission in partnership with Revenue developed this program for the assessment of Middle Managers. This Assessment Centre have their four set of exercises which is commonly performed by all middle managers which also simulate the activities and tasks. In Canada the assessors look for some competencies in a manager that are as follows:

i. Communication skills
ii. Co-ordination
iii. Adaptability
iv. Leadership skills
v. Intelligence
vi. Judgment

The above competencies are the most important competencies that a middle level manager should possess. Here Assessment centre is a one day session where the participants are rated by the assessors. Here the unique feature is that the participants are rated on a 7 point scale on each competency and this rating is given on the basis of performance expected of a middle level manager. Further the participant receives assessment report where in the required competencies and their individual ratings on each competency are mentioned. A comment is given by the assessor on their performance and their competencies and which competency needs improvement, they also get an opportunity to discuss their performance with a psychologist. Based on that report the participants receive a recommendation for career development.

2.6.3 India

As already explained in the beginning of this chapter, the Indian armed forces have been using the AC technique to find Officers. The AC which is conducted by the Services Selection Board is a five days activity where the SSB looks for participants with Officers Like Quality. Pareek and Rao brought in the concept of Assessment Centre for the first time in the corporate sector in India in 1975 for Larsen & Toubro. Initially it took time for companies to understand the effectiveness of assessment centre's in an organization, but today there are more than 30 companies in India who are using it some of them are Bharti Telecom, Nestle, Castrol, Eicher, Wipro Ltd, GE,

Jhonson & Jhonson, Wockhardt etc. and many more willing to introduce it in their companies.

In last few years Assessment centre's have gained tremendous importance as the companies are becoming aware about the benefits of assessment centre's and how it also helps in boosting up the performance of employees .

2.6.4 Global Practices In Assessment Centre

i. Britvic operates a two tiered graduate assessment centre recruitment process for its young manger graduates and matured graduate training programmers. The first assessment centre typically involves up to 24 candidates across a general talent pool and test six key competency area within the following test and exercises:

      a. Numerical reasoning test

      b. One to one competency based interviews

      c. Practical problem solving risks

      d. Two group or discussion exercise

      e. Verbal reasoning test

      f. Working on exercise currently on graduate training program

      g. The second assessment centre focus on specific job types and typically involves between 10 -12 candidates. The format of the assessment centre is similar to the first but here the candidate should give a presentation on a pre- determined topic.

ii. KPMG operates on the one day assessment centre as a part of graduate recruitment process. Candidate assessment includes an in-tray exercise where candidate prioritize a large number of documents, group exercise presentation and a partner interview.

iii. Rolls Royce graduate assessment centre uses interviews ,psychometric test a case study and offer an opportunity to speak to current graduate trainee in the company .the company also test the applicant technical knowledge either on the assessment centre or on the final interview.

iv. Unilever operates a two tiered graduate assessment centre recruitment process where candidates undergo the following tests and exercises:

a. Case study interview.

b. Competency based interview.

c. Group discussion exercise.

d. Work simulation / in-tray exercise.

v. BP invites graduate candidates to a 24-hour assessment program held over two days.

The program consists of the following tests and exercises:

a. Group exercises

b. Informal discussions

c. Interviews

vi. Simthkline Beecham consumer healthcare used assessment centre to determine person position match. They use structures interviews, case study scenario discussion and portfolio presentation as a part of the process.

vii. U.S. aerospace and defense company Boeing operates a Pre-Management Assessment Process (PMAP), as a structured process for managerial candidate selection at twelve assessment centres across the U.S. Boeing uses four methods to measure candidates against the following competencies:

a. Multi-tasking exercise-Interpretational skills, oral communication, planning and time management, positive work orientation, problem solving, teamwork.

b. Role-playing exercise-Interpretational skills, oral communication, positive work orientation, problem solving, teamwork.

c. Structured interview-Basic abilities, planning and time management, problem solving.

d. Written exercise-Basic abilities, planning and time management.

viii. Philips Semiconductors: Leadership Potential Assessment

Philips Semiconductors relies on explicit leadership competencies to provide a common language for discussing the potential of individual employees by following the steps below:

a. Rank Individuals by Competencies: Individuals are scored, weighted, and ranked on the following six core competencies:

- Ability to develop self and others

- Solutions-oriented thinker

- Determination to achieve excellent results

- Exemplifies strong market focus

- Inspires commitment

- Portrays a demand for top performance

b. Identify Strengths and Weaknesses: A core management team uses these competencies to identify strengths and weaknesses of key individuals and to map out a specific development plan.

c. Enroll in Assessment Centres: Once identified, top potential leaders may participate in a two to three-day program at the assessment centre. Participants engage in exercise formats to provide a total picture of their skill sets. Participants are assessed on the parameters mentioned above.

With globalization, the market has become increasingly demanding and competitive. There is a demand for a range of goods and services. To survive in this competitive environment, organizations need to align their strategic intent in line with the market requirements. The strategic intent thus shapes the mission statement of the organization, the structure of the organization and the values it follows. The organization then sets its performance goals according to its strategic intent. To achieve these performance goals it has become imperative for organizations to have competent people. ACs help organizations identify and develop these competent people and have thus become the need of the day.

2.6.5 Variety of purpose and benefits of Assessment Centres for the above organizations

On the basis of the above examples of global practices in assessment centre, the use and benefits of AC's can be said as follows:

i.   Selection – AC's help organizations in getting the right people in.

ii. Career development – Identification of competencies possessed by individual helps organization decide his career plans.

iii. Potential appraisal – AC's help organizations identify if the person can handle the challenges offered in the next higher position.

iv. Identification of high potential managers – This creates a pool of managerial talents & multifunctional managers that would be available across the business group etc.

v.   Succession planning – Identifying the right individual for critical positions such as CEO, CFO, Heads of other departments, etc. is very important for success of the organization. ACs reduces the risk of such wrong identification.

vi. Allocations of challenging assignments – ACs provide the organization with the strengths and weaknesses of every participant. This helps the organization in deciding the candidates who would have the necessary abilities to undertake the proposed challenging assignments.

vii. Management development – ACs provide ample opportunity to its participants to reflect on one's capabilities and to improve by observing others perform in the AC managers. Assessment centre exercises measure the following mid-career-specific competencies:

viii. Managerial teamwork-Role play exercise/task force preparation exercise

ix. Conflict management- Role play exercise

x.   Degree of innovation-Task force preparation exercise

2.6.6   Assessment Centre Method used in organizations – Indian Experience

Assessment centres are the key areas which are worth the investment; they facilitate the identification of the competencies in potential internal candidates.

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In assessment centres the future leaders are identified and groomed. It is similar to a military operation wherein the candidates are put to test and their skills are honed in order to scale new heights and responsibilities. Corporate India is increasingly using this popular tool to create processes that can identify the specific training needs for the functional heads, spot leadership competencies to be groomed and leveraged along with utilizing it as a recruitment tool to get the right aptitude and attitude required for the job positions.

Assessment Centre method is popular in India but not prevalent, and is used mostly as a recruitment tool whereas the real crux of the assessment centre is to identify strategic learning and mapping career orientation of the employees in the managerial cadre.

Industry feedback and opinion of managers on assessment centre method

Mr Jahangir Mehta (General Manager, Training and Resource Development, *Jet Airways*) Says, "Assessment Centres are primarily to identify the development needs of our professionals, create potentials for growth opportunities and thereby use HR as an intervention to initiate an efficient work culture."

He also adds, "The managers are rated for 10 competencies through a host of operational modules. The competencies are only generic. They are global competencies required by any professionals to trigger the business ahead. This implies that the competencies could range from clarity in communication, quick decision making, and the ability to deliver solutions in the toughest of riddles among others. As a build up to determine and create HR strategies, there are designed simulations, performance reviews, one on one objective setting along with group discussions and case studies. The company has been able to create relevant training modules to enhance the competencies. More importantly, they have been able to understand the time span that the professionals would consume to grow and develop in the organization. From this, the company has been able to determine that certain professionals will be able to develop in 18 months to 2 years while some would consume less than a quarter."

Mr P. Vijaykumar (Faculty, Personnel Management and Industrial Relations, *TISS*) says, "This tool is more to do with aligning employee development with the right organizational culture as much it is about enhancing competencies for career development."

Mr Uday Chawla (Managing Partner, *Hedrick & Struggles*) says, "Assessment Centre is the major thrust of our business. And corporate come to us mainly for top level assessments in the wake of acquisitions or for assessing leadership for strategies and goals."

At Philips India, assessment acts as a development centre too. Ms Padmaja Korde (Senior Manager, Corporate HR, Philips India Ltd.) says, "We are creating professionals who are in the voyage of discovering self-initiated development plans within the organization".

"HSBC applies assessment centres for recruitment through an open and transparent system of competence assessment along with career development through training", explains Mr Ronald Sequeira, Senior Resourcing and Development Manager, HSBC. He further tells that, we have clearly defined 13 competencies that the Bank expects to have in our managers. The assessment centre is used to measure these competencies through a series of aptitude tests, psychometric tests, group exercises. Each test may measure more than one competency and each competency is measured more than once during the process. According to Mr Sequeira, the assessment is done by senior line managers and a candidate is offered the job only if the candidate meets the minimum standard on a majority of the competencies. HSBC utilizes assessment centres to recruit on campus too. Further, co-relation studies are also done to match performance at an assessment centre with subsequent performance on the job. Then the assessment centres goes an extra mile to incorporate employee development.

Assessment centres are followed up by sending high potential Managers on Development centres with focus on career development."[8]

2.7   Documentation of Assessment Centres

Documentation of assessment centres are basically divided into three part   (i) Preparatory document. (ii) Exercise material and (iii) Rating sheets.

i) Preparatory Documents:

The first thing in case of preparatory documents is the competency identification process. The basis of competency identification process, is the Noting Sheet for Recording Behaviors – refer figure 2.1.

NOTING SHEET FOR RECORDING BEHAVIOURS		
COMPETENCY ANALYSIS		
Organization: _____		Date: _____
Address : _____		
Analyst : _____		
Respondent : _____		
Department : _____		Level: _____
Behavior	Frequency	Competency

Figure 2.1 Noting sheet for recording behaviors

[8] http://www.financialexpress.com/news/assessment-centres-helping-map-employee-competencies/39718/0

The next process is making the Competency Dictionary – refer figure 2.2, which describes the various competencies and the associated behaviors.   Once the preparation of assessment centre is done, the administrator's job begins.   The administrator has to be very exact in his job, and therefore, it is important to have a checklist – refer figure 2.3 to ensure everything is as per plan.   As the AC is a complex plan, it is important to have a detailed schedule.   There are experts who suggest to have an Assessor's Schedule, but not to have a detailed schedule for the Assesses. The Assesses may be given a general briefing as to the schedule of the AC without giving them details of the various exercises which they have to participate in. Once the AC commences, there is the requirement of getting the Personal Information Questionnaire (PIQ) filled-in – refer figure 2.4. The Participants' Distribution Sheet is an important document that has to be made as the assessors would like to refer it – refer figure 2.5. The Participants'' Distribution Sheet shows the distribution of the participants to the assessors in the various exercises.

COMPETENCY DICTIONARY

1. Customer Centricity – Customer Centricity is the demonstration of passion for the customer and an active attempt to go beyond what is required in order to meet or exceed customer expectations. It includes an awareness of customer needs and how those issues impact and are impacted by business decisions and processes.
- Creates passion for customer satisfaction
- Establishes processes to achieve excellence in customer service
- Builds capabilities in people to deliver excellent customer service

2. Strategic Thinking – Strategic Thinking is the ability to apply industry knowledge and experience to assess a business situation broadly, define realistic goals, and conceive effective strategies and action plans. It includes addressing and recognizing wider implications of a situation, consideration of alternative scenarios and different paths to achieving long term business goals.
- Designs effective processes in view of industry best practices to achieve the business goals
- Establishes checkpoints to track progress towards achievement of the business goals

3.   Problem Solving – Problem Solving is the ability to proactively think and effectively understand situations or problems by organizing or synthesizing information in a systematic way. It includes anticipating and identifying problems before they evolve, recognizing symptoms, evaluating root causes, and developing solutions.
- Approaches unfamiliar or unusual situations logically and identifies a range of solutions

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- Takes preventive action to reduce future problems and establishes processes to prevent recurrence of the same

4. Confidence and Decisiveness – Confidence & Decisiveness is the capacity to present oneself in an assured, forceful, impressive and unhesitating manner. It includes a passion and excitement about ideas, work, people, a positive outlook, and a consistent display of a decisive presence
- Demonstrates confidence in own opinion, analysis or point of view when challenged maintaining a positive attitude
- Stays true to his/ her point of view and is not intimidated by others who are in a position of power

5. Innovation & Creativity – Innovation & Creativity is the drive to improve organizational performance through the introduction of completely new ideas, processes, products or services.
- Questions and challenges the adequacy and quality of traditional thinking
- Puts in place systems and processes to promote / reward / recognize innovation and creativity

6. Commitment to Excellence – Commitment to Excellence is the determination to pursue and deliver higher standards of quality, speed, simplicity and innovation.
- Champions continuous improvement in quality of products, services and processes.
- Instills attitudes and values in the team that supports a culture of excellence

7. Result Orientation – Result Orientation is the capacity to be energized and excited by challenging objectives and a concern for exceeding goals set by self or others. It includes executing actions in a focused manner, and pursuing alternative courses of action to increase the probability of reaching desired outcomes.
- Aggressively pursues stretch objectives that are not within immediate reach
- Builds long term credibility through consistent accomplishments of committed results

8. Building high performance teams – Building High Performance Teams is the ability to effectively influence and direct the activities of individuals / groups, by developing motivation, commitment and teamwork providing focus on business objectives. It includes creating and communicating a common vision, mobilizing team members and providing support and guidance in the accomplishment of tasks and objectives.
- Addresses issues of non-performance without hesitation and actively pursues development needs of his / her team members.
- Allows team members to assume a level of authority and empowering them to share leadership over a particular situation or problems.

Figure 2.2 Sample Competency Dictionary

CHECKLIST FOR ASSESSMENT CENTRE ADMINISTRATOR		
Item / Activity	**Qty.**	**Done**
Participants selected and informed		
Venue booked		
Assessors trained		
Location		
• Living arrangements		
• Meals		
• Main hall with flexible seating		
• Syndicate rooms		
• Furniture arrangement		
• Audio-visual aids (if required)		
Stationery		
Name tags / Name boards	8	
Assessor's manuals	4	
Clipboards	4	
Schedule	4	
Blank paper	1 ream	
Scissors	2	
Punch	2	
Stapler pins	1 box	
Pencils	2 dozen	
Erasers	1 dozen	
Sharpeners	2	
Preliminary Papers		
Participants' Distribution Table	4	
Final Rating Sheets	8	
Envelopes A4 size	8	
Group Discussion Exercise		
Group Discussion Topic	12	
Observation Sheets	4	
Group Discussion Rating Sheets	8	
In-basket Exercise		
In-basket Exercise Papers	8 sets	
In-basket Participant Report Forms	8	
In-basket Assessment Sheets	8	
In-basket Rating Sheets	8	

Figure 2.3 Administrator's Checklist

PERSONAL INFORMATION QUESTIONNAIRE

Name: _____

(In capitals)   First   Middle   Surname

Date of Birth: _____

                 Date   Month   Year

Marital Status : _____

Spouse's Occupation : _____

No. of children: _____

Educational Qualifications: List from 10th Standard

Qualification	Institution	Year	Class / %

Work Experience:

Company	Designation / Position	Responsibility (Notable Efforts)	From	To

Extra Curricular Activities:

Hobbies:

Achievements:

Figure 2.4 Personal Information Questionnaire

PARTICIPANTS' DISTRIBUTION SHEET

A. _____ (Assessors' Names)

B. _____

C. _____

D. _____

E. _____

Participant's Name	* Group Discussion	In-basket Exercise	Presentation Exercise	*Committee Exercise	Role Play Exercise	*Case Discussion	Personal Interview	Final Report
1.	C	A	B	D	C	A	D	D
2.	C	A	B	D	C	A	D	D
3.	A	C	D	B	A	C	B	B
4.	A	C	D	B	A	C	B	B
5.	D	B	A	C	D	B	C	C
6.	D	B	A	C	D	B	C	C
7.	B	D	C	A	B	D	A	A
8.	B	D	C	A	B	D	A	A

* Group Interactive Exercise

Figure 2.5 Participants' Distribution to Assessors

ii) Exercise Material

The exercise may be read out to the participants or it may be handed over to them. In case where the participants are to respond on the paper, there must be sufficient place for the responses to be written. Once the exercise begun, each of the assessors will require an observation sheet to enter his observations on – refer figure 2.6. The observation sheets can be designed specific for the assessment centre, or a blank sheet can be given to the assessor to record the observations.

EXERCISE OBSERVATION SHEET			
No.	Communication	Decision Making	Team Work

Figure 2.6 Exercise Observation Sheet

iii) Rating Sheet

Some exercise especially the evaluation interview requires a different type of observation sheet. The personnel interview rating sheet is devised to record biographical information and therefore it is similar to personnel information questionnaire. For interview is generally conducted by an assessor and does not require integration.

Once the exercise is over the assessor writes the summary of the behavioral observation and after the integration session, they write the rating for each competency. For this purpose there is exercise rating sheet. The exercise rating sheet is a mandatory requirement since this is final rating and gives the behavioral description based on the final report will be written. The final rating include all content of each exercise so that all rating received by participant is each competency and exercise is recorded together

	Ranking exercise	Committee Exercise	Presentation Exercise	In-Basket Exercise	Role play	Case Discussions	Personnel interview	Final Rating
Analytical ability								
Communication								
Customer focus								
Decision making								
Interpersonal skill								
Planning and organization								
Strategic thinking								
Team Work								

NAME: _____ DATE: _____

Figure 2.7 Final Rating Sheet

2.7.1 Assessor's Manual

For the good assessment centre it should ensure that. The assessor's manual must contain the following:

 i.   Complete assessment schedule.

 ii.   Competency dictionary.

 iii.   Primary and secondary competency matrix.

 iv.   Assessment centre Design (Exercise-Competency Matrix)

 v.   Distribution of participant to Assessors.

 vi.   All exercise.

 vii.   Briefing instruction for all Exercise.

 viii. Sample of rating sheet for all exercises.

 ix.   Sample on writing rating sheet.

x.   Guideline on writing sheet.

xi.   Specialize rating sheet (where applicable).

xii.   Guideline for writing exercise.

xiii.   Guideline on Interviewing.

xiv.   Sample Final Report.

The assessor manual is confidential document since it contains information that may be helpful to the participant while undergoing the assessment centre. It is important to keep away the assessor manual from the participants.

2.7.2 The Role of the Administrator in Documentation
There are some roles and responsibilities of the administrator those are as follows:

i. Preparation of the Material:

Before commencing the assessment centre, administrator has to prepare and check the material which is going to be used in assessment centre. The administrator also has to prepare the checklist.

ii. Checklist:

The administrator need to have checklist at all stages and the more comprehensive the checklists are, the more remote the chance will be of an error occurring. In fact it may be better for the administrator to have checklist for each exercise and to abide by it the way pilots carry out checks at every stage of the flight to avoid neglecting detail.

iii. Carrying the material:

It is always best if the work of separating the material and sequencing it to suit the exercises is done before the assessment centre commences.

iv. Collating the material from the assessors:

One of the more intricate aspects of the job is the collation of the completed rating sheets from the assessors. Experts say that assessors often delay the submission of the rating sheets to the administrator and the process gets telescoped so that finally a large

bunch of rating sheets is handed over together, which creates a problem for the administrator to organize.

2.8   Activities involved with Assessment Centres

In Assessment Centre, candidates participate in number of job stimulations designed to allow them to demonstrate actual behaviors and skills which are important to be filled in a position.

Activities involved in Assessment Centre are as follows:-

i. In-Basket Exercise: In this activity, the candidate is required to handle, in writing, material that he/she founds in the basket. The items included in basket are memos, letters, personnel forms. Assessors may   interview candidates regarding their strategies and rationale underlying their actions.

ii. Group Discussion: It is a method used to encourage group participation. It is able to bring out different view-points while covering the non-factual judgmental areas. In this activity, the assesses are asked to discuss among themselves hypothetical problems   related to targeted position and arrive at a consensus decision or recommended solution. One example of a problem solving scenario includes a Tower Building exercise, using play building blocks. In this exercise, a group may be competing with other groups to design and build a tower in accordance with a construction brief which may stipulate minimum height, time period the completed tower has to stand 'unsupported', color, cost of block shapes, a time limit, and a budget. There may be monetary penalties for failing to reach particular aspects of the brief. Each group has access to a limited number of blocks.

iii. Interview Simulation: In this activity, the candidates are asked to role-play a person in the targeted job and to interview a subordinate, citizen, etc who is role played by the assessor. The candidates are given information on the reason for interview and any background information they may need.

iv.   Presentation and Report Writing: Presentation is the oral presentation of material by assessee. The purpose of presentation is to convey new information and to persuade assessor to accept a particular point.

Assessment criteria for presentation methods are objectives, time, class, size, assessee proficiency, assessee background and facilities. The advantages of presentation is that it is effective for introducing a material or giving an over-view.   The disadvantages of presentation is that what is "told" is not necessarily taught? There is a temptation to speed up telling to stay on time constraint.   There is a limited opportunity for assessor participation.

In Presentation and Report writing, candidates are asked to give a presentation to an appropriate group or write a report on a specific issue, challenge or a case for e.g. – subordinates, city council, the press etc.

v. Management Problems: In this activity, the candidates are asked to analyze, in writing one or more problems. This analysis may be followed by a group discussion.

vi. Qualification Screens: Here certain questionnaires are designed. It is used to check whether the candidate possess specific characteristic which is needed to perform a particular job. They are best for screening out candidates who do not meet minimum requirements such as relevant experience, schedule availability, educational degrees or citizenship.

vii. Structured Interviews: In structured interviews, hiring managers, recruiters or trained assessors systematically evaluate candidates on the basis of their responses to predetermined question built around key job competencies.   These structured interviews can be conducted face-to- face, by phone, or over the web.

viii. In Tray exercises: In this activity, you may be asked to assume a particular role as an employee of a fictitious company and work through a pile of correspondence in your In Tray. These tests commonly measure Job Skills such as: ability to organize and prioritize work; analytical skills; communication with team members and customers; written communication skills; and delegation (if a higher level position). This type of exercise may take from several hours to a day. A common example of an

in tray exercise at first level management may involve: placing you in a particular role within a work setting, where a crisis situation is developing. The situation requires you to take responsibility for the situation. During the exercise, mail is delivered and collected each half hour. The exercise will describe what resources are available to you: e.g. a list of internal phone contacts and who's who, a telephone, fax, personal computer, information such as a product reference chart, data showing the work area's performance, a calendar which notes key dates and relevant deadlines.

ix. Job Simulations: These evaluate how the candidate responds to simulations simulating actual job tasks. Job simulations can be conducted using "paper and pencil" trained role players or computers. In addition to being effective for assessing candidate competencies, job simulation provide candidates with realistic pre-view of key job roles. Their main drawbacks are that they are relatively labor intensive to create and non-automated simulations require extensive training if they are to be used effectively.

x. Knowledge and Skill tests: These assess knowledge and skills in specific subject areas such as computer programming or accounting laws. There are fairly complex to design, particularly in terms of establishing appropriate question and scoring guidelines.

xi. Talent Measures: These measure "natural" personal characteristics that are associated with success in certain jobs. Some of the things assessed through talent measures are problem solving ability, work ethic, leadership characteristics and interpersonal style. On a broad level, talent measures tends to predict two kinds of performance :

  a. what a person can do For example, the ability to learn new task quickly or stay calm in stressful situation.

b. what a person will do For example, attendance, work ethics.

Talent measures, when appropriately matched to the job, are the best predictors of the superior job performance. They are also the most difficult to develop, because they require "looking below the surface" at underlying skills, abilities and work styles.

xii. Case Studies: Project Managers may be asked to plan for the release of a new product, which incorporates scheduling, budgeting and resourcing. This type of exercise may measure the ability to: analyze complex data and issues; seek solutions; project plan; and present findings, using a mixture of presentation skills.

xiii. Culture Fit and Values inventories: These help to determine how well an applicant will fit into a particular work environment .They are similar in many ways to talent measures, but focus on predicting tenure and organizational commitment as opposed to superior job performance.

xiv. Background Investigations: These gather information about candidate from sources other than the candidate him/herself. This includes employment verification, criminal–record checks and reference interviews. Background investigation   are most useful for avoiding potentially catastrophic hires.

xv. Integrity Tests: These are the written tests that predict whether an applicant will engage in theft. They have proved to be effective in helping to avoid costly hiring mistakes especially where theft has traditionally been a problem. Integrity test can be less expensive alternative to background investigation, but they are not as reliable at detecting past criminal behavior.

xvi. Physical Ability Test: These involves having candidates complete physical exercises to assess talents and capabilities such as strength, endurance, dexterity, and vision. They tend to be used for only physically demand job.

xvii. Fact Finding and Analysis Exercises: Exercises may be particularly appropriate for self assessment since the fact base is finite and most interference can be anticipated.

xviii. Business Games: It can also be effective for self assessment. The candidate might select from a checklist of different response option or chose different approaches and take different paths through simulation. The simulation could branch through different stimulus presentation. This type of self assessment would help differentiate an employer as unique and sophisticated in their approach to candidate.

xix. Role Play Exercises: It will be good candidates as selection tools. Candidates would select and evaluate various response options at key points during the interaction. These exercises would be efficient in gathering multiple responses in relatively short period of time. If you are asked to do a role play, you will be asked to assume a fictitious role and handle a particular work situation. Customer Service Officers may be asked to respond to a number of phone inquiries, including customer queries and complaints.

This type of exercise may measure: oral communication, customer service orientation, and problem solving. Managers may be asked to provide feedback to a sales representative staff member, after viewing a videotape of the sales representative's call with a client.

There are many possible Role Play combinations depending on your purpose.

2.9   Assessment Centres enhance HR effectiveness

Most companies find it difficult to make error-free decisions when it comes to identifying people for senior jobs, or when they want to promote. HR's challenge is to help management make the right decisions. The assessment centre concept is very powerful for such decision-making.

An assessment centre will have a standardized process for evaluation of behavior using multiple inputs. These centres need well-trained process observers and robust techniques are used. Compared to normal interviews, at assessment centres, judgment about behaviors are made by not one but many, using specifically developed simulations. Data is pooled by the assessors or by a statistical integration process. Trained assessors observe and evaluate candidates on their relevant managerial qualities, while those candidates are performing a variety of situational exercises. Assessment centre exercises (e.g., role-play, in-basket, fact-finding and group discussions), intend to measure dimensions such as leadership, planning, sensitivity, problem solving, and many others.

Assessment centres serve three main human resources functions:

i.   Selection and promotion
ii.   Diagnosis (e.g., identification of training and development needs)
iii. Development (i.e., skill enhancement through simulations).

The following dimensions are normally assessed in assessment centres:

i.   Planning and organizing
ii.   Leadership and Analytical
iii. Problem solving
iv.   Sensitivity
v.   Decision-making
vi.   Creativity

vii.   Sociability

viii.   Management control and delegating.

For success of the assessment centres, assessors have to demonstrate the capability to observe and record the behavior of candidates. This is demanding as assessors have to understand the difference between merely looking for concrete verbal and non-verbal behaviors and interpreting these behaviors. They should be able to withhold early judgments. These days video is frequently used to aid assessors in gathering behavioral information.

Assessors should be able to organize their behavioral observations by job-related dimensions. This means indicating to which dimension each behavior belongs. Another skill involves accurate rating of candidates on dimensions. They should have the ability not to make comparative judgments. This is critical.

Assessors should demonstrate the ability to integrate information from various exercises and be able to discuss the ratings with fellow assessors. Finally, they have to write formal reports and give feedback.

Studies reveal that if assessment techniques are robust, targeted, well-designed and properly implemented, then grouped together this multiple assessment technique can be the most valid and reliable approach when compared to single-method approaches—such as interviews and personality questionnaires.

Although setting up an assessment centre can be costly, the cost is worth it if one considers the risk minimization of recruiting the wrong person. Costs can be higher when organizations spend money in buying expensive off-the-shelf tools which tie them into an additional cost. Often these products are misaligned with competency models. Another cost is the time commitment required from internal participants and managers who play assessor roles.

The main advantage of assessment centres is that it allows key job success behaviors to be directly observed and measured. Designed and run properly, they provide a window to cross-check or challenge information gained through self report measures such as interviews. For example, someone may outline a ton of experience (e.g.

leadership experience) in a behavioral interview, but in a group exercise they are observed to dominate, do not listen to others and ignore the quieter group members. Assessment centres are powerful and are becoming increasingly popular. Organizations which have growth plans coupled with the desire to get people to man positions from within should get started on assessment centres.

2.10   Difference between Assessment Centre and Development Centre

The difference between a development centre and an assessment centre is that candidates are not in a pass or fail situation. This is reflected in the definition of a Development Centre:

'A Development Centre is a day or number of days where the participants are actively involved in the assessment of their own and others behaviors as part of their professional development.'

You will most likely take part in a development centre as you progress from front-line to managerial roles, or from a general role to a more technical or strategic role, often as part of an organizations graduate management programme. As a participant of a development centre your preparation will follow the same approach as that for an assessment centre in addition to specific preparation relevant to any internal promotion activity.

The fundamental differences for the participants are:
  i.   They will actively be involved in assessing themselves.
  ii.   They will be required to assess and give feedback on the competencies of other participants.
  iii.   They are given detailed feedback on their results and what they mean for their future development.
  iv.   They will be expected to 'own' the development requirements as part of their Continuous Professional Development.

The role of the assessors is focused more on facilitation and identification of the competencies that participants need to acquire or develop. The way in which the assessors score an individual during an exercise will emphasize their developmental needs rather than their competency to perform a specific role. This may alter the nature of the exercises so that the developmental aspects are emphasized.

The results of these tests will then be discussed and decisions made as to where the main focus of personal development should be. For example, Management, Research, or Technical. If you take part in a development centre, you can expect there to be more emphasis on your abilities to explore or brainstorm an issue or the potential of a situation; rather than simply to display particular competencies. It is important to focus on why you are taking part in such a centre and you may wish to assess your own level of competencies before your development centre.

Many centres also use a technique called 'Domain Mapping'. This is where you identify where you want to be in a particular skill or level of knowledge, e.g. become a Senior Consultant. You then work out a staged plan of personal and professional development of how to get there through discussion with your assessor or your peer group.

Throughout the development centre you will have 'Evaluation Sessions' where you will be given feedback on how you performed compared to the competencies of your potential future role.

Many internal candidates perform below par because they neglect to familiarize themselves with the latest internal policies, procedures and interpretation of the organization's mission statement. They also forget to review their personnel file, which will provide important clues as to how their strengths and weaknesses are perceived by others.

If you want to manage your career within an organization, then you must prepare for all internal assessment as diligently as you would for any external opportunity. Many people forget the importance of their preparation when attending internal assessments as they feel there will be no surprises during the process. Experience often shows that

these interviews are equally tough and in some ways more challenging than external ones.

Organizations are obliged to ensure that all recruitment is operated fairly and frequently incorporate 'Assessment Day(s)' as part of their internal promotion.

The term assessment centre does not refer to a physical place; instead it describes an approach. Development centres are assessment centres with key differences. An assessment centre should be used for selection purposes and a development centre for personal development leading to team and organizational development. Traditionally an assessment centre consisted of a suite of exercises designed to assess a set of personal characteristics, it was seen as a rather formal process where the individuals being assessed had the results fed back to them in the context of a simple yes/no selection decision. However, recently we have seen a definite shift in thinking away from this traditional view of an assessment centre to the one, which stresses the developmental aspect of assessment. A consequence of this is that today it is very rare to come across an assessment centre, which does not have some developmental aspect to it; increasingly assessment centres are stressing a collaborative approach, which involves the individual actively participating in the process rather than being its passive recipient. In some cases we can even find assessment centres that are so developmental in their approach that most of the assessment work done is carried out by the participants themselves, and the major function of the centre is to provide the participants with feedback that is much developmental as judgment in nature.

The history of assessment centres is connected with the army. In the UK we can trace the existence of assessment centres back to 1942 when War Office Selection Boards used them. Their introduction stemmed from the fact that the existing system was resulting in a large proportion of those officers it had predicted would be successful being "returned to unit" as unsuitable.

This is hardly surprising, as the system had relied on interviewing officers using selection criteria such as social and educational background.

For example, the criteria for assessing serving soldiers nominated for commissioning as officers included "exceptional smartness". The new assessment centre approach attempted to identify the types of behavior required of officers to be successful in their job.

The tasks included the following:

i. leaderless group exercises

ii. various selection tests

iii. individual interviews by a senior officer, junior officer and psychiatrist respectively

During the post-war years this new system was so successful that it was introduced for selection to the Civil Service. Its variation is still used for officer selection in the Armed forces.

In industry, the growth of assessment centres and development centres has accelerated more recently in the UK. In 1986 slightly more than one quarter of organizations who employed 500 people or more used development centres and by 1993 that had risen to 45%.

Organizations have come to realize that to be competitive they must constantly invest in the development of their staff in order to respond effectively to an increasingly uncertain marketplace. Rather than selecting new employees, organizations are now investing more in their existing workforce.

In the United States assessment centres were initially used by the Office of Strategic Studies to select spies during the Second World War. Subsequently, the use of assessment centres was taken up by the private sector especially the giant American Telephone and Telegraph Company, which began using assessment centres for management selection in 1956 as well as Standard Oil Ohio, IBM, Sears, and General Electric.

The reasons for the value of assessment/development centre are as follows:

They provide an objective and robust method of improving the individuals and the organizations, awareness of skills, strengths and gaps. They provide a unique

opportunity to objectively observe and measure how people actually perform tasks, make decisions, relate to each other, and demonstrate self-awareness.

A well-designed customized assessment or development centre is an effective tool for measuring the key behaviors important to employees' present success and future potential.

2.11   Competency mapping through Assessment Centres

An Assessment Centre consists of a standardized evaluation of behavior based on multiple inputs. Several trained observers and techniques are used. Judgments about behavior are made, in major part, from specifically developed assessment simulations. These judgments are pooled in a meeting among the assessors or by statistical integration process. In an integration discussion, comprehensive accounts of behavior, and often ratting of it, are pooled. The discussion result in evaluation of performance of assesses on the dimensions/competencies or other variables that the assessment centres are designed to measure.

Assessment Centre is a process, not a place which, generally, comprises a number of exercises or simulations designed to replicate the tasks demands of the job for which a candidate is being considered which are designed to replicate the tasks and demands of the job for which a candidate is being considered.

These exercises/simulations are designed in such a way that a candidate can undertake them both singly and together with others for which they are observed by assessors while they are doing the exercises.

i. Objectives

    a. Identify individuals with high potential to optimize their development and growth opportunities in order to increase their productivity and efficiencies.

    b. Develop organizational interventions on the basis of the assessment results to optimize the growth process.

ii. Purpose

The purpose of the assessment is to judge competence on the basis of performance against the performance criteria set out under each element of competency.

A participant is judged whether competent or not and/or they can be developed to meet organizational needs.

Assessment results can also help in setting the direction and pace of career path and personal and professional growth.

iii. Coverage

    a. Competency assessment

    b. Types of exercises to be used in assessment centre for competency mapping

    c. Gap analysis

iv. Tools and techniques used

    a. Discussing with top management group to identify competencies for the target group

    b. Mapping the competencies of the target group (Using Assessment Centre approach)

Once the discussion is carried on with the top management, the assessors will decide to employ the necessary tools required for mapping competencies. As informed earlier various tools like In-basket exercise, role plays, business games, case analysis, psychometric tests etc. will be done to map competencies.

Due to all these tools and techniques used the competencies are generated and the organization gets a fair share of information regarding the competencies that need to be developed among the employees who are lacking in it. This gives the employers a chance to initiate a training schedule regarding the absence of specific competencies, which in turn not only help the employees to develop themselves but also improves the efficiency and productivity of the team and becomes congruent to the organizational goals and responsibilities.

Assessment centre exercise generates competencies and the assessors understand the competencies at work and the ones which are desired for a particular job position and accordingly the recruiters keep in mind the specific competencies and it becomes a guidebook in conducting the recruitment and selection process.

CHAPTER 3.

INTERNATIONAL PRACTICES IN LEADERSHIP DEVELOPMENT

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Contents

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3.1   Introduction to Leadership Development

Leadership is said to be everything and nothing. It is everything because it can be found everywhere in organizations, not just at the top. Leadership is everything because it is infused in all that we do; it is not sacred. All individual behavior has leadership implications. Because leadership is based on action, it emerges as a function of participation and interaction. Given this description, how can leadership be nothing? Leadership is nothing in the sense that it seems impossible to define completely. Decades of scientific study have yet to yield a single definition that fully captures the nature of leadership, much less articulate a definitive approach to developing it. Perhaps it is impossible to define leadership in words, but we agree that we know it when we see it.

Regardless of the degree to which the essence of leadership can be captured in a definition, organizations believe in its importance. A recent article on America's most admired companies in Fortune magazine attributed the success of those

companies bestowed with a "most admired" status to their leadership. There is an emerging consensus that leadership needs to be developed intentionally within companies and invested in accordingly. The American Society of Training and Development (ASTD) reported that 60 percent of the Fortune 500 companies surveyed in 1995 listed leadership development as a high priority – up from only 36 percent in 1990. The ASTD survey also revealed that more than 75 percent of responding firms sponsor leadership development programs of some type, and that 79 percent believe that leadership development is gaining in importance in their organization.

Despite their costs, the trend in leadership development is toward custom programs that are best able to capture the organization's unique culture and competitive challenges. To develop the next generation of leaders, a program must be based on a curriculum customized to that company's special needs (or so goes the logic). Custom program are often viewed as investments, and are leveraged to provide value-added by linking the program content with company-specific business imperatives. Although there are a number of factors that determine the overall quality and usefulness of a formal leadership program, it probably is safe to conclude that transfer of training back to the work setting is more likely with a custom program than with a more generic open-enrollment one. A primary reason for this is that custom program content is more applicable to the relevant leadership challenges at a particular organization; thus, transfer is more likely

Custom programs may be designed and delivered "in house," or developed in conjunction with an external partner such as a university or a consulting firm. Programs tend to be favorably received if delivered by local heroes (i.e., those members of the organization who are widely known and admired for their leadership skills). The message is seen as especially relevant if delivered by someone inside the company with a world-class reputation for success, as compared with an external person (often a business school professor). This approach is epitomized at PepsiCo, where Chairman and CEO Roger Enrico spend more than 100 days a year personally conducting workshops for senior executives. PepsiCo's "Building the Business"

program is modeled on Enrico's personal leadership philosophy. It heavily emphasizes feedback and personal coaching for the nine participants included in each workshop.

At Federal Express (FedEx), CEO Ted Weise spends two to three hours with participants in every supervisory leadership course. He discusses the company's strategic objectives, his definition of leadership, and how important front-line people are to the success of FedEx and its basic philosophy of People-Service-Profit (PSP). CEO Jack Welch (GE), as well as the Chief Financial Officer and Chief Human Resources Officer, attend every Change Acceleration Process course given at their Crotonville, NY campus. Pepsi, FedEx, and GE are exceptions in having CEOs personally conduct aspects of a leadership development program. More often, the internal instructors are high potential managers (working with internal training specialists) who are recruited and groomed to share their insights with others in the organization. FedEx also uses what they call "Management Preceptors" to teach their courses. These are senior managers and managing directors who are recognized as outstanding leaders and are nominated by a vice president. Preceptors undergo intensive training, primarily in the areas of teaching and facilitation prior to entering the classroom. They serve a term limited to 24-30 months, which provides for a continual rotation of new instructors and introduces fresh viewpoints and ideas into the curriculum.

Leadership instructors should not be teaching outdated worldviews, which is partly what happened at places such as GM and IBM that had difficulty competing when the nature of their respective markets changed dramatically. IBM invested millions of dollars in the training and development of their leaders in the 1980s; however, the company realized much too late that leaders were being developed to think in ways that had become outmoded. This worldview fostered the belief that IBM could control competition and environmental factors in the same way that they were controlled in the past.

As a result, a future generation of IBM leaders was groomed for a type of competitive world that no longer existed. As a result, generations of leaders were obsolete before ever having the chance to assume senior leadership roles. Another weakness with formal training programs is an emphasis on classroom training and conceptual approaches to learning at the sake of experiential learning.

Adult learning theory suggests that individuals prefer different ways of learning. Many formal programs incorporate different training approaches that are based on varied learning methods to accommodate alternative learning styles. As mentioned previously, a well-designed program often includes many of the other typical practices discussed in this section, especially 360-degree feedback.

i. 360- Degree feedback:

360-degree feedback, multi-source feedback, and multi-rater feedback are all terms used to describe this method of systematically collecting perceptions of a manager's performance from different viewpoints. Rating sources typically include peers, direct reports, supervisors, and multiple stakeholders outside the organization (e.g., customers and suppliers). An advantage of such intense, comprehensive scrutiny is that a more complete and accurate picture of an individual's performance is obtained.

 A critical assumption of this approach is that performance varies across domains, and that someone behaves differently with superiors, peers, customers, or direct reports. An advantage of the multi-source approach is that it compensates for differences in opportunities to observe various aspects of an individual's performance.

Companies are going to great lengths to build and retain valuable intellectual capital. 360-degree feedback is a developmental tool that can be used to build leadership as well as help with employee retention. For any leadership development program to work – particularly one based on 360-degree feedback – a participant must first be open to change. Desire to change might not be enough, however, if the feedback is complex, inconsistent, or the recipient lacks the requisite skills to interpret the data

and translate it into behaving in a different manner. For these reasons, executive coaching has emerged as a popular leadership development tool.

ii. Executive coaching:

After receiving a 360-degree feedback report and a personal consultation and interpretation with someone from HR, what comes next? Perhaps the next step is to create a development plan? If so, what does that look like? How should it be used? These are typical questions stemming from feedback. Mere acknowledgement of one's developmental needs is not enough to guarantee change. Nonetheless, most 360-degree feedback programs do not consider this gap and fail to include adequate mechanisms for follow-up guidance and support for change. Hence, the recent explosion in executive coaching.

According to experts in the field, executive coaching is "a practical, goal-focused form of personal, one-on-one learning". Coaching may be used to improve individual performance, enhance a career, or work through organizational issues such as change initiatives. It tends to be a relatively short-term activity aimed at improving specific leadership competencies or solving specific problems.

Texas Commerce Bank provides an example where coaching is provided to an entire group of executives.

iii. Mentoring programs:

McKinsey & Company provides a concrete example of how mentoring is used to develop employees. Consultants work on teams of mixed rank, and senior people are expected to help junior people. Although many of these relationships are of an informal nature because the organization does not make an explicit pairing, part of the process is formal because mentoring is an important criterion in partners' appraisals. According to McKinsey senior partner Joel Bleeke, "When mentoring for leadership, you need to convey much more than problem-solving skills and a personal network –

you need to convey aspirations, instill values, excitement, a view that almost anything is possible. You need to instill positive energy." Godrej Saralee in India used a formal Mentoring program for all Assistant Manager and above employees.

iv. Assessment Centre:

Assessment Centre is one of the methods used by corporate to identify potential leaders. Assessment Centre has been explained in detail in chapter 2, hence, I am not covering it here.

v. Networks:

As a way of breaking down functional silos, some organizations include development activities aimed at fostering broader individual networks. An important goal of networking initiatives is to develop leaders beyond merely knowing what and knowing how, to knowing who in terms of problem-solving resources. For example, ARAMARK's Executive Leadership Institute uses action-learning projects with company-specific problems as the core content in its development seminars. The project work is done in cross-organization teams as a way of promoting greater awareness of capabilities and cross-business assessment of opportunities.

vi. Reflection:

Introspection and reflection are types of personal growth training for leadership development that are used to uncover people's hidden goals, talents, and values, and how they are enacted at work. The relevance of reflection to leadership development is twofold. Some, like Edward McCracken (CEO of Silicon Graphics), believe that one of the most important aspects of being a good leader is self-knowledge. Reflection can enhance a better understanding of who you are.

vii. Action learning:

Numerous organizations have begun to realize that the type of traditional, lecture-based, classroom training found in most formal leadership development programs is ineffective at preparing leaders. In particular, the lessons learned from traditional classroom development programs do not last much beyond the end of the program. Soon after the course ends, people slip back into their old ways of leading, and little developmental progress is achieved. The sponsors of traditional programs became justifiably frustrated. For these reasons, a number of organizations have embraced the action learning process, which is as a continuous process of learning and reflection, supported by colleagues, with an emphasis on getting things done. A key advantage of action learning is that it is problem-or project-based. Action learning ties individual development to the process of helping organizations respond to major business problems. As such, action learning advances both the agenda of the organization as well as the development of its leaders.

Citibank is an example of an organization that has used action learning successfully. In particular, the Citibank case provides a good overview of how action learning typically unfolds in an organization. The business imperative at Citibank dealt with the general inability of top managers to think in a broad, systems perspective. The issues and participants were selected using explicit criteria. Issues were recommended by business heads or the CEO and had to be seen as affecting total Citibank performance across the various businesses. Participants were chosen globally and had passed an internal talent inventory review process. Next there was a three-day, off-site team building and issue-orientation session. Data collection followed over the next two or three weeks, involving travel both inside and outside Citibank. A week was then spent on data analysis and developing recommendations. Presentations were made to the CEO and to business heads. Each team was given 90 minutes to present its case, consisting of a 30-minute formal presentation followed by a 60-minute focused discussion. Following the presentation was a one-day debriefing and reflection with a coach that was structured around the recommendations, team process, and individual development opportunities. Finally, a senior management follow-up was given within one or two weeks of the presentation whereby decisions were made regarding implementation.

A benchmarking study sponsored by the American Society for Training and Development and the American Productivity and Quality Center concluded that best-practice organizations always assess the impact of their leadership development process. A recent national survey co-sponsored by The Conference Board and the Center for Creative Leadership found that although 80 percent of companies claim to evaluate their leadership development efforts, almost half are considered to be informal and therefore less rigorous than formal evaluations. Furthermore, employee satisfaction surveys are the most frequently cited procedures for formally evaluating leadership development outcomes. Satisfaction is an important outcome in terms of employee involvement and continuance but may not result in learning or behavior change. Only one-third of the companies in the study reported significant improvements in individuals' skills, behaviors, retention, or organizational profitability associated with their leadership development process.

3.2   Practices in International Leadership Development

The meaning of word 'Leadership' changes from person to person as some consider it as responsibility to nourish and cultivate team members or others as a driving force for growth and innovation. Whatever may be the outlook for the concept of leadership it makes a difference in organizational development. Today's business world is cautious about leadership development issue and gaining the facts regarding the same for which many research have been conducted.

One of such largest and most comprehensive study is conducted by DDI i.e. Development Dimensions International in 2011 under the heading 'Global leadership Forecast 2011'. The facts revealed from the aforesaid research state the need of leadership development. Certain facts from DDI's research work are mentioned below to understand the need of leadership development.

i.   "The difference between the impact that a top performing leader and an average leader has on an organization is at least 50% according to the leaders participating in 'Global Leadership Forecast 2011'.

ii.   Organizations with highest quality leaders were 13 times more likely to outperform their competition in key bottom line metrics such as financial performance, quality of products and services, employee engagement and customer satisfaction.

iii.   Leadership quality does not affect just the bottom line, it also affects employee retention and engagement. It is found that organizations with higher quality leadership were up to 3 times more likely to retain more employees than their competitors. They also had more than 5 times the number of highly engaged leaders.''

Beyond the strong relationship between leadership engagement and employee retention the important aspect in leadership development is passion which is reflected through pro-activeness in making decisions, putting full energy to the work, adding value and working with the sense of ownership.

"According to the report of DDI in finding the first rung (Erker & Thomas 2010), the most pervasive (common) reason for employees to take promotion was greater compensation and not their passion for their roles.

iv.   The fourth finding is only 38% of the 12,423 leaders in the DDI study (2011 forecast) reported that the quality of leadership in their organization is very good or excellent. HR respondents were even more critical with only 1 to 4 rating the quality of their leadership highly. So it indicates that majority of organizations are not able to utilize its most critical human asset effectively.

v.   Higher level leaders sometimes underestimate a dire need to develop leaders at the low levels of management. This is because their views are different from those of mid or first level leaders due to their frequent interaction with capable colleagues and the second reason is they have accountability for developing leaders and are reluctant to accept the fault for low leadership quality.

vi.   Only 18% of HR professionals DDI surveyed reported strong bench strength to meet future business needs.

According to DDI recommendations on improving leadership quality there are three factors important to consider

   a. Leadership development
   b. Talent Management
   c. Management culture

As the present chapters' focus is on leadership development aspect I will emphasize on the facts related to leadership development.

Only one third of leaders and HR professionals rated their leadership development efforts as highly effective. Most critical skills needed in the past and future for development of leadership can be mentioned in descending order on the basis of the importance given to them by respondents as follows. The percentage associated with each skill indicates the leader's ineffectiveness in the critical skill.

    i.   Driving and managing change (43%)

   ii.   Identifying and developing future talent (43%)

  iii.   Fostering creativity and innovation (50%)

  iv.   Coaching and developing others (43%)

   v.   Executing organizational strategies (40%)

As per the global finding, leaders in North America and Australia did not site fostering creativity and innovation as one of the top 3 critical skills needed over the next 3 years. Asian leaders placed the biggest emphasis on innovation. About half of leaders are currently ineffective in skill critical for next 3 years. Now the results on use and effectiveness of development methods suggest the following facts.

Table 3.1

Use of effectiveness of development methods

Method	% of leaders rating the method as effective	% of organizations that use the method often
Formal workshops, courses & seminars	73	81
Coaching from managers	63	68
Special projects or assignments	66	68
Movement to different position to develop targeted skills	47	47
Web based learning (Online self study courses)	44	43
Coaching with internal coaches (other than your manager)	45	39
Coaching with external coaches	37	27
Virtual classrooms	28	27

Source: Global Leadership Forecast, 2011, DDI

The aforementioned facts revealed by DDI's research work definitely demands for effective leadership development practices. [9]

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[9] Global Leadership Forecast 2011 by Talent management Expert, DDI,
http://www.ddiworld.com/DDIWorld/media/trend-
research/globalleadershipforecast2011_globalreport_ddi.pdf

3.2.1 Motorola's steps towards leadership development

Initiative for leadership development was taken by Motorola in the year of 1980 with the establishment of 'Motorola Training & Education Center', MTEC. It was established with a mission of designing and delivering training services that support Motorola's business objectives. However it was later transformed into Motorola University which diversified its mission by expanding its zone by making partnership with institutions around the world like Digital equipment, Eastman Kodak, IBM to accelerate the development of Six Sigma quality and to transfer this knowledge in the most effective manner.

"Although it is billed primarily as a quality initiative, Six Sigma is inherently about leadership development. In addition to transmitting the cultural values behind Six Sigma, some companies like GE use their own managers to impart the philosophy and techniques of the process to others in the organization. These individuals have achieved "Master Black Belt" or "Black Belt" status through training and successful completion of a number of Six Sigma projects. At present, GE has 4,000 fully trained Black Belts and Master Black Belts, and 60,000 Green Belt part-time project leaders who have completed at least one Six Sigma project. Some of the most sought-after candidates for senior leadership jobs are those who have finished Six Sigma assignments. At places like Motorola and GE, Six Sigma is becoming part of the "genetic code" of future leadership." [10]

Motorola Six Sigma Business Improvement Campaign builds the leadership by developing strong leaders for carrying out the process. These leaders are categorized as Champions, Black Belts and Green Belts.

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[10] Leadership Developemnt: A review of industrial best practices, February 2011, Technical report 1111,
http://www.au.af.mil/au/awc/awcgate/army/tr1111.pdf

Champions will be critical to the success of the process and responsible for ensuring the project's progress and achieve the defined results. Black Belts require deep statistical skills, strong leadership and interpersonal skills. Green Belts can serve as high performing team members on Six Sigma project teams under the direction of a Black Belt.

The program under campaign is executed as follows.

i. **Leadership jumpstart event:** It is 2 day event facilitated with senior executives of the organization involved in campaign. This is done so as to align the Campaign with the overall business strategy and goals of the involved organization. This event impart an opportunity to find most effective Six Sigma projects for implementation. The output of this event is the Campaign plan.

ii. **Campaign plan:** This plan determines high impact improvement projects and resources available to execute those projects. This plan includes two types of assignments, namely Executive Assignments and Improvement Team Assignments where executive assignments will include issues to be addressed by senior leadership in the organization whereas the Improvement Team Assignment include 4 major categories of improvement team approaches depending on the complexity of the issue and the level of the analysis required to solve the problems. These 4 categories are mentioned.

   a. **Breakthrough workout teams:** These teams deal with the improvement projects in the areas of strategy, business process or system that involve multiple stakeholder groups and are somewhat complex in nature.

   b. **Six Sigma Improvement Teams:** The Six Sigma method is applied when the improvement opportunity requires a certain level of statistical analysis. These teams typically involve Champions, Black Belts and Green Belts.

   c. **Action Workout teams:** These teams are meant for quick implementation of already taken decisions. As the improvisation area is already determined there is no need of detailed analysis.

   d. **Empowered Problem solving Teams:** These teams are applied to problems that require some level of analysis to yield effective results. Most

companies have some form of these teams in place today. For Eg. TQM teams, Kaizen teams.

Besides the Six Sigma initiative, Motorola has other important leadership development initiatives. The company spends more than $150 million annually on corporate education and development. At present, Motorola requires a minimum of 40 hours a year on job-relevant training and education for every employee. The leadership curriculum at Motorola varies by level (supervisors, first-time managers, executives), but each leadership development program uses the same general framework with different curricula. Much of the program content for lower level managers is based on Hersey and Blanchard's Situational Leadership Theory.

At the senior executive level, Motorola offers the Vice President Institute (VPI) to foster leadership development in new Vice Presidents. The biggest issue that the VPI addresses is how to sustain growth in a corporation that already grows by more than 15% annually. The overall goals in establishing VPI were to teach about the company's unique heritage as a second-generation, family-owned business. VPI was also designed to help the Vice Presidents explore ways to invent new technologies and new businesses (not just new products), with a focus on innovation, globalization, and communications. As such, leadership development is tied directly to a key business imperative. In this particular case, the imperative is one of sustaining growth.

3.3   Strategic Leadership Development

Strategic Leadership is the method of providing the vision & direction of the organization for its growth and success. In today's competitive world, all executives need to inculcate the skills and tools for strategy formulation & implementation both. To tackle the change and ambiguity in an organization, strategic leaders play a very important role.

The aim of strategic leadership is to develop an environment in which employees forecast the organization's needs in context of their own job. Strategic leaders encourage the employees in an organization to follow their own ideas. Strategic

leaders make greater use of reward and incentive system for encouraging productive and quality employees to show much better performance for their organization.

Strategic leadership entails making decisions across different cultures, agencies, agendas, personalities, and desires. It requires the devising of plans that are feasible, desirable and acceptable to one's organization. [11] Strategic leaders must recognize and understand the components of the national security environment.

In short, one may define strategic leadership as the ability of an experienced, senior leader who has the wisdom and vision to create and execute plans and make sequential decisions in the volatile, uncertain, complex and ambiguous strategic environment.

Motivating workers to take the initiative in improving their productive input into the company is the main motive of a strategic leader. Awareness backed by well thought out action is the most critical part of strategic leader.

Strategic Leadership is not a style, nor is it reserved for top leaders. It is a way of thinking and way of working by managers and leaders throughout the organization. This type of leadership involves microscopic perceptions & macroscopic expectations. People who desire to become a strategic leader that too within the department of defense must try to understand the military strategy thoroughly. The risks and limitations of the strategic environment must be recognized because the military instrument of power has a great potential for permanent change.

3.3.1 Creating the leadership strategy:

The first step in formulating the leadership strategy is to review the business strategy for implications for new leadership requirements. This analysis usually requires a team of experts composed of some people who know the business intimately and

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[11] http://www.aerospaceindia.org

others who are familiar with processes for acquiring, retaining and developing leadership talent. Beginning with the business strategy, the first step is to identify the drivers of the strategy. Drivers are the key choices that leaders make about how to position the organization to take advantage of its strengths, weaknesses, opportunities and threats in the marketplace. They are the things that make a strategy unique to one organization as compared to another and dictate where tradeoffs will be made between alternative investments of resources, time and energy. Drivers are few in number and help us understand what it is absolutely essential for leaders and the collective leadership of the organization to accomplish.

In reality, the leadership strategy implications would be much more specific, reflecting the actual opportunities and issues surrounding the key drivers. The key drivers and their associated business strategies should have clear implications for what leaders must do well in order for the organization to succeed. Ultimately, leadership development activities should be designed to ensure that individual leaders and the collective leadership of the organization are prepared to implement the most important strategies related to the key drivers. In short, a partnership between senior executives and multiple human resource systems is essential for strategic leadership development.

Few traits of effective strategic leaders that leads to superior performance are as follows:

i. Judicious use of Power :

Strategic leaders must make proper use of their powers. They must play the power game skillfully and try to develop consent for their ideas rather than forcing their ideas upon others.

ii. Self Control :

Proper self control must be maintained by a strategic leader. It leads to do the day to day workings more effectively.

iii. Loyalty :

Loyalty must be maintained by each and every strategic leader. It demonstrates their vision by their words and action.

iv. Reliability :

Strategic leaders must be highly reliable which will help followers to lead the same path in the routine activities.

v. Motivation :

Strategic leaders must have a zeal for work that goes beyond money and power and also they should have an inclination to achieve goals with energy and determination.

vi. Compassion :

Strategic leaders must understand the views and feelings of their subordinates, and make decisions after considering them.

vii. Proper delegation of authority :

Effective leaders are proficient at delegation. They are well aware of the fact that delegation will avoid overloading of responsibilities on the leaders. They also recognize the fact that authorizing the subordinates to make decisions will motivate them a lot.

3.3.2 Strategic leadership examples:

i. CISCO SYSTEMS :

Cisco Systems, Inc. is a multinational corporation headquartered in San Jose, California, that designs and sells consumer electronics, networking, voice, and communications technology and services. Cisco has more than 70,000 employees and annual revenue of US$ 40.0 billion as of 2010.

In Cisco's HR function, the organization's Worldwide Leadership Education group works with leaders to identify candidates for its leadership development programs. Executives then help to design the programs, ensuring that they meet business needs and align with strategy.

Cross functional steering committee is formed to by each Cisco program to act as a link between the program & the business. The business leaders of the steering committee help drive the design of the programs and recruit appropriate executives into the classrooms. During the design phase of the program, the steering committees meet often, approximately once a month. In addition, the programs employ the role of "executive faculty," people who bring participants a strategic perspective.

The Cisco Leadership Series operates in a 3-phase structure that facilitates the employee's ability to put learning into action. It is an "events to process" model. Employees involved in the various programs progress through each phase: preparation, program, and application on the job. While the face-to-face portion of Cisco's programs may only be five days, the participant is involved in the process for 8-10 months.

ii. PepsiCo :

PepsiCo Inc. is an American multinational corporation headquartered in Purchase, Harrison, New York, United States, with interests in the manufacturing, marketing and distribution of grain-based snack foods, beverages, and other products. PepsiCo was formed in 1965 with the merger of the Pepsi-Cola Company and Frito-Lay, Inc.

The company has over 1,50,000 employees working with it. PepsiCo chairman and CEO Roger Enrico is personally committed to leadership development in both spirit and action. For conducting Leadership workshops for senior executives Enrico spends more than 100 days a year personally. This acts as a motivation factor for the employees of PepsiCo.

The program called "Building the Business" conducted by Enrico as a full time lead instructor which is also supported by many other executive teachers. Pepsi's central program philosophy is simple but powerful: The most important responsibility of a leader is to personally develop other leaders.

The participants for the program are carefully selected and only nine executives are allowed to attend the program at any one time. Enrico utilizes his time to with the program participants to help impart some knowledge of key leadership values and also to share his personal views on philosophies of management and leadership.

It is the very significant activity of learning for building the business program. As a matter of pre-work, participants spend at least a month to develop an idea for the project along with their division president & Enrico.

Enrico is an "aggressive listener" which forces him to take active problem solving sessions in order to promote the process of unique thinking amongst its employees. Leadership development cannot be accomplished unless all of the components are in place to create a transformational experience for participants. It is also much larger and systemic than any one individual.

iii. FEDERAL EXPRESS (FedEx) :

FedEx has established a Leadership Institute. The Institute was founded in 1984 when several senior-level managers concluded that the organization was effective at preparing people for traditional management functions. The mission of the leadership institute was to develop leaders throughout FedEx by applying the principles of a successful leadership.

The activity of developing leaders of FedEx is based on three different behavioral dimensions like Individual consideration, Charisma, and intellectual stimulation. These dimensions are then combined with six other competency of Leadership. They are courage, dependability, flexibility, integrity, judgment, and respect for others. These nine dimensions together form a backbone of the Leadership Evaluation and Awareness Process (LEAP).

This opportunity is being applied for managerial position but before that a candidate has to demonstrate excellence throughout in all those nine LEAP competencies. The one day program called "Is management for me?" is conducted in an organization usually on weekend as per the flexible time for the front-line managers which help to provide a realistic job preview of the responsibilities for the participants.

Post one day introductory course candidates are required to complete the written statement that would demonstrate their evidence of successful performance on all nine leadership dimensions. This written statement is nothing but a "Leadership Profile".

CEO of FedEx, Ted Weise makes it a point to spend some hours of his busy schedule with all his supervisory staff to discuss the strategic objectives of FedEx and also to discuss his own strategic leadership philosophy.

Another aspect of FedEx for Leadership development is the use on management preceptors. These preceptors are formed by the senior managers and managing directors who are nominated by someone at the vice president level or above that.

The main motive of the management preceptor is to develop, design, and facilitate courses at the leadership institute. Through this process the lower level managers get an opportunity to gain knowledge from these high – potential managers that too in their own organization. This helps the preceptor to pursue his own self development. This process of management preceptor strategy fosters a two-way educational experience.

This unique approach of management preceptor ensures that FedEx has a continuous stream of high-quality leaders to take the company successfully into the next century.

3.4   How Cultural Factors Affect Leadership

No topic, probably, has been quite as exhaustively examined, studied, dissected, and discussed as leadership. But much of the focus has been on how American businesses define leadership. What works in U.S. based businesses may or may not work in business environments in other parts of the world. Robert, director of the Global Leadership and Organizational Behavior Effectiveness Research Program at the Wharton School, has spent the past ten years studying how different cultures throughout the world define leadership. He and his colleagues have found that definitions and perceptions of leadership vary considerably from culture to culture. In the global business world, organizations and executives face a growing need to understand the subtleties and nuances of leadership as it is exercised in different cultures.   In 1993 House launched The Global Leadership and Organizational Behavior Effectiveness Research Program (GLOBE) to test leadership hypotheses in various cultures. Over the past six years GLOBE has evolved into a multi-phase, multi-method research project in which some 170 investigators from over 60 cultures representing all major regions of the world collaborate to examine the interrelationships among societal culture, organizational culture and practices and organizational leadership. GLOBE has focused on universals and culture-based differences in perceived effectiveness of leadership attributes by asking middle managers whether certain leader characteristics and behaviors would help or hinder a person in becoming an outstanding leader.

GLOBE recently completed the second of four phases envisioned by House and his colleagues. Phase II found that there are universally endorsed leader attributes. In

addition, the study also found that there are attributes that are universally seen as impediments to outstanding leadership. The most important finding, however, is that there are culturally-contingent attributes that can help or hinder leadership. What is seen as a strength in one culture may be a considerable impediment in another culture. These findings appear in a paper titled: "EMICs and ETICS of Culturally-Endorsed Implicit Leadership Theories: Are Attributes of Charismatic/ Transformational Leadership Universally Endorsed?" which is being published in 1999 in Leadership Quarterly.

Business is global, but each business organization has a culture shaped by the business it is in and the people who run the business. Executives are themselves products of the unique cultures in which they have learned and conducted business. To see how cultures might come into play, we can easily imagine a situation in which a British executive who was trained at an American business school is asked to run the Argentine manufacturing facility of a Japanese firm. What leadership attributes should this executive work to develop: Japanese? Argentine? American? British? This executive needs to understand the culture within which he works and how his employees perceive leadership. GLOBE has found that "one size does not fit all". An executive needs to develop bespoke leadership attributes, tailored to the unique culture within which he or she works.

A general description of a leader might be someone who is charismatic and seeks to develop a transformational style of leadership. Charismatic/transformational leadership is thought to broaden and elevate the interests of followers, generate awareness and acceptance among the followers of the purpose and mission of the group and motivate followers to go beyond their self-interests for the good of the organization. But different cultural groups may vary in their conceptions of the most important characteristics of charismatic/transformational leadership. In some cultures, one might need to take strong, decisive action in order to be seen as a leader, while in other cultures consultation and a democratic approach may be the preferred approach to exercising effective leadership. GLOBE ask what the leadership behaviors and attributes that are reported to be effective or ineffective

across cultures, especially where they are related to charismatic/transformational leadership. Managerial practices and motivational techniques that are legitimate and acceptable in on culture may not be in another. For example, many attributes associated with charisma are seen as contributing to outstanding leadership, but the term "charisma" invokes ambivalence in several countries. There is concern in some cultures that people tend to lose their balance and perspective as a result of an excessive focus on achievement created by charismatic leaders. Certainly the most notorious example of a charismatic leader is Hitler.

Leaders are expected to have vision, but how this is displayed differs from culture to culture. In China, the influence of Confucian values make people wary of leaders who talk without engaging in specific action. Indian managers, on the other hand, care less about visionaries, preferring bold assertive styles of leadership. Leaders are often thought to be risk- takers, but GLOBE found that risk taking is not universally valued as contributing to outstanding leadership.

Communication skills are also important to the leader, but again, how these skills are perceived differs among and within cultures. What constitutes a good communicator is likely to vary greatly across cultures. American managers are more likely to provide directions to subordinates on a face-to-face basis while Japanese managers are likely to use written memos. In the U.S. subordinates are usually provided negative feedback directly from their supervisors, while in Japan such feedback is usually channeled through a peer of the subordinates. These differences reflect the U.S. individualistic norm of "brute honesty" and the Japanese collectivistic norm of "face-saving".

There are profound differences in the preferred use of language, as well as nonverbal cues. In many cultures, interrupting someone is considered to be impolite, while in most Latin cultures, interrupting conveys that one is interested in what the other person in saying. In Asian cultures the pauses between speakers are often much longer than what we find in the West. Cultural differences are found as well in gestures, intonation, and the use of humor.

The GLOBE study found that several attributes reflecting charismatic / transformational leadership are universally endorsed as contributing to outstanding leadership. These attributes include: foresight, a willingness to encourage colleagues and staff, communicativeness, trustworthiness, a dynamic presence, a positive attitude, and being seen as a confidence builder. Certain charismatic attributes are perceived to be culturally contingent. These include enthusiasm, risk-taking, ambition, humility, sincerity, sensitivity, and compassion. Future GLOBE studies will examine the critical issue of whether leaders who are seen to act in accordance with their culturally-endorsed leadership theories are more effective than those who do not act according to culturally imposed expectations. Other questions GLOBE will continue to examine include how labels such as visionary, compassionate, or motivational are interpreted in various cultures. A related question includes that of how and when specific behaviors will reflect such attributes in a given culture.

Paradoxes in leadership abound:

Instant communications and easy accessibility may shrink this world, but distinct cultures have always and will always continue to exist throughout the global economy. The most successful businesses will be those that not only understand the nuances that exist among different cultures, but train their executives to lead in ways that demonstrate an understanding of and appreciation for distinct cultures. The global executive's leadership style will need to be protean, changing from situation to situation. Sensitivity to the unique culture within which the executive works may well be the most important leadership attribute in the global economy.

Globalization has also created the need for leaders to become competent in cross-cultural awareness and practice. Adler and Bartholomew (1992) contend that global leaders need to develop five cross-cultural competencies. First, leaders need to understand business, political, and cultural environments worldwide. Second, they need to learn the perspectives, tastes, trends, and technologies of many other cultures. Third, they need to be able to work simultaneously with people from many cultures. Fourth, leaders must be able to adapt to living and communicating in other cultures.

Fifth, they need to learn to relate to people from other cultures from a position of equality rather than cultural superiority. Additionally, Ting-Toomey (1999) believes that global leaders need to be skilled in creating transcultural visions. They need to develop communication competencies that will enable them to articulate and implement their vision in a diverse workplace. In sum, today's leaders need to acquire a challenging set of competencies if they intend to be effective in present-day global societies.

Flexible Leadership :

Being capable of operating effectively in a global environment while being respectful of cultural diversity. This is an individual who can manage accelerating change and differences. The global leader is open and flexible in approaching others, can cope with situations and people disparate from his or her background, and is willing to reexamine and alter personal attitudes and perceptions.

Cross-Cultural Communication:

Recognizing what is involved in one's image of self and one's role, personal needs, values, standards, expectations, all of which are culturally conditioned. Such a person understands the impact of cultural factors on communication and is willing to revise and expand such images as part of the process of growth. Furthermore, he or she is aware of verbal and nonverbal differences in communication with persons from another culture. Not only does such a person seek to learn another language, but he or she is cognizant that even when people speak the same language, cultural differences can alter communication symbols and meanings and result in misunderstandings.

Cultural Sensitivity:

Integrating the characteristics of culture in general, with experiences in specific organizational, minority, or foreign cultures. Such a person understands the cultural influences on behavior. This individual translates such cultural awareness into effective relationships with those who are different.

Acculturation:

Effectively adjusting and adapting to a specific culture, whether that be subculture within one's own country or abroad. Such a person is alert to the impact of culture shock in successfully managing transitions. Therefore, when operating in an unfamiliar culture or dealing with employees from diverse cultural backgrounds, this person develops the necessary skills and avoids being ethnocentric.

Cultural Influence on Management :

Understanding that management philosophies are deeply rooted in culture and that management practices developed in one culture may not easily transfer to another. However, this insight can be used to appreciate the universal character of management and to identify with the subculture of modern managers. In the global marketplace, all management is multicultural.

Effective Intercultural Performance:

Applying cultural theory and insight to specific cross-cultural situations that affect people's performance on the job. Such a person makes provisions for the foreign deployment process, overseas adjustment and culture shock, and the reentry of expatriates.

Changing International Business :

There is an emerging universal acceptance of some business technology computers, and management information systems, for example. Yet, the global manager appreciates the effect of cultural differences on standard business practice and principles, such as organizational loyalty.

Cultural Synergy :

Building upon the very differences in the world's people for mutual growth and accomplishment by cooperation. Cultural synergy through collaboration emphasizes

similarities and common concerns and integrates differences to enrich human activities and systems. By combining the best in varied cultures and seeking the widest input, multiple effects and complex solutions can result. Synergy is separate parts functioning together to create a greater whole and to achieve a common goal. For such aggregate action to occur, cross-cultural skills are required.

Work Culture:

Applying the general characteristics of culture to the specifics of how people work at a point in time and place. In the macro sense, work can be analyzed in terms of human stages of development – the work culture of hunter, farmer, factory workers, and knowledge worker. In the micro sense, work cultures can be studied in terms of specific industries, organizations, or professional groups.

Global Culture:

Understanding that while various characteristics of human culture have always been universal, a unique global culture with some common characteristics may be emerging. The influences of mass media and telecommunications, including the fax, e-mail, the Internet, and TV, are breaking down barriers between peoples and their diverse cultures. Global managers are alert to serving this commonality in human needs and markets with strategies that are transnational. By culture I mean the characteristic behavior, which defines a group of people and is the result of their sharing the same set of values, beliefs and assumptions. Of course, we must remember that our shared values, beliefs and assumptions are influenced by the history, religion and geography of where we grew up.   The forces of history, religion and geography play a large role in determining what our values and beliefs are as a people. Our educational systems serve to reinforce our basic values and resulting culture. "Deep" culture does not change quickly, and people who have not had the opportunity to live outside their national culture are very often unaware of the nature of cultural differences. So how exactly does culture affect leadership?

Culture influences our notion of leadership and helps determine whether the style is participative or autocratic. In countries like Japan, Holland and Scandinavia,

leadership style involves consensus. Some Latin and Anglo Saxon countries tend to favor a more charismatic style of leader. Other countries – Russia and Saudi Arabia are good examples – tend to favor a style based on centralized decision making. Hence, perhaps the first attribute of a "global leader" (in addition to commonly accepted notions of what makes a leader) is a keen understanding and deep respect for cultural differences.

"Global leaders have exceptionally open minds, they respect how different countries do things, and they have the imagination to appreciate why they do them that way … Global leaders are made not born" [12]

Though it is acknowledged that global corporations and their leaders operate in an increasingly cross-cultural business environment, a three-year study of Fortune 500 firms reported that 85 % of US leaders interviewed believe their corporations lack an adequate number of global leaders to sustain their multinational operations. 65% of those leaders believed that leaders need additional competencies and know-how to deal with the challenges of global leadership (Gregersen, Morrison and Black).

The challenges of global leadership as opposed to leading in a single country have been identified as:

  i.   A heightened need for cultural understanding within a setting characterized by wider-ranging diversity
  ii.   Greater need for broad knowledge that spans functions and nations
  iii. Wider and more frequent boundary spanning both within and across organizational and national boundaries
  iv.   More stakeholders to understand and consider when making decisions
  v.   A more challenging and expanded list of competing tensions both on and off the job
  vi.   Heightened ambiguity surrounding decisions and related outcomes and effects
  vii. More challenging ethical dilemmas relating to globalization
  viii. Impact of national culture on leadership profiles

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[12] http://www.tec-leadership-institute.com/site/en-us/fachbereich/managementcompetencies/globalleadershipcompetencies.aspx

3.5   Larry Page- A Task Oriented Leader

 "Page has spent his entire career at Google, and while he remains something of an enigma, his leadership style and ideals are becoming increasingly clear; he talks about them in commencement speeches, in talks to faculty, and to co-workers and Google executives.

His management style is relevant to anyone who's growing a business or looking to stay ahead of fierce competitors, not to mention complacency. Here, then, are five leadership strategies from Larry Page:

i.   Pay attention to your crazy ideas and cultivate the best of them.

"Talk about the future," Page told University of Michigan's engineering graduates in 2005 -- back when Google had 3,500 employees, one-eighth as many as it does now. Page urges his teams to believe in audacious ideas. By tackling big ideas "that could really change the world," you attract incredibly smart people and achieve something worthwhile, even if it's not your original goal, he said at the Google Faculty Summit in 2009. The Google group researching artificial intelligence instead came up with the ad targeting system, which accounts for almost half of revenues, said Page, adding: "That's a pretty good side effect." The idea for Google's search engine came to Page

in a dream about downloading the entire web and keeping the links, he told Michigan graduates. "When no one else is crazy enough to do it, you have little competition," he said. Page is "very engaged in what challenges people face," and his engineering brain often kicks in, says Grady Burnett, who led Google's AdWords office in Ann Arbor for five years and now works for Facebook. That perspective is backed up with the $36 billion Google has in cash and marketable securities -- and with a research and development budget of $3.8 billion in 2010.

ii.   Build your team, avoid bureaucracy.

For years, Page insisted on being involved in every hire at Google. Many of his early hires were graduates of University of Michigan or Stanford University, where he and co-founder Sergey Brin met while in graduate school. While some have left to establish their own companies, many have stuck around because of his approach. Three of the six people recently promoted to lead Google's major product divisions are among the first 10 or so employees the company hired, dating back to 1998. "It's remarkable," says Steven Levy, author of the recently published book In the Plex, a look inside Google. "Those people are rich enough to buy anything -- and they're still working, committing to a few more years" with the company. "It's a belief in Larry," says Levy, who is also a senior writer for Wired. Yet even as Page and his recruiters continue to seek thousands of bright young graduates to join Google, he is quietly cutting or reassigning middle management and bureaucracy. The company's recent reorganization reinforces that notion. "He has a problem with traditional management. He doesn't like it," says Levy, who has interviewed Page about six times.

iii.   Be quick. Be concise.

Page is working to cultivate a faster, more nimble management approach at Google, which employs 26,000 people around the world. He has asked staff to give him 60-word updates or pitches on their current projects, according to the Wall Street Journal. That comes out to about two compressed paragraphs to impress and compel. Page is also looking to encourage faster decisions and openness. Top executives are said to sit around together for one day a week -- time for collaboration and quick choices. And

he's looking to encourage the immediacy-minded attitude that prevails at YouTube, according to the San Jose Mercury News.

iv.   Recognize the significance of small moves.

Google's staff persistently tinkers with its products, adding new features and improving the usability of Gmail, its search engine and Android. They improve and improvise all the time. Page told an audience in Europe that he gets "a new build" on his Android phone each day. "It continues to work better and better every day." The company is also focused on connecting with students, its future staff and user base. Many of its satellite offices are located in college towns across the country. In metro Detroit, it offers classes at high schools and colleges to teach them to use AdWords for nonprofits and charities. "We're training the 21st Century workforce, and making a significant impact on local Michigan nonprofits," says Bud Gibson, an Eastern Michigan University professor of computer information systems. Even if the students never set foot in the Googleplex headquarters, they can use the skills to join a Web 2.0 company and press for more use of Google products. These small steps may bring big rewards and improve Google's reputation. Just as important, they focus on getting Google's products into more hands.

v.   Persevere.

It took Page some six years to get staff to work on Google's book digitization project. He came up with the idea when he and Brin were students at Stanford, and the first books were scanned in 2004. It also took years to launch what has become Google Maps with Street View. "I had the camera in my car and took a bunch of video," he told the Google Faculty Summit in 2009. After convincing himself it would work, he kept working on convincing others. Page's interest in alternative fuel cars dates back to when he joined the Michigan Solar Car Team around 1993. Now Google is adding details on where to recharge electric cars on its maps and working on a robotic car that drives itself - the kind of idea that people expect Page to continue to launch no matter the payoff. The book project may test Page's perseverance, which has been targeted by publishers and authors who say the project infringes on their copyrights and gives Google a huge advantage over competitors. In late March, a federal judge

threw out Google's proposed settlement, saying it would have given Google significant rights to exploit entire books without permission of the copyright owners.

3.6   Situational Leadership Development

3.6.1 Introduction:

Exploring people's behavior when they try to work together to accomplish a goal gives excellent insight into the role of a leader. How well a leader understands himself and those he wishes to lead can differentiate an effective leader from an impotent one. Leadership skills are especially valuable to those in charge large groups of people, especially in business. A theory, Situational Leadership Theory, was developed specifically to define and illustrate this practice. The theory examines the role of the follower and his capability and willingness to accomplish a task.

3.6.2 The Idea in a Nutshell

Situational leadership is a theory that looks at a group of people at different degrees of maturity and how each degree should be approached and handled from a position of leadership. It illustrates how involved the leader will have to be depending on the follower's stage of ability and willingness. The theory was developed by Paul Hersey and Ken Blanchard during the mid 1970's. They recognized that there was a connection in task behavior and relationship behavior, then determined that there were four distinct leadership styles. The styles include: Telling, Selling, Participating, and Delegating. When determining which leadership style to apply, you will have to look at the distinct level of maturity that will be appropriate for a specific follower.

3.6.3 "The Top Ten Things You Need to Know About Situational Leadership Theory

i.   Situational Leadership Theory brings attention to the role of the follower. A leader's success is dependent on the willingness of the follower to affirm or abandon the leader. A leader is only as effective as the followers behind him, thus making a focus on the follower a true mark of a good leader.

ii. The second dimension of the Situational Leadership Theory is the ability and willingness of the followers to perform a task. Exploring and defining the follower's maturity is paramount in the decision of how to lead the followers toward a particular goal.

iii. The Telling style is a high task-low relationship in which the leader explains the roles and assignments for each follower. There is a one way communication between leader and follower whereas the leader informs the follower of what task needs to be performed.

iv. The Selling style is a high task-high relationship that deals with the leader still explaining the roles and assignments but asking for the follower's insight. This uses a two-way communication, giving reinforcement so the follower will adopt the leader's idea.

v. The Participating style is a low task-high relationship, in which the decision making process is shared. The leader takes part in the decision, but leaves it to the followers to make the choice on how the task will be performed.

vi. In the Delegating style, the leader has a low task-low relationship with the follower. The follower makes the decisions and chooses the way in which he or she believes will create the best results. The leader is involved with the decisions, but mainly oversees the process.

vii. The first Maturity level is a person that is unable and unwilling, meaning the individual might not have the skills to perform the task or the courage to take charge of the project. To get the response that the leader wants the Telling style would work best in this situation.

viii. In the second Maturity level, the person is unable but willing. The person is not skilled to take on the task, but has a good work ethic and will attempt to take on the work anyway. A Selling style would be appropriate when attempting to convince the follower to gain the skill needed to complete the task.

ix. Maturity level three will consist of people that are able but unwilling to do the task by themselves. The person has the experience and skills to complete the task, but lacks the confidence. The Participating style should be applied here

by the leader. The leader needs to help motivate the follower to complete the task.

x.   The most advanced Maturity level is a person who is able and willing. The person is experienced and highly skilled. The individual will be confident in completing the task. This type of person adapts to change. The Delegating style is used when the leader only needs to oversee the situation."[13]

In the dynamic world the only thing constant is change. The one who doesn't change either gets frozen in past or gets victimized in so called uncertainty which is waiting at the door steps of future.   And what is the most astonishing fact is that this uncertainty is ruthless, unbiased in its approach to kill the ones who refrain from change. When it strikes, it strikes when the static is least expecting and hardly ready for the same. In one go it blots all those who had disrespected timely and appropriate up gradation process. The so called stalwarts, experts and consultants are the frogs who come out of their hibernation deluge only.

But the ones who survive timely assess the situation, scan the arena, and do a thorough research on what they are and what they can do. But the real winners are one who also knows what they cannot do. What is the 'x' factor that is going to either drown them or set them afloat.

They are highly inspired and hence motivated. Their course of actions are guided by well assessed ideologies and accompanied by structured thought process. They are ready to pick up inspiration from the spider that climbs the wall after falling several times and from the ant that saves enough food for bitter winters.

History has been a witness to many such situational leaders who were neither guided nor trained or educated for the purpose. But it was the most motivating factor i.e.

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[13] : http://www.bukisa.com/articles/372484_top-ten-management-on-situational-leadership-theory-an-overview-of-the-it-depends-school-of-management#ixzz1a4nznHhT

'need' that made them immortal in the pages of history. Let's go through the examples of Jack Welch and Sir Winston Churchil.

Jack Welch: The Best Manager Of 20th Century

Jack Welch was a University of Massachusetts Amherst, graduate chemical engineering. Further Welch went on to receive his M.S. and PhD at the University of Illinois at Urbana-Champaign in 1960.

Welch joined General Electric in 1960 as a junior chemical engineer in Pittsfield, Massachusetts, with a pay packet of $10,500 p a. Once at GE, he blew off the roof of the factory, and was almost fired for doing so. But no one knew that this employee was to be one of the most remembered in the history of GE.

Once he was displeased with the $1,000 raise he was offered after his first year, as well as the strict bureaucracy that was propagating GE. He knew that these practices will leave the company nowhere in long run, hence he planned to leave the company to work with International Minerals & Chemicals in Skokie, Illinois. Reuben Gutoff, one of his visionary seniors saw his potential and realized that his loss would be an irreparable damage for GE. He took Welch and his first wife Carolyn out to dinner at the Yellow Aster in Pittsfield, and spent four hours trying to convince Welch to stay. Gutoff committed to work to modify the existing bureaucracy and hence take a leap ahead towards the progress of GE from one of the biggest manufacturing companies to world's largest manufacturing company (excluding oil companies)

Welch became VP of GE in 1972and further was promoted to be senior vice president in 1977 and further became vice chairman in 1979. Welch became GE's youngest chairman and CEO in 1981, succeeding Reginald H. Jones. By 1982, Welch had disassembled much of the earlier management put together by Jones.

Tenure as CEO of GE

Through the 1980s, Welch worked to streamline GE. He was taking GE on a journey of rapid growth in a not so conducive slow economy. Though he is known as a person who created excellent shareholder value during his tenure but he never believed it was a prime function of his job. According to him enhanced shareholder value was only the result and not his strategy.

During his tenure as CEO of GE he pushed the managers of the businesses he kept to become more productive. He eradicated perceived inefficiency by trimming inventories and dismantling the bureaucracy. He did not hesitate to shut down factories or to reduce payrolls and cut lackluster old-line units. His success mantra was that a company should be either #1 or #2 in a particular industry, or else it will cease to exist sooner or later. This idea was later a benchmark for all the successful corporations.

Welch indulged in firing bottom 10% of his managers year after year, hence earned a reputation for brutal candor in his meetings with executives. He would push his managers to perform, but he would reward only those in the top 20% with bonuses and stock options. Welch was thus successful in destroying the nine-layer management hierarchy and played a pioneering role in inception of informality at GE.

In "Jack: Straight From The Gut", Welch states that GE had 411,000 employees at the end of 1980, and 299,000 at the end of 1985. Of the 112,000 who left the payroll, 37,000 were in sold businesses, and 81,000 were reduced in continuing businesses and hence earned the title of Neutron Jack. In return, GE had increased its market capital tremendously. He never hesitated while eliminating basic research, closing or selling off businesses that were under-performing.

In 1986, GE acquired RCA, RCA's corporate headquarters was located in Rockefeller Center; Welch subsequently took up an office in the now GE Building at 30 Rockefeller Plaza. The RCA acquisition resulted in GE selling off RCA properties to

other companies and ultimately keeping NBC as part of the GE portfolio of businesses. During the 1990s, Welch shifted GE business from manufacturing to financial services through numerous acquisitions.

Welch adopted Motorola's Six Sigma quality program in late 1995. In 1980, the year before Welch became CEO, GE recorded revenues of roughly $26.8 billion. In 2000, the year before he left, the revenues increased to nearly $130 billion. When Jack Welch left GE, the company had gone from a market value of $14 billion to one of more than $410 billion at the end of 2004, making it the most valuable and largest company in the world.

Superannuation:

During superannuation Welch was paid a salary of $4 million a year, further had a retirement plan of $8 million a year, which included GE's $80,000 per month luxury apartment in Trump Tower (New York City), free food and wine, access to a $300,000 per month, B737 corporate jet, VIP tickets to the Metropolitan Opera, the Knicks, Wimbledon, the US Open (tennis) and the Red Sox, an office and a secretary in the GE building and a limousine with driver. In 1999 he was named "Manager of the Century" by Fortune magazine.

It was accompanied with a prolonged succession planning for Jack Welch at GE. The nominees were James McNerney, Robert Nardelli, and Jeffrey Immelt, with Immelt finally winning the race to be Chairman and CEO.

Through Jack Welch, GE has not only set standards but also created benchmark for grooming situational leaders in companies. The one's who should not only be capable of propagating the success of the company but also is ready to modify the company to the rapidly changing world. A true leader should be ready to close down old and sick entities that do not generate enough returns. A true leader should be ready to venture into new businesses with zeal and should be ready to encounter any failures if they are destined to be a part of his journey. In a long run it is not what one could do but it

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what one could not do that dictates success. In a long run there could be a need to replace, retrench, rehire and fire his employees to maintain a high rate of growth.

Sir Winston Churchill

Sir Winston Churchil is a great example of Situational Leadership. Sir Winston Churchill was the most hated parliamentarian in the history of Britain. But he was made the Prime Minister during the world war. This is an example where the situation demanded a tuff person to be the Prime Minister, and hence, he was elected as the Prime Minister based on the situation.

3.7 Good Leadership

The challenges for future leaders will be greater than they have been in the past. Globalization, increased complexity, unstable geopolitics, the emergence of new economic powers and the very slow growth of advanced economies will put great pressure on performance. Additionally, competition for talent will increase. In this scenario, there is a great need of good leadership at all levels. Let us understand what good leadership is all about under five major headings:

What Good Leaders Do: The essential roles and responsibilities of leaders to ensure their organizations perform in the present while building for the future.

Who Good Leaders Are: The competencies, character and commitment required of good leaders, now and for the future.

How people become good and better leaders: The actions that leaders and those who aspire to leadership roles must take if they are to grow and develop as leaders.

How good leaders are developed: What business organizations, leaders and educators must do to develop next-generation leaders.

What societies expect of their business leaders: What they must understand and appreciate about the demands of the societies within which they operate if they are to be accepted and effective as leaders.

Let us understand each of the above five headings in detail:

3.7.1 What Good Leaders Do

Good organizations recognize they need good leadership at all levels, not just in the executive suite. Such leaders

i. Analyze and make sense of the dynamic, rapidly changing and often turbulent global and local economic, political, regulatory, societal and technological environments within which they operate. They are particularly sensitive to complex systems which may not be fully understandable but which must be managed or accommodated if they are to be successful.

ii. Formulate, develop, articulate and communicate effective integrated strategies that achieve clearly defined goals consistent with the mission, vision and values of their enterprises, business units, departments and teams. Such strategies are based on opportunities, organizational core competencies and fully leveraging the financial, organizational and human capital of the organization. They take into account and integrate the interests of multiple stakeholders in the enterprise.

iii. Executive strategies brilliantly through effective utilizations and alignment of all elements of their organizations. They work with their followers to develop a vision for the future. They align people, systems, processes, structure and culture.

iv. Evaluate the outcome of these strategies systematically, in real time, ensuring that assumptions are constantly checked for validity and stability. They provide feedback to the strategic formulation process to ensure that strategies remain current and optimized as the organizational environment changes.

v. Define and build the capabilities, capacity and culture they need to perform in the uncertain futures into which they are guiding their organizations. By capabilities, I mean the knowledge, understanding, skills and judgment they need to be successful, by capacity, I refer to the numbers of people having these capabilities and available for deployment against challenges, by culture, I refer to the shared values and value-driven behaviors that enlist people in a common vision, engaging them in individual and joint pursuit of agreed-upon goals, encouraging them to strive for excellence, and empowering them to achieve it.

vi. Strive to perform in the present while building for the future. They do not readily trade off short – and long-term goals but, rather, seek to achieve both. This requires

that they lead with their feet on the ground, their eyes on the horizon and their imaginations beyond it.

vii. Maintain a cross-enterprise perspective and collaborate effectively across organizational boundaries in the interest of the total enterprise even though they may be personally accountable and rewarded for the performance of only part of it.

3.7.2 Who Good Leaders Are

The foundation of good leadership rests on three pillars: competencies, character and commitment.

Competencies include the knowledge, understanding, skills and judgment leaders are expected to have, if not early in their careers, at least in their mature phases. These are typically acquired through formal education, training, programs, and coaching and mentoring in the workplace, as well as reflecting on their experiences and the implications for their performance and development. Competencies determine what leaders are able to do. Competencies may be broadly or narrowly based, thereby determining a leader's situational ability.

Character is fundamental to good leadership. It determines hwo leaders see and interpret things and how they will react in different circumstances, the criteria they will use for decisions, and how those decisions will be implemented. While competencies can be learned, character is developed both early in childhood and in later stages of life through critical formative experiences and reflection on those experiences. Character influences what leaders will do in different situations.

Commitment is critical. Not just commitment to take on leadership role, but commitment to do the challenging and rewarding work of leadership. Without such commitment, leaders become figureheads or even obstacles to performance and development. When commitment fades, leaders must be prepared to step aside and hand the leadership reins to others. When leaders sense loss of commitment by others, they must address this fundamental leadership weakness

i. Competencies Count

Leaders must have intelligence or intellect as well as people, organizational, business and strategic competencies. Such competencies are amalgams of knowledge, understanding, skills and judgment.

a. Intellignece – Intellect

Good leaders are smart. They can cope with complexity and change. They understand cause-and-effect relationships. They separate the material from the trivial, the important from the unimportant. They think logically and frame and express their thoughts clearly. They find the right stuff to read, the programs to watch, and the experts to whom they should listen.

b. People Competencies

Good leaders understand people – what makes them tick, how to create motivated individuals and teams, factors impacting performance and the levers to pull to increase performance. They recognize potential and actual barriers to accurate perception and interpretation of the changing world around them. They recruit well or find people to recruit for them. They build and maintain high-performance teams from diverse individuals with different backgrounds, cognitive styles and perspectives. They understand when and how to collaborate effectively to achieve superior outcomes. They understand good leaders sometimes must be good followers, and they are prepared for this. Above all, they have high levels of self-awareness.

c. Organizational Competencies

Good leaders understand how their organizations work. They understand the organization of their competitors, partners, customers and other stakeholders. And they know how to work those organizations. They are politically astute without being corporate politicians. They analyze who exercises influence, persuasion and power in their organizations and how they do it, and then learn to do it themselves. They

understand the value of good organizational design and how to align strategy, structure, systems, processes, culture and people.

d. Business Competencies

Good leaders have a deep, intimate knowledge of their businesses or functions, if not at first, then shortly after becoming leaders. They understand how their organizations make money and lose it. They understand the risks they are taking on, how to get paid for taking those risks and how to avoid taking on risks they don't understand or get paid for. If they don't know these things at the moment they become leaders, they gather people around them who do and learn from them.

e. Strategic Competencies

Good leaders have a strategic competence that enables them to understand how to position their businesses for future opportunities and threats that may arise from changes in economic, political, societal, technological and competitive environments. They understand risks. They move easily between focusing on today's challenges and what lies on the horizon or beyond. They understand systems thinking and are able to see the impact on others of actions taken to address one issue. They use this strategic competence to chart the way forward for the businesses or functions they run.

f. Team-Based Competencies

In large, complicated or complex organizations, leaders may simply not be able to know everything they need to know about their businesses or functions. In this case, their people and organizational competencies should be used to develop a team competence that allows them to supplement their own competencies. These leaders are not ashamed of their ignorance in certain functional areas and ask for help.

g. Developing Competencies

While it is normal for leaders to excel on one or more of these competency dimensions, it is unacceptable for them to be entirely deficient in even one area if they

are to function effectively at senior levels. Early identification of developmental needs is critical to building leadership competencies in order to increase strengths and overcome weaknesses that may turn out to be "fatal" flaws at later career stages.

ii. Character Matters

While competencies determine what leaders can do, leadership character determines what they will do in different situations. Character can be expressed as a set of virtues, values and traits.

a. Virtues

Virtues are patterns of worthy behaviors including wisdom, courage, humanity, justice, prudence, temperance, compassion, integrity, transcendence, and accountability, each of which can be sub-divided into finer-grained behaviors. The opposite of virtues are vices, or unworthy behaviors such as cowardice, arrogance, recklessness or foolhardiness. In excess, many virtues become vices – excessive courage may lead to foolhardiness, good judgment to boldness, integrity to self-righteousness, and so on.

b. Values

Values are normative beliefs that influence or guide behaviors and many values carry the same labels as the virtues described above. Values cannot be measured directly but are inferred from behaviors. They are usually associated with words such as "should" or "ought", as in "Leaders should have integrity, transparency and compassion", or, "Leaders ought to treat everyone with dignity and respect", or, "Leaders should be socially responsible". Values, in this context, refer to individual beliefs rather than "corporate values" though, clearly, compatibility between the two results in better corporate and individual outcomes than incompatibility.

c. Traits

Traits are other personality dimensions including openness, conscientiousness, extroversion, agreeableness, emotional stability, neuroticism, hardiness, resiliency, tolerance for ambiguity and creativity, all of which have been related to leadership success and failure in much previous research. As with values, traits shape virtues: "neurotic" individuals tend to be intemperate and imprudent, conscientious people tend to be cautious, and so on.

Character and Leadership

These virtues, values and traits have been incorporated into various sets by leadership researchers. Many of these overlap, some are conceptually close but have different labels, while others share the same label but are conceptually distinct. It is less important that leaders or organizations adhere to one formulation than that they recognize how central character is to leadership.

Those who can lead organizations in good times and bad, through booms and busts, through a variety of ever-changing circumstance, may display characteristics that, at first sight, seem paradoxical. They are confident and humble, aggressive and patient, analytical and intuitive, principled and pragmatic, deliberate and decisive, candid and compassionate. Demonstrating behaviors consistent with seemingly opposed characteristics is a mark of the "leader for all seasons", unlike the more limited, "situation-specific leader" who is more one-dimensional. Just as leaders may have a narrow or wide competency bandwidth, they can have variable character bandwidth.

Character in its broadest sense impacts most, if not all, decisions made in organizations. Character is formed through living, reflecting, receiving feedback and criticism and refining one's approach to living but may also be influenced by experiences in educational and work settings.

iii. Commitment is Critical

Alongside competencies and character is the commitment to do the hard work of leadership and to continue to develop as a leader. Such commitment is forged from individual aspirations, and the preparedness to be fully engaged and make personal sacrifices in return for the opportunities and the rewards. Good leaders will be committed to the good of the organization they serve and the people who follow them rather than solely to their own self benefit.

a. Aspiration

The aspiration to do the hard work of leadership must be distinguished from the desire to merely occupy the position of leader and enjoy the rewards and privileges of rank. There are many who aspire to the later but far fewer who are relly prepared for the continuous, unrelenting work of leadership, especially in tough times when things are not going well.

b. Engagement

Good leaders are engaged in the mission and vision of the organization, often becaue they have had a role in formulating them. They are passionate about what the organization does, they have deep, intimate knowledge about how it works. They go the extra mile, take on the tough assignments, and do what's right for the organization, not necessarily what they would like to do for themselves.

c. Sacrifice

Good leaders make sacrifices to attract, develop and retain good followers. They share credit for achievements and shoulder responsibility for failure. They spend time developing the talents and careers of others when they are short on time themselves. They give un conventional ideas about balanced lifestyles and find creative way to balance work, family and other commitments.

d. Continuous Commitment

There often comes a time when leaders are no longer prepared to commit to the hard work of leadership. This may be temporary or may reflect a more permanent change in aspirations, desired levels of engagement or the degree of sacrifice that effective leadership requires. Those who recognize this state in themselves must act to yield their leadership roles tio others who are prepared to take on the challenge. Those who see it in others who may not be conscious of it must intervene to prompt this realization. When leaders no longer want to lead, leadership must change for the sake of both performance and continuity of leadership development.

Learning and Leading

Learning and leading go hand-in-hand and must be pursued at individual, group and organizational levels.

Individual Learning

Good leaders learn from every experience they have had and from any leader they have seen in action, good or bad. They learn from peers, people who report to them, competitors, partners and suppliers. They learn from their critics and their allies. But, in order to learn, they must be motivated and have the capability to learn.

Not every leader is good at learning or is prepared to constantly learn. Leaders may have personality traits that prevent them from being open to new ideas. They may lack the courage to move outside their comfort zones. They may lack the humility essential for learning or be overconfident, which leads to arrogance. They may be narcissistic and surround themselves with people who will not even suggest they ought to be learning something new for fear of displeasing them. They may simply lack the intellect to learn.

Leaders may get lazy about learning, believing that they have reached the peak of their learning curves and have no more to learn. This may be psychologically

comfortable space but it is one that prevents leaders improving, and will eventually lead to their underperformance and obsolescence. Good leaders never stop learning. At higher levels in organization they find themselves learning how to lead when the path ahead is unclear. This is a different type of learning than the mastery of a syllabus or body of known concepts, facts and skills. It requires an even greater cognitive bandwidth because much of what they must learn will be incongruent with the mental maps they have formed that previously guided them to success.

Group Learning

When leaders show others they are learning themselves, when they recognize learning is taking place, when they sponsor and personally attend learning events, they send signals that, when repeated often enough, become part of the organizations culture. When they work with other organizations in, say, the context of an industry group, they demonstrate their openness to learning. When leaders openly declare that they are doing it, and are keen to figure out how they can improve, they are shaping a learning culture for their organizations. As well, when they promote learners and pass over or remove those who believe they know it all, they are reinforcing that culture.

Organizational Learning

Senior leaders can establish mechanisms, processes and policies that support learning.. or not. A leader can decide whether learning is a strategic imperative or a "nice to have" and how much is spent on learning initiatives. A leader can decide what gets cut when budgets are tight and determine the organizational status of a function such as talent development. Leaders can require that personal development programs involving learning are either integrated into career or succession management or positioned as discretionary. They can be potent promoters of identifying and disseminating best practices within their organizations, or they can take a more passive role and let it happen. They have a determining role in developing the type of learning culture, processes and policies that their organizations will implement.

3.7.3 How People become good and better leaders

While the concept of "the born leader" may be attractive and suggests that good leadership is just a function of natural selection, for most people leadership is learned. Leaders tend to evolve along maturation pathways that may differ from one leader to another, but also have some common elements.

i. Performing

To become a leader, it is essential to demonstrate that you can perform at a high level in your chosen field as an individual contributor. This need to demonstrate performance ability is required at all stages of the leadership-development process.

ii. Risking

Leaders take risks with their personal careers. Not stupid, foolhardy or extreme risks, but pushing for new challenges, volunteering for the tough and sometimes unpleasant assignments that lead to learning, and making themselves visible by stating their desire for more challenging leadership roles. Some of this learning will come by failing and understanding how to manage that failure. Some will come from success, and learning how to handle that, too.

iii. Stretching

Leaders are constantly stretching, reaching for new performance levels and innovative and creative ways of contributing more to their organizations. They don't rest on their laurels, hunker down in their comfort zones, and become complacent.

iv. Learning

One leadership myth is that the learning curve is steepest in the early years, flattens as one learns to be a good leader, and is level toward the end of ones leadership career. Good leaders report that there is a learning cure – but that its shaped the other way! In the early stages they learn what others already know; at more advanced stages they learn about what is currently unknown which is far more.

v. Self-awareness

Through learning, leaders become more self-aware. They understand their strengths and their weaknesses, they impact they have on others and the impact that others have on them. They have a better understanding of their own competencies, character and the commitment they bring to their roles. This self-awareness adds to their strength as leaders, even when it is an appreciation of their own weaknesses. They recognize that they are their own raw material that can be moulded into something better.

vi. Trusting

Finally, leaders learn to trust. They recognize that to run successful organizations, they must be prepared to cede control to others, even as they retain responsibility and accountability for outcomes over which they have little or no control. They learn to trust their teams and themselves, both their knowledge and their intuition. And when that trust is betrayed, as is inevitable, they learn to rebuild trust again, for there is no practical alternative.

3.7.4   How good leaders are developed

Some organizations develop leaders and seek to have a surplus of them and others have to go to the market every time they need leaders. Most organizations develop some of their next-generation leaders and go to the market to hire only out of necessity or to strengthen or refresh the talent pool.

Organizations know for leadership development search out, attract and recruit talented people who have already exhibited leadership in other arenas and have demonstrated potential to do the same for their new employers. This leadership may have been in academic areas, in social activities, in sports, in the military, in community services, or in a variety of other fields.

These leader-development organizations convert this raw potential pool of talent into mature, high-performing leaders with a defined leadership profile for increasingly responsible leadership roles. The best of them do this in a systematic way that recognizes the importance of policies, pathways, programs and processes in which senior leaders are fully engaged. Designing and executing these requires a true partnership between executive leaders and leadership development / human resource professionals.

i. Profiles

Leadership profiles are clear statements of what the organization expects leaders to achieve, know, understand and be. The best of these specify the results leaders are expected to achieve (e.g. profitable growth), the competencies they should demonstrate (e.g. lead highly effective teams), and the character elements that describe good leaders in the organization (e.g. integrity). These profiles act as:

a. A beacon for aspiring leaders for those that aspire to higher levels of performance.

b. A performance check for current leaders.

c. A statement of accountability so that customers, suppliers, employees and community members know what to expect of a business organizations leaders, and,

d. A guide for leadership assessment and development

ii. Policies

Leadership-development policies address the goals and principles governing leadership talent development and may range from the all-encompassing, sweeping commitment, "to develop leadership talent from within," to more specific commitments, such as posting leadership opportunities so everyone can apply for them, or promoting the movement of talent between divisions or departments, so potential leaders can get critical experiences needed to develop to their maximum potential consistent with the current and future needs of the organization.

iii. Pathways

The best organizations for leadership development have given careful thought to the pathways people can take to get these critical experiences. They have identified jobs, roles, assignments and sometimes even the coaches and mentors who will provide the maximum value-added benefit to leadership development, depending on the individuals needs.

iv. Programs

These organizations use both custom-designed and customized programs and widely available open-enrollment public programs to further their development. Custom programs tend to focus on building organizational competencies and common culture, whereas open-enrollment programs develop people, business and strategic competencies.

v. Processes

Organizations known for leadership development also invest time and money in developing and integrating various leadership-development processes including recruiting, succession management, assessment, coaching, mentoring and personal development planning. Critically, they also ensure they retain leadership talent by continuing to offer challenging development assignments and ensuring compensation and benefits reflect competitive realities.

vi. Partnerships

Becoming and being a leadership-development organization requires a partnership between the executive team and leadership-development (LD) / organizational-development (OD) / human-resource (HR) professionals within the organization. The executives must provide the drive, energy and commitment to organization. The executives must provide the drive, energy and commitment to leadership development themselves by being, "leader-breeders," and ensuring, "leader-blockers" don't get in

the way of aspiring and capable individuals. They must also break down organizational barriers to mobility so people can get the experiences they need. The LD / OD / HR professionals must design the profiles, programs, pathways, processes and policies that make the whole thing work.

3.7.5   What societies expect of their business leaders

As long as corporations and their business leaders can have an impact on the economic, social and environmental health, welfare and well-being of the societies within which they operate, those societies will demand that they act responsibly. The demand for corporate social responsibility (CSR) will be expressed in marketplace response as well as through political and legislative channels and special interest groups.

i. CSR is the right approach

To be responsible for one's personal and corporate actions is a moral obligation even if it is not legally required. To the extent that business benefits from what a society has to offer, it is morally obliged to contribute to the health and welfare of that society. Unless faced with a completely unjust law – the apartheid rules in South Africa, for example – there is a moral obligation on business to obey the laws of the land. Beyond that there are moral obligations to clean up one's own mess, compensate people for harm that has been done, and otherwise take care of those whose lives and livelihoods may have been affected by corporate actions and managerial decisions.

ii. CSR is the smart approach

Business leaders derive their benefits from the societies within which they operate. It follows they must be positive contributors to the continued health and welfare of those societies because it is in their interest to do so.

Business have a conditional license to operate. If they meet societal expectations, they can operate. If they violate them, they will be controlled, regulated or perhaps put out of business.

Apart from any moral requirement to be socially responsible, business leaders must consider the interests of many stakeholders, including shareholders, integrate those interests where possible, and balance them when they are mutually exclusive (to the extent this is possible). Failure to do this analysis and act appropriately may be reflected in the reacting of customers, regulators, employees, investors and others, with subsequent implications for long-term shareholder value.

iii. The quantum of social responsibility

At the very minimum, business leaders must comply with relevant laws and regulations. Good business leaders should seek standards of excellence in areas such as environmental performance, safety and health, employment equality and discrimination that reflect positive societal trends when they can see ling-term benefits for their shareholders, customers, employees and communities. I am mindful of those that argue it is neither the purpose nor the prerogative of business leaders to lead social revolutions. This is not what I advocate. Rather, it is to respect existing social movements and use the resources of their organizations to enable them for the benefit of their stakeholders.

iv. Being socially responsible

I take the position that it is both right and sensible to act in a socially responsible way. I also acknowledge it is often not easy to define what this is. It requires business leaders to recognize different perspectives, seek creative ways to pursue joint problem-solving and find the appropriate balance between competing interests. I also take the position that it can never be right for business leaders to make decisions without, at least, carefully considering the impact of their actions on the communities, broader societies and economic and political systems within which they operate.

In order to identify leaders, it is important for organizations to understand what good leadership is all about, study some best practices in leadership development internationally and locally, and then, devise their own strategy on identifying and developing leaders.

CHAPTER 4.

DATA ANALYSIS

Contents

4.1   PART "A": Profile of Respondents

4.2   PART "B": Detailed Analysis on Leadership Development

4.3   PART "C": Detailed Analysis on Assessment Centre

4.4   Testing of Hypothesis

In order to conduct the study of identification of leaders with special reference to assessment centre method, questionnaires were designed to collect the data from respondents in India. Each respondent is an executive of FMCG company. Total 50 questionnaires were collected from respondents. The data are analyzed as under:

4.1 PART "A": Profile of Respondents

There were 50 respondents surveyed for the study. The profile of the respondents as per gender, age, experience, educational qualification and position is given below.

1.   Gender-wise profile: The gender – wise profile of the respondents is given below:

Table 4.1

Gender-wise Profile

Gender	Frequency	Percentage
Male	30	60%
Female	20	40%
Total	50	100%

The above data can be presented in a Pie – Chart as follows:

Chart 4.1

Gender-wise Profile
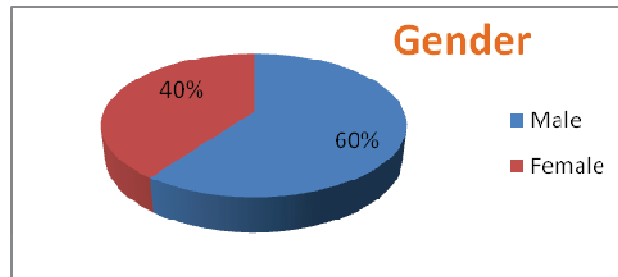
As per data given in Table 4.1 above, 60% of the respondents are male out of total respondents, whereas 40% of the total respondents are female.

2. **Age-wise profile:** The age – wise profile of the respondents is given below:

Table 4.2

Age-wise Profile

Age	Frequency	Percentage
18 years - 25 years	4	8%
26 years - 35 years	26	52%
36 years - 50 years	20	40%
51 years - 60 years	0	0%
Total	50	**100%**

The above data can be presented in a diagram as follows:

Chart 4.2

Age-wise Profile
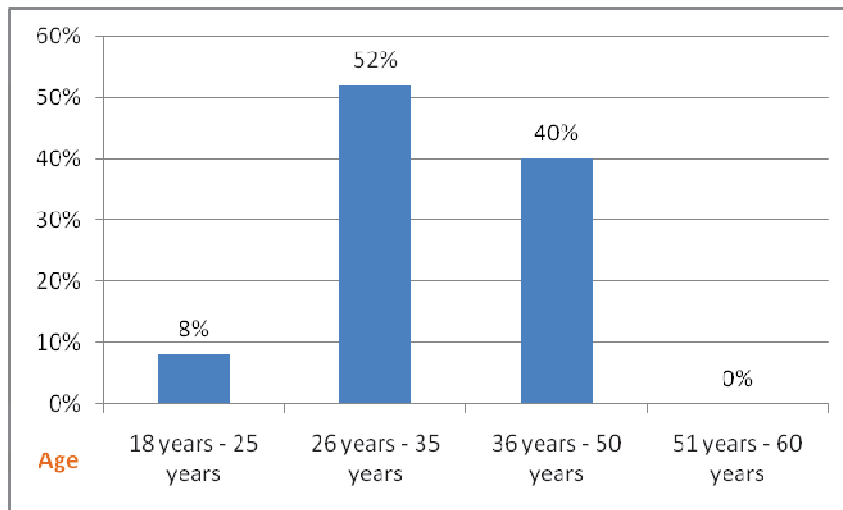
Table 4.2 gives the age-wise profile of the respondents. As per the table, 52% of the respondents were from the age group of 26 years – 35 years, 40% of the respondents in the age group of 36 years – 50 years and 8% of the respondents in the age group of 18 years – 25 years. There are no respondents in the 51 years and above category. Thus, it is clear that 60% of respondents are 35 years or below that age.

3. Experience-wise Profile: The experience-wise profile of the respondents is given below:

Table 4.3

Experience-wise Profile

Experience	Frequency	Percentage
1 year – 5 years	14	28%
6 years – 10 years	14	28%
11 years – 20 years	18	36%
20 years – 30 years	2	4%
30 + years	2	4%
Total	50	**100%**

The above data can be presented in a diagram as follows:

Chart 4.3

Experience-wise Profile
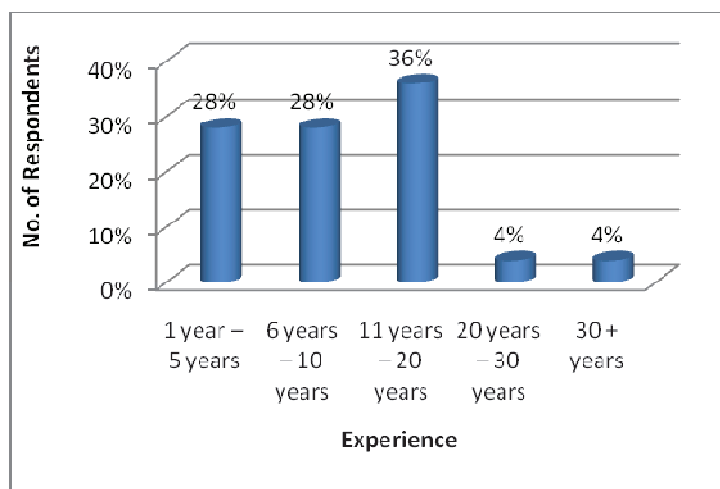
Table 4.3 revealed that 36% of the respondents are in the experience group of 11 years – 20 years. 28% of respondents are in the experience group of 1 years – 5 years and 6 years – 10 years. 4% of respondents are in the experience group of 20 years – 30 years and more than 30 years.

4. Tenure with the current organization: The respondents were asked how long they are working with the current organization. Their responses are given below:

<center>**Table 4.4**</center>

<center>**Tenure with current organization**</center>

Tenure with current organization	Frequency	Percentage
0 - 2 years	19	38%
3 - 5 years	24	48%
6 - 10 years	6	12%
More than 10 years	1	2%
Total	50	100%

The above data can be presented in a diagram as follows:

<center>**Chart 4.4**</center>

<center>**Tenure with current organization**</center>
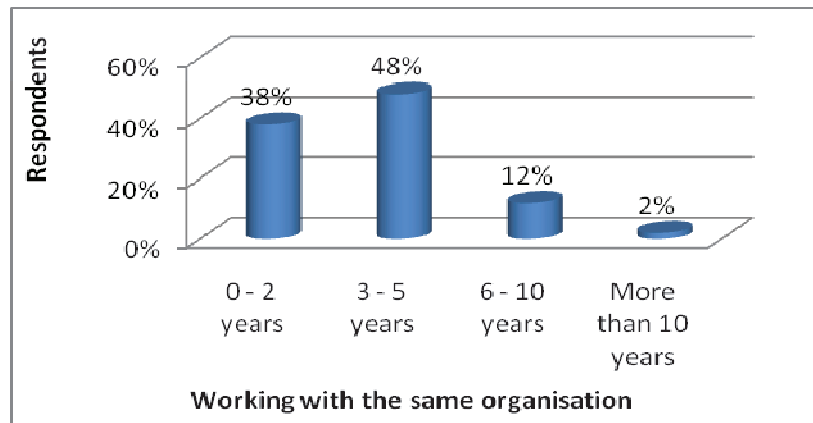
Table 4.4 revealed that 48% of respondents are working with the current organsiation for 2 – 5 years. 38% of respondents are working with the current organization for 0 – 2 years. 12% of respondents are working with the current organization for 5 – 10 years. Only 2% of respondents are working in the current organization for more than 10 years.

5. Education-wise Profile: The education-wise profile of the respondents is given below:

Table 4.5

Education-wise Profile

Education	Frequency	Percentage
Graduate	2	4%
Post Graduate	29	58%
Professional Degree	19	38%
Others	0	0%
Total	50	**100%**

The above data can be presented in a diagram as follows:

Chart 4.5

Education-wise Profile

Education

- Graduate 4%
- Post Graduate 58%
- Professional Degree 38%
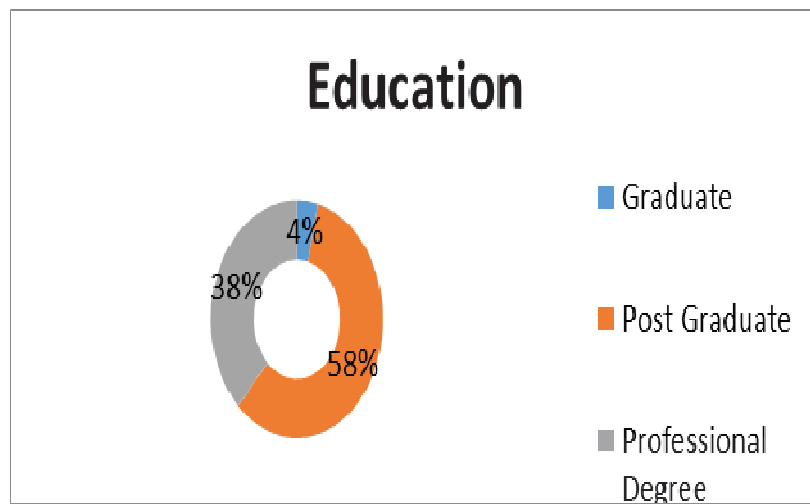
Table 4.5 revealed that 58% of the respondents were post graduates, 38% were holding professional degree and only 4% were graduates. There were no respondents in the other qualifications category. This shows that the respondents were highly educated.

6. Position-wise Profile: The position-wise profile of the respondents is given below:

Table 4.6

Position-wise Profile

Position	Frequency	Percentage
Top level	4	8%
Middle level	38	76%
Lower Level	8	16%
Total	50	**100%**

The above data can be presented in a diagram as follows:

Chart 4.6

Position-wise Profile
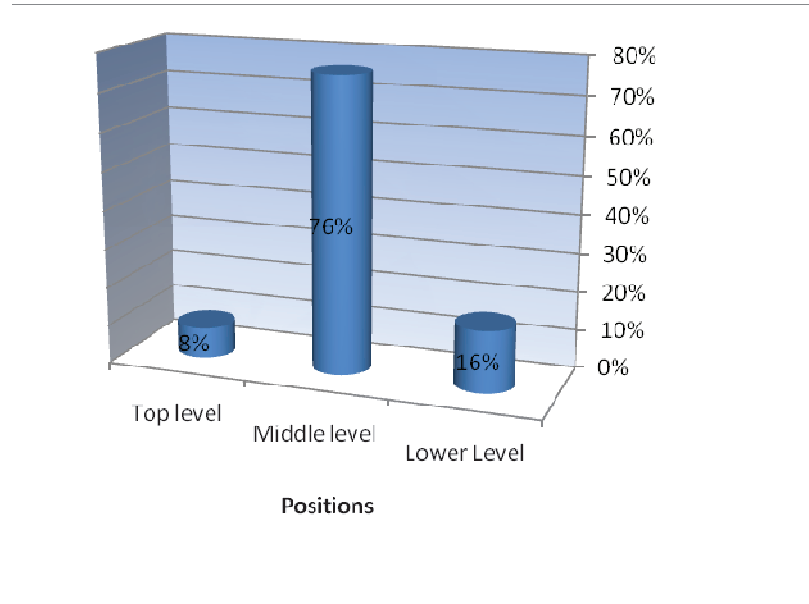
Table 4.6 above revealed that 76% of the respondents were in the middle level management, 16% of the respondents were in the lower level management and 8% respondents were in the top level management. The data clearly states that the highest number of respondents were from the middle level management.

7. Employees working in the current organization: The respondents were asked about the number of employees working in their organization. Their responses are given below:

Table 4.7

Number of employees working in the current organization

Number of employees	Frequency	Percentage
Less than 100	0	0%
101 to 500	1	2%
501 to 1000	20	40%
More than 1000	29	58%
Total	50	100%

The above data can be presented in a diagram as follows:

Chart 4.7

Number of employees working in the current organization
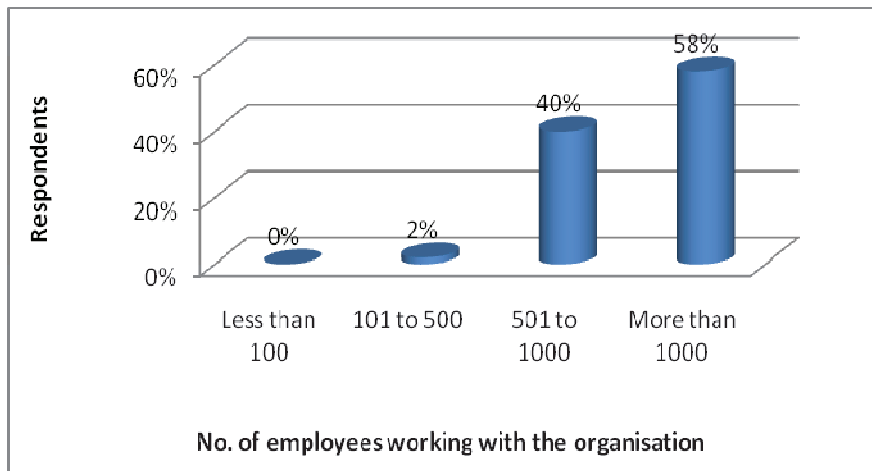
As per data given in Table 4.7 above, 58% of respondents say that more than 1000 employees work in their organization. 40% of respondents say that 501 to 1000 employees work in their organization. 2% of respondents say that 101 to 500 employees work in their organization. There was no respondent with less than 100 employees in their organization.

4.2 PART "B": Detailed Analysis on Leadership Development

The detailed analysis on the leadership development related data is given below

1. Awareness about leadership development practices: The respondents were asked whether they are aware of leadership development practices followed in their organization. Their responses are given below:

Table 4.8

Awareness about leadership development practices

Awareness	Frequency	Percentage
Yes	50	100%
No	0	0%
Total	50	**100%**

The above data can be presented in a diagram as follows:

Chart 4.8

Awareness about leadership development practices
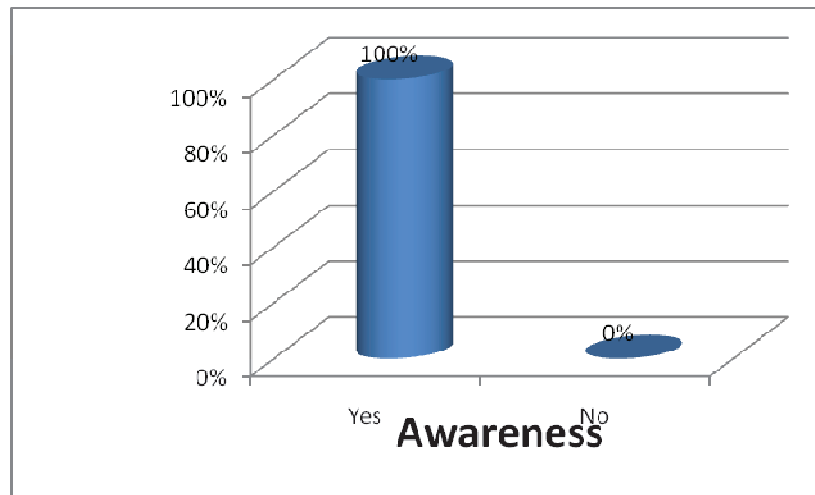
Table 4.8 revealed that all the respondents are aware of the leadership development practices followed in their organizations. This clearly shows that there is a high degree of awareness of leadership development practices amongst the respondents. One reason for this high degree of awareness of leadership development practices should be that 84% of the respondents were middle level and above in the echelons of management hierarchy.

2. Leadership Development : The respondents were asked whether the leadership positions in their organization are grown or are hired from outside:

Table 4.9

Leadership Development

Grown or hired	Frequency	Percentage
Grown	12	24%
Hired	7	14%
Both grown and hired	31	62%
Total	50	**100%**

The above data can be presented in a diagram as follows:

Chart 4.9

Leadership Development
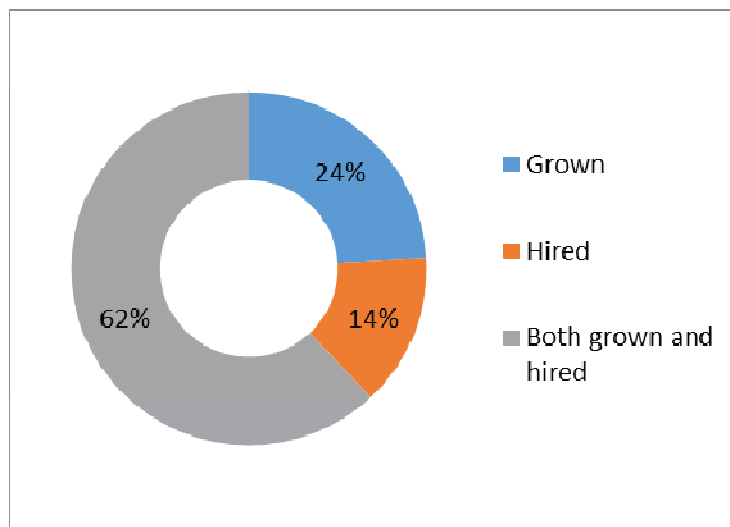
Table 4.9 revealed that 62% of the respondents said that the leadership positions in their organization are both grown and hired, 24% of the respondents said that the leadership positions in their organization are grown within and 14% of the respondents said that the leadership positions in their organization are hired. It shows that the highest number of respondents, 62% are following the practice of both hiring as well as growing leaders in the organization, followed by 24% who said that they are growing leadership positions within the organization. Only 14% respondents said that they hire for leadership positions outside their organization.

3. Written plan to identify leaders for the business : The respondents were asked whether their companies have a written plan to identify leadership positions. Their responses are given below:

Table 4.10

Written Plan to identify leaders

Written plan	Frequency	Percentage
Not at all	9	18%
Some times	21	42%
Most of the times	19	38%
Completely	1	2%
Total	50	**100%**

The above data can be presented in a diagram as follows:

Chart 4.10

Written Plan to identify leaders
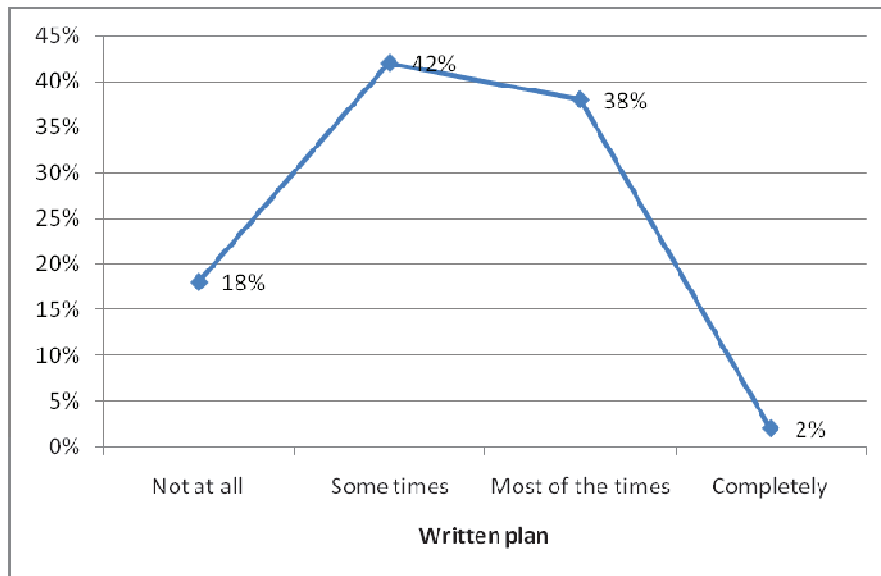
As per data given in Table 4.10 above, 42% of the respondents sometimes have a written plan to identify leaders for their business. 38% of the respondents most of the times have a written plan to identify leaders for their business. 18% of the respondents do not have any written plan to identify leaders for their business. 2% of the respondents completely have a written plan to identify leaders for their business. The above clearly shows that when it comes to writing down the plan to identify leaders, not many companies are doing it. 18% of respondents do not do it at all, while 42% of respondents do it sometimes. Only 2% of the respondents do it completely. Without a proper plan, an effective execution is difficult. A plan cannot be said as full-proof, unless it is written.

4. Leader Identification Model : The respondents were asked whether their companies have a defined leader identification model to identify leadership positions. Their responses are given below:

Table 4.11

Leader Identification Model

Leader Identification model	Frequency	Percentage
Not at all	15	30%
Some times	19	38%
Most of the times	13	26%
Completely	3	6%
Total	50	**100%**

The above data can be presented in a diagram as follows:

Chart 4.11

Leader Identification Model

Leader Identification Model
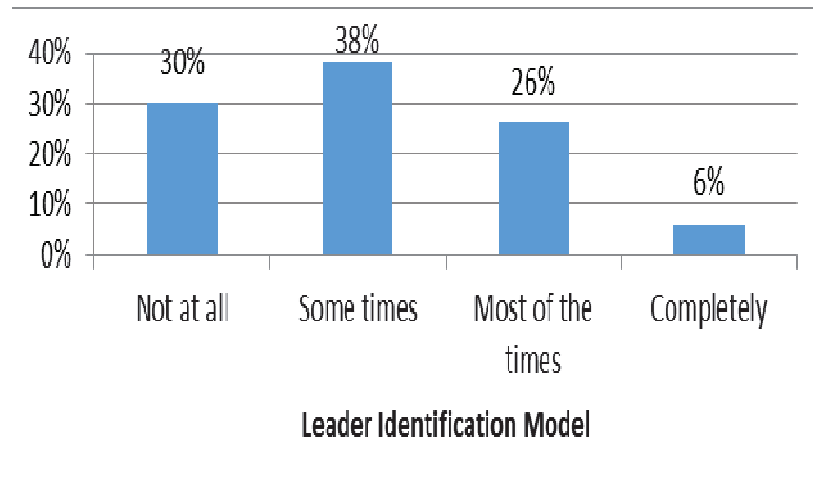
As per data given in Table 4.11 above, 38% of the respondents sometimes have a leader identification model for their business. 30% of the respondents do not have a leader identification model. 26% of the respondents most of the times have a leader identification model. 6% of the respondents completely have a leader identification model. The above clearly shows that majority of companies are either not having leader identification model or sometimes they make leader identification model to identify leaders. Only 6% of respondents revealed that they completely have a leader identification model.

5. Leadership Development an important agenda of board meetings: The respondents were asked if leadership development is an important agenda of board meetings in their organization. Their responses are given below:

Table 4.12

Leadership Development as an important agenda of board meetings

Board meeting agenda	Frequency	Percentage
Not at all	3	6%
Some times	31	62%
Most of the times	12	24%
Completely	4	8%
Total	50	**100%**

The above data can be presented in a diagram as follows:

Chart 4.12

Leadership Development as an important agenda of board meetings
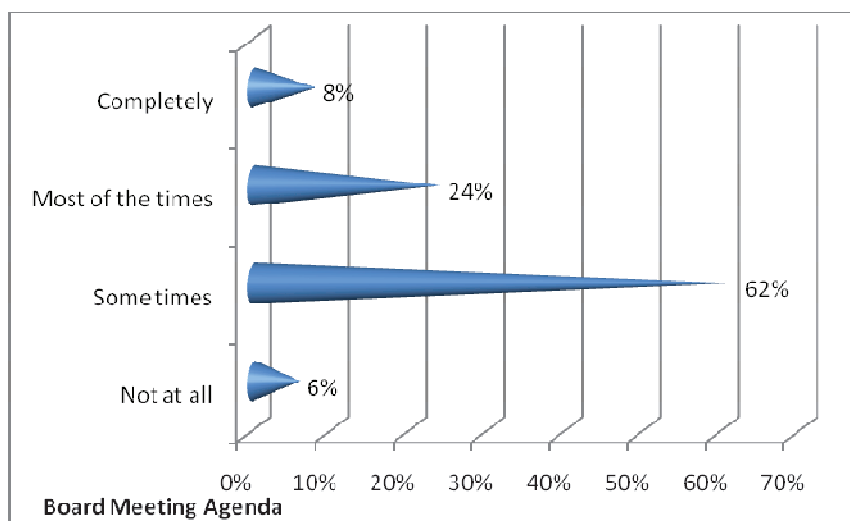
Table 4.12 revealed that 62% of the respondent companies sometimes have the agenda of leadership development in their board meetings. 24% of the respondent companies most of the times have leadership development as an agenda of their board

meetings. 8% of the respondents companies completely have leadership development as an agenda of their board meetings. 6% of the respondent companies completely have leadership development as an agenda of their board meetings. This analysis shows that leadership development is not an important agenda in the board meetings of most of the companies. Only 6% respondents said that it is completely part of their board meeting agenda.

6. Leadership Development as Key Result Areas (KRAs) of Managers: The respondents were asked if leadership development is one of the Key Result Areas of Managers. Their responses are given below:

Table 4.13

Leadership Development as KRA of Managers

KRA of Managers	Frequency	Percentage
Not at all	8	16%
Some times	16	32%
Most of the times	15	30%
Completely	11	22%
Total	50	**100%**

The above data can be presented in a diagram as follows:

166

Chart 4.13

Leadership Development as KRA of Managers
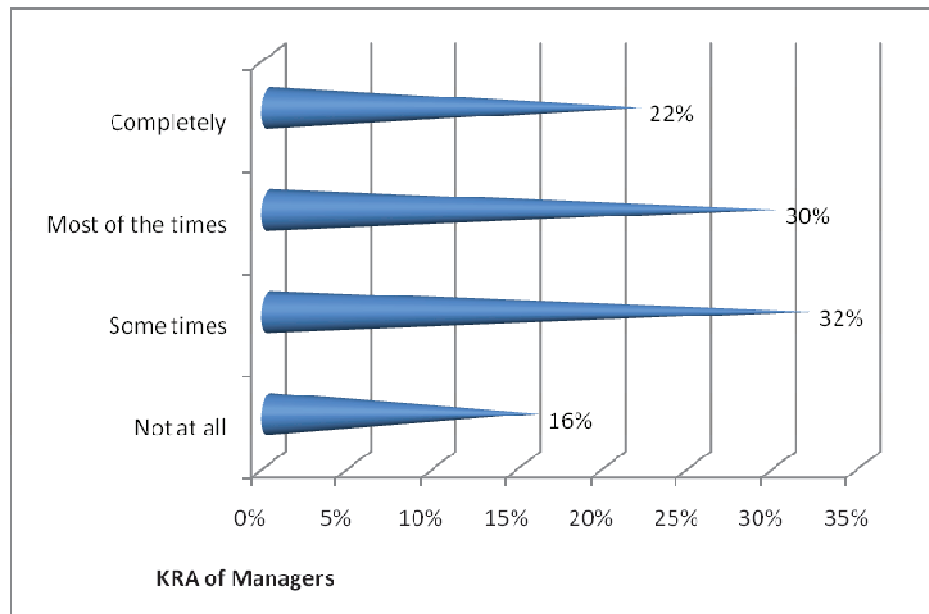
KRA of Managers

Table 4.13 revealed that in 32% of companies, leadership development is sometimes the KRA of their managers. In 30% of companies, leadership development is most of the times the KRA of their managers. In 22% of companies, leadership development is completely the KRA of their managers. In 16% of companies, leadership development is not the KRA of their managers. The data revealed a mixed response on the managers KRA to develop leaders at every level in the organization. Close to half of the respondents (48%) do not do it, or do it sometimes in their organization, whereas approximately another half of the respondents (52%) do it most of the times or completely.

7. Leadership Assessment while hiring: The respondents were asked if they do leadership assessment while hiring employees. Their responses are given below:

Table 4.14

Leadership Assessment while hiring

Leadership assessment while hiring	Frequency	Percentage
Not at all	7	14%
Some times	18	36%
Most of the times	16	32%
Completely	9	18%
Total	50	**100%**

The above data can be presented in a diagram as follows:

Chart 4.14

Leadership Assessment while hiring

168
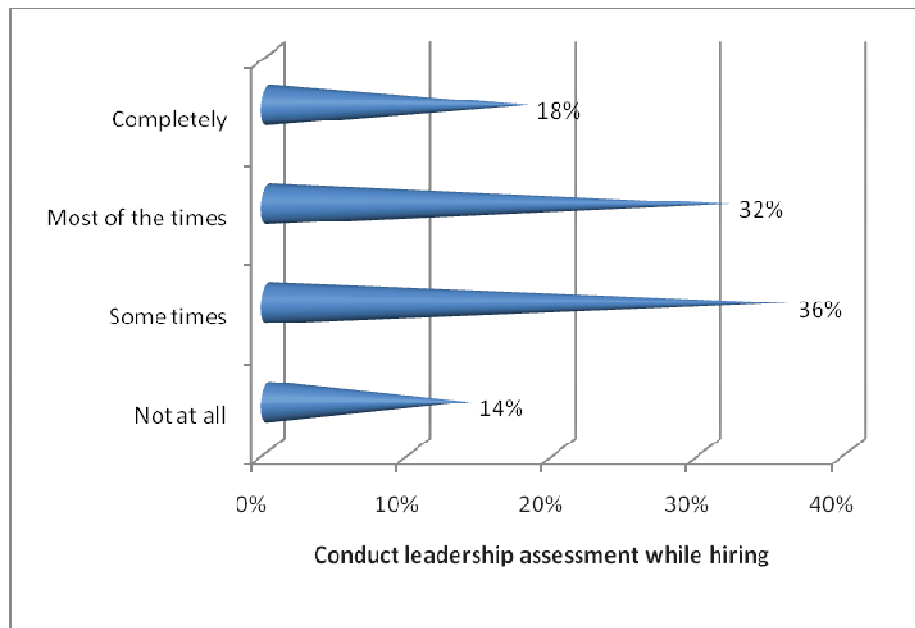
As per data given in Table 4.14 above, 36% of respondents sometimes conduct leadership assessment while hiring employees. 32% of respondents most of the times conduct leadership assessment while hiring employees. 18% of respondents completely conduct leadership assessment while hiring. 14% of respondents do not at all conduct leadership assessment while hiring. The above data analysis reveals that half of the respondents have not taken up leadership assessment while hiring very seriously as they either are not doing it at all, or they do it sometimes. The data further reveals that the other half of the respondents have seriously taken up leadership assessment while hiring as they are either most of the times doing it or they do it completely.

8. Different programs to develop leadership: The respondents were asked if they run different programs to develop leadership in their organization. Their responses are given below:

Table 4.15

Different programs to develop leadership

Programs to develop leadership	Frequency	Percentage
Not at all	8	16%
Some times	23	46%
Most of the times	11	22%
Completely	8	16%
Total	50	**100%**

The above data can be presented in a diagram as follows:

Chart 4.15

Different programs to develop leadership
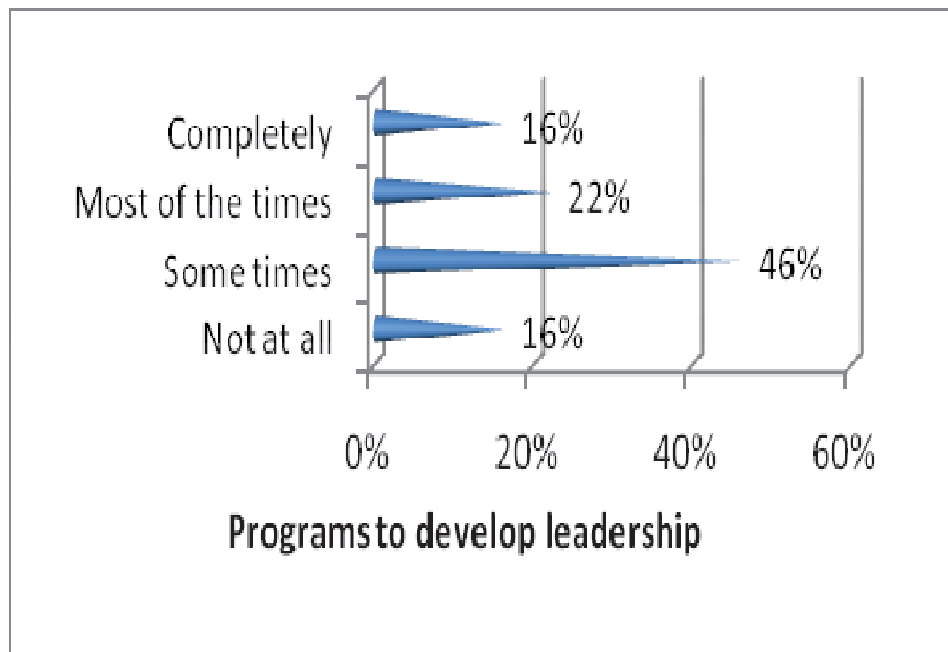
As per data given in Table 4.15 above, 46% of respondents sometimes run programs to develop leadership in their organization. 22% of respondents are most of the times running different programs to develop leadership in their organization. 16% of respondents are completely running different programs to develop leadership in their organization and equal percentage of respondents are not at all running any program to develop leadership in their organization. The above data analysis reveals that only 38% of respondents are running different programs to develop leadership as 22% do it most of the times and 16% do it completely. This shows that companies should start running different leadership programs to develop leadership in their organization.

9. Integration of leadership development programs with organizational goals:
The respondents were asked if their organizational leadership development programs are well integrated with the organization goals. Their responses are given below:

Table 4.16

Integration of leadership development programs with organizational goals

Integration	Frequency	Percentage
Not at all	3	6%
Some times	18	36%
Most of the times	13	26%
Completely	12	24%
Not applicable	4	8%
Total	50	**100%**

The above data can be presented in a diagram as follows:

Chart 4.16

Integration of leadership development programs with organizational goals
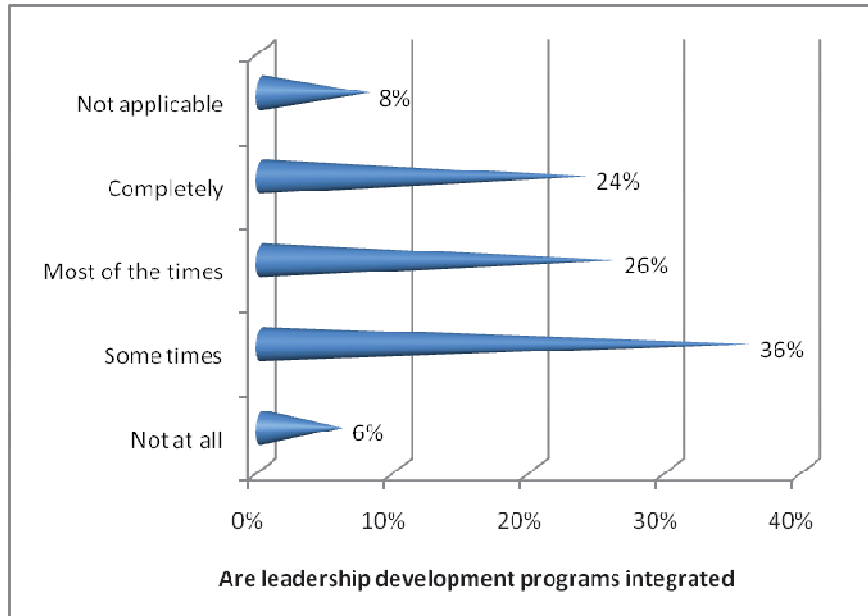
As per data given in Table 4.16 above, 36% of respondents say that leadership development programs are sometimes well integrated with organization goals. 26% of respondents say that leadership development programs are most of the times well integrated with organization goals. 24% of respondents say that leadership development programs are completely well integrated with organization goals. 8% of respondents say that this is not applicable to them. 6% of respondents say that leadership development programs are not at all integrated with their organization goals. The data revealed that half of the respondents either do it most of the times (26%) or do it completely (24%).

10. Doing different to identify leaders internally: The respondents were asked if they do anything different to identify leaders internally. Their responses are given below:

Table 4.17

Doing different to identify leaders internally

Particulars	Frequency	Percentage
Yes	24	48%
No	26	52%
Total	50	**100%**

The above data can be presented in a diagram as follows:

Chart 4.17

Doing different to identify leaders internally

Doing different to identify leaders internally
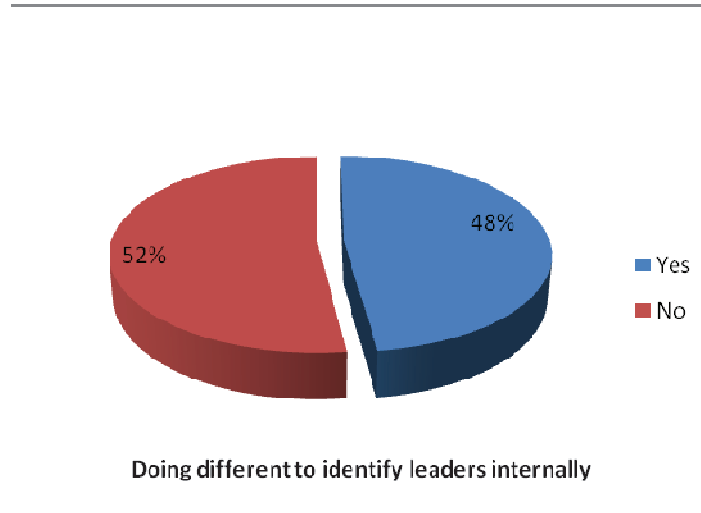
As per data given in Table 4.17 above, 48% of respondents say that they do different things to identify leaders internally, whereas 52% of respondents say that they do not do anything different to identify leaders internally. The data shows that almost half of the respondents do different things to identify leaders internally, while approximately another half of the respondents do not do different things to identify leaders internally.

11. Leadership training programs conducted : The respondents were asked about the leadership training programs currently conducted by their organization. Their responses are given below:

Table 4.18

Leadership training programs conducted

Leadership training programs	Frequency	Percentage
Assessment Centre	12	24%
Coaching & Mentoring	23	46%
Job Rotation / Transfers	6	12%
B – school Assignment – Executive Leadership Development program	8	16%
No leadership training programs are conducted	1	2%
Total	50	**100%**

The above data can be presented in a diagram as follows:

Chart 4.18

Leadership training programs conducted
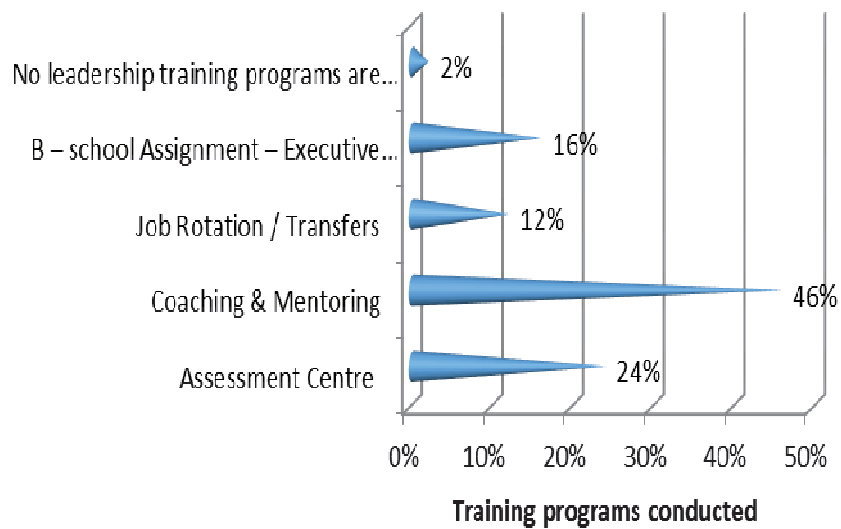
As per data given in Table 4.18 above, 46% of respondents say they conduct leadership development program with the help of Coaching & Mentoring program. 24% of respondents say that they run Assessment Centre to conduct leadership program. 16% of respondents say that they give B – School Assignment – Executive Leadership Development program as part of leadership training program. 12% of respondents say that as part of leadership training program, they do job rotation / transfers. 2% of respondents say that no leadership training programs are conducted in their organization. The data analysis further reveals that coaching & mentoring, followed by assessment centre is the most conducted leadership training program in the organization of the respondents.

12. Ensuring active participation in leadership development programs: The respondents were asked what do they do to ensure active participation in leadership development programs. Their responses are given below:

Table 4.19

Ensuring active participation in leadership development programs

Participation	Frequency	Percentage
Compulsory Participation	18	36%
Growth linked to attending the program	8	16%
Superiors are responsible to ensure participation	10	20%
By spreading awareness on importance of leadership development programs	14	28%
Total	50	**100%**

The above data can be presented in a diagram as follows:

Chart 4.19

Ensuring active participation in leadership development programs
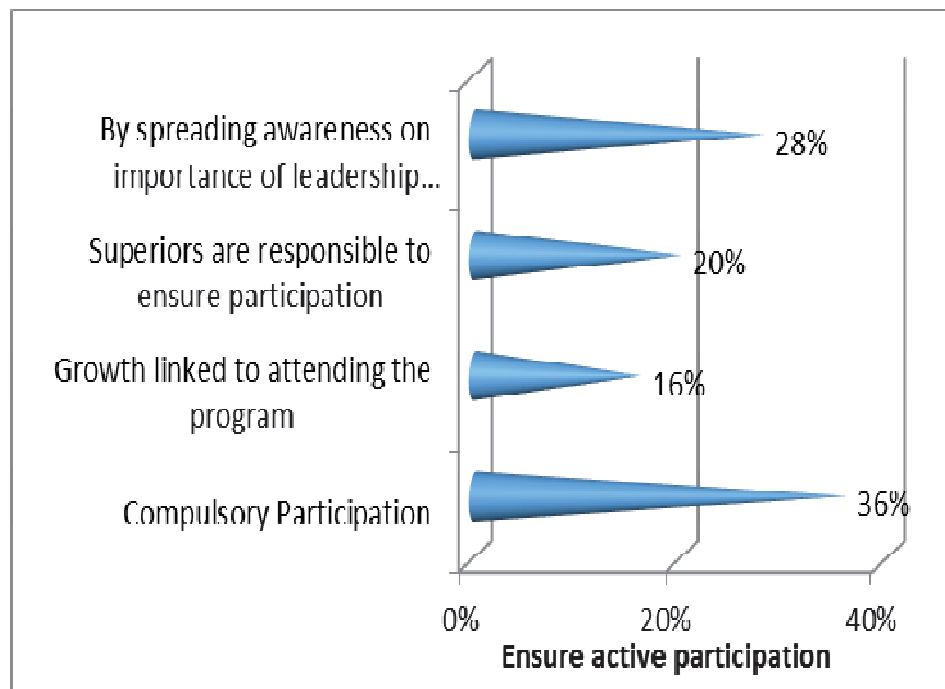
As per data given in Table 4.19 above, 36% respondents say that they ensure active participation in leadership development programs through compulsory participation. 28% respondents say that they ensure active participation by spreading awareness of importance of leadership development programs. 20% of respondents say that superiors in their organization are responsible to ensure active participation in leadership development programs. 16% of respondents say that in order to ensure active participation in leadership development programs, growth is linked to attending the program. The data clearly reveals that compulsory participation is the most used method by the respondents to ensure active participation in leadership development programs.

13. Leaders internally sourced: The respondents were asked what percent of leaders in their organization are internally sourced or identified. Their responses are given below:

<div align="center">

Table 4.20

Leaders internally sourced

</div>

Internal Sourcing	Frequency	Percentage
Less than 25%	10	20%
Between 26% to 50%	25	50%
Between 51% to 75%	11	22%
More than 75%	4	8%
Total	50	**100%**

The above data can be presented in a diagram as follows:

<div align="center">

Chart 4.20

Leaders internally sourced

</div>
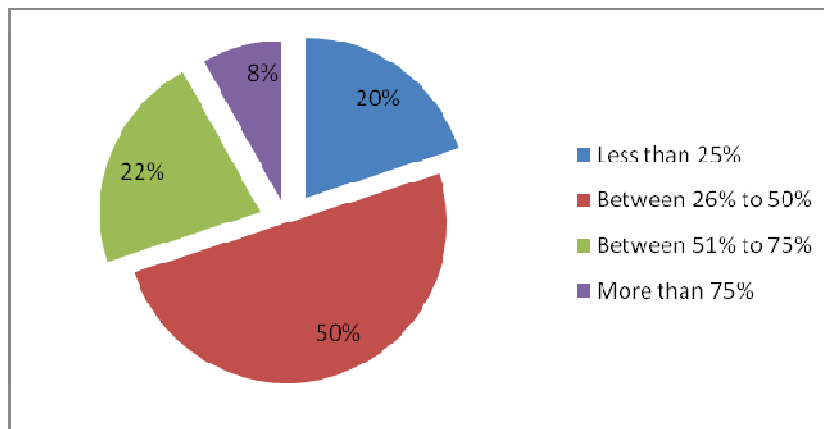
Data given in Table 4.20 above revealed that 50% respondents say that between 26% to 50% of leaders in their organization are internally sourced. 22% respondents say that between 51% to 75% of leaders in their organization are internally sourced. 20% of respondents say that less than 25% of leaders in their organization are internally sourced. 8% of respondents say that more than 75% of leaders in their organization are internally sourced. This shows that half of the respondents say that 26% to 50% of leaders in their organization are internally sourced. The data also revealed that very few respondents (8%) said that more than 75% of leaders in their organization are internally sourced. The data further reveals that only 30% of companies are sourcing more than 50% of leadership positions internally.

14. Methods used to identify leaders internally: The respondents were asked what are the different methods used in their organization to identify leaders internally. Their responses are given below:

Table 4.21

Methods used to identify leaders internally

Internal Methods	Frequency	Percentage
Assessment Centres	12	24%
360 Degree Feedback	3	6%
Performance Appraisal	29	58%
Leaders are identified informally	6	12%
We do not find leaders internally	0	0%
Total	50	**100%**

The above data can be presented in a diagram as follows:

Chart 4.21

Methods used to identify leaders internally
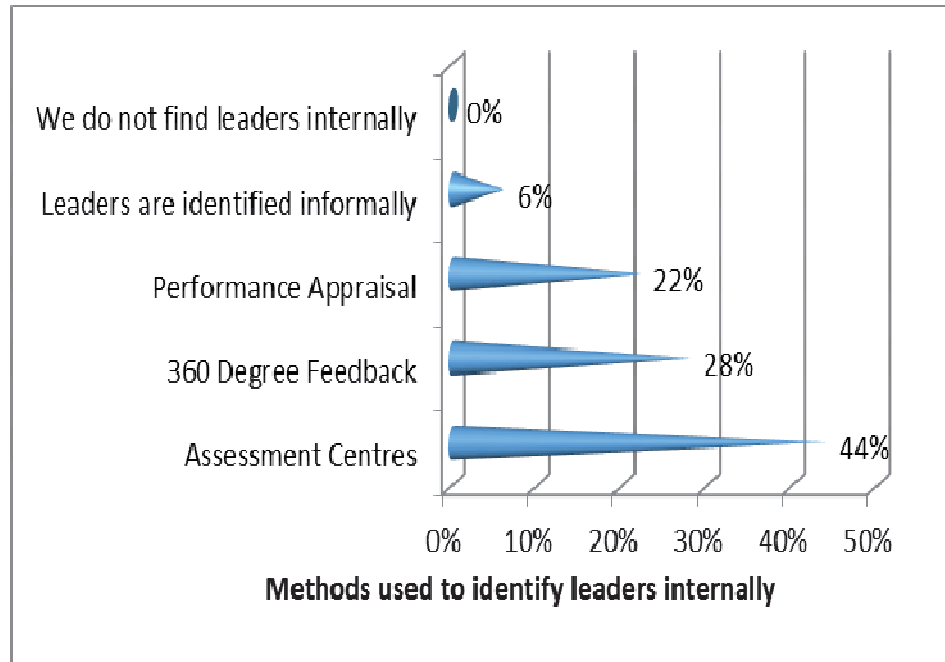
As per data given in Table 4.21 above, 58% of respondents say that they use performance appraisal method to identify leaders internally. 24% of respondents say that they use assessment centres as a method to identify leaders internally in their organization. 12% of respondents say that they identify leaders informally internally. 6% of respondents say that they use 360 degree feedback method to identify leaders internally. None of the respondents said that they do not find leaders internally. This analysis shows that performance appraisal is the most widely used appraisal method to identify leaders internally followed by assessment centre method. Further, it can also be analyzed from the data that all the respondents find leaders internally.

15. Best method to identify leaders internally: The respondents were asked what is the best method to identify leaders internally. Their responses are given below:

Table 4.22

Best method to identify leaders internally

Best method to identify leaders internally	Frequency	Percentage
Assessment Centres	22	44%
360 Degree Feedback	14	28%
Performance Appraisal	11	22%
Leaders are identified informally	3	6%
We do not find leaders internally	0	0%
Total	50	**100%**

The above data can be presented in a diagram as follows:

Chart 4.22

Best method to identify leaders internally
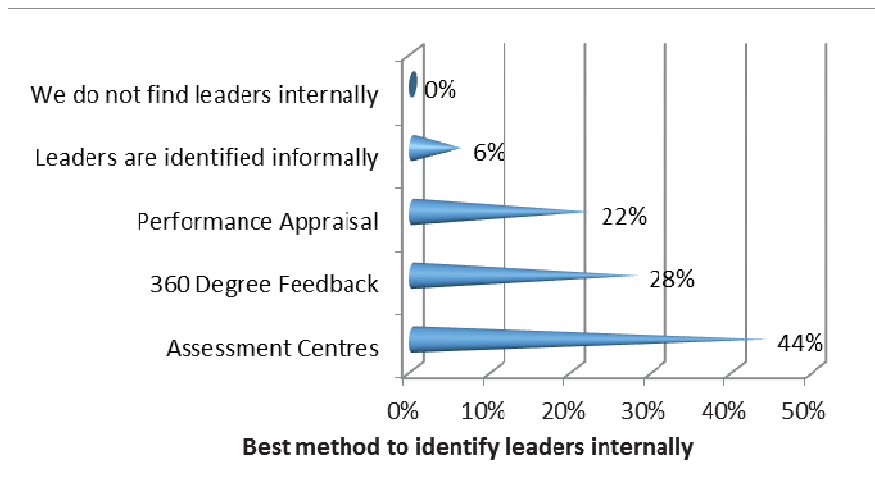
As per data given in Table 4.22 above, 44% of respondents say that Assessment Centre is the best method to identify leaders internally. 28% of respondents say that 360 degree feedback is the best method to identify leaders internally. 22% of respondents say that performance appraisal method is the best method to identify leaders internally. 6% of respondents say that identifying leaders informally is the best method to identify leaders internally. There were no respondents who said that they do not find leaders internally. The above analysis clearly shows that the respondents feel that assessment centre is the best method to identify leaders internally although as per table 4.21, performance appraisal was the most widely used method to identify leaders internally. The data further shows that although 360 degree feedback was the least used method to identify leaders internally as per table 4.21, it is the second most preferred method to identify leaders amongst the respondents. Performance appraisal is the third best method after assessment centre and 360 degree feedback method to identify leaders internally.

16. Methods used to identify leaders from outside: The respondents were asked the different methods they use to identify leaders from outside. Their responses are given below:

Table 4.23

Methods used to identify leaders from outside

Methods used to identify leaders from outside	Frequency	Percentage
Assessment Centres	1	2%
Structured Interview process	33	66%
Both Assessment Centres as well as Structured Interview process	12	24%
We do not hire leaders from outside	4	8%
Total	50	**100%**

The above data can be presented in a diagram as follows:

Chart 4.23

Methods used to identify leaders from outside
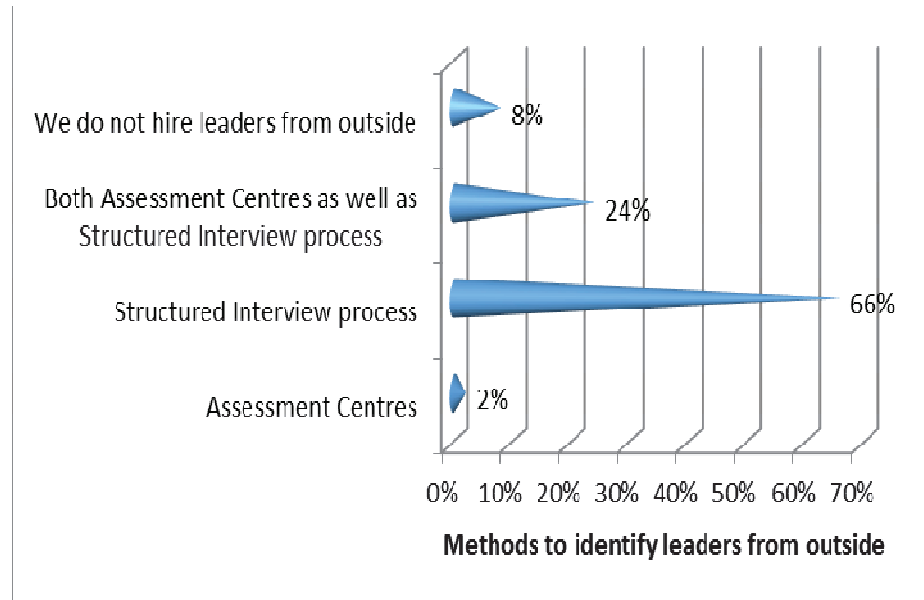
Table 4.23 revealed that 66% of the respondents say that they use structured interview process to identify leaders from outside. 24% of respondents use both assessment centre as well as structured interview process to identify leaders from outside. 8% of respondents said that they do not hire leaders from outside. 2% of respondents said that they use assessment centre method to identify leaders from outside. The above analysis shows that when it comes to hiring from outside, structured interview process is the most widely used method amongst the respondents. The analysis also reveals that few companies do not hire leaders from outside.

17. Best method to identify leaders from outside: The respondents were asked what is the best method to identify leaders from outside. Their responses are given below:

Table 4.24

Best method to identify leaders from outside

Best method to identify leaders from outside	Frequency	Percentage
Assessment Centres	9	18%
Structured Interview process	28	56%
Both Assessment Centres as well as Structured Interview process	11	22%
We do not hire leaders from outside	2	4%
Total	50	**100%**

The above data can be presented in a diagram as follows:

Chart 4.24

Best method to identify leaders from outside
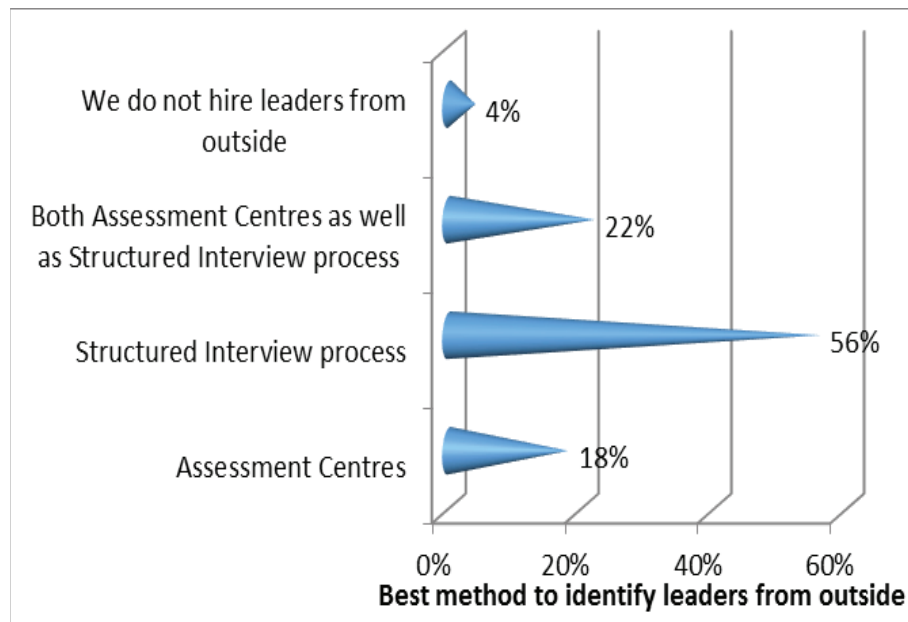
As per data given in Table 4.24 above, the survey stated that 56% of the respondents said that structured interview process is the best method to identify leaders from outside. 22% of the respondent said that both assessment centres as well as structured interview is the best method to identify leaders from outside. 18% of the respondents said that assessment centre is the best method to identify leaders from outside. 4% of the respondents said that they do not hire leaders from outside. The analysis of table 4.23 and 4.24 above shows that although only 2% of organizations use assessment centre to identify leaders from outside, but 18% respondents feel that it is one of the best method to identify leaders from outside.

18. Organization forced to look outside the existing workforce: The respondents were asked for what type of leadership positions, they are forced to look outside the existing workforce. Their responses are given below:

Table 4.25

Organization forced to look outside the existing workforce

Particulars	Frequency	Percentage
Top level	27	54%
Middle level	23	46%
Total	50	**100%**

The above data can be presented in a diagram as follows:

Chart 4.25

Organization forced to look outside the existing workforce

Organisation forced to look outside workforce

46%   54%

■ Top level
■ Middle level
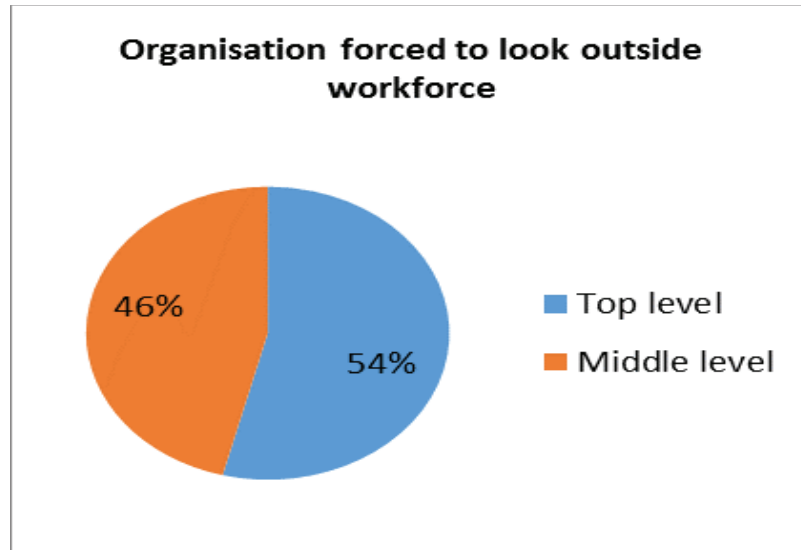
As per data given in Table 4.25 above, 54% of respondents said that they are forced to look outside the existing workforce for top level positions, whereas, 46% of respondents are forced to look outside the existing workforce for middle level positions.

19.   Assessment of effectiveness of leadership development programs: The respondents were asked how is the effectiveness of leadership development programs assessed in their organization. Their responses are given below:

Table 4.26

Assessment of effectiveness of leadership development programs

Particulars	Frequency	Percentage
Feedback	12	24%
Assessing the performance after the program	13	26%
Follow-up of entire process of the leadership development program	10	20%
Through business performance	8	16%
We do not assess the effectiveness of leadership development program	7	14%
Total	50	**100%**

The above data can be presented in a diagram as follows:

Chart 4.26

Assessment of effectiveness of leadership development programs
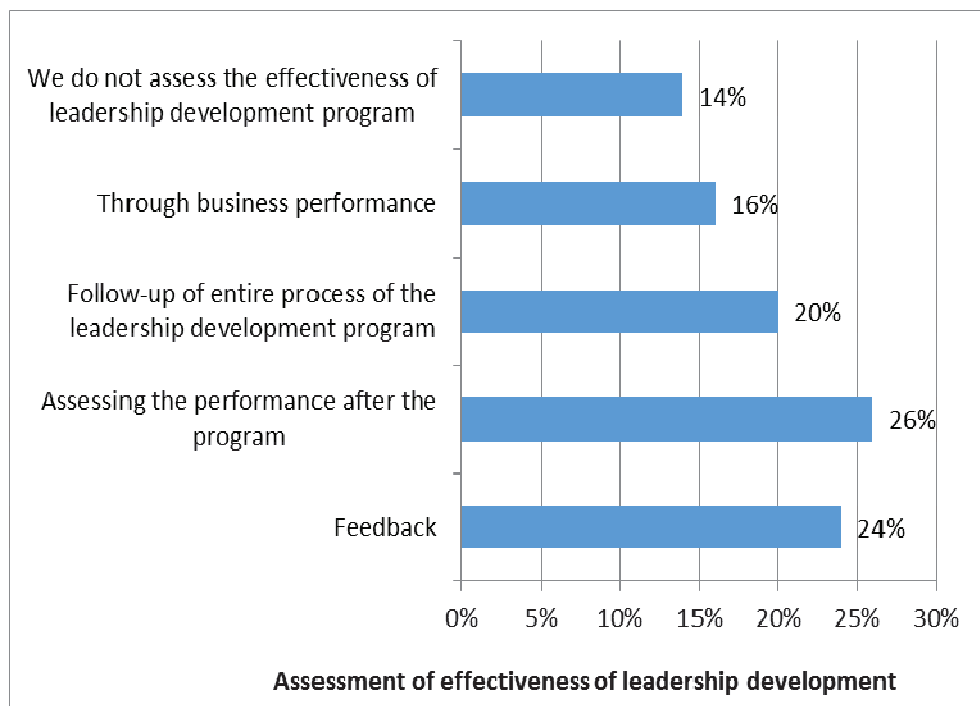
Table 4.26 revealed that 26% of respondents assess the effectiveness of leadership development program by assessing the performance after the program. 24% of the respondents use feedback to assess the effectiveness of leadership development programs. 20% of respondents do the follow-up of entire process of leadership development program to assess its effectiveness in their organization. 16% of respondents assess the effectiveness of leadership development program in their organization through business performance. 14% of respondents do not assess the effectiveness of leadership development program in their organization. The above data analysis reveals that from the various things that companies do to assess the effectiveness of leadership development programs, assessing the performance after the program is the most widely used method, followed by taking feedback, doing follow-up of the entire process of the program and through business performance.

20. Benchmarking best practices in leadership development: The respondents were asked whether their organization benchmark the best practices in leadership development. Their responses are given below:

Table 4.27

Benchmarking best practices in leadership development

Benchmarking best practices	Frequency	Percentage
Yes	9	18%
No	19	38%
Sometimes	22	44%
Total	50	**100%**

The above data can be presented in a diagram as follows:

Chart 4.27

Benchmarking best practices in leadership development

Benchmarking best practices in Leadership Development
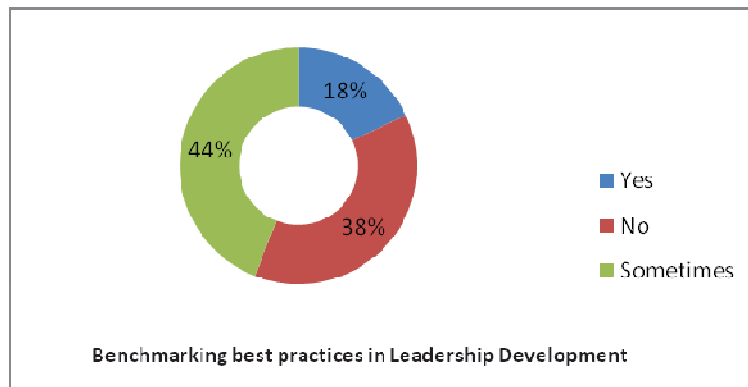
As per data given in Table 4.27 above, the survey stated that 44% of the respondents do it sometimes, 38% of the respondents do not benchmark the best practices in leadership development, whereas, 18% of the respondents said that they benchmark the best practices in leadership development. The analysis shows that majority of organization do it sometimes (44%) or do not do it (38%).

4.3 PART "C": Detailed Analysis on Assessment Centre

The detailed analysis on the assessment centre related data is given below

1. Awareness about Assessment Centre as a method to identify leaders: The respondents were asked whether they are aware of Assessment Centre as a method to identify leaders. Their responses are given below:

Table 4.28

Awareness about Assessment Centre as a method to identify leaders

Awareness	Frequency	Percentage
Yes	50	100%
No	0	0%
Total	50	**100%**

The above data can be presented in a diagram as follows:

Chart 4.28

Awareness about Assessment Centre as a method to identify leaders
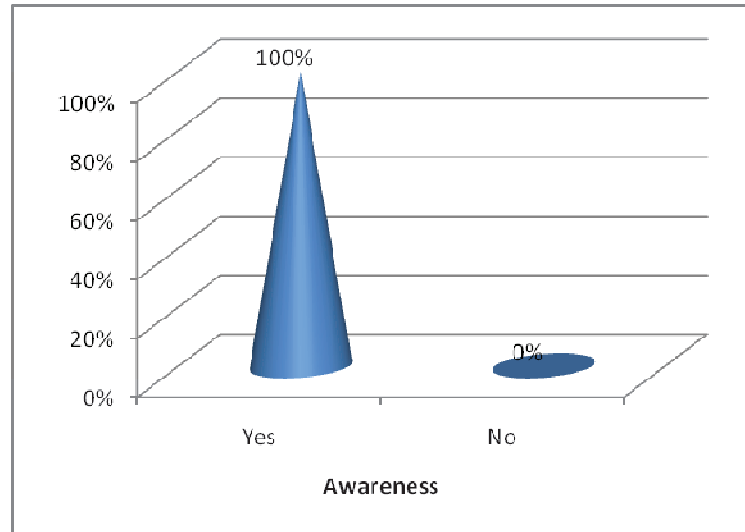
As per data given in Table 4.28 above, the survey revealed that all respondents are aware of Assessment Centre as a method to identify leaders. This clearly shows that there is a high awareness of Assessment Centre amongst the respondents.

2. Respondents undergoing Assessment Centre program: The respondents were asked whether they have undergone A.C. program any time in their career. Their responses are given below:

Table 4.29

Respondent's undergone Assessment Centre program

Have you undergone Assessment Centre program any time in your career.	Frequency	Percentage
Yes	33	66%
No	17	34%
Total	50	100%

The above data can be presented in a diagram as follows:

Chart 4.29

Respondent's undergone Assessment Centre program

Respondent's undergone A.C. program
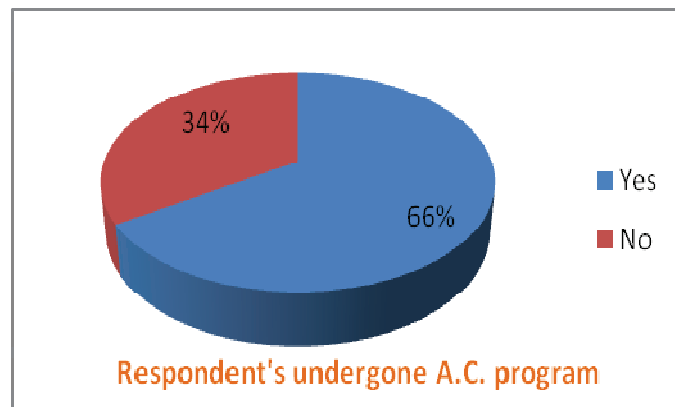
As per data given in Table 4.29 above, the survey revealed that 66% respondents have undergone Assessment Centre program while 34% respondents have not undergone Assessment Centre program.

3. Assessment Centre as a method to identify leaders: The respondents were asked if their organization uses in the present or in the past Assessment Centre as a method to identify leaders. Their responses are given below:

Table 4.30

Assessment Centre as a method to identify leaders

Usage of Assessment Centre	Frequency	Percentage
Yes	20	40%
No	30	60%
Total	50	**100%**

The above data can be presented in a diagram as follows:

Chart 4.30

Assessment Centre as a method to identify leaders
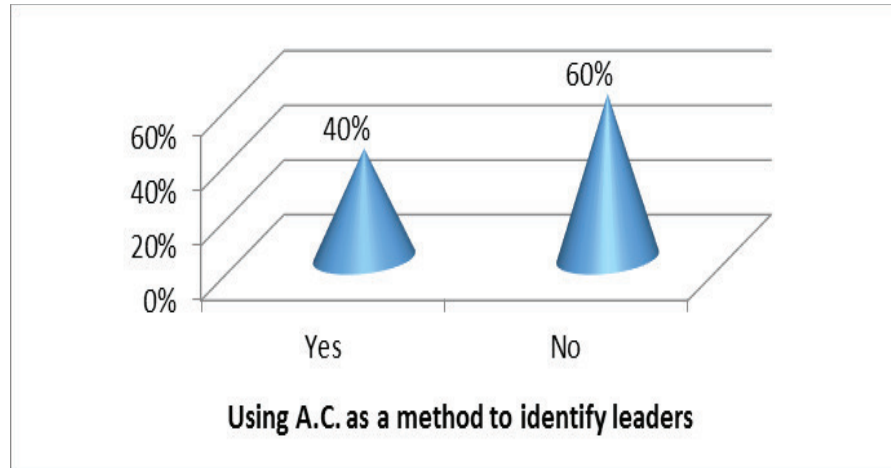
As per data given in Table 4.30 above, the survey stated that 60% of the respondents said that their organization have never used Assessment Centre as a method to identify leaders, 40% of the respondents said that they have used Assessment Centre as a method to identify leaders.

4. Employees undergoing Assessment Centre program: The respondents were asked what percentage of employees go through A.C. program every year in their organization. Their responses are given below:

Table 4.31

Employees undergoing A.C. program

Employees undergoing A.C. program every year	Frequency	Percentage
0 - 5 %	16	32%
6 - 10%	4	8%
More than 10%	0	0%
Not applicable	30	60%
Total	50	100%

The above data can be presented in a diagram as follows:

Chart 4.31

Employees undergoing A.C. program
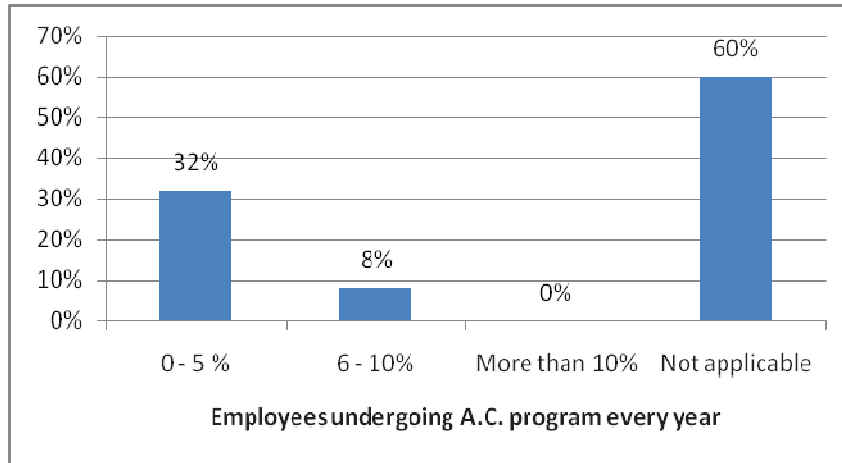
As per data given in Table 4.31 above, the survey stated that 60% of the respondents said that the question is not applicable to them. 32% of respondents said that 0 – 5% of their employees go through A.C. program every year. 8% of respondents said that 6 – 10% of employees go through A.C. program every year. There were no respondents who said that more than 10% of employees go through A.C. program every year in their organization.

5. Employees identified as leaders through Assessment Centre program for top level: The respondents were asked that out of the employees undergoing A.C. program in their organization, what percentage are identified as leaders for top level management positions in a year. Their responses are given below:

Table 4.32

Employees identified as leaders through A.C. program for top level

Employees undergoing A.C. program and identified leaders for top level management.	Frequency	Percentage
0 - 25 %	20	40%
26% - 50%	0	0%
51% - 75%	0	0%
76% - 100%	0	0%
Not applicable	30	60%
Total	50	100%

The above data can be presented in a diagram as follows:

Chart 4.32

Employees identified as leaders through A.C. program for top level
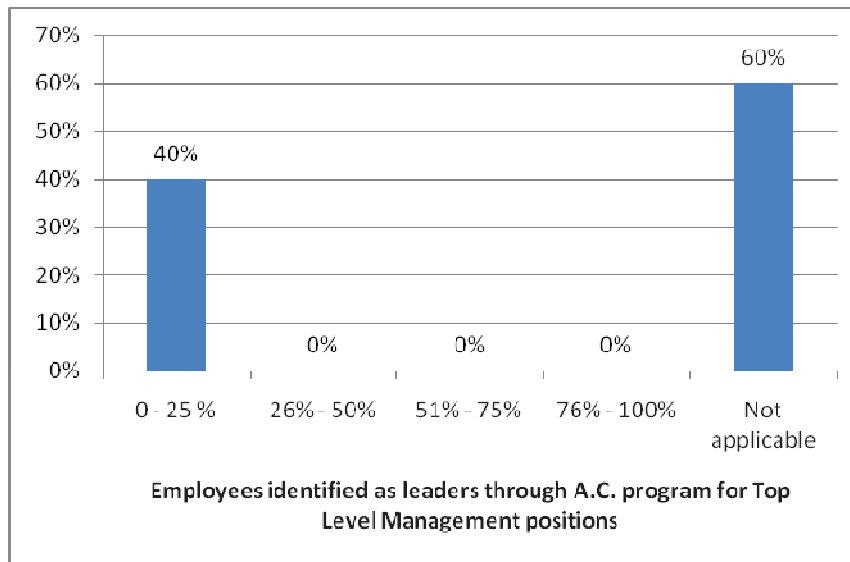
As per data given in Table 4.32 above, the survey stated that 60% of respondents said that the question is not applicable to them. 40% of respondents said that out of the employees undergoing A.C. program in their organization, 0 – 25% are identified as leaders for top level management positions every year. There were no respondents

saying that more than 25% of employees are identified as leaders through A.C. program for top level management positions in a year.

6. **Employees identified as leaders through Assessment Centre program for middle level:** The respondents were asked that out of the employees undergoing A.C. program in their organization, what percentage are identified as leaders for middle level management positions in a year. Their responses are given below:

Table 4.33

Employees identified as leaders through A.C. program for middle level

Employees undergoing A.C. program and identified leaders for middle level management.	Frequency	Percentage
0 - 25 %	16	32%
26% - 50%	4	8%
51% - 75%	0	0%
76% - 100%	0	0%
Not applicable	30	60%
Total	50	100%

The above data can be presented in a diagram as follows:

Chart 4.33

Employees identified as leaders through A.C. program for middle level
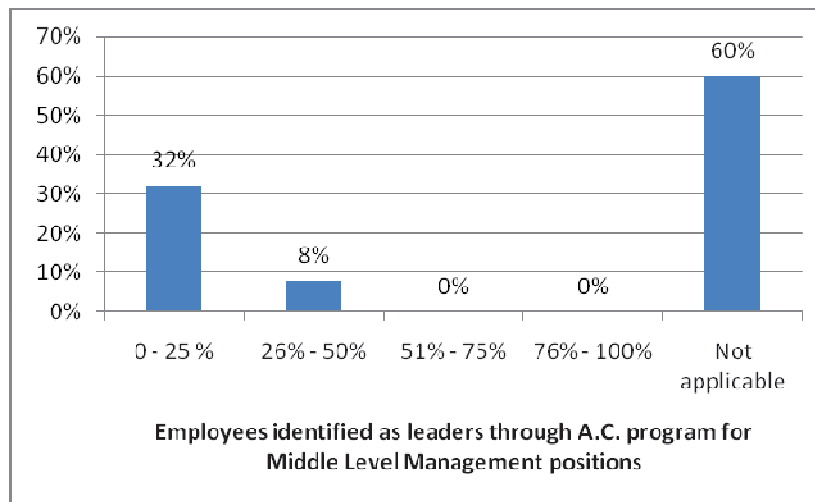
As per data given in Table 4.33 above, the survey stated that 60% of respondents said that the question is not applicable to them. 32% of respondents said that out of the employees undergoing A.C. program in their organization, 0 – 25% are identified as leaders for middle level management positions every year. 8% of respondents said that out of the employees undergoing A.C. program in their organization, 26 – 50% are identified as leaders for middle level management positions every year. There were no respondents saying that more than 50% of employees are identified as leaders through A.C. program for middle level management positions in a year.

7. Employees identified as leaders through Assessment Centre process for junior level: The respondents were asked that out of the employees undergoing A.C. program in their organization, what percentage are identified as leaders for junior level management positions in a year. Their responses are given below:

Table 4.34

Employees identified as leaders through A.C. program for junior level

Employees undergoing A.C. program and identified leaders for junior level management.	Frequency	Percentage
0 - 25 %	0	0%
26% - 50%	0	0%
51% - 75%	4	8%
76% - 100%	16	32%
Not applicable	30	60%
Total	50	100%

The above data can be presented in a diagram as follows:

Chart 4.34

Employees identified as leaders through A.C. program for junior level
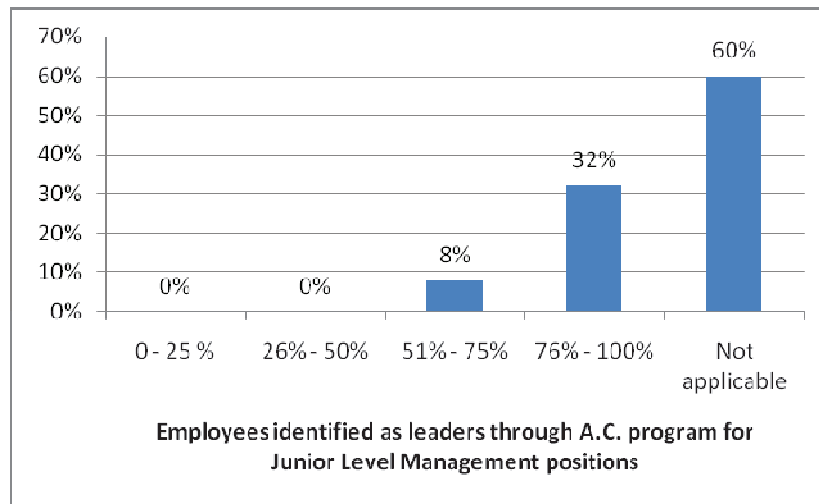
As per data given in Table 4.34 above, the survey stated that 60% of respondents said that the question is not applicable to them. 32% of respondents said that out of the employees undergoing A.C. program in their organization, 76 – 100% are identified as leaders for junior level management positions every year. 8% of respondents said that out of the employees undergoing A.C. program in their organization, 51 – 75% are identified as leaders for junior level management positions every year. There were no respondents saying that less than 50% of employees are identified as leaders through A.C. program for junior level management positions in a year.

8. How long Assessment Centre method being used: The respondents were asked how long has their organization used Assessment Centre method. Their responses are given below:

Table 4.35

How long Assessment Centre method being used

Assessment Centre method used since when	Frequency	Percentage
Less than 2 years	9	18%
2 – 5 years	7	14%
6 – 10 years	4	8%
Over 10 years	0	0%
Not applicable	30	60%
Total	50	**100%**

The above data can be presented in a diagram as follows:

Chart 4.35

How long Assessment Centre method being used
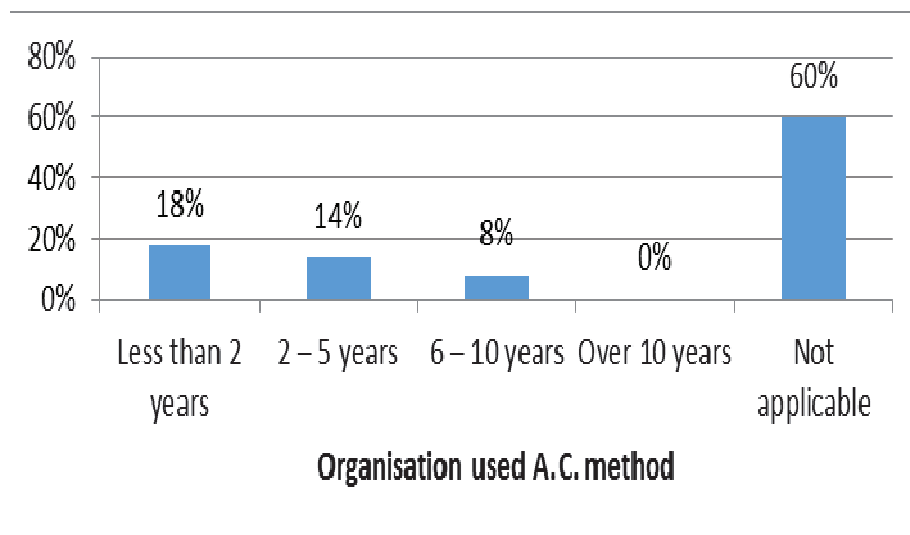
As per data given in Table 4.35 above, the survey stated that 60% of the respondents said this question is not applicable to them, which means that they do not use Assessment Centre method. 18% of the respondents have used it for less than 2 years. 14% of the respondents have used it between 2 – 5 years. 8% of respondents have used it between 6 – 10 years. There were no respondents in whose organization Assessment Centre method is used for over 10 years. The above data analysis shows that in organizations where Assessment Centre method is used, it is mostly for less than 5 years.

9. Satisfaction with Assessment Centre method: The respondents were asked as to how satisfied they were with Assessment Centre as a method to identify leaders. Their responses are given below:

Table 4.36

Satisfaction with Assessment Centre method

Satisfaction with Assessment Centre	Frequency	Percentage
Satisfied	16	32%
Dissatisfied	4	8%
Not applicable	30	60%
Total	50	**100%**

The above data can be presented in a diagram as follows:

Chart 4.36

Satisfaction with Assessment Centre method
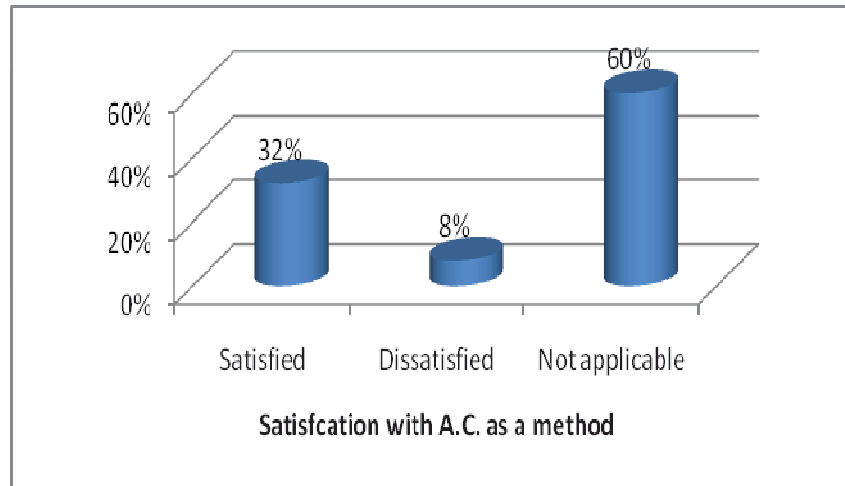
Table 4.36 revealed that 60% of the respondents said that this question is not applicable to them. 32% respondents said that they are satisfied with Assessment Centre as a method to identify leaders and 8% respondents said that they are dissatisfied with Assessment Centre as a method to identify leaders. The data analysis further shows that out of 20 respondents where Assessment Centre is applicable, 16 are satisfied, which means 80% of respondents where Assessment Centre method is applicable are satisfied with it.

10. Employees rating Assessment Centre program: The respondents were asked as to how would their employees rate their organizations Assessment Centre program. Their responses are given below:

Table 4.37

Employees rating Assessment Centre program

Employee rating	Frequency	Percentage
Satisfied	18	36%
Dissatisfied	2	4%
Not applicable	30	60%
Total	50	**100%**

The above data can be presented in a diagram as follows:

Chart 4.37

Employees rating Assessment Centre program
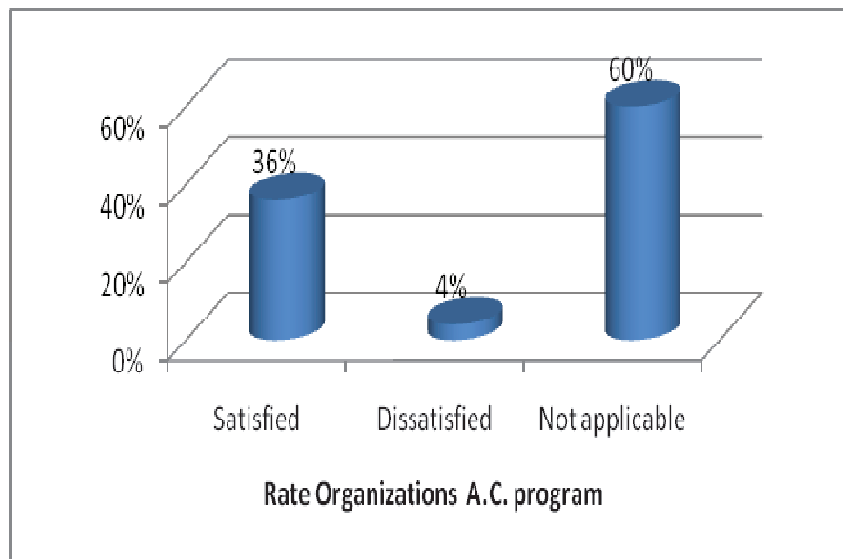
As per data given in Table 4.37 above, the survey stated that 60% of respondents said that this question is not applicable to them. 36% of respondents stated that their employees are satisfied with the Assessment Centre program and 4% of respondents stated that they are dissatisfied. The above analysis clearly shows that majority of respondents feel that their employees would be satisfied with their organizations Assessment Centre program.

11. Developing the Assessment Centre: The respondents were asked how did they develop the Assessment Centre program for their organization. Their responses are given below:

Table 4.38

Developing the Assessment Centre

Developing Assessment Centre program	Frequency	Percentage
Developed using internal resources	9	18%
Purchased off the shelf product	4	8%
Outside agency	7	14%
Not applicable	30	60%
Total	50	**100%**

The above data can be presented in a diagram as follows:

Chart 4.38

Developing the Assessment Centre
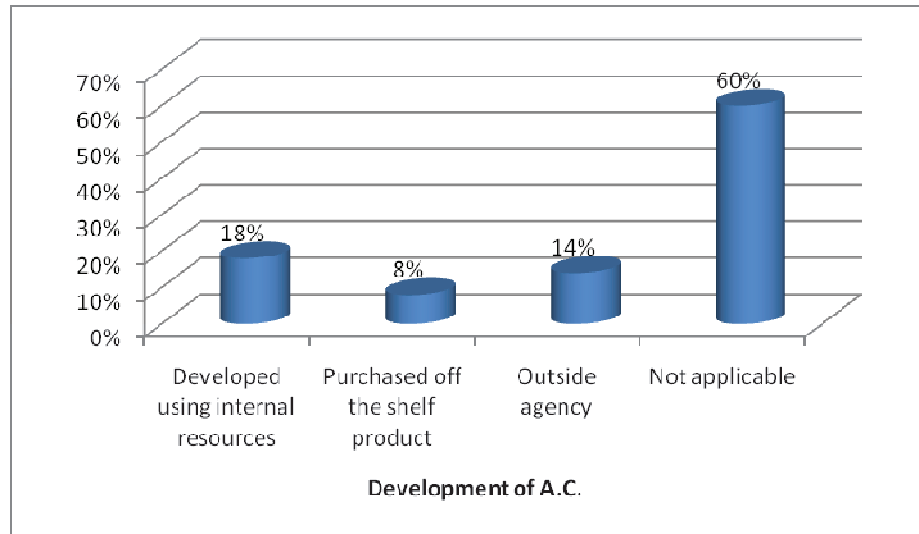
As per data given in Table 4.38 above, 60% of respondents said that this question is not applicable to them. 18% said that the Assessment Centre program was developed using the internal resources. 14% said that the Assessment Centre program was developed using outside agency. 8% of respondents said that they purchased off-the shelf product. The above analysis shows that 22% of respondents take outside help to develop Assessment Centre program, whereas 18% of respondents develop the Assessment Centre program internally.

12. Activities to be conducted before Assessment Centre : The respondents were asked if they do all the activities to be conducted before Assessment Centre. Their responses are given below:

Table 4.39

Activities to be conducted before Assessment Centre

Particulars	Frequency	Percentage
Yes	15	30%
No	4	8%
Not applicable	31	62%
Total	50	**100%**

The above data can be presented in a diagram as follows:

Chart 4.39

Activities to be conducted before Assessment Centre
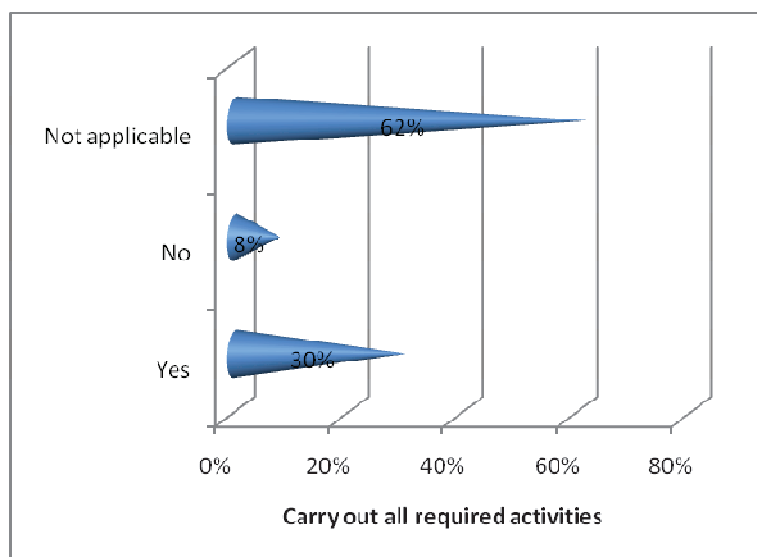
As per data given in Table 4.39 above, 62% of respondents said that this question is not applicable to them. 30% said that they do all the activities required to be conducted before the Assessment Centre. 8% said that they do not do all the activities required to be conducted before the Assessment Centre.

13. Activities to be conducted during Assessment Centre : The respondents were asked if they do all the activities to be conducted during the Assessment Centre. Their responses are given below:

Table 4.40

Activities to be conducted during Assessment Centre

Particulars	Frequency	Percentage
Yes	14	28%
No	5	10%
Not applicable	31	62%
Total	50	**100%**

The above data can be presented in a diagram as follows:

Chart 4.40

Activities to be conducted during Assessment Centre
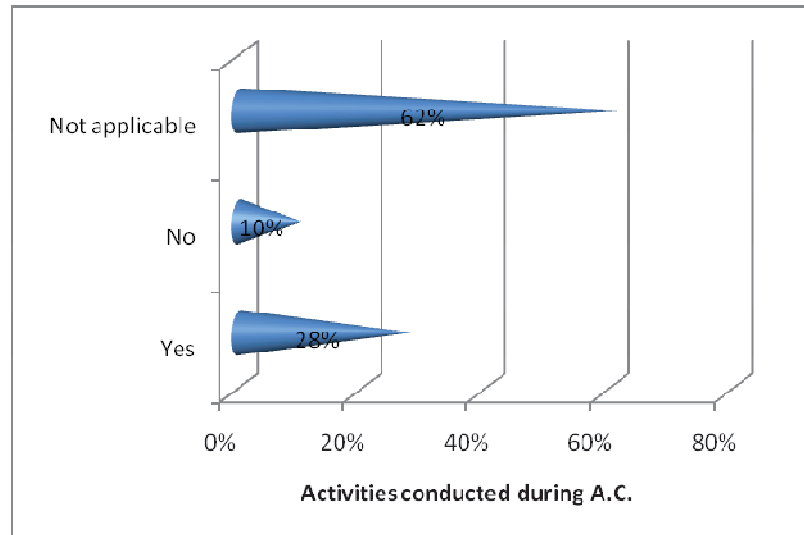
As per data given in Table 4.40 above, 62% of respondents said that this question is not applicable to them. 28% said that they do all the activities required to be conducted during the Assessment Centre. 10% said that they do not do all the activities required to be conducted during the Assessment Centre.

14. Activities to be conducted after Assessment Centre : The respondents were asked if they do all the activities to be conducted after the Assessment Centre. Their responses are given below:

Table 4.41

Activities to be conducted after Assessment Centre

Particulars	Frequency	Percentage
Yes	14	28%
No	5	10%
Not applicable	31	62%
Total	50	**100%**

The above data can be presented in a diagram as follows:

Chart 4.41

Activities to be conducted after Assessment Centre
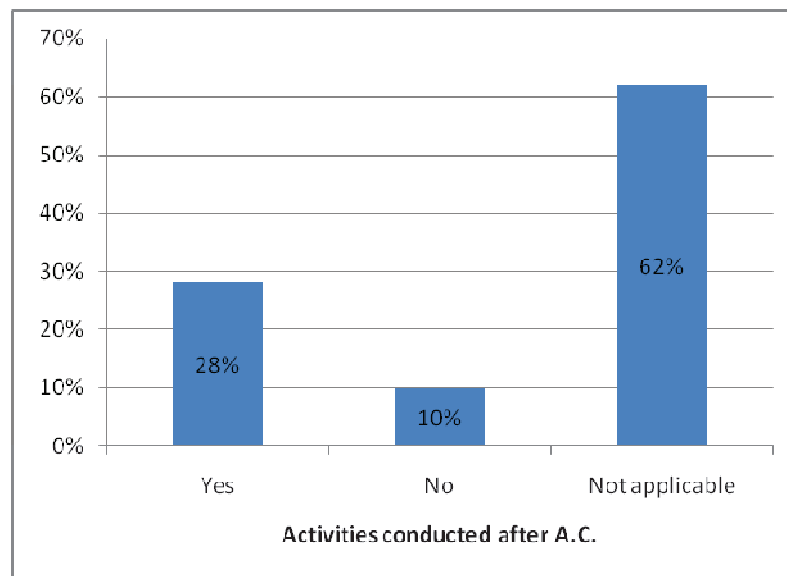
As per data given in Table 4.41 above, 62% of respondents said that this question is not applicable to them. 28% said that they do all the activities required to be conducted after the Assessment Centre. 10% said that they do not do all the activities required to be conducted after the Assessment Centre.

15. Job Simulation while conducting Assessment Centre : The respondents were asked if they use job simulation while conducting Assessment Centre. Their responses are given below:

Table 4.42

Job Simulation while conducting Assessment Centre

Job simulation while conducting Assessment Centre	Frequency	Percentage
Not at all	0	0%
Some times	6	12%
Most of the times	3	6%
Completely	9	18%
Not applicable	32	64%
Total	50	**100%**

The above data can be presented in a diagram as follows:

Chart 4.42

Job Simulation while conducting Assessment Centre
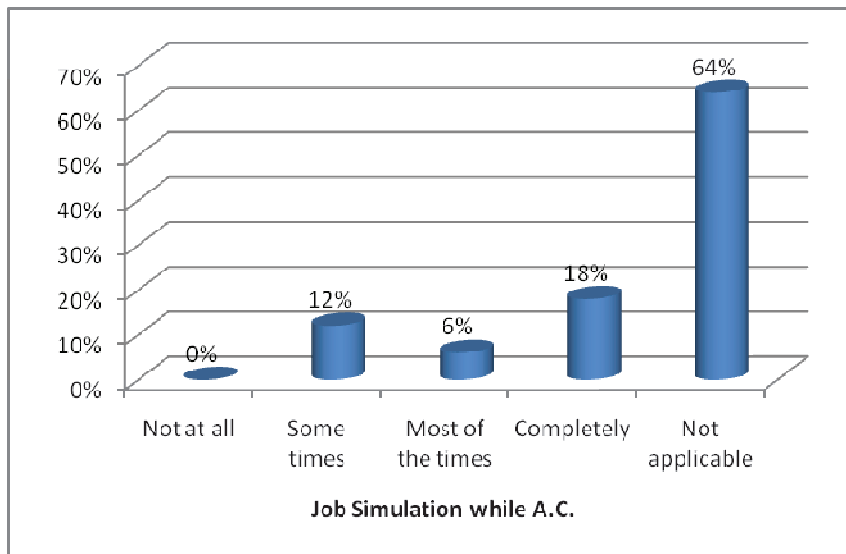
As per data given in Table 4.42 above, 64% of respondents said that this question is not applicable to them. 18% said that they completely use job simulation while conducting Assessment Centre. 12% said that they sometimes use job simulation while conducting Assessment Centre. 6% of the respondents said that they most of the times use job simulation while conducting Assessment Centre. There were no respondents who chose the option of not at all. The above analysis shows that wherever Assessment Centre is applicable, job simulation is definitely used.

16. Best Job Simulation: The respondents were asked what in their view was the best job simulation while conducting Assessment Centre. Their responses are given below:

Table 4.43

Best Job Simulation

Best job simulation	Frequency	Percentage
In-basket exercises	10	20%
Group discussions	12	24%
Fact-finding exercises	2	4%
Business Games	8	16%
Not applicable	18	36%
Total	50	**100%**

The above data can be presented in a diagram as follows:

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Chart 4.43

Best Job Simulation

Best Job Simulation
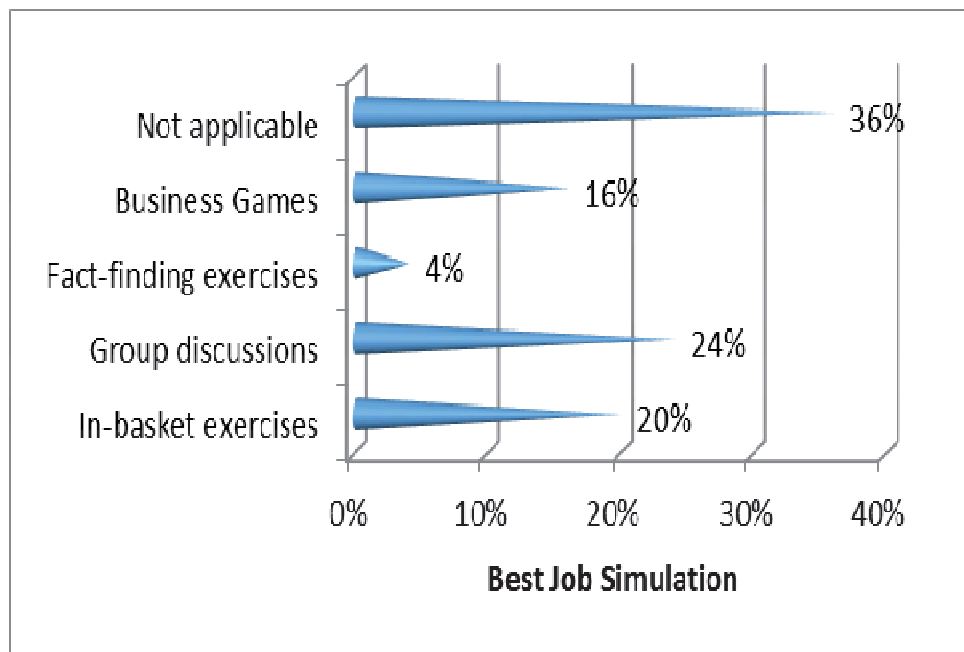
As per data given in Table 4.43 above, 36% of respondents said that this question is not applicable to them. 24% said that group discussion is the best job simulation while conducting Assessment Centre. 20% said that in-basket exercise is the best job simulation while conducting Assessment Centre. 16% said that business games is the best job simulation while conducting Assessment Centre. 4% said that fact-finding exercise is the best job simulation while conducting Assessment Centre. The above data analysis shows that group discussion, closely followed by in-basket exercises are the most preferred job simulation amongst the respondents while conducting Assessment Centre.

17. Advantages of Assessment Centre : The respondents were asked the advantage of Assessment Centre and were further asked to rank those advantages in a scale of 1 to 4 where 1 is the most and 4 is the last best advantage. Their responses are given below:

Table 4.44

Advantages of Assessment Centre

Particulars	Frequency					Percentage				
	Rank 1	Rank 2	Rank 3	Rank 4	Total	Rank 1	Rank 2	Rank 3	Rank 4	Total
Fair and accurate way of selecting a candidate.	19	20	3	8	50	38%	40%	6%	16%	100%
Enhances knowledge of participants.	13	5	12	20	50	26%	10%	24%	40%	100%
Gives opportunity to individuals who are talented	16	13	18	3	50	32%	26%	36%	6%	100%
Predict future job performance	9	13	16	12	50	18%	26%	32%	24%	100%

The above data can be presented in a diagrams as follows:

Chart 4.44 (A)

Fair and accurate way of selecting a candidate.

Fair and accurate way of selecting a candidate.
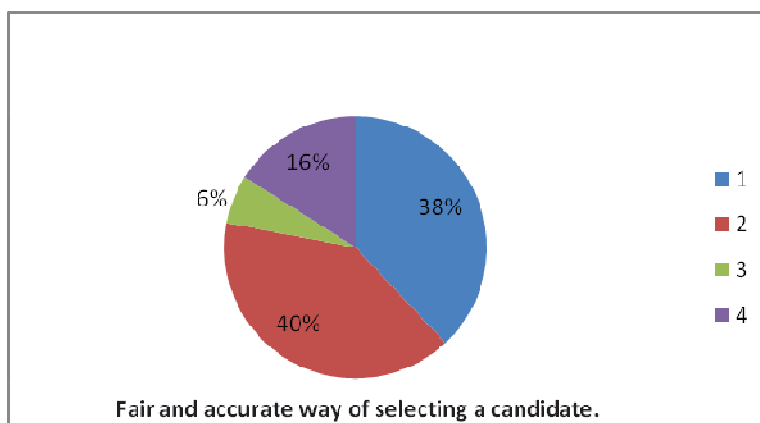
As per the Chart 4.44 (A), 38% of respondents treated fair and accurate way of selecting a candidate as the most best advantage while 16% of respondents treated it as the last best advantage of Assessment Centre.

Chart 4.44 (B)

Enhances the knowledge of the participants.

Enhances the knowledge of the participants.
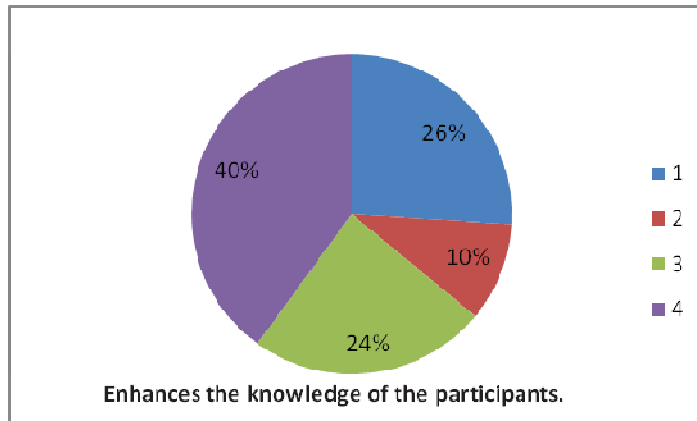
As per the Chart 4.44 (B), 26% of respondents treated enhances the knowledge of the participants as the most best advantage while 40% of respondents treated it as the last best advantage of Assessment Centre.

Chart 4.44 (C)

Gives opportunity to individuals who are talented

Gives opportunity to individuals who are talented

As per the Chart 4.44 (C), 32% of respondents treated gives opportunity to individuals who are talented as the most best advantage while 6% of respondents treated it as the last best advantage of Assessment Centre.

Chart 4.44 (D)

Predict future job performance

Predict future job performance
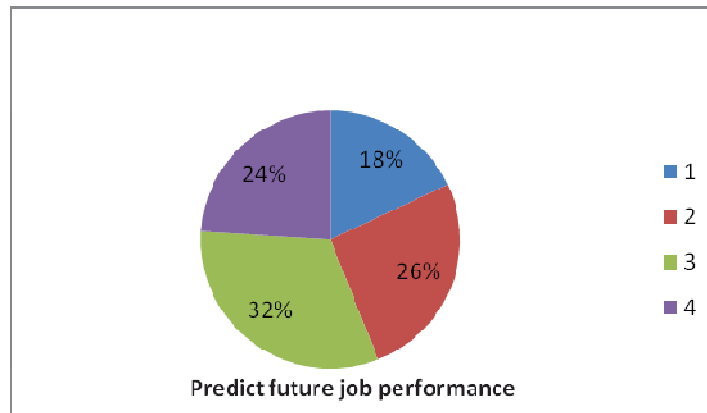
As per the Chart 4.44 (D), 18% of respondents treated predict future job performance as the most best advantage while 24% of respondents treated it as the last best advantage of Assessment Centre.

18.   Disadvantages of Assessment Centre :   The respondents were asked the disadvantages of Assessment Centre and were further asked to rank those advantages in a scale of 1 to 4 where 1 is the most and 4 is the last best advantage.   Their responses are given below:

Table 4.45

Disadvantages of Assessment Centre

Particulars	Frequency					Percentage				
	Rank 1	Rank 2	Rank 3	Rank 4	Total	Rank 1	Rank 2	Rank 3	Rank 4	Total
Costly and time consuming	22	10	16	2	50	44%	20%	32%	4%	100%
Requires highly skilled observers	13	25	8	4	50	26%	50%	16%	8%	100%
De-motivation and loss of confidence for those who receive poor assessment	7	10	18	15	50	14%	20%	36%	30%	100%
Even in 3 or 4 days, personal characteristics cannot be measured accurately	3	9	19	19	50	6%	18%	38%	38%	100%

The above data can be presented in a diagrams as follows:

Chart 4.45 (A)

Costly and time consuming

Costly and time consuming
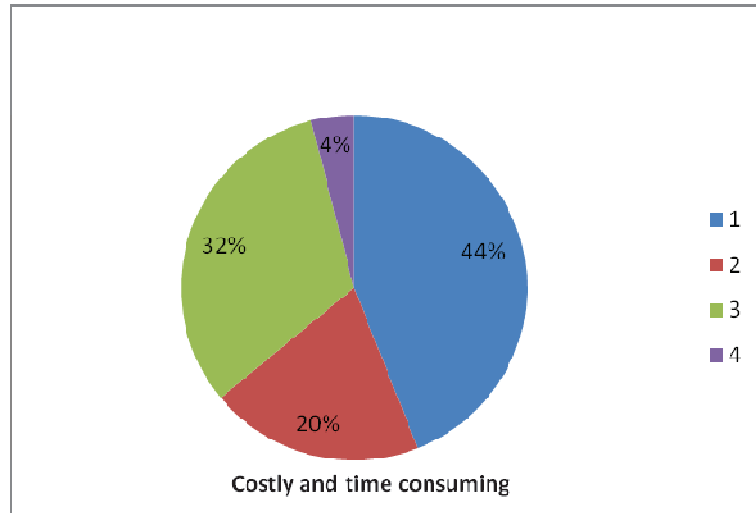
As per the Chart 4.45 (A), 44% of respondents treated costly and time consuming method as the most disadvantage while 4% of respondents treated it as the least disadvantage of Assessment Centre.

Chart 4.45 (B)

Requires highly skilled observers

Requires highly skilled observers
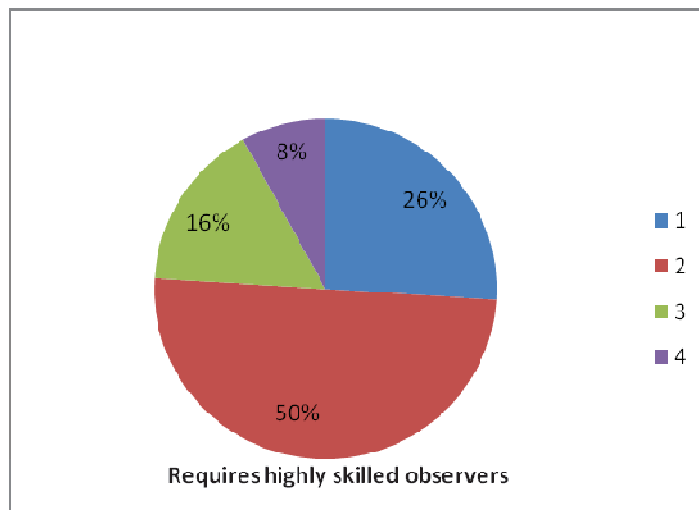
As per the Chart 4.45 (B), 26% of respondents treated requires highly skilled observers as the most disadvantage while 8% of respondents treated it as the least disadvantage of Assessment Centre.

Chart 4.45 (C)

De-motivation and loss of confidence for those who receive poor assessment

De-motivation and loss of confidence for those who receive poor assessment
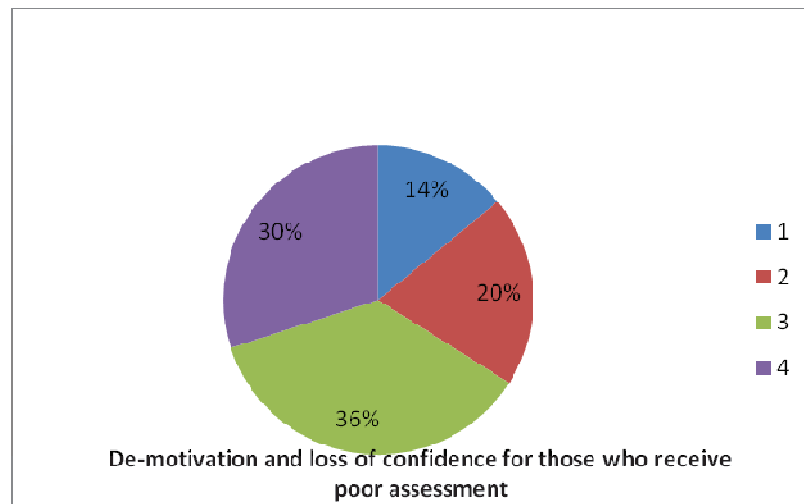
As per the Chart 4.45 (C), 14% of respondents treated de-motivation and loss of confidence for those who receive poor assessment as the most disadvantage while 13% of respondents treated it as the least disadvantage of Assessment Centre.

Chart 4.45 (D)

Even in 3 or 4 days, personal characteristics cannot be measured accurately

Even in 3 or 4 days, personal characteristics cannot be measured accurately
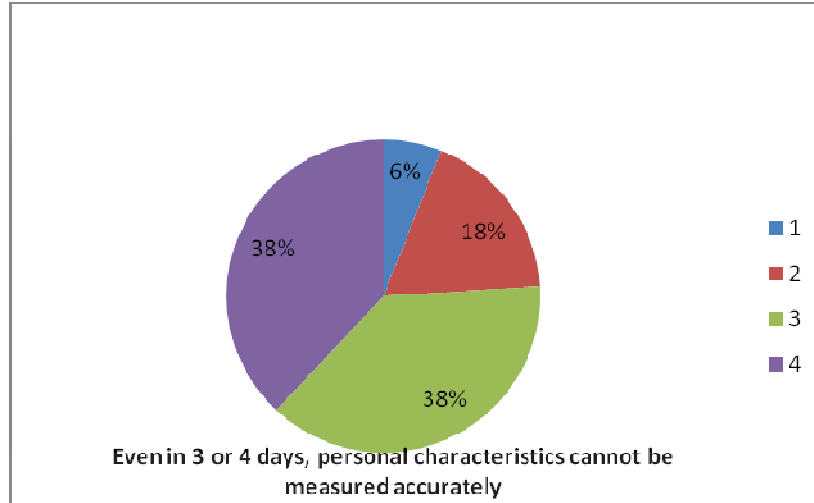
As per the Chart 4.45 (D), 6% of respondents treated even in 3 or 4 days, personal characteristics cannot be measured accurately as the most disadvantage while 38% of respondents treated it as the least disadvantage of Assessment Centre.

19. Should Assessment Centre be used: The respondents were asked if Assessment Centre method should be used to identify and develop leaders in their company. Their responses are given below:

Table 4.46

Should Assessment Centre be used to develop leaders

Should Assessment Centre be used	Frequency	Percentage
Yes	36	72%
No	3	6%
Can't Say	11	22%
Total	50	**100%**

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The above data can be presented in a diagram as follows:

Chart 4.46

Should Assessment Centre be used to develop leaders
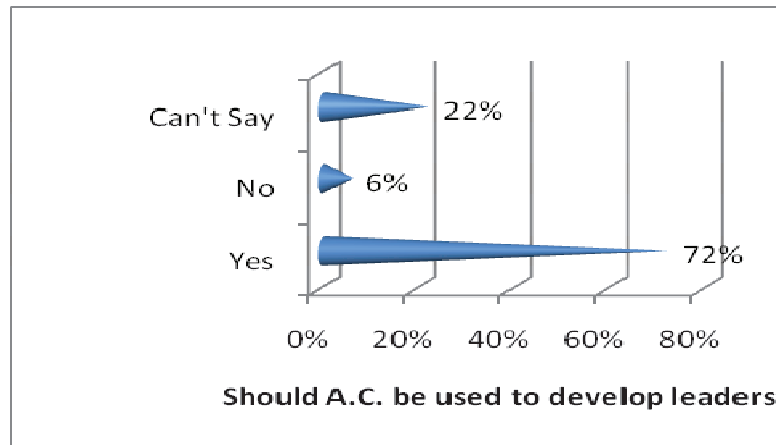
As per data given in Table 4.46 above, 72% of respondents said that Assessment Centre should be used to identify and develop leaders in their company while only 6% feel it should not be used. 22% respondent can't say if Assessment Centre method should be used to identify and develop leaders in their company. The above data analysis clearly shows that majority of respondents feel that Assessment Centre method should be used to identify and develop leaders in their company.

20. **Results of leaders identified through Assessment Centre method:** The respondents were asked as to what do they think whether leaders identified through Assessment Centre in their organization give better results than leaders identified through other methods. Their responses are given below:

Table 4.47

Results of leaders identified through Assessment Centre method

Particulars	Frequency	Percentage
Not at all	1	2%
Some times	8	16%
Most of the times	19	38%
Completely	8	16%
Not applicable	14	28%
Total	50	**100%**

The above data can be presented in a diagram as follows:

Chart 4.47

Results of leaders identified through Assessment Centre method

As per data given in Table 4.47 above, 38% of respondents said most of the times they feel that leaders identified through Assessment Centre in their organization give better results than leaders identified through other methods. 28% of respondents stated that this question is not applicable to them. 16% of respondents feel this sometimes and equal percentage of respondents feel this completely. Only 2% of respondents stated not at all. This clearly shows that majority of respondents feel that leaders identified through Assessment Centre in their organization give better results than leaders identified through other methods.

21. Employees identified through Assessment Centre method in leadership positions: The respondents were asked that out of the employees identified as leaders through A.C. method, what percentage are actually in leadership positions in their organization. Their responses are given below:

Table 4.48

Employees identified through A.C. method in leadership positions

Employees identified through A.C. method in leadership positions	Frequency	Percentage
0 - 25 %	0	0%
26% - 50%	0	0%
51% - 75%	0	0%
76% - 100%	20	40%
Not applicable	30	60%
Total	50	100%

The above data can be presented in a diagram as follows:

Chart 4.48

Employees identified through A.C. method in leadership positions
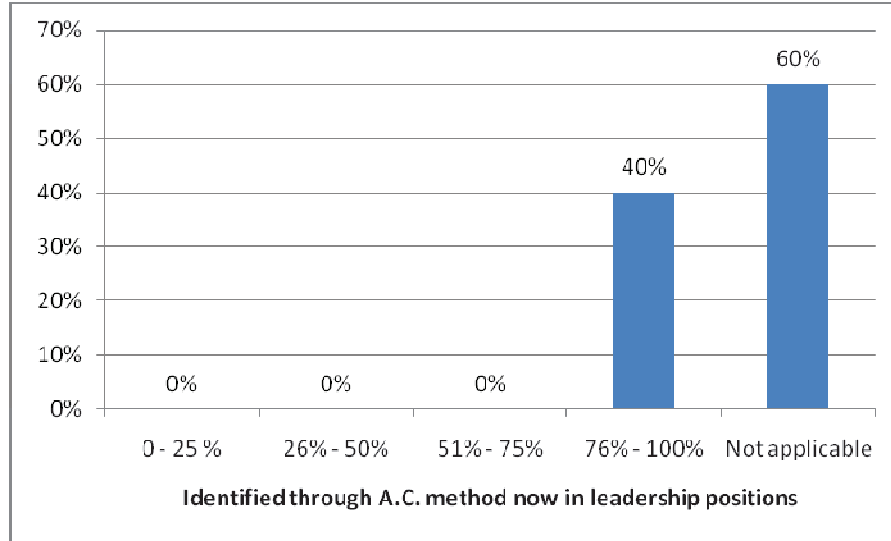
As per data given in Table 4.48 above, the survey stated that 60% of respondents said that the question is not applicable to them. 40% of respondents said that out of the employees identified as leaders through A.C. method, 76 – 100% are now in leadership positions in their organization. There were no respondents saying that less than 75% of employees are in leadership position who were identified as leaders through the A.C. process.

22. Attrition amongst employees identified as leaders through Assessment Centre method: The respondents were asked the attrition percentage in last one year for employees who have been identified as leaders through A.C. method in their organization. Their responses are given below:

Table 4.49

Attrition amongst employees identified through A.C. method

Attrition	Frequency	Percentage
None	18	36%
0% to 5%	2	4%
6% to 10%	0	0%
More than 10%	0	0%
Not applicable	30	60%
Total	50	100%

The above data can be presented in a diagram as follows:

Chart 4.49

Attrition amongst employees identified through A.C. method
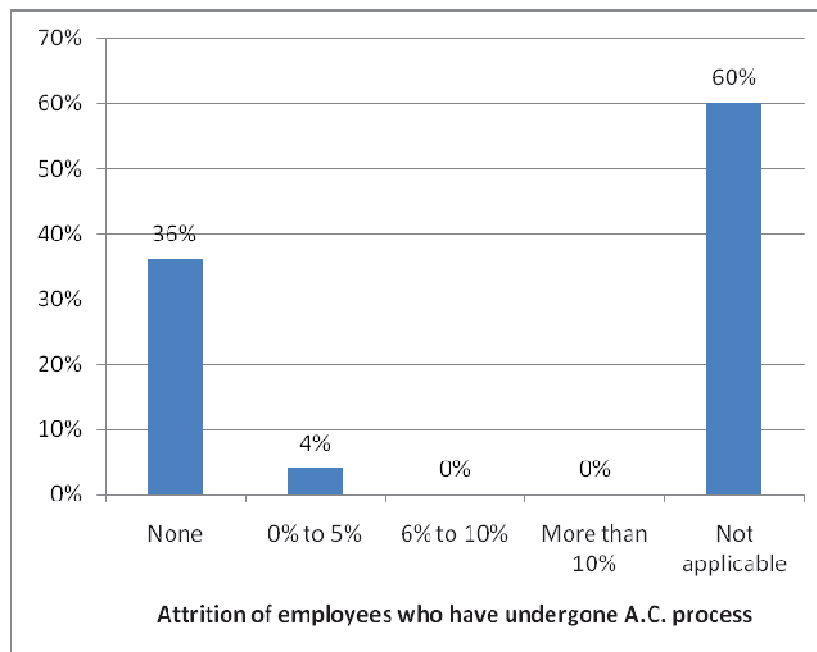
As per data given in Table 4.49 above, the survey stated that 60% of respondents said that the question is not applicable to them. 36% of respondents said that there was no attrition out of the employees identified as leaders through A.C. method in the last one year. 4% of respondents said that there was 0% to 5% attrition out of the employees identified as leaders through A.C. method in the last one year. There were no respondents saying that the attrition was more than 5% amongst the employees identified as leaders through A.C. method in the last one year.

23. Problems in implementing Assessment Centre method: The respondents were asked as to what are the problems in implementing Assessment Centre method. Their responses are given below:

Table 4.50

Problems in implementing Assessment Centre method

Problems in implementing Assessment Centre	Frequency	Percentage
Costly method	11	22%
Time consuming	23	46%
Difficult to schedule participants together	16	32%
Total	50	**100%**

The above data can be presented in a diagram as follows:

Chart 4.50

Problems in implementing Assessment Centre method

Problems in implementing A.C. method
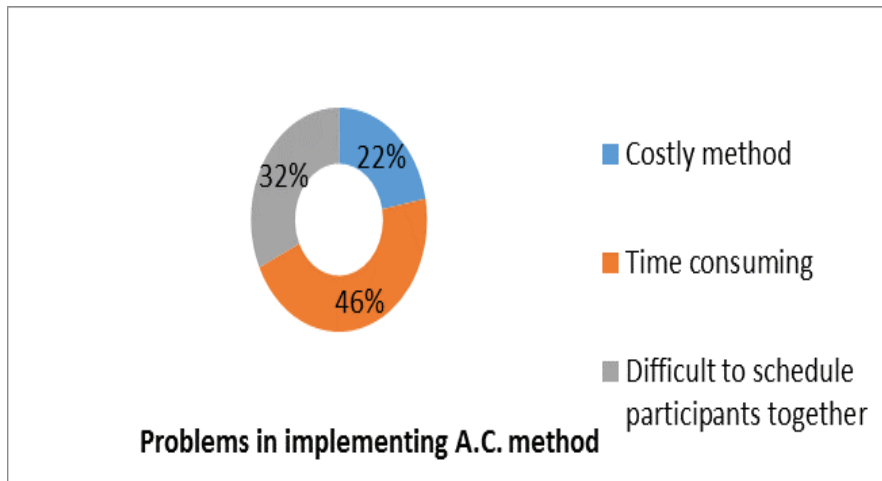
As per data given in Table 4.50 above, 46% of respondents stated that the problem with Assessment Centre is that it is a time consuming method. 32% of participants stated that it is difficult to schedule participants together, while, 22% of respondents feel that it is a costly method.

24. Measures to improve leadership development process: The respondents were asked what measures they suggest to improve leadership development process. Their responses are given below:

Table 4.51

Measures to improve leadership development process

Measures	Frequency	Percentage
Make leadership development an important agenda of board meetings	5	10%
Have a written plan to identify leaders	10	20%
Define a leader identification model for your organization	12	24%

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Integrate leadership development programs with organization goals	23	46%
Total	50	**100%**

The above data can be presented in a diagram as follows:

Chart 4.51

Measures to improve leadership development process

Measures to improve leadership development process
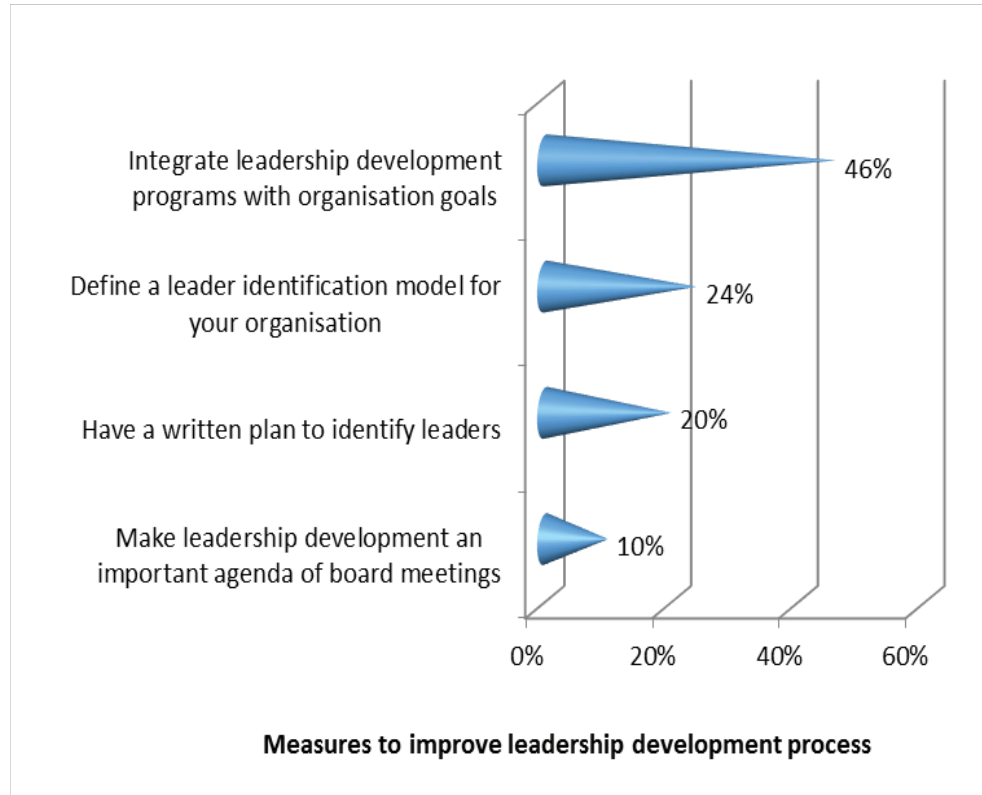
As per data given in Table 4.51 above, 46% of respondents stated that integration of leadership development programs with organization goals will improve leadership development process. 24% respondents suggested defining a leader identification model for their organization to improve leadership development process. 20% respondents stated to have a written plan to identify leaders in order to improve leadership development process. 10% respondents stated that in order to improve leadership development process, leadership development should be made an important agenda of board meetings. The above analysis clearly shows that majority of respondents have suggested integration of leadership development programs with organization goals to improve leadership development process.

4.4 Testing of Hypothesis

Hypothesis test is a method of making statistical decisions using experimental data. Following hypotheses were set for the study:

H0. Leaders identified through Assessment Centres give better results in the organization.

H1. There is a growing trend of using Assessment Centre method for leadership development in FMCG companies.

H0

Leaders identified through Assessment Centres give better results in the organization.

This hypothesis is tested by the following parameter:

1. Results of leaders identified through Assessment Centre method: The respondents were asked as to what they think whether leaders identified through Assessment Centre in their organization give better results than leaders identified through other methods. Their responses are given below:
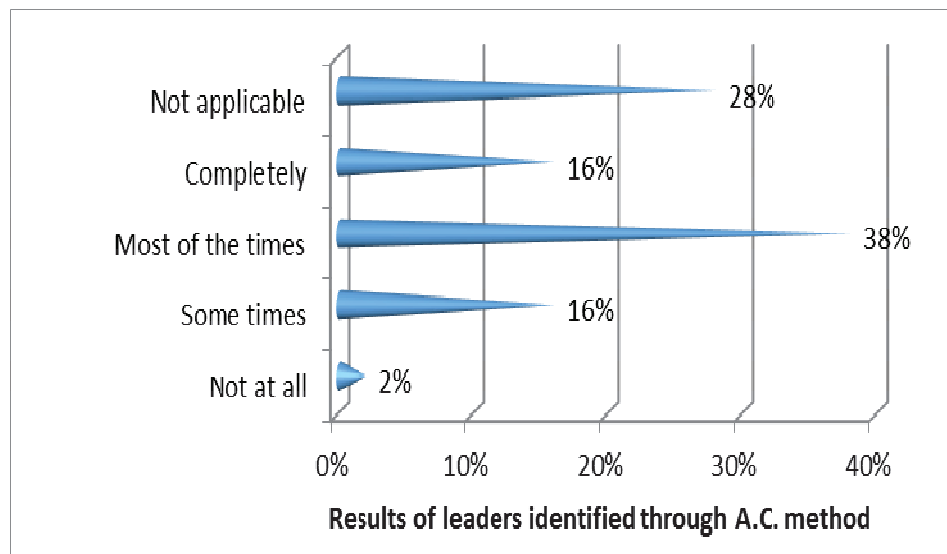
Table 4.52

Results of leaders identified through Assessment Centre method

Particulars	Frequency	Percentage
Not at all	1	2%
Some times	8	16%
Most of the times	19	38%
Completely	8	16%
Not applicable	14	28%
Total	50	**100%**

The above data can be presented in a diagram as follows:

Chart 4.52

Results of leaders identified through Assessment Centre method

For the purpose of applying Chi square test, responses of 'Not at all' and 'Sometimes' from Table 4.52 are clubbed together to form group 'Poor Result'. Similarly responses of 'Most of the times' and 'Completely' from Table 4.52 are clubbed to form group 'Better Result'. Responses of 'Not Applicable' from Table 4.52 are ignored.

Researcher assumes that 70% of the responses should be in the group of 'Better Result'

Table 4.52 (A)

Grouped results of leaders identified through Assessment Centre method

Group	Observed Value	Assumed Value
Poor Result	9	11
Better Result	27	25
Total	36	36

Table 4.52 (B)

Chi-Square Test

Group	Observed O_i	Assumed E_i	$O_i - E_i$	$(O_i - E_i)^2$	$(O_i - E_i)^2/ E_i$
Poor Result	9	11	-2	4	0.363636364
Better Result	27	25	2	4	0.16
Total	**36**	**36**			**0.523636364**

Degrees of freedom   1
Calculated chi-square value   0.5236
Table chi-square value at 1%   6.64

The calculated chi-square value is 0.5236 which is less than table chi-square value 6.64 at 1% level. Therefore H0 is accepted.

H1

There is a growing trend of using Assessment Centre method for leadership development in FMCG companies.

This hypothesis is tested by understanding some important insights of the respondents on Assessment Centre Method.

Table 4.53

How long Assessment Centre method being used

How long has your organization used Assessment Centre method?	Frequency	Percentage
Less than 2 years	9	18%
2 – 5 years	7	14%
6 – 10 years	4	8%
Over 10 years	0	0%
Not applicable	30	60%
Total	50	**100%**

The above data can be presented in a diagram as follows:

Chart 4.53

How long Assessment Centre method being used
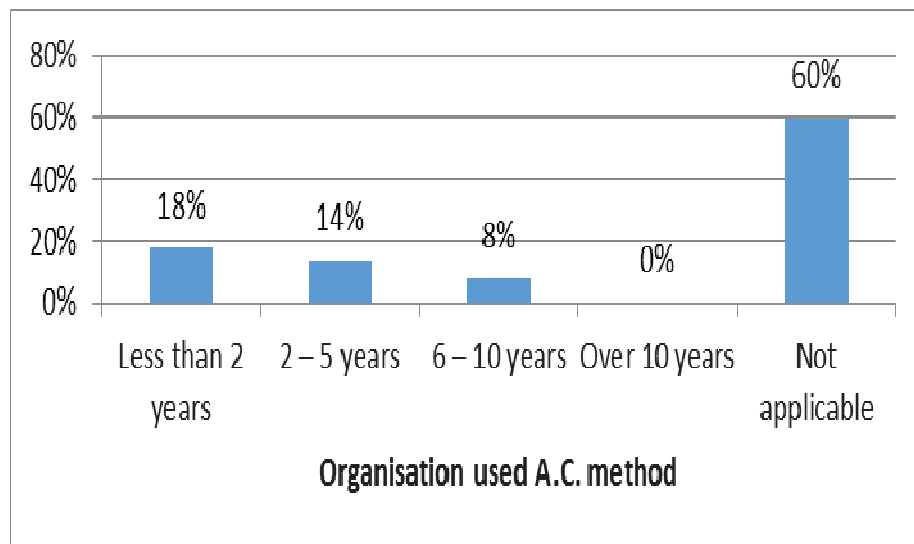
From table 4.53 it is evident that total respondents is 50, out of which 30 respondents i.e. 60% are not using Assessment Centre method. Out of the respondents who are using Assessment Centre method, there is no respondent who has used it for over 10 years. 4 respondents i.e. 8% respondents are using this method for 6 – 10 years. 7 respondents i.e. 14% respondents are using the assessment centre method for 2 – 5 years. 9 respondents i.e. 18% respondents are using the assessment centre method for less than 2 years. Thus it is seen that amongst the 40% respondents that are using assessment centre method to identify leaders, 32% are using it for less than 5 years. This shows that there is a growing trend of using assessment centre method for leadership development in FMCG companies

CHAPTER 5.

CONCLUSIONS AND SUGGESTIONS

Contents

5.1 Introduction

The growth of industry in our country has thrown the challenge of shortage of leaders amongst the corporate. There is always a shortage of the right talent in leadership positions in our country. The FMCG industry is no exception to this leadership crunch.

Industry has done its bit to develop leaders for the corporate, but it is not enough. As per the predictions given by some agencies, India will continue to grow in the coming years. This means that there would be more and more companies that would come-up in the coming years. This also means that these companies will require leaders to run the business effectively.

5.2 Conclusions

The data was collected from FMCG companies in India. Sample size of data collection is 50 out of which 30 were male. 60% of the respondents were in the below 35 years age bracket. 56% of the respondents were having less than 10 years experience. The respondents were highly educated with more than 90% either post graduates or holding professional degrees. 84% of the respondents were in the middle level management or above.

After analyzing the data collected, the conclusions are as follows:

1. There is a high awareness amongst the respondents about the leadership development practices. All the respondents are aware of leadership development practices. One reason for this high degree of awareness of leadership development practices should be that 84% of the respondents were middle level and above in the echelons of management hierarchy.

2. It was observed that majority of companies under survey are both growing as well as hiring leadership positions. 24% respondents said that they grow leadership positions within the organization whereas 14% said that they hire from outside. There is a mixed response on growing / hiring leadership positions.

3. It was observed that only 1 respondent said that they completely have a written plan to identify leaders for their business while 38% respondents said that they do it most of the times. Further, it was also observed that 18% respondents do not have a written plan to identify leaders for their business and 42% of respondents do it sometimes. This shows that when it comes to writing down the plan to identify leaders, not many companies are doing it.

4. The analysis showed that majority of companies do not have leader identification model or they make the model sometimes. As per the analysis, only 6% companies have a defined leader identification model.

5. Majority of companies under survey were found not giving priority to "Leadership Development" as their board meeting agenda. It was observed, that only 6% of organizations have it completely as part of their board meeting agenda.

6. It was observed that the response was mix on the managers KRA to develop leaders at every level in the organization. Close to half of the respondents do not or sometimes in their organization have the managers KRA to develop leaders, whereas another half of the respondents do it most of the times or completely.

7. The data analysis revealed that half of the respondents have not taken up leadership assessment while hiring very seriously as they either are not doing it at all, or they do it sometimes. The data analysis further revealed that the other half of the respondents have seriously taken up leadership assessment while hiring as they are either most of the times doing it or they do it completely.

8. Companies run different programs to develop top leadership in their organization. The response shows that 62% of the respondents do not run such programs or do it sometimes. 38% of the respondents do it completely or most of the times. This shows that companies should start running different leadership programs to develop top leadership in their organization.

9. Integration of organizational leadership development programs with the organizational goals showed a mixed response in the FMCG companies with half the respondents saying that it is done in their organization most of the times or completely.

10. It was seen that almost half of the respondents do different things to identify leaders internally, whereas the other half do not do different things to identify leaders internally.

11. Companies conduct various leadership training programs for their employees. As per the survey, the data revealed that as part of leadership training program, coaching & mentoring is conducted in majority of the FMCG companies, followed by assessment centre, B-school assignment – executive leadership development program and job-rotation / transfers.

12. Companies which run leadership development programs spend lot of time, money and effort towards it. The data analysis revealed that in order to ensure active participation in leadership development programs, 36% of respondents make it compulsory to attend the program. 28% respondents say that they ensure active participation by spreading awareness of importance of leadership development programs. 20% of respondents say that superiors in their organization are responsible to ensure active participation in leadership development programs. 16% of respondents say that in order to ensure active participation in leadership development programs, growth is linked to attending the program. The data clearly reveals that compulsory participation is the most used method by the respondents to ensure active participation in leadership development programs.

13. When it comes to filling-up leadership positions in the organization, one important decision has to be taken as to what percent of leaders should be identified from within the organization. As per the survey, the data revealed that half of the respondents said that 26% to 50% of leaders in their organization are internally sourced. 20% said that less than 25% of leaders are internally sourced. 30% of respondents said that more 51% of leaders are sourced internally in their organization. This shows that only 30% of companies are sourcing more than 50% of leadership positions internally.

14. Companies use different methods to identify leaders internally. As per the survey response, performance appraisal is the most widely used method to identify leaders internally. 58% of respondents said that they use performance appraisal method to identify leaders internally in their organization. Assessment Centre Method is the second most used method to identify leaders internally as 24% of respondents saying that they use this method. 12% of respondents say that leadership identification is done in an informal manner in their organization. Only 6% of respondent said that when it comes to identifying leaders internally, they use 360 degree feedback method. The data analysis revealed that all respondents find leaders internally.

15. Although performance appraisal is the most widely used method to identify leaders internally amongst the respondent FMCG companies, it was observed that the respondents say that assessment centre is the best method to identify leaders. Although 360 degree feedback was the least used method to identify leaders internally, it was the second most preferred method to identify leaders amongst the respondents. The respondents feel that Performance appraisal is the third best method after assessment centre and 360 degree feedback to identify leaders internally. There are very few respondents who feel identifying leaders informally is the best method to identify them internally.

16. Companies use different methods to identify leaders from outside. The data analysis revealed that 66% of respondents use structured interview process to identify leaders from outside. 24% of respondents use both assessment centre as well as structured interview process to identify leaders from outside. 8% of respondents said that they do not hire leaders from outside. 2% of respondents said that they use assessment centre method to identify leaders from outside. The above analysis shows that when it comes to identifying leaders from outside, structured interview process is the most widely used method amongst the respondents. The analysis also reveals that few companies do not hire leaders from outside.

17. The data analysis revealed that 56% of respondents said that structured interview process is the best method to identify leaders from outside. 22% of the respondents said that both assessment centres as well as structured interview is the best method to identify leaders from outside. 18% of the respondents said that assessment centre is the best method to identify leaders from outside. 4% of the respondents said that they do not hire leaders from outside. The analysis further reveals that although only 2% of organizations use assessment centre to identify leaders from outside, but 18% respondents feel that it is one of the best method to identify leaders from outside.

18. The survey data revealed that 54% of respondents are forced to look outside the existing workforce for top level positions and 46% of respondents are forced to look outside the existing workforce for middle level positions.

19. Companies do various things to assess the effectiveness of leadership development programs. The survey data analysis revealed that 26% of respondents assess the performance of the participants after the program. 24% of the respondents use feedback to assess the effectiveness of leadership development programs. 20% of respondents do the follow-up of entire process of leadership development program to assess its effectiveness in their organization. 16% of respondents assess the effectiveness of leadership development program in their organization through business performance. 14% of respondents do not assess the effectiveness of leadership development program in their organization. The data analysis clearly shows that assessing the performance of the participants after the program is the most widely used method to assess the effectiveness of leadership development programs.

20. Organizations try to benchmark the best practices in leadership development. The respondents were asked whether their organization benchmark the best practices in leadership development. It was observed from the data that 44% of the respondents do it sometimes, 38% of the respondents do not benchmark the best practices in leadership development, whereas, 18% of the respondents said that they benchmark the best practices in leadership development. The analysis shows that majority of organization either do benchmarking sometimes or they do not do it.

21. The survey data revealed high level of awareness amongst the respondents about Assessment Centre as a tool to identify leaders. All the respondents were aware of Assessment Centre as a tool to identify leaders.

22. It was observed from the response that 60% of organizations have not used Assessment Centre as a tool to identify leaders.

23. The data revealed that in organizations where Assessment Centre process is used, it is mainly practiced for less than 5 years. There were no respondents where Assessment Centre is used for more than 10 years. This shows that

Assessment Centre as a tool to identify leaders is a relatively new method amongst the respondents' companies.

24. It is seen that majority of the respondents where Assessment Centre is applicable are satisfied with this method. The respondents also feel that their employees are also satisfied in large numbers with Assessment Centre method to identify leaders. This shows that employees in the respondent FMCG companies like Assessment Centre method to identify leaders.

25. The data revealed that 22% of respondents take outside help to develop Assessment Centre process, whereas 18% of respondents develop it internally.

26. There are different activities that are required to be conducted before, during and after conducting the Assessment Centre. The respondents were asked about the same. Majority of the respondents where Assessment Centre is applicable, said that they do all the activities before, during and after conducting the Assessment Centre. Approximately 10% of respondents said that they do not do all the activities before, during and after conducting the Assessment Centre.

27. All the respondent FMCG companies use job simulation while conducting Assessment Centre.

28. The respondents were asked what in their view was the best job simulation while conducting Assessment Centre. The data analysis revealed that 24% respondents say that group discussion is the best job simulation. 20% respondents said that in-basket exercise is the best job simulation. 16% respondents said that business games are the best job simulation. 4% respondents said that Fact-finding exercise is the best job simulation while conducting Assessment Centre. The data analysis clearly shows that group discussion, closely followed by in-basket exercise are the most preferred job simulation amongst the respondents while conducting Assessment Centre.

29. There are different advantages of Assessment Centre. As per the respondents, the biggest advantage of Assessment Centre is that it is a fair and accurate way of selecting a candidate. The second best advantage is that it gives opportunity to individuals who are talented. The third biggest advantage of Assessment Centre is that it enhances the knowledge of the participants. The fourth biggest advantage of Assessment Centre is that it predicts future job performance.

30. The biggest disadvantage of Assessment Centre as per the respondent FMCG companies is that it is a costly and time consuming method. Requirement of highly skilled observers is the second biggest disadvantage of Assessment Centre method as per the respondents. De-motivation and loss of confidence for those who receive poor assessment is the third biggest disadvantage of Assessment Centre method as per the respondents. The respondents ranked fourth disadvantage for the option which said that even in 3 or 4 days, personal characteristics cannot be measured accurately. Thus, the biggest advantage of Assessment Centre method is that it is a fair and accurate way of selecting a candidate, and, the biggest disadvantage is that it is a costly and time consuming method.

31. Almost all the respondents where Assessment Centre is applicable feel that this method should be used to identify and develop leaders in their organization. Only 3 respondents out of 50 feel that this method should not be used. This clearly shows that the respondents have confidence in the Assessment Centre method.

32. More than 50% of respondents feel that leaders identified through Assessment Centre method give better results than leaders identified through other methods.

33. It is observed from the data that for implementing Assessment Centre method, the biggest problem is that it is a time consuming method. The second biggest problem in implementing Assessment Centre as per the respondents is that it is

difficult to schedule participants together. The third biggest problem as per the respondents is that it is a costly method.

34. The top three measures to improve leadership development methods as per the respondents of the FMCG companies is that leadership development programs should be integrated with organization goals, organization should define a leader identification model and companies should have a written plan to identify leaders.

5.3 Suggestions

Following are the suggestions made to the FMCG companies on leadership development with special reference to Assessment Centre method:

1. Companies should have a documented plan of action to identify leaders. A documented plan to identify leaders will help the organization to identify leaders in a better way. Further, a documented plan can also bring seriousness in the entire process of identifying leaders.

2. Organizations should develop a model to identify leaders. Each organization has requirement of leaders at various levels. A model to identify leaders will help the organization in understanding the competencies required for leaders in their company, and accordingly it would help the organization to work out a plan to identify leaders with the required competencies. At the end of the suggestions, a Leader Identification Model is proposed.

3. In organizations, leadership development should be an important agenda of board meetings. If leadership development is discussed in board meetings, it shows the seriousness and involvement of the top level in the organization towards leadership development.

4. All companies should definitely have leadership development as one of the KRA's of their managers. This will ensure that leadership development will

not just be responsibility of the top management or the human resources department, but it will also be the responsibility of managers. This would help in growing more leadership positions within the organization.

5. Companies should start doing leadership assessment while hiring. This will help companies in identifying leaders at the hiring stage.

6. Companies should run different leadership development programs to develop top leadership in their organization.

7. Organization should integrate the leadership development programs with its goals. Organization should introduce goal congruence policy amongst different departments under leadership assessment and development program with a view to achieve the goals of the organization as a whole.

8. Companies should identify and select leadership positions internally. Companies should also chalk out leadership identification plan so that they are not forced to look out for top and middle level leadership positions.

9. As the respondents feel that Assessment Centre is one of the best methods to identify leaders internally, more and more companies are recommended to use this method.

10. It is recommended to benchmark the best practices in leadership. By doing this, companies can bring improvement in their leadership identification methods.

11. As the respondents as well as the employees of the respondent companies are satisfied with Assessment Centre, it should be continued in the organization where it is used.

12. Companies should train able employees within the organization so that they become skilled observers. This will reduce the cost of bringing skilled observers from outside the organization.

5.4 Leader Identification Model

The researcher after going through the details under survey has developed Leader Identification Model as follows:
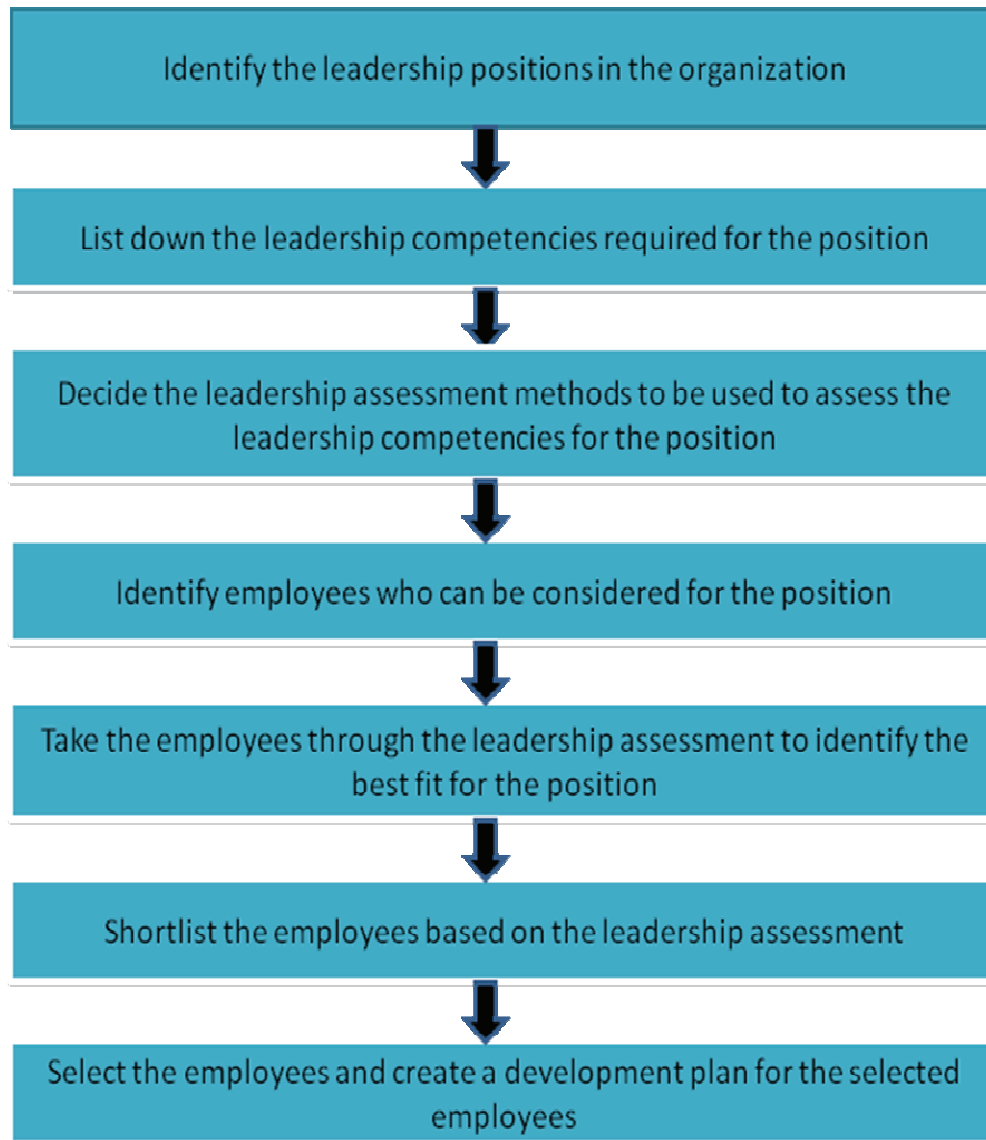
Figure 2.8 Leader Identification Model

As per the above Leader Identification Model, companies should first identify the leadership positions in the organization. After the leadership positions are identified, organizations should find out leadership competencies required for the position. The

competencies can be identified with the help of leaders currently holding these positions, their superiors, their subordinates and also experts can be used to identify the competencies. Based on the leadership competencies required for the position, assessment methods can be decided and designed to assess the competencies for the position.   The next step is to identify employees who can be considered for the leadership position.   These employees should undergo the leadership assessment methods decided in step 3 above.   Based on the leadership assessment that the employees undergo, they can be selected for the position. A development plan to be made for all selected employees based on the areas of improvement identified during the leadership assessment.

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APPENDIX

QUESTIONNAIRE

"Identification of Leaders – A study of FMCG companies in Mumbai region with special reference to Assessment Centre Method"

Sir / Madam,

I am a Ph.D. student of Tilak Maharashtra Vidyapeeth, Pune and conducting a study on the "Identification of Leaders – A study of FMCG companies in Mumbai region with special reference to Assessment Centre Method". As a part of the study, I intend to collect data through a structured questionnaire.

I am happy to inform that you have been identified as one of the valuable respondents and I request your voluntary participation in filling-up the questionnaire and send it to me.

I would be grateful if you would kindly spare some time to answer the questions. I value your time and the contribution you are making towards the success of the study.

Please note that the information you are providing will be strictly kept confidential and will be used only for research purpose without revealing the individual identity of the organization or the respondent.

Kuldeep Singh Soun

Instructions:

Please tick wherever necessary.

PART A

PROFILE OF RESPONDENTS

1.   Gender:

     a. Male   b. Female

2.   Age:

     a. 18 years – 25 years   b. 26 years – 35 years

     c. 36 years – 50 years   d. 51 years – 60 years

3.   Experience

     a. 1 year – 5 years   b. 6 years – 10 years

     c. 11 years – 20 years   d. 20 years to 30 years

     e. 30 + years

4.   Tenure with the current organization

     a. 0 – 2 years   b. 3 – 5 years

     c. 6 – 10 years   d. More than 10 years

5.   Education

     a. Graduate   b. Post Graduate

     c. Professional Degree   d. Others

6.   Position

    a. Top level   b. Middle level   c. Lower Level

7.   Number of employees in the current organization

    a. Less than 100   b. 101 to 500

    c. 501 to 1000   d. More than 1000

PART B

LEADERSHIP DEVELOPMENT

1.   Are you aware of Leadership Development Practices?

    a. Yes   b. No

2.   Are the leadership positions in your organization grown or are they hired?

    a. Grown   b. Hired   c. Both grown and hired

3.   Do you have a written plan for identifying leaders for your business?

    a. Not at all   b. Some times

    c. Most of the times   d. Completely

4.   Does your company have a defined leader identification model?

    a. Not at all   b. Some times

    c. Most of the times   d. Completely

5. Leadership Development is an important agenda of Board meetings in our organization?

    a. Not at all   b. Some times

    c. Most of the times   d. Completely

6. One of the Key Result Areas (KRA's) of managers in my company is to develop future leaders at every level in the organization?

    a. Not at all   b. Some times

    c. Most of the times   d. Completely

7. Do you conduct leadership assessment while hiring?

    a. Not at all   b. Some times

    c. Most of the times   d. Completely

8. Do you run different programs to develop leadership at your organization?

    a. Not at all   b. Some times

    c. Most of the times   d. Completely

9. Are the organizational leadership development programs well integrated with the organization goals?

    a. Not at all   b. Some times

    c. Most of the times   d. Completely

    e. Not applicable

10. Do you do anything different to identify leaders internally?

    a. Yes   b. No

11. What are the leadership training programs currently conducted by your organization?

    a. Assessment Centre   b. Coaching & Mentoring

    c. Job Rotation / Transfers

    d. B – school Assignment – Executive Leadership Development program

    e. No leadership training programs are conducted

12. How does your organization ensure active participation in leadership development programs.

    a. Compulsory Participation

    b. Growth linked to attending the program

    c. Superiors are responsible to ensure participation

    d. By spreading awareness on importance of leadership development programs

13. What percent of leaders in your organization are internally sourced?

    a. Less than 25%   b. Between 26% to 50%

    c. Between 51% to 75%   d. More than 75%

14. What are the different methods used in your organization to identify leaders internally?

    a. Assessment Centres   b. 360 Degree Feedback

    c. Performance Appraisal   d. Leaders are identified informally

    e. We do not find leaders internally

15.   Which is the best option out of the above to identify leaders internally?

   a. Assessment Centres   b. 360 Degree Feedback

   c. Performance Appraisal   d. Leaders identified informally

   e. We do not find leaders internally

16.   What are the different methods used in your organization to identify leaders
       from outside?

   a. Assessment Centres   b. Structured Interview process

   c. Both Assessment Centres as well as Structured Interview process

   d. We do not hire leaders from outside

17.   What is the best method to identify leaders from outside?

   a. Assessment Centres   b. Structured Interview process

   c. Both Assessment Centres as well as Structured Interview process

   d. We do not hire leaders from outside

18.   For what type of leadership positions is the organization forced to look outside
       the existing workforce?

   a. Top level   b. Middle level

19.   How is the effectiveness of leadership development programs assessed in your
       organization?

   a. Feedback   b. Assessing the performance after the program

   c. Follow-up of entire process of the leadership development program

   d. Through business performance

   e. We do not assess the effectiveness of leadership development program

20. Does the organization benchmark against the best practices in Leadership Development?

   a. Yes   b. No   c. Sometimes

PART C

ASSESSMENT CENTRE (A.C.)

1. Are you aware of Assessment Centre as a method to identify leaders.

   a. Yes   b. No

2. Have you undergone Assessment Centre program any time in your career?

   a. Yes   b. No

3. Does your organization use at present or in the past Assessment Centre as a method to identify leaders?

   a. Yes   b. No

4. What percentage of employees undergo Assessment Centre program every year in your organization.

   a. 0 – 5 %   b. 6 – 10 %

   c. More than 10%   d. Not applicable

5. Out of all employees undergoing Assessment Centre program in your organization, what percentage are identified as leaders for top level management positions in a year.

   a. 0 – 25 %   b. 26 – 50 %

   c. 51 – 75%   d. 76 – 100%

   e. Not applicable

6. Out of all employees undergoing Assessment Centre program in your organization, what percentage are identified as leaders for middle level management positions in a year.

   a. 0 – 25 %   b. 26 – 50 %

   c. 51 – 75%   d. 76 – 100%

   e. Not applicable

7. Out of all employees undergoing Assessment Centre program in your organization, what percentage are identified as leaders for junior level management positions in a year.

   a. 0 – 25 %   b. 26 – 50 %

   c. 51 – 75%   d. 76 – 100%

   e. Not applicable

8. How long has your organization used Assessment Centre method?

   a. Less than 2 years   b. 2 – 5 years

   c. 6 – 10 years   d. Over 10 years

   e. Not applicable

9. How satisfied are you with Assessment Centre as a method to identify leaders?

   a. Satisfied   b. Dissatisfied   c. Not applicable

10. How would your employees rate your organizations Assessment Centre program?

   a. Satisfied   b. Dissatisfied   c. Not applicable

11.   How did you develop the Assessment Centre program for your organization?

   a. Developed using internal resources

   b. Purchased off the shelf product

   c. Outside agency

   d. Not applicable

12.   Do you carry out all the activities required to be conducted before the
        Assessment Centre?

   a. Yes   b. No   c. Not applicable

13.   Do you carry out all the activities required to be conducted during the
        Assessment Centre?

   a. Yes   b. No   c. Not applicable

14.   Do you carry out all the activities required to be conducted after the
        Assessment Centre?

   a. Yes   b. No   c. Not applicable

15.   Do you use job simulation while conducting Assessment Centre?

   a. Not at all   b. Some times

   c. Most of the times   d. Completely

   e. Not applicable

16. What in your view is the best job simulation while conducting Assessment Centre?

  a. In-basket exercises   b. Group discussions

  c. Fact-finding exercises   d. Business Games

  f. Not applicable

17. What are the advantages of Assessment Centre? Please rank the advantages from 1 to 4 where 1 is the most best and 4 is the last best advantage.

                                                                                        Rank

  a. Fair and accurate way of selecting a candidate.   _____

  b. Enhances the knowledge of the participants.   _____

  c. Gives opportunity to individuals who are talented.   _____

  d. Predict future job performance.   _____

18. What are the disadvantages of Assessment Centre? Please rank the disadvantages from 1 to 4 where 1 is the most disadvantage and 4 is the least disadvantage.

                                                                                        Rank

  a. Costly and time consuming.   _____

  b. Requires highly skilled observers.   _____

  c. De-motivation and loss of confidence for those who receive

     poor assessment.   _____

  d. Even in 3 or 4 days, personal characteristics cannot be

     measured accurately.   _____

19. Do you think Assessment Centre method should be used to identify and develop leaders in your company?

a. Yes   b. No   c. Can't Say

20. Do you think leaders identified through Assessment Centre in your organization give better results than leaders identified through other methods?

a. Not at all   b. Some times

c. Most of the times   d. Completely

e. Not applicable

21. Out of employees identified as leaders through Assessment Centre method, what percentage is in leadership position in your organization.

a. 0 – 25%   b. 26 – 50%

c. 51 – 75%   d. 76 – 100%

e. Not applicable

22. What is the attrition percentage in the last one year for employees who have been identified as leaders through Assessment Centre method?

a. 0 – 5%   b. 6 – 10%   c. More than 10%

23. What are the problems in implementing Assessment Centre method?

a. Costly method   b. Time consuming

c. Difficult to schedule participants together.

24.   What measures will you suggest to improve leadership development methods?

    a. Make leadership development an important agenda of board meetings

    b. Have a written plan to identify leaders

    c. Define a leader identification model for your organization

    d. Integrate leadership development programs with organization goals