



LEADERSHIP DEVELOPMENT

CONTENTS

Leadership development, History and Theory

01 02

Psychological
Perspectives

Management/leadership
Perspectives

Oda Approach

03 04

ODA Model For
Leadership
Development

Human Capital
Development

05 06

Social Capital
Development

Cultural Capital
Development



LEADERSHIP DEVELOPMENT, HISTORY AND THEORY

One of the major challenges organizations face today is creating a steady pipeline of “ready-now” leaders to move up into positions of greater scope and responsibility – and fast growing organizations feel this challenge even more than others.

Another critical challenge faced by organizations is the need to align the leadership development initiatives to their business context so that leaders are able to solve organisational challenges and support growth and transformation. Is your current leadership development initiative delivering business result?

How can you address the above-mentioned challenges and create leaders and change agents in an accelerated way? How can organizations provide their leaders the mindsets, values and skills needed to take on bigger roles and drive culture change and transformation? Before we get into that, it is worthwhile to look at the evolution of leadership theories and the related psychological concepts to understand the basis of some of our leadership development approaches and assumptions. A review of the leadership literature reveals an evolving series of 'schools of thought' from “Great Man” and “Trait” theories to “Transformational” leadership. Most leadership theories have their roots in Psychology.

Two major schools dominated middle of the 20th century psychology, Behaviourism and Psychoanalysis. One can see the influence of these schools in the leadership theories that emerged during that time.

The critics challenged that the behavioral psychologists studied animals and developed their theories to understand human psyche and the psychoanalysts studied people who have psychological problems to understand human psyche.

Thus both these schools faced criticism that they did not study healthy human beings to understand human drives and motivations.

Increased dissatisfaction with these two approaches, as adequate representation of human psyche, led to Humanistic Psychology. Abraham Maslow, an American psychologist, emerged as the most articulate representative of Humanistic psychology. This had a huge impact on leadership development models that focused on strength based approach and emphasised on connecting and leveraging a leader's strengths to his purpose.



Humanistic psychologists later (at least some of them) realised that the understanding on the psyche in the industrial civilisation is seriously biased in two ways; it is ethnocentric and cognicentric.



Ethnocentric because it is primarily influenced by western philosophy and thought and congenicentric because it focuses only on observations made in ordinary states of consciousness but avoids information collected at non ordinary states of consciousness and spiritual experiences.

While Humanistic psychologists focused on feelings and "here and now" and also experimented with mind body connections, a new group of researchers created Transpersonal psychology that also looked at the spiritual being, eastern spiritual practices and even and shamanistic practices and altered states of consciousness.

Let's take a quick look at some of the more dominant or better-known leadership theories:

The Great Man Theory: Originally proposed by Scottish writer, Thomas Carlyle, in the late 19th century, this theory assumed that "great leaders will arise, when there is a great need" – and was deeply influenced by classical mythology and evidenced by people such as Napoleon, Muhammad, and later Churchill and Eisenhower. The theory is based on the belief that leaders are exceptional people, born with innate qualities, destined to lead. The use of the term 'man' was intentional since until the latter part of the twentieth century leadership was thought of as a concept, which is primarily male. This led to the next school of Trait Theories.

Trait Theory: This theory postulates that people are either born or not born with the qualities that predispose them to success in leadership roles. That is, that certain inherited qualities, such as personality and cognitive ability, are what underlie effective leadership. Much of the science of Trait theory builds around rigorous attempts at identifying and measuring traits.

Behavioral Theories: These concentrate on what leaders actually do rather than on their qualities or innate traits. Different patterns of behaviour are observed and categorised as 'styles of leadership'. By doing so, behavioral theory assumes that leadership qualities can be learned and taught, rather than inherit


ed. This area has probably attracted most attention from practising managers. Blake and Mouton's Managerial Grid, became a popular reference point for assessing leadership styles by pinning behaviors on a map that identifies the leader's intensity of concern for people and production. Another popular behavioural theory came out in the 1960's was Douglas McGregor's 'Theory X' and Theory Y' McGregor terms the two models as 'Theory X', which stresses the importance of strict supervision and external rewards and penalties; and 'Theory Y', which highlights the motivating role of job satisfaction and allows scope for workers to approach tasks creatively.

Situational Theories of Leadership. In 1969 Paul Hersey and Ken Blanchard developed a model that theorized that successful leaders are those who can adapt their leadership style to the experience, maturity and ability of those whom they wish to lead – and efficacy is dependent mostly on specific task and function. Situational leadership models focus, and attempt to measure, the competence and commitment of both the leader and the group being led.

Contingency Theory of Leadership: suggests that a leader's effectiveness is contingent on how well the leader's style matches a specific situation or setting. This is a refinement of the situational viewpoint and focuses on identifying the situational variables which best predict the most appropriate or effective leadership style to fit the particular circumstances.

IF WE UNDERSTAND ORGANISATIONS AS OPEN SYSTEMS WE CAN ASSUME THE FOLLOWING POINTS:

- **The organisation is an open system, which interacts with the environment and is continually adapting and improving**
- **The organisation influences and is influenced by the environment in which it operates. If an organisation is to be effective it must pay attention to the external environment, and take steps to adjust itself to accommodate the changes in order to remain relevant**
- **All parts of the organisation are interconnected and interdependent; if one part of the system is affected, all parts are.**



Transactional Leadership theory: Popularized in the 1970s and 1980s (Bernard Bass), this approach focuses on the exchanges that take place between leaders and followers. It is based in the notion that a leader's job is to create structures that make it abundantly clear what is expected of his/her followers and also the consequences (i.e. rewards and punishments) for meeting or not meeting these expectations. This theory is often likened to the concept and practice of management and continues to be an extremely common component of many leadership models. The theory is limited in its application to situations that are highly process driven and are primarily concerned with maintaining "the normal flow of operations."

Transformational Leadership: This theory states that leadership is the process by which a leader engages with his people and is able to create a connection that results in increased motivation and morality. Through vision and strength of personality, transformational leaders can inspire followers to achieve results. Fundamental to this theory is that transformational leaders demonstrate charisma, intellectual and "inspirational meditation" and concern for followers. This theory is often discussed in contrast with transactional leadership.

It is quite apparent that each of these theories takes a rather individualistic perspective of the leader. The leadership theories and their applications in leadership development focused on the relationship between a leader and the constituents or specific traits leaders needed - regardless of the context.

Most leadership theories looked at organizations as closed, isolated systems and placed primary focus on individual leader traits - or the relationship between leader and his constituents and these theories place marginal focus on how to account for external factors and the environment. By paying attention mostly to the individual, rather than the context in which they operate, leaders are "disabled" from being successful when they operate in new settings – the list of managers and leaders who have failed in new environments is large - and ever-growing.

ODA

APPROACH

TO LEADERSHIP

DEVELOPMENT



Traditional approaches to leadership development often fail to deliver on their promise in this fast-changing and increasingly interconnected world.

Though theories mentioned before form a foundation for modern leadership development and thinking, a more rigorous and adaptable framework for leadership development is still required to make leadership more adaptable, relevant and linked to sustainability of organisation performance and health.

At OD Alternatives (ODA), we with our two decades of research and experience in leadership development have evolved our Leadership Model that have helped organizations develop real Leadership Capacity and enabled them to advance ambitious strategic agendas.

We believe that to evolve a leadership development philosophy, our understanding of what constitute leadership need to expand. Without this new understanding and perspective we would be still training our leaders on "tried and tested" leadership behaviors.

We know that due to the increasing complexity of organisations leadership is not limited to formally appointed leaders or top leaders. There is emphasis

that leadership is important throughout an organisation. We also know top leaders may not have 'sufficient and relevant information to make highly effective decisions in a fast-changing and complex world' and many critical leadership issues cannot be addressed by single leaders, even at the top.

Leadership theory should, in an ideal world, inform leadership development practice. Many leadership development programmes, however, lack a clearly articulated perspective on leadership beyond a competence, behaviour and values approach. If we probe the theory behind the leadership practices many organisations follow, we might find that they focus on building leaders rather than building real leadership capacity.

Leader development is only one aspect of leadership development. It focuses on developing an individual's knowledge, skills, and abilities (also referred to as Human capital). This practice is driven by the achievement of personal goals and, when successful, yields individual progress, outcomes and results.

WE

BELIEVE



- That leadership involves multiple actors who take up leadership roles both formally and informally, and importantly, share leadership by working collaboratively, often across organisational or professional boundaries
- That leadership can be distributed away from the top of an organisation and this distribution takes the form of new practices and innovations as well as ‘leaders at many levels’
- That leadership needs to be understood in terms of leadership practices and organisational interventions and not just in terms of leader attributes and leader–follower relationships.

Therefore we focus on **Building Real Leadership Capacity**, which in addition to building the **Human Capital** also focuses on building **networked relationships (Social Capital)** as well as **strengthening engagement and shaping the culture (Cultural Capital)**. It is driven by **collective goals**. Consequently, when successful, it yields **collective outcomes and results**.

We depart from conventional thinking when we take a “**Whole System**” perspective whereby instead of putting the entire weight of leadership on individual leaders and their capabilities, we think it is important to examine how the whole system is involved in making leadership happen. In our “**whole system**” perspective, leadership happens across teams, levels, and functions. The focus shifts from the individual to the collective.

THE IMPLICATIONS FOR LEADERSHIP DEVELOPMENT ARE THAT:

- While competent leaders are important, development that is focused on leader attributes alone will be insufficient to bring about desired organisational change
- Leadership development needs to be deeply embedded and driven out of the context and the challenges that leaders in the organisation face collectively
- Such leadership development focuses on roles, relations and practices in the specific organisation context and requires conversations and learning with people who share that context.

We also believe that leadership should be developed not only collectively but also contextually. Most leadership development initiatives are just developing an individual without paying attention to the larger context or keeping in mind that organisations are open adaptive systems.

Our Leadership Model is aligned with the groundbreaking model of leadership called 'Adaptive Leadership' by Dr. Roland Heifetz, the Founding Director of the Center for Public Leadership of the Harvard Kennedy School. Adaptive Leadership is a practical leadership framework that helps individuals and organizations adapt and thrive in challenging environments. It is being able, both individually and collectively, to take on the gradual but meaningful process of change. Adaptive leadership is needed when organisations face challenges that require them to re-think their assumptions and practices.

Adaptive leaders are always looking outward and realigning their organisations with a shifting environment. Context is a critical component of our Leadership Model. By context we are referring to the Business Context, the Customer context and the Socio-Economic context in which the organisation operates as we believe organisations are an "Open System" and highly adaptable. Healthy open systems continuously exchange feedback with their environments, analyze that feedback, adjust internal systems as needed to achieve the system's goals, and then transmit necessary information back out to the environment.

While senior leadership might be aware of the contextual influence on their organisation, this is not often communicated or no system wide processes are created to help everyone understand and adjust with the context. To have the contextual awareness senior leadership should be actively involved as sponsors for any leadership development programs. This is the reason our leadership development initiatives are closely linked to the culture, strategy and the business context and is aimed at creating organisation wide capability and transformation.



ODA'S

LEADERSHIP

DEVELOPMENT

MODEL



NOW LET US TAKE A LOOK AT THREE ASPECTS WE FOCUS ON WHILE IMPLEMENTING A LEADERSHIP DEVELOPMENT INTERVENTION

HUMAN CAPITAL DEVELOPMENT

Human Capital as a concept is an extension of Adam Smith's (the founder of modern Economics) explanation of how investments, in the form of effort, time, and finance, in education and personal mastery undertaken by individuals or a group of workers creates in the labour-force a skill-base that is indispensable for a competitive advantage.

Although there are many interpretations of the theory, the core model assumes that an individual's stock of knowledge is directly related to systemic productivity; the greater the input into the knowledge stock the greater the output in the form of an individual's ability to adapt to changes and shocks in the environment

When we work with a client we understand the context and within that what competencies individuals need to demonstrate to be successful in their organisations. We look at building the individual's capability to lead in multiple contexts, build self-awareness, strength awareness and help them create a leadership stand that will steer them towards their personal and professional goals that are aligned with the organisation's goals.

We use an Appreciative and Strength based approach to build human capital focusing on Humanistic psychology and Transpersonal psychology. One on one coaching is also an effective tool that we have used in many of our leadership development initiatives to build human capital.

CULTURAL CAPITAL

Cultural capital defines how people engage each other and their resources. Whether the culture of an organisation is good or bad - cultural capital is created when values, traditions, beliefs and language become the currency to leverage other types of capital. Organisations that focus on incorporating their cultural values into their everyday functioning are exercising values-driven leadership and in doing so they are building their cultural capital to successfully meet the demands for higher performance, enhanced adaptability and the attraction and retention of talented staff. Cultural capital is defined as: "The value attached to the collective mental programming (values, beliefs and behaviour) of the organisation that supports its relationships with its employees, customers and society."

We help leaders across organisations to understand, appreciate and demonstrate the cultural values and help leaders role model those values so that whoever they are in touch with get influenced with those values. Creating a framework for mentoring by senior, more experienced leaders also help build the cultural capital in others. Looking at the Vision and values of the organisation, we help our participants inculcate the values, demonstrate them and use them to create cultural advantage that would become a competitive advantage. As we work extensively with our clients in the area of culture change and organisation values, we understand the impact of cultural capital in creating shared leadership.

SOCIAL CAPITAL

Social capital is the trusted networks that an individual is part of and the learnings that he or she could leverage from the network. Social capital is the power of your network. We all know that work most of the time does not get done through formal structures but through informal networks.

Formal structures and leaders remain an integral part of organisations. We, however, must also develop the ability to look beyond the organisational chart to see, understand, and engage the informal, invisible structure supporting the organisation. When we do that we can see multiple networks in action.

One could be a network that gets the day-to-day work done, another would be the social network within an organisation comprising of people who interact and meet socially. There could be another trusted network where one would go to get advice on career advancements and solutions for career issues.

At a leadership level, it becomes more difficult to compete just on individual competency when everyone is highly skilled and experienced. While the content or the knowledge is important the 'context' or how internal and external content is interpreted and integrated to convert them into new insights becomes very critical.

Creating competitive context is the ability to find, utilise and combine the skills, knowledge and experience of others, inside and outside of the organization-through employee networks or the social capital of the organisation. Are you an isolated island with lots of knowledge or are you someone who is effectively using the knowledge embedded in the network? There is a growing recognition of what makes employees successful at work. It is their personal expertise combined with their networks of professionals inside and outside the organisation. Hierarchies promote evolutionary change, while networks spark revolutionary innovation.

Our Leadership Development approach focuses on building Human Capital, Cultural Capital and Social Capital connected to the Business, Customer and Socio-Economic context of an organisation. Our focus is not on the individual leader but a process that builds shared leadership, foster networks and collaboration and make cultural value come alive.

ODA HAS PARTNERED WITH ORGANISATIONS SUCH AS ADITYA BIRLA, ABBOTT, MERCEDES BENZ, RBS, SCHNEIDER ELECTRIC, NOVARTIS, MSD, RANBAXY, IDFC, VODAFONE FOR LEADERSHIP DEVELOPMENT.

