CHAPTER 3.

INTERNATIONAL PRACTICES IN LEADERSHIP DEVELOPMENT

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

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.